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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Jinhui Holdings Company Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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
DISPOSAL OF TWO VESSELS**

8 December 2022

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context indicates otherwise:

“associates”	has the same meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong, whose shares are listed on the Hong Kong Stock Exchange;
“Directors”	the directors of the Company;
“Disposal of the Vessels”	the disposal of the First Vessel under the First Agreement and the disposal of the Second Vessel under the Second Agreement;
“First Agreement”	the memorandum of agreement dated 18 October 2022 entered into between the First Vendor and the First Purchaser in respect of the disposal of the First Vessel;
“First Purchaser”	Bardar Corporation, a company incorporated in the Republic of Liberia;
“First Vendor”	Jinmei Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“First Vessel”	a deadweight 93,204 metric tons bulk carrier “JIN MEI” registered in Hong Kong;
“Group”	the Company and its subsidiaries;
“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;
“Jinhui Shipping”	Jinhui Shipping and Transportation Limited, a limited liability company incorporated in Bermuda and an approximately 55.69% owned subsidiary of the Company as at the Latest Practicable Date, whose shares are listed on the Oslo Stock Exchange (stock code: JIN);

DEFINITIONS

“Jinhui Shipping Shares”	ordinary shares of US\$0.05 each in the share capital of Jinhui Shipping;
“Latest Practicable Date”	2 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Post-Panamax(es)”	vessel(s) of deadweight approximately between 90,000 metric tons to 100,000 metric tons;
“Second Agreement”	the memorandum of agreement dated 18 October 2022 entered into between the Second Vendor and the Second Purchaser in respect of the disposal of the Second Vessel;
“Second Purchaser”	Bursa Oceanways Inc., a company incorporated in the Republic of Liberia;
“Second Vendor”	Jinlang Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;
“Second Vessel”	a deadweight 93,279 metric tons bulk carrier “JIN LANG” registered in Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	shareholder(s) of the Company;
“Shares”	ordinary shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supramax(es)”	dry cargo vessel(s) of deadweight approximately 50,000 metric tons;
“Vessels”	the First Vessel and the Second Vessel;
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong; and
“US\$”	United States Dollars, the lawful currency of the United States of America, and for the purpose of illustration only, translated into HK\$ at the rate of US\$1.00 = HK\$7.80.

LETTER FROM THE BOARD



JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

Directors:

Ng Siu Fai (*Chairman*)
Ng Kam Wah Thomas (*Managing Director*)
Ng Ki Hung Frankie
Ho Suk Lin
Cui Jianhua *
Tsui Che Yin Frank *
William Yau *

Registered office:

26th Floor
Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

* *Independent Non-executive Director*

8 December 2022

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION DISPOSAL OF TWO VESSELS

INTRODUCTION

The Directors refer to the announcements of the Company dated 18 October 2022 in relation to the disposal of two vessels pursuant to two memorandums of agreement.

As disclosed in the Company's announcement on 18 October 2022, the First Vendor and the Second Vendor, both are approximately 55.69% indirectly owned subsidiaries of the Company, entered into the First Agreement and the Second Agreement respectively with the First Purchaser and the Second Purchaser on 18 October 2022 to dispose the First Vessel and the Second Vessel respectively, each at a consideration of US\$17,250,000 (approximately HK\$134,550,000). The total consideration for the Disposal of the Vessels is US\$34,500,000 (approximately HK\$269,100,000). Both the First Vessel and the Second Vessel were delivered to the First Purchaser and the Second Purchaser in November 2022.

The First Agreement and the Second Agreement are separate and not inter-conditional of each other.

LETTER FROM THE BOARD

The purpose of this circular is to give you further information in relation to the disposal of the First Vessel under the First Agreement and the disposal of the Second Vessel under the Second Agreement.

THE DISPOSAL OF THE VESSELS

Information on the Group and the vendors

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

The First Vendor is a ship owning company and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 55.69% owned subsidiary of the Company as at the Latest Practicable Date.

The Second Vendor is a ship owning company and a wholly-owned subsidiary of Jinhui Shipping, which is in turn an approximately 55.69% owned subsidiary of the Company as at the Latest Practicable Date.

