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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 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 loss of around US\$6 million to US\$7 million (approximately HK\$47 million to HK\$55 million) for the year 2022 due to an unprecedented challenging environment as well as the recognition of impairment loss of around US\$49 million (approximately HK\$382 million) on owned vessels as compared to a consolidated net profit of US\$194 million (approximately HK\$1,515 million) for the year 2021, which included a reversal of impairment loss of US\$134 million (approximately HK\$1,042 million) on owned vessels.

In the first half of 2022, dry bulk shipping market showed strong sign of rebound amid global economic recovery. However, due to subdued macroeconomic conditions in the second half of 2022, dry bulk shipping market suffered a slump particularly in the fourth quarter of 2022. The demand for dry bulk commodities was weak due to the slowdown of global economic growth as a result of high inflation and rising interest rates, the COVID-19 related issues as well as multiple geo-political issues that dampened economic activities globally. A further downward correction in the market freight rates was continued in the fourth quarter of 2022.

The Group reviewed the dry bulk shipping market environment, the overall macro environment and the market value of dry bulk vessels and management considered that impairment indication of the Group's fleet existed and performed an impairment review on 31 December 2022. Based on the on-going discussions with the auditor of the Company and prudent consideration, it is considered the long term intrinsic values of certain owned vessels are expected to be significantly less than their respective carrying amounts. This indicated that substantial impairment loss on owned vessels of around US\$49 million (approximately HK\$382 million) is expected to be recognized at end of 2022. However, such impairment loss amount is yet to be ascertained.

The expected consolidated net loss of Jinhui Shipping for the year 2022 would be largely attributable to the substantial impairment loss on certain owned vessels to be recognized at end of 2022 and the weak freight market environment during fourth quarter of 2022. As the results of the Group are largely attributable to the results of Jinhui Shipping, the Group's financial performance for the year 2022 will be affected by Jinhui Shipping's performance and the Group is expected to record a consolidated net loss for the year 2022 as compared to the year 2021.

The information contained in this announcement is only a preliminary assessment by the Board based on information currently available to the Company, which is subject to finalization and other potential adjustments, if any, and the information has not been audited or reviewed by the auditor or the audit committee of the Company. Further details of the financial information of Jinhui Shipping will be disclosed in its fourth quarter report and 2022 preliminary annual results announcement on 28 February 2023 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 2022 is expected to be published in mid-March 2023.

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, 23 February 2023

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.