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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.

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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

**MAJOR TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE**

15 November 2019

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DEFINITIONS

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

“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Borrower A”	Bao Rich Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands;
“Borrower B”	Bao Winning Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands;
“Borrower C”	Yuanfeng Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands;
“Borrower D”	Bao Yuan Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands;
“Borrower E”	Golden Alpha Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands;
“Borrower F”	Bao Progress Shipping Co., Ltd, 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 Borrower A in respect of the provision of Loan A;
“Facility Agreement B”	the facility agreement dated 12 August 2019 entered into between the Lender and Borrower B in respect of the provision of Loan B;
“Facility Agreement C”	the facility agreement dated 14 October 2019 entered into between the Lender and Borrower C in respect of the provision of Loan C;
“Facility Agreement D”	the facility agreement dated 14 October 2019 entered into between the Lender and Borrower D in respect of the provision of Loan D;
“Facility Agreement E”	the facility agreement dated 7 November 2019 entered into between the Lender and Borrower E in respect of the provision of Loan E;

DEFINITIONS

“Facility Agreement F”	the facility agreement dated 7 November 2019 entered into between the Lender and Borrower F in respect of the provision of Loan F;
“Group”	the Company and its subsidiaries;
“Guarantor A”	a company incorporated in Singapore and is owned by its ultimate beneficial owner - Mr. Wang Zhi Guo;
“Guarantor C”	a company incorporated in Hong Kong and is owned by its ultimate beneficial owner – Mr. Qin Feng;
“Guarantor D”	a company incorporated in Singapore and is owned by its ultimate beneficial owner – Mr. Wang Jianbo;
“Guarantor E”	a company incorporated in Singapore and is owned by its ultimate beneficial owner - Mr. Gao Taojie;
“Guarantor F”	a company incorporated in Hong Kong and is owned by its ultimate beneficial owner - Mr. Wang Xiaojun;
“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 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”	12 November 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“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 Borrower A pursuant to Facility Agreement A;

DEFINITIONS

“Loan B”	the loan with principal amount of US\$3 million (approximately HK\$23.4 million) granted by the Lender to Borrower B pursuant to Facility Agreement B;
“Loan C”	the loan with principal amount of US\$7 million (approximately HK\$54.6 million) granted by the Lender to Borrower C pursuant to Facility Agreement C;
“Loan D”	the loan with principal amount of US\$7 million (approximately HK\$54.6 million) granted by the Lender to Borrower D pursuant to Facility Agreement D;
“Loan E”	the loan with principal amount of US\$7 million (approximately HK\$54.6 million) granted by the Lender to Borrower E pursuant to Facility Agreement E;
“Loan F”	the loan with principal amount of US\$7 million (approximately HK\$54.6 million) granted by the Lender to Borrower F pursuant to Facility Agreement F;
“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;
“Ship A”	the ship registered in the ownership of Borrower A;
“Ship B”	the ship registered in the ownership of Borrower B;
“Ship C”	the ship registered in the ownership of Borrower C;
“Ship D”	the ship registered in the ownership of Borrower D;
“Ship E”	the ship registered in the ownership of Borrower E;
“Ship F”	the ship to be registered in the ownership of Borrower F;
“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.

LETTER FROM THE BOARD



JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

Directors:

Ng Siu Fai (*Chairman*)
Ng Kam Wah Thomas (*Managing Director*)
Ng Ki Hung Frankie
Ho Suk Lin
Cui Jianhua*
Tsui Che Yin Frank*
William Yau*

Registered office:

26th Floor
Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

* *Independent Non-executive Director*

15 November 2019

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

INTRODUCTION

The Directors refer to the announcement of the Company dated 14 October 2019 and the supplemental announcement of the Company dated 16 October 2019 in relation to the provision of financial assistance to Borrower C and Borrower D under Facility Agreement C and Facility Agreement D (the “provision of CD Loans”), and the announcement of the Company dated 7 November 2019 in relation to the provision of financial assistance to Borrower E and Borrower F under Facility Agreement E and Facility Agreement F (the “provision of EF Loans”).

