



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - THE SALE AND LEASEBACK ARRANGEMENTS

The Board of Jinhui Shipping and Transportation Limited announces that two wholly-owned subsidiaries of the Company entered into two memoranda and the charter agreements on 30 June 2025 for the Sale and Leaseback Arrangements at consideration of CNH79,750,000 (equivalent to approximately US\$11,132,000) and CNH123,250,000 (equivalent to approximately US\$17,204,000) respectively.

THE SALE AND LEASEBACK ARRANGEMENTS

The Board hereby announces that on 30 June 2025,

- (1) the First Seller, a wholly owned subsidiary of the Company, entered into:
 - (i) the First MoA with the First Buyer, pursuant to which the First Buyer agreed to purchase and the First Seller agreed to sell the First Vessel at a consideration of CNH79,750,000 (equivalent to approximately US\$11,132,000) subject to the terms and conditions therein; and
 - (ii) the First Vessel Charter Agreement with the First Buyer, pursuant to which the First Seller (as bareboat charterer) agreed to charter the First Vessel from the First Buyer (as owner) upon acceptance of the First Vessel by the First Buyer under the First MoA and was granted an option to purchase the First Vessel from the First Buyer on or after the third anniversary of the term of the First Vessel Charter Agreement, and in the event that such option to purchase is not exercised, the First Seller (as bareboat charterer) is obliged to purchase the First Vessel from the First Buyer (as owner) on the last day of the term of the First Vessel Charter Agreement subject to the terms and conditions therein; and
- (2) the Second Seller, a wholly owned subsidiary of the Company, entered into:
 - (i) the Second MoA with the Second Buyer, pursuant to which the Second Buyer agreed to purchase and the Second Seller agreed to sell the Second Vessel at a consideration of CNH123,250,000 (equivalent to approximately US\$17,204,000) subject to the terms and conditions therein; and
 - (ii) the Second Vessel Charter Agreement with the Second Buyer, pursuant to which the Second Seller (as bareboat charterer) agreed to charter the Second Vessel from the Second Buyer (as owner) upon acceptance of the Second Vessel by the Second Buyer under the Second MoA and was granted an option to purchase the Second Vessel from the Second Buyer on or after the third anniversary of the term of the Second Vessel Charter Agreement, and in the event that such option to purchase is not exercised, the Second Seller (as bareboat charterer) is obliged to purchase the Second Vessel from the Second Buyer (as owner) on the last day of the term of the Second Vessel Charter Agreement subject to the terms and conditions therein.

DETAILS OF THE MEMORANDA AND THE CHARTER AGREEMENTS

The principal terms of the Memoranda and the Charter Agreements are set out below:

	(1) The First MoA; and (2) the First Vessel Charter Agreement	(1) The Second MoA; and (2) the Second Vessel Charter Agreement
Date :	30 June 2025	
Parties :	(1) The First Seller (as seller under the First MoA and as bareboat charterer under the First Vessel Charter Agreement) (2) The First Buyer (as purchaser under the First MoA and as owner under the First Vessel Charter Agreement)	(1) The Second Seller (as seller under the Second MoA and as bareboat charterer under the Second Vessel Charter Agreement) (2) The Second Buyer (as purchaser under the Second MoA and as owner under the Second Vessel Charter Agreement)
Subject matter :	(1) The First Buyer agreed to purchase and the First Seller agreed to sell the First Vessel subject to the terms and conditions under the First MoA. (2) The First Buyer (as owner) agreed to let, and the First Seller (as bareboat charterer) agreed to charter, the First Vessel upon acceptance of the First Vessel by the First Buyer under the First MoA subject to the terms and conditions under the First Vessel Charter Agreement.	(1) The Second Buyer agreed to purchase and the Second Seller agreed to sell the Second Vessel subject to the terms and conditions under the Second MoA. (2) The Second Buyer (as owner) agreed to let, and the Second Seller (as bareboat charterer) agreed to charter, the Second Vessel upon acceptance of the Second Vessel by the Second Buyer under the Second MoA subject to the terms and conditions under the Second Vessel Charter Agreement.

