JINHUI

JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - DISPOSAL OF A VESSEL

The Board of Jinhui Shipping and Transportation Limited announces that a wholly-owned subsidiary of the Company entered into a memorandum of agreement on 4 September 2025 for the disposal of a Supramax at consideration of US$11,930,000.

THE DISPOSAL

The Vendor entered into the Agreement with the Purchaser on 4 September 2025 for the disposal of the Vessel at a consideration of US$11,930,000. The Vessel will be delivered by the Vendor to the Purchaser between 15 September 2025 and 15 October 2025.

Information on the Group and the Vendor

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

The Vendor is a ship owning company and a wholly-owned subsidiary of the Company as at date of this announcement.

Purchaser

The Purchaser is a company incorporated in Hong Kong and its principal activities are ship chartering and operating.

To the best of the Board's knowledge, information and belief having made all reasonable enquiry, the Purchaser is an independent third party not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates.

Consideration

Under the Agreement, the Vendor agrees to dispose of the Vessel for a consideration of US$11,930,000 payable by the Purchaser as follows:

(1) an initial deposit of US$1,193,000 will be payable by the Purchaser within three banking days after the date that (i) signing of the Agreement; (ii) signing of the escrow agreement; and (iii) the confirmation from the escrow agent confirming the account is ready to receive the initial deposit;

(2) the first instalment of US$4,737,000 will be payable by the Purchaser within two banking days prior to the delivery of the Vessel which will take place between 15 September 2025 and 15 October 2025; and

(3) the outstanding balance of US$6,000,000 will be payable by the Purchaser in twelve equal quarterly instalments of US$500,000 each. The first instalment will become payable three months following the delivery of the Vessel. Interest on the outstanding amount will accrue at a rate of 7.50% per annum, calculated over three-month interest periods commencing from the date of delivery of the Vessel. Interest shall accrue daily, based on a 365-day year, and shall be calculated for the actual number of days elapsed (inclusive of the first day and exclusive of the last). All accrued interest is payable on the relevant instalment payment date and was concluded based on arm's length negotiations and was on normal commercial terms.

To secure the Purchaser's performance and observance of and compliance with all of the covenants, terms and conditions under the Agreement, including the due payments of the outstanding amount and any other sums owes by the Purchaser, the Purchaser shall create a first priority Hong Kong ship mortgage of the Vessel in favour of the Vendor and enter into certain security documents in the form and substance satisfactory to the Vendor.

The consideration of the Vessel was determined by reference to market intelligence. The Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of built in the market, valuation from independent valuer and on the basis of arm's length negotiations with the Purchaser.

In the course of negotiating the consideration of the Vessel, the Group obtained indicative valuation of the Vessel from Arrow Valuations, an independent valuer and an affiliate of Arrow Asia Shipbrokers Ltd., an independent shipbroking group. The appraised value of the Vessel from Arrow Valuations was US$12,000,000 as at 27 August 2025. The market approach has been adopted in the valuation of the Vessel. 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 and market knowledge to consider and come up with the acceptance of the offer.

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

Vessel

The Vessel is a Supramax of deadweight 58,729 metric tonnes, built in year 2008 and registered in Hong Kong. The Vendor is a special purpose company for holding solely the Vessel.

The Vessel has been owned by the Group since year 2021, and its unaudited net book value as at 30 June 2025 was approximately US$12,223,000. The net profit both before and after taxation and extraordinary items attributable to the Vessel for the financial year ended 31 December 2024 was approximately US$1,294,000 whereas the net loss both before and after taxation and extraordinary items attributable to the Vessel for the financial year ended 31 December 2023 was approximately US$2,031,000.

Possible financial effects of the Disposal

The unaudited net book value of the Vessel as at 30 June 2025 as described above, the Group would realize a book loss of approximately US$0.3 million on the Disposal. The actual book loss which the Group would realize upon completion of the Disposal will depend on the actual net book value of the Vessel as at date 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 Vessel as at date of delivery.

Use of proceeds

The net sale proceeds from the Disposal will be applied toward general working capital purposes. Specifically, the Company will utilize the funds to repay short-term borrowings, thereby reducing interest expenses and improving its capital structure. A portion of the proceeds will be used to settle outstanding creditors and payables. To enhance financial flexibility, part of the proceeds will be retained as a liquidity buffer and reserve for any unforeseen expenditure or market fluctuations.

REASONS FOR THE DISPOSAL

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 consider that the Disposal 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 will enable the Group to enhance its working capital position and further strengthen its liquidity and overall financial position.

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Capesize, Panamax, Ultramax and Supramax bulk carriers. To stay competitive in the market, the Group focused on enhancing the quality of our fleet and adjusting our fleet profile, 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. 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 them with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

The Group currently operates a fleet of thirty vessels, of which twenty two are owned vessels (including the Vessel) and eight are chartered-in vessels, with total deadweight carrying capacity of approximately 2.2 million metric tonnes. Among the owned vessels were two that have been arranged under sale and leaseback agreements and one which has been disposed of and reclassified under assets held for sale.

The Directors believe that the Disposal will not have any material adverse effect on the operations of the Group. The Directors consider the terms and conditions of the Agreement was concluded and agreed between parties on normal commercial terms following arm's length negotiations with reference to the prevailing market values. The Directors are of the view that the projected operational results of the Vessel are not necessarily an indicator of its future potential performance, which in turn is not directly pertinent to the negotiation of the consideration. During negotiation regarding the consideration of the Vessel, a market-based approach was adopted, as it provides a fair and reliable current situation of valuation, for both the Vendor and the Purchaser.

DEFINITIONS

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

"Agreement"	the memorandum of agreement dated 4 September 2025 entered into between the Vendor and the Purchaser in respect of the disposal of the Vessel;
"Board"	the board of Directors;
"Company"	Jinhui Shipping and Transportation Limited;
"Directors"	the directors of the Company;
"Disposal"	the disposal of the Vessel under the Agreement;
"Group"	the Company and its subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Purchaser"	Liuliu Shun Shipping Co., Limited, a company incorporated in Hong Kong;
"Vendor"	Jinrong Marine Inc., a wholly-owned subsidiary of the Company; and
"Vessel"	a deadweight 58,729 metric tonnes bulk carrier "JIN RONG" registered in Hong Kong.

By Order of the Board

Ng Kam Wah Thomas

Managing Director

4 September 2025