



2025 INTERIM REPORT



JINHUI HOLDINGS COMPANY LIMITED

Stock Code: 137



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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Ng Siu Fai, *Chairman*
Ng Kam Wah Thomas, *Managing Director*
Ng Ki Hung Frankie
Ho Suk Lin

Independent Non-executive Directors

Cui Jianhua
Tsui Che Yin Frank
William Yau

AUDIT COMMITTEE

Tsui Che Yin Frank, *Chairman*
Cui Jianhua
William Yau

REMUNERATION COMMITTEE

Cui Jianhua, *Chairman*
Tsui Che Yin Frank
William Yau

NOMINATION COMMITTEE

Cui Jianhua, *Chairman*
Tsui Che Yin Frank
William Yau

COMPANY SECRETARY

Ho Suk Lin

AUDITOR

Grant Thornton Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor
in accordance with the Accounting and
Financial Reporting Council Ordinance

SHARE LISTING

The Company's shares are listed on the Hong Kong Stock Exchange (stock code: 137)

SHARE REGISTRAR

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Financial Highlights

HIGHLIGHTS FOR THE FIRST HALF OF 2025

- Revenue for the period: HK\$620 million
- EBITDA for the period: HK\$381 million
- Net profit for the period: HK\$106 million
- Net profit attributable to shareholders of the Company: HK\$54 million
- Basic earnings per share: HK\$0.102
- Gearing ratio as at 30 June 2025: 18%

Management Discussion and Analysis

The Board is pleased to present the interim report of **Jinhui Holdings Company Limited** (the “Company”) and its subsidiaries (the “Group”) for the six months ended 30 June 2025.

INTERIM RESULTS

The Group’s total revenue increased by 15% for the first half of 2025 to HK\$620,460,000 from HK\$539,284,000 of the corresponding period in 2024. The Group generated a consolidated operating profit before depreciation and amortization amounted to HK\$381,175,000 for the first half of 2025 as compared to consolidated operating profit before depreciation and amortization of HK\$247,630,000 for the corresponding half year in 2024. The Group recorded a consolidated net profit of HK\$106,192,000 for the first half of 2025 whereas a consolidated net profit of HK\$66,900,000 was reported in the first half of 2024. Basic earnings per share for the period was HK\$0.102 as compared to basic earnings per share of HK\$0.053 for the first half of 2024. During the first half of 2025, the Group received a settlement income of HK\$157,738,000 arising from a legal dispute on the non-performance of a charterparty. The average daily time charter equivalent rate for the Group’s fleet slightly declined 3% to US\$13,538 (approximately HK\$106,000) for the first half of 2025 as compared to US\$13,939 (approximately HK\$109,000) for the same period in 2024. The net profit attributable to shareholders of the Company for the six months ended 30 June 2025 was HK\$53,835,000 as compared to a net profit of HK\$28,117,000 was reported for the corresponding period in 2024.

The dry bulk shipping market is a highly volatile market. Market conditions change rapidly due to factors like global economic conditions, supply and demand dynamics, and geopolitical events. During the first half of 2025, the Group entered into agreements to dispose of two aging Supramaxes as part of its ongoing fleet renewal strategy. One vessel was delivered to the purchaser within the reporting period, resulting in a loss on disposal of HK\$19,001,000. The second vessel, delivered in early July 2025, was reclassified as assets held for sale as of the reporting date, with an impairment loss of HK\$14,281,000 on assets held for sale (disposed vessel) recognized during the period. Additionally, an Ultramax acquired at the end of 2024 was delivered to the Group in January 2025. These fleet renewal initiatives contribute to lowering the overall age of our fleet profile, hence strengthening our market competitiveness and long-term sustainability.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2025 (30/6/2024: nil).

Management Discussion and Analysis

BUSINESS REVIEW

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited (“Jinhui Shipping”), an approximately 55.69% direct subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway. The Group’s revenue represents chartering freight and hire income arising from the Group’s owned and chartered-in vessels.

In the first half of 2025, the dry bulk shipping market faced challenges from seasonal slowdown and macroeconomic uncertainty. Freight rates softened amid reduced tonne-mile demand, particularly in key commodities such as coal, iron ore, and grains, followed by the intensive drydocking schedule of our fleet. Baltic Dry Index (“BDI”) commenced at the beginning of the year at 997 points, declining to a period low of 715 points in January. It then rebounded and reached 1,975 points in mid of June, before closing at 1,489 points at the end of June 2025. The average of BDI for the first half of 2025 was 1,290 points, which compares to 1,836 points in the same period in 2024.

