



## JINHUI SHIPPING AND TRANSPORTATION LIMITED

### **JIN - INSIDE INFORMATION**

#### **ACQUISITION OF PROPERTIES**

The Board of Jinhui Shipping and Transportation Limited announces that a wholly-owned subsidiary of the Company entered into a provisional agreement for sale and purchase with the Vendor on 13 July 2018 in respect of the acquisition of the Properties at a consideration of HK\$63,000,000.

#### **THE ACQUISITION**

The Purchaser entered into the Agreement with the Vendor on 13 July 2018 in respect of the acquisition of the Properties at a consideration of HK\$63,000,000.

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

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

The Purchaser is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company as at date of this announcement. The principal activities of the Purchaser are property holding and investment.

#### **Vendor**

The Vendor is a company incorporated in Hong Kong and its principal activities are manufacturing and distributing flint disposable lighters.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Vendor is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

#### **Properties**

The Properties are Offices E & F and a portion of Office A on 15th Floor, Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong.

### **Consideration**

Under the Agreement, the Vendor agrees to dispose of the Properties at a consideration of HK\$63,000,000 payable by the Purchaser as follows:

- (1) an initial deposit of HK\$3,000,000 paid by the Purchaser upon signing of the Agreement;
- (2) a further deposit of HK\$3,300,000 will be payable by the Purchaser on or before 25 July 2018;  
and
- (3) the balance of HK\$56,700,000 will be payable by the Purchaser on the completion of the acquisition of the Properties which will take place on 30 November 2018.

Formal agreement for sale and purchase in respect of the acquisition of the Properties shall be signed on or before 25 July 2018. The consideration of the Properties was determined after arm's length negotiations between the Purchaser and the Vendor. The Directors consider that the consideration is fair and reasonable and the acquisition of the Properties is in the interests of the Company and its shareholders as a whole.

### **REASONS FOR THE ACQUISITION**

The Acquisition of the Properties represents a small allocation of capital into revenue generating assets that are non-correlated to our core shipping business which is often cyclical in nature. The Directors and senior management have been reviewing the prevailing property market in Hong Kong and believe the acquisition price is highly attractive. Given the continued trend of office decentralization in Central district in Hong Kong, rent and leasing demand in alternative central business district going forward is expected to be robust. The Properties located in a prime commercial area in Hong Kong closed to the Central district and are expected to generate steady and recurring stream of income for the Group. Potential resale opportunity with capital appreciation over time in the prime commercial areas of Hong Kong is also expected. It is currently expected that approximately 50% of the consideration of the Properties will be funded by bank financing and remaining 50% will be funded by internal resources of the Group.

### **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following expressions of the following meanings were used:

“Acquisition of the Properties”                      the acquisition of the Properties under the Agreement;

“Agreement”                      the provisional agreement for sale and purchase entered into between the Vendor and the Purchaser on 13 July 2018 in respect of the acquisition of the Properties;

“Board”	the board of Directors;
“Company”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Properties”	Offices E & F and a portion of Office A on 15th Floor, Yardley Commercial Building, No. 3 Connaught Road West, Hong Kong;
“Purchaser”	Noble Talent Development Limited, a wholly-owned subsidiary of the Company;
“Vendor”	Gladstrong Investments Limited, a company incorporated in Hong Kong; and
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong.

By Order of the Board  
**Ng Kam Wah Thomas**  
*Managing Director*

13 July 2018