



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - INSIDE INFORMATION SUPPLEMENTAL MEMORANDUM IN RELATION TO A CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

THE SUPPLEMENTAL MEMORANDUM IN RELATION TO THE CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

The Board of Jinhui Shipping and Transportation Limited makes this supplemental announcement further to the Company's announcement dated 20 April 2018 (the "Announcement") in relation to the Co-Investment in T3 Property. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meaning as ascribed thereto in the Announcement.

As set out in the Announcement, the Co-Investor (a wholly-owned subsidiary of the Company) committed to acquire issued non-voting participating class A shares of Dual Bliss of US\$10,000,000 and up to the date of this announcement, the Co-Investor owns 34.5901% interest in Dual Bliss and paid US\$7,523,752 in accordance with the terms and conditions of the Co-Investment Agreement.

On 31 January 2020, the Co-Investor agreed and signed a supplemental memorandum (the "Memorandum") with the Investment Manager, pursuant to which the Co-Investor agreed to provide US\$4,276,915 on or before 4 February 2020 for acquiring 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment supplemental capital call as required under the Memorandum (the "Co-Investment Supplemental Capital Call"). This Co-Investment Supplemental Capital Call is required for all shareholders of Dual Bliss and all other investors of the Co-Investment in T3 Property on a pro rata basis for the purpose of temporarily funding the unwinding of intercompany loan receivable/payable of the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the Co-Investment Vehicle by the special funding (the "Special Fund") from this Co-Investment Supplemental Capital Call in order to obtain banking facilities under PRC regulations for the Co-Investment. The unwinding exercise is a condition precedent for the bank loan drawdown.

Subject to all applicable PRC governmental and regulatory approvals, the wholly-owned foreign-owned subsidiaries and onshore subsidiaries within the existing structure of the Co-Investment Vehicle will use the Special Fund to unwind the intercompany loan receivable/payable and upon the fulfilment of the condition precedent for successful drawdown of the bank loan facilities, it is expected that the Special Fund will be remitted back to respective shareholders in proportion to the shareholdings under a mandatory share repurchase scheme mechanism within the expected two months' timeframe under the Memorandum. At the end of the two months expected timeframe, the Co-Investor will receive the total of US\$4,276,915 under the share repurchase scheme, subject to exchange rate variance, the 4,276,915 issued non-voting participating class A shares of Dual Bliss under the Co-Investment Supplemental Capital Call will be repurchased and cancelled. The Group intends to finance the Co-Investment Supplemental Capital Call of US\$4,276,915 by its internal resources.

REASONS FOR AND BENEFITS OF THE CO-INVESTMENT SUPPLEMENTAL CAPITAL CALL

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

Given the unwinding of the intercompany loan receivable/payable by the Special Fund is a condition precedent for successful drawdown of the bank loan facilities for the completion of Co-Investment in T3 Property under the latest PRC regulations, it is crucial and beneficial to the Co-Investor to contribute to the Co-Investment Supplemental Capital Call along with all shareholders of Dual Bliss and all other co-investors in the Co-Investment in T3 Property on a proportional basis for the purpose of a successful completion of T3 Property project.

Taking into account the abovementioned factors, the Directors consider that the terms and conditions of the Memorandum are fair and reasonable and on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

Parties

The Co-Investor, a wholly-owned subsidiary of the Company.

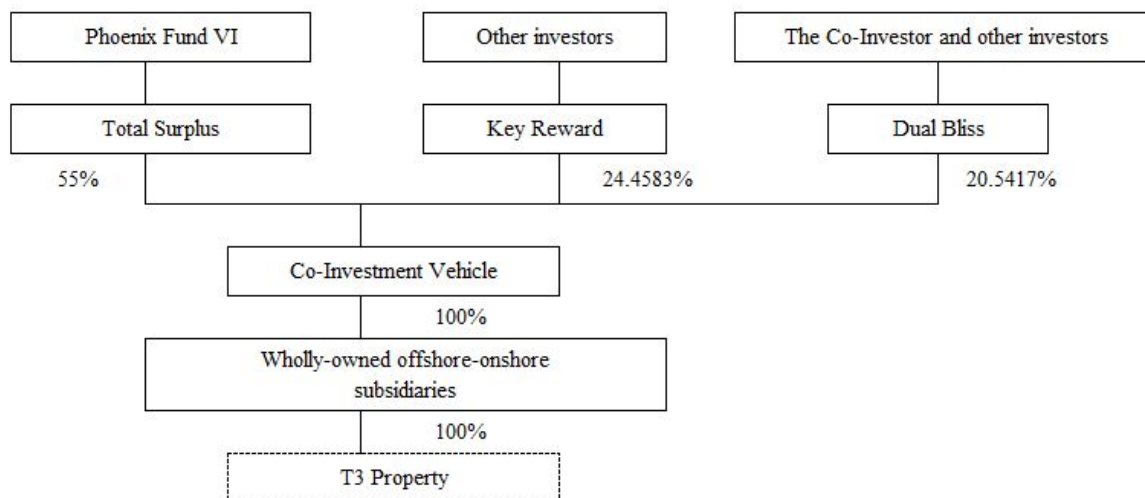
Phoenix Property Investors Limited (the “Investment Manager”) is an exempted company incorporated in the Cayman Islands with limited liability and is principally engaged in investment management. The Company understands that the Investment Manager is a disciplined, value-oriented real estate investor and operator with investment advisory offices in Hong Kong, Shanghai, Tokyo, Sydney, Taipei, Seoul and Singapore and an asset management office in Shanghai. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, the Investment Manager 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.

Key Reward is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Key Reward 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.

Dual Bliss is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Dual Bliss 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.

Total Surplus is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. To the best of the Board’s knowledge, information and belief, having made all reasonable enquiry, Total Surplus 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.

Set out below is the proposed structure for the investment in the T3 Property:



DEFINITIONS

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

“Board”	the board of Directors;
“Co-Investment”	the co-investment in the T3 Property as contemplated under the Co-Investment Agreement;
“Co-Investment Agreement”	the co-investment agreement dated 20 April 2018 and entered among Key Reward, Total Surplus and Dual Bliss;
“Co-Investment Supplemental Capital Call”	supplemental capital call required for all shareholders of Dual Bliss and all other investors of the Co-Investment in T3 Property on a proportional basis under the Memorandum;
“Co-Investor”	Peninsular Wonder Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company as at date of this announcement;
“Company”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“Dual Bliss”	Dual Bliss Limited, a company incorporated in the British Virgin Islands with limited liability;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Investment Manager”	Phoenix Property Investors Limited, an exempted company incorporated in the Cayman Islands with limited liability;
“Key Reward”	Key Reward Holdings Limited, a company incorporated in the British Virgin Islands with limited liability;
“Memorandum”	the supplemental memorandum dated 31 January 2020 entered between the Co-Investor and the Investment Manager;
“Phoenix Fund VI”	together Phoenix Asia Real Estate Investments VI(A), L.P. and Phoenix Asia Real Estate Investments VI(B), L.P., both are Cayman Islands exempted limited partnership;
“PRC”	The People’s Republic of China; and
“Total Surplus”	Total Surplus Holdings Limited, a company incorporated in the British Virgin Islands with limited liability.

By Order of the Board

Ng Kam Wah Thomas

Managing Director

31 January 2020