



## JINHUI SHIPPING AND TRANSPORTATION LIMITED

### **JIN - INSIDE INFORMATION**

#### **ACQUISITION OF A VESSEL**

The Board of Jinhui Shipping and Transportation Limited announces that a wholly-owned subsidiary of the Company entered into a memorandum of agreement on 20 August 2021 for the acquisition of a Supramax at a purchase price of US\$17,000,000.

#### **THE ACQUISITION**

The Purchaser entered into the Agreement with the Vendor on 20 August 2021 for the acquisition of the Vessel at a purchase price of US\$17,000,000. The Vessel will be delivered by the Vendor to the Purchaser between 20 October 2021 and 30 November 2021.

#### **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 ship owning company and a wholly-owned subsidiary of the Company as at date of this announcement. The principal activities of the Purchaser are ship owning and chartering.

#### **Vendor**

The Vendor is BELCARGO AS, a company incorporated in Norway. Its principal activities are sale and operation of ships and other shipping activities. The Vendor is owned by BELSHIPS ASA, a company incorporated in Norway and listed on the Oslo Stock Exchange with principal activities of providing shipping transportation services in a global market.

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.

#### **Vessel**

The Vessel is a Supramax of deadweight 58,729 metric tons, built in year 2008.

**Consideration**

Under the Agreement, the purchase price for the Vessel is US\$17,000,000 and is payable by the Purchaser as follows:

- (1) an initial deposit of US\$2,550,000 will be payable by the Purchaser within three banking days after the date that (i) the signing of the Agreement; and (ii) the confirmation from the escrow agent confirming the account is ready to receive the initial deposit; and
- (2) the balance of US\$14,450,000 will be payable by the Purchaser on the delivery of the Vessel which will take place between 20 October 2021 and 30 November 2021.

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

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. However, as each vessel is never identical, we will take into account the individual specification, maintenance quality and conditions of each individual vessel to consider its purchase.

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

**GUARANTEE BY THE COMPANY**

The Company agrees to provide a performance guarantee to the Vendor of due and punctual performance of all obligations of the Purchaser in accordance with the terms of the Agreement.

**REASONS FOR THE ACQUISITION**

The Group's principal activities are international ship chartering and ship owning. The Vessel is grabs fitted Supramax for the transportation of dry bulk commodities. The Directors and senior management have been reviewing the individual specification, maintenance quality and conditions of the Vessel and consider the purchase price of the Vessel is reasonable and is expected to generate steady stream of income for the Group. The Group currently owns twenty dry bulk vessels which include two Post-Panamaxes and eighteen grabs fitted Supramaxes. Total carrying capacity will be increased by 58,729 metric tons to 1,359,168 metric tons after the completion of the acquisition of the Vessel.

It is currently expected that the purchase price of the Vessel 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 Vessel”	the acquisition of the Vessel under the Agreement;
“Agreement”	the memorandum of agreement dated 20 August 2021 entered into between the Vendor and the Purchaser in respect of the acquisition of the Vessel;
“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;
“Post-Panamaxes”	vessels of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
“Purchaser”	Jinrong Marine Inc., a wholly-owned subsidiary of the Company;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vendor”	BELCARGO AS, a company incorporated in Norway; and
“Vessel”	a deadweight 58,729 metric tons bulk carrier “BELCARGO” registered in Norway.

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

20 August 2021