

Second Quarter and Half Yearly Report 2024



**JINHUI SHIPPING
AND TRANSPORTATION LIMITED**

HIGHLIGHTS

For the Second Quarter of 2024

- Revenue for the quarter: US\$41 million
- EBITDA for the quarter: US\$21 million
- Net profit for the quarter: US\$9 million
- Basic earnings per share: US\$0.081

For the First Half of 2024

- Revenue for the period: US\$69 million
- EBITDA for the period: US\$34 million
- Net profit for the period: US\$11 million
- Basic earnings per share: US\$0.103
- Gearing ratio as at 30 June 2024: 7%

The Board of **Jinhui Shipping and Transportation Limited** (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the quarter and six months ended 30 June 2024.

SECOND QUARTER AND HALF YEARLY 2024 RESULTS

The Group reported a revenue for the second quarter of 2024 of US\$41,245,000, representing an increase of 81% as compared to US\$22,797,000 for the corresponding quarter in 2023. The Company recorded a consolidated net profit of US\$8,816,000 for current quarter as compared to a consolidated net loss of US\$6,509,000 for the corresponding quarter in 2023. Basic earnings per share for the second quarter was US\$0.081 as compared to basic loss per share of US\$0.060 for the same quarter in 2023. The average daily time charter equivalent rates earned by the Group’s fleet increased 52% to US\$15,407 for the second quarter of 2024 as compared to US\$10,132 for the corresponding quarter in 2023.

Revenue for the first half of 2024 increased 86% to US\$69,139,000, comparing to US\$37,227,000 for the same period in 2023. The Company recorded a consolidated net profit of US\$11,221,000 for the first half of 2024 whereas a consolidated net loss of US\$19,261,000 was reported in the first half of 2023. Basic earnings per share for the period was US\$0.103 as compared to basic loss per share of US\$0.176 for the first half of 2023. The average daily time charter equivalent rate for the fleet improving 66% to US\$13,939 for the first half of 2024 as compared to US\$8,379 for the same period in 2023.

The consolidated net profit for the period was mainly attributable to the rebound of dry bulk shipping market, market freight rates began to regain strength driven by the robust demand for dry bulk commodities, especially strong minor bulks trade and limited supply of vessels as compared to lackluster freight rates upon the weak dry bulk shipping market sentiment in the first half of 2023.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 June 2024.

REVIEW OF OPERATIONS

Second Quarter of 2024. In the second quarter of 2024, the dry bulk shipping market further continued to trend upward driven by a general increase in demand for dry bulk commodities. During the quarter, Baltic Dry Index (“BDI”) opened at 1,821 points at the beginning of April and rose to the peak of the quarter at 2,203 points at mid of May and close at 2,050 points by the end of June 2024.

Second Quarter 2024 Statement of Profit or Loss

Revenue for the second quarter of 2024 was US\$41,245,000 representing an increase of 81% as compared to US\$22,797,000 for the same quarter in 2023. The Group benefited from the strong dry bulk commodities demands and limited tonnage growth carried over from end of last year. Our fleet achieved an average daily time charter equivalent rate of US\$17,702 for Panamax fleet and US\$15,110 for Ultramax/Supramax fleet for the second quarter of 2024 as compared to US\$4,719 for Panamax fleet and US\$10,360 for Ultramax/Supramax fleet for last corresponding quarter. The Company generated a consolidated operating profit before depreciation and amortization amounted to US\$20,850,000 for the current quarter as compared to US\$2,493,000 for the last corresponding quarter.

	2024 Q2	2023 Q2	2024 1st half	2023 1st half	2023
Average daily TCE of the Group's fleet	US\$	US\$	US\$	US\$	US\$
Panamax fleet	17,702	4,719	17,478	8,894	13,126
Ultramax / Supramax fleet	15,110	10,360	13,560	8,357	8,892
In average	15,407	10,132	13,939	8,379	9,063

Other operating income increased from US\$2,613,000 from the second quarter of 2023 to US\$6,928,000 for the current quarter mainly due to the Group recording a net gain of US\$1,739,000 on financial assets at fair value through profit or loss for the second quarter of 2024 while a net loss of US\$2,222,000 on financial assets at fair value through profit or loss was recorded and included in other operating expenses for the same quarter of 2023. Settlement income of US\$3,500,000 from a legal dispute over the non-performance of a charterparty was received in the current quarter.

