THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jinhui Holdings Company Limited**, you should at once hand this circular, together with the enclosed form of proxy, 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.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

(1) VERY SUBSTANTIAL ACQUISITION IN RELATION TO ACQUISITION OF TWO VESSELS; (2) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF A VESSEL AND (3) NOTICE OF GENERAL MEETING

A notice convening the General Meeting to be held at Soho 1 & 2, 6/F, Ibis Hong Kong Central and Sheung Wan Hotel, 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 20 September 2024 at 9:30 a.m. is set out on pages 61 to 62 of this circular. A form of proxy for use at the General Meeting is also enclosed with this circular. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.jinhuiship.com) respectively.

Whether or not you propose to attend the General Meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours before the time appointed for holding of the General Meeting (i.e. 9:30 a.m. on Tuesday, 17 September 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof (as the case may be) should you so wish.

31 August 2024

CONTENTS

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

"Acquisition of the First Vessel and the Second Vessel"	the acquisition of the First Vessel under the First Shipbuilding Contract and the acquisition of the Second Vessel under the Second Shipbuilding Contract;
"Acquisition of the Third Vessel"	the acquisition of the Third Vessel under the Third Agreement;
"associates"	has the same meaning ascribed to it under the Listing Rules;
"Board"	the board of Directors;
"Capesize"	a dry bulk vessel of deadweight approximately 120,000 metric tons or above;
"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;
"First Purchaser"	Jinhan Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"First Shipbuilding Contract"	the shipbuilding contract entered into between the First Purchaser and the Seller dated 28 June 2024 where the First Purchaser has agreed to purchase the First Vessel from the Seller and the Seller has agreed to design, build, launch, equip and complete the First Vessel, and to sell and deliver the First Vessel at the Seller's shipyard to the First Purchaser;
"First Vessel"	a deadweight 63,500 metric tons type bulk carrier to be delivered on or before 31 December 2026;
"General Meeting/GM"	a general meeting of the Company to be convened for approving the Acquisition of the First Vessel and the Second Vessel;
"Group"	the Company and its subsidiaries;
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
"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 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"	28 August 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Refund Guarantee(s)"	the guarantee(s) to be issued by the Seller's bank in favour of each of the First Purchaser and the Second Purchaser respectively whereby the Seller's bank will guarantee the refund of any sum received by Seller to each of the First Purchaser and the Second Purchaser respectively if the delivery of the First Vessel or the Second Vessel is not effected according to the agreed date of delivery respectively;
"Second Purchaser"	Jinming Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"Second Shipbuilding Contract"	the shipbuilding contract entered into between the Second Purchaser and the Seller dated 28 June 2024 where the Second Purchaser has agreed to purchase the Second Vessel from the Seller and the Seller has agreed to design, build, launch, equip and complete the Second Vessel, and to sell and deliver the Second Vessel at the Seller's shipyard to the Second Purchaser;
"Second Vessel"	a deadweight 63,500 metric tons type bulk carrier to be delivered on or before 30 November 2027;

"Seller"	Jiangsu Hantong Ship Heavy Industry Co., Ltd., a company incorporated in the People's Republic of China;
"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;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Third Agreement"	the memorandum of agreement dated 2 July 2024 entered into between the Vendor and the Third Purchaser in respect of the acquisition of the Third Vessel;
"Third Purchaser"	Jinmei Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
"Third Vessel"	a deadweight 178,021 metric tons bulk carrier "OCEAN COURTESY" registered in the Republic of the Marshall Islands;
"Vendor"	White Reefer Line Corp., a company incorporated in the Republic of Panama;
"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.

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*

31 August 2024

To the Shareholders,

Dear Sir or Madam,

(1) VERY SUBSTANTIAL ACQUISITION IN RELATION TO ACQUISITION OF TWO VESSELS;
(2) MAJOR TRANSACTION IN RELATION TO ACQUISITION OF A VESSEL
AND
(3) NOTICE OF GENERAL MEETING

INTRODUCTION

The Directors refer to the followings:

(1) announcement of the Company dated 28 June 2024 in relation to the acquisition of the First Vessel and the Second Vessel by the First Purchaser and the Second Purchaser, both are approximately 55.69% indirectly owned subsidiaries of the Company, entered into the First Shipbuilding Contract and the Second Shipbuilding Contract respectively with the Seller,

pursuant to which the Seller agreed to build and sell the First Vessel and the Second Vessel respectively, each at a contract price of US$34,000,000 (approximately HK$265,200,000). The total contract price of the First Vessel and the Second Vessel is US$68,000,000 (approximately HK$530,400,000). The First Vessel and the Second Vessel will be delivered to the First Purchaser and the Second Purchaser on or before 31 December 2026 and 30 November 2027 respectively.

(2) announcement of the Company dated 2 July 2024 in relation to the acquisition of the Third Vessel by the Third Purchaser, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Third Agreement with the Vendor in respect of the acquisition of the Third Vessel on 2 July 2024. The purchase price of the Third Vessel is US$24,000,000 (approximately HK$187,200,000). The Third Vessel will be delivered by the Vendor to the Third Purchaser between 1 September 2024 and 31 December 2024.

The purpose of this circular is to give you further information in relation to (i) the Acquisition of the First Vessel and the Second Vessel under the First Shipbuilding Contract and the Second Shipbuilding Contract respectively; (ii) the Acquisition of the Third Vessel under the Third Agreement; (iii) the notice of the GM in respect of the Acquisition of the First Vessel and the Second Vessel; and (iv) other information required to be disclosed under the Listing Rules.

VERY SUBSTANTIAL ACQUISITION

THE ACQUISITION OF THE FIRST VESSEL AND THE SECOND VESSEL

The First Purchaser

The First 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 the Latest Practicable Date. The principal activities of the First Purchaser are ship owning and chartering.

The Second Purchaser

The Second 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 the Latest Practicable Date. The principal activities of the Second Purchaser are ship owning and chartering.

Seller

The Seller is Jiangsu Hantong Ship Heavy Industry Co. Ltd., a company incorporated in the People's Republic of China and has been established over 20 years. The principal activities of the Seller are shipbuilding, floating productions storages developments, designs, and manufacturing businesses. The Seller has successfully delivered more than 100 vessels, including oil tankers, bulk carriers, cargo carriers etc., to clients throughout the world. The ultimate beneficial owner of the Seller is Mr. Meng Chengjun.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owner are Independent Third Parties.

THE SHIPBUILDING CONTRACTS

The principal terms of the First Shipbuilding Contract are set out below:

Date: 28 June 2024

Parties: The First Purchaser and the Seller

Assets to be acquired: The First Vessel

Contract price: Subject to certain provisions for adjustment to the contract price of the First Vessel contained in the First Shipbuilding Contract relating to, amongst other things, delay in delivery of the First Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the contract price for the First Vessel is US$34,000,000 (approximately HK$265,200,000) and is payable by the First Purchaser in five installments as follows:

(1) the first installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable within seven banking days after receipt of the Refund Guarantee, covering the first installment to fourth installment;

(2) the second installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the cutting of the first steel plate of the First Vessel has taken place;

(3) the third installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the keel-laying of the First Vessel has taken place;

(4) the fourth installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the launching of the First Vessel has taken place; and

(5) the last installment in the sum of US$20,400,000 (approximately HK$159,120,000) shall become due and payable concurrently with delivery of the First Vessel on or before 31 December 2026.

Expected delivery date: On or before 31 December 2026

Other conditions:

(1) In the event the First Shipbuilding Contract is terminated, rescinded or cancelled by the First Purchaser in accordance with the specific clause of First Shipbuilding Contract, the Seller shall refund to the First Purchaser in United States Dollars the full amount of all sums already paid by the First Purchaser together with interest. As security to the First Purchaser, the Seller shall deliver to the First Purchaser a Refund Guarantee to be issued by specified bank to guarantee the refund of such payments.

(2) For each of installments of the First Vessel, independent classification surveyor from the Classification Society appointed by the Seller and supervisor of the First Purchaser are assigned to the Seller's shipyard for the supervision of the construction of the First Vessel. Classification Society is a professional that establishes and maintains technical standards for the construction and operation of ships and offshore structures. It certifies that the construction of a vessel complies with relevant standards and carries out regular surveys in service to ensure continuing compliance with the standards. A classification certificate signed by the classification surveyor is issued at each stage of installments, confirming that the First Vessel meets the class specifications and other regulations and requirements of the First Shipbuilding Contract before each respective installment is paid. The necessary inspection of the First Vessel, the machinery, equipment and outfittings will be carried out by the Classification Society and/or supervisor of the First Purchaser throughout the construction in order to ensure that the construction of the First Vessel is duly performed in accordance with the First Shipbuilding Contract. Decisions of the Classification Society as to compliance or non-compliance with classification rules and regulations shall be final and binding upon the parties hereto.

(3) The First Shipbuilding Contract is conditional upon the passing of ordinary resolutions by the Shareholders approving the acquisition of First Vessel in the general meeting of the Company.

The principal terms of the Second Shipbuilding Contract are set out below:

Date: 28 June 2024

Parties: The Second Purchaser and the Seller

Assets to be acquired: The Second Vessel

Contract price: Subject to certain provisions for adjustment to the contract price of the Second Vessel contained in the Second Shipbuilding Contract relating to, amongst other things, delay in delivery of the Second Vessel, guaranteed speed deficiency, guaranteed fuel consumption being exceeded or guaranteed deadweight deficiency, the contract price for the Second Vessel is US$34,000,000 (approximately HK$265,200,000) and is payable by the Second Purchaser in five installments as follows:

(1) the first installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable within seven banking days after receipt of the Refund Guarantee, covering the first installment to fourth installment;

(2) the second installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the cutting of the first steel plate of the Second Vessel has taken place;

(3) the third installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the keel-laying of the Second Vessel has taken place;

(4) the fourth installment in the sum of US$3,400,000 (approximately HK$26,520,000) shall become due and payable and be paid within seven banking days after receipt of written notice from Seller confirming the launching of the Second Vessel has taken place; and

(5) the last installment in the sum of US$20,400,000 (approximately HK$159,120,000) shall become due and payable concurrently with delivery of the Second Vessel on or before 30 November 2027.

