THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jinhui Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

TWO MAJOR TRANSACTIONS
ACQUISITION OF TWO VESSELS

27 March 2024

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In this circular, the following expressions have the following meanings unless the context indicates otherwise:

"Acquisition of the First Vessel"	the acquisition of the First Vessel under the First Agreement;
"Acquisition of the Second Vessel"	the acquisition of the Second Vessel under the Second Agreement;
"associates"	has the same meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Capesize"	a dry bulk vessel of deadweight approximately 120,000 metric tons or above;
"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 2 February 2024 entered into between the First Vendor and the First Purchaser in respect of the acquisition of the First Vessel;
"First Purchaser"	Jincheng Maritime Inc., a wholly-owned subsidiary of Jinhui Shipping;
"First Vendor"	Dynamic Shipping Navigation S.A., a company incorporated in the Republic of Panama;
"First Vessel"	a deadweight 181,279 metric tons bulk carrier "NEW DELIGHT" registered in the Republic of Panama;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Independent Third Parties"	person(s) (and in case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates within the meaning of the Listing Rules;

"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 the Latest Practicable Date, whose shares are listed on the Oslo Stock Exchange (stock code: JIN);
"Jinhui Shipping Shares"	ordinary shares of US$0.05 each in the share capital of Jinhui Shipping;
"Latest Practicable Date"	22 March 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Panamax"	a dry bulk vessel of deadweight approximately between 70,000 metric tons to 90,000 metric tons;
"Second Agreement"	the memorandum of agreement dated 21 February 2024 entered into between the Second Vendor and the Second Purchaser in respect of the acquisition of the Second Vessel;
"Second Purchaser"	Jinli Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"Second Vendor"	Vincent ACL Ltd, a company incorporated in the Republic of the Marshall Islands;
"Second Vessel"	a deadweight 81,567 metric tons bulk carrier "VINCENT TRADER" registered in the Republic of Panama and Philippines;
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Shareholder(s)"	shareholder(s) of the Company;
"Shares"	ordinary shares of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Supramaxes"	dry cargo vessels of deadweight approximately 50,000 metric tons;
"HK$"	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.

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

Directors:	*Registered office:*
Ng Siu Fai *(Chairman)*	26th Floor
Ng Kam Wah Thomas *(Managing Director)*	Yardley Commercial Building
Ng Ki Hung Frankie	1-6 Connaught Road West
Ho Suk Lin	Hong Kong
Cui Jianhua *	
Tsui Che Yin Frank *	
William Yau *	

* *Independent Non-executive Director*

27 March 2024

To the Shareholders,

Dear Sir or Madam,

TWO MAJOR TRANSACTIONS
ACQUISITION OF TWO VESSELS

INTRODUCTION

The Directors refer to the followings:

(i) announcement of the Company dated 2 February 2024 in relation to the acquisition of the First Vessel by the First Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the First Agreement with the First Vendor in respect of the acquisition of the First Vessel on 2 February 2024. The purchase price of the First Vessel is US$30,950,000 (approximately HK$241,410,000). The First Vessel will be delivered by the First Vendor to the First Purchaser between 1 July 2024 and 15 September 2024.

(ii) announcement of the Company dated 21 February 2024 in relation to the acquisition of the Second Vessel by the Second Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Second Agreement with the Second Vendor in respect of the acquisition of the Second Vessel on 21 February 2024. The purchase price of the Second Vessel is US$31,122,450 (approximately HK$242,755,000). The Second Vessel will be delivered by the Second Vendor to the Second Purchaser between 1 April 2024 and 15 June 2024.

The purpose of this circular is to give you further information in relation to the Acquisition of the First Vessel and the Acquisition of the Second Vessel.

THE ACQUISITION OF THE FIRST VESSEL

Information on the Group and the First 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 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 the Latest Practicable Date. The principal activities of the First Purchaser are ship owning and chartering.

First Vendor

The First Vendor is Dynamic Shipping Navigation S.A., a company incorporated in the Republic of Panama with principal activities of shipping business. Dynamic Shipping Navigation S.A. is wholly owned by Dyna Shipping S.A., a company incorporated in the Republic of Panama with principal activities of operating of ships and other shipping business, which is owned by its ultimate beneficial owner – Mr. Chiu, Cheng-Hsi.

To the best of the Board’s knowledge, information and belief having made all reasonable enquiry, the First Vendor, Dyna Shipping S.A. and its ultimate beneficial owner are Independent Third Parties.

First Vessel

The First Vessel is a Capesize of deadweight 181,279 metric tons, built in year 2012 by Imabari Shipbuilding Co., Ltd. at Saijo Shipyard in Japan. The First Vendor warrants that the First Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts. The First Vessel will be delivered to the Group on a free from charter basis.

Consideration

Under the First Agreement, the purchase price for the First Vessel is US$30,950,000 (approximately HK$241,410,000) and is payable by the First Purchaser as follows:

(1) an initial deposit of US$3,095,000 (approximately HK$24,141,000) was paid by the First Purchaser on 6 February 2024; and

(2) the balance of US$27,855,000 (approximately HK$217,269,000) will be payable by the First Purchaser on the delivery of the First Vessel which will take place between 1 July 2024 and 15 September 2024.

The purchase price for the First Vessel will be payable by cash in United States Dollars. The purchase price of the First 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, valuation from independent valuer and on the basis of arm's length negotiations with the First Vendor.