Purchasers

The First Purchaser is a company incorporated in the Republic of Liberia and its principal activities are ship owning.

The Second Purchaser is a company incorporated in the Republic of Liberia and its principal activities are ship owning.

Both the First Purchaser and the Second Purchaser are solely owned by Ms. Vasiliki Lentoudi, the shareholder and the ultimate beneficial owner.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the First Purchaser, the Second Purchaser and their ultimate beneficial owner are Independent Third Parties.

Considerations

Under the First Agreement, the First Vendor agrees to dispose of the First Vessel for a consideration of US\$17,250,000 (approximately HK\$134,550,000) payable by the First Purchaser as follows:

- (1) an initial deposit of US\$1,725,000 (approximately HK\$13,455,000) was paid by the First Purchaser on 25 October 2022; and
- (2) the balance of US\$15,525,000 (approximately HK\$121,095,000) was paid by the First Purchaser on 15 November 2022 upon delivery of the First Vessel.

LETTER FROM THE BOARD

Under the Second Agreement, the Second Vendor agrees to dispose of the Second Vessel for a consideration of US\$17,250,000 (approximately HK\$134,550,000) payable by the Second Purchaser as follows:

- (1) an initial deposit of US\$1,725,000 (approximately HK\$13,455,000) was paid by the Second Purchaser on 2 November 2022; and
- (2) the balance of US\$15,525,000 (approximately HK\$121,095,000) was paid by the Second Purchaser on 16 November 2022 upon delivery of the Second Vessel.

The total consideration for the Disposal of the Vessels is US\$34,500,000 (approximately HK\$269,100,000). The considerations of the First Vessel and the Second Vessel were paid by the First Purchaser and the Second Purchaser by cash in United States Dollars. Each of the consideration of the First Vessel and the Second 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, valuations from independent valuer and on the basis of arm's length negotiations with the First Purchaser and the Second Purchaser.

In the course of negotiating the considerations of the Vessels, the Company has obtained indicative valuations of the Vessels from Clarkson Valuations Limited ("Clarkson Valuations"), an independent valuer and an affiliate of Clarkson PLC, a shipbroking group in London. Clarksons Hong Kong Limited was the shipbroker for the Disposal of the Vessels. The Group engaged Clarkson Valuations to provide a formal valuation in respect of the Vessels. Clarkson Valuations reached the opinion of the vessels' evaluation which Clarkson Valuations believed would reflect the market values of the Vessels at the date of the valuation. According to Clarkson Valuations, the market value of the First Vessel as at 17 October 2022 was US\$17,250,000 (approximately HK\$134,550,000) and the market value of the Second Vessel as at 17 October 2022 was US\$17,250,000 (approximately HK\$134,550,000). The valuation certificate of the Vessels issued by Clarkson Valuations is included in Appendix II to this circular.

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. In the process of gathering the market intelligence from shipbrokers, we receive market information on the sale and purchase market of second hand vessels on a daily basis from international shipbrokers. We also discuss with international shipbrokers frequently to gather market intelligence on what vessels are being put on the market for sale and purchase, which parties are looking to buy or sell their vessels on a worldwide basis. However, as each vessel is never identical, management has based on the experiences, market knowledge to consider and come up with the acceptance of the offer.

The Company also consider the shipbrokers shipping reports include but not limited to Hartland Shipping Services, Arrow Shipbrokers, Galbraiths Research, etc. We also reference to recently traded transactions during July – September 2022 of comparable dry bulk vessels of similar size and specifications, built between 2010 – 2012 with price between US\$17.2 million – US\$22 million.

LETTER FROM THE BOARD

The Directors consider such terms and conditions of the First Agreement and the Second Agreement have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values. The considerations of the First Vessel and the Second Vessel are fair and reasonable and the Disposal of the Vessels is in the interests of the Company and its shareholders as a whole.

Vessels

The First Vessel is a Post-Panamax of deadweight 93,204 metric tons, built in year 2010 and registered in Hong Kong. The First Vendor is a special purpose company for holding solely the First Vessel.