Consideration under each of the Memoranda :	CNH79,750,000 (equivalent to approximately US\$11,132,000) to be paid by the First Buyer upon delivery of the First Vessel by the First Seller in accordance with the terms and conditions under the First MoA	CNH123,250,000 (equivalent to approximately US\$17,204,000) to be paid by the Second Buyer upon delivery of the Second Vessel by the Second Seller in accordance with the terms and conditions under the Second MoA
	The aggregate of the consideration amounts under the Memoranda is in essence the amount of financing by the Group under the Sale and Leaseback Arrangements.	
Charter period :	A period of up to 84 months commencing on the date of delivery of the relevant vessel under the Charter Agreements (the “ Charter Period ”)	
Charter hire :	<p>For every consecutive 3-month period during the Charter Period (the “Hire Period”), the First Seller and the Second Seller (each in their capacity as bareboat charterer) shall pay to the First Buyer and the Second Buyer (each in their capacity as an owner), respectively, on the last day of each Hire Period (the “Hire Payment Date”):</p> <p>(1) a fixed hire in an amount equals to twenty-eighth (1/28) of the difference between the amount of consideration paid by the First Buyer or the Second Buyer (as the case maybe) as stipulated under the relevant Memorandum and the respective Balloon as stipulated under the relevant Charter Agreement (the “Fixed Hire”); and</p> <p>(2) a variable hire in an amount calculated by multiplying:</p> <p>(i) the amount of consideration paid by the First Buyer or the Second Buyer (as the case maybe) as stipulated under the relevant Memorandum as may be reduced by payment of any Fixed Hire (the “Cost Balance”) immediately prior to the relevant Hire Payment Date;</p> <p>(ii) the aggregate of the margin of 0.3% per annum and the applicable loan prime rate (as determined in accordance with the relevant definition contained in the Charter Agreements) for the Hire Period ending on that Hire Payment Date; and</p> <p>(iii) a fraction whose denominator is 360 and numerator is the number of days which has elapsed during the relevant Hire Period.</p>	

Purchase option	:	Subject to the conditions as stipulated in the Charter Agreements, each of the Charterers has an option, by serving a sixty-day advance written notice on the First Buyer or the Second Buyer (as the case maybe), to purchase the respective vessel, on or after the third anniversary of the date of delivery of the relevant vessel by the First Buyer or the Second Buyer (as the case maybe) to the relevant Charterer under the Charter Agreements and before the last day of the Charter Period, at an option price being the aggregate of, among others, the amount of the then Cost Balance, any applicable prepayment fee as stipulated in the Charter Agreements depending on the date of exercise of the option to purchase and other sums due and payable but being unpaid under the Charter Agreements together with related interest accrued.
Purchase obligation	:	In the event that the option to purchase is not exercised and upon expiry of the Charter Period, the relevant Charterer is obliged to purchase its respective vessel from the First Buyer or the Second Buyer (as the case maybe), subject to certain conditions as stipulated in the Charter Agreements, at a price being the aggregate of, among others, the amount of the relevant Balloon, any surplus of the then Cost Balance over the amount of the Balloon, all unpaid sums which are due and payable under the Charter Agreements together with related interest accrued.
Guarantee	:	The Company (as the Guarantor) guaranteed the punctual performance by each of the Charterers of its obligations under the Sale and Leaseback Arrangements in favour of the First Buyer and the Second Buyer.

The considerations under the Memoranda were determined after arm's length negotiations between the parties with reference to a number of factors which include (1) the financing nature of the Sale and Leaseback Arrangements; (2) the estimated market values of the Vessels as derived from both publicly available information and data possessed by the First Buyer, the Second Buyer and the Group; (3) the loan-to-value ratios applicable to the Sale and Leaseback Arrangements which are acceptable to the First Buyer and the Second Buyer as owners of the Vessels upon completion of conditions under the Memoranda; (4) the prevailing market conditions of the shipping industry; and (5) the current financial position and future needs of the Group. In addition, the Group made reference to comparable sale and leaseback transactions available on the market and considers that the other terms and conditions of the Sale and Leaseback Arrangements are not less favourable than those offered under prevailing market conditions.

FINANCIAL EFFECT OF ENTERING INTO THE SALE AND LEASEBACK ARRANGEMENTS

In accordance with the requirements under the International Financial Reporting Standard 16, the Sale and Leaseback Arrangements will be accounted for as a financing arrangement and therefore would not give rise to any gain or loss in the income statement of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND LEASEBACK ARRANGEMENTS

The Directors, after taken into consideration the following:

- (1) the Sale and Leaseback Arrangements allow the Group to gain access to additional working capital at a reasonable cost, which effectively enhances the cash position of the Group while maintaining appropriate control over the Vessels;
- (2) an improved financial position of the Group offers a higher degree of flexibility to the Group in the deployment of its own resources to cope with its business needs and development plan, which is crucial given that the global economy has shifted from a period of resilient growth and declining inflation to a more uncertain path due to the escalation of trade tensions on a global basis;
- (3) the Sale and Leaseback Arrangements are in both substance and accounting terms, financing arrangements largely similar to secured loan transactions, which involves no transfer of possession and/or use of the Vessels by the Charterers;
- (4) upon the expiry of the Charter Period, the ownership of each of the Vessels will be transferred back to relevant Charterer, subject to full settlement of the outstanding sums by the relevant Charterer in accordance with the terms and conditions of the relevant Charter Agreement;
- (5) the business operations of the Group would not be adversely affected by the Sale and Leaseback Arrangements; and
- (6) the factors considered for assessing the fairness and reasonableness of the terms and conditions of the Sale and Leaseback Arrangements as set out in the section headed “*Details of the Memoranda and the Charter Agreements*” above,

are of the view that the terms and conditions of the Sale and Leaseback Arrangements are on normal commercial terms, fair and reasonable and in the interests of the Group and the Shareholders as a whole.