In the course of negotiating the consideration of the First Vessel, the Group has obtained indicative valuation of the First Vessel from Clarkson Valuations Limited (the "Clarkson Valuations"), an independent valuer and an affiliate of Clarkson PLC, a shipbroking group in London, and engaged Clarkson Valuations to provide a formal valuation certificate in respect of the First Vessel. In respect of the valuation of the First Vessel, the Company has reviewed the valuation certificate and discussed with Clarkson Valuations about the valuation approach and methodology adopted in the valuation of the First Vessel. Market approach is considered a common method to adopt when market comparables are available and is a common method to be adopted when there is sufficient relevant information to show the price levels that buyers are willing to pay and sellers are willing to sell in the shipping market. Market comparison approach assumes the vessels being sold in their existing states by reference to comparable recently concluded sale transactions as available in the relevant market. Vessels with comparable age, size, country and reputation of shipbuilders are taken into account and appropriately adjusted in order to arrive the fair value of the vessels. Such approach is the most commonly known valuation approach and it is the most simple and direct method as relevant comparable market transactions are available in the open market. Clarkson Valuations has considered the factors including (i) the quality and reputation of the shipbuilder; (ii) the configurations and specifications of the First Vessel; (iii) the country where the First Vessel was built; (iv) recent market activities including comparison with recent sales by age/size/quality of shipyard; and (v) the prices of similar vessels which are for sale but unsold. Besides, Clarkson Valuations has considered their own internal database and shipbrokers shipping reports include but not limited to Arrow Shipbrokers, Clarksons Shipping Intelligence Weekly, Hartland Shipping Services, Advanced Shipping & Trading S.A. Market Research, etc. References for the First Vessel to recent market traded transactions at the end of 2023 were a 2013-built BWTS Fitted Capesize 'Frontier Brilliance', shipyard Imabari, Japan was reported sold for US$30.5 million and a 2014-built BWTS Fitted Capesize 'True Cartier', shipyard Imabari, Japan was reported sold for US$37 million.

Having assessed all the above factors, Clarkson Valuations reached the opinion of the evaluation of the First Vessel, which Clarkson Valuations believed would reflect the market value of the First Vessel at the date of the valuation. According to Clarkson Valuations, the market value of the First Vessel as at 30 January 2024 was US$31 million (approximately HK$241.8 million).

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. In the process of gathering the market intelligence from shipbrokers, we receive market information on the sale and purchase market of second hand vessels on a daily basis from international shipbrokers. We also discuss with international shipbrokers frequently to gather market intelligence on what vessels are being put on sale, which owners are looking to buy or sell their vessels on a worldwide basis. During the course of determine the purchase price of the First Vessel, the Company has also considered the general conditions of the First Vessel, the classification record of the First Vessel, the age and size, the shipyard where the First Vessel was originally built and the date for next drydocking inspection. However, as each vessel is never identical, management has based on the experiences and market knowledge to consider.

We then came up with some options on each of the available for sale vessel that fits or is a close fit to the criteria of the Group's business operations, types of customers and/or cargoes the Group target. Such information focuses on the physical conditions of the relevant vessels and these are the particulars that the Group considers in making a purchase decision.

It is currently expected that approximately 70% of the purchase price of the First Vessel will be funded by bank financing and the remaining will be funded by internal resources of the Group.

The Directors consider that the purchase price of the First Vessel is fair and reasonable and the Acquisition of the First Vessel is in the interests of the Company and its shareholders as a whole.

THE ACQUISITION OF THE SECOND VESSEL

Information on the Group and the Second 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 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 the Latest Practicable Date. The principal activities of the Second Purchaser are ship owning and chartering.

Second Vendor

The Second Vendor is Vincent ACL Ltd, a company incorporated in the Republic of the Marshall Islands with principal activities of ship owning and chartering. The ultimate beneficial owner of Vincent ACL Ltd is Ashley Group Holdings Limited with the largest shareholder Mr. Christopher Ashley Mann, holding 25% to 50% of Ashley Group Holdings Limited, as filed under the UK Companies House.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Second Vendor, Ashley Group Holdings Limited and its ultimate beneficial owner are Independent Third Parties.

Second Vessel

The Second Vessel is a Panamax of deadweight 81,567 metric tons, built in year 2019 by Jiangsu Hantong Ship Heavy Industry Co., Ltd. The Second Vendor warrants that the Second Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts. The Second Vessel will be delivered to the Group on a free from charter basis.

Consideration

Under the Second Agreement, the purchase price for the Second Vessel is US$31,122,450 (approximately HK$242,755,000) and is payable by the Second Purchaser as follows:

(1) an initial deposit of US$3,112,245 (approximately HK$24,275,000) was paid by the Second Purchaser on 29 February 2024; and

(2) the balance of US$28,010,205 (approximately HK$218,480,000) will be payable by the Second Purchaser on the delivery of the Second Vessel which will take place between 1 April 2024 and 15 June 2024.

The purchase price for the Second Vessel will be payable by cash in United States Dollars. The purchase price of 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, valuation from independent valuer and on the basis of arm's length negotiations with the Second Vendor.