Expected delivery date:	On or before 30 November 2027
Other conditions:	(1) In the event the Second Shipbuilding Contract is terminated, rescinded or cancelled by the Second Purchaser in accordance with the specific clause of Second Shipbuilding Contract, the Seller shall refund to the Second Purchaser in United States Dollars the full amount of all sums already paid by the Second Purchaser together with interest. As security to the Second Purchaser, the Seller shall deliver to the Second Purchaser a Refund Guarantee to be issued by specified bank to guarantee the refund of such payments.
	(2) For each of installments of the Second Vessel, independent classification surveyor from the Classification Society appointed by the Seller and supervisor of the Second Purchaser are assigned to the Seller's shipyard for supervision of the construction of the Second Vessel. Classification Society is a professional that establishes and maintains technical standards for the construction and operation of ships and offshore structures. It certifies that the construction of a vessel complies with relevant standards and carries out regular surveys in service to ensure continuing compliance with the standards. A classification certificate signed by the classification surveyor is issued at each stage of installments, confirming that the Second Vessel meets the class specifications and other regulations and requirements of the Second Shipbuilding Contract before each respective installment is paid. The necessary inspection of the Second Vessel, the machinery, equipment and outfittings will be carried out by the Classification Society and/or supervisor of the Second Purchaser throughout the construction in order to ensure that the construction of the Second Vessel is duly performed in accordance with the Second Shipbuilding Contract. Decisions of the Classification Society as to compliance or non-compliance with Classification rules and regulations shall be final and binding upon the parties hereto.
	(3) The Second Shipbuilding Contract is conditional upon the passing of ordinary resolutions by the Shareholders approving the acquisition of Second Vessel in the general meeting of the Company.

The total contract price of the First Vessel and the Second Vessel is US$68,000,000 (approximately HK$530,400,000), which will be payable by cash in United States Dollars. It is currently expected that approximately 70% of the total contract price will be funded by bank financing and the remaining will be funded by internal resources of the Group. The contract price of each of the First Vessel and the Second Vessel has been agreed on normal commercial terms and was determined after arm's length negotiations between the First Purchaser and the Second Purchaser with the Seller, taking into account the (i) quotations and delivery schedules provided by other shipyards for the construction of new vessels of similar type and size; and (ii) the quality of services and industry reputation of the Seller. We have made comparisons with different shipyards in China and Japan, being the major shipbuilding nations in the East Asian region. The Seller is one of the companies specialized in building eco-design vessels under the new IMO lower emissions requirement with early delivery in 2026 and 2027. Other shipyards can only offer later delivery dates at higher contract prices for vessels of similar comparable specification. In addition, the Company considers the information from shipbrokers shipping reports, daily market updates, recent market traded transactions etc. Reference to market information, was newbuilding of an Ultramax, deadweight of 64,000 metric tons is contracted at US$35 million with delivery in 2027 at another shipyard in China. As a result of careful consideration, the construction of two modern eco-design vessels was concluded with the Seller, a shipyard in China.

Delivery

If there is any delay in delivery of the First Vessel or the Second Vessel which continues for a period of 210 days from the thirty-first day after the agreed delivery date, then after such period has expired, the First Purchaser or the Second Purchaser (as the case may be) may at its option rescind the First Shipbuilding Contract or the Second Shipbuilding Contract (as the case may be). The Seller shall thereupon promptly refund to the First Purchaser or the Second Purchaser (as the case may be) in United States Dollars the full amount of all sums received by the Seller together with interest accrued thereon at banking deposit rate from the date of receipt by Seller of such amount to the date of full payment to the First Purchaser or the Second Purchaser (as the case may be) of such amount. The period of 210 days from the thirty-first day after the agreed delivery date is considered as industry practice under the shipbuilding business.

GUARANTEES BY JINHUI SHIPPING

Jinhui Shipping, the intermediate holding company of the First Purchaser and the Second Purchaser, has executed two guarantees in favour of the Seller pursuant to which Jinhui Shipping agrees to guarantee the full and punctual payment of the contract prices by the First Purchaser and the Second Purchaser in accordance with the terms of the First Shipbuilding Contract and the Second Shipbuilding Contract respectively.

REASONS FOR THE ACQUISITION OF THE FIRST VESSEL AND THE SECOND VESSEL

The Group's principal activities are international ship chartering and ship owning. Both the First Vessel and the Second Vessel are vessels of deadweight 63,500 metric tons. The Acquisition of the First Vessel and the Second Vessel is consistent with the Group's ongoing strategy to renew the fleet with modern, larger and high-quality vessels, by gradually phasing out its older vessels and replacing them with newer and younger vessels. The availability of suitable young modern vessels in the second hand market can change from time to time. At this juncture no good quality young second hand vessels offering a balance of suitable specification, favourable delivery time and a reasonable price can be identified. We have taken into account transaction prices for comparable vessels in available recent market transactions, Ultramaxes built between 2017-2024, which fall between approximately US$30 million and US$38.3 million. In view of ever stringent maritime regulations, the Company decided that ordering a brand new vessel that will comply with the latest stringent regulations as well as tailormade designs that will benefit the Company's long term objective of maintaining a young and modern fleet to serve its customers and our specific trades of cargo and destinations.

The Directors believe that through such fleet optimization, the Group will be able to enhance its competitiveness in the maritime shipping industry and to cope with the market demand for its shipping services. Upon the completion of the Acquisition of the First Vessel and the Second Vessel, the First Vessel and the Second Vessel will be chartered out to third parties for the transportation of dry bulk commodities to receive charter hire and to generate recurring chartering freight and hire income for the Group. The Directors believe it is an opportune moment to further expand its fleet of vessels in order to increase operating income for the Group. The Group currently operates thirty three vessels, including twenty four owned vessels and nine chartered-in vessels, with total carrying capacity of approximately 2,152,000 metric tons.

In addition, the First Vessel and the Second Vessel are more fuel-efficient and of higher operational efficiency than the other bulk carriers of the Group currently in operation, which meets the latest environmental regulations and prevailing specification requirements in the shipping industry.

The Directors consider that the contract prices of the First Shipbuilding Contract and the Second Shipbuilding Contract are fair and reasonable and have been agreed on normal commercial terms following arm's length negotiations. The Directors consider such terms and conditions are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

Possible financial effects of the Acquisition of the First Vessel and the Second Vessel

Upon the completion of the Acquisition of the First Vessel and the Second Vessel, it is expected that the Group's non-current assets will be increased by approximately HK$530.40 million, being the recognition of the First Vessel and the Second Vessel as property, plant and equipment, and the Group's total liabilities will be increased by approximately HK$371.28 million, being approximately 70% of the total consideration paid for the First Vessel and the Second Vessel from bank financing, and the Group's current assets will be decreased by approximately HK$159.12 million, being the remaining consideration paid for the First Vessel and the Second Vessel from bank balances and cash.

The First Vessel and the Second Vessel will generate recurring chartering freight and hire income which will be recorded as revenue of the Group and the relevant shipping related expenses and depreciation will be recorded as expenses of the Group. Save as disclosed herein, the Acquisition of the First Vessel and the Second Vessel will not have any material impact on earnings, the total assets, total liabilities and net asset value of the Group.

LISTING RULES IMPLICATION

Under the Listing Rules, each of the First Shipbuilding Contract and the Second Shipbuilding Contract constitutes a major transaction of the Company.

Under the Listing Rules, the Acquisition of the First Vessel and the Second Vessel, when aggregated pursuant to Rule 14.22, constitutes a very substantial acquisition for the Company and is conditional upon the passing of ordinary resolutions by the Shareholders approving the Acquisition of the First Vessel and the Second Vessel in the general meeting. The General Meeting will be convened and held for the Shareholders to consider and, if thought fit, pass the ordinary resolutions to approve, among other things, the Acquisition of the First Vessel and the Second Vessel and the transactions contemplated thereunder.

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 407,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 667,858 Jinhui Shipping Shares which represent approximately 0.61% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, is the sole 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 Acquisition of the First Vessel and the Second Vessel other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Acquisition of the First Vessel and the Second Vessel if the Company were to convene a general meeting for the approval of the Acquisition of the First Vessel and the Second Vessel. Fairline and Timberfield have irrevocably undertaken that they will vote all of the Shares held by them in favour of the resolutions approving the Acquisition of the First Vessel and the Second Vessel at the GM.

GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The GM will be held on Friday, 20 September 2024 at 9:30 a.m., Hong Kong for the purpose of considering and, if thought fit, approving the Acquisition of the First Vessel and the Second Vessel and the transactions contemplated thereunder. The notice of the GM is set out on page 61 of this circular.

For the purpose of determining the entitlement to attend and vote at the GM, the register of members of the Company will be closed from Monday, 16 September 2024 to Friday, 20 September 2024 (both days inclusive), during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the GM, all transfers of Shares accompanied by the relevant share certificates and properly completed transfer forms must be lodged with the Company's share registrar, Tricor Standard Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 September 2024.

A form of proxy for use at the GM is enclosed with this circular. Whether or not you propose to attend the GM, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's share registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 48 hours excluding any part of a day that is a public holiday before the time appointed for holding of the GM (i.e. 9:30 a.m. on Tuesday, 17 September 2024) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the GM or any adjournment thereof (as the case may be) should you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders or any of their respective associates have any material interest in the Acquisition of the First Vessel and the Second Vessel and thus no Shareholder is required to abstain from voting on the resolution to be proposed at the GM pursuant to the Listing Rules.

RECOMMENDATION

The Board considers that the terms of the First Shipbuilding Contract and the Second Shipbuilding Contract and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the ordinary resolutions to be proposed at the General Meeting to approve the First Shipbuilding Contract and the Second Shipbuilding Contract and the transactions contemplated thereunder.

MAJOR TRANSACTION

THE ACQUISITION OF THE THIRD VESSEL

Information on the Group and the Third 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 Third 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 the Latest Practicable Date. The principal activities of the Third Purchaser are ship owning and chartering.

Vendor

The Vendor is White Reefer Line Corp., a company incorporated in the Republic of Panama. Its principal activities are shipowners business. White Reefer Line Corp. is wholly-owned by TNB Ocean Shipping Pte. Ltd., a company incorporated in Singapore and wholly owned by Takaaki Tanabe, the ultimate beneficial owner.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor, TNB Ocean Shipping Pte. Ltd. and its ultimate beneficial owner are Independent Third Parties.

The Third Vessel

The Third Vessel is a Capesize of deadweight 178,021 metric tons, built by Shanghai Waigaoqiao Shipbuilding Co., Ltd. in 2008. The Vendor warrants that the Third Vessel, at the time of delivery, is free from all charters, encumbrances, mortgages and maritime liens or any other debts. The Third Vessel will be delivered to the Group on a free from charter basis.