Average daily time charter equivalent rates ("TCE")	2025 1st half US\$	2024 1st half US\$	2024 US\$
Capesize fleet	21,203	–	24,298
Panamax fleet	13,795	17,478	15,528
Ultramax / Supramax fleet	12,674	13,560	14,466
In average	13,538	13,939	14,741

The Group recorded a 15% increase in revenue for the first half of 2025, reaching HK\$620,460,000, compared to HK\$539,284,000 in the same period of 2024. Reported average daily TCE of Capesize fleet and Panamax fleet were US\$21,203 (approximately HK\$165,000) and US\$13,795 (approximately HK\$108,000) respectively, while the Ultramax/Supramax fleet recorded US\$12,674 (approximately HK\$99,000). In comparison, during the corresponding first half of 2024, the Panamax fleet recorded US\$17,478 (approximately HK\$136,000) and the Ultramax/Supramax fleet recorded US\$13,560 (approximately HK\$106,000).

Management Discussion and Analysis

During the period, a chartered-in vessel was employed on voyage charters to maximize potential business opportunity, generating freight income of HK\$12,786,000.

The Group generated a consolidated operating profit before depreciation and amortization amounted to HK\$381,175,000 for the current period as compared to consolidated operating profit before depreciation and amortization for the first half of 2024 of HK\$247,630,000. The net profit attributable to shareholders of the Company for the first half of 2025 was HK\$53,835,000, whereas net profit of HK\$28,117,000 was reported for the first half of 2024. Basic earnings per share for the current period was HK\$0.102 as compared to basic earnings per share of HK\$0.053 for the first half of 2024.

Key performance indicators for shipping business	2025 1st half HK\$'000	2024 1st half HK\$'000	2024 HK\$'000
Average daily TCE	106	109	115
Daily vessel running cost	47	40	44
Daily vessel depreciation	25	26	26
	72	66	70
Average utilization rate	98%	98%	98%

Daily vessel running cost of the Group's owned vessels increased from US\$5,115 (approximately HK\$40,000) for the first half of 2024 to US\$6,044 (approximately HK\$47,000) for the first half of 2025 as certain initial running costs and expenses, especially spare parts and consumables stores, were incurred for newly delivered vessels. Daily vessel depreciation decreased from US\$3,321 (approximately HK\$26,000) for the first half of 2024 to US\$3,231 (approximately HK\$25,000) for the first half of 2025. Following the full repayment of vessel mortgage loans in 2024, the Group did not incur any finance costs on the vessel mortgage loans in 2025. Our vessel running costs remain well controlled and we will continue to maintain a highly competitive cost structure when stacked against other market participants. The average fleet utilization rate of the Group's fleet is 98% for the current period.

Management Discussion and Analysis

FLEET OVERVIEW

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Capesize, Panamax, Ultramax and Supramax bulk carriers. To stay competitive in the market, the Group focused on enhancing the quality of our fleet and adjusting our fleet profile, in particular in terms of seeking to lower the overall age profile of our fleet. As at 30 June 2025, the Group operated a fleet of thirty-two vessels, of which twenty-five are owned vessels (including the one which has been disposed of and reclassified under assets held for sale) and seven chartered-in vessels, with total deadweight carrying capacity of approximately 2,347,000 metric tonnes. Among the owned vessels were two that have been arranged under sale and leaseback agreements, both of which became effective in early July 2025. As at 30 June 2025, the carrying amount of the motor vessels and capitalized drydocking costs was HK\$3,022,010,000 (31/12/2024: HK\$3,067,893,000).

	Number of vessels		
	Owned*	Chartered-in	Total
Capesize fleet	2	1	3
Panamax fleet	1	2	3
Ultramax / Supramax fleet	22	4	26
Total number of vessels	25	7	32

* Included two vessels which have been arranged under sale and leaseback agreements, as well as one reclassified as assets held for sale.

During the first half of 2025, the Group was optimizing its fleet through strategic acquisitions, disposals and chartering activities with a view to maintaining high financial flexibility and maximize operational competitiveness at a lower level of capital investment.

