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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 and ship owning. 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 assessment of the unaudited consolidated management accounts, Jinhui Shipping is expected to record a significant increase in consolidated net loss for the fourth quarter and year ended 31 December 2015 as compared to the corresponding quarter and period in 2014 due to an unprecedented challenging environment as well as impairment loss on assets.

Year 2015 was another tough year for dry bulk shipping market, with drastic confidence crisis in the final quarter stimulated by the reverse of the U.S. interest rate cycle marking the end of the quantitative easing era; the deeper than expected slowdown of the China’s economic growth; ambiguous currency policies; and a meltdown in commodities prices from metals to oil all occurring in a synchronized manner. As a result, dry bulk shipping market is now experiencing the most challenging period unseen in the past three decades. At end of 2015, the management cautiously reviewed the fundamentals in dry bulk shipping market and considered the low freight rate environment shall persist for a longer time than previously expected and the timing of the rebalancing of demand and supply of tonnage is expected to be fluid, and unlikely to materialize in the near term.

Based on the preliminary review, it is considered that impairment indication of our fleet existed at end of 2015 and the long term intrinsic values of certain owned vessels are expected to be significantly less than the respective carrying amounts due to the tuning of expectation on the pace of recovery and the change of the long term fundamentals of the global economic and the dry bulk shipping industry outlook. This indicated that substantial impairment loss on owned vessels is expected to be recognized at end of 2015. However, such impairment loss amount is yet to be ascertained.

The expected consolidated net loss of Jinhui Shipping for the fourth quarter ended 31 December 2015 would be largely attributable to the substantial impairment loss on certain owned vessels and the consolidated net loss of Jinhui Shipping for the year ended 31 December 2015 would be attributable to the combined effect of:

- (i) the impairment loss on certain owned vessels to be recognized at end of 2015;
- (ii) the weak spot freight market continued to dent Jinhui Shipping's hire and freight revenue; and
- (iii) the abrupt correction of global stock markets in late 2015 caused a net loss of approximately HK\$150 million on Jinhui Shipping's investment portfolio which comprised of listed equity and debt securities. Such net loss included both realized loss on trading transactions and unrealized fair value loss on these securities instruments and would have a negative impact to the consolidated operating results of Jinhui Shipping for the year 2015.

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 is expected to record a significant increase in consolidated net loss for the year 2015 as compared to the year 2014.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Company and the information has not been audited or reviewed by the Company's auditor. Further details of the financial information of Jinhui Shipping will be disclosed in its fourth quarter report and 2015 preliminary annual results announcement in late February 2016 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 2015 is expected to be published in mid-March 2016.

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, 25 January 2016

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.