Consideration

Under the Third Agreement, the purchase price for the Third Vessel is US$24,000,000 (approximately HK$187,200,000) and is payable by the Third Purchaser as follows:

(1) an initial deposit of US$4,800,000 (approximately HK$37,440,000) was paid by the Third Purchaser on 9 July 2024; and

(2) the balance of US$19,200,000 (approximately HK$149,760,000) will be payable by the Third Purchaser on the delivery of the Third Vessel which will take place between 1 September 2024 and 31 December 2024.

The purchase price for the Third Vessel will be payable by cash in United States Dollars. The purchase price of the Third 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, valuation from independent valuer and on the basis of arm's length negotiations with the Vendor.

In the course of negotiating the consideration of the Third Vessel, the Group has obtained indicative valuation of the Third Vessel from Clarkson Valuations Limited ("Clarksons Valuations"), an independent valuer and part of the Clarkson Group, a leading provider of integrated shipping services headquartered in London including the world's largest shipbroker, to provide a valuation certificate in respect of the Third Vessel. In respect of the valuation of the Third Vessel, the Company has reviewed the valuation certificate and discussed with Clarksons Valuations about the valuation approach and methodology adopted in the valuation of the Third Vessel. The market valuation approach used by Clarksons Valuations is a common and acceptable method used across the shipping industry as there are typically comparable sales reported besides ongoing price idea discussions for vessels under negotiation for sale are available. This market valuation approach is a common method adopted by valuers when there is sufficient relevant information to show the price levels that buyers are willing to pay and sellers are willing to sell in the shipping market. Market approach assumes the vessels being sold on the basis of prompt charterfree delivery as between a willing buyer and willing seller and assumes the vessel to be in a good and seaworthy condition. Vessels with comparable age, size and classification of vessels and country and reputation of shipbuilders are taken into account and appropriately adjusted in order to arrive the fair value of the vessels. Clarksons Valuations has considered the factors including (i) the builder country, the quality and reputation of the shipbuilder; (ii) the classifications, configurations and specifications of the Third Vessel; (iii) recent market activities including comparison with recent sales by age/size/quality of shipyard; (iv) the prices of similar vessels which are for sale but unsold and (v) underlying market conditions. Besides, Clarksons Valuations has considered their own internal database, information in relevant works of reference in their possession in addition to market intelligence sourced from but not limited to, Clarksons Research "Shipping Intelligence Weekly", Clarksons Research "Shipping Intelligence Network" and other third party shipbroker reports. Reference to recent market traded transactions during the first half of 2024 were a 2010-built BWTS Fitted Capesize, 'Eastern Windflower' was reported sold for US$28 million and a 2007-built Capesize 'Heng Shan', was reported sold for US$21.8 million.

Having assessed all the above factors, Clarksons Valuations reached the opinion of the evaluation of the Third Vessel, which Clarksons Valuations believed would reflect the market value of the Third Vessel at the date of the valuation. According to Clarksons Valuations, the market value of the Third Vessel as at 28 June 2024 was US$24 million (approximately HK$187.20 million).

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. In the process of gathering the market intelligence from shipbrokers, we receive market information on the sale and purchase market of second hand vessels on a daily basis from international shipbrokers. We also discuss with international shipbrokers frequently to gather market intelligence on what vessels are being put on sale, which owners are looking to buy or sell their vessels on a worldwide basis. During the course of determine the purchase price of the Third Vessel, the Company has also considered the general conditions of the Third Vessel, the classification record of the Third Vessel, the age and size, the shipyard where the Third Vessel was originally built and the date for next drydocking inspection. However, as each vessel is never identical, management has based on the experiences and market knowledge to consider.

We then came up with some options on each of the available for sale vessel that fits or is a close fit to the criteria of the Group's business operations, types of customers and/or cargoes the Group target. Such information focuses on the physical conditions of the relevant vessels and these are the particulars that the Group considers in making a purchase decision.

It is currently expected that approximately 70% of the purchase price of the Third Vessel will be funded by bank financing and the remaining will be funded by internal resources of the Group.

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

REASONS FOR THE ACQUISITION OF THE THIRD VESSEL

The Group's principal activities are international ship chartering and ship owning. Despite the recent development in the shipping market, the Directors continuously review the prevailing market conditions of the shipping industry and continue to seek to fine tune the quality of our fleet and adjust the Group's fleet profile as appropriate. The Directors believe that the Acquisition of the Third Vessel will enable the Group to optimize the fleet profile through this ongoing management of asset portfolio.

Dry bulk shipping market is a highly volatile market. Market conditions can change rapidly due to factors like global economic conditions, supply and demand dynamics, and geopolitical events. We try to strike as good as possible, the balance of additional maintenance costs that is associated with the aging of a vessel, the expected revenue generating ability and cargo flexibility when compared to younger vessels, the potential asset value appreciation of an asset, as well as the importance of ensuring we are financially nimble by monetizing suitable assets. We believe in being prepared at all times for future possible opportunities of redeployment of capital into other more suitable assets that may arise going forward while keeping leverage at comfortable levels. We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with vessels with larger carrying capacity and longer asset lives. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

The Third Vessel is a Capesize vessel for the transportation of dry bulk commodities with larger capacity which the Group does not currently own and we expect to benefit from higher hire rates at the rising shipping market. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of the Third Vessel and consider the purchase price of the Third Vessel is reasonable. The Directors believe it is an opportune moment to further expand its fleet of vessels in order to increase the capacity and operating income for the Group. The Group currently operates thirty three vessels, including twenty four owned vessels and nine chartered-in vessels, with total carrying capacity of approximately 2,152,000 metric tons.

Upon the completion of the acquisition of the Third Vessel, the Third Vessel will be chartered out to third parties for the transportation of dry bulk commodities to receive charter hire and to generate recurring chartering freight and hire income for the Group. The Company believes that the Acquisition of the Third Vessel will allow the Group to generate more operating income and increase the returns of the Company in the future.

In face of the increasing uncertainties from the external environment, the Group will continue to stay alert to any unforeseen changes to market and carry out any investment decisions cautiously, with a view to create sustainable return to Shareholders in long term.

Possible financial effects of the Acquisition of the Third Vessel

Upon the completion of the Acquisition of the Third Vessel, it is expected that the Group's non-current assets will be increased by approximately HK$187.20 million, being the recognition of the Third Vessel as property, plant and equipment, and the Group's total liabilities will be increased by approximately HK$131.04 million, being approximately 70% of the total consideration paid for the Third Vessel from bank financing, and the Group's current assets will be decreased by approximately HK$56.16 million, being the remaining consideration paid for the Third Vessel from bank balances and cash.

The Third Vessel will generate recurring chartering freight and hire income which will be recorded as revenue of the Group and the relevant shipping related expenses and depreciation will be recorded as expenses of the Group. Save as disclosed herein, the Acquisition of the Third Vessel will not have any material impact on earnings, the total assets, total liabilities and net asset value of the Group.

LISTING RULES IMPLICATION

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Acquisition of the Third Vessel exceed 25% but are less than 100%, the Acquisition of the Third Vessel constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is 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 Acquisition of the Third Vessel 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) 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 407,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 667,858 Jinhui Shipping Shares which represent approximately 0.61% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, is the sole 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 Acquisition of the Third Vessel other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Acquisition of the Third Vessel if the Company were to convene a general meeting for the approval of the Acquisition of the Third Vessel, and the Acquisition of the Third Vessel had been approved by written shareholders' approvals from Fairline and Timberfield.

As stated in the preceding paragraphs, the Directors are of the view that the Acquisition of the Third Vessel and transaction contemplated thereunder is in the ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and the terms for the Acquisition of the Third Vessel is fair and reasonable. Although a general meeting would not be convened by the Company to approve the Acquisition of the Third Vessel and the transaction contemplated thereunder, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Acquisition of the Third Vessel and the transaction contemplated thereunder.

CERTAIN INFORMATION REQUIRED UNDER THE LISTING RULES

According to Rule 14.67(6)(b)(i) of the Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with an identifiable income stream or assets valuation, the Company is required to include in the circular a profit and loss statement and valuation (where available) for the three preceding financial years on the identifiable net income stream in relation to such assets which must be reviewed by the auditor or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.

For the preparation of the profit and loss statement on the identifiable net income stream in relation to the Third Vessel in strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules, full access to the underlying books and records of the Vendor covering the relevant period is required. During the course of the negotiation process, the Company requested the access of book records but were being rejected by the Vendor, the Vendor has not agreed to grant permission for the Group and/or the Company's auditor to gain full access to the relevant underlying books and records of the Vendor nor have they agreed to provide the

Group with the above specific information in relation to the Third Vessel for public disclosure. Besides, the Vendor is not public listed company, the accounts, books and accounting records are not available to the public. Without the aforesaid full access to the underlying books and records of the Third Vessel granted by the Vendor, it would not be possible for the Company to properly compile the profit and loss statements for the net income stream of the Third Vessel for the relevant period for inclusion in the circular as required under Rule 14.67(6)(b)(i) of the Listing Rules. The Company has therefore applied to the Stock Exchange for, and was granted by the Stock Exchange, a waiver from strict compliance with Rule 14.67(6)(b)(i) of the Listing Rules. The Company believes that Shareholders will not be prejudiced even if they are not provided with the information under Rule 14.67(6)(b)(i). Given that the dry bulk shipping market is highly volatile, the income and expenses of dry bulk vessels fluctuate depending on a number of external factors. A principal factor which affects the amount of income generated by a vessel is the prevailing market conditions. Besides, the historical results of operations of the Third Vessel only indicates the performance of the Third Vessel under management of the Vendor, the Vendor's charter contracts and operating practices and prevailing market conditions which are not necessarily indicative of its future potential results. The future earnings of a vessel largely depend on the spot rate under the dry bulk future market conditions and management of the ship owner, the type of commodity trade, customer base engaged and skills in deploying the vessels to maximize utilization with minimal disruptions. Hence, the previous financial performance of the Third Vessel would provide no benchmark of its performance under the Company's use. On this basis, it is submitted that inclusion of the historical results of operations of the Third Vessel would present limited value to the Shareholders. The Directors are of the view that the omission of the profit and loss statement on the identifiable net income stream of the Third Vessel in strict compliance with the requirements of Rule 14.67(6)(b)(i) of the Listing Rules would not render this circular materially incomplete or misleading or deceptive.

As alternative disclosure for the Third Vessel, the Company engaged Clarksons Valuations for the valuation of the Third Vessel and the valuation certificate issued by Clarksons Valuations is included in the Appendix III to this circular. As Clarksons Valuations is an independent professional valuer, the Company believes the inclusion of the valuation report in the circular would provide additional information to the Shareholders in assessing the transaction. The valuation certificate would provide an objective view on the market value of the Third Vessel and provide sufficient information for the Shareholders to make an informed assessment of the Acquisition of the Third Vessel.

