THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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.

JINHUI

JINHUI HOLDINGS COMPANY LIMITED
金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code: 137

MAJOR TRANSACTION
IN RESPECT OF LEASING A VESSEL
UNDER THE CHARTERPARTY

21 June 2024

CONTENTS

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;
"Charterparty"	the charterparty dated 17 April 2024 entered into between the Lessor and the Lessee in respect of the leasing of the Vessel;
"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;
"Group"	the Company and its subsidiaries;
"HKFRS"	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants;
"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);
"Jinhui Shipping Shares"	ordinary shares of US$0.05 each in the share capital of Jinhui Shipping;
"Latest Practicable Date"	18 June 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular;
"Lessee"	Jinhui Marine Inc., a wholly-owned subsidiary of Jinhui Shipping;

"Lessor"	Olam Maritime Freight Pte. Ltd., a company incorporated in Singapore;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"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;
"Vessel"	a vessel of deadweight approximately 207,672 metric tons bulk carrier, named as M.V. "TRUE NEPTUNE", built in 2017 and registered in the Republic of Liberia;
"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.

JINHUI HOLDINGS COMPANY LIMITED
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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*

21 June 2024

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION IN RESPECT OF LEASING A VESSEL UNDER THE CHARTERPARTY

INTRODUCTION

The Directors refer to the announcement of the Company dated 17 April 2024 in respect of leasing a vessel under the charterparty.

As disclosed in the Company's announcement on 17 April 2024, the Lessee, an approximately 55.69% indirectly owned subsidiary of the Company, entered into the Charterparty with the Lessor on 17 April 2024 in respect of leasing of the Vessel for a term of minimum thirty-three months commencing on the date of delivery of the Vessel to the Lessee which is expected to be delivered between 1 January 2025 and 31 March 2025.

The purpose of this circular is to give you further information in relation to the leasing of the Vessel under the Charterparty.

THE CHARTERPARTY

The principal terms of the Charterparty are set out below:

Ship owner (Lessor):	Olam Maritime Freight Pte. Ltd.
Charterer (Lessee):	Jinhui Marine Inc.
Vessel:	A vessel of deadweight approximately 207,672 metric tons bulk carrier, named as M.V. "TRUE NEPTUNE", built in 2017 and registered in the Republic of Liberia
Hire period:	Minimum 33 months up to maximum 36 months
Hire rate:	Daily hire rate of US$31,500 (approximately HK$245,700) with 3.75% address commission
Payment terms:	1st hire payment amount is calculated as the hire rate agreed under the charterparty for the first fifteen days from the date of delivery of vessel, and is payable within 3 banking days. Thereafter, hire payment is billed for every 15 days in advance. For a term of minimum thirty-three months, approximately 67 hire payments will be billed and payable
Total minimum hire payment under the Charterparty:	Approximately US$26.64 million, equivalent to approximately HK$207.77 million (based on minimum hire period, net of address commission)

THE RIGHT-OF-USE ASSETS

The unaudited value of the right-of-use assets to be recognized by the Company under the terms of the Charterparty amounts to approximately US$26.64 million (equivalent to approximately HK$207.77 million), which is the present value of total minimum hire payment at the inception of the lease terms of the Charterparty in accordance with HKFRS 16 Leases. A discount rate of approximately 6.62% has been applied to compute the present value of total minimum hire payment at the inception of the lease terms of the Charterparty. The hire payments will be settled from the internal resources of the Group. The final amount of the right-of-use assets to be recorded by the Group will be subject to audit.

INFORMATION ON THE GROUP, THE LESSEE AND THE LESSOR

The Group

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

Lessee

The Lessee is a ship chartering 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.

Lessor

The Lessor, Olam Maritime Freight Pte. Ltd., is a company incorporated in Singapore and its principal activities are shipping and freight transportation.

The Lessor is wholly owned by Olam Group Limited, a company incorporated in Singapore and listed on the Singapore Exchange Securities Trading Limited (SGX-ST) (Stock code: VC2). Olam Group Limited is a leading food and agri-business supplying food, ingredients, feed and fibre to customers worldwide with value chain spans over sixty countries and includes farming, origination, processing and distribution operations.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Lessor, Olam Group Limited and its ultimate beneficial owner are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CHARTERPARTY

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.

