

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **JINHUI HOLDINGS COMPANY LIMITED**

### **金輝集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

Stock Code : 137

### **DISCLOSEABLE TRANSACTION DISPOSAL OF TWO PROPERTIES**

On 8 December 2016, the First Vendor, a wholly-owned subsidiary of the Company, and the Second Vendor, an approximately 54.77% indirectly owned subsidiary of the Company, entered into the First Provisional Agreement for Sale and Purchase and the Second Provisional Agreement for Sale and Purchase respectively with the Purchaser to dispose of the First Property and the Second Property respectively, at consideration of HK\$94,000,000 and HK\$3,500,000 respectively. The total consideration of the First Property and the Second Property is HK\$97,500,000.

Pursuant to the terms of the First Provisional Agreement for Sale and Purchase, the First Vendor and the Purchaser will enter into a formal agreement for sale and purchase of the First Property on or before 20 December 2016. Completion of the disposal of the First Property is scheduled to take place on or before 10 January 2017.

Pursuant to the terms of the Second Provisional Agreement for Sale and Purchase, the Second Vendor and the Purchaser will enter into a formal agreement for sale and purchase of the Second Property on or before 20 December 2016. Completion of the disposal of the Second Property is scheduled to take place on or before 14 March 2017.

As one or more applicable percentage ratios (as defined in the Listing Rules) for the disposal of the First Property and the Second Property, in aggregate, exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

## **THE DISPOSAL**

### **The First Provisional Agreement for Sale and Purchase**

On 8 December 2016, the First Vendor entered into the First Provisional Agreement for Sale and Purchase with the Purchaser for the disposal of the First Property at a consideration of HK\$94,000,000. Completion of the disposal of the First Property is scheduled to take place on or before 10 January 2017.

### **The Second Provisional Agreement for Sale and Purchase**

On 8 December 2016, the Second Vendor entered into the Second Provisional Agreement for Sale and Purchase with the Purchaser for the disposal of the Second Property at a consideration of HK\$3,500,000. Completion of the disposal of the Second Property is scheduled to take place on or before 14 March 2017.

### **Vendors**

The First Vendor is a property investment company and wholly-owned subsidiary of the Company as at date of this announcement.

The Second Vendor is a property investment company and an approximately 54.77% indirectly owned subsidiary of the Company as at date of this announcement.

### **Purchaser**

The Purchaser is a private company incorporated in Hong Kong. The principal activity of the Purchaser is property investment.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser, its shareholder and ultimate beneficial owner and its respective associates are third parties independent of the Company and its connected persons.

### **The First Property**

The First Property consists of (i) Offices B, C & D and a portion of Office A on 17th Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong; and (ii) Offices E & F and a portion of Office A on 17th Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong. The First Property was acquired by the First Vendor in years 1994 and 1999 and held as investment properties of the Group. The carrying value of the First Property as at 30 June 2016 was HK\$79,630,000. The net profit both before and after taxation and extraordinary items attributable to the First Vendor for the financial years ended 31 December 2015 and 2014 were HK\$3,254,000 and HK\$441,000 respectively.

### **Consideration of the First Property**

Under the First Provisional Agreement for Sale and Purchase, the First Vendor agrees to dispose of the First Property at a consideration of HK\$94,000,000, which shall be paid by the Purchaser to the First Vendor in the manner as follows:

- (1) a sum of HK\$4,825,000, being the initial deposit, has been paid by the Purchaser to the First Vendor upon signing of the First Provisional Agreement for Sale and Purchase;
- (2) a sum of HK\$4,575,000 shall be paid by the Purchaser to the First Vendor on or before 20 December 2016;  
and
- (3) the balance of the consideration of HK\$84,600,000 shall be paid by the Purchaser to the First Vendor upon completion on or before 10 January 2017.

The consideration of the First Property was determined after arm's length negotiation between the First Vendor and the Purchaser on normal commercial terms after having taken into account the market prices of comparable properties of similar size, character and location.

### **The Second Property**

The Second Property is a car parking space no. 74 located on 3rd Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong. The Second Property was acquired by the Second Vendor in year 2012 and held as investment property of the Group, and it has been vacant since it was acquired. It has not generated any revenue to the Group for the two financial years immediately preceding the disposal of the Second Property. The carrying value of the Second Property as at 30 June 2016 was HK\$1,620,000.

