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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

POSITIVE PROFIT ALERT

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 consolidated net profit for the second quarter and six months ended 30 June 2021 as compared to a consolidated net loss of US\$5.3 million (approximately HK\$41 million) and US\$23.7 million (approximately HK\$185 million) for the corresponding second quarter and six months ended 30 June 2020 respectively. The aforesaid expected turnaround from loss to profit is primarily attributable to the combined effect of (1) the strong rebound of market freight rates leads to a significant increase in the Group’s chartering freight and hire revenue; and (2) the recognition of reversal of impairment loss on certain owned vessels.

For the first half of 2021, dry bulk shipping market had rebounded remarkably reflected in the upsurge of market freight rates and significant increase in the market value of dry bulk vessels. The management considered that reversal of impairment indication of the Group's fleet existed as at 30 June 2021. With due considerations of factors affecting the long-term intrinsic values of owned dry bulk vessels in the reversal of impairment review, the Group's owned vessels' recoverable amounts which are determined based on the higher of the fair value less costs of disposal and value in use are significantly higher than their respective carrying amounts due to a positive change in long term fundamentals of the industry outlook as at 30 June 2021. This indicated that a reversal of impairment loss on owned vessels is required as at 30 June 2021.

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 the first half of 2021 will be positively affected by Jinhui Shipping's performance. The results of Jinhui Shipping for the second quarter and six months ended 30 June 2021 will be announced on 17 August 2021 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 ended 30 June 2021 may differ from the information contained in this announcement. The results announcement of the Company for the interim period ended 30 June 2021 is expected to be published on 18 August 2021.

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, 9 August 2021

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.