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 2021, 2022 and 2023 and the six months ended 30 June 2024 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 2021 (pages 70 to 145) https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701782.pdf

- Annual report of the Company for the year ended 31 December 2022 (pages 84 to 161) https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400586.pdf

- Annual report of the Company for the year ended 30 December 2023 (pages 86 to 165) https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900428.pdf

- Interim announcement of the Company for the six months ended 30 June 2024

(2) INDEBTEDNESS

As at the close of business on 30 June 2024, 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$624 million.

The bank borrowings comprised secured term loans of approximately HK$452 million and secured revolving loans of approximately HK$172 million. All outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 30 June 2024, 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$1,205 million, investment properties with an aggregate carrying amount of approximately HK$279 million, financial assets at fair value through profit or loss of approximately HK$91 million and deposits in banks amounting to approximately HK$2 million. Chartering income of nine subsidiaries were assigned to secure credit facilities utilized by the Group.

As at 30 June 2024, the Group had lease liabilities of approximately HK$379 million. All outstanding lease liabilities was unsecured and unguaranteed.

As at 30 June 2024, 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 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.

Transportation of commodities will undergo profound and complex changes given the variables that affect our business are a combination of industry specific, economical, as well as geopolitically driven. The freight market environment has been steady driven by a healthy robust demand for commodities worldwide. We have entered 2024 with strong demand and a broad-based global economic recovery underway, creating an overall healthy demand picture. Fleet growth, particularly in the Capesize segment, remains at historically low levels, and the global fleet is trading at historically high efficiency levels. The industry outlook continues to point towards a relatively healthy freight market for our business operations.

With expected moderate global dry bulk fleet growth in the next few years due to minimal new ship ordering and potentially increased scrapping as the fleet ages and decarbonization regulations tighten, new vessel orders are expected to be low. Looking ahead, should economic recovery gain pace at a rate that is beyond market expectations, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities that will meet the needs of the market and our customers.

We believe the newly acquired vessels can increase the carrying capacity of our fleet profile, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business. We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets.

(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 Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular.

(5) MANAGEMENT DISCUSSION AND ANALYSIS OF THE GROUP

Set out below is the management discussion and analysis of the Group for each of the three financial years ended 31 December 2021, 2022 and 2023 and the six months ended 30 June 2024. The financial data in respect of the Group for the purpose of this circular, is derived from the annual reports of the Company for the years ended 31 December 2021, 2022 and 2023 and the interim announcement of the Company for the six months ended 30 June 2024.

(A) For the year ended 31 December 2021

Business Review

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company as at date of 2021 annual report, whose shares are listed on the Oslo Stock Exchange (Oslo Børs), Norway. The Group's revenue represents chartering freight and hire income arising from the Group's owned vessels.

Revenue from chartering freight and hire for the year 2021 increased 178% to HK$1,022,335,000, comparing to HK$367,523,000 for the year 2020 due to the increase in number of owned vessels and the improved revenue earned from the average daily time charter equivalent rate earned by the Group's owned vessels, improving 165% to US$19,233 (approximately HK$150,000) for the year 2021 as compared to US$7,269 (approximately HK$57,000) for the year 2020. The net profit attributable to shareholders of the Company for the year 2021 was HK$826,895,000, whereas net loss of HK$85,840,000 was reported for the year 2020. Basic earnings per share for the year was HK$1.559 as compared to basic loss per share of HK$0.162 for the year 2020.

Financial Review

Liquidity, financial resources and capital structure

As at 31 December 2021, the Group maintained positive working capital position of HK$233,954,000 (2020: HK$153,662,000) and the total of the Group's equity and debt securities, bank balances and cash increased to HK$635,672,000 (2020: HK$603,541,000). During the year, net cash generated from operating activities after working capital changes was HK$685,857,000 (2020: HK$202,861,000).

The Group's total secured bank loans decreased from HK$986,174,000 as at 31 December 2020 to HK$860,436,000 as at 31 December 2021, of which 60%, 19% and 21% are repayable respectively within one year, one to two years and two to five years. During the year, the Group had drawn new revolving loans and term loan of HK$97,939,000 (2020: HK$149,079,000) and repaid HK$223,677,000 (2020: HK$351,098,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars and United States Dollars. All bank borrowings were committed on floating rate basis.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, dropped to 6% (2020: 19%) as at 31 December 2021. With cash, 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. As at 31 December 2021, the Group is able to service its debt obligations, including principal and interest payments.

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital for future development.

Pledge of assets

As at 31 December 2021, the Group's property, plant and equipment with an aggregate net book value of HK$2,424,220,000 (2020: HK$1,495,051,000), investment properties with an aggregate carrying amount of HK$344,100,000 (2020: HK$361,860,000), assets held for sale with a carrying amount of HK$nil (2020: HK$41,964,000), financial assets at fair value through profit or loss of HK$172,929,000 (2020: HK$202,336,000) and deposits of HK$64,792,000 (2020: HK$46,339,000) placed with banks were pledged together with the assignment of nineteen (2020: twenty) subsidiaries' income and assignment of two (2020: two) subsidiaries' loan receivables of HK$36,407,000 (2020: HK$228,992,000) to secure credit facilities utilized by the Group. In addition, shares of ten (2020: ten) ship owning subsidiaries were pledged to banks for vessel mortgage loans.

Capital expenditures and commitments

During the year, capital expenditure on additions of motor vessels and capitalized drydocking costs was HK$633,604,000 (2020: HK$69,287,000) and on other property, plant and equipment was HK$506,000 (2020: HK$98,000).

On 20 April 2018, an approximately 55.69% indirectly owned subsidiary of the Company (the "Co-Investor") entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Tower A" or previously named as "T3 Property"), pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss Limited ("Dual Bliss") of US$10,000,000 (approximately HK$78,000,000). Dual Bliss is one of the investors of the co-investment in Tower A. As at 31 December 2021, the capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (2020: US$372,000, approximately HK$2,905,000).

On 22 December 2021, the Group entered into two agreements in respect of the acquisition of two Supramaxes each at a consideration of US$17,250,000, approximately HK$134,550,000 and the total consideration of the two vessels is US$34,500,000, approximately HK$269,100,000. Both vessels were delivered to the Group in 2022. As at 31 December 2021, the capital expenditure commitments contracted by the Group but not provided for was US$34,500,000, approximately HK$269,100,000 (2020: nil).

As at 31 December 2021, the total amount of capital expenditure commitments contracted by the Group but not provided for was US$34,872,000, approximately HK$272,005,000 (2020: US$372,000, approximately HK$2,905,000).

Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at 31 December 2021.

Significant investments

During the year 2021, the Group did not have significant investments.

Fleet Overview

Acquisition and disposal of vessels

Given the remarkable rebound in dry bulk shipping market, the management considered acquiring additional vessels could allow the Group to generate more operating income and increase the returns of the Company in the future. During the year, the Group entered into agreements to acquire eight vessels and took delivery of six vessels.

On 2 March 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 53,806 metric tons at a purchase price of US$7,275,000 (approximately HK$56,745,000), which was delivered to the Group in March 2021.

On 27 April 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,525 metric tons at a purchase price of US$9,300,000 (approximately HK$72,540,000), which was delivered to the Group in June 2021.

On 20 May 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 52,686 metric tons at a purchase price of US$10,813,000 (approximately HK$84,341,000), which was delivered to the Group in August 2021.

On 9 July 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 55,866 metric tons at a purchase price of US$15,180,000 (approximately HK$118,404,000), which was delivered to the Group in October 2021.

On 20 August 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 58,729 metric tons at a purchase price of US$17,000,000 (approximately HK$132,600,000), which was delivered to the Group in November 2021.

On 5 October 2021, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 53,350 metric tons at a purchase price of US$15,750,000 (approximately HK$122,850,000), which was delivered to the Group in November 2021.

On 22 December 2021, the Group entered into two agreements in respect of the acquisition of two Supramaxes each at a consideration of US$17,250,000 (approximately HK$134,550,000) and the total consideration of the two vessels is US$34,500,000 (approximately HK$269,100,000). Both vessels were delivered to the Group in 2022. Total carrying capacity of the Group's fleet will be increased to 1,525,348 metric tons after the completion of the acquisition of the above vessels.

Save as disclosed above, the Group did not carry out any material acquisition or disposal of vessels, nor did the Group carry out any material acquisition or disposal during the year 2021.

As at 31 December 2021, the Group owned twenty-four grabs fitted Supramaxes. The total carrying capacity of the Group's owned vessels was 1,412,518 metric tons as at 31 December 2021.

As at 31 December 2021, the carrying amount of the motor vessels and capitalized drydocking costs was HK$2,959,117,000 (2021: HK$1,422,932,000).

Contingent liabilities

As at 31 December 2021, the Group did not have any material contingent liabilities.

Segment information

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the consolidated financial statements for the years 2021 and 2020. While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, no analysis of revenue from chartering freight and hire business by geographical split of revenue is presented.

The Group's non-current assets mainly consist of property, plant and equipment and investment properties.

Property, plant and equipment mainly comprised of the Group's motor vessels. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels as at 31 December 2021. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area is presented in the consolidated financial statements.

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As at 31 December 2021, the Group's bank borrowings were mainly denominated in Hong Kong Dollars and United States Dollars. The Group's interest rate risk arises primarily from bank borrowings that were committed on floating rate basis. Although the Group did not have any hedging measures against such interest rate risks, the Group would continue to closely monitor the risks arising from such interest rate fluctuation.

Foreign currency risk

Foreign currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions, assets and liabilities are mainly denominated in Hong Kong Dollars and United States Dollars which is linked to Hong Kong Dollars at exchange rate of around US$1.00 to HK$7.80. The Group believes that there will be no significant fluctuation in the exchange rates between Hong Kong Dollars and United States Dollars. Management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

As at 31 December 2021, the Group was exposed to foreign currency risk primarily through holding certain bank deposits and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD13,994,000 and SGD15,084,000, approximately HK$80,712,000 and HK$87,005,000 respectively (2020: certain bank deposits and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD3,433,000 and SGD21,102,000, approximately HK$20,115,000 and HK$123,650,000 respectively).

Employees and remuneration policy

The employees are the Group's most important resource and are crucial to the Group's success in achieving its targets for long term value creation. The Group provides various resources for staff training and development.

As at 31 December 2021, the Group had 64 (2020: 67) full-time employees. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

The Group maintains a good relationship with its employees and crew and has not experienced any disruption of its operation as a result of industrial disputes.