Shipping related expenses rose from US\$15,893,000 for the second quarter of 2023 to US\$21,332,000 for the current quarter mainly attributable to the rise in hire payments upon the increase in number of chartered-in vessels during the quarter. The average number of chartered-in vessels in operation in the second quarter of 2024 increased to ten vessels, as compared to one vessel in last corresponding quarter. The daily vessel running cost of the Group's owned vessels slightly decreased to US\$5,396 for the second quarter of 2024 as compared to US\$5,429 for the second quarter of 2023 as lower crew costs were incurred under cost reduction strategy. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Other operating expenses decreased 26% from US\$4,224,000 for the second quarter of 2023 to US\$3,114,000 for the current quarter mainly due to the Group recorded a net loss of US\$2,222,000 on financial assets at fair value through profit or loss in second quarter of 2023 whereas a net gain of US\$1,739,000 was recorded in other operating income for the current quarter. Other operating expenses also included a fair value loss on investment properties of US\$1,715,000 as compared to US\$733,000 for the last corresponding quarter.

Depreciation and amortization increased from US\$7,942,000 for the second quarter of 2023 to US\$10,587,000 for the second quarter of 2024. The increase was attributable to the recognition of depreciation of US\$3,503,000 on right-of-use assets for long-term chartered-in vessels for the current quarter whereas US\$114,000 was recorded in last corresponding quarter, partially offset by the decrease in depreciation on owned vessels due to the reduce in carrying amounts of owned vessels after the recognition of impairment loss on owned vessels by end of 2023. The Group's daily vessel depreciation decreased to US\$3,346 for the current quarter as compared to US\$3,477 for the corresponding quarter in 2023.

Finance costs was US\$1,447,000 in the second quarter of 2024, a slightly increase from US\$1,060,000 for the second quarter of 2023 as a result of recognition of interest expenses on lease liabilities of US\$432,000 during the quarter.

First Half of 2024. The dry bulk market showed counter-seasonal strength at the beginning of year supported by the increase in demand of dry bulk commodities, limited shipyard capacity and longer sailing distances from emissions reduction policies on environmental regulations. The market freight rates regained strength and rebound despite the simultaneous occurrence of multiple geo-political issues that affected the business sentiment. BDI opened at 2,094 points at the beginning of year, then rose gradually to the peak of the period at 2,419 points in March and closed at 2,050 points by the end of June 2024. The average of BDI for the first half of 2024 was 1,836 points, which compares to 1,157 points in the same period in 2023.

First Half of 2024 Statement of Profit or Loss

Revenue for the first half of 2024 increased 86% to US\$69,139,000, comparing to US\$37,227,000 for the first half of 2023. Reported average daily TCE for Panamax fleet and Ultramax/Supramax fleet of US\$17,478 and US\$13,560 respectively, and \$13,939 for the entire fleet in the first half of 2024.

In the first half of 2024, the consolidated operating profit before depreciation and amortization amounted to US\$33,796,000, compared with US\$46,000 recorded in the corresponding period of last year. The Company recorded a consolidated net profit of US\$11,221,000 for the period, while a consolidated net loss of US\$19,261,000 was reported in first half of 2023. Basic earnings per share for the period was US\$0.103 as compared to basic loss per share of US\$0.176 for the first half of 2023.

Other operating income increased from US\$3,610,000 for the first half of 2023 to US\$9,649,000 for the first half of 2024 mainly due to receipt of a settlement income of US\$3,500,000 from a legal dispute over the non-performance of a charterparty and recognition of net gain of US\$3,455,000 on financial assets at fair value through profit or loss, comprised of a realized gain of US\$1,013,000 upon disposal of certain equity and debt securities and an unrealized fair value gain of US\$2,442,000 on financial assets at fair value through profit or loss for the first half of 2024. On the contrary, a net loss of US\$936,000 on financial assets at fair value through profit or loss was recorded in other operating expenses for the first half of 2023. Dividend income derived from financial assets was US\$547,000 for the first half of 2024.

Shipping related expenses increased from US\$30,737,000 for the first half of 2023 to US\$34,823,000 for the first half of 2024 mainly due to increase in hire payments for chartered-in vessels during the period, offset by the decline in crew cost and other vessel running cost under cost reduction strategy. The daily vessel running cost of the Group's owned vessels decreased to US\$5,115 for the first half of 2024 as compared to US\$5,436 for the first half of 2023. Our vessel running costs remain well controlled and we will continue to maintain a highly competitive cost structure when stacked against other market participants.

Included in other operating expenses a fair value loss on investment properties in amount of US\$1,715,000 for the first half of 2024. For the first half of 2023, a fair value loss on investment properties of US\$733,000 and a net loss of US\$936,000 on financial assets at fair value through profit or loss were recognized.