In the course of negotiating the consideration of the Second Vessel, the Group has obtained indicative valuation of the Second Vessel from Braemar Valuations Limited ("Braemar Valuations"), an independent valuer, to provide a formal valuation certificate in respect of the Second Vessel. In respect of the valuation of the Second Vessel, the Company has reviewed the valuation certificate and discussed with Braemar Valuations about the valuation approach and methodology adopted in the valuation of the Second Vessel. Market approach is considered a common method to adopt when market comparables are available and is a common method to be adopted when there is sufficient relevant information to show the price levels that buyers are willing to pay and sellers are willing to sell in the shipping market. Market comparison approach assumes the vessels being sold in their existing states by reference to comparable recently concluded sale transactions as available in the relevant market. Vessels with comparable age, size, country and reputation of shipbuilders are taken into account and appropriately adjusted in order to arrive the fair value of the vessels. Such approach is the most commonly known valuation approach and it is the most simple and direct method as relevant comparable market transactions are available in the open market. Braemar Valuations has considered the factors including (i) the quality and reputation of the shipbuilder; (ii) the configurations and specifications of the Second Vessel; (iii) the country where the Second Vessel was built; (iv) recent market activities including comparison with recent sales by age/size/quality of shipyard; and (v) the prices of similar vessels which are for sale but unsold. Besides, Braemar Valuations has considered their own internal database and shipbrokers shipping reports include but not limited to Arrow Shipbrokers, Clarksons Shipping Intelligence Weekly, Hartland Shipping Services, Advanced Shipping & Trading S.A. Market Research, etc. References for the Second Vessel to recent market traded transactions at the end of 2023 were a 2019-built Panamax 'Kai Oldendorff', shipyard Jiangsu was reported sold for US$30.75 million and a 2020-built Panamax 'Aquavita Sol', shipyard Jiangsu was reported sold for US$30.5 million.

Having assessed all the above factors, Braemar Valuations reached the opinion of the evaluation of the Second Vessel, which Braemar Valuations believed would reflect the market value of the Second Vessel at the date of the valuation. According to Braemar Valuations, the market value of the Second Vessel as at 21 February 2024 was US$31.5 million (approximately HK$245.7 million).

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. In the process of gathering the market intelligence from shipbrokers, we receive market information on the sale and purchase market of second hand vessels on a daily basis from international shipbrokers. We also discuss with international shipbrokers frequently to gather market intelligence on what vessels are being put on sale, which owners are looking to buy or sell their vessels on a worldwide basis. During the course of determine the purchase price of the Second Vessel, the Company has also considered the general conditions of the Second Vessel, the classification record of the Second Vessel, the age and size, the shipyard where the Second Vessel was originally built and the date for next drydocking inspection. However, as each vessel is never identical, management has based on the experiences and market knowledge to consider.

We then came up with some options on each of the available for sale vessel that fits or is a close fit to the criteria of the Group's business operations, types of customers and/or cargoes the Group target. Such information focuses on the physical conditions of the relevant vessels and these are the particulars that the Group considers in making a purchase decision.

It is currently expected that approximately 70% of the purchase price of the Second Vessel will be funded by bank financing and the remaining will be funded by internal resources of the Group.

The Directors consider that the purchase price of the Second Vessel is fair and reasonable and the Acquisition of the Second Vessel is in the interests of the Company and its shareholders as a whole.

REASONS FOR THE ACQUISITION OF THE FIRST VESSEL AND THE ACQUISITION OF THE SECOND VESSEL

The Group's principal activities are international ship chartering and ship owning. Despite the recent development in the shipping market, the Directors continuously review the prevailing market conditions of the shipping industry and continue to seek to fine tune the quality of our fleet and adjust the Group's fleet profile as appropriate. The Directors believe that the Acquisition of the First Vessel and the Acquisition of the Second Vessel will enable the Group to optimize the fleet profile through this ongoing management of asset portfolio.

We try to strike as good as possible, the balance of additional maintenance costs that is associated with the aging of a vessel, the expected revenue generating ability and cargo flexibility when compared to younger vessels, the potential asset value appreciation of an asset, as well as the importance of ensuring we are financially nimble by monetizing suitable assets. We believe in being prepared at all times for future possible opportunities of redeployment of capital into other more suitable assets that may arise going forward while keeping leverage at comfortable levels. 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 of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

The First Vessel is a Capesize and the Second Vessel is a Panamax for the transportation of dry bulk commodities. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of the First Vessel and the Second Vessel and consider the purchase price of the First Vessel and the Second Vessel is reasonable. The Group currently operates twenty four vessels, of which twenty two are owned vessels and two are chartered-in vessels. After the completion of the delivery of the First Vessel and the Second Vessel, the Group's fleet will consist of twenty six vessels, including twenty four owned vessels and two chartered-in vessels, with total carrying capacity of 1,708,568 metric tons.

Upon the completion of the acquisition of the First Vessel and the Second Vessel, both vessels will be chartered out to third parties for the transportation of dry bulk commodities to receive charter hire and to generate recurring chartering freight and hire income for the Group. The Company believes that the Acquisition of the First Vessel and the Acquisition of the Second Vessel will allow the Group to generate more operating income and increase the returns of the Company in the future.

In face of the increasing uncertainties from the external environment, the Group will continue to stay alert to any unforeseen changes to market and carry out any investment decisions cautiously, with a view to create sustainable return to Shareholders in long term.

Possible financial effects of the Acquisition of the First Vessel and the Acquisition of the Second Vessel

Upon the completion of the Acquisition of the First Vessel, it is expected that the Group's non-current assets will be increased by approximately HK$241.41 million, being the recognition of the First Vessel as property, plant and equipment, and the Group's total liabilities will be increased by approximately HK$168.99 million, being approximately 70% of the total consideration paid for the First Vessel from bank financing, and the Group's current assets will be decreased by approximately HK$72.42 million, being the remaining consideration paid for the First Vessel from bank balances and cash.

