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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 shipping activities globally through Jinhui Shipping and Transportation Limited (“Jinhui Shipping”), an approximately 55.69% 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 consolidated net loss for the first quarter ended 31 March 2020 as compared to a consolidated net profit of US\$2 million (approximately HK\$15 million) for the corresponding quarter in 2019. The aforesaid expected consolidated net loss is mainly attributable to (1) poor business sentiment as affected by the outbreak of the novel coronavirus (“COVID-19”) pandemic leading to a reduction in chartering freight and hire revenue and decrease in fleet utilization rate; (2) the significant unrealized fair value loss on financial assets at fair value through profit or loss of US\$10 million (approximately HK\$78 million) amid the COVID-19 pandemic that triggered an adverse global financial markets sell off in early 2020; and (3) an increase in shipping related expenses, in particular the bunker related expenses of US\$5 million (approximately HK\$37 million) as a result of both a bunker fuel price slump as well as an increase in bunker consumption due to positioning of owned vessels in between time charter contracts of vessels.

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 financial performance in 2020 has so far been impacted by the extreme market condition. The results of Jinhui Shipping for the first quarter ended 31 March 2020 will be announced in late May 2020 and an overseas regulatory announcement of such will be released by the Company on the same date.

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. The Group’s actual results for the interim period ending 30 June 2020 and year ending 31 December 2020 are subject to changes in market conditions and may differ from the information contained in this announcement. The results announcement of the Company for the interim period ending 30 June 2020 is expected to be published in late August 2020.

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, 8 May 2020

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.