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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 ACQUISITION OF A VESSEL**

The Board is pleased to announce that, the Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Agreement with the Vendor in respect of the acquisition of the Vessel on 9 July 2021. The purchase price of the Vessel is US\$15,180,000 (approximately HK\$118,404,000). The Vessel will be delivered by the Vendor to the Purchaser between 15 September 2021 and 20 October 2021.

Under the Listing Rules, the Acquisition of the Vessel constitutes a discloseable transaction for the Company.

#### **THE ACQUISITION**

The Purchaser entered into the Agreement with the Vendor on 9 July 2021 for the acquisition of the Vessel at a purchase price of US\$15,180,000 (approximately HK\$118,404,000). The Vessel will be delivered by the Vendor to the Purchaser between 15 September 2021 and 20 October 2021.

#### **Information on the Group and the Purchaser**

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

The Purchaser is a ship owning company 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. The principal activities of the Purchaser are ship owning and chartering.

**Vendor**

The Vendor is BELFRI AS, a company incorporated in Norway. Its principal activities are purchase, sale and operation of ships. The Vendor is owned by BELSHIPS ASA, a company incorporated in Norway and listed on the Oslo Stock Exchange with principal activities of providing shipping transportation services in a global market.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor and BELSHIPS ASA are Independent Third Parties.

**Vessel**

The Vessel is a Supramax of deadweight 55,866 metric tons, built in year 2007.

**Consideration**

Under the Agreement, the purchase price for the Vessel is US\$15,180,000 (approximately HK\$118,404,000) and is payable by the Purchaser as follows:

- (1) an initial deposit of US\$2,277,000 (approximately HK\$17,761,000) will be payable by the Purchaser within three banking days after the date that (i) the signing of the Agreement; and (ii) the confirmation from the escrow agent confirming the account is ready to receive the initial deposit; and
- (2) the balance of US\$12,903,000 (approximately HK\$100,643,000) will be payable by the Purchaser on the delivery of the Vessel which will take place between 15 September 2021 and 20 October 2021.

The purchase price for the Vessel will be payable by cash in United States Dollars. The purchase price of the Vessel was determined by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of built in the market, and on the basis of arm's length negotiations with the Vendor.

We observe and monitor the sale and purchase market of second hand vessels, including recent market transactions of similar vessels between willing sellers and willing buyers in that prevailing time presuming the vessel free from all registered encumbrances, maritime liens and all debts, free of charter or any contract of employment, for cash payment on normal sale terms at that particular of time. However, as each vessel is never identical, we will take into account the individual specification, maintenance quality and conditions of each individual vessel to consider its purchase.

The Directors consider that the purchase price is fair and reasonable and the Acquisition of the Vessel is in the interests of the Company and its shareholders as a whole.

**GUARANTEE BY JINHUI SHIPPING**

Jinhui Shipping, the intermediate holding company of the Purchaser, agrees to provide a performance guarantee to the Vendor of due and punctual performance of all obligations of the Purchaser in accordance with the terms of the Agreement.

## REASONS FOR THE ACQUISITION

The Group's principal activities are international ship chartering and ship owning. The Vessel is a Supramax fitted for the transportation of dry bulk commodities. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of the Vessel and consider the purchase price of the Vessel is highly attractive. The Vessel is expected to generate a steady stream of income for the Group. The Group currently owns twenty dry bulk vessels which include two Post-Panamaxes and eighteen Supramaxes. Total carrying capacity will be increased by 55,866 metric tons to 1,300,439 metric tons after the completion of the acquisition of the Vessel.

It is currently expected that the purchase price of the Vessel will be funded by internal resources of the Group.

## LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined in the Listing Rules) for the Acquisition of the Vessel exceed 5% but are less than 25%, the Acquisition of the Vessel 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:

“Acquisition of the Vessel”	the acquisition of the Vessel under the Agreement;
“Agreement”	the memorandum of agreement dated 9 July 2021 entered into between the Vendor and the Purchaser in respect of the acquisition of the Vessel;
“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;
“Independent Third Parties”	person(s) (and in case of company(ies) and corporation(s), their ultimate beneficial owner(s)) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates within the meaning of the Listing Rules;

“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);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
“Purchaser”	Jinan Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	BELFRI AS, a company incorporated in Norway;
“Vessel”	a deadweight 55,866 metric tons bulk carrier “BELFRI” registered in Norway;
“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, 9 July 2021

*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.*