



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - INSIDE INFORMATION

PROVISION OF FINANCIAL ASSISTANCE

The Board of Jinhui Shipping and Transportation Limited wishes to announce that, the Lender and the Borrower A entered into the Facility Agreement A on 11 September 2019, pursuant to which the Lender agreed to provide the Loan A on 11 September 2019 in the principal amount of US\$7 million to the Borrower A and such loan is repayable quarterly in five years, and the Lender and the Borrower B entered into the Facility Agreement B on 12 August 2019, pursuant to which the Lender agreed to provide the Loan B on 11 September 2019 in the principal amount of US\$3 million to the Borrower B and such loan is repayable quarterly in three years.

THE FACILITY AGREEMENT A

The principal terms of the Facility Agreement A are as follows:

Date of agreement:	11 September 2019
Effective date:	11 September 2019
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower A
Loan principal:	US\$7 million
Interest rate:	8% per annum
Collateral:	First mortgage over Ship A with fair value of approximately US\$11 million registered in the ownership of the Borrower A and second mortgage over Ship B with fair value of approximately US\$7 million registered in the ownership of the Borrower B
Loan period:	Five years
Repayment:	Borrower A shall repay the loan and interest accrued thereon quarterly

THE FACILITY AGREEMENT B

The principal terms of the Facility Agreement B are as follows:

Date of agreement:	12 August 2019
Effective date:	11 September 2019
Lender:	Jinhui Finance (Hong Kong) Limited
Borrower:	Borrower B
Loan principal:	US\$3 million
Interest rate:	8% per annum
Collateral:	First mortgage over Ship B with fair value of approximately US\$7 million registered in the ownership of the Borrower B and second mortgage over Ship A with fair value of approximately US\$11 million registered in the ownership of the Borrower A
Loan period:	Three years
Repayment:	Borrower B shall repay the loan and interest accrued thereon quarterly

OTHER TERMS OF THE FACILITY AGREEMENTS

Pursuant to the Facility Agreement A, the Loan A is guaranteed by the Borrower B. Facility Agreement B is a collateral facility agreement to Facility Agreement A and Ship B is the collateral ship to Loan A.

Pursuant to the Facility Agreement B, the Loan B is guaranteed by the Borrower A. Facility Agreement A is a collateral facility agreement to Facility Agreement B and Ship A is the collateral ship to Loan B.

INFORMATION ON THE GROUP AND THE LENDER

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

The Lender is a money lending company and a licensed money lender in Hong Kong registered under Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong. Its principal activity is the provision of money lending services. It is a wholly-owned subsidiary of the Company as at date of this announcement.

INFORMATION ON THE BORROWERS

The Borrower A is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. The Borrower B is a company incorporated in the Republic of Marshall Islands which is engaged in ship owning and ship chartering. The Borrower A and the Borrower B are owned by a common ultimate beneficial owner.

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

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE FACILITY AGREEMENTS

The terms of the Facility Agreement A and the Facility Agreement B (including the interest rates and the terms of loans) were negotiated on an arm's length basis between the Lender and the Borrower A and the Borrower B, and were on normal commercial terms. Taking into account the satisfactory results of the Company's due diligence of the Borrower A and the Borrower B, the stable interest income expected to be generated from the Loan A and the Loan B, and the fair values of Ship A of approximately US\$11 million and Ship B of approximately US\$7 million which were appraised by an independent qualified appraisal firm, the Directors consider that the terms of the Facility Agreement A and the Facility Agreement B (including the interest rates and the terms of loans) are fair and reasonable and the entering into of the Facility Agreement A and the Facility Agreement B is in the interests of the Company and its shareholders as a whole. The Lender has financed the Loan A and the Loan B with the Group's internal cash resources.

DEFINITIONS

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

“Board”	the board of Directors;
“Borrower A”	a company incorporated in the Republic of Marshall Islands;
“Borrower B”	a company incorporated in the Republic of Marshall Islands;
“Company”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“Facility Agreement A”	the facility agreement dated 11 September 2019 entered into between the Lender and the Borrower A in respect of the provision of the Loan A;

“Facility Agreement B”	the facility agreement dated 12 August 2019 entered into between the Lender and the Borrower B in respect of the provision of the Loan B;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Lender”	Jinhui Finance (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company;
“Loan A”	the loan with principal amount of US\$7 million granted by the Lender to the Borrower A pursuant to the Facility Agreement A;
“Loan B”	the loan with principal amount of US\$3 million granted by the Lender to the Borrower B pursuant to the Facility Agreement B;
“Ship A”	the ship registered in the ownership of the Borrower A; and
“Ship B”	the ship registered in the ownership of the Borrower B.

By Order of the Board
Ng Kam Wah Thomas
Managing Director

11 September 2019