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JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

MAJOR TRANSACTION IN RELATION TO THE SALE AND LEASEBACK ARRANGEMENTS

THE SALE AND LEASEBACK ARRANGEMENTS

The Board announces that on 30 June 2025 (after trading hours of the Stock Exchange),

- (1) the First Seller, an approximately 55.69% indirect subsidiary of the Company, entered into (i) the First MoA with the First Buyer, pursuant to which the First Buyer agreed to purchase and the First Seller agreed to sell the First Vessel subject to the terms and conditions therein; and (ii) the First Vessel Charter Agreement with the First Buyer, pursuant to which the First Seller (as bareboat charterer) agreed to charter the First Vessel from the First Buyer (as owner) upon acceptance of the First Vessel by the First Buyer under the First MoA subject to the terms and conditions therein; and
- (2) the Second Seller, an approximately 55.69% indirect subsidiary of the Company, entered into (i) the Second MoA with the Second Buyer, pursuant to which the Second Buyer agreed to purchase and the Second Seller agreed to sell the Second Vessel subject to the terms and conditions therein; and (ii) the Second Vessel Charter Agreement with the Second Buyer, pursuant to which the Second Seller (as bareboat charterer) agreed to charter the Second Vessel from the Second Buyer (as owner) upon acceptance of the Second Vessel by the Second Buyer under the Second MoA subject to the terms and conditions therein.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the Sale and Leaseback Arrangements shall be aggregated as if they were one transaction since they were conducted by the Group with the same group of counterparties. As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Sale and Leaseback Arrangements exceed 25% but are less than 75%, the Sale and Leaseback Arrangements constitutes a major transaction of 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 transactions 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 transactions. The Sale and Leaseback Arrangements were approved by way of written shareholders' resolutions from Fairline and Timberfield.

A circular containing, among other things, further information relating to the Sale and Leaseback Arrangements and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 22 July 2025 in accordance with the Listing Rules.

THE SALE AND LEASEBACK ARRANGEMENTS

The Board hereby announces that on 30 June 2025 (after trading hours of the Stock Exchange),

- (1) the First Seller, an approximately 55.69% indirect subsidiary of the Company, entered into:
 - (i) the First MoA with the First Buyer, pursuant to which the First Buyer agreed to purchase and the First Seller agreed to sell the First Vessel at a consideration of CNH79,750,000 (equivalent to approximately HK\$87,406,000) subject to the terms and conditions therein; and
 - (ii) the First Vessel Charter Agreement with the First Buyer, pursuant to which the First Seller (as bareboat charterer) agreed to charter the First Vessel from the First Buyer (as owner) upon acceptance of the First Vessel by the First Buyer under the First MoA and was granted an option to purchase the First Vessel from the First Buyer on or after the third anniversary of the term of the First Vessel Charter Agreement, and in the event that such option to purchase is not exercised, the First Seller (as bareboat charterer) is obliged to purchase the First Vessel from the First Buyer (as owner) on the last day of the term of the First Vessel Charter Agreement subject to the terms and conditions therein; and

- (2) the Second Seller, an approximately 55.69% indirect subsidiary of the Company, entered into:
- (i) the Second MoA with the Second Buyer, pursuant to which the Second Buyer agreed to purchase and the Second Seller agreed to sell the Second Vessel at a consideration of CNH123,250,000 (equivalent to approximately HK\$135,082,000) subject to the terms and conditions therein; and
 - (ii) the Second Vessel Charter Agreement with the Second Buyer, pursuant to which the Second Seller (as bareboat charterer) agreed to charter the Second Vessel from the Second Buyer (as owner) upon acceptance of the Second Vessel by the Second Buyer under the Second MoA and was granted an option to purchase the Second Vessel from the Second Buyer on or after the third anniversary of the term of the Second Vessel Charter Agreement, and in the event that such option to purchase is not exercised, the Second Seller (as bareboat charterer) is obliged to purchase the Second Vessel from the Second Buyer (as owner) on the last day of the term of the Second Vessel Charter Agreement subject to the terms and conditions therein.

DETAILS OF THE MEMORANDA AND THE CHARTER AGREEMENTS

The principal terms of the Memoranda and the Charter Agreements are set out below:

	(1) The First MoA; and (2) the First Vessel Charter Agreement	(1) The Second MoA; and (2) the Second Vessel Charter Agreement
Date :	30 June 2025	
Parties :	(1) The First Seller (as seller under the First MoA and as bareboat charterer under the First Vessel Charter Agreement) (2) The First Buyer (as purchaser under the First MoA and as owner under the First Vessel Charter Agreement)	(1) The Second Seller (as seller under the Second MoA and as bareboat charterer under the Second Vessel Charter Agreement) (2) The Second Buyer (as purchaser under the Second MoA and as owner under the Second Vessel Charter Agreement)