Management Discussion and Analysis

Acquisition and disposal of vessels

During the first half of 2025, the Group entered into two agreements for the disposal of two Supramaxes.

On 19 March 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 53,350 metric tonnes, built in year 2007, at a consideration of US\$8,260,000, approximately HK\$64,428,000. The vessel was delivered to the purchaser in May 2025.

On 16 May 2025, the Group entered into an agreement for the disposal of Supramax of deadweight 56,952 metric tonnes, built in year 2008, at a consideration of US\$10,225,000, approximately HK\$79,755,000. The vessel was delivered to the purchaser in July 2025. For financial reporting purposes, the vessel was reclassified to “Assets held for sale” in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” at the reporting date and an impairment loss on assets held for sale (disposed vessel) of HK\$14,281,000 was recognized and included in other operating expenses for the current period.

An Ultramax of deadweight 61,441 metric tonnes, built in year 2017, was acquired at the end of 2024 and delivered to the Group in January 2025.

Subsequent to the reporting date, the Group entered into three agreements for the disposal of three Supramaxes.

On 4 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,927 metric tonnes, built in year 2009, at a consideration of US\$10,800,000, approximately HK\$84,240,000. The vessel was delivered to the purchaser in July 2025.

On 23 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,913 metric tonnes, built in year 2009, at a consideration of US\$11,000,000, approximately HK\$85,800,000. The vessel was delivered to the purchaser in July 2025.

On 6 August 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,887 metric tonnes, built in year 2009, at a consideration of US\$10,500,000, approximately HK\$81,900,000. The vessel will be delivered to the purchaser during the fourth quarter of 2025.

Management Discussion and Analysis

Lease of vessels

The Group endeavoured further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility. As at the reporting date, the Group maintained certain number of time charter engagements, with total deadweight carrying capacity of approximately 619,000 metric tonnes. As at the reporting date, the Group operated five long-term chartered-in vessels, two of them were long-term time charters with remaining lease terms for more than twelve months. The right-of-use assets which are 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 HKFRS 16 Leases. As at 30 June 2025, the carrying amounts of the right-of-use assets and the lease liabilities were HK\$347,875,000 (31/12/2024: HK\$234,168,000) and HK\$371,278,000 (31/12/2024: HK\$252,598,000) respectively.

In the first half of 2025, the Group took delivery of a long term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

Sales and leaseback arrangements

On 30 June 2025, the Group entered into a memorandum and charter agreement with the purchaser for the sale and leaseback arrangement of a vessel, under which the Group agreed to sell the vessel to the purchaser with consideration of CNH79,750,000 (equivalent to approximately HK\$87,406,000), and the purchaser agreed to charter the vessel to the Group. The sale and leaseback arrangement became effective in early July 2025.

On 30 June 2025, the Group entered into a memorandum and charter agreement with the purchaser for the sale and leaseback arrangement of a vessel, under which the Group agreed to sell the vessel to the purchaser with consideration of CNH123,250,000 (equivalent to approximately HK\$135,082,000), and the purchaser agreed to charter the vessel to the Group. The sale and leaseback arrangement became effective in early July 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.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue and operating profit. The Group achieved a revenue from chartering freight and hire of HK\$620,460,000, represents a 15% increase in revenue for the first half of 2025 compared to HK\$539,284,000 for the first half of 2024. Reported average daily TCE for Capesize fleet, Panamax fleet and Ultramax/Supramax fleet of US\$21,203 (approximately HK\$165,000), US\$13,795 (approximately HK\$108,000) and US\$12,674 (approximately HK\$99,000) respectively, and US\$13,538 (approximately HK\$106,000) for the entire fleet in the first half of 2025.

The Group generated a consolidated operating profit before depreciation and amortization amounted to HK\$381,175,000 for the first half of 2025, compared with consolidated operating profit before depreciation and amortization of HK\$247,630,000 recorded in the corresponding period of last year. The net profit attributable to shareholders of the Company for the first half of 2025 was HK\$53,835,000, whereas net profit of HK\$28,117,000 was reported for the first half of 2024. Basic earnings per share for the period was HK\$0.102 as compared to basic earnings per share of HK\$0.053 for the first half of 2024.

