



JINHUI SHIPPING AND TRANSPORTATION LIMITED

JIN - POSITIVE PROFIT ALERT ANNOUNCEMENT

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

The Board wishes to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts, the Company 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 and US\$23.7 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.

The Company is still in the process of preparing and finalizing the financial results for the second quarter and six months ended 30 June 2021. Further details of the financial information of the Company will be disclosed in its second quarter and half yearly report on 17 August 2021.

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. **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

9 August 2021