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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 PROVISION OF FINANCIAL ASSISTANCE

The Board wishes to announce that, the Lender (an approximately 55.69% indirectly owned subsidiary of the Company) and the Borrower A entered into the Facility Agreement A on 11 September 2019, pursuant to which the Lender agreed to provide the Loan A on 11 September 2019 in the principal amount of US\$7 million (approximately HK\$54.6 million) to the Borrower A and such loan is repayable quarterly in five years, and the Lender and the Borrower B entered into the Facility Agreement B on 12 August 2019, pursuant to which the Lender agreed to provide the Loan B on 11 September 2019 in the principal amount of US\$3 million (approximately HK\$23.4 million) to the Borrower B and such loan is repayable quarterly in three years.

Since the Borrower A and the Borrower B (collectively, the “Borrowers”) are owned by a common ultimate beneficial owner, pursuant to Rules 14.22 and 14.23 (1) of the Listing Rules, the relevant figures of the Facility Agreement A and the Facility Agreement B shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules.

As one or more applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated amount of the Loan A and the Loan B under the Facility Agreement A and the Facility Agreement B are more than 5% but less than 25%, the provision of the Loan A and the Loan B constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board wishes to announce that, the Lender (an approximately 55.69% indirectly owned subsidiary of the Company) and the Borrower A entered into the Facility Agreement A on 11 September 2019, pursuant to which the Lender agreed to provide the Loan A on 11 September 2019 in the principal amount of US\$7 million (approximately HK\$54.6 million) to the Borrower A and such loan is repayable quarterly in five years, and the Lender and the Borrower B entered into the Facility Agreement B on 12 August 2019, pursuant to which the Lender agreed to provide the Loan B on 11 September 2019 in the principal amount of US\$3 million (approximately HK\$23.4 million) to the Borrower B and such loan is repayable quarterly in three years.

THE FACILITY AGREEMENT A

The principal terms of the Facility Agreement A are as follows:

Date of agreement:	11 September 2019
Effective date:	11 September 2019
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower A
Loan principal:	US\$7 million (approximately HK\$54.6 million)
Interest rate:	8% per annum
Collateral:	First mortgage over Ship A with fair value of approximately US\$11 million (approximately HK\$81.9 million) registered in the ownership of the Borrower A and second mortgage over Ship B with fair value of approximately US\$7 million (approximately HK\$56.6 million) registered in the ownership of the Borrower B
Loan period:	Five years
Repayment:	Borrower A shall repay the loan and interest accrued thereon quarterly

THE FACILITY AGREEMENT B

The principal terms of the Facility Agreement B are as follows:

Date of agreement:	12 August 2019
Effective date:	11 September 2019
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower B
Loan principal:	US\$3 million (approximately HK\$23.4 million)
Interest rate:	8% per annum
Collateral:	First mortgage over Ship B with fair value of approximately US\$7 million (approximately HK\$56.6 million) registered in the ownership of the Borrower B and second mortgage over Ship A with fair value of approximately US\$11 million (approximately HK\$81.9 million) registered in the ownership of the Borrower A
Loan period:	Three years
Repayment:	Borrower B shall repay the loan and interest accrued thereon quarterly

OTHER TERMS OF THE FACILITY AGREEMENTS

Pursuant to the Facility Agreement A, the Loan A is guaranteed by the Borrower B. Facility Agreement B is a collateral facility agreement to Facility Agreement A and Ship B is the collateral ship to Loan A.

Pursuant to the Facility Agreement B, the Loan B is guaranteed by the Borrower A. Facility Agreement A is a collateral facility agreement to Facility Agreement B and Ship A is the collateral ship to Loan B.

INFORMATION ON THE GROUP AND THE LENDER

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

The Lender is a money lending company and a licensed money lender in Hong Kong registered under Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. Its principal activity is the provision of money lending services. It is a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 55.69% owned subsidiary of the Company as at date of this announcement.

INFORMATION ON THE BORROWERS

The Borrower A is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. The Borrower B is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. The Borrower A and the Borrower B are owned by a common ultimate beneficial owner.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Borrowers and their ultimate beneficial owner are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE FACILITY AGREEMENTS

The terms of the Facility Agreement A and the Facility Agreement B (including the interest rates and the terms of loans) were negotiated on an arm's length basis between the Lender and the Borrower A and the Borrower B, and were on normal commercial terms. Taking into account the satisfactory results of the Company's due diligence of the Borrower A and the Borrower B, the stable interest income expected to be generated from the Loan A and the Loan B, and the fair values of Ship A of approximately US\$11 million (approximately HK\$81.9 million) and Ship B of approximately US\$7 million (approximately HK\$56.6 million) which were appraised by an independent qualified appraisal firm, the Directors consider that the terms of the Facility Agreement A and the Facility Agreement B (including the interest rates and the terms of loans) are fair and reasonable and the entering into of the Facility Agreement A and the Facility Agreement B is in the interests of the Company and its shareholders as a whole. The Lender has financed the Loan A and the Loan B with the Group's internal cash resources.

LISTING RULES IMPLICATIONS

The granting of the loan amounts under the Facility Agreement A and the Facility Agreement B are financial assistance provided by the Company within the meaning of the Listing Rules.

Since the Borrowers are owned by a common ultimate beneficial owner, pursuant to Rules 14.22 and 14.23 (1) of the Listing Rules, the relevant figures of the Facility Agreement A and the Facility Agreement B shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules.

As one or more applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the aggregated amount of the Loan A and the Loan B under the Facility Agreement A and the Facility Agreement B are more than 5% but less than 25%, the provision of the Loan A and the Loan B constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors;
“Borrower A”	a company incorporated in the Republic of Marshall Islands;
“Borrower B”	a company incorporated in the Republic of Marshall Islands;
“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;
“Facility Agreement A”	the facility agreement dated 11 September 2019 entered into between the Lender and the Borrower A in respect of the provision of the Loan A;
“Facility Agreement B”	the facility agreement dated 12 August 2019 entered into between the Lender and the Borrower B in respect of the provision of the Loan B;
“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 limited liability company incorporated in Bermuda and an approximately 55.69% owned subsidiary of the Company as at date of this announcement, whose shares are listed on the Oslo Stock Exchange (stock code: JIN);
“Lender”	Jinhui Finance (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Jinhui Shipping;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“Loan A”	the loan with principal amount of US\$7 million (approximately HK\$54.6 million) granted by the Lender to the Borrower A pursuant to the Facility Agreement A;
“Loan B”	the loan with principal amount of US\$3 million (approximately HK\$23.4 million) granted by the Lender to the Borrower B pursuant to the Facility Agreement B;
“Ship A”	the ship registered in the ownership of the Borrower A;
“Ship B”	the ship registered in the ownership of the Borrower B;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“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.

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

Hong Kong, 11 September 2019

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.