Net loss on disposal of owned vessels. During the first half of 2025, the Group entered into an agreement to dispose of a Supramax of deadweight 53,350 metric tonnes at a consideration of US\$8,260,000 (approximately HK\$64,428,000) with a net loss of HK\$19,001,000 which was recognized on completion of the disposal vessel in the period.

Other operating income. Other operating income increased from HK\$79,182,000 for the first half of 2024 to HK\$221,058,000 for the current period mainly due to receipt of settlement income from a legal dispute over the non-performance of a charterparty. Settlement income in amount of HK\$157,738,000 was received in the first half of 2025 while HK\$27,300,000 was received during the first half of 2024. In the first half of 2025, a net gain of HK\$20,206,000 on financial assets at fair value through profit or loss was recognized, which comprised of a realized gain of HK\$3,972,000 upon disposal of certain equity and debt securities and an unrealized fair value gain of HK\$16,234,000 on financial assets at fair value through profit or loss. In contrast, the same period in 2024 recorded a higher net gain of HK\$30,516,000 on financial assets at fair value through profit or loss, comprised of a realized gain of HK\$8,148,000 upon disposal of certain equity and debt securities and an unrealized fair value gain of HK\$22,368,000 on financial assets at fair value through profit or loss. Dividend income derived from financial assets was HK\$6,146,000 for the first half of 2025.

Management Discussion and Analysis

Shipping related expenses. Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. Shipping related expenses increased from HK\$271,619,000 for the first half of 2024 to HK\$347,483,000 for the first half of 2025 primarily driven by bunker-related expenses, arising from fuel consumption during the repositioning of vessels between time charter contracts and bunker usage for voyage charter operations. The expansion of fleet size also resulted in higher shipping operational costs, contributing to the overall increase in shipping related expenses for the current period, particularly in crew costs, spare parts and consumables. The increase in shipping related expenses was partially offset by the reduction in hire payments of chartered-in vessels under short term leases, which fell from HK\$66 million in the first half of 2024 to HK\$52 million in the first half of 2025, due to the expiry of inward time charter agreements during the current period.

The daily vessel running cost of the Group's owned vessels increased to US\$6,044 (approximately HK\$47,000) for the first half of 2025 as compared to US\$5,115 (approximately HK\$40,000) for the first half of 2024 as certain initial running costs and expenses, especially spare parts and consumables stores, were incurred for newly delivered vessels. 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. Other operating expenses decreased from HK\$53,564,000 for the first half of 2024 to HK\$48,724,000 for the current period. This figure included a fair value loss of HK\$11,860,000 on investment properties and recognition of an impairment loss on assets held for sale (disposed vessel) amounting to HK\$14,281,000 for the current period, compared to a fair value loss of HK\$29,230,000 on investment properties for the first half of 2024. Other operating expenses for the first half of 2025 also included professional fee of approximately HK\$1.3 million, directors' fee of approximately HK\$3.3 million, auditor's remuneration related to audit services of approximately HK\$1.1 million and remaining are various office administrative expenses.

Depreciation and amortization. Depreciation and amortization increased from HK\$154,265,000 for the first half of 2024 to HK\$235,383,000 for the first half of 2025. The increase was mainly due to the recognition of HK\$113,814,000 in depreciation on right-of-use assets for long-term chartered-in vessels for the current period whereas HK\$44,366,000 was recorded in last corresponding period. The Group's daily vessel depreciation decreased to US\$3,231 (approximately HK\$25,000) for the first half of 2025 as compared to US\$3,321 (approximately HK\$26,000) for the first half of 2024.

Finance costs. Finance costs increased from HK\$26,465,000 for the first half of 2024 to HK\$39,600,000 for the current period. This increase was primarily driven by the loan drawdown for financing of vessels upon their deliveries from the second half of 2024 through the first half of 2025, as well as interest expenses on lease liabilities, which rose to HK\$13,761,000 compared to HK\$10,275,000 for the corresponding period of last year.

Management Discussion and Analysis

Financial assets at fair value through profit or loss. As at 30 June 2025, the Group's portfolio of investment in financial assets at fair value through profit or loss was HK\$181,913,000 (31/12/2024: HK\$166,692,000), in which HK\$159,524,000 (31/12/2024: HK\$145,616,000) was investment in listed equity securities and HK\$22,389,000 (31/12/2024: HK\$21,076,000) was investment in investment funds. The principal activities of these financial assets at fair value through profit or loss include mainly banking groups that provide money lending and financial services; securities trading and investment; property development and investment; shipping and transportation, provision of value-added services and online advertising services to users in the PRC.