On 14 October 2019, the Lender (an approximately 55.69% indirectly owned subsidiary of the Company) and Borrower C entered into Facility Agreement C, pursuant to which the Lender agreed to provide Loan C in the principal amount of US\$7 million (approximately HK\$54.6 million) to Borrower C and such loan is repayable quarterly in five years, and the Lender and Borrower D entered into Facility

LETTER FROM THE BOARD

Agreement D, pursuant to which the Lender agreed to provide Loan D in the principal amount of US\$7 million (approximately HK\$54.6 million) to Borrower D and such loan is repayable quarterly in five years. Facility Agreement C and Facility Agreement D are not inter-conditional.

On 7 November 2019, the Lender and Borrower E entered into Facility Agreement E, pursuant to which the Lender agreed to provide Loan E in the principal amount of US\$7 million (approximately HK\$54.6 million) to Borrower E and such loan is repayable quarterly in five years, and the Lender and Borrower F entered into Facility Agreement F, pursuant to which the Lender agreed to provide Loan F in the principal amount of US\$7 million (approximately HK\$54.6 million) to Borrower F and such loan is repayable quarterly in five years.

Taking into consideration: (1) Loan C and Loan D (collectively, the “CD Loans”) are cross-collateralized, Facility Agreement C and Facility Agreement D are related and pursuant to Rule 14.22 of the Listing Rules, the relevant figures of Facility Agreement C and Facility Agreement D shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules; and (2) Loan E and Loan F (collectively, the “EF Loans”) will be cross-collateralized upon successful delivery of both Ship E and Ship F and both Facility Agreement E and Facility Agreement F become effective, Facility Agreement E and Facility Agreement F are related and pursuant to Rule 14.22 of the Listing Rules, the relevant figures of Facility Agreement E and Facility Agreement F shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules.

As disclosed in the Company’s announcements on 11 September 2019, the Lender provided Loan A and Loan B (collectively, the “Previous AB Loans”) under Facility Agreement A and Facility Agreement B to Borrower A and Borrower B who are owned by a common ultimate beneficial owner. To the best of the Board’s knowledge, information and belief having made all reasonable enquiry, Borrower C, Borrower D, Borrower E and Borrower F and their respective ultimate beneficial owners are associated with Borrower A, Borrower B and their common ultimate beneficial owner.

As one or more applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of (1) the aggregated amount of CD Loans of US\$14 million (approximately HK\$109.2 million) under Facility Agreement C and Facility Agreement D are more than 25% but less than 100%; (2) the aggregated amount of EF Loans of US\$14 million (approximately HK\$109.2 million) under Facility Agreement E and Facility Agreement F are more than 25% but less than 100%; and (3) the aggregated amount of Previous AB Loans, CD Loans and EF Loans of US\$38 million (approximately HK\$296.4 million) under Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F are more than 25% but less than 100%, the provision of CD Loans, EF Loans and Previous AB Loans constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The provision of CD Loans and the provision of EF Loans are 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 provision of CD Loans and the provision of EF Loans 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) the 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.

LETTER FROM THE BOARD

The purpose of this circular is to give you further information in relation to the provision of financial assistance to Borrower C, Borrower D, Borrower E and Borrower F under Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F.

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 the Latest Practicable Date.

INFORMATION ON THE BORROWERS

Borrower A is Bao Rich Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering.

Borrower B is Bao Winning Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering.

Both Borrower A and Borrower B are wholly-owned subsidiaries of Grace Sun Shipping Co., Limited, a company incorporated in Hong Kong with principal activity of investment holding. Grace Sun Shipping Co., Limited is a company wholly-owned by Mr. Wang Zhi Guo, the common ultimate beneficial owner of Borrower A and Borrower B.

Borrower C is Yuanfeng Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower C is a company wholly-owned by its ultimate beneficial owner – Mr. Qin Feng.

Borrower D is Bao Yuan Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower D is a company wholly-owned by its ultimate beneficial owner – Mr. Wang Jianbo.