For the co-investment in property project located in Shanghai (the “Co-investment”) which the Group entered into in 2018, the Investment Manager, Phoenix Property Investors Limited, reported a loss of US\$1,232,000 on the fair value of equity instruments for the first half of 2024, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI. As at 30 June 2024, the carrying amount of the unlisted equity investments was US\$6,027,000 (31/12/2023: US\$7,259,000) whereas the loan receivable arise from Co-investment, together with the interest accrued thereon was US\$2,297,000 (31/12/2023: US\$2,138,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

Depreciation and amortization for the first half of 2024 was US\$19,633,000 as compared to US\$16,900,000 for first half of 2023. The increase was mainly due to the recognition of depreciation of US\$5,688,000 on right-of-use assets for long-term chartered-in vessels for the current period whereas US\$1,263,000 was recorded in last corresponding period. The increase in depreciation and amortization for the first half of 2024 was partially offset by the decrease in depreciation on owned vessels due to the reduce in carrying amounts of owned vessels after the recognition of impairment loss on owned vessels by end of 2023. The Group’s daily vessel depreciation decreased to US\$3,321 for the first half of 2024 as compared to US\$3,490 for the corresponding period in 2023.

Finance costs increased from US\$2,407,000 for the first half of 2023 to US\$2,942,000 for the current period mainly attributable to the interest expenses on lease liabilities of US\$827,000 as compared to US\$303,000 for the corresponding period in 2023.

First Half of 2024 Statement of Cash Flows and Statement of Financial Position as at 30 June 2024

As at 30 June 2024, the Company had cash and cash equivalents of US\$16,939,000 (31/12/2023: US\$40,250,000). During the first half of 2024, net cash generated from operating activities after working capital changes was US\$31,259,000 (30/6/2023: US\$4,190,000).

For the first half of 2024, net cash used in investing activities was US\$24,506,000 (30/6/2023: US\$1,326,000). This included US\$10,414,000 cash proceeds received from the completed disposal of one Supramax, US\$32,548,000 on acquisition of one motor vessel and dry-docking expenditure and US\$3,095,000 on deposit paid for acquisition of a Capesize which was delivered to the Group in August 2024.

During the first half of 2024, the Group had drawn new secured bank loans of US\$22,991,000 (30/6/2023: US\$15,987,000) and repaid US\$46,440,000 (30/6/2023: US\$17,968,000). The Group’s total secured bank loans decreased from US\$88,167,000 as at 31 December 2023 to US\$64,718,000 as at 30 June 2024, of which 24% and 76% are repayable respectively within one year and in the second year. The bank borrowings represented revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars. All bank borrowings were committed on floating rate basis.

As at 30 June 2024, the Group maintained positive working capital position of US\$10,184,000 (31/12/2023: US\$40,643,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to US\$39,959,000 (31/12/2023: US\$62,613,000).

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 7% (31/12/2023: 7%) as at 30 June 2024. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 30 June 2024, the Group is able to service its debt obligations, including principal and interest payments.

Capital Expenditures and Commitments

Capital Expenditures

During the first half of 2024, the Group incurred capital expenditure of US\$32,548,000 on additions of motor vessels and capitalized drydocking and US\$146,000 on other property, plant and equipment. For the first half of 2023, capital expenditure of US\$2,225,000 was incurred, including US\$2,205,000 on capitalized drydockings and improvement to motor vessels and US\$20,000 on other property, plant and equipment.

Capital Commitments

During the first half of 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tons, built in year 2012, at a purchase price of US\$30,950,000. The vessel was delivered to the Group in August 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$27,855,000 (31/12/2023: nil).

In addition, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000 (31/12/2023: nil).

The Group further entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tons, built in year 2017, for a term of minimum thirty-three months; the vessel will be delivered to the Group between 1 January 2025 to 31 March 2025. An unaudited value of the right-of-use asset of approximately US\$26,640,000 will be recognized on the date of delivery of the vessel. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$26,640,000 (31/12/2023: nil).

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2023: US\$372,000).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$122,867,000 (31/12/2023: US\$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

FLEET OVERVIEW

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Panamax, Ultramax and Supramax bulk carriers. In order to remain competitive in the market, the Group continues to seek to fine tune the quality of our fleet and adjust the fleet profile, in particularly in terms of seeking to lower the overall age profile of our fleet. As at 30 June 2024, the Group operates twenty-three owned vessels and ten chartered-in vessels, with total carrying capacity of approximately 2,020,000 metric tons. As at 30 June 2024, the carrying amount of the motor vessels and capitalized drydocking costs was US\$344,039,000 (31/12/2023: US\$324,947,000).

	Number of vessels		Total
	Owned	Chartered-in	
Panamax fleet	-	3	3
Ultramax / Supramax fleet	23	7	30
Total number of vessels	23	10	33

During the first half of 2024, the Group entered into agreements to acquire or charter-in vessels with a view to maintaining high financial flexibility and also maximize operational competitiveness at a lower level of capital investment.