(B) For the year ended 31 December 2022

Business Review

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company as at date of 2022 annual report, whose shares are listed on the Oslo Stock Exchange (Oslo Børs), Norway. The Group's revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels.

Revenue from chartering freight and hire for the year 2022 increased 16% to HK$1,189,232,000, comparing to HK$1,022,335,000 for the year 2021 due to the remarkable rebound of market freight rates driven by robust demand for dry bulk commodities worldwide and the increase in number of owned and chartered-in vessels as compared to the year 2021. However, there was a downward correction in market freight rates during the second half of 2022. The average daily time charter equivalent rate earned by the Group's fleet decreased 2% to US$18,813 (approximately HK$147,000) for the year 2022 as compared to US$19,233 (approximately HK$150,000) for the year 2021. The Company recorded a consolidated net loss of HK$70,179,000 for the year 2022, which included a net impairment loss of HK$384,742,000 on owned vessels, as compared to the consolidated net profit of HK$1,498,072,000 which included a reversal of impairment loss of HK$1,042,129,000 on owned vessels for the year 2021. Basic loss per share for the year was HK$0.086 as compared to basic earnings per share of HK$1.559 for the year 2021.

Financial Review

Liquidity, financial resources and capital structure

As at 31 December 2022, the Group maintained positive working capital position of HK$210,311,000 (2021: HK$233,954,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to HK$515,672,000 (2021: HK$635,672,000). During the year, net cash generated from operating activities after working capital changes was HK$691,851,000 (2021: HK$685,857,000).

The Group's total secured bank loans decreased from HK$860,436,000 as at 31 December 2021 to HK$769,730,000 as at 31 December 2022, of which 47%, 20% and 33% are repayable respectively within one year, one to two years and two to five years. During the year, the Group had drawn new revolving loans and term loan of HK$521,500,000 (2021: HK$97,939,000) and repaid HK$612,206,000 (2021: HK$223,677,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars and United States Dollars. All bank borrowings were committed on floating rate basis.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, slightly increased to 8% (2021: 6%) as at 31 December 2022. With cash, 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. As at 31 December 2022, the Group is able to service its debt obligations, including principal and interest payments.

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital for future development.

Pledge of assets

As at 31 December 2022, the Group's property, plant and equipment with an aggregate net book value of HK$1,716,958,000 (2021: HK$2,424,220,000), investment properties with an aggregate carrying amount of HK$333,190,000 (2021: HK$344,100,000), financial assets at fair value through profit or loss of HK$131,387,000 (2021: HK$172,929,000) and deposits of HK$3,465,000 (2021: HK$64,792,000) placed with banks were pledged together with the assignment of fourteen (2021: nineteen) subsidiaries' income to secure credit facilities utilized by the Group. An assignment of two subsidiaries' loan receivables of HK$36,407,000 was also pledged as at 31 December 2021. In addition, shares of eight (2021: ten) ship owning subsidiaries were pledged to banks for vessel mortgage loans.

Capital expenditures and commitments.

During the year, capital expenditure on additions of motor vessels and capitalized drydocking costs was HK$1,095,764,000 (2021: HK$633,604,000) and on other property, plant and equipment was HK$945,000 (2021: HK$506,000).

On 20 April 2018, an approximately 55.69% indirectly owned subsidiary of the Company (the "Co-Investor") entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Tower A" or previously named as "T3 Property"), pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss Limited ("Dual Bliss") of US$10,000,000 (approximately HK$78,000,000). Dual Bliss is one of the investors of the co-investment in Tower A. As at 31 December 2022, the capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (2021: US$372,000, approximately HK$2,905,000).

As at 31 December 2022, the total amount of capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (2021: US$34,872,000, approximately HK$272,005,000).

Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at 31 December 2022.

Significant investments

During the year 2022, the Group did not have significant investments.

Fleet Overview

Acquisition and disposal of vessels

On 8 March 2022, the Group entered into an agreement in respect of the disposal of a Supramax of deadweight 53,806 metric tons, built in year 2004, at a consideration of US$13,900,000 (approximately HK$108,420,000), which was delivered to the purchaser at end of March 2022.

On 28 March 2022, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 63,485 metric tons, built in year 2014, at a purchase price of US$25,500,000 (approximately HK$198,900,000), which was delivered to the Group at end of July 2022.

On 9 September 2022, the Group entered into two agreements in respect of the acquisition of two Supramaxes, each at a purchase price of US$25,375,000 (approximately HK$197,925,000) and the total purchase price of the two vessels is US$50,750,000 (approximately HK$395,850,000). Both vessels were delivered to the Group during of 2022.

On 18 October 2022, the Group entered into two agreements in respect of the disposal of two Post-Panamaxes of deadweight 93,204 and 93,279 metric tons respectively, each at a consideration of US$17,250,000 (approximately HK$134,550,000) and the total consideration of the two vessels is US$34,500,000 (approximately HK$269,100,000). Both vessels were delivered to the purchasers in mid of November 2022.

On 24 October 2022, the Group entered into an agreement in respect of the disposal of a Supramax of deadweight 52,050 metric tons, built in year 2004, at a consideration of US$13,300,000 (approximately HK$103,740,000), which was delivered to the purchaser in early December 2022.

Lease of vessel

On 20 May 2022, the Group entered into a charterparty with a third party in respect of leasing of a Panamax of deadweight 84,484 metric tons, built in year 2022 for a term of seven years commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group in June 2022. The Directors consider that the lease of a Panamax newbuilding represents an opportunity for the Group to increase the carrying capacity with a modern ship at a reasonable price via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business.

Save as disclosed above, the Group did not carry out any material acquisition, disposal or lease of vessels, nor did the Group carry out any material acquisition or disposal during the year.

As at 31 December 2022, the Group owned twenty-four grabs fitted Supramaxes, and had one chartered-in Panamax. The total carrying capacity of the Group's owned vessels was 1,373,222 metric tons as at 31 December 2022.

As at 31 December 2022, the carrying amount of the motor vessels and capitalized drydocking costs was HK$2,927,614,000 (2021: HK$2,959,117,000).

Contingent liabilities

As at 31 December 2022, the Group did not have any material contingent liabilities.

Segment information

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the consolidated financial statements for the years 2022 and 2021. While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, no analysis of revenue from chartering freight and hire business by geographical split of revenue is presented.

The Group's non-current assets mainly consist of property, plant and equipment, right-of-use assets and investment properties. Property, plant and equipment and right-of-use assets mainly comprised of the Group's owned vessels and chartered-in vessel respectively. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels as at 31 December 2022. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area is presented in the consolidated financial statements.

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Group's interest rate risk arises primarily from bank borrowings that were committed on floating rate basis. As at 31 December 2022, the Group's bank borrowings were mainly denominated in Hong Kong Dollars and United States Dollars. Although the Group did not have any hedging measures against such interest rate risks, the Group would continue to closely monitor the risks arising from such interest rate fluctuation.

As at 31 December 2022, the Group had interest bearing bank borrowings denominated in United States Dollars of US$26,469,000, approximately HK$206,456,000 (2021: US$46,735,000, approximately HK$364,534,000), carrying variable interests with reference to the London Interbank Offered Rate (LIBOR) which will cease to be published after 30 June 2023. The Group is closely monitoring the market and managing the transition to new benchmark interest rates, including announcements made by the relevant Interbank Offered Rates regulators. The management of the Group considers the impact of the interest rate benchmark reform to the Group's financial position and financial performance will not be significant.

Foreign currency risk

Foreign currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions, assets and liabilities are mainly denominated in Hong Kong Dollars and United States Dollars which is linked to Hong Kong Dollars at exchange rate of around US$1.00 to HK$7.80. The Group believes that there will be no significant fluctuation in the exchange rates between Hong Kong Dollars and United States Dollars. Management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

As at 31 December 2022, the Group was exposed to foreign currency risk primarily through holding certain bank deposits and other receivables, and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD706,000 and SGD11,557,000, approximately HK$4,114,000 and HK$67,381,000 respectively (2021: certain bank deposits and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD13,994,000 and SGD15,084,000, approximately HK$80,712,000 and HK$87,005,000 respectively).

Employees and remuneration policy

The employees are the Group's most important resource and are crucial to the Group's success in achieving its targets for long term value creation. The Group provides various resources for staff training and development.

The Group pursues a policy of gender equality. As at 31 December 2022, the Group had 65 (2021: 64) full-time employees, of whom 35 (2021: 34) employees were male and 30 (2021: 30) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

The Group maintains a good relationship with its employees and crew and has not experienced any disruption of its operation as a result of industrial disputes.

(C) For the year ended 31 December 2023

Business Review

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company as at date of 2023 annual report, whose shares are listed on the Oslo Stock Exchange (Oslo Børs), Norway. The Group's revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels.

Revenue from chartering freight and hire for the year 2023 decreased 46% to HK$638,573,000, comparing to HK$1,189,232,000 for the year 2022 due to the market freight rates were weak in most of 2023 amid the volatile macroeconomic environment as compared to the remarkable rebound of market freight rates driven by robust demand for dry bulk commodities worldwide in 2022. The average daily time charter equivalent rate earned by the Group's fleet decreased 52% to US$9,063 (approximately HK$71,000) for the year 2023 as compared to US$18,813 (approximately HK$147,000) for the year 2022. The Company recorded a consolidated net loss of HK$461,805,000 for the year 2023, which included a net impairment loss of HK$109,286,000 on owned vessels and an impairment loss of HK$44,406,000 on right-of-use assets while a consolidated net loss of HK$70,179,000 which included a net impairment loss of HK$384,742,000 on owned vessels, was reported in 2022. Basic loss per share for the year was HK$0.512 as compared to basic loss per share of HK$0.086 for the year 2022.

Financial Review

Liquidity, financial resources and capital structure

As at 31 December 2023, the Group maintained positive working capital position of HK$255,439,000 (2022: HK$210,311,000) and the total of the Group's equity and debt securities, bank balances and cash increased to HK$518,557,000 (2022: HK$515,672,000). During the year, the net cash generated from operating activities after working capital changes was HK$113,853,000 (2022: HK$691,851,000).

The Group's total secured bank loans increased from HK$769,730,000 as at 31 December 2022 to HK$808,682,000 as at 31 December 2023, of which 43%, 54% and 3% are repayable respectively within one year, in the second year and in the third to fifth year. During the year, the Group had drawn new secured bank loans of HK$450,035,000 (2022: HK$521,500,000) and repaid HK$411,083,000 (2022: HK$612,206,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars and United States Dollars. All bank borrowings were committed on floating rate basis.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 10% (2022: 8%) as at 31 December 2023. With cash, 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. As at 31 December 2023, the Group is able to service its debt obligations, including principal and interest payments.