Upon the completion of the Acquisition of the Second Vessel, it is expected that the Group's non-current assets will be increased by approximately HK$242.76 million, being the recognition of the Second Vessel as property, plant and equipment, and the Group's total liabilities will be increased by approximately HK$169.93 million, being approximately 70% of the total consideration paid for the Second Vessel from bank financing, and the Group's current assets will be decreased by approximately HK$72.83 million, being the remaining consideration paid for the Second Vessel from bank balances and cash.

Both the First Vessel and the Second Vessel will generate recurring chartering freight and hire income which will be recorded as revenue of the Group and the relevant shipping related expenses and depreciation will be recorded as expenses of the Group. Save as disclosed herein, the Acquisition of the First Vessel and the Acquisition of the Second Vessel will not have any material impact on earnings, the total assets, total liabilities and net asset value of the Group.

LISTING RULES IMPLICATION

THE ACQUISITION OF THE FIRST VESSEL

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition of the First Vessel exceed 25% but are less than 100%, the Acquisition of the First Vessel constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

Under Rule 14.44 of the Listing Rules, shareholders' approval for the Acquisition of the First Vessel may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (1) no shareholder is required to abstain from voting if the company were to convene a general meeting for the approval of the transactions; and (2) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

Fairline Consultants Limited ("Fairline") and Timberfield Limited ("Timberfield") are closely allied group of shareholders who hold 205,325,568 Shares and 136,883,712 Shares respectively, and together hold 342,209,280 Shares which represent approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company. Fairline and Timberfield also hold 407,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 667,858 Jinhui Shipping Shares which represent approximately 0.61% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, is the sole beneficial owner of Timberfield. Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are brothers and the two founders of the Group. Fairline and Timberfield are not interested in the Acquisition of the First Vessel other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Acquisition of the First Vessel if the Company were to convene a general meeting for the approval of the Acquisition of the First Vessel, and the Acquisition of the First Vessel had been approved by written shareholders' approvals from Fairline and Timberfield.

As stated in the preceding paragraphs, the Directors are of the view that the Acquisition of the First Vessel and transaction contemplated thereunder is in the ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and the terms for the Acquisition of the First Vessel is fair and reasonable. Although a general meeting would not be convened by the Company to approve the Acquisition of the First Vessel and the transaction contemplated thereunder, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Acquisition of the First Vessel and the transaction contemplated thereunder.

THE ACQUISITION OF THE SECOND VESSEL

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition of the Second Vessel exceed 25% but are less than 100%, the Acquisition of the Second Vessel constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

Under Rule 14.44 of the Listing Rules, shareholders' approval for the Acquisition of the Second Vessel may be obtained by way of written shareholders' approval in lieu of holding a general meeting if (1) no shareholder is required to abstain from voting if the company were to convene a general meeting for the approval of the transactions; and (2) written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

Fairline and Timberfield are closely allied group of shareholders who hold 205,325,568 Shares and 136,883,712 Shares respectively, and together hold 342,209,280 Shares which represent approximately 64.53% of the total issued shares of the Company and voting rights in general meetings of the Company. Fairline and Timberfield also hold 407,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 667,858 Jinhui Shipping Shares which represent approximately 0.61% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, is the sole beneficial owner of Timberfield. Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are brothers and the two founders of the Group. Fairline and Timberfield are not interested in the Acquisition of the Second Vessel other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Acquisition of the Second Vessel if the Company were to convene a general meeting for the approval of the Acquisition of the Second Vessel, and the Acquisition of the Second Vessel had been approved by written shareholders' approvals from Fairline and Timberfield.

As stated in the preceding paragraphs, the Directors are of the view that the Acquisition of the Second Vessel and transaction contemplated thereunder is in the ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and the terms for the Acquisition of the Second Vessel is fair and reasonable. Although a general meeting would not be convened by the Company to approve the Acquisition of the Second Vessel and the transaction contemplated thereunder, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Acquisition of the Second Vessel and the transaction contemplated thereunder.

CERTAIN INFORMATION REQUIRED UNDER THE LISTING RULES

According to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with an identifiable income stream or assets valuation, the Company is required to include in the circular a profit and loss statement and valuation (where available) for the three preceding financial years on the identifiable net income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable net income stream in relation to the First Vessel and the Second Vessel in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the First Vendor and the Second Vendor covering the relevant period is required. However, despite requests made by the Company with the First Vendor and the Second Vendor, the First Vendor and the Second Vendor have not agreed to grant permission for the Group and/or the Company's auditor to gain full access to the relevant underlying books and records of the First Vendor and the Second Vendor nor have they agreed to provide the Group with the above specific information in relation to the First Vessel and Second Vessel for public disclosure. Besides, the First Vendor and the Second Vendor are not public listed company, the accounts, books and accounting records are not available to the public. Without the aforesaid full access to the underlying books and records of the First Vessel and the Second Vessel granted by the First Vendor and the Second Vendor respectively, it would not be possible for the Company to properly compile the profit and loss statements for the net income stream of the First Vessel and the Second Vessel for the relevant period for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for, and was granted by the Stock Exchange, a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules. The Company believes that Shareholders will not be prejudiced even if they are not provided with the information under Rule 14.67(6)(b)(i). Given that the dry bulk shipping market is highly volatile, the income and expenses of dry bulk vessels fluctuate depending on a number of external factors. A principal factor which affects the amount of income generated by a vessel is the prevailing market conditions. Besides, the historical results of operations of the First Vessel and the Second Vessel only indicate the performance of the First Vessel and the Second Vessel under management of the First Vendor and the Second Vendor, the First Vendor and the Second Vendor's charter contracts and operating practices and prevailing market conditions which are not necessarily indicative of its future potential results. The future earnings of a vessel largely depend on the spot rate under the dry bulk future market conditions and management of the ship owner, the type of commodity trade, customer base engaged and skills in deploying the vessels to maximize utilization with minimal disruptions. Hence, the previous financial performance of the First Vessel and the Second Vessel would provide no benchmark of its performance under the Company's use. On this basis, it is submitted that inclusion of the historical results of operations of the First Vessel and the Second Vessel would present limited value to the Shareholders. The Directors are of the view that the omission of the profit and loss statement on the identifiable net income stream of the First Vessel and the Second Vessel in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules would not render this circular materially incomplete or misleading or deceptive.