The First Vessel has been owned by the Group since year 2010, and its unaudited net book value as at 30 June 2022 was approximately HK\$131,453,000. The net profit both before and after taxation and extraordinary items attributable to the First Vendor for the financial year ended 31 December 2021 was approximately HK\$73,437,000 which included a reversal of impairment loss of HK\$42,940,000 on owned vessel while the net loss both before and after taxation and extraordinary items attributable to the First Vendor for the financial year ended 31 December 2020 was approximately HK\$7,228,000.

The Second Vessel is a Post-Panamax of deadweight 93,279 metric tons, built in year 2010 and registered in Hong Kong. The Second Vendor is a special purpose company for holding solely the Second Vessel.

The Second Vessel has been owned by the Group since year 2010, and its unaudited net book value as at 30 June 2022 was approximately HK\$127,672,000. The net profit both before and after taxation and extraordinary items attributable to the Second Vendor for the financial year ended 31 December 2021 was approximately HK\$79,521,000 which included a reversal of impairment loss of HK\$42,150,000 on owned vessel while the net profit both before and after taxation and extraordinary items attributable to the Second Vendor for the financial year ended 31 December 2020 was approximately HK\$8,159,000.

Possible financial effects of the Disposal of the Vessels

Based on the unaudited net book value of the First Vessel as at 30 June 2022 as described above, the Group would realize a book gain of approximately HK\$1.7 million on disposal of the First Vessel. The book gain for the First Vessel was calculated after estimated expenses of approximately HK\$1.4 million, which mainly includes commission and legal fees.

Based on the unaudited net book value of the Second Vessel as at 30 June 2022 as described above, the Group would realize a book gain of approximately HK\$5.5 million on disposal of the Second Vessel. The book gain for the Second Vessel was calculated after estimated expenses of approximately HK\$1.4 million, which mainly includes commission and legal fees.

Based on the above, the Group would realize a total book gain of approximately HK\$7.2 million, after estimated expenses of approximately HK\$2.8 million, on disposal of the First Vessel and the Second Vessel. However, the actual book gains which the Group would realize upon completion of the Disposal of the Vessels will depend on the actual net book values of the First Vessel and the Second Vessel as at their

LETTER FROM THE BOARD

respective dates of delivery in accordance with the Group's impairment and depreciation policy for its vessels as shown in the Company's annual report and the actual costs of disposal being incurred of the First Vessel and the Second Vessel as at their respective dates of delivery.

Save as disclosed above, the Disposal of the Vessels will not have any material adverse impact of the earnings and assets and liabilities of the Group.

Use of proceeds

The Group intends to use approximately 30% of the total net sale proceeds received for the repayment of the vessel mortgage loans, and the remaining portion of the total net sale proceeds will be kept as general working capital of the Group.

REASONS FOR THE DISPOSAL OF THE VESSELS

The Group's principal activities are international ship chartering and ship owning. The Directors continuously review the prevailing market conditions of the shipping industry and monitor and adjust the Group's fleet profile as appropriate. The Directors believe that the Disposal of the Vessels will enable the Group to enhance its working capital position and further strengthen its liquidity, and optimize the fleet profile through this ongoing management of asset portfolio.

Despite the recent development in shipping market, we continue to see uncertainties with respect to the global economic outlook, particularly the freight market as well as the financial, commodity and currency markets going forward. This will inevitably introduce volatility to our business performance, as well as the carrying value of our shipping assets and financial assets, hence we continue to monitor and fine tune the quality of our fleet, in particularly in terms of seeking to lower the overall age profile of our fleet. We try to strike as good as possible, the balance of additional maintenance costs that is associated with the aging of a vessel, the expected revenue generating ability and cargo flexibility when compared to younger vessels, the potential asset value appreciation of an asset, as well as the importance of ensuring we are financially nimble by monetizing suitable assets. We believe in being prepared at all times for future possible opportunities of redeployment of capital into other more suitable assets that may arise going forward while keeping leverage at comfortable levels. The Disposal of the Vessels can generate positive cash inflow to boost its working capital and liquidity. We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal or acquisition of vessels and will make such decisions on an ad hoc basis to maintain a high financial flexibility and operational competitiveness.