Borrower E is Golden Alpha Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower E is a company wholly-owned by its ultimate beneficial owner – Mr. Gao Taojie.

Borrower F is Bao Progress Shipping Co., Ltd, a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. Borrower F is a company wholly-owned by Guarantor F which is owned by its ultimate beneficial owner – Mr. Wang Xiaojun.

LETTER FROM THE BOARD

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, Mr. Qin Feng, Mr. Wang Jianbo, Mr. Gao Taojie, Mr. Wang Xiaojun and Mr. Wang Zhi Guo are relatives, Borrower C, Borrower D, Borrower E and Borrower F and their respective ultimate beneficial owners are associated with Borrower A and Borrower B and their common ultimate beneficial owner.

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

LOAN C UNDER FACILITY AGREEMENT C

The principal terms of Facility Agreement C are as follows:

Date of agreement:	14 October 2019
Effective date:	18 October 2019 upon successful delivery of Ship C to Borrower C
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower C
Loan principal:	US\$7 million (approximately HK\$54.6 million)
Interest rate:	10% per annum
Collateral:	First mortgage over Ship C with fair value of approximately US\$10.8 million (approximately HK\$83.9 million) registered in the ownership of Borrower C and second mortgage over Ship D with fair value of approximately US\$11.6 million (approximately HK\$90.5 million) registered in the ownership of Borrower D
Loan period:	Five years
Repayment:	Borrower C shall repay the loan and interest accrued thereon quarterly

LETTER FROM THE BOARD

LOAN D UNDER FACILITY AGREEMENT D

The principal terms of Facility Agreement D are as follows:

Date of agreement:	14 October 2019
Effective date:	23 October 2019 upon successful delivery of Ship D to Borrower D
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower D
Loan principal:	US\$7 million (approximately HK\$54.6 million)
Interest rate:	10% per annum
Collateral:	First mortgage over Ship D with fair value of approximately US\$11.6 million (approximately HK\$90.5 million) registered in the ownership of Borrower D and second mortgage over Ship C with fair value of approximately US\$10.8 million (approximately HK\$83.9 million) registered in the ownership of Borrower C
Loan period:	Five years
Repayment:	Borrower D shall repay the loan and interest accrued thereon quarterly

OTHER TERMS OF THE FACILITY AGREEMENT C AND FACILITY AGREEMENT D

Loan C and Loan D are cross-collateralized where Loan C is guaranteed by Borrower D, Guarantor C and Guarantor D, and Loan D is guaranteed by Borrower C, Guarantor C and Guarantor D.

Guarantor C irrevocably and unconditionally guarantees to the Lender punctual performance by Borrower C of all its obligations under Facility Agreement C and by Borrower D of all its obligations under Facility Agreement D. Guarantor C also undertakes with the Lender whenever Borrower C or Borrower D does not pay any amount due under respective facility agreement, Guarantor C shall immediately on demand pay that amount and indemnifies the Lender against any cost, loss or liability suffered by the Lender. Guarantor D irrevocably and unconditionally guarantees to the Lender punctual performance by Borrower D of all its obligations under Facility Agreement D and by Borrower C of all its obligations under Facility Agreement C. Guarantor D also undertakes with the Lender whenever Borrower D or Borrower C does not pay any amount due under respective facility agreement, Guarantor D shall immediately on demand pay that amount and indemnifies the Lender against any cost, loss or liability suffered by the Lender.