As alternative disclosure for the First Vessel, the Company engaged Clarksons Valuations for the valuation of the First Vessel and the valuation certificate issued by Clarksons Valuations is included in the Appendix III to this circular. As Clarksons Valuations is an independent professional valuer, the Company believes the inclusion of the valuation report in the circular would provide additional information to the Shareholders in assessing the transaction. The valuation certificate would provide an objective view on the market value of the First Vessel and provide sufficient information for the Shareholders to make an informed assessment of the Acquisition of the First Vessel.

As alternative disclosure for the Second Vessel, the Company engaged Braemar Valuations for the valuation of the Second Vessel and the valuation certificate issued by Braemar Valuations is included in the Appendix III to this circular. As Braemar Valuations is an independent professional valuer, the Company believes the inclusion of the valuation report in the circular would provide additional information to the Shareholders in assessing the transaction. The valuation certificate would provide an objective view on the market value of the Second Vessel and provide sufficient information for the Shareholders to make an informed assessment of the Acquisition of the Second Vessel.

Your attention is also drawn to the appendices to this circular.

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

(1) FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.jinhuiship.com):

- Annual report of the Company for the year ended 31 December 2020 (pages 68 to 137) https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0415/2021041500725.pdf

- Annual report of the Company for the year ended 31 December 2021 (pages 70 to 145) https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701782.pdf

- Annual report of the Company for the year ended 31 December 2022 (pages 84 to 161) https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400586.pdf

- Interim report of the Company for the six months ended 30 June 2023 (pages 24 to 46) https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0914/2023091400600.pdf

(2) INDEBTEDNESS

As at the close of business on 31 January 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding bank borrowings which were secured loans of approximately HK$600 million.

The bank borrowings comprised secured term loans of approximately HK$510 million and secured revolving loans of approximately HK$90 million. All outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 31 January 2024, the Group's credit facilities were secured by certain of the Group's property, plant and equipment with an aggregate net book value of approximately HK$1,138 million, investment properties with an aggregate carrying amount of approximately HK$304 million, financial assets at fair value through profit or loss of approximately HK$94 million and deposits in banks amounting to approximately HK$4 million. Chartering income of eight subsidiaries were assigned to secure credit facilities utilized by the Group.

As at 31 January 2024, the Group had lease liabilities of approximately HK$256 million. All outstanding lease liabilities was unsecured and unguaranteed.

As at 31 January 2024, save as aforesaid and apart from intra-group liabilities, none of the companies in the Group had any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loan or indebtedness in the nature of borrowings, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, or any guarantees or other contingent liabilities.

(3) FINANCIAL AND TRADING PROSPECTS

The Group has continued to carry on the businesses of investment holding, ship chartering, ship owning and ship operating during the current financial year, and the Directors expect that with cash and marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

Transportation of commodities will undergo profound and complex changes given the variables that affect our business are a combination of industry specific, economical, as well as geopolitically driven. When we look purely at the industry fundamentals, the supply of new vessels remain low. The industry outlook continues to point towards a relatively healthy freight market for our business operations.

With expected moderate global dry bulk fleet growth in the next few years due to minimal new ship ordering and potentially increased scrapping as the fleet ages and decarbonization regulations tighten, new vessel orders are expected to be low. Looking ahead, should economic recovery gain pace at a rate that is beyond market expectations, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities that will meet the needs of the market and our customers.

We believe the newly acquired vessels can increase the carrying capacity of our fleet profile, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business. We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We currently have no capital expenditure commitment in relation to newbuilding contracts, and will continue to focus on taking sensible and decisive actions to maintain a strong financial position.

(4) WORKING CAPITAL

The Directors are of the opinion that after taking into account its internal resources, the existing available credit facilities, the indebtedness statement of the Group as set out in the section headed "(2) INDEBTEDNESS" above and the Acquisition of the First Vessel and the Acquisition of the Second Vessel, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Introduction

The unaudited pro forma financial information (the "Unaudited Pro Forma Financial Information"), comprising the unaudited pro forma consolidated statement of financial position of the Company and its subsidiaries (collectively the "Group") and related notes, has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the Acquisition of the First Vessel and the Acquisition of the Second Vessel as if it had been completed on 30 June 2023.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 30 June 2023, which has been extracted from the published interim report of the Company for the six months ended 30 June 2023, after making pro forma adjustments relating to the Acquisition of the First Vessel and the Acquisition of the Second Vessel, as if it had been completed on 30 June 2023.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Group's financial position following the completion of the Acquisition of the First Vessel and the Acquisition of the Second Vessel. Further, the Unaudited Pro Forma Financial Information of the Group does not purport to predict the future financial position of the Group after the completion of the Acquisition of the First Vessel and the Acquisition of the Second Vessel.