After the delivery of the Vessels, the Group currently owns twenty five modern grabs fitted Supramaxes with existing carrying capacity of 1,425,272 metric tons. As at the Latest Practicable Date, a Supramax will be disposed by the Group in the fourth quarter of 2022 as announced by the Company on 24 October 2022. The Directors believe that the Disposal of the Vessels will not have any material adverse effect on the operations of the Group.

LETTER FROM THE BOARD

The terms and conditions of the First Agreement and the Second Agreement have been agreed on normal commercial terms following arm's length negotiations with reference to the prevailing market values. The Directors consider that the Disposal of the Vessels represents an opportunity for the Group to readjust its fleet profile and reduce our operational risk exposures in current high-risk volatile markets and the Disposal of the Vessels will improve the liquidity position of the Group. The Directors consider that the terms and conditions of the First Agreement and the Second Agreement were concluded between a willing seller and willing buyer and concluded base on arm's length negotiations, the Directors consider such terms and conditions are fair and reasonable and believe that the Disposal of the Vessels is in the interests of the Company and its shareholders as a whole.

In face of the increasing uncertainties from the external environment in the coming years, the Group will continue to stay alert to any unforeseen changes to market and carry out any investment decisions cautiously, with a view to create sustainable return to Shareholders in long term.

LISTING RULES IMPLICATION

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the disposal of the First Vessel and the Second Vessel exceed 25% but are less than 75%, the Disposal of the Vessels constitutes a major transaction for 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 the Disposal of the Vessels 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 transaction.

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. Fairline and Timberfield also hold 407,858 Jinhui Shipping Shares and 260,000 Jinhui Shipping Shares respectively, and together hold 667,858 Jinhui Shipping Shares which represent approximately 0.61% of the total issued shares of Jinhui Shipping. Mr. Ng Siu Fai, Chairman and executive director of the Company, is the major shareholder and beneficial owner of Fairline. Mr. Ng Kam Wah Thomas, Managing Director and executive director of the Company, 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 Disposal of the Vessels other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Disposal of the Vessels if the Company were to convene a general meeting for the approval of the Disposal of the Vessels, and the Disposal of the Vessels has been approved by written shareholders' approvals from Fairline and Timberfield.

LETTER FROM THE BOARD

As stated in the preceding paragraphs, the Directors are of the view that the Disposal of the Vessels and transaction contemplated thereunder is in the ordinary course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and the terms for the Disposal of the Vessels is fair and reasonable. Although a general meeting would not be convened by the Company to approve the Disposal of the Vessels and the transaction contemplated thereunder, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Disposal of the Vessels and the transaction contemplated thereunder.

Your attention is also drawn to the appendices to this circular.

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

(1) FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three financial years ended 31 December 2019, 2020 and 2021 and the six months ended 30 June 2022 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.jinhuiship.com>):

- Annual report of the Company for the year ended 31 December 2019 (pages 60 to 133)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0415/2020041500651.pdf>
- Annual report of the Company for the year ended 31 December 2020 (pages 68 to 137)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0415/2021041500725.pdf>
- Annual report of the Company for the year ended 31 December 2021 (pages 70 to 145)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701782.pdf>
- Interim report of the Company for the six months ended 30 June 2022 (pages 24 to 46)
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0908/2022090800595.pdf>

(2) INDEBTEDNESS

As at the close of business on 31 October 2022, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding bank borrowings which were secured loans and bank overdrafts of approximately HK\$861 million.

The bank borrowings comprised secured term loans of approximately HK\$378 million and secured revolving loans of approximately HK\$482 million and bank overdrafts of HK\$1 million. All outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 31 October 2022, the Group's credit facilities were secured by certain of the Group's property, plant and equipment with an aggregate net book value of approximately HK\$2,017 million, investment properties with an aggregate carrying amount of approximately HK\$333 million, assets held for sale with an aggregate carrying amount of approximately HK\$102 million, financial assets at fair value through profit or loss of approximately HK\$111 million and deposits in banks amounting to approximately HK\$72 million. Shares of eight ship owning subsidiaries, being members of the Group, were pledged together with the assignment of chartering income of seventeen subsidiaries to secure credit facilities utilized by the Group.