As at 30 June 2025, the fair value of each of these equity securities and investment funds represented less than 5% of the total assets of the Group.

During the first half of 2025, the Group's net gain on financial assets at fair value through profit or loss was HK\$20,206,000 (30/6/2024: HK\$30,516,000), comprised of a realized gain of HK\$3,972,000 (30/6/2024: HK\$8,148,000) upon disposal of certain equity and debt securities during the period, and an unrealized fair value gain of HK\$16,234,000 (30/6/2024: HK\$22,368,000) on financial assets at fair value through profit or loss for the period. The aggregate interest income and dividend income from financial assets was HK\$12,462,000 (30/6/2024: HK\$8,499,000).

Investment properties. As at 30 June 2025, the Group's investment properties were stated at fair value of HK\$261,670,000 (31/12/2024: HK\$273,530,000) 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 and located in Hong Kong.

As at 30 June 2025, the fair value of each of these investment properties represented less than 5% of the total assets of the Group.

During the first half of 2025, the Group recognized gross rental income from operating leases on all investment properties of HK\$2,373,000 and recognized loss on fair value of investment properties amounting to HK\$11,860,000 as at 30 June 2025. The Group's investment properties continue to generate steady and recurring stream of income for the Group and majority of these are office asset located in one of the most sought after central business district of Hong Kong.

Right-of-use assets and lease liabilities. As at the reporting date, the Group operates five long-term chartered-in vessels, two of them were long-term time charters with remaining lease term for more than twelve months. In accordance with HKFRS 16 Leases, the Group recognized 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.

Management Discussion and Analysis

As at 30 June 2025, the carrying amounts of the right-of-use assets and the lease liabilities were HK\$347,875,000 (31/12/2024: HK\$234,168,000) and HK\$371,278,000 (31/12/2024: HK\$252,598,000) respectively.

In the first half of 2025, the Group took delivery of a long term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

During the first half of 2025, the total cash outflow for the lease was HK\$174,593,000 (30/6/2024: HK\$52,848,000).

Unlisted equity investments. In 2018, a subsidiary of the Company 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 (approximately HK\$78,000,000). Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported an estimated loss of US\$627,000, approximately HK\$4,890,000 on the fair value of equity instruments for the first half of 2025, 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 estimated carrying amount of the unlisted equity investments was US\$4,321,000, approximately HK\$33,703,000 (31/12/2024: US\$4,948,000, approximately HK\$38,593,000) whereas the loan receivable arise from Co-investment (note 15), together with the interest accrued thereon was US\$2,865,000, approximately HK\$22,351,000 (31/12/2024: US\$2,459,000, approximately HK\$19,186,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

Loan receivables. As at 30 June 2025, the Group's loan receivables of HK\$12,304,000 (31/12/2024: HK\$12,304,000) arise from Co-investment, are unsecured and denominated in United States Dollars and has no fixed repayment terms. At the reporting date, these 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.

Management Discussion and Analysis

Trade and other payables. As at 30 June 2025, the Group's trade and other payables was HK\$144,306,000 (31/12/2024: HK\$173,361,000), including trade payables of HK\$1,441,000 (31/12/2024: HK\$6,394,000), accrued charges of HK\$43,689,000 (31/12/2024: HK\$37,976,000) and other payables of HK\$99,176,000 (31/12/2024: HK\$128,991,000). Other payables mainly included payables related to vessel running cost and ship operating expenses of HK\$79,916,000 (31/12/2024: HK\$89,905,000), hire receipt in advance of HK\$15,608,000 (31/12/2024: HK\$21,315,000) from charterers, loan interest payables of HK\$478,000 (31/12/2024: HK\$638,000) and accrued employee benefits payables of HK\$1,796,000 (31/12/2024: HK\$15,229,000).

Liquidity, financial resources and capital structure. As at 30 June 2025, the Group maintained positive working capital position of HK\$130,787,000 (31/12/2024: HK\$30,096,000) and had cash and cash equivalents of HK\$200,246,000 (31/12/2024: HK\$189,908,000). Net cash generated from operating activities after working capital changes was HK\$338,065,000 (30/06/2024: HK\$236,521,000), of which HK\$49,798,000 (30/6/2024: HK\$10,987,000) related to changes in working capital.