Acquisition and disposal of vessels

During the first half of 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tons, built in year 2012, at a purchase price of US\$30,950,000. The vessel was delivered to the Group in August 2024.

In addition, the Group entered into an agreement for the acquisition of a Panamax of deadweight 81,567 metric tons, built in year 2019, at a purchase price of approximately US\$31,122,000. The vessel was delivered to the Group in May 2024.

The Group also entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively.

A Supramax of deadweight 52,050 metric tons which was contracted for disposal in December 2023 at a consideration of US\$10,430,000, was delivered to the purchaser during the period.

Subsequent to the reporting date, the Group entered into an agreement for the acquisition of a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US\$24,000,000. The vessel will be delivered to the Group in the fourth quarter of 2024.

Lease of vessels

To further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility, the Group entered into certain inward time charters engagements during the period with total carrying capacity of approximately 705,000 metric tons. As at the reporting date, the Group operates ten chartered-in vessels, in which, four of them are long-term time charters in respect of lease term for more than twelve months. The unaudited value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was recognized in the consolidated statement of financial position upon their deliveries of the vessels in accordance with IFRS 16 and HKFRS 16 Leases. As at 30 June 2024, the carrying amounts of the right-of-use assets and the lease liabilities were US\$40,864,000 (31/12/2023: US\$21,095,000) and US\$48,648,000 (31/12/2023: US\$29,139,000) respectively.

During the first half of 2024, the Group entered into a charterparty in respect of leasing of an Ultramax of deadweight 61,452 metric tons, built in year 2016, for a term of minimum twenty-two months. The vessel was delivered to the Group in April 2024.

The Group also entered into a charterparty in respect of leasing of an Ultramax of deadweight 61,473 metric tons, built in year 2016, for a term of minimum twenty months. The vessel was delivered to the Group in May 2024.

The Group entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tons, built in year 2017, for a term of minimum thirty-three months commencing on the date of delivery of the vessel to the Group. The vessel will be delivered to the Group between 1 January 2025 to 31 March 2025.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

RISK FACTORS

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this report will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, financial market conditions including fluctuations in marketable securities value, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, availability of financing and refinancing, inability to obtain restructuring or rescheduling of indebtedness from lenders in liquidity trough, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.

OUTLOOK

So far in 2024, we have been seeing steady demand in dry seaborne trade, and we expect the freight market to remain robust for the rest of the year given the positive tonne mile effect due to trade route disruptions, and a favourable supply demand in tonnage.

Transportation of commodities continues to be affected by complex variables that range from industry specific, economical, as well as geopolitically driven factors. Supply and demand remain to be in good balance, with newbuilding supply at moderate levels. Ordering a new vessel has become increasingly expensive where berth spaces are limited and delivery time increasingly long, this has translated to very strong values for second hand vessels. We see some disconnection between freight rates and vessels values at this juncture.

Looking ahead, should global economic activity regain positive pace, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities at reasonable prices that will meet the needs of the market and our customers.

We will remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We will continue to focus on taking sensible and decisive actions to achieve growth without sacrificing the maintenance of a strong financial position.

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to all our colleagues, as well as all customers and stakeholders for their ongoing support.

PUBLICATION OF FINANCIAL INFORMATION

This report is available on the website of the Company at www.jinhuiship.com and the NewsWeb of the Oslo Stock Exchange at www.newsweb.no.

By Order of the Board

A handwritten signature in black ink, consisting of several loops and a horizontal line, representing the signature of Ng Siu Fai.


Ng Siu Fai
Chairman

28 August 2024

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the half yearly report for the period from 1 January to 30 June 2024 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and results of operations of the Group and that the half yearly report includes a fair review of the development and performance of the business and the position of the Group together with a description of the key principal risks and uncertainty factors that the Group faces.