LETTER FROM THE BOARD

LOAN E UNDER FACILITY AGREEMENT E

The principal terms of Facility Agreement E are as follows:

Date of agreement:	7 November 2019
Effective date:	11 November 2019 upon successful delivery of Ship E to Borrower E
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower E
Loan principal:	US\$7 million (approximately HK\$54.6 million)
Interest rate:	10% per annum
Collateral:	First mortgage over Ship E with fair value of approximately US\$10.5 million (approximately HK\$81.9 million) registered in the ownership of Borrower E and second mortgage over Ship F with fair value of approximately US\$10.8 million (approximately HK\$84.2 million) to be registered in the ownership of Borrower F when Ship F is successfully delivered and Facility Agreement F becomes effective
Loan period:	Five years
Repayment:	Borrower E shall repay the loan and interest accrued thereon quarterly

LOAN F UNDER FACILITY AGREEMENT F

The principal terms of Facility Agreement F are as follows:

Date of agreement:	7 November 2019
Effective date:	Expected to be taken place on 19 November 2019 upon successful delivery of Ship F to Borrower F
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower F
Loan principal:	US\$7 million (approximately HK\$54.6 million)
Interest rate:	10% per annum

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Collateral:	First mortgage over Ship F with fair value of approximately US\$10.8 million (approximately HK\$84.2 million) to be registered in the ownership of Borrower F and second mortgage over Ship E with fair value of approximately US\$10.5 million (approximately HK\$81.9 million) registered in the ownership of Borrower E
Loan period:	Five years
Repayment:	Borrower F shall repay the loan and interest accrued thereon quarterly

OTHER TERMS OF THE FACILITY AGREEMENT E AND FACILITY AGREEMENT F

Upon successful delivery of both Ship E and Ship F and both Facility Agreement E and Facility Agreement F become effective, Loan E and Loan F will be cross-collateralized where Loan E will be guaranteed by Borrower F, Guarantor E and Guarantor F, and Loan F will be guaranteed by Borrower E, Guarantor F and Guarantor E. Facility Agreement E and Facility Agreement F are not inter-conditional. Both Facility Agreement E and Facility Agreement F will also be guaranteed by Guarantor A.

Guarantor E irrevocably and unconditionally guarantees to the Lender punctual performance by Borrower E of all its obligations under Facility Agreement E and by Borrower F of all its obligations under Facility Agreement F. Guarantor E also undertakes with the Lender whenever Borrower E or Borrower F does not pay any amount due under respective facility agreement, Guarantor E shall immediately on demand pay that amount and indemnifies the Lender against any cost, loss or liability suffered by the Lender. Guarantor F irrevocably and unconditionally guarantees to the Lender punctual performance by Borrower F of all its obligations under Facility Agreement F and by Borrower E of all its obligations under Facility Agreement E. Guarantor F also undertakes with the Lender whenever Borrower F or Borrower E does not pay any amount due under respective facility agreement, Guarantor F shall immediately on demand pay that amount and indemnifies the Lender against any cost, loss or liability suffered by the Lender.

Guarantor A irrevocably and unconditionally guarantees to the Lender punctual performance by Borrower E of all its obligations under Facility Agreement E and by Borrower F of all its obligations under Facility Agreement F. Guarantor A also undertakes with the Lender whenever Borrower E or Borrower F does not pay any amount due under respective facility agreement, Guarantor A shall immediately on demand pay that amount and indemnifies the Lender against any cost, loss or liability suffered by the Lender.

LETTER FROM THE BOARD

PROVISION OF PREVIOUS AB LOANS

As disclosed in the Company's announcement on 11 September 2019, the Lender provided Loan A and Loan B under Facility Agreement A and Facility Agreement B to Borrower A and Borrower B.

LOAN A UNDER 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 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 Borrower B
Loan period:	Five years
Repayment:	Borrower A shall repay the loan and interest accrued thereon quarterly

LOAN B UNDER 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)

LETTER FROM THE BOARD

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 AGREEMENT A AND FACILITY AGREEMENT B

Loan A and Loan B are cross-collateralized where Loan A is guaranteed by Borrower B and Loan B is guaranteed by Borrower A.

REASONS FOR AND BENEFITS OF THE ENTERING INTO FACILITY AGREEMENT C, FACILITY AGREEMENT D, FACILITY AGREEMENT E AND FACILITY AGREEMENT F

The aggregated amount of: (1) CD Loans is US\$14 million (approximately HK\$109.2 million) under Facility Agreement C and Facility Agreement D; (2) EF Loans is US\$14 million (approximately HK\$109.2 million) under Facility Agreement E and Facility Agreement F; and (3) Previous AB Loans, CD Loans and EF Loans is US\$38 million (approximately HK\$296.4 million) under Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F. The terms of Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F (including the interest rates and the terms) were negotiated on an arm's length basis between the Lender and Borrower A, Borrower B, Borrower C, Borrower D, Borrower E and Borrower F and were on normal commercial terms.