### **Consideration of the Second Property**

Under the Second Provisional Agreement for Sale and Purchase, the Second Vendor agrees to dispose of the Second Property at a consideration of HK\$3,500,000, which shall be paid by the Purchaser to the Second Vendor in the manner as follows:

- (1) a sum of HK\$175,000, being the initial deposit, has been paid by the Purchaser to the Second Vendor upon signing of the Second Provisional Agreement for Sale and Purchase;
- (2) a sum of HK\$175,000 shall be paid by the Purchaser to the Second Vendor on or before 20 December 2016;  
and
- (3) the balance of the consideration of HK\$3,150,000 shall be paid by the Purchaser to the Second Vendor upon completion on or before 14 March 2017.

The consideration of the Second Property was determined after arm's length negotiation between the Second Vendor and the Purchaser on normal commercial terms after having taken into account the market prices of comparable properties of similar size, character and location.

### **POSSIBLE FINANCIAL EFFECTS OF THE DISPOSAL AND INTENDED USE OF PROCEEDS**

Based on the carrying value of the First Property as at 30 June 2016 as described above, the Group would realize a book gain of approximately HK\$13.4 million on disposal of the First Property. The book gain for the disposal of the First Property was calculated after estimated expenses of approximately HK\$1 million, which mainly includes commission and legal fees. The disposal of the First Property will realize accounting gain, and will generate positive cashflow resulting in the strengthening of the Group's overall financial liquidity. The Group intends to use the net sale proceeds as general working capital of the Group.

Based on the carrying value of the Second Property as at 30 June 2016 as described above, the Group would realize a book gain of approximately HK\$1.8 million on disposal of the Second Property. The book gain for the disposal of the Second Property was calculated after estimated expenses of approximately HK\$40,000, which mainly includes commission and legal fees. The disposal of the Second Property will realize accounting gain, and will generate positive cashflow resulting in the strengthening of the Group's overall financial liquidity. The Group intends to use the net sale proceeds as general working capital of the Group.

## **REASONS FOR THE DISPOSAL**

The Company is an investment holding company and the principal activities of its subsidiaries are international ship chartering and ship owning. Having regard to the prevailing property market conditions, the Directors are of the view that the disposal of the First Property and the Second Property which are non-core assets of the Company, represents a good opportunity for the Group to realize its investment properties for a reasonable return and improve its liquidity position.

Upon completion of the Disposal, the net sale proceeds will be used as general working capital of the Group. The Directors consider the terms and conditions of the First Provisional Agreement for Sale and Purchase and the Second Provisional Agreement for Sale and Purchase are fair and reasonable, and have been agreed on normal commercial terms and believe that the Disposal is in the best interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more applicable percentage ratios (as defined in the Listing Rules) for the disposal of the First Property and the Second Property, in aggregate, exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the notification to Stock Exchange and publication of announcement requirements under the Listing Rules.

## **DEFINITIONS**

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

“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong, whose shares are listed on the Hong Kong Stock Exchange;
“Directors”	the directors of the Company;
“Disposal”	the disposal of the First Property and the Second Property under the First Provisional Agreement for Sale and Purchase and the Second Provisional Agreement for Sale and Purchase respectively;
“First Property”	Offices B, C & D and a portion of Office A on 17th Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong and Offices E & F and a portion of Office A on 17th Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong;
“First Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase dated 8 December 2016 entered into between the First Vendor and the Purchaser in respect of the disposal of the First Property;

“First Vendor”	Fair Group International Limited, a wholly-owned subsidiary of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Purchaser”	Vantage Asia Limited, a company incorporated in Hong Kong;
“Second Property”	Car parking space no. 74 located on 3rd Floor Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong;
“Second Provisional Agreement for Sale and Purchase”	the provisional agreement for sale and purchase dated 8 December 2016 entered into between the Second Vendor and the Purchaser in respect of the disposal of the Second Property;
“Second Vendor”	Star Board Investments Limited, an approximately 54.77% indirectly owned subsidiary of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.

By Order of the Board  
**Jinhui Holdings Company Limited**  
**Ng Kam Wah Thomas**  
*Managing Director*

Hong Kong, 8 December 2016

*As at date of this announcement, the Executive Directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.*