The Unaudited Pro Forma Financial Information of the Group after the Acquisition of the First Vessel and the Acquisition of the Second Vessel should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

Unaudited Pro Forma Consolidated Statement of Financial Position

	As at 30 June 2023 *HK$'000* *Notes (i)*	**Pro forma adjustments** *HK$'000*	*Notes (ii)*	**Pro forma total** *HK$'000*
ASSETS AND LIABILITIES				
Non-current assets				
Property, plant and equipment	2,909,898	484,165	*(a),(b)*	3,394,063
Right-of-use assets	163,426			163,426
Investment properties	361,640			361,640
Financial assets at fair value through OCI	97,581			97,581
Intangible assets	822			822
	3,533,367			4,017,532

	As at 30 June 2023 *HK$'000* *Notes (i)*	Pro forma adjustments *HK$'000*	*Notes (ii)*	Pro forma total *HK$'000*
Current assets				
Inventories	15,573			15,573
Loan receivables	12,304			12,304
Trade and other receivables	145,188			145,188
Financial assets at fair value through profit or loss	194,064			194,064
Tax recoverable	1,328			1,328
Pledged deposits	3,951			3,951
Bank balances and cash	238,811	(145,247)	*(c),(d)*	93,564
	611,219			465,972
Current liabilities				
Trade and other payables	101,255			101,255
Secured bank loans	308,701	13,809	*(c),(d)*	322,510
Lease liabilities	25,161			25,161
	435,117			448,926
Non-current liabilities				
Secured bank loans	444,275	325,109	*(c),(d)*	769,384
Lease liabilities	135,430			135,430
	579,705			904,814
Net assets	3,129,764			3,129,764
EQUITY				
Equity attributable to shareholders of the Company				
Issued capital	381,639			381,639
Reserves	1,396,467			1,396,467
	1,778,106			1,778,106
Non-controlling interests	1,351,658			1,351,658
Total equity	3,129,764			3,129,764

Notes:

(i) The amounts are extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2023 as set out in the published interim report of the Company for the six months ended 30 June 2023.

No adjustment has been made to reflect any operating results or other transactions of the Group entered into subsequent to 30 June 2023.

(ii) Notes to the pro forma adjustments

(a) The increase in property, plant and equipment represents the consideration for the First Vessel of US$30,950,000 (approximately HK$241,410,000).

(b) The increase in property, plant and equipment represents the consideration for the Second Vessel of US$31,122,450 (approximately HK$242,755,000).

(c) Approximately 70% of the consideration amount of the First Vessel of US$21,665,000 (approximately HK$168,987,000) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$883,000 (approximately HK$6,885,000) and non-current liabilities will be increased by US$20,782,000 (approximately HK$162,102,000). The remaining amount of US$9,285,000 (approximately HK$72,423,000) will be paid from the internal resources of the Group, thus reducing the bank balances and cash of the Group.

(d) Approximately 70% of the consideration amount of the Second Vessel of US$21,786,000 (approximately HK$169,931,000) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$888,000 (approximately HK$6,924,000) and non-current liabilities will be increased by US$20,898,000 (approximately HK$163,007,000). The remaining amount of US$9,336,450 (approximately HK$72,824,000) will be paid from the internal resources of the Group, thus reducing the bank balances and cash of the Group.

(B) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from our reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

GrantThornton
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TO THE DIRECTORS OF JINHUI HOLDINGS COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2023 and related notes as set out on pages 17 to 19 of the Company's circular dated 27 March 2024 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 17 to 19 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the acquisition of the vessels (the "Acquisition of the Vessels") on the Group's financial position as at 30 June 2023 as if the Acquisition of the Vessels had taken place at 30 June 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the unaudited consolidated interim financial statements of the Company for six months ended 30 June 2023, on which no review report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements", which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong, 27 March 2024

The following is the full text of the valuation certificate received from Clarkson Valuations Limited, an independent valuer, in connection with its opinion on the market value of the First Vessel as of 30 January 2024 prepared for the purpose of incorporation in this circular. Clarkson Valuations Limited is an affiliate of Clarkson PLC, a shipbroking group in London.

JINHUI HOLDINGS COMPANY LIMITED

CERTIFICATE OF VALUATION

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation. PLEASE NOTE: We have relied upon price information provided by Brokers who are in the same group as those who, during the usual course of their business, have been commercially involved in the transaction of the Vessel described below.

CVL has not physically inspected the Vessel nor inspected its classification records. We have assumed that the Vessel was in good and seaworthy condition and would have been delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market value of the below mentioned Vessel, as at 30th January 2024, on the basis of prompt charterfree delivery on the date indicated, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, was:

Bulk Carrier

Vessel Name	Dwt	Built	Builder	Loa (m)	Beam (m)	Holds / Hatches	Main Engine	Charterfree Value (US$)
NEW DELIGHT	181,279	2012	Imabari SB	292.0	45.0	9 / 9	MAN B&W 6S70MC-C7.2	31,000,000

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation should satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.

No assurance or representation is given that the Valuation given would have been sustained or that it would have been realisable in any actual transaction.

This Valuation has been provided solely for the private use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business.

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED

The following is the full text of the valuation certificate received from Braemar Valuations Limited, an independent valuer and shipbroking company, in connection with its opinion on the market value of the Second Vessel as of 21 February 2024 prepared for the purpose of incorporation in this circular. Braemar Valuations Limited is one of the world's leading advisors in shipbroking, chartering and risk management and deliver solutions and support for its customers around the world in shipbroking industry.