Taking into account the satisfactory results of the Company's due diligence of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E and Borrower F, the stable interest income expected to be generated from Loan A, Loan B, Loan C, Loan D, Loan E and Loan F, and the fair values of Ship A of approximately US\$11 million (approximately HK\$81.9 million), Ship B of approximately US\$7 million (approximately HK\$56.6 million), Ship C of approximately US\$10.8 million (approximately HK\$83.9 million), Ship D of approximately US\$11.6 million (approximately HK\$90.5 million), Ship E of approximately US\$10.5 million (approximately HK\$81.9 million) and Ship F of approximately US\$10.8 million (approximately HK\$84.2 million) which were appraised by independent qualified appraisal firms, the Directors consider that each of the terms and conditions of Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F (including the interest rates and the terms) was concluded base on arm's length negotiations and were on normal commercial terms, the Directors consider each of the terms and conditions are fair and reasonable and the entering into of Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility

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Agreement D, Facility Agreement E and Facility Agreement F is in the interests of the Company and its shareholders as a whole. The Lender has financed Previous AB Loans, CD Loans and EF Loans with the Group's internal cash resources.

Possible financial effects of the provision of financial assistance

The provision of Loan A, Loan B, Loan C, Loan D, Loan E and Loan F is not expected to have material impact on the total assets, total liabilities and net asset value of the Group. The interest income derived from Loan A, Loan B, Loan C, Loan D, Loan E and Loan F will be recorded as income of the Group over the respective loan periods.

LISTING RULES IMPLICATION

The granting of the loan amounts under Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F are financial assistance provided by the Company within the meaning of the Listing Rules.

Taking into consideration: (1) Loan C and Loan D are cross-collateralized, Facility Agreement C and Facility Agreement D are related and pursuant to Rule 14.22 of the Listing Rules, the relevant figures of Facility Agreement C and Facility Agreement D shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules; and (2) Loan E and Loan F will be cross-collateralized upon successful delivery of both Ship E and Ship F and both Facility Agreement E and Facility Agreement F become effective, Facility Agreement E and Facility Agreement F are related and pursuant to Rule 14.22 of the Listing Rules, the relevant figures of Facility Agreement E and Facility Agreement F shall be aggregated for determining the percentage ratios under Rule 14.07 of the Listing Rules.

Taking into consideration of Borrower A, Borrower B, Borrower C, Borrower D, Borrower E and Borrower F are associated with each other and the entering into Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F together leads to substantial involvement by the Company in a business activity of asset-based financing which did not previously form part of the Company's principal business activities, pursuant to Rule 14.23 (1) and Rule 14.23 (4) of the Listing Rules, the relevant figures of Previous AB Loans, CD Loans and EF Loans 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 (1) the aggregated amount of CD Loans of US\$14 million (approximately HK\$109.2 million) under Facility Agreement C and Facility Agreement D are more than 25% but less than 100%; (2) the aggregated amount of EF Loans of US\$14 million (approximately HK\$109.2 million) under Facility Agreement E and Facility Agreement F are more than 25% but less than 100%; and (3) the aggregated amount of Previous AB Loans, CD Loans and EF Loans of US\$38 million (approximately HK\$296.4 million) under Facility Agreement A, Facility Agreement B, Facility Agreement C, Facility Agreement D, Facility Agreement E and Facility Agreement F are more than 25% but less than 100%, the provision of CD Loans, EF Loans and Previous AB Loans constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The provision of CD Loans and the provision of EF Loans are subject to the notification, announcement and shareholders' approval requirements under the Listing Rules.