Subject matter :	<p>(1) The First Buyer agreed to purchase and the First Seller agreed to sell the First Vessel subject to the terms and conditions under the First MoA.</p> <p>(2) The First Buyer (as owner) agreed to let, and the First Seller (as bareboat charterer) agreed to charter, the First Vessel upon acceptance of the First Vessel by the First Buyer under the First MoA subject to the terms and conditions under the First Vessel Charter Agreement.</p>	<p>(1) The Second Buyer agreed to purchase and the Second Seller agreed to sell the Second Vessel subject to the terms and conditions under the Second MoA.</p> <p>(2) The Second Buyer (as owner) agreed to let, and the Second Seller (as bareboat charterer) agreed to charter, the Second Vessel upon acceptance of the Second Vessel by the Second Buyer under the Second MoA subject to the terms and conditions under the Second Vessel Charter Agreement.</p>
Consideration under each of the Memoranda :	<p>CNH79,750,000 (equivalent to approximately HK\$87,406,000) to be paid by the First Buyer upon delivery of the First Vessel by the First Seller in accordance with the terms and conditions under the First MoA</p>	<p>CNH123,250,000 (equivalent to approximately HK\$135,082,000) to be paid by the Second Buyer upon delivery of the Second Vessel by the Second Seller in accordance with the terms and conditions under the Second MoA</p>
Charter period :	<p>The aggregate of the consideration amounts under the Memoranda is in essence the amount of financing by the Group under the Sale and Leaseback Arrangements.</p> <p>A period of up to 84 months commencing on the date of delivery of the relevant vessel under the Charter Agreements (the “Charter Period”)</p>	

Charter hire :	<p>For every consecutive 3-month period during the Charter Period (the “Hire Period”), the First Seller and the Second Seller (each in their capacity as bareboat charterer) shall pay to the First Buyer and the Second Buyer (each in their capacity as an owner), respectively, on the last day of each Hire Period (the “Hire Payment Date”):</p> <p>(1) a fixed hire in an amount equals to twenty-eighth (1/28) of the difference between the amount of consideration paid by the First Buyer or the Second Buyer (as the case maybe) as stipulated under the relevant Memorandum and the respective Balloon as stipulated under the relevant Charter Agreement (the “Fixed Hire”); and</p> <p>(2) a variable hire in an amount calculated by multiplying:</p> <p>(i) the amount of consideration paid by the First Buyer or the Second Buyer (as the case maybe) as stipulated under the relevant Memorandum as may be reduced by payment of any Fixed Hire (the “Cost Balance”) immediately prior to the relevant Hire Payment Date;</p> <p>(ii) the aggregate of the margin of 0.3% per annum and the applicable loan prime rate (as determined in accordance with the relevant definition contained in the Charter Agreements) for the Hire Period ending on that Hire Payment Date; and</p> <p>(iii) a fraction whose denominator is 360 and numerator is the number of days which has elapsed during the relevant Hire Period.</p>
Purchase option :	<p>Subject to the conditions as stipulated in the Charter Agreements, each of the Charterers has an option, by serving a sixty-day advance written notice on the First Buyer or the Second Buyer (as the case maybe), to purchase the respective vessel, on or after the third anniversary of the date of delivery of the relevant vessel by the First Buyer or the Second Buyer (as the case maybe) to the relevant Charterer under the Charter Agreements and before the last day of the Charter Period, at an option price being the aggregate of, among others, the amount of the then Cost Balance, any applicable prepayment fee as stipulated in the Charter Agreements depending on the date of exercise of the option to purchase and other sums due and payable but being unpaid under the Charter Agreements together with related interest accrued.</p>

Purchase obligation	:	In the event that the option to purchase is not exercised and upon expiry of the Charter Period, the relevant Charterer is obliged to purchase its respective vessel from the First Buyer or the Second Buyer (as the case maybe), subject to certain conditions as stipulated in the Charter Agreements, at a price being the aggregate of, among others, the amount of the relevant Balloon, any surplus of the then Cost Balance over the amount of the Balloon, all unpaid sums which are due and payable under the Charter Agreements together with related interest accrued.
Guarantee	:	Jinhui Shipping (as the Guarantor), a direct subsidiary of the Company, guaranteed the punctual performance by each of the Charterers of its obligations under the Sale and Leaseback Arrangements in favour of the First Buyer and the Second Buyer.

The considerations under the Memoranda were determined after arm's length negotiations between the parties with reference to a number of factors which include (1) the financing nature of the Sale and Leaseback Arrangements; (2) the estimated market values of the Vessels as derived from both publicly available information and data possessed by the First Buyer, the Second Buyer and the Group; (3) the loan-to-value ratios applicable to the Sale and Leaseback Arrangements which are acceptable to the First Buyer and the Second Buyer as owners of the Vessels upon completion of conditions under the Memoranda; (4) the prevailing market conditions of the shipping industry; and (5) the current financial position and future needs of the Group. In addition, the Group made reference to comparable sale and leaseback transactions available on the market and considers that the other terms and conditions of the Sale and Leaseback Arrangements are not less favourable than those offered under prevailing market conditions.

