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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 SUPPLEMENTAL MEMORANDUM IN RELATION TO A CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

The Board makes this supplemental announcement further to the Company's announcement dated 20 April 2018 (the "Announcement") in relation to the Co-Investment in T3 Property. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as ascribed thereto in the Announcement.

On 31 January 2020, the Co-Investor (an approximately 55.69% indirectly owned subsidiary of the Company) agreed and signed a supplemental memorandum (the "Memorandum") with the Investment Manager, pursuant to which the Co-Investor agreed to provide US\$4,276,915 (approximately HK\$33,360,000) on or before 4 February 2020 for acquiring 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment supplemental capital call as required under the Memorandum (the "Co-Investment Supplemental Capital Call"). This Co-Investment Supplemental Capital Call is required for all shareholders of Dual Bliss and all other investors of the Co-Investment in T3 Property on a pro rata basis for the purpose of temporarily funding the unwinding of intercompany loan receivable/payable of the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the Co-Investment Vehicle by the special funding (the "Special Fund") from this Co-Investment Supplemental Capital Call in order to obtain banking facilities under PRC regulations for the Co-Investment. The unwinding exercise is a condition precedent for the bank loan drawdown.

As the relevant percentages for the transaction exceed 5% but all below 25%, the Co-Investment Supplemental Capital Call 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.

THE SUPPLEMENTAL MEMORANDUM IN RELATION TO THE CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

As set out in the Company's announcement dated 20 April 2018 (the "Announcement") in relation to the Co-Investment in T3 Property, the Co-Investor (an approximately 55.69% indirectly owned subsidiary of the Company) committed to acquire issued non-voting participating class A shares of Dual Bliss of US\$10,000,000 (approximately HK\$78,000,000) and up to the date of this announcement, the Co-Investor owns 34.5901% interest in Dual Bliss and paid US\$7,523,752 (approximately HK\$58,685,000) in accordance with the terms and conditions of the Co-Investment Agreement.

On 31 January 2020, the Co-Investor agreed and signed a supplemental memorandum (the "Memorandum") with the Investment Manager, pursuant to which the Co-Investor agreed to provide US\$4,276,915 (approximately HK\$33,360,000) on or before 4 February 2020 for acquiring 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment supplemental capital call as required under the Memorandum (the "Co-Investment Supplemental Capital Call"). This Co-Investment Supplemental Capital Call is required for all shareholders of Dual Bliss and all other investors of the Co-Investment in T3 Property on a pro rata basis for the purpose of temporarily funding the unwinding of intercompany loan receivable/payable of the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the Co-Investment Vehicle by the special funding (the "Special Fund") from this Co-Investment Supplemental Capital Call in order to obtain banking facilities under PRC regulations for the Co-Investment. The unwinding exercise is a condition precedent for the bank loan drawdown.

Subject to all applicable PRC governmental and regulatory approvals, the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the Co-Investment Vehicle will use the Special Fund to unwind the intercompany loan receivable/payable and upon the fulfilment of the condition precedent for successful drawdown of the bank loan facilities, it is expected that the Special Fund will be remitted back to respective shareholders in proportion to the shareholdings under a mandatory share repurchase scheme mechanism within the expected two months' timeframe under the Memorandum. At the end of the two months expected timeframe, the Co-Investor will receive the total of US\$4,276,915 (approximately HK\$33,360,000) under the share repurchase scheme, subject to exchange rate variance, the 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment Supplemental Capital Call will be repurchased and cancelled. The Group intends to finance the Co-Investment Supplemental Capital Call of US\$4,276,915 (approximately HK\$33,360,000) by its internal resources.

REASONS FOR AND BENEFITS OF THE CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

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

Given the unwinding of the intercompany loan receivable/payable by the Special Fund is a condition precedent for successful drawdown of the bank loan facilities for the completion of Co-Investment in T3 Property under the latest PRC regulations, it is crucial and beneficial to the Co-Investor to contribute to the Co-Investment Supplemental Capital Call along with all shareholders of Dual Bliss and all other co-investors in the Co-Investment in T3 Property on a proportional basis for the purpose of a successful completion of T3 Property project.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Memorandum are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

Parties

The Co-Investor, 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.