Dry bulk shipping market is a highly volatile market. Market conditions can change rapidly due to factors like global economic conditions, supply and demand dynamics, and geopolitical events. The shipping market was weak in most of 2023, market freight rates continued to decline at the end of 2023 and the Company recognized impairment loss on owned vessels and right-of-use assets at the end of 2023. However, the dry bulk shipping market showed counter-seasonal strength in the first quarter of 2024, driven by the increasing tonne-mile demand on commodities and unresolved multiple geo-political issues. Market freight rates began to regain strength driven by the robust demand for dry bulk commodities, limited supply of vessels coupled with the Red Sea dispute. We expect the freight market to remain robust given the positive tonne mile effect due to trade route disruptions caused by geopolitical tensions and conflicts. Market hire rates and vessels second hand values will fluctuate and will be in the trend of increasing, especially for larger size vessels. The two vessels being acquired by the Group in February 2024 are Capesize and Panamax vessels with younger vessel age and larger capacity which the Group does not currently own. We believe the expected revenue generating ability for a newer vessel and larger capacity is higher as compared with older and lesser capacity vessels.

For the leasing of vessels by the Company in 2024, those vessels are also with younger age and larger capacity which usually enjoy higher hire rates at the spot market as compared to our existing fleet. A charterparty with longer lease term will offer a lower hire rate and management also considered that leasing a Capesize/Ultramax can secure the vessel for its long-term business operations and lock the hire rate in rebound of dry bulk market.

Our fleet is expanding with the additions of larger and more efficient vessels and long term charter-in vessels and expect to benefit from higher spot rates under the rising shipping market. The acquisition of the two vessels is consistent with the Company's strategic plan to grow and renew the fleet with larger, high-quality, modern acquisitions, focusing on trading up its smaller, older vessels to newer vessels with larger carrying capacity and longer asset lives.

The terms and conditions of the Charterparty have been agreed on commercial terms following arm's length negotiations between parties with reference to the prevailing market conditions and expectations of market outlook. In determining the terms of the Charterparty, the prevailing market hire rates with comparable type of vessels in the market were taken into consideration. The Company considered the following factors:

(i) the Baltic Capesize Index 5TC was at average of $31,245 for March 2024. The Baltic Capesize Index 5TC is an established indicator for the dry bulk shipping market for vessels with deadweight over 180,000 metric tons and is derived from a basket of five individual time charter and voyage routes in the dry bulk shipping market representative of Capesize vessels. As the chartered-in vessel is a Capesize of deadweight 207,672 metric tons bulk carrier, the Baltic Capesize Index 5TC can be used as a reference point for reference;

(ii) obtain and ascertains the prevailing market hire rate with comparable type of vessels; reference to weekly shipping reports issued by Hartland Shipping Services during March 2024, traded market fixtures of Capesize (181,044-dwt, 2017) at US$35,000 and another Capesize (179,942-dwt, 2011) at US$34,000; and

(iii) reference to market report issued by AS Monaco's Weekly, a leading shipbroking company, market fixtures of a Capesize (179,134 dwt, 2013) at US$27,150, with hire period from May until December of 2024.

We continue to believe that the high cost of newbuildings, uncertainty over new environmental regulations and the higher interest rate environment will continue to discourage any significant new dry bulk ship ordering. In the coming years, the low orderbook of vessels and efforts to reduce carbon intensity will likely lead to lower speeds overtime and increased scrapping. This could create a vessel shortage, providing a long-term structural undersupply to the market.

Most importantly, comparison has been made between the pricing structures of chartering a vessel with purchasing the same vessel directly. In view of rising vessel prices, the aggregate of the daily running cost, depreciation, cost of interest, cost of principal repayment, insurance and other maintenance costs is high for running a vessel. Besides, the cost of borrowing is increasing under the inflationary environment. Locking in a long-term contract with minimal hire actually has the benefit of bypassing inflationary pressure and other cost variations which the Company has to bear if we purchase a vessel. It should be noted that when entering into a time charter of a vessel, maintenance costs, insurance and other cost of running the vessel are under shipowners account (i.e. these are all included within the hire rate).

The Directors consider that the lease of the Vessel represents an opportunity for the Group to increase the carrying capacity with a modern ship via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure, bring chartering freight and hire income to the Group, preserve cash resources and increase flexibility during the macroeconomic environment.