JINHUI HOLDINGS COMPANY LIMITED

CERTIFICATE OF VALUATION

MV "VINCENT TRADER" (IMO No. 9855525)

From our examination of the current entries in the appropriate Reference Sources, it appears that the vessel was built in 2019, by Jiangsu Hantong HI, China, is of about 43,968 tons gross register and about 27,533 tons nett register, is classed with BV, having one deck, is shown as capable of carrying about 81,567 metric tons deadweight, is fitted with a MAN-B&W 6S60ME-C8.5 / TIER II engine and Ballast Water Treatment System.

We should make it clear that we have not made a physical inspection of the vessel, nor have we inspected the vessel's classification records, but we have assumed for the purposes of this valuation, that the vessel is in good and seaworthy condition.

After careful consideration, we are of the opinion that the charterfree market value of the above vessel as at 21st February 2024 between willing Buyer and willing Seller basis delivery in an acceptable area, free of encumbrances, maritime liens and any other debts whatsoever is:–

US$ 31,500,000.00
(Say: United States Dollars Thirty One Million Five Hundred Thousand)

The figure mentioned above relates solely to our opinion of the market value of the above vessel as at 21st February 2024 and should not be taken to apply at any other date. In addition no assurance can be given that the valuation will be sustained or is realisable in an actual transaction.

We believe that the above valuation and particulars are reasonably accurate, but all statements made above are statements of opinion and are not to be taken as representations of fact. This valuation is for general information and has not been produced for any specific purpose. No assurance is given as to the suitability of the valuation for use in relation any specific project or transaction. Any party contemplating entering a transaction should satisfy themselves by inspection of the vessel or otherwise as to the correctness of the statements and assumptions which the valuation contains.

This valuation is provided solely for the private use of the addressee and cannot be published, circulated or provided to any third party without the express written agreement of Braemar Valuations Limited. No responsibility can be accepted for any use by any third party and you will indemnify Braemar Valuations Limited and all associated companies for any loss or damage including all legal expenses arising out of any allegation of reliance on this valuation by such a third party.

Additionally this valuation is not to be used in a public document or a fund-raising document without our prior written consent.

It must be appreciated that ship values can be very volatile, unstable and irregular. Information on comparable transactions and market demand can also be very limited. The worldwide Covid-19 outbreak has introduced further uncertainty. These circumstances should be considered by anyone contemplating entering a transaction.

For and on behalf of
BRAEMAR VALUATIONS LIMITED

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

(a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions

(i) Directors' interests in Shares

	Number of shares in the Company held and capacity				
Name	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	**Percentage of total issued Shares**
Ng Siu Fai	25,203,000	15,140,000	205,325,568 *Note 1*	245,668,568	46.33%
Ng Kam Wah Thomas	5,909,000	—	136,883,712 *Note 2*	142,792,712	26.93%
Ng Ki Hung Frankie	3,000,000	—	—	3,000,000	0.57%
Ho Suk Lin	3,850,000	—	—	3,850,000	0.73%
Cui Jianhua	960,000	—	—	960,000	0.18%
Tsui Che Yin Frank	1,000,000	—	—	1,000,000	0.19%
William Yau	441,000	—	—	441,000	0.08%

Note 1: Mr. Ng Siu Fai is deemed to be interested in 205,325,568 shares of the Company held by his 51% owned company, Fairline Consultants Limited.

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company held by his wholly owned company, Timberfield Limited.

(ii) Directors' interests in associated corporation

Name	Number of Jinhui Shipping Shares held and capacity: Beneficial owner	Interest of spouse	Interest of controlled corporation	Total	Percentage of total issued Jinhui Shipping Shares
Ng Siu Fai	4,141,830	1,079,196	61,249,098 *Note 1*	66,470,124	60.84%
Ng Kam Wah Thomas	864,900	—	260,000 *Note 2*	1,124,900	1.03%

Notes:

1. Mr. Ng Siu Fai is deemed to be interested in 61,249,098 shares of Jinhui Shipping through his interests in 51% of the issued capital of Fairline Consultants Limited as Fairline Consultants Limited was the beneficial owner of 407,858 shares of Jinhui Shipping and, through Fairline Consultants Limited's controlling interests in the Company, is also deemed to be interested in 60,841,240 shares of Jinhui Shipping held by the Company.

2. Mr. Ng Kam Wah Thomas is deemed to be interested in 260,000 shares of Jinhui Shipping through his wholly owned company, Timberfield Limited.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded and kept in the register in accordance with Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

(b) As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group not determinable by the Company within one year without payment of compensation (other than statutory compensation).

(c) As at the Latest Practicable Date, none of the Directors or their respective associates has any interests in any company or business which competes or may compete with the businesses of the Group.

(d) As at the Latest Practicable Date, none of the Directors has or has had direct or indirect interest in any assets acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group since the date to which the latest published audited annual financial statements of the Group were made up.

(e) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) have, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions

Name of shareholders	Number of shares in the Company held and capacity: Beneficial owner	Interest of spouse	Interest of controlled corporation	Total	Percentage of total issued shares of the Company
Wong Yee Man Gloria	15,140,000	230,528,568 *Note 1*	–	245,668,568	46.33%
Ng Chi Lam Michael	–	–	205,325,568 *Note 2*	205,325,568	38.72%
Fairline Consultants Limited	205,325,568	–	–	205,325,568	38.72%
Timberfield Limited	136,883,712	–	–	136,883,712	25.81%
Bian Ximing	–	–	29,378,000 *Note 3*	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	–	–	29,378,000 *Note 4*	29,378,000	5.54%
Zhongcai (Holdings) Limited	26,949,000	–	–	26,949,000	5.08%

Notes:

1. Ms. Wong Yee Man Gloria is deemed to be interested in 230,528,568 shares of the Company through the interests of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).