Phoenix Property Investors Limited (the “Investment Manager”) is an exempted company incorporated in the Cayman Islands with limited liability and is principally engaged in investment management. The Company understands that the Investment Manager is a disciplined, value-oriented real estate investor and operator with investment advisory offices in Hong Kong, Shanghai, Tokyo, Sydney, Taipei, Seoul and Singapore and an asset management office in Shanghai. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, the Investment Manager and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

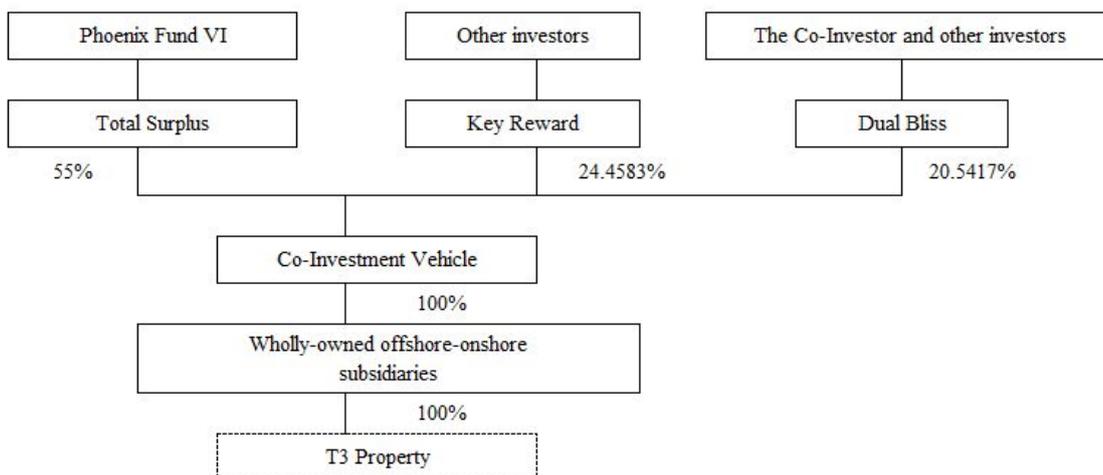
Key Reward is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Key Reward and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Dual Bliss is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Dual Bliss and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Total Surplus is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Total Surplus and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

The objective of Dual Bliss is to give third party investors the opportunity to co-invest with Phoenix Fund VI in Tower 3 of Shanghai Financial Street Center, Jing’an Central Business District, Shanghai, the PRC (the “T3 Property”). Phoenix Fund VI focuses on fundamental value discovery and value creation by making real estate investment throughout Asia-Pacific with an emphasis on Greater China, Japan, Australia, Southeast Asia and Korea. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Phoenix Fund VI and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Set out below is the proposed structure for the investment in the T3 Property:



LISTING RULES IMPLICATIONS

As the relevant percentages for the transaction exceed 5% but all below 25%, the Co-Investment Supplemental Capital Call 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:

“Board”	the board of Directors;
“Co-Investment”	the co-investment in the T3 Property as contemplated under the Co-Investment Agreement;
“Co-Investment Agreement”	the co-investment agreement dated 20 April 2018 and entered among Key Reward, Total Surplus and Dual Bliss;
“Co-Investment Supplemental Capital Call”	supplemental capital call required for all shareholders of Dual Bliss and all other investors of the Co-Investment in T3 Property on a proportional basis under the Memorandum;
“Co-Investor”	Peninsular Wonder Limited, a company incorporated in the British Virgin Islands with limited liability and 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;
“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;
“Dual Bliss”	Dual Bliss Limited, a company incorporated in the British Virgin Islands with limited liability;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Investment Manager”	Phoenix Property Investors Limited, an exempted company incorporated in the Cayman Islands with limited liability;
“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);

“Key Reward”	Key Reward Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memorandum”	the supplemental memorandum dated 31 January 2020 entered between the Co-Investor and the Investment Manager;
“Phoenix Fund VI”	together Phoenix Asia Real Estate Investments VI(A), L.P. and Phoenix Asia Real Estate Investments VI(B), L.P., both are Cayman Islands exempted limited partnership;
“PRC”	The People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Total Surplus”	Total Surplus Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“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, 31 January 2020

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.