FINANCIAL EFFECT OF ENTERING INTO THE SALE AND LEASEBACK ARRANGEMENTS

In accordance with the requirements under the Hong Kong Financial Reporting Standard 16, the Sale and Leaseback Arrangements will be accounted for as a financing arrangement and therefore would not give rise to any gain or loss in the income statement of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND LEASEBACK ARRANGEMENTS

The Directors, after taken into consideration the following:

- (1) the Sale and Leaseback Arrangements allow the Group to gain access to additional working capital at a reasonable cost, which effectively enhances the cash position of the Group while maintaining appropriate control over the Vessels;
- (2) an improved financial position of the Group offers a higher degree of flexibility to the Group in the deployment of its own resources to cope with its business needs and development plan, which is crucial given that the global economy has shifted from a period of resilient growth and declining inflation to a more uncertain path due to the escalation of trade tensions on a global basis;
- (3) the Sale and Leaseback Arrangements are in both substance and accounting terms, financing arrangements largely similar to secured loan transactions, which involves no transfer of possession and/or use of the Vessels by the Charterers;
- (4) upon the expiry of the Charter Period, the ownership of each of the Vessels will be transferred back to relevant Charterer, subject to full settlement of the outstanding sums by the relevant Charterer in accordance with the terms and conditions of the relevant Charter Agreement;
- (5) the business operations of the Group would not be adversely affected by the Sale and Leaseback Arrangements; and
- (6) the factors considered for assessing the fairness and reasonableness of the terms and conditions of the Sale and Leaseback Arrangements as set out in the section headed ***“Details of the Memoranda and the Charter Agreements”*** above,

are of the view that the terms and conditions of the Sale and Leaseback Arrangements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE COMPANY, PARTIES TO THE SALE AND LEASEBACK ARRANGEMENTS AND THE VESSELS

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in international ship chartering and ship owning.

The Sellers / Charterers and the Guarantor

Each of the Sellers / Charterers is principally engaged in ship owning business and an indirect subsidiary of the Company. The First Seller and the Second Seller owned the First Vessel and the Second Vessel, respectively, immediately prior to the completion of the sale and purchase under the Memoranda.

The Guarantor is an investment holding company and an approximately 55.69% owned subsidiary of the Company. Each of the Sellers / Charterers is a wholly-owned subsidiary of the Guarantor.

The First Buyer and the Second Buyer

The First Buyer and the Second Buyer are companies established under the laws of the PRC. Their principal activities are financial leasing of ships and import and export businesses related to financial leasing.

The First Buyer and the Second Buyer are owned by Agricultural Bank of China Financial Leasing Co., Ltd.. Agricultural Bank of China Financial Leasing Co., Ltd. is principally engaged in financial leasing business and a wholly-owned subsidiary of the Agricultural Bank of China Limited, the shares of which are listed on The Shanghai Stock Exchange (stock code: 601288) and The Stock Exchange of Hong Kong Limited (stock code: 1288).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Buyer, the Second Buyer, Agriculture Bank of China Financial Leasing Co., Ltd. and Agriculture Bank of China Limited are Independent Third Parties.

The Vessels

The First Vessel is a bulk carrier with a deadweight of approximately 63,518 metric tonnes, built in 2014 and was registered in Hong Kong. As at 31 March 2025, the unaudited net book value of the First Vessel was approximately HK\$163,000,000.

The Second Vessel is a bulk carrier with a deadweight of approximately 81,567 metric tonnes, built in 2019 and was registered in Hong Kong. As at 31 March 2025, the unaudited net book value of the Second Vessel was approximately HK\$221,000,000.

The net loss attributable to the Vessels for each of the two years ended 31 December 2023 and 31 December 2024 were set out below:

	For the year ended 31 December 2023 (audited) HK\$'000	For the year ended 31 December 2024 (audited) HK\$'000
Net loss before and after taxation	8	12,363

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, the Sale and Leaseback Arrangements shall be aggregated as if they were one transaction since they were conducted by the Group with the same group of counterparties. As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Sale and Leaseback Arrangements exceed 25% but are less than 75%, the Sale and Leaseback Arrangements constitute a major transaction of 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 transactions 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 transactions.

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 as at the date of this announcement.

Fairline and Timberfield also hold 409,099 shares of the Guarantor and 260,000 shares of the Guarantor, respectively, and together hold 669,099 shares of the Guarantor which represent approximately 0.61% of the total issued shares of the Guarantor as at date of this announcement.