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital for future development.

Pledge of assets

As at 31 December 2023, the Group's property, plant and equipment with an aggregate net book value of HK$1,733,638,000 (2022: HK$1,716,958,000), investment properties with an aggregate carrying amount of HK$303,750,000 (2022: HK$333,190,000), financial assets at fair value through profit or loss of HK$97,997,000 (2022: HK$131,387,000) and deposits of HK$2,803,000 (2022: HK$3,465,000) placed with banks were pledged together with the assignment of fourteen (2022: fourteen) subsidiaries' income to secure credit facilities utilized by the Group. In addition, shares of six (2022: eight) ship owning subsidiaries were pledged to banks for vessel mortgage loans.

Capital expenditures and commitments

During the year, capital expenditure on additions of motor vessels and capitalized drydocking costs was HK$188,918,000 (2022: HK$1,095,764,000) and on other property, plant and equipment was HK$884,000 (2022: HK$945,000).

On 20 April 2018, an approximately 55.69% indirectly owned subsidiary of the Company (the "Co-Investor") entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Co-investment"), pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss Limited ("Dual Bliss") of US$10,000,000 (approximately HK$78,000,000). Dual Bliss is one of the investors of the Co-investment. As at 31 December 2023, the capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (2022: US$372,000, approximately HK$2,905,000).

As at 31 December 2023, the total amount of capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (2022: US$372,000, approximately HK$2,905,000).

Save as disclosed above, there were no other significant capital expenditure commitments contracted by the Group but not provided for as at 31 December 2023.

Significant investments

During the year 2023, the Group did not have significant investments.

Fleet Overview

Acquisition and disposal of vessels

On 20 September 2023, the Group entered into an agreement for the disposal of a Supramax of deadweight 52,686 metric tons, built in year 2024, at a consideration of US$8,080,000 (approximately HK$63,024,000). The vessel was delivered to the purchaser in November 2023.

On 27 September 2023, the Group entered into an agreement for the acquisition of a Supramax of deadweight 63,435 metric tons, built in year 2014, at a purchase price of US$20,433,000 (approximately HK$159,377,400). The vessel was delivered to the Group at end of October 2023.

On 29 November 2023, the Group entered into an agreement for the disposal of a Supramax of deadweight 52,525 metric tons, built in year 2006, at a consideration of US$9,650,000 (approximately HK$75,270,000). The vessel was delivered to the purchaser at end of December 2023.

On 12 December 2023, the Group entered into an agreement for the disposal of a Supramax of deadweight 52,050 metric tons, built in year 2006, at a consideration of US$10,430,000 (approximately HK$81,354,000). The vessel was delivered to the purchaser in January 2024.

Lease of vessel

On 8 December 2023, the Group entered into a charterparty with a third party in respect of leasing of a Panamax of deadweight 81,842 metric tons, built in year 2021, for a term of minimum twenty-two months, commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group in January 2024. The Directors consider that the lease of a Panamax represents an opportunity for the Group to increase the carrying capacity with a modern ship via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business.

Save as disclosed above, the Group did not carry out any material acquisition, disposal or lease of vessels, nor did the Group carry out any material acquisition or disposal during the year.

As at 31 December 2023, the Group owned twenty-three grabs fitted Supramaxes, and had one chartered-in Panamax. The total carrying capacity of the Group's fleet was 1,415,930 metric tons as at 31 December 2023.

As at 31 December 2023, the carrying amount of the motor vessels and capitalized drydocking costs was HK$2,534,585,000 (2022: HK$2,927,614,000).

Contingent liabilities

As at 31 December 2023, the Group did not have any material contingent liabilities.

Segment information

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the consolidated financial statements for the years 2023 and 2022. While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, no analysis of revenue from chartering freight and hire business by geographical split of revenue is presented.

The Group's non-current assets mainly consist of property, plant and equipment, right-of-use assets and investment properties. Property, plant and equipment and right-of-use assets mainly comprised of the Group's owned vessels and chartered-in vessel respectively. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels as at 31 December 2023. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area are presented in the consolidated financial statements.

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As at 31 December 2023, the Group's bank borrowings were mainly denominated in Hong Kong Dollars and United States Dollars. The Group's interest rate risk arises primarily from bank borrowings that were committed on floating rate basis. Although the Group did not have any hedging measures against such interest rate risks, the Group would continue to closely monitor the risks arising from such interest rate fluctuation.

As at 31 December 2023, the Group had interest bearing bank borrowings denominated in United States Dollars of US$16,504,000, approximately HK$128,733,000 (2022: US$26,469,000, approximately HK$206,456,000), carrying variable interests with reference to the London Interbank Offered Rate (LIBOR) which has been ceased after 30 June 2023. The bank borrowings have been repaid by January 2024. The management of the Group considers the impact of the interest rate benchmark reform to the Group's financial position and financial performance is not significant.

Foreign currency risk

Foreign currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions, assets and liabilities are mainly denominated in Hong Kong Dollars and United States Dollars which is linked to Hong Kong Dollars at exchange rate of around US$1.00 to HK$7.80. The Group believes that there will be no significant fluctuation in the exchange rates between Hong Kong Dollars and United States Dollars. Management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

As at 31 December 2023, the Group was exposed to foreign currency risk primarily through holding certain bank deposits and investment in equity securities mainly denominated in Singapore Dollars amounting to SGD743,000 and SGD9,890,000, approximately HK$4,396,000 and HK$58,539,000 respectively (2022: SGD706,000 and SGD11,557,000, approximately HK$4,114,000 and HK$67,381,000 respectively).

Employees and remuneration policy

The employees are the Group's most important resource and are crucial to the Group's success in achieving its targets for long term value creation. The Group provides various resources for staff training and development.

The Group pursues a policy of gender equality. As at 31 December 2023, the Group had 66 (2022: 65) full-time employees, of whom 37 (2022: 35) employees were male and 29 (2022: 30) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

The Group maintains a good relationship with its employees and crew and has not experienced any disruption of its operation as a result of industrial disputes.

(D) For the six months ended 30 June 2024

Business Review

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company as at 30 June 2024, whose shares are listed on the Oslo Stock Exchange (Oslo Børs), Norway. The Group's revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels.

The Group reported a revenue for the first half of 2024 of HK$539,284,000, representing an increase of 86% as compared to HK$290,370,000 for the corresponding period in 2023. The Company recorded a consolidated net profit of HK$66,900,000 for the current period as compared to a consolidated net loss of HK$162,477,000 for the corresponding half year in 2023. Basic earnings per share for the period was HK$0.053 as compared to basic loss per share of HK$0.181 for the first half of 2023. The average daily time charter equivalent rate for the fleet improving 66% to US$13,939 (approximately HK$109,000) for the first half of 2024 as compared to US$8,379 (approximately HK$65,000) for the same period in 2023. The net profit attributable to shareholders of the Company for the six months ended 30 June 2024 was HK$28,117,000 as compared to a net loss of HK$95,911,000 was reported for the corresponding period in 2023.

Financial Review

Liquidity, financial resources and capital structure

As at 30 June 2024, the Group maintained positive working capital position of HK$12,403,000 (31/12/2023: HK$255,439,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to HK$337,346,000 (31/12/2023: HK$518,557,000). During the first half of 2024, net cash generated from operating activities after working capital changes was HK$236,521,000 (30/6/2023: HK$30,029,000).

During the first half of 2024, the Group had drawn new secured bank loans of HK$179,329,000 (30/6/2023: HK$124,700,000) and repaid HK$363,573,000 (30/6/2023: HK$141,454,000). The Group's total secured bank loans decreased from HK$808,682,000 as at 31 December 2023 to HK$624,438,000 as at 30 June 2024, of which 34%, 62% and 4% are repayable respectively within one year, in the second year and in the third to fifth year. The bank borrowings represented revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars. All bank borrowings were committed on floating rate basis.

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 10% (31/12/2023: 10%) as at 30 June 2024. With cash, 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. As at 30 June 2024, the Group is able to service its debt obligations, including principal and interest payments.

The Group has always pursued a prudent treasury management policy and actively manages its liquidity position with sufficient standby banking facilities to cope with daily operation and any demands for capital for future development.

Pledge of assets

As at 30 June 2024, the Group's property, plant and equipment with an aggregate net book value of HK$1,204,952,000 (31/12/2023: HK$1,733,638,000), investment properties with an aggregate carrying amount of HK$278,690,000 (31/12/2023: HK$303,750,000), financial assets at fair value through profit or loss of HK$90,722,000 (31/12/2023: HK$97,997,000) and deposits of HK$1,549,000 (31/12/2023: HK$2,803,000) placed with banks were pledged together with the assignment of nine (31/12/2023: fourteen) subsidiaries' income to secure credit facilities utilized by the Group.

Capital expenditures and commitments

Capital expenditures

During the six months ended 30 June 2024, the Group incurred capital expenditure of HK$253,874,000 (30/6/2023: HK$17,197,000) on additions of motor vessels and dry-docking and HK$1,137,000 (30/6/2023: HK$163,000) on other property, plant and equipment.

Capital commitments

During the first half of 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tons, built in year 2012, at a purchase price of US$30,950,000, approximately HK$241,410,000. The vessel was delivered to the Group in August 2024. As at 30 June 2024, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US$27,855,000, approximately HK$217,269,000 (31/12/2023: nil).

In addition, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US$34,000,000, approximately HK$265,200,000, of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. As at 30 June 2024, the capital expenditure commitments contracted by the Group but not provided for was US$68,000,000, approximately HK$530,400,000 (31/12/2023: nil).

The Group further entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tons, built in year 2017, for a term of minimum thirty-three months; the vessel will be delivered to the Group between 1 January 2025 to 31 March 2025. An unaudited value of the right-of-use asset of approximately US$26,640,000 will be recognized on the date of delivery of the vessel. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US$26,640,000, approximately HK$207,775,000 (31/12/2023: nil).

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US$10,000,000, approximately HK$78,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at 30 June 2024, the capital expenditure commitments contracted by the Group but not provided for was US$372,000, approximately HK$2,905,000 (31/12/2023: US$372,000, approximately HK$2,905,000).

As at 30 June 2024, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US$122,867,000, approximately HK$958,349,000 (31/12/2023: US$372,000, approximately HK$2,905,000).

Save as disclosed above, there was no other significant capital expenditure commitment contracted by the Group but not provided for as at 30 June 2024.

Significant investments

During the period ended 30 June 2024, the Group did not have significant investments.