As at 31 October 2022, the Group had lease liabilities of approximately HK\$252 million. All outstanding lease liabilities was unsecured.

As at 31 October 2022, save as aforesaid and apart from intra-group liabilities, none of the companies in the Group had any outstanding mortgages, charges, debentures, loan capital, bank overdrafts, loan or indebtedness in the nature of borrowings, debt securities or other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, or any guarantees or other material contingent liabilities.

(3) FINANCIAL AND TRADING PROSPECTS

The Group has continued to carry on the businesses of investment holding, ship chartering, ship owning and ship operating during the current financial year, and the Directors expect that with cash and marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements.

So far for 2022, the freight environment has been steady driven by a general robust demand for commodities worldwide. Volatility is expected given any changes in monetary policies or material geo-political issues will affect business sentiment, or in some cases business practices or trade patterns will be affected.

When we look at the industry fundamentals, the supply of new vessels remains low, the industry outlook continues to point towards a relatively healthy freight market for our business operations. Demand for commodities is expected to remain robust. In fact, transportation of certain commodities will undergo profound changes and one of the possible results will be a significant increase in tonne miles due to international sanctions against Russia. Logistics of the transportation of goods and commodities continue to experience bottlenecks and disruptions are likely to continue to be present in the foreseeable future depending on countries and regions.

With expected moderate global dry bulk fleet growth in the next few years due to minimal new ship ordering and potentially increased scrapping as the fleet ages and decarbonization regulations tighten, new vessel orders are expected to be low. Looking ahead, this potentially highly favorable demand and supply dynamics is expected to continue, where our fleet is well positioned to benefit.

We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We currently have no capital expenditure commitment in relation to newbuilding contracts, and will continue to focus on taking sensible and decisive actions to maintain a strong financial position.

(4) WORKING CAPITAL

The Directors are of the opinion that after taking into account its internal resources, the existing available credit facilities, the indebtedness statement of the Group as set out in the section headed “(2) INDEBTEDNESS” above and the Disposal of the Vessels, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular.

The following is the full text of the valuation certificate received from Clarkson Valuations Limited, an independent valuer, in connection with its opinion on the market values of the First Vessel and the Second Vessel as of 17 October 2022 prepared for the purpose of incorporation in this circular. Clarkson Valuations Limited, a subsidiary of Clarksons Research, is the world's leading provider of valuations to owners and the financial community. It provides market expertise with leading research and technology. Clarkson Valuations Limited provides portfolio valuation services to an extensive range of ship finance banks, publicly listed companies and large private owners.

The charterfree values were prepared by Clarkson Valuations Limited as at 17th October 2022 and are not a guide to the market values of the Vessels at any other point in time. Market values in the shipping industry can be volatile. The Valuation was provided on the basis of prompt charterfree delivery, as between a willing Buyer and willing Seller. No physical inspection or examination of the Vessels' classification records was performed prior to the Valuation and the Vessels were assumed to be in good and seaworthy condition. The methodology used to create this Valuation has a number of components that may be impacted by the current pandemic and its aftermath, including a widening of price ideas between buyers and sellers.

Jinhui Holdings Company Limited
26/F Yardley Commercial Building
1-6 Connaught Road West
Hong Kong

Dear Sirs,

In accordance with your request and subject to the terms and conditions we have agreed with you, we, Clarkson Valuations Limited (CVL), have prepared this Valuation by (i) collating shipbrokers' price estimates and/or ideas and market knowledge (ii) then seeking to validate such price estimates and/or ideas, where possible and appropriate, with details held on our database, information in relevant works of reference in our possession and particulars given to us for the preparation of this Valuation. PLEASE NOTE: We have relied upon price information provided by Brokers who are in the same group as those who, during the usual course of their business, have been commercially involved in the transaction of the Vessel described below.

CVL has not physically inspected the Vessels nor inspected their classification records. We have assumed that the Vessels were in good and seaworthy condition and would be delivered free from all debts, registered encumbrances and maritime liens.