Mr. Ng Siu Fai, the Chairman of the Group and an executive Director, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, the Managing Director of the Group and an executive Director, 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 Sale and Leaseback Arrangements other than through their respective shareholding interests in the Company and the Guarantor. As the Guarantor only provides a guarantee in favour of the First Buyer and the Second Buyer for the punctual performance of all obligations of the Charterers under the Sale and Leaseback Arrangements, Fairline and Timberfield, through their shareholding interests in the Guarantor, do not have a material interest in the Sale and Leaseback Arrangements. Accordingly, no Shareholder is required to abstain from voting on the Sale and Leaseback Arrangements if the Company were to convene a general meeting for the approval of the same.

The Sale and Leaseback Arrangements were approved by way of written shareholders' resolutions from Fairline and Timberfield.

A circular containing, among other things, further information relating to the Sale and Leaseback Arrangements and other information required under the Listing Rules is expected to be despatched to the Shareholders on or before 22 July 2025 in accordance with the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meanings:

“Balloon”	in the amounts of CNH29,000,000 (equivalent to approximately HK\$31,784,000) and CNH31,900,000 (equivalent to approximately HK\$34,962,000) under the First Vessel Charter Agreement and the Second Vessel Charter Agreement respectively;
“Board”	the board of Directors;
“Charterers” or “Sellers”	the First Seller and the Second Seller as the charterers under the Charter Agreements or as the sellers under the Memoranda (as the case maybe), and “Charterer” or “Seller” refers to any of them as the context requires;
“Charter Agreements”	the First Vessel Charter Agreement and the Second Vessel Charter Agreement, and “Charter Agreement” refers to any of them as the context requires;
“Company”	Jinhui Holdings Company Limited, a limited liability company incorporated under the laws of Hong Kong and its shares are listed on the Main Board of the Stock Exchange (stock code: 137);
“Directors”	the directors of the Company;
“First Buyer”	Tianjin Jinhaishiwu Leasing Co., Ltd, a company established under the laws of the PRC, being the purchaser under the First MoA, and as owner under the First Vessel Charter Agreement;
“First MoA”	the memorandum of agreement dated 30 June 2025 entered into between the First Seller and the First Buyer in relation to the sale and purchase of the First Vessel;
“First Seller”	Jinheng Marine Inc., a company incorporated under the laws of the Republic of Panama and an indirect subsidiary of the Company, being the seller under the First MoA and the charterer under the First Vessel Charter Agreement;
“First Vessel”	a bulk carrier “JIN HENG” of deadweight approximately 63,518 metric tonnes registered in Hong Kong;
“First Vessel Charter Agreement”	the bareboat charter agreement dated 30 June 2025 entered into between the First Seller (as charterer) and the First Buyer (as owner) in relation to the bareboat chartering of the First Vessel;

“Group”	the Company and its subsidiaries;
“Guarantor” or “Jinhui Shipping”	Jinhui Shipping and Transportation Limited, a company incorporated under the laws of Bermuda with limited liability, the equity of which is owned as to approximately 55.69% by the Company as at date of this announcement, being a direct subsidiary of the Company and its shares are listed on the Oslo Stock Exchange (stock code: JIN);
“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;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Memoranda”	the First MoA and the Second MoA, and “Memorandum” refers to any of them as the context requires;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Sale and Leaseback Arrangements”	the Memoranda and the Charter Agreements;
“Second Buyer”	Tianjin Jinhaiba Leasing Co., Ltd, a company established under the laws of the PRC, being the purchaser under the Second MoA, and as owner under the Second Vessel Charter Agreement;
“Second MoA”	the memorandum of agreement dated 30 June 2025 entered into between the Second Seller and the Second Buyer in relation to the sale and purchase of the Second Vessel;
“Second Seller”	Jinli Marine Inc., a company incorporated under the laws of the Republic of Panama and an indirect subsidiary of the Company, being the seller under the Second MoA and the charterer under the Second Vessel Charter Agreement;

“Second Vessel”	a bulk carrier “JIN LI” of deadweight approximately 81,567 metric tonnes registered in Hong Kong;
“Second Vessel Charter Agreement”	the bareboat charter agreement dated 30 June 2025 entered into between the Second Seller (as charterer) and the Second Buyer (as owner) in relation to the bareboat chartering of the Second Vessel;
“Shareholder(s)”	shareholder(s) of the Company;
“Share(s)”	ordinary share(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vessels”	the First Vessel and the Second Vessel;
“CNH”	Renminbi (offshore), the lawful currency of the PRC, and for the purpose of illustration only, translated into HK\$ at the rate of CNH1.00 = HK\$1.096; and
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.

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

Hong Kong, 30 June 2025

As at date of this announcement, the Executive Directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.