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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

### **PROFIT WARNING ANNOUNCEMENT**

This announcement is made by Jinhui Holdings Company Limited (the “Company”) together with its subsidiaries (the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company is an investment holding company. Its subsidiaries are principally engaged in the businesses of ship chartering, ship owning and trading. The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited (“Jinhui Shipping”), an approximately 54.77% owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway.

The Company has been informed by Jinhui Shipping that, based on a preliminary review of the unaudited consolidated management accounts, Jinhui Shipping is expected to record a consolidated net loss for the year ended 31 December 2014 as compared to a consolidated net profit for the year ended 31 December 2013. The expected consolidated net loss of Jinhui Shipping for the year 2014 would be primarily attributable to the reduced hire and freight revenue due to substantial exposure to spot freight market, coupled with unrealized loss on investment portfolio and possible impairment loss on certain owned vessels.

Year 2014 was a challenging year for dry bulk shipping market. Just as the expected recovery in shipping market seemed to be on course with increasing scrapping activities providing relief to the oversupply of tonnages from orders a few years back, the market turned rapidly due to the abrupt slowdown of economic growth of China (the largest importer of dry bulk commodities); a new round of irrational numbers of newbuilding orders encouraged by credit availability and participation of speculative funds; and geopolitical turbulences in different regions also add uncertainty to the already poor market sentiment.

The management is cautiously reviewing the fundamentals in dry bulk shipping market. Based on the preliminary review, it is considered that impairment indication of our fleet existed at end of 2014 and the long term intrinsic values of certain owned vessels might possibly be less than the respective carrying amounts due to a change in long term fundamentals of the industry outlook. This indicated that impairment loss on owned vessels might be required to be recognized in year 2014. However, such impairment loss amount is yet to be ascertained.

As the results of the Group are largely attributable to the results of Jinhui Shipping, the board of directors of the Company (the “Board”) wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, the Group’s results is expected to be adversely affected. Based on estimation made by the Company’s finance department, the Group may record a consolidated net loss for the year 2014 as compared to a consolidated net profit for year 2013.

The information contained in this profit warning announcement is only based on the preliminary review of the unaudited consolidated management accounts and estimation made by the Company’s finance department, which have not been reviewed or audited by the auditor of the Company. Further details of the financial information of Jinhui Shipping will be disclosed in its 2014 preliminary annual results announcement in late February 2015 and an overseas regulatory announcement of such will be released by the Company on the same date. The annual results announcement of the Company for the year ended 31 December 2014 is expected to be published in mid-March 2015.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Jinhui Holdings Company Limited**  
**Ng Siu Fai**  
*Chairman*

Hong Kong, 15 January 2015

*As at date of this announcement, the Executive Directors of the Company are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of the Company are Cui Jianhua, Tsui Che Yin Frank and William Yau.*