28 August 2024



Ng Siu Fai
Chairman



Ng Kam Wah Thomas
*Managing Director and
Deputy Chairman*



Ng Ki Hung Frankie
Executive Director



Ho Suk Lin Cathy
Executive Director



Tsui Che Yin Frank
Non-executive Director



William Yau
Non-executive Director

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		3 months ended 30/6/2024	3 months ended 30/6/2023	6 months ended 30/6/2024	6 months ended 30/6/2023	Year ended 31/12/2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Revenue	2	41,245	22,797	69,139	37,227	81,868
Net loss on disposal of owned vessels		-	-	-	-	(880)
Other operating income	3	6,928	2,613	9,649	3,610	7,643
Interest income	4	239	208	498	401	819
Impairment loss on owned vessels and right-of-use assets		-	-	-	-	(19,704)
Shipping related expenses		(21,332)	(15,893)	(34,823)	(30,737)	(58,490)
Staff costs		(3,116)	(3,008)	(6,191)	(6,027)	(13,336)
Other operating expenses		(3,114)	(4,224)	(4,476)	(4,428)	(9,748)
Operating profit (loss) before depreciation and amortization		20,850	2,493	33,796	46	(11,828)
Depreciation and amortization		(10,587)	(7,942)	(19,633)	(16,900)	(36,994)
Operating profit (loss)		10,263	(5,449)	14,163	(16,854)	(48,822)
Finance costs		(1,447)	(1,060)	(2,942)	(2,407)	(6,234)
Profit (Loss) before taxation		8,816	(6,509)	11,221	(19,261)	(55,056)
Taxation	6	-	-	-	-	1
Net profit (loss) for the period / year		8,816	(6,509)	11,221	(19,261)	(55,055)
Other comprehensive income (loss)						
Items that will not be reclassified to profit or loss:						
Change in fair value of financial assets at fair value through OCI (non-recycling)		(496)	(291)	(1,232)	(291)	(2,137)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties (non-recycling)		-	-	-	-	367
Items that may be reclassified subsequently to profit or loss:						
Change in fair value of financial assets at fair value through OCI (recycling)		-	-	-	-	(12)
Total comprehensive income (loss) for the period / year attributable to shareholders of the Company		8,320	(6,800)	9,989	(19,552)	(56,837)
Earnings (Loss) per share	7					
- Basic and diluted		US\$0.081	US\$(0.060)	US\$0.103	US\$(0.176)	US\$(0.504)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/6/2024	30/6/2023	31/12/2023
		(Unaudited)	(Unaudited)	(Audited)
	Note	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Property, plant and equipment		352,161	371,249	333,413
Right-of-use assets	9(a)	40,864	20,952	21,095
Investment properties	10	23,544	26,477	25,259
Financial assets at fair value through OCI	11	6,459	9,549	7,691
Loan receivables	12	1,577	-	1,577
Deposit paid for the acquisition of owned vessels		3,095	-	-
		427,700	428,227	389,035
Current assets				
Inventories		2,106	1,996	1,383
Loan receivables	12	-	1,577	-
Trade and other receivables		16,286	18,689	18,089
Financial assets at fair value through profit or loss	13	25,117	23,041	24,094
Pledged deposits		199	506	359
Bank balances and cash		16,939	27,535	40,250
		60,647	73,344	84,175
Assets held for sale		-	-	10,423
		60,647	73,344	94,598
Total assets		488,347	501,571	483,633

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
	Note			
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		5,463	5,463	5,463
Reserves		354,456	381,752	344,467
Total equity		359,919	387,215	349,930
Non-current liabilities				
Secured bank loans	14	49,501	56,958	55,670
Lease liabilities	9(b)	28,464	17,363	24,078
		77,965	74,321	79,748
Current liabilities				
Trade and other payables		14,932	12,758	16,221
Amount due to holding company		130	152	176
Secured bank loans	14	15,217	23,899	32,497
Lease liabilities	9(b)	20,184	3,226	5,061
		50,463	40,035	53,955
Total equity and liabilities		488,347	501,571	483,633

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued capital (Unaudited) US\$'000	Share premium (Unaudited) US\$'000	Capital redemption reserve (Unaudited) US\$'000	Contributed surplus (Unaudited) US\$'000	Revaluation reserve (Unaudited) US\$'000	Reserve for financial assets at fair value through OCI (Unaudited) US\$'000	Retained profits (Unaudited) US\$'000	Total equity (Unaudited) US\$'000
At 1 January 2023	5,463	95,585	719	16,297	476	(145)	292,742	411,137
Comprehensive loss								
Net loss for the period	-	-	-	-	-	-	(19,261)	(19,261)
Other comprehensive loss								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(291)	-	(291)
Total comprehensive loss for the period	-	-	-	-	-	(291)	(19,261)	(19,552)
2022 final dividend paid	-	-	-	-	-	-	(4,370)	(4,370)
At 30 June 2023	5,463	95,585	719	16,297	476	(436)	269,111	387,215
At 1 January 2024	5,463	95,585	719	16,297	843	(2,294)	233,317	349,930
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	11,221	11,221
Other comprehensive loss								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(1,232)	-	(1,232)
Total comprehensive income (loss) for the period	-	-	-	-	-	(1,232)	11,221	9,989
At 30 June 2024	5,463	95,585	719	16,297	843	(3,526)	244,538	359,919