INFORMATION ON THE COMPANY, PARTIES TO THE SALE AND LEASEBACK ARRANGEMENTS AND THE VESSELS

The Company

The Company is an investment holding company and its subsidiaries are principally engaged in international ship chartering and ship owning.

The Sellers / Charterers

Each of the Sellers / Charterers is principally engaged in ship owning business and a wholly owned subsidiary of the Company. The First Seller and the Second Seller owned the First Vessel and the Second Vessel, respectively, immediately prior to the completion of the sale and purchase under the Memoranda.

The First Buyer and the Second Buyer

The First Buyer and the Second Buyer are companies established under the laws of the PRC. Their principal activities are financial leasing of ships and import and export businesses related to financial leasing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the First Buyer and the Second Buyer are independent third parties not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

The Vessels

The First Vessel is a bulk carrier with a deadweight of approximately 63,518 metric tonnes, built in 2014 and was registered in Hong Kong. As at 31 March 2025, the unaudited net book value of the First Vessel was approximately US\$21,000,000.

The Second Vessel is a bulk carrier with a deadweight of approximately 81,567 metric tonnes, built in 2019 and was registered in Hong Kong. As at 31 March 2025, the unaudited net book value of the Second Vessel was approximately US\$28,000,000.

DEFINITIONS

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

“Balloon”	in the amounts of CNH29,000,000 (equivalent to approximately US\$4,048,000) and CNH31,900,000 (equivalent to approximately US\$4,453,000) under the First Vessel Charter Agreement and the Second Vessel Charter Agreement respectively;
“Board”	the board of Directors;
“Charterers” or “Sellers”	the First Seller and the Second Seller as the charterers under the Charter Agreements or as the sellers under the Memoranda (as the case maybe), and “Charterer” or “Seller” refers to any of them as the context requires;
“Charter Agreements”	the First Vessel Charter Agreement and the Second Vessel Charter Agreement, and “Charter Agreement” refers to any of them as the context requires;
“Company” or Guarantor”	Jinhui Shipping and Transportation Limited;
“Directors”	the directors of the Company;
“First Buyer”	Tianjin Jinhaishiwu Leasing Co., Ltd, a company established under the laws of the PRC, being the purchaser under the First MoA, and as owner under the First Vessel Charter Agreement;
“First MoA”	the memorandum of agreement dated 30 June 2025 entered into between the First Seller and the First Buyer in relation to the sale and purchase of the First Vessel;

“First Seller”	Jinheng Marine Inc., a company incorporated under the laws of the Republic of Panama and a wholly owned subsidiary of the Company, being the seller under the First MoA and the charterer under the First Vessel Charter Agreement;
“First Vessel”	a bulk carrier “JIN HENG” of deadweight approximately 63,518 metric tonnes registered in Hong Kong;
“First Vessel Charter Agreement”	the bareboat charter agreement dated 30 June 2025 entered into between the First Seller (as charterer) and the First Buyer (as owner) in relation to the bareboat chartering of the First Vessel;
“Group”	the Company and its subsidiaries;
“Jinhui Holdings”	Jinhui Holdings Company Limited, a company incorporated in Hong Kong, whose shares are listed on the Hong Kong Stock Exchange Limited (stock code: 137);
“Memoranda”	the First MoA and the Second MoA, and “Memorandum” refers to any of them as the context requires;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Sale and Leaseback Arrangements”	the Memoranda and the Charter Agreements;
“Second Buyer”	Tianjin Jinhaiba Leasing Co., Ltd, a company established under the laws of the PRC, being the purchaser under the Second MoA, and as owner under the Second Vessel Charter Agreement;
“Second MoA”	the memorandum of agreement dated 30 June 2025 entered into between the Second Seller and the Second Buyer in relation to the sale and purchase of the Second Vessel;
“Second Seller”	Jinli Marine Inc., a company incorporated under the laws of the Republic of Panama and a wholly owned subsidiary of the Company, being the seller under the Second MoA and the charterer under the Second Vessel Charter Agreement;
“Second Vessel”	a bulk carrier “JIN LI” of deadweight approximately 81,567 metric tonnes registered in Hong Kong;
“Second Vessel Charter Agreement”	the bareboat charter agreement dated 30 June 2025 entered into between the Second Seller (as charterer) and the Second Buyer (as owner) in relation to the bareboat chartering of the Second Vessel;

“Vessels”

the First Vessel and the Second Vessel; and

“CNH”

Renminbi (offshore), the lawful currency of the PRC, and for the purpose of illustration only, translated into US\$ at the rate of US\$1.00 = CNH7.164.

By Order of the Board

Ng Kam Wah Thomas

Managing Director

30 June 2025