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JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

DISCLOSEABLE TRANSACTION IN RELATION TO FULL ACCEPTANCE OF RIGHTS ISSUE OF JINHUI SHIPPING AND TRANSPORTATION LIMITED

On 3 July 2017, the board of Jinhui Shipping which is an approximately 54.77% owned subsidiary of the Company, has resolved to carry out the rights issue of Jinhui Shipping for raising up to NOK201.7 million (approximately HK\$186.8 million), before expenses, by issuing up to 25,213,602 Jinhui Shipping Offer Shares and list the new Jinhui Shipping Shares on the Oslo Stock Exchange, Norway.

On 3 July 2017 (after trading hours of the Stock Exchange), the Company and Jinhui Shipping entered into the Pre-Subscription Agreement in respect of the proposed Jinhui Shipping Rights Issue, under which the Company shall subscribe for its pro-rata share of the Jinhui Shipping Offer Shares (ie. 13,810,440 Jinhui Shipping Offer Shares) at the Subscription Price of NOK8.00 (approximately HK\$7.41) per Jinhui Shipping Offer Share at a total consideration of NOK110,483,520 (approximately HK\$102.3 million).

As one or more applicable percentage ratios (as defined in the Listing Rules) for the Pre-Subscription Agreement and the transaction(s) contemplated thereunder exceed 5% but are less than 25%, the same 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.

BACKGROUND

On 3 July 2017, the board of Jinhui Shipping which is an approximately 54.77% owned subsidiary of the Company, has resolved to carry out the rights issue of Jinhui Shipping for raising up to NOK201.7 million (approximately HK\$186.8 million), before expenses, by issuing up to 25,213,602 Jinhui Shipping Offer Shares and list the new Jinhui Shipping Shares on the Oslo Stock Exchange, Norway.

SUBSCRIPTION ARRANGEMENTS

On 3 July 2017 (after trading hours of the Stock Exchange), the Company and Jinhui Shipping entered into the Pre-Subscription Agreement in respect of the proposed Jinhui Shipping Rights Issue, under which the Company shall subscribe for its pro-rata share of the Jinhui Shipping Offer Shares (i.e. 13,810,440 Jinhui Shipping Offer Shares) at the Subscription Price of NOK8.00 (approximately HK\$7.41) per Jinhui Shipping Offer Share at a total consideration of NOK110,483,520 (approximately HK\$102.3 million).

The principal terms of the Pre-Subscription Agreement are set out in the following table:

Date:	3 July 2017
Issuer:	Jinhui Shipping, an approximately 54.77% owned subsidiary of the Company
Subscriber:	The Company
Subscription commitment:	Subject to and in accordance with the provisions of the Pre-Subscription Agreement, the Company unconditionally and irrevocably agreed to subscribe and pay for 13,810,440 Jinhui Shipping Offer Shares at the Subscription Price of NOK8.00 (approximately HK\$7.41) per Jinhui Shipping Offer Share
Conditions precedent:	<ul style="list-style-type: none">• The resolution of the Jinhui Shipping Rights Issue by the relevant corporate bodies of Jinhui Shipping; and• The approval by the Financial Supervisory Authority of Norway of the prospectus connected to the Jinhui Shipping Rights Issue

The Company intends to fund the subscription commitment by internal resources of the Group.

INFORMATION ON THE JINHUI SHIPPING RIGHTS ISSUE

Issue statistics

Basis of the Jinhui Shipping Rights Issue:	eligible shareholders of Jinhui Shipping will, based on their registered holding of Jinhui Shipping Shares in the VPS at the end of the Record Date, be granted transferable subscription rights listed on the Oslo Stock Exchange, Norway, providing a preferential right to subscribe and be allocated Jinhui Shipping Offer Shares (the "Subscription Rights"). Jinhui Shipping will issue 3 (three) transferable Subscription Rights per 10 (ten) Jinhui Shipping Shares registered as held in the VPS on the Record Date.
Subscription Price:	NOK8.00 (approximately HK\$7.41) per Jinhui Shipping Offer Share
Number of existing shares of Jinhui Shipping in issue as at the date of this announcement:	84,045,341 Jinhui Shipping Shares
Number of Jinhui Shipping Offer Shares:	Up to 25,213,602 Jinhui Shipping Offer Shares
Amount to be raised before expenses:	Up to NOK201.7 million (approximately HK\$186.8 million)
Total number of shares of Jinhui Shipping in issue as enlarged upon completion of the Jinhui Shipping Rights Issue:	97,855,781 to 109,258,943 Jinhui Shipping Shares