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
OPERATING ACTIVITIES			
Cash generated from (used in) operations before changes in working capital	34,462	(261)	9,117
Decrease (Increase) in working capital	(987)	6,613	11,494
Cash generated from operations	33,475	6,352	20,611
Interest paid	(2,216)	(2,162)	(4,817)
Hong Kong Profits Tax refunded	-	-	150
Net cash from operating activities	31,259	4,190	15,944
INVESTING ACTIVITIES			
Interest received	308	260	518
Dividend income received	547	639	1,171
Purchase of property, plant and equipment	(32,694)	(2,225)	(24,333)
Deposit paid for the acquisition of owned vessels	(3,095)	-	-
Proceeds from disposal of assets held for sale, net	10,414	-	-
Proceeds from disposal of property, plant and equipment, net	14	-	17,432
Net cash used in investing activities	(24,506)	(1,326)	(5,212)
FINANCING ACTIVITIES			
New secured bank loans	22,991	15,987	57,696
Repayment of secured bank loans	(46,440)	(17,968)	(52,367)
Decrease (Increase) in pledged deposits	160	(62)	85
Payment of lease liabilities	(5,948)	(1,966)	(3,455)
Interest paid on lease liabilities	(827)	(303)	(1,424)
Dividends paid to shareholders of the Company	-	(4,370)	(4,370)
Net cash used in financing activities	(30,064)	(8,682)	(3,835)
Net increase (decrease) in cash and cash equivalents	(23,311)	(5,818)	6,897
Cash and cash equivalents at beginning of the period / year	40,250	33,353	33,353
Cash and cash equivalents at end of the period / year	16,939	27,535	40,250

NOTES:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and have not been reviewed by our auditor, Grant Thornton Hong Kong Limited. The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2023, except for the Group has adopted the amended International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”), which are effective for the annual period beginning on 1 January 2024. The adoption of the amended IFRSs and HKFRSs does not have material impact on the Group’s financial performance and financial position for the current and prior periods have been prepared and presented.

2. Revenue

The Group is principally engaged in the businesses of ship chartering and ship owning which are carried out internationally. Revenue represents chartering freight and hire income arising from the Group’s owned and chartered-in vessels. Revenue recognized during the periods / year are as follows:

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Chartering freight and hire income:					
Hire income under time charters ¹	41,245	22,797	69,139	37,227	81,868

Note:

1. Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract. During the period, hire income included a non-lease component in relation to crewing service of US\$13,342,000 (30/6/2023: US\$15,752,000).

3. Other operating income

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Other shipping operating income	982	1,805	1,727	2,556	4,350
Net gain on financial assets at fair value through profit or loss	1,739	-	3,455	-	-
Settlement income	3,500	-	3,500	-	-
Dividend income	491	595	547	639	1,171
Gross rental income from operating leases on investment properties	140	143	281	285	569
Sundry income	76	70	139	130	279
Reversal of impairment loss on trade and other receivables, net	-	-	-	-	1,274
	6,928	2,613	9,649	3,610	7,643

4. Interest income

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Interest income in respect of:					
Deposits with banks and other financial institutions	151	119	321	232	470
Loan receivables	79	80	159	149	310
Financial assets at fair value through profit or loss	9	9	18	20	39
	239	208	498	401	819

5. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Realized gain on financial assets at fair value through profit or loss	(518)	(36)	(1,013)	(735)	(701)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(1,221)	2,258	(2,442)	1,671	1,528
Net loss (gain) on financial assets at fair value through profit or loss	(1,739)	2,222	(3,455)	936	827
Change in fair value of investment properties	1,715	733	1,715	733	2,334
Settlement income	(3,500)	-	(3,500)	-	-
Net loss on disposal of owned vessels	-	-	-	-	880
Impairment loss on owned vessels and right-of-use assets	-	-	-	-	19,704
Impairment loss on assets held for sale	-	-	-	-	1,288
Reversal of impairment loss on trade and other receivables, net	-	-	-	-	(1,274)

6. Taxation

Taxation has not been provided as the Group has no assessable profit for all relevant periods / year.

There was no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company for the periods / year.

The Company has received from the Minister of Finance of Bermuda under The Exempted Undertakings Tax Protection Act 1966, as amended, an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital asset gain or appreciation or any tax in the nature of estate duty or inheritance tax, the imposition of such tax shall not until 31 March 2035 be applicable to the Company or to any of its operations, or to the shares, debentures or other obligations of the Company.