LETTER FROM THE BOARD

Under Rule 14.44 of the Listing Rules, shareholders' approval for the provision of CD Loans and the provision of EF Loans 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) the 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 396,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 656,858 Jinhui Shipping Shares which represent approximately 0.60% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, is the 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 provision of CD Loans and the provision of EF Loans other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the provision of CD Loans and the provision of EF Loans if the Company were to convene a general meeting for the approval of the provision of CD Loans and the provision of EF Loans, and the provision of CD Loans and the provision of EF Loans had been approved by written shareholders' approvals from Fairline and Timberfield.

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 2016, 2017 and 2018 and the six months ended 30 June 2019 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 2016 (pages 54 to 123)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0412/ltn20170412802.pdf>
- Annual report of the Company for the year ended 31 December 2017 (pages 57 to 119)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0413/ltn20180413287.pdf>
- Annual report of the Company for the year ended 31 December 2018 (pages 56 to 125)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0409/ltn20190409617.pdf>
- Interim report of the Company for the six months ended 30 June 2019 (pages 22 to 40)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0913/ltn20190913113.pdf>

(2) INDEBTEDNESS

As at the close of business on 30 September 2019, 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\$1,088 million.

The bank borrowings comprised secured term loans of approximately HK\$572 million and secured revolving loans of approximately HK\$516 million. All outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 30 September 2019, 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\$1,644 million, investment properties with an aggregate carrying amount of approximately HK\$387 million, financial assets at fair value through profit or loss of approximately HK\$466 million and deposits in banks amounting to approximately HK\$57 million. Shares of ten ship owning subsidiaries, being members of the Group, were pledged together with the assignment of chartering income of eighteen ship owning subsidiaries to secure credit facilities utilized by the Group.

As at 30 September 2019, 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 material 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.

Dry bulk shipping market remained weak in the first half of 2019, amid the negative sentiment and uncertainty arisen from the US-China trade dispute. The freight market in the second quarter of 2019 continued to be weaker than expected, where demand was hit by the negative sentiment caused by US-China trade conflict and an expectation of slowdown in global growth. While we have full confidence in mankind's capacity to respond to events and shape their futures for the better, we have to be mindful that increasingly frequent economic or political surprises can introduce 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, as well as no charter-in contracts at this juncture, and will continue to focus on taking sensible and decisive actions to maintain a strong financial position.

Taking into consideration of, amongst other things, (i) the stable and recurring interest income expected to be generated from asset-based financing to the Group and (ii) the value of the collateral ships, the Directors consider the provision of financial assistance represent a reasonable allocation of capital into income generating assets is asset-light. We believe the additional source of income from asset-based financing would help mitigate cyclicalities from core shipping business.

(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 provision of CD Loans and the provision of EF Loans, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular.

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*

Name	Number of shares in the Company held and capacity			Total	Percentage of total issued Shares
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	23,145,000	15,140,000	205,325,568 <i>Note 1</i>	243,610,568	45.94%
Ng Kam Wah Thomas	5,909,000	–	136,883,712 <i>Note 2</i>	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 through his interests in 51% of the issued capital of Fairline Consultants Limited (as disclosed hereinafter).

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company through his wholly owned company, Timberfield Limited (as disclosed hereinafter).

(ii) *Directors' interests in associated corporation*

Name	Number of Jinhui Shipping Shares held and capacity			Total	Percentage of total issued Jinhui Shipping Shares
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	3,959,314	982,793	61,238,098 <i>Note 1</i>	66,180,205	60.57%
Ng Kam Wah Thomas	864,900	–	260,000 <i>Note 2</i>	1,124,900	1.03%

Notes:

- Mr. Ng Siu Fai is deemed to be interested in 61,238,098 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 396,858 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.
- 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.

- 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).
- 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.
- 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			Total	Percentage of total issued shares of the Company
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Wong Yee Man Gloria	15,140,000	228,470,568 <i>Note 1</i>	–	243,610,568	45.94%
Ng Chi Lam Michael	–	–	205,325,568 <i>Note 2</i>	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 <i>Note 3</i>	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	–	–	29,378,000 <i>Note 4</i>	29,378,000	5.54%
Zhongcai (Holdings) Limited	26,949,000	–	–	26,949,000	5.08%

Notes:

- Ms. Wong Yee Man Gloria is deemed to be interested in 228,470,568 shares of the Company through the interests of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).
- 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 2018, 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.