For the first half of 2025, the Group reported net cash used in investing activities amounted to HK\$210,819,000, compared to HK\$190,796,000 in the corresponding period of 2024. This included a balance payment of HK\$228,256,000 for vessel deliveries and capitalized drydocking expenditures, net cash proceed in amount of HK\$63,055,000 received from the completed disposal of a Supramax, as well as HK\$53,040,000 in installments payment for vessels under construction, which are scheduled for deliveries to the Group in 2026 and 2027 respectively.

Net cash used in financing activities amounted to HK\$116,908,000 in the first half of 2025, compared to net cash used in financing activities of HK\$235,838,000 in the corresponding period of 2024. During the first half of 2025, the Group had drawn new secured bank loans of HK\$117,000,000 (30/6/2024: HK\$179,329,000) upon delivery of vessels and repaid HK\$101,272,000 (30/6/2024: HK\$363,573,000) of bank borrowings. Furthermore, a repayment of HK\$122,602,000 (30/6/2024: HK\$52,848,000) on lease liabilities was incurred.

The Group's total secured bank loans increased from HK\$882,766,000 as at 31 December 2024 to HK\$898,494,000 as at 30 June 2025, of which 19%, 11% and 70% are repayable respectively within one year, in the second year and in the third to fifth 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 2025, the total of the Group's equity and debt securities, bank balances and cash increased to HK\$359,770,000 (31/12/2024: HK\$335,524,000).

Management Discussion and Analysis

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 18% (31/12/2024: 19%) as at 30 June 2025. 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 2025, the Group is able to service its debt obligations, including principal and interest payments.

Pledge of assets. As at 30 June 2025, the Group's property, plant and equipment with an aggregate net book value of HK\$1,768,347,000 (31/12/2024: HK\$1,977,323,000), investment properties with an aggregate carrying amount of HK\$235,410,000 (31/12/2024: HK\$245,670,000), financial assets at fair value through profit or loss of HK\$56,363,000 (31/12/2024: HK\$54,556,000) and deposits of HK\$1,268,000 (31/12/2024: HK\$2,564,000) placed with banks were pledged together with the assignment of fourteen (31/12/2024: fifteen) subsidiaries' income to secure credit facilities utilized by the Group.

Capital expenditures and commitments.

Capital expenditures

During the first half of 2025, the Group reported capital expenditure of HK\$228,256,000, primarily for the balance payment on vessel deliveries and capitalized drydocking costs. Additionally, HK\$53,040,000 was paid as installments for vessels under construction, and HK\$1,132,000 was spent on other property, plant and equipment.

For the last corresponding period, capital expenditure of HK\$255,011,000 was incurred, including HK\$253,874,000 on additions of motor vessels and capitalized drydocking costs and HK\$1,137,000 on other property, plant and equipment.

Capital commitments

In 2024, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each at a consideration of US\$34,000,000, approximately HK\$265,200,000, of deadweight 63,500 metric tonnes, to be delivered in 2026 and 2027 respectively. As at 30 June 2025, installments of US\$6,800,000, approximately HK\$53,040,000 for the vessels under construction were paid, and the capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was approximately US\$61,200,000, approximately HK\$477,360,000 (31/12/2024: US\$68,000,000, approximately HK\$530,400,000).

In 2018, a subsidiary of the Company 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, approximately HK\$78,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital

Management Discussion and Analysis

expenditure commitments contracted by the Group but not provided for was US\$372,000, approximately HK\$2,905,000 (31/12/2024: US\$372,000, approximately HK\$2,905,000).

As at 30 June 2025, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was US\$61,572,000, approximately HK\$480,265,000.

As of 31 December 2024, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$117,080,000, approximately HK\$913,210,000. In addition to the aforementioned commitments, the amount also included right-of-use assets of approximately US\$26,640,000, approximately HK\$207,775,000 for the long term charter of a Capesize, which was delivered in January 2025, as well as a capital expenditure commitment of US\$22,068,000, approximately HK\$172,130,000, for the acquisition of an Ultramax, which was acquired at the end of 2024 and delivered to the Group in January 2025.

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.