In order to remain competitive in the market, we continue to seek to fine tune the quality of our fleet, in particularly in terms of seeking to lower the overall age profile of our fleet. 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 of smaller and older vessels and replace with newer vessels or charter-in of vessels with larger carrying capacity; and will make such decisions on an ad hoc basis to maintain a high financial flexibility and operational competitiveness.

The Directors consider that the terms and conditions of the Charterparty were concluded based on arm's length negotiations under normal commercial terms, and consider such terms and conditions are fair and reasonable and believe that the lease of the Vessel is in the interests of the Company and its shareholders as a whole. Upon delivery of the Vessel, the Vessel is chartered out to customers for the transportation of dry bulk commodities to receive and generate chartering freight and hire income for the Group.

Possible financial effects of the Leasing of the Vessel under the Charterparty

In accordance with HKFRS 16 Leases, the value of the right-of-use assets recognized by the Group under the Charterparty amounted to approximately US$26.64 million (equivalent to approximately HK$207.77 million), which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the Charterparty. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss.

Lease liabilities amounting to approximately US$26.64 million (equivalent to approximately HK$207.77 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Lessor accordingly.

The consolidated total assets of the Group would increase by approximately US$26.64 million (equivalent to approximately HK$207.77 million), and a corresponding amount of lease liabilities of approximately US$26.64 million (equivalent to approximately HK$207.77 million) would be recognized at the same time upon the commencement of the Charterparty. There would be no change in net assets on the consolidated statement of financial position of the Group. Interest expenses on lease liabilities will be recognized at the discount rate of approximately 6.62% per annum. After the commencement date of the lease, the lease liabilities are adjusted by interest accretion and lease payments.

A discount rate of approximately 6.62% has been applied to compute the present value of total minimum hire payment at the inception of the lease terms of the Charterparty. The hire payments will be settled from the internal resources of the Group. The final amount of the right-of-use assets to be recorded by the Group will be subject to audit.

The Vessel will generate recurring chartering freight and hire income which will be recorded as revenue of the Group.

LISTING RULES IMPLICATION

In accordance with HKFRS 16 Leases, the Company will recognize the unaudited value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Vessel under the Charterparty. Accordingly, the entering into transaction under the Charterparty will be deemed as an acquisition of right-of-use assets by the Group under the Listing Rules.

The unaudited value of the right-of-use assets is estimated to be approximately US$26.64 million (equivalent to approximately HK$207.77 million), which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the Charterparty in accordance with HKFRS 16 Leases.

As one or more applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Charterparty based on the unaudited value of the right-of-use assets recognized by the Group exceed 25% but are less than 100%, the leasing of the Vessel under the Charterparty 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 leasing of the Vessel under the Charterparty 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 Charterparty other than through its shareholding interest in the Company and Jinhui Shipping. No Shareholder is required to abstain from voting on the Charterparty if the Company were to convene a general meeting for the approval of the Charterparty, and the Charterparty had been approved by written shareholders' approvals from Fairline and Timberfield.

As stated in the preceding paragraphs, the Directors are of the view that entering into the Charterparty 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 under the Charterparty is fair and reasonable. Although a general meeting would not be convened by the Company to approve the leasing of the Vessel under the Charterparty 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 leasing of the Vessel under the Charterparty 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 2021, 2022 and 2023 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 2021 (pages 70 to 145) https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0427/2022042701782.pdf

- Annual report of the Company for the year ended 31 December 2022 (pages 84 to 161) https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0424/2023042400586.pdf

- Annual report of the Company for the year ended 31 December 2023 (pages 86 to 165) https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0419/2024041900428.pdf

(2) INDEBTEDNESS

As at the close of business on 30 April 2024, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding bank borrowings which were secured loans of approximately HK$583 million.

The bank borrowings comprised secured term loans of approximately HK$493 million and revolving loan of HK$90 million. All outstanding bank borrowings and credit facilities were guaranteed by the Company or Jinhui Shipping.

As at 30 April 2024, 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$1,117 million, investment properties with an aggregate carrying amount of approximately HK$304 million, financial assets at fair value through profit or loss of approximately HK$95 million and deposits in banks amounting to approximately HK$27 million. Chartering income of eight subsidiaries were assigned to secure credit facilities utilized by the Group.