Fleet Overview

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Panamax, Ultramax and Supramax bulk carriers. In order to remain competitive in the market, the Group continues to seek to fine tune the quality of our fleet and adjust the fleet profile, in particularly in terms of seeking to lower the overall age profile of our fleet.

Acquisition and disposal of vessels

During the first half of 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tons, built in year 2012, at a purchase price of US$30,950,000, approximately HK$241,410,000. The vessel was delivered to the Group in August 2024.

In addition, the Group entered into an agreement for the acquisition of a Panamax of deadweight 81,567 metric tons, built in year 2019, at a purchase price of US$31,122,000, approximately HK$242,755,000. The vessel was delivered to the Group in May 2024.

The Group also entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US$34,000,000, approximately HK$265,200,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively.

In July 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US$24,000,000, approximately HK$187,200,000. The vessel will be delivered to the Group in the fourth quarter of 2024.

Lease of vessels

To further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility, the Group entered into certain inward time charters engagements during the first half of 2024. The unaudited value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was recognized in the consolidated statement of financial position upon their deliveries of the vessels in accordance with HKFRS 16 Leases.

During the first half of 2024, the Group entered into a charterparty in respect of leasing of an Ultramax of deadweight 61,452 metric tons, built in year 2016, for a term of minimum twenty-two months. The vessel was delivered to the Group in April 2024.

The Group also entered into a charterparty in respect of leasing of an Ultramax of deadweight 61,473 metric tons, built in year 2016, for a term of minimum twenty months. The vessel was delivered to the Group in May 2024.

The Group entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tons, built in year 2017, for a term of minimum thirty-three months commencing on the date of delivery of the vessel to the Group. The vessel will be delivered to the Group between 1 January 2025 to 31 March 2025.

Save as disclosed above, the Group did not carry out any material acquisition, disposal or lease of vessels, nor did the Group carry out any material acquisition or disposal during the six months ended 30 June 2024.

As at 30 June 2024, the Group operates twenty-three owned vessels and ten chartered-in vessels, with total carrying capacity of approximately 2,020,000 metric tons. As at 30 June 2024, the carrying amount of the motor vessels and capitalized drydocking costs was HK$2,683,501,000 (31/12/2023: HK$2,534,585,000).

As at 30 June 2024, the carrying amounts of the right-of-use assets and the lease liabilities were HK$318,743,000 (31/12/2023: HK$164,541,000) and HK$379,451,000 (31/12/2023: HK$227,281,000) respectively.

Contingent liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities.

Segment information

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the consolidated financial statements for the period ended 30 June 2024. While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, no analysis of revenue from chartering freight and hire business by geographical split of revenue is presented.

The Group's non-current assets mainly consist of property, plant and equipment, right-of-use assets and investment properties. Property, plant and equipment and right-of-use assets mainly comprised of the Group's owned vessels and chartered-in vessel respectively. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels as at 30 June 2024. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area are presented in the consolidated financial statements.

Interest rate risk

Interest rate risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. As at 30 June 2024, the Group's bank borrowings were mainly denominated in Hong Kong Dollars. The Group's interest rate risk arises primarily from bank borrowings that were committed on floating rate basis. Although the Group did not have any hedging measures against such interest rate risks, the Group would continue to closely monitor the risks arising from such interest rate fluctuation.

Foreign currency risk

Foreign currency risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's transactions, assets and liabilities are mainly denominated in Hong Kong Dollars and United States Dollars which is linked to Hong Kong Dollars at exchange rate of around US$1.00 to HK$7.80. The Group believes that there will be no significant fluctuation in the exchange rates between Hong Kong Dollars and United States Dollars. Management will continue to monitor the Group's foreign exchange exposure and will take prudent measures as and when appropriate.

Employees and remuneration policy

The employees are the Group's most important resource and are crucial to the Group's success in achieving its targets for long term value creation. The Group provides various resources for staff training and development.

The Group pursues a policy of gender equality. As at 30 June 2024, the Group had 71 (31/12/2023: 66) full-time employees, of whom 40 (31/12/2023: 37) employees were male and 31 (31/12/2023: 29) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

The Group maintains a good relationship with its employees and crew and has not experienced any disruption of its operation as a result of industrial disputes.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Introduction

The following is the unaudited pro forma consolidated statement of financial position (the "Unaudited Pro Forma Financial Information") as at 31 December 2023 of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") in connection with the transactions contemplated under Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel. In addition, apart from the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel, the Group also entered into the following acquisition of vessels and chartered-in of vessels after 31 December 2023 (the "Previous Acquisitions"):

1. Acquisition of vessel as per announcement dated 2 February 2024;

2. Acquisition of vessel as per announcement dated 21 February 2024;

3. Leasing of a vessel under a charterparty as per announcement dated 12 April 2024;

4. Leasing of a vessel under a charterparty as per announcement dated 17 April 2024; and

5. Leasing of a vessel under a charterparty as per announcement dated 26 April 2024

The Enlarged Group represents the Group upon the completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions (collectively referred to as the "Enlarged Group").

The Unaudited Pro Forma Financial Information, comprising the unaudited pro forma consolidated statement of financial position of the Group and related notes, has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions as if the transactions had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2023, which has been extracted from the published annual report of the Group for the year ended 31 December 2023, after making pro forma adjustments relating to the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and Previous Acquisitions, as if they had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Enlarged Group upon completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions. It has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Enlarged Group's financial position following the completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions. Further, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the future financial position of the Enlarged Group after the completion of the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions.

The Unaudited Pro Forma Financial Information of the Enlarged Group after the Acquisition of the First Vessel and the Second Vessel and the Acquisition of the Third Vessel and the Previous Acquisitions should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

The unaudited pro forma consolidated statement of financial position as at 31 December 2023 included in this Circular does not constitute the Company's statutory annual consolidated financial statements for the year ended 31 December 2023 but is derived from those financial statements. The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by Section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622). The Company's auditor has reported on the consolidated financial statements for the year ended 31 December 2023 of the Group. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under Sections 406(2), 407(2) or 407(3) of the Companies Ordinance (Cap. 622).

Unaudited Pro Forma Consolidated Statement of Financial Position

	As at 31 December 2023	Pro forma adjustments							Pro forma total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Notes (1)	*Notes (2)*	*Notes (3)*	*Notes (4)*	*Notes (5)*	*Notes (6)*	*Notes (7)*	*Notes (8)*	
ASSETS AND LIABILITIES									
Non-current assets									
Property, plant and equipment	2,613,676	241,410	242,755				530,400	187,200	3,815,441
Right-of-use assets	164,541			78,252	70,334	207,775			520,902
Investment properties	339,680								339,680
Financial assets at fair value through OCI	82,590								82,590
Loan receivables	12,304								12,304
Intangible assets	800								800
	3,213,591								4,771,717
Current assets									
Inventories	10,781								10,781
Trade and other receivables	141,831								141,831
Financial assets at fair value through profit or loss	202,610								202,610
Tax recoverable	166								166
Pledged deposits	2,803								2,803
Bank balances and cash	329,449	(72,423)	(72,824)				(159,120)	(56,160)	(31,078)
	687,640								327,113
Assets held for sale	81,299								81,299
	768,939								408,412

	As at 31 December 2023				Pro forma adjustments				Pro forma total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Notes (1)	*Notes (2)*	*Notes (3)*	*Notes (4)*	*Notes (5)*	*Notes (6)*	*Notes (7)*	*Notes (8)*	
Current liabilities									
Trade and other payables	128,259								128,259
Secured bank loans	345,765	6,885	6,924				15,128	5,339	380,041
Lease liabilities	39,476			31,382	29,170	79,879			179,907
	513,500								688,207
Non-current liabilities									
Secured bank loans	462,917	162,102	163,007				356,152	125,701	1,269,879
Lease liabilities	187,805			46,870	41,164	127,896			403,735
	650,722								1,673,614
Net assets	2,818,308								2,818,308
EQUITY									
Equity attributable to shareholders of the Company									
Issued capital	381,639								381,639
Reserves	1,213,875								1,213,875
	1,595,514								1,595,514
Non-controlling interests	1,222,794								1,222,794
Total equity	2,818,308								2,818,308

Notes to the Unaudited Pro Forma Financial Information:

(1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2023 as set out in the published annual report of the Group for the year ended 31 December 2023.

(2) The adjustment reflects the acquisition of vessel as announced by the Company on 2 February 2024. The increase in property, plant and equipment represents the consideration of the vessel of US$30.95 million (approximately HK$241.41 million). Approximately 70% of the consideration amount of the vessel of US$21.66 million (approximately HK$168.99 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$0.88 million (approximately HK$6.89 million) and non-current liabilities will be increased by US$20.78 million (approximately HK$162.10 million). The remaining amount of US$9.29 million (approximately HK$72.42 million) will be paid from the internal resources of the Group.

(3) The adjustment reflects the acquisition of vessel as announced by the Company on 21 February 2024. The increase in property, plant and equipment represents the consideration for the vessel of US$31.12 million (approximately HK$242.76 million). Approximately 70% of the consideration amount of the vessel of US$21.78 million (approximately HK$169.93 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$0.88 million (approximately HK$6.93 million) and non-current liabilities will be increased by US$20.90 million (approximately HK$163 million). The remaining amount of US$9.34 million (approximately HK$72.83 million) will be paid from the internal resources of the Group.

(4) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 12 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US$10.03 million (approximately HK$78.25 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$10.03 million (approximately HK$78.25 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.39% per annum.

(5) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 26 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US$9.02 million (approximately HK$70.33 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$9.02 million (approximately HK$70.33 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.71% per annum.

(6) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 17 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US$26.64 million (equivalent to approximately HK$207.77 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$26.64 million (equivalent to approximately

HK$207.77 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.62% per annum.

(7) The increase in property, plant and equipment represents the total contract price of the First Vessel and the Second Vessel of US$68 million (approximately HK$530.40 million). Approximately 70% of the total contract price of the First Vessel and the Second Vessel of US$47.60 million (approximately HK$371.28 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$1.94 million (approximately HK$15.13 million) and non-current liabilities will be increased by US$45.66 million (approximately HK$356.15 million). The remaining amount of US$20.40 million (approximately HK$159.12 million) will be paid from the internal resources of the Group.

(8) The increase in property, plant and equipment represents the consideration for the Third Vessel of US$24 million (approximately HK$187.20 million). Approximately 70% of the consideration amount of the Third Vessel of US$16.80 million (approximately HK$131.04 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$0.68 million (approximately HK$5.34 million) and non-current liabilities will be increased by US$16.12 million (approximately HK$125.70 million). The remaining amount of US$7.20 million (approximately HK$56.16 million) will be paid from the internal resources of the Group.