CVL is of the opinion that the approximate market value of the below mentioned Vessels, as at 17th October 2022, on the basis of prompt charterfree delivery, as between a willing Seller and a willing Buyer for cash payment under normal commercial terms, were:

Bulk Carriers

No.	Vessel Name	Dwt	Built	Builder	Loa (m)	Beam (m)	Holds/Hatches	Grain Cap. (cbm)	Main Engine	Charterfree Value (US\$)
1	JIN MEI	93,204	2010	Jiangsu New YZJ	229.2	38.0	7/7	110,330	MAN B& W 6S50MC-C8.2	17,250,000
2	JIN LANG	93,280	2010	Jiangsu New YZJ	229.2	38.0	7/7	110,330	MAN B& W 6S60MC-C7.2	17,250,000

This Valuation is based solely on a subjective opinion of the approximate market value applying the methodology described above as at the above Valuation date only and should not be taken to apply to any other date.

The methodology used to create this Valuation has a number of components that may be impacted by the current pandemic and its aftermath, including a widening of price ideas between buyers and sellers. These circumstances must be considered by anyone contemplating entering a transaction of any nature whatsoever or otherwise having regard to this Valuation.

All statements made are statements of opinion and are not representations of fact. Any person contemplating entering a transaction must take account not only of the abnormal conditions prevailing but also of the likelihood of further changes to these abnormal conditions and should also satisfy himself by inspection of the Vessel and its records, or otherwise, as to the correctness of the statements which this Valuation contains.

No assurance or representation is given that the Valuation given would have been sustained or that it would have been realisable in any actual transaction.

The Vessels have been valued individually. If both Vessels were to have been placed on the market at the same time, no assurance may be given that the amount realisable would have been equal to the total of the individual values.

This Valuation has been provided solely for the private use of the person to whom it is addressed or to such other person to whom we have consented that this Valuation may be provided. By accepting the provision of our services in respect of this Valuation or by otherwise using or relying on this Valuation, you have accepted either our terms and conditions as specifically agreed between us in writing or, in the event of no such agreement in writing, our terms and conditions including the limitation of liability provisions at www.clarksons.com/terms-of-business/

No person other than the named addressee of this Valuation shall have any rights whatsoever as arising out of or relating to this Valuation under the Contract (Rights of Third Parties) Act 1999 or otherwise.

For and on behalf of
CLARKSON VALUATIONS LIMITED

Director Authorised Signatory

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTERESTS

- (a) As at the Latest Practicable Date, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions*(i) Directors' interests in Shares*

Name	Number of shares in the Company held and capacity			Total	Percentage of total issued Shares
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	24,725,000	15,140,000	205,325,568 <i>Note 1</i>	245,190,568	46.24%
Ng Kam Wah Thomas	5,909,000	–	136,883,712 <i>Note 2</i>	142,792,712	26.93%
Ng Ki Hung Frankie	3,000,000	–	–	3,000,000	0.57%
Ho Suk Lin	3,850,000	–	–	3,850,000	0.73%
Cui Jianhua	960,000	–	–	960,000	0.18%
Tsui Che Yin Frank	1,000,000	–	–	1,000,000	0.19%
William Yau	441,000	–	–	441,000	0.08%

Note 1: Mr. Ng Siu Fai is deemed to be interested in 205,325,568 shares of the Company through his interests in 51% of the issued capital of Fairline Consultants Limited (as disclosed hereinafter).

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company through his wholly owned company, Timberfield Limited (as disclosed hereinafter).