As at 30 April 2024, the Group had lease liabilities of approximately HK$345 million. All outstanding lease liabilities was unsecured and unguaranteed.

As at 30 April 2024, 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 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.

Transportation of commodities will undergo profound and complex changes given the variables that affect our business are a combination of industry specific, economical, as well as geopolitically driven. The freight market environment has been steady driven by a healthy robust demand for commodities worldwide. We have entered 2024 with strong demand and a broad-based global economic recovery underway, creating an overall healthy demand picture. Fleet growth, particularly in the Capesize segment, remains at historically low levels, and the global fleet is trading at historically high efficiency levels. The industry outlook continues to point towards a relatively healthy freight market for our business operations.

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, should economic recovery gain pace at a rate that is beyond market expectations, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities that will meet the needs of the market and our customers.

We believe the leasing of the Vessel under the Charterparty can increase the carrying capacity of our fleet profile, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business. 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 leasing of the Vessel under the Charterparty, the Group has sufficient working capital for its present requirements for the next twelve-month period from date of this circular.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Introduction

The following is the unaudited pro forma consolidated statement of financial position (the "Unaudited Pro Forma Financial Information") as at 31 December 2023 of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively the "Group") in connection with the transaction contemplated under leasing of the Vessel under the Charterparty. In addition, apart from the leasing of the Vessel under the Charterparty, the Group also entered into the following acquisition of vessels and chartered-in of vessels after 31 December 2023 (the "Previous Acquisitions"):

1. Acquisition of vessel as per announcement dated 2 February 2024;

2. Acquisition of vessel as per announcement dated 21 February 2024;

3. Leasing of a vessel under a charterparty as per announcement dated 12 April 2024; and

4. Leasing of a vessel under a charterparty as per announcement dated 26 April 2024

The Enlarged Group represents the Group upon the completion of the leasing of the Vessel under the Charterparty and the Previous Acquisitions (collectively referred to as the "Enlarged Group").

The Unaudited Pro Forma Financial Information, comprising the unaudited pro forma consolidated statement of financial position of the Group and related notes, has been prepared in accordance with Rule 4.29 of the Listing Rules for the purposes of illustrating the effect of the leasing of the Vessel under the Charterparty and the Previous Acquisitions as if the transactions had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 December 2023, which has been extracted from the published annual report of the Group for the year ended 31 December 2023, after making pro forma adjustments relating to the leasing of the Vessel under the Charterparty and Previous Acquisitions, as if they had been completed on 31 December 2023.

The Unaudited Pro Forma Financial Information of the Enlarged Group is prepared based on a number of assumptions, estimates, uncertainties and currently available information to provide information of the Enlarged Group upon completion of the leasing of the Vessel under the Charterparty and the Previous Acquisitions. It has been prepared for illustrative purpose only and because of its nature, it may not give a true picture of the Enlarged Group's financial position following the completion of the leasing of the Vessel under the Charterparty and the Previous Acquisitions. Further, the Unaudited Pro Forma Financial Information of the Enlarged Group does not purport to predict the future financial position of the Enlarged Group after the completion of the leasing of the Vessel under the Charterparty and the Previous Acquisitions.

The Unaudited Pro Forma Financial Information of the Enlarged Group after the leasing of the Vessel under the Charterparty and the Previous Acquisitions should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and other financial information included elsewhere in this circular.

Unaudited Pro Forma Consolidated Statement of Financial Position

	As at 31 December 2023	Pro forma adjustments					Pro forma total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Notes (1)	*Notes (2)*	*Notes (3)*	*Notes (4)*	*Notes (5)*	*Notes (6)*	
ASSETS AND LIABILITIES							
Non-current assets							
Property, plant and equipment	2,613,676	241,410	242,755				3,097,841
Right-of-use assets	164,541			78,252	70,334	207,775	520,902
Investment properties	339,680						339,680
Financial assets at fair value through OCI	82,590						82,590
Loan receivables	12,304						12,304
Intangible assets	800						800
	3,213,591						4,054,117
Current assets							
Inventories	10,781						10,781
Trade and other receivables	141,831						141,831
Financial assets at fair value through profit or loss	202,610						202,610
Tax recoverable	166						166
Pledged deposits	2,803						2,803
Bank balances and cash	329,449	(72,423)	(72,824)				184,202
	687,640						542,393
Assets held for sale	81,299						81,299
	768,939						623,692