(9) No adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023 apart from those adjustments as disclosed in notes (2) – (8).

(B) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from our reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

GrantThornton
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TO THE DIRECTORS OF JINHUI HOLDINGS COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2023 and related notes as set out on pages 43 to 48 of the Company's circular dated 31 August 2024 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 43 to 48 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Acquisition of the First Vessel, the Second Vessel and the Third Vessel (the "Acquisitions") and previous acquisition of vessels and chartered-in of vessels after 31 December 2023 (the "Previous Acquisitions") on the Group's financial position as at 31 December 2023 as if the Acquisitions and Previous Acquisitions had taken place at 31 December 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2023, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires our firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transactions at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong, 31 August 2024

The following is the full text of the valuation certificate received from Clarkson Valuations Limited, an independent valuer, in connection with its opinion on the market value of the Third Vessel as of 28 June 2024 prepared for the purpose of incorporation in this circular. Clarkson Valuations Limited is an independent valuer and part of the Clarkson Group, a leading provider of integrated shipping services headquartered in London including the world's largest shipbroker.

JINHUI HOLDINGS COMPANY LIMITED

CERTIFICATE OF VALUATION

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation. PLEASE NOTE: We have relied upon price information provided by Brokers who are in the same group as those who, during the usual course of their business, have been commercially involved in the transaction of the Vessel described below.

CVL has not physically inspected the Vessel nor inspected its classification records. We have assumed that the Vessel was in good and seaworthy condition and would have been delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market value of the below mentioned Vessel, as at 28th June 2024, on the basis of prompt charterfree delivery, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, is:

Bulk Carrier

Vessel Name	Dwt	Built	Builder	Loa (m)	Beam (m)	Holds/Hatches	Main Engine	Charterfree Value (US$)
OCEAN COURTESY	178,021	2008	Shanghai Waigaoqiao	292.0	45.0	9/9	MAN B&W 6S70MC6.1	24,000,000

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation should satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.

No assurance or representation is given that the Valuation given will be sustained or that it would be realisable in any actual transaction.

This Valuation has been provided solely for the private use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business.

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED

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

	Number of shares in the Company held and capacity				
Name	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	**Percentage of total issued Shares**
Ng Siu Fai	25,203,000	15,140,000	205,325,568 Note *1*	245,668,568	46.33%
Ng Kam Wah Thomas	5,909,000	–	136,883,712 *Note 2*	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 held by his 51% owned company, Fairline Consultants Limited.

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company held by his wholly owned company, Timberfield Limited.

(ii) Directors' interests in associated corporation

	Number of Jinhui Shipping Shares held and capacity				Percentage of total issued Jinhui Shipping Shares
Name	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	
Ng Siu Fai	4,141,830	1,101,096	61,249,098 *Note 1*	66,492,024	60.86%
Ng Kam Wah Thomas	864,900	–	260,000 *Note 2*	1,124,900	1.03%

Notes:

1. Mr. Ng Siu Fai is deemed to be interested in 61,249,098 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 407,858 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.

2. 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.

(b) 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).

(c) 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.

(d) 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

	Number of shares in the Company held and capacity				
Name of shareholders	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	**Percentage of total issued shares of the Company**
Wong Yee Man Gloria	15,140,000	230,528,568 *Note 1*	–	245,668,568	46.33%
Ng Chi Lam Michael	–	–	205,325,568 *Note 2*	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 *Note 3*	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	–	–	29,378,000 *Note 4*	29,378,000	5.54%
Zhongcai (Holdings) Limited	26,949,000	–	–	26,949,000	5.08%

Notes:

1. Ms. Wong Yee Man Gloria is deemed to be interested in 230,528,568 shares of the Company through the interests of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).

2. 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 confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

EXPERTS AND CONSENTS

The qualification of the experts who have given opinions and advice in this circular is as follows:

Name	Qualification
Clarkson Valuations Limited	Professional valuer
Grant Thornton Hong Kong Limited	Certified Public Accountants

Clarkson Valuations Limited, an independent valuer and part of the Clarkson Group, a leading provider of integrated shipping services headquartered in London including the world's largest shipbroker.

Grant Thornton Hong Kong Limited is a firm of certified public accountants in Hong Kong.

As at the Latest Practicable Date, each of Clarkson Valuations Limited and Grant Thornton Hong Kong Limited had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any members of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company was made up.

Both Clarkson Valuations Limited and Grant Thornton Hong Kong Limited have given and have not withdrawn its written consent to the issue of this circular with the inclusion herein of its expert's statement included in the form and context in which they respectively appear.

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 9 September 2022 entered into between Jinheng Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US$25,375,000;

(2) an agreement dated 9 September 2022 entered into between Jinchao Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US$25,375,000;

(3) an agreement dated 18 October 2022 entered into between Jinmei Marine Inc.* and Bardar Corporation regarding the disposal of the vessel at a consideration of US$17,250,000;

(4) an agreement dated 18 October 2022 entered into between Jinlang Marine Inc.* and Bursa Oceanways Inc. regarding the disposal of the vessel at a consideration of US$17,250,000;

(5) an agreement dated 24 October 2022 entered into between Jinyao Marine Inc.* and Xinfeng (HK) Shipping Co., Limited regarding the disposal of the vessel at a consideration of US$13,300,000;

(6) an agreement dated 20 September 2023 entered into between Jinfeng Marine Inc.* and ETL Shipping (PTE.) LTD. regarding the disposal of the vessel at a consideration of US$8,080,000;

(7) an agreement dated 27 September 2023 entered into between Jinrui Marine Inc.* and Vega Maritime FZC regarding the acquisition of the vessel at a consideration of US$20,433,000;

(8) an agreement dated 29 November 2023 entered into between Jinquan Marine Inc.* and King Lucky Ocean Limited regarding the disposal of the vessel at a consideration of US$9,650,000;

(9) a charterparty dated 8 December 2023 entered into between Goldbeam Shipping Inc.* and Shining Steamship International S.A. regarding the leasing of the vessel;

(10) an agreement dated 12 December 2023 entered into between Jinsheng Marine Inc.* and Uniglory Shipping Ltd regarding the disposal of the vessel at a consideration of US$10,430,000;

(11) an agreement dated 2 February 2024 entered into between Jincheng Maritime Inc.* and Dynamic Shipping Navigation S.A. regarding the acquisition of the vessel at a consideration of US$30,950,000;

(12) an agreement dated 21 February 2024 entered into between Jinli Marine Inc.* and Vincent ACL Ltd regarding the acquisition of the vessel at a consideration of US$31,122,450;

(13) a charterparty dated 12 April 2024 entered into between Jinhui Marine Inc.* and Zhejiang Shipping (Singapore) Pte. Ltd. regarding the leasing of the vessel;

(14) a charterparty dated 17 April 2024 entered into between Jinhui Marine Inc.* and Olam Maritime Freight Pte. Ltd. regarding the leasing of the vessel;

(15) a charterparty dated 26 April 2024 entered into between Jinhui Marine Inc.* and Xinghe Shipping Pte. Ltd. regarding the leasing of the vessel;

(16) an agreement dated 28 June 2024 entered into between Jinhan Marine Inc.* and Jiangsu Hantong Ship Heavy Industry Co. Ltd. regarding the acquisition of the vessel at a consideration of US$34,000,000;

(17) an agreement dated 28 June 2024 entered into between Jinming Marine Inc.* and Jiangsu Hantong Ship Heavy Industry Co. Ltd. regarding the acquisition of the vessel at a consideration of US$34,000,000; and

(18) an agreement dated 2 July 2024 entered into between Jinmei Marine Inc.* and White Reefer Line Corp. regarding the acquisition of the vessel at a consideration of US$24,000,000.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.jinhuiship.com) for a period of 14 days from the date of this circular (both days inclusive):

(a) the First Shipbuilding Contract, the Second Shipbuilding Contract and the Third Agreement;

(b) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(c) the letter from Grant Thornton Hong Kong Limited in respect of the unaudited pro forma financial information of the Group;

(d) the valuation certificate prepared by Clarkson Valuations Limited in relation to the Third Vessel, the text of which is set out in Appendix III to this circular;

(e) the written consents referred to in the paragraph headed "Experts and Consents" in this appendix; and

(f) the written approval dated 2 July 2024 given by Fairline Consultants Limited and Timberfield Limited in relation to the Acquisition of the Third Vessel.

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 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

(d) The English text of this circular shall prevail over the Chinese text.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

NOTICE IS HEREBY GIVEN that a general meeting (the "Meeting") of Jinhui Holdings Company Limited (the "Company") will be held at Soho 1 & 2, 6/F, Ibis Hong Kong Central and Sheung Wan Hotel, 28 Des Voeux Road West, Sheung Wan, Hong Kong on Friday, 20 September 2024 at 9:30 a.m. for the following purposes of considering and, if thought fit, to pass, with or without amendments, the following resolutions as Ordinary Resolutions:

ORDINARY RESOLUTIONS

1. **"THAT** the acquisition of a deadweight 63,500 metric tons bulk carrier (the "First Vessel") to be built and sold by Jiangsu Hantong Ship Heavy Industry Co. Ltd. to Jinhan Marine Inc. be and is hereby approved and any of the board of directors of the Company be and is hereby authorized to do all things and execute all documents in connection with or incidental to the acquisition of the First Vessel." and

2. **"THAT** the acquisition of a deadweight 63,500 metric tons bulk carrier (the "Second Vessel") to be built and sold by Jiangsu Hantong Ship Heavy Industry Co. Ltd. to Jinming Marine Inc. be and is hereby approved and any of the board of directors of the Company be and is hereby authorized to do all things and execute all documents in connection with or incidental to the acquisition of the Second Vessel."

By Order of the Board
Ho Suk Lin
Company Secretary

Hong Kong, 31 August 2024

Notes:

1. A member of the Company entitled to attend and vote at the above Meeting is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.

2. To be valid, the instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of attorney or other authority, must be lodged with the Company's share registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, before 9:30 a.m. on Tuesday, 17 September 2024 (i.e. at least 48 hours excluding any part of a day that is a public holiday) before the time appointed for holding the Meeting and any adjourned meeting (as the case may be).

3. Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.

4. The register of members of the Company will be closed from Monday, 16 September 2024 to Friday, 20 September 2024, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at general meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Standard Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 September 2024.

5. The record date for determining the entitlement of the shareholders of the Company to attend and vote at the Meeting will be Friday, 20 September 2024.