Subscription Price

The Subscription Price of NOK8.00 (approximately HK\$7.41) per Jinhui Shipping Offer Share represents a discount of 14.8% to the Last Closing Price of NOK9.39 (approximately HK\$8.70) per Jinhui Shipping Share as quoted on the Oslo Stock Exchange, Norway on 30 June 2017.

The Subscription Price was determined by the directors of Jinhui Shipping with reference to the market price of the Jinhui Shipping Shares prior to and including the Last Trading Day.

Status of the Jinhui Shipping Offer Shares

The Jinhui Shipping Offer Shares (when allotted, issued and fully paid) will rank pari passu in all respects with the then existing Jinhui Shipping Shares in issue, and will also be listed on the Oslo Stock Exchange, Norway. Holders of fully paid Jinhui Shipping Offer Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Jinhui Shipping Offer Shares.

Changes in the shareholding structure of Jinhui Shipping arising from the Jinhui Shipping Rights Issue

	As at the date of this announcement		Upon completion of the Jinhui Shipping Rights Issue			
			Assuming all Jinhui Shipping Offer Shares are taken up by the eligible shareholders of Jinhui Shipping		Assuming no Jinhui Shipping Offer Shares are taken up by the eligible shareholders except the Company	
	No. of Jinhui Shipping Shares	Approximate %	No. of Jinhui Shipping Shares	Approximate %	No. of Jinhui Shipping Shares	Approximate %
the Company	46,034,800	54.77%	59,845,240	54.77%	59,845,240	61.16%
Fairline Consultants Limited	500,000	0.59%	650,000	0.59%	500,000	0.51%
Directors of Jinhui Shipping and their spouse	1,972,800	2.35%	2,564,640	2.35%	1,972,800	2.01%
Public shareholders	35,537,741	42.29%	46,199,063	42.29%	35,537,741	36.32%
Total	84,045,341	100%	109,258,943	100%	97,855,781	100%

Expected timetable

The expected timetable for the Jinhui Shipping Rights Issue is set out below:

Last date of trading in the Jinhui Shipping Shares including Subscription Rights	4 July 2017
First date of trading in the Jinhui Shipping Shares excluding Subscription Rights (ex. date)	5 July 2017
Record Date	6 July 2017
Subscription period commences	7 July 2017
Trading in Subscription Rights commences on the Oslo Stock Exchange, Norway	7 July 2017
Trading in Subscription Rights ends	19 July 2017
Subscription period ends	21 July 2017
Allocation and announcement of the Jinhui Shipping Rights Issue	On or about 25 July 2017
Payment date	On or about 27 July 2017
Delivery of the Jinhui Shipping Offer Shares and registration in VPS	On or about 2 August 2017
Listing and commencement of trading in the Jinhui Shipping Offer Shares on the Oslo Stock Exchange, Norway	On or about 3 August 2017

REASONS AND BENEFITS FOR ENTERING INTO THE PRE-SUBSCRIPTION AGREEMENT

The purpose of the Jinhui Shipping Rights Issue is, and the gross proceeds will be used to reduce the overall indebtedness of Jinhui Shipping.

The gross proceeds from the Jinhui Shipping Rights Issue, amounting to a maximum of NOK201.7 million (approximately HK\$186.8 million), will be used to further reduce the overall indebtedness, including but not limited to the reduction of interest bearing bank debts, thus, putting Jinhui Shipping on an even sounder and stronger financing footing to operate in an expected slowly recovering market going forward.