2. Mr. Ng Chi Lam Michael is deemed to be interested in 205,325,568 shares of the Company through his interests in 49% of the issued capital of Fairline Consultants Limited (as disclosed hereinabove).

3. Mr. Bian Ximing is deemed to be interested in 29,378,000 shares of the Company through his interests in 65.32% of the issued capital of Zhongcai Merchants Investment Group Co., Ltd. (as disclosed in Note 4 below).

4. Zhongcai Merchants Investment Group Co., Ltd. is deemed to be interested in 29,378,000 shares of the Company through its subsidiaries, Zhongcai (Holdings) Limited and Hong Kong Zhongcai Finance Investment Limited, which are the beneficial owners of 26,949,000 shares and 2,429,000 shares of the Company respectively.

Save as disclosed herein, as at the Latest Practicable Date, the Company has not been notified of any person (other than Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Group were made up.

LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

EXPERTS AND CONSENTS

The qualification of the experts who have given opinions and advice in this circular is as follows:

Name	Qualification
Clarkson Valuations Limited	Professional valuer
Braemar Valuations Limited	Professional valuer
Grant Thornton Hong Kong Limited	Certified Public Accountants

Clarkson Valuations Limited, an independent valuer and an affiliate of Clarkson PLC, a shipbroking group in London.

Braemar Valuations Limited is one of the world's leading advisors in shipbroking, chartering and risk management and deliver solutions and support for its customers around the world in shipbroking industry.

Grant Thornton Hong Kong Limited is a firm of certified public accountants in Hong Kong.

As at the Latest Practicable Date, each of Clarkson Valuations Limited, Braemar Valuations Limited and Grant Thornton Hong Kong Limited had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any members of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company was made up.

Each of Clarkson Valuations Limited, Braemar Valuations Limited and Grant Thornton Hong Kong Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its expert's statement included in the form and context in which they respectively appear.

MATERIAL CONTRACTS

The following contracts have been entered into by members of the Group (marked with an "*" below) within two years preceding the date of this circular and each of which is or may be material:

(1) an agreement dated 28 March 2022 entered into between Jinping Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US$25,500,000;

(2) a charterparty dated 20 May 2022 entered into between Goldbeam Shipping Inc.* and THC International S.A. regarding the leasing of the vessel for a term of seven years in which the value of right-of-use asset recognized by the Company amounted to approximately US$24.6 million;

(3) an agreement dated 9 September 2022 entered into between Jinheng Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US$25,375,000;

(4) an agreement dated 9 September 2022 entered into between Jinchao Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US$25,375,000;

(5) an agreement dated 18 October 2022 entered into between Jinmei Marine Inc.* and Bardar Corporation regarding the disposal of the vessel at a consideration of US$17,250,000;

(6) an agreement dated 18 October 2022 entered into between Jinlang Marine Inc.* and Bursa Oceanways Inc. regarding the disposal of the vessel at a consideration of US$17,250,000;

(7) an agreement dated 24 October 2022 entered into between Jinyao Marine Inc.* and Xinfeng (HK) Shipping Co., Limited regarding the disposal of the vessel at a consideration of US$13,300,000;

(8) an agreement dated 20 September 2023 entered into between Jinfeng Marine Inc.* and ETL Shipping (PTE.) LTD. regarding the disposal of the vessel at a consideration of US$8,080,000;

(9) an agreement dated 27 September 2023 entered into between Jinrui Marine Inc.* and Vega Maritime FZC regarding the acquisition of the vessel at a consideration of US$20,433,000;

(10) an agreement dated 29 November 2023 entered into between Jinquan Marine Inc.* and King Lucky Ocean Limited regarding the disposal of the vessel at a consideration of US$9,650,000;

(11) a charterparty dated 8 December 2023 entered into between Goldbeam Shipping Inc.* and Shining Steamship International S.A. regarding the leasing of the vessel;

(12) an agreement dated 12 December 2023 entered into between Jinsheng Marine Inc.* and Uniglory Shipping Ltd regarding the disposal of the vessel at a consideration of US$10,430,000;

(13) an agreement dated 2 February 2024 entered into between Jincheng Maritime Inc.* and Dynamic Shipping Navigation S.A. regarding the acquisition of the vessel at a consideration of US$30,950,000; and

(14) an agreement dated 21 February 2024 entered into between Jinli Marine Inc.* and Vincent ACL Ltd regarding the acquisition of the vessel at a consideration of US$31,122,450.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.jinhuiship.com) for a period of 14 days from the date of this circular (both days inclusive):

(a) the First Agreement and the Second Agreement;

(b) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(c) the letter from Grant Thornton Hong Kong Limited in respect of the unaudited pro forma financial information of the Group;

(d) the valuation certificate prepared by Clarkson Valuations Limited in relation to the First Vessel, the text of which is set out in Appendix III to this circular;

(e) the valuation certificate prepared by Braemar Valuations Limited in relation to the Second Vessel, the text of which is set out in Appendix III to this circular;

(f) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix;

(g) the written approval dated 2 February 2024 given by Fairline Consultants Limited and Timberfield Limited in relation to the Acquisition of the First Vessel; and

(h) the written approval dated 21 February 2024 given by Fairline Consultants Limited and Timberfield Limited in relation to the Acquisition of the Second Vessel.

GENERAL

(a) The secretary of the Company is Ms. Ho Suk Lin, a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.

(b) The registered office, also the head office, of the Company is situated at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong.

(c) The principal share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text.