	As at 31 December 2023	Pro forma adjustments					Pro forma total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Notes (1)	*Notes (2)*	*Notes (3)*	*Notes (4)*	*Notes (5)*	*Notes (6)*	
Current liabilities							
Trade and other payables	128,259						128,259
Secured bank loans	345,765	6,885	6,924				359,574
Lease liabilities	39,476			31,382	29,170	79,879	179,907
	513,500						667,740
Non-current liabilities							
Secured bank loans	462,917	162,102	163,007				788,026
Lease liabilities	187,805			46,870	41,164	127,896	403,735
	650,722						1,191,761
Net assets	2,818,308						2,818,308
EQUITY							
Equity attributable to shareholders of the Company							
Issued capital	381,639						381,639
Reserves	1,213,875						1,213,875
	1,595,514						1,595,514
Non-controlling interests	1,222,794						1,222,794
Total equity	2,818,308						2,818,308

Notes to the Unaudited Pro Forma Financial Information:

(1) The amounts are extracted from the audited consolidated statement of financial position of the Group as at 31 December 2023 as set out in the published annual report of the Group for the year ended 31 December 2023.

(2) The adjustment reflects the acquisition of vessel as announced by the Company on 2 February 2024. The increase in property, plant and equipment represents the consideration of the vessel of US$30.95 million (approximately HK$241.41 million). Approximately 70% of the consideration amount of the vessel of US$21.66 million (approximately HK$168.99 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$0.88 million (approximately HK$6.89 million) and non-

current liabilities will be increased by US$20.78 million (approximately HK$162.10 million). The remaining amount of US$9.29 million (approximately HK$72.42 million) will be paid from the internal resources of the Group.

(3) The adjustment reflects the acquisition of vessel as announced by the Company on 21 February 2024. The increase in property, plant and equipment represents the consideration for the vessel of US$31.12 million (approximately HK$242.76 million). Approximately 70% of the consideration amount of the vessel of US$21.78 million (approximately HK$169.93 million) will be paid from a three-year term loan, thus the Group's current liabilities will be increased by US$0.88 million (approximately HK$6.93 million) and non-current liabilities will be increased by US$20.90 million (approximately HK$163 million). The remaining amount of US$9.34 million (approximately HK$72.83 million) will be paid from the internal resources of the Group.

(4) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 12 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US$10.03 million (approximately HK$78.25 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$10.03 million (approximately HK$78.25 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.39% per annum.

(5) The adjustment reflects the leasing of a vessel under the charterparty as announced by the Company on 26 April 2024. The increase in right-of-use assets represents the unaudited value of the right-of-use assets of approximately US$9.02 million (approximately HK$70.33 million) for the chartered-in vessel and is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$9.02 million (approximately HK$70.33 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.71% per annum.

(6) The adjustment reflects the leasing of a Vessel under the Charterparty and the increase in right-of-use assets represents the unaudited value of the right-of-use assets for the Vessel of approximately US$26.64 million (equivalent to approximately HK$207.77 million), which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the Charterparty in accordance with HKFRS 16 Leases. The Group will depreciate the right-of-use assets over the lease terms which will be charged to the consolidated statement of profit or loss and other comprehensive income. Lease liabilities amounting to approximately US$26.64 million (equivalent to approximately HK$207.77 million) will be recognized by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the Lessor accordingly. Interest expenses on the lease liabilities will be recognized at the discount rate of approximately 6.62% per annum.

(7) No adjustment has been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2023 apart from those adjustments as disclosed in notes (2) – (6).

(B) ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report, prepared for the purpose of incorporation in this circular, received from our reporting accountants, Grant Thornton Hong Kong Limited, Certified Public Accountants, Hong Kong.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

Grant Thornton
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TO THE DIRECTORS OF JINHUI HOLDINGS COMPANY LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jinhui Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2023 and related notes as set out on pages 12 to 15 of the Company's circular dated 21 June 2024 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages 12 to 15 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of leasing a vessel of deadweight approximately 207,672 metric tons bulk carrier, named as M.V. "True Neptune", built in 2017 and registered in the Republic of Liberia, under the charterparty (the "Lease") and previous acquisition of vessels and chartered-in of vessels after 31 December 2023 (the "Previous Acquisitions") on the Group's financial position as at 31 December 2023 as if the Lease and Previous Acquisitions had taken place at 31 December 2023. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2023, on which an auditor's report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires our firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transactions at 31 December 2023 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and

- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Grant Thornton Hong Kong Limited
Certified Public Accountants

Hong Kong, 21 June 2024

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

	Number of shares in the Company held and capacity				
Name	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	**Percentage of total issued Shares**
Ng Siu Fai	25,203,000	15,140,000	205,325,568 *Note 1*	245,668,568	46.33%
Ng Kam Wah Thomas	5,909,000	—	136,883,712 *Note 2*	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 held by his 51% owned company, Fairline Consultants Limited.

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company held by his wholly owned company, Timberfield Limited.

(ii) Directors' interests in associated corporation

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

Notes:

1. 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.

2. 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.

(b) 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).

(c) 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

	Number of shares in the Company held and capacity				
Name of shareholders	**Beneficial owner**	**Interest of spouse**	**Interest of controlled corporation**	**Total**	**Percentage of total issued shares of the Company**
Wong Yee Man Gloria	15,140,000	230,528,568 *Note 1*	—	245,668,568	46.33%
Ng Chi Lam Michael	—	—	205,325,568 *Note 2*	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 *Note 3*	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	—	—	29,378,000 *Note 4*	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 230,528,568 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 confirmed that there was no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Group were made up.

LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or claims of material importance and no litigation or claims of material importance was known to the Directors to be pending or threatened against any member of the Group.

EXPERTS AND CONSENTS

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

Name	Qualification
Grant Thornton Hong Kong Limited	Certified Public Accountants

Grant Thornton Hong Kong Limited is a firm of certified public accountants in Hong Kong.

As at the Latest Practicable Date, Grant Thornton Hong Kong 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 2023, being the date to which the latest published audited accounts of the Company was made up.

Grant Thornton Hong Kong 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 they respectively appear.

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 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;

(2) 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;

(3) 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;

(4) 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;

(5) 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;

(6) an agreement dated 20 September 2023 entered into between Jinfeng Marine Inc.* and ETL Shipping (PTE.) LTD. regarding the disposal of the vessel at a consideration of US$8,080,000;

(7) an agreement dated 27 September 2023 entered into between Jinrui Marine Inc.* and Vega Maritime FZC regarding the acquisition of the vessel at a consideration of US$20,433,000;

(8) an agreement dated 29 November 2023 entered into between Jinquan Marine Inc.* and King Lucky Ocean Limited regarding the disposal of the vessel at a consideration of US$9,650,000;

(9) a charterparty dated 8 December 2023 entered into between Goldbeam Shipping Inc.* and Shining Steamship International S.A. regarding the leasing of the vessel;

(10) an agreement dated 12 December 2023 entered into between Jinsheng Marine Inc.* and Uniglory Shipping Ltd regarding the disposal of the vessel at a consideration of US$10,430,000;

(11) an agreement dated 2 February 2024 entered into between Jincheng Maritime Inc.* and Dynamic Shipping Navigation S.A. regarding the acquisition of the vessel at a consideration of US$30,950,000;

(12) an agreement dated 21 February 2024 entered into between Jinli Marine Inc.* and Vincent ACL Ltd regarding the acquisition of the vessel at a consideration of US$31,122,450;

(13) a charterparty dated 12 April 2024 entered into between Jinhui Marine Inc.* and Zhejiang Shipping (Singapore) Pte. Ltd. regarding the leasing of the vessel;

(14) a charterparty dated 17 April 2024 entered into between Jinhui Marine Inc.* and Olam Maritime Freight Pte. Ltd. regarding the leasing of the vessel; and

(15) a charterparty dated 26 April 2024 entered into between Jinhui Marine Inc.* and Xinghe Shipping Pte. Ltd. regarding the leasing of the vessel.

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 Charterparty;

(b) the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this circular;

(c) the letter from Grant Thornton Hong Kong Limited in respect of the unaudited pro forma financial information of the Group;

(d) the written consent referred to in the paragraph headed "Experts and Consents" in this appendix; and

(e) the written approval dated 17 April 2024 given by Fairline Consultants Limited and Timberfield Limited in relation to the leasing of the Vessel under the Charterparty.

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.