Jinhui Shipping is a significant subsidiary of the Company. Maintaining a sound financial position of Jinhui Shipping is vital to the Company's ability to navigate through a difficult period of the shipping cycle. The Directors consider that it is in the best interests of the Company and its shareholders as a whole to participate in the Jinhui Shipping Rights Issue, where Jinhui Shipping will be able to further enhance its financial position. By entering into the Pre-Subscription Agreement, the Company will be able to maintain at least its pro-rata percentage of shareholding in Jinhui Shipping through its commitment to subscribe Jinhui Shipping Offer Shares. The Pre-Subscription Agreement was concluded after arm's length negotiations between the Company and Jinhui Shipping. The Directors are satisfied that the terms of the Pre-Subscription Agreement reflect normal commercial terms and are fair and reasonable so far as the Company and its shareholders taken as a whole are concerned.

INFORMATION OF THE COMPANY

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

INFORMATION OF JINHUI SHIPPING

As at the date of this announcement, Jinhui Shipping is an approximately 54.77% owned subsidiary of the Company. Jinhui Shipping has been listed on the Oslo Stock Exchange, Norway (stock code: JIN) since October 1994. Jinhui Shipping is the platform through which the Group operates its worldwide shipping activities.

The audited financial statements of Jinhui Shipping are prepared in accordance with the International Financial Reporting Standards and Hong Kong Financial Reporting Standards. The audited consolidated net asset value of Jinhui Shipping as at 31 December 2016 was US\$224,293,000 (approximately HK\$1,749,485,000). The audited consolidated net loss both before and after taxation of Jinhui Shipping for the financial years ended 31 December 2016 and 2015 were US\$189,091,000 and US\$378,743,000 (approximately HK\$1,474,910,000 and HK\$2,954,195,000) respectively.

IMPLICATIONS UNDER THE LISTING RULES

As one or more applicable percentage ratios (as defined in the Listing Rules) for the Pre-Subscription Agreement and the transaction(s) contemplated thereunder exceed 5% but are less than 25%, the same 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, the following expressions have the following meanings unless the context indicates otherwise:

“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
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jinhui Shipping”	Jinhui Shipping and Transportation Limited, a company incorporated in Bermuda and an approximately 54.77% owned subsidiary of the Company as at the date of this announcement, whose shares are listed on the Oslo Stock Exchange, Norway
“Jinhui Shipping Offer Share(s)”	new Jinhui Shipping Share(s) offered for subscription in the Jinhui Shipping Rights Issue
“Jinhui Shipping Rights Issue”	the rights issue of the Jinhui Shipping Offer Shares, with transferable subscription rights issuable to shareholders of Jinhui Shipping
“Jinhui Shipping Share(s)”	ordinary share(s) of US\$0.05 each in the share capital of Jinhui Shipping
“Last Closing Price”	NOK9.39, being the closing price of Jinhui Shipping Share on the Last Trading Day
“Last Trading Day”	30 June 2017, being the last trading day of Jinhui Shipping Shares on the Oslo Stock Exchange, Norway prior to the date Jinhui Shipping announced the Jinhui Shipping Rights Issue
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pre-Subscription Agreement”	The pre-subscription agreement entered into between the Company and Jinhui Shipping dated 3 July 2017
“Record Date”	6 July 2017
“Shareholder(s)”	shareholder(s) of the Company
“Shares”	ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	NOK8.00 per Jinhui Shipping Offer Share
“Subscription Rights”	preferential rights to subscribe and be allocated Jinhui Shipping Offer Shares pursuant to the Jinhui Shipping Rights Issue, as further described in “Information on the Jinhui Shipping Rights Issue – issue statistics” of this announcement

“VPS”	the Verdipapirsentralen, the Norwegian Central Securities Depository in Oslo, Norway
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“NOK”	Norwegian Krone, the lawful currency of Norway, and for the purpose of illustration only, translated into HK\$ at the rate of NOK1.00 = HK\$0.926
“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

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

Hong Kong, 3 July 2017

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