The amount of taxation credited to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Hong Kong Profits Tax					
Over provision in prior year	-	-	-	-	(1)

7. Earnings (Loss) per share

	3 months ended 30/6/2024 (Unaudited)	3 months ended 30/6/2023 (Unaudited)	6 months ended 30/6/2024 (Unaudited)	6 months ended 30/6/2023 (Unaudited)	Year ended 31/12/2023 (Audited)
Weighted average number of ordinary shares in issue	109,258,943	109,258,943	109,258,943	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US\$'000)	8,816	(6,509)	11,221	(19,261)	(55,055)
Basic and diluted earnings (loss) per share	US\$0.081	US\$(0.060)	US\$0.103	US\$(0.176)	US\$(0.504)

Diluted earnings (loss) per share were the same as basic earnings (loss) per share as there was no potentially dilutive ordinary shares in existence for the relevant periods / year presented.

8. Interim dividend

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 June 2024 (30/6/2023: nil).

9. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	21,095	28,997	28,997
Additions	27,821	-	-
Lease remeasurement	(2,364)	(6,782)	3,257
Depreciation	(5,688)	(1,263)	(5,466)
Impairment loss	-	-	(5,693)
	40,864	20,952	21,095

(b) Lease liabilities

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	29,139	29,337	29,337
Additions	27,821	-	-
Lease remeasurement	(2,364)	(6,782)	3,257
Interest expense (included in finance costs)	827	303	1,424
Repayments of lease liabilities	(6,775)	(2,269)	(4,879)
	48,648	20,589	29,139

The lease liabilities were repayable as follows:

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Within one year	20,184	3,226	5,061
After one year but within two years	13,729	3,360	5,272
After two years but within five years	14,735	11,016	17,284
After five years	-	2,987	1,522
	28,464	17,363	24,078
	48,648	20,589	29,139

As at 30 June 2024, the Group operates four long-term chartered-in vessels in respect of lease term for more than twelve months. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the unaudited value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was also recognized in the consolidated statement of financial position upon their deliveries of the vessels.

In 2022, the Group entered into a charterparty with a third party in respect of leasing of a Panamax of deadweight 84,484 metric tons, built in year 2022 for a term of seven years and the vessel was delivered to the Group in June 2022.

Additions to the right-of-use assets during the first half of 2024 were mainly attributable to three long-time inward time charters where vessels have been delivered to the Group.

The Group entered into a charterparty in respect of leasing of a Panamax of deadweight 81,842 metric tons, built in 2021 for a term of minimum twenty-two months and the vessel was delivered to the Group in January 2024.

In addition, the Group entered into a charterparty with a third party in respect of leasing of an Ultramax of deadweight 61,452 metric tons, built in year 2016 for a term of minimum twenty-two months and the vessel was delivered to the Group in April 2024.

Besides, the Group entered into a charterparty with a third party in respect of leasing of an Ultramax of deadweight 61,473 metric tons, built in year 2016 for a term of minimum twenty months and the vessel was delivered to the Group in May 2024.

During the first half of 2024, the total cash outflow for the lease was US\$6,775,000 (30/6/2023: US\$2,269,000).

10. Investment properties

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	25,259	27,210	27,210
Reclassification from leasehold land and buildings	-	-	383
Change in fair value	(1,715)	(733)	(2,334)
	23,544	26,477	25,259

The Group's investment properties were stated at fair value and comprised of premises and car parks held under operating leases to earn rentals or held for capital appreciation, or both. These premises and car parks are held under long term leases.

At the reporting date, the fair values of the Group's investment properties were determined by Centaline Surveyors Limited, an independent qualified professional valuer, on direct comparison approach with reference to comparable transactions available in the relevant locality. In estimating the fair value of investment properties, the highest and best use of the properties is their current use. The fair value measurement of these investment properties was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period.

11. Financial assets at fair value through OCI

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Unlisted equity investments			
Co-investment in a property project			
At 1 January	7,259	9,396	9,396
Change in fair value ¹	(1,232)	(291)	(2,137)
	6,027	9,105	7,259
Unlisted club membership			
At 1 January	432	444	444
Change in fair value ²	-	-	(12)
	432	444	432
	6,459	9,549	7,691

Notes:

- Items that will not be reclassified to profit or loss.
- Items that may be reclassified subsequently to profit or loss.

Unlisted equity investments

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Co-investment"), pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported a loss of US\$1,232,000 on the fair value of equity instruments for the first half of 2024, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI and was included in other comprehensive loss in the condensed consolidated statement of profit or loss and other comprehensive income. As at the reporting date, the carrying amount of the unlisted equity investments was US\$6,027,000 (31/12/2023: US\$7,259,000) whereas the loan receivable arise from Co-investment (note 12), together with the interest accrued thereon was US\$2,297,000 (31/12/2023: US\$2,138,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

There is no quoted market price in active market for unlisted equity investments. Transactions in such investments do not occur on a regular basis. The Group uses its net asset value (representing the fair value of the equity instruments reported by Phoenix Property Investors Limited, the Investment Manager) to determine its fair value as the Group determined that this is the fair price at which shareholders subscribe and redeem the investments or determined its fair value with generally accepted pricing models.