(ii) *Directors' interests in associated corporation*

Name	Number of Jinhui Shipping Shares held and capacity			Total	Percentage of total issued Jinhui Shipping Shares
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	4,141,830	1,079,196	61,249,098 <i>Note 1</i>	66,470,124	60.84%
Ng Kam Wah Thomas	864,900	–	260,000 <i>Note 2</i>	1,124,900	1.03%

Notes:

- Mr. Ng Siu Fai is deemed to be interested in 61,249,098 shares of Jinhui Shipping through his interests in 51% of the issued capital of Fairline Consultants Limited as Fairline Consultants Limited was the beneficial owner of 407,858 shares of Jinhui Shipping and, through Fairline Consultants Limited's controlling interests in the Company, is also deemed to be interested in 60,841,240 shares of Jinhui Shipping held by the Company.
- Mr. Ng Kam Wah Thomas is deemed to be interested in 260,000 shares of Jinhui Shipping through his wholly owned company, Timberfield Limited.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded and kept in the register in accordance with Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers.

- As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group not determinable by the Company within one year without payment of compensation (other than statutory compensation).
- As at the Latest Practicable Date, none of the Directors or their respective associates has any interests in any company or business which competes or may compete with the businesses of the Group.

- (d) As at the Latest Practicable Date, none of the Directors has or has had direct or indirect interest in any assets acquired or disposed of by or leased to or by or proposed to be acquired or disposed of by or leased to or by any member of the Group since the date to which the latest published audited annual financial statements of the Group were made up.
- (e) There is no contract or arrangement subsisting at the date of this circular in which any of the Directors is materially interested and which is significant in relation to the business of the Group.

SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as was known to any Director or chief executive of the Company, the following persons (other than a Director or chief executive of the Company) have, or were deemed or taken to have interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions

Name of shareholders	Number of shares in the Company held and capacity			Total	Percentage of total issued shares of the Company
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Wong Yee Man Gloria	15,140,000	230,050,568 <i>Note 1</i>	–	245,190,568	46.24%
Ng Chi Lam Michael	–	–	205,325,568 <i>Note 2</i>	205,325,568	38.72%
Fairline Consultants Limited	205,325,568	–	–	205,325,568	38.72%
Timberfield Limited	136,883,712	–	–	136,883,712	25.81%
Bian Ximing	–	–	29,378,000 <i>Note 3</i>	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	–	–	29,378,000 <i>Note 4</i>	29,378,000	5.54%
Zhongcai (Holdings) Limited	26,949,000	–	–	26,949,000	5.08%

Notes:

1. Ms. Wong Yee Man Gloria is deemed to be interested in 230,050,568 shares of the Company through the interests of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).
2. Mr. Ng Chi Lam Michael is deemed to be interested in 205,325,568 shares of the Company through his interests in 49% of the issued capital of Fairline Consultants Limited (as disclosed hereinabove).
3. Mr. Bian Ximing is deemed to be interested in 29,378,000 shares of the Company through his interests in 65.32% of the issued capital of Zhongcai Merchants Investment Group Co., Ltd. (as disclosed in Note 4 below).
4. Zhongcai Merchants Investment Group Co., Ltd. is deemed to be interested in 29,378,000 shares of the Company through its subsidiaries, Zhongcai (Holdings) Limited and Hong Kong Zhongcai Finance Investment Limited, which are the beneficial owners of 26,949,000 shares and 2,429,000 shares of the Company respectively.

Save as disclosed herein, as at the Latest Practicable Date, the Company has not been notified of any person (other than Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited accounts of the Group were made up.

LITIGATION

As at the Latest Practicable Date, no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

EXPERTS AND CONSENTS

The qualification of the experts who have given opinions and advice in this circular is as follows:

Name	Qualification
Clarkson Valuations Limited	Professional valuer

Clarkson Valuations Limited, a subsidiary of Clarksons Research, is the world's leading provider of valuations to owners and the financial community. It provides market expertise with leading research and technology. Clarkson Valuations Limited provides portfolio valuation services to an extensive range of ship finance banks, publicly listed companies and large private owners.

As at the Latest Practicable Date, Clarkson Valuations Limited had no shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and had no direct or indirect interest in any assets acquired or disposed of by or leased to any members of the Group or was proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021, being the date to which the latest published audited accounts of the Company was made up.

Clarkson Valuations Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its expert's statement included in the form and context in which it appears.

