



## JINHUI SHIPPING AND TRANSPORTATION LIMITED

### JIN - PROFIT WARNING ANNOUNCEMENT

This announcement is made by the board of directors (the “Board”) of **Jinhui Shipping and Transportation Limited** (the “Company” or “Jinhui Shipping”) for information only.

The Board wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts, the Company 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.

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.

The expected consolidated net loss 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.

The management will closely and cautiously adjust the strategy according to management’s expectation of the long term outlook of the dry bulk shipping market.

The information contained in this 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 the Company will be disclosed in its 2014 preliminary annual results announcement in late February 2015. **Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board

**Ng Siu Fai**

*Chairman*

15 January 2015