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 6 April 2018 entered into between Oriental Dynamic International Limited** and The Bank of East Asia, Limited regarding the acquisition of the property at a consideration of HK\$72,000,000;
- (2) an agreement dated 6 April 2018 entered into between Hazen Valley Limited** and The Bank of East Asia, Limited regarding the acquisition of the property at a consideration of HK\$41,000,000;
- (3) a transfer document dated 20 April 2018 entered into by Peninsular Wonder Limited** regarding a co-investment in properties located in Shanghai, the PRC with a capital contribution of US\$10,000,000;
- (4) an agreement dated 13 July 2018 entered into between Noble Talent Development Limited** and Gladstrong Investments Limited regarding the acquisition of the properties at a consideration of HK\$63,000,000;
- (5) an agreement dated 16 July 2018 entered into between Jinfeng Marine Inc.** and Xiangshan Xingning Shipping Co., Limited regarding the disposal of the vessel at a consideration of US\$8,350,000;

- (6) an agreement dated 24 July 2018 entered into between Jinli Marine Inc.** and Zhejiang Fuxing Shipping Co., Ltd. regarding the disposal of the vessel at a consideration of US\$8,610,000;
- (7) an agreement dated 2 August 2018 entered into between Jincheng Maritime Inc.** and Anhui Zhonglian Shipping Co., Ltd. regarding the disposal of the vessel at a consideration of US\$8,700,000;
- (8) an agreement dated 2 November 2018 entered into between Good Sunshine Limited** and Sheen Day Limited regarding the acquisition of the property at a consideration of HK\$30,993,160;
- (9) an agreement dated 10 December 2018 entered into between Jinqun Marine Inc.** and Bao Winning Shipping Co., Ltd regarding the disposal of the vessel at a consideration of US\$6,900,000;
- (10) an agreement dated 2 January 2019 entered into between Jinzhou Marine Inc.** and Poseidon Global Shipping Pte. Ltd. regarding the disposal of the vessel at a consideration of US\$7,380,768;
- (11) an agreement dated 23 April 2019 entered into between Jinming Marine Inc.** and ECLAT NAVIGATION S.A. regarding the acquisition of the vessel at a consideration of US\$5,750,000;
- (12) an agreement dated 23 April 2019 entered into between Jinhan Marine Inc.** and CIMA MARINE CORP. regarding the acquisition of the vessel at a consideration of US\$6,250,000, which was subsequently terminated on 4 June 2019;
- (13) an agreement dated 12 August 2019 entered into between the Lender and Borrower B regarding the provision of Loan B;
- (14) an agreement dated 11 September 2019 entered into between the Lender and Borrower A regarding the provision of Loan A;
- (15) an agreement dated 14 October 2019 entered into between the Lender and Borrower C regarding the provision of Loan C;
- (16) an agreement dated 14 October 2019 entered into between the Lender and Borrower D regarding the provision of Loan D;
- (17) an agreement dated 7 November 2019 entered into between the Lender and Borrower E regarding the provision of Loan E; and
- (18) an agreement dated 7 November 2019 entered into between the Lender and Borrower F regarding the provision of Loan F.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company in Hong Kong at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong up to and including 29 November 2019:

- (a) Memorandum and Articles of Association of the Company;
- (b) the annual reports of the Company for the two financial years ended 31 December 2018 and 2017 respectively;
- (c) the material contracts as disclosed in this circular;
- (d) the valuation certificates of Ship A, Ship B, Ship C, Ship D, Ship E and Ship F;
- (e) this circular; and
- (f) the written approval dated 14 October 2019 and 7 November 2019 given by Fairline and Timberfield in relation to the provision of CD Loans and the provision of EF Loans.

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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.