The fair value measurement of unlisted equity investments was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the periods / year.

Unlisted club membership

The investment in club membership is stated at fair values which is determined directly by reference to published price quotations in active markets and were categorized as Level 1 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the periods / year.

12. Loan receivables

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	1,577	1,342	1,342
Gross new loan originated	-	235	235
Provision of individual impairment	-	-	-
Loan receivables, net of provision	1,577	1,577	1,577

A wholly owned subsidiary of the Company (the "Co-Investor") together with other co-investors signed an unsecured subordinated shareholder loan agreement with Triple Smart Limited, a special purpose vehicle invested by Dual Bliss Limited, for the purposes of funding the operating expenditure of the Co-investment in 2021. A maximum amount of US\$1,577,000 (31/12/2023: US\$1,577,000) was agreed and provided as at the reporting date. The loan receivables are unsecured and denominated in United States Dollars and has no repayment terms.

At the reporting date, the loan receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness, collection statistics and the net asset value of the Co-investment, and are not considered as impaired. The carrying amount of the loan receivables is considered to be a reasonable approximation of its fair value.

13. Financial assets at fair value through profit or loss

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
<i>Held for trading</i>			
Listed equity securities	22,421	20,605	21,491
Listed debt securities	599	557	577
Unlisted debt securities	-	285	295
	23,020	21,447	22,363
<i>Designated as such upon initial recognition</i>			
Investment funds	2,097	1,594	1,731
	25,117	23,041	24,094

At the reporting date, the fair value measurements of listed equity securities and listed debt securities were determined by reference to their quoted bid prices in active markets and were categorized as Level 1 and the fair value measurements of unlisted debt securities and investment funds represented the quoted market prices on the underlying investments provided by financial institutions and were categorized as Level 2 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the periods / year.

14. Secured bank loans

The maturity of secured bank loans at the reporting date is as follows:

	30/6/2024 (Unaudited) US\$'000	30/6/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Within one year	15,217	23,899	32,497
In the second year	49,501	14,381	55,670
In the third to fifth year	-	42,577	-
Total secured bank loans	64,718	80,857	88,167
Less: Amount repayable within one year	(15,217)	(23,899)	(32,497)
Amount repayable after one year	49,501	56,958	55,670

During the six months ended 30 June 2024, the Group had drawn new secured bank loans of US\$22,991,000 (30/6/2023: US\$15,987,000) and repaid US\$46,440,000 (30/6/2023: US\$17,968,000).

15. Capital expenditures and commitments

Capital expenditures

During the first half of 2024, the Group incurred capital expenditure of US\$32,548,000 (30/6/2023: US\$2,205,000) on additions of motor vessels and dry-docking and US\$146,000 (30/6/2023: US\$20,000) on other property, plant and equipment.

Capital commitments

During the first half of 2024, the Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tons, built in year 2012, at a purchase price of US\$30,950,000. The vessel was delivered to the Group in August 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$27,855,000 (31/12/2023: nil).

In addition, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000 (31/12/2023: nil).

The Group further entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tons, built in year 2017, for a term of minimum thirty-three months; the vessel will be delivered to the Group between 1 January 2025 to 31 March 2025. An unaudited value of the right-of-use asset of approximately US\$26,640,000 will be recognized on the date of delivery of the vessel. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$26,640,000 (31/12/2023: nil).

In 2018, the Group entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2023: US\$372,000).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$122,867,000 (31/12/2023: US\$372,000).

Save as disclosed above, there was no other significant capital expenditure commitment contracted by the Group but not provided for as at the reporting date.

16. Related party transactions

During the periods / year, the Group had related party transactions in relation to compensation of key management personnel as follows:

	3 months ended 30/6/2024 (Unaudited) US\$'000	3 months ended 30/6/2023 (Unaudited) US\$'000	6 months ended 30/6/2024 (Unaudited) US\$'000	6 months ended 30/6/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Salaries and other benefits	1,951	1,951	3,909	3,916	8,692
Contributions to retirement benefits schemes	112	111	223	222	446
	2,063	2,062	4,132	4,138	9,138

17. Events after the reporting date

Subsequent to the reporting date, the Group entered into an agreement for the acquisition of a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US\$24,000,000. The vessel will be delivered to the Group in between 1 September 2024 and 31 December 2024.



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