MATERIAL CONTRACTS

The following contracts have been entered into by members of the Group (marked with an "*" below) within two years preceding the date of this circular and each of which is or may be material:

- (1) an agreement dated 15 December 2020 entered into between Jinping Marine Inc.* and Xinfeng (HK) Shipping Co., Limited regarding the disposal of the vessel at a consideration of US\$5,500,000;
- (2) an agreement dated 2 March 2021 entered into between Jincheng Maritime Inc.* and Sea Venture Navigation Inc. regarding the acquisition of the vessel at a consideration of US\$7,275,000;
- (3) an agreement dated 27 April 2021 entered into between Jinquan Marine Inc.* and Norwester Maritime Ltd. regarding the acquisition of the vessel at a consideration of US\$9,300,000;
- (4) an agreement dated 20 May 2021 entered into between Jinfeng Marine Inc.* and TAI SHING MARITIME CO., S.A. regarding the acquisition of the vessel at a consideration of US\$10,813,000;
- (5) an agreement dated 9 July 2021 entered into between Jinan Marine Inc.* and BELFRI AS regarding the acquisition of the vessel at a consideration of US\$15,180,000;
- (6) an agreement dated 20 August 2021 entered into between Jinrong Marine Inc.* and BELCARGO AS regarding the acquisition of the vessel at a consideration of US\$17,000,000;
- (7) an agreement dated 5 October 2021 entered into between Jinshun Shipping Inc.* and Tesoro Transport Inc. regarding the acquisition of the vessel at a consideration of US\$15,750,000;
- (8) an agreement dated 22 December 2021 entered into between Jinbi Marine Inc.* and KMARIN NO. 3B S.A. regarding the acquisition of the vessel at a consideration of US\$17,250,000;
- (9) an agreement dated 22 December 2021 entered into between Jinmao Marine Inc.* and KMARIN NO. 3A S.A. regarding the acquisition of the vessel at a consideration of US\$17,250,000;

- (10) an agreement dated 8 March 2022 entered into between Jincheng Maritime Inc.* and Perfect Shipping Co., Limited regarding the disposal of the vessel at a consideration of US\$13,900,000;
- (11) an agreement dated 28 March 2022 entered into between Jinping Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US\$25,500,000;
- (12) a charterparty dated 20 May 2022 entered into between Goldbeam Shipping Inc.* and THC International S.A. regarding the leasing of the vessel;
- (13) an agreement dated 9 September 2022 entered into between Jinheng Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US\$25,375,000;
- (14) an agreement dated 9 September 2022 entered into between Jinchao Marine Inc.* and Ratu Shipping Co., S.A. regarding the acquisition of the vessel at a consideration of US\$25,375,000;
- (15) an agreement dated 18 October 2022 entered into between Jinmei Marine Inc.* and Bardar Corporation regarding the disposal of the vessel at a consideration of US\$17,250,000;
- (16) an agreement dated 18 October 2022 entered into between Jinlang Marine Inc.* and Bursa Oceanways Inc. regarding the disposal of the vessel at a consideration of US\$17,250,000; and
- (17) an agreement dated 24 October 2022 entered into between Jinyao Marine Inc.* and Xinfeng (HK) Shipping Co., Limited regarding the disposal of the vessel at a consideration of US\$13,300,000.

DOCUMENTS ON DISPLAY

Copies of the following documents will be published and displayed on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.jinhuiship.com>) for a period of 14 days from the date of this circular (both days inclusive):

- (a) the First Agreement and the Second Agreement;
- (b) the valuation certificate prepared by Clarkson Valuations Limited in relation to the Vessels, the text of which is set out in Appendix II to this circular;
- (c) the written consents referred to in the paragraph headed “Experts and Consents” in this appendix; and
- (d) the written approval dated 18 October 2022 given by Fairline Consultants Limited and Timberfield Limited in relation to the Disposal of the Vessels.

GENERAL

- (a) The secretary of the Company is Ms. Ho Suk Lin, a fellow member of the Association of Chartered Certified Accountants, the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (b) The registered office, also the head office, of the Company is situated at 26th Floor, Yardley Commercial Building, 1-6 Connaught Road West, Hong Kong.
- (c) The principal share registrar and transfer office of the Company in Hong Kong is Tricor Standard Limited of 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.