SIGNIFICANT LITIGATION UPDATE

Galsworthy Limited (“Galsworthy”), a subsidiary of the Company, was the disponent owners of the vessel “CANTON TRADER” which was later renamed “JIN KANG”. On 17 June 2008, Galsworthy entered into a time charter with Parakou Shipping Pte Limited (“Parakou Shipping”) for a period of approximately five years, with delivery not due until March 2009. On or about 13 March 2009, Parakou Shipping wrongfully refused to take delivery of the vessel and Galsworthy accepted their conduct as a repudiation of the charter, bringing it to an end.

The dispute was the subject of various proceedings, but principally in London arbitration. By Arbitration Awards dated 31 August 2010 and 13 May 2011, the London arbitrators upheld Galsworthy’s claims and awarded damages of approximately US\$41.25 million (approximately HK\$321.75 million) plus interest and costs.

Parakou Shipping went into liquidation in 2011. Galsworthy has submitted a proof of debt in the liquidation in respect of its claim under the arbitration awards. Galsworthy has also been trying inter alia to enforce the arbitration awards against Parakou Shipping and its former directors and obtain compensation for its substantial losses. The outstanding amount is in excess of US\$60 million (approximately HK\$468 million).

In one action Galsworthy has been funding Singapore proceedings commenced by the liquidator of Parakou Shipping against four of Parakou Shipping’s former directors and related corporate entities (the “Defendants”), seeking to claw back assets into Parakou Shipping for distribution amongst the creditors. Judgment was obtained in February 2017 in a sum of SGD17 million against the Defendants, but the Defendants have now appealed the same. The Liquidator cross appealed to increase the judgment amount.

Management Discussion and Analysis

On 17 January 2018, the Singapore Court of Appeal substantially dismissed the Defendants' appeal and found in the Liquidator's favour. Amongst other things, the Singapore Court of Appeal upheld the Liquidator's argument that the London arbitration, and a litigation subsequently filed in the Hong Kong courts seeking indemnity against any liability in the arbitration, were commenced and pursued by the directors in breach of their fiduciary duties. The Court considered that evidence had been disregarded which showed that the directors' key concern was to avoid a statutory clawback period. The Court also agreed that certain asset sales that had taken place in late 2008 were done while Parakou Shipping was insolvent and were not part of a restructuring, as claimed by the former directors of Parakou Shipping. The Court found that a company resolution advanced as evidence of a restructuring plan by the Defendants was in fact an "an afterthought" produced later than its date under "suspicious circumstances". The Liquidator is entitled to seek either damages or an account of profits arising from the relevant breaches.

Legal actions also took place in South Africa over the arrest of the vessel "PRETTY SCENE", as well as in Hong Kong against three of the former directors of Parakou Shipping for unlawful means conspiracy. An injunction order, freezing assets belonging to the directors of Parakou Shipping, was obtained.

This multi jurisdiction legal saga dragged on for an extensive period of time. In April 2024, Galsworthy and Parakou Shipping had reached agreement to settle the Hong Kong legal action for a settlement income of US\$3.5 million (approximately HK\$27.3 million), paving the way to bring the global actions to an end.

The termination of the Hong Kong legal action allowed Galsworthy to formally bring the ongoing legal dispute to an end and effect the application to the Singapore High Court for the receipt of the settlement sum of the Singapore January 2018 judgment. In January 2025, Galsworthy received a sum of SGD27.6 million, a total of approximately HK\$157.7 million, which was recorded as other operating income during the first half of 2025.

EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting date, the Group entered into three agreements for the disposal of three Supramaxes.

On 4 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,927 metric tonnes, built in year 2009, at a consideration of US\$10,800,000, approximately HK\$84,240,000. The vessel was delivered to the purchaser in July 2025.

Management Discussion and Analysis

On 23 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,913 metric tonnes, built in year 2009, at a consideration of US\$11,000,000, approximately HK\$85,800,000. The vessel was delivered to the purchaser in July 2025.

On 6 August 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,887 metric tonnes, built in year 2009, at a consideration of US\$10,500,000, approximately HK\$81,900,000. The vessel will be delivered to the purchaser during the fourth quarter of 2025.

Save as disclosed above, there was no other significant event occurred after the reporting date.

EMPLOYEES AND REMUNERATION POLICY

The Group pursues a policy of gender equality. As at 30 June 2025, the Group had 74 (31/12/2024: 74) full-time employees, of whom 40 (31/12/2024: 41) employees were male and 34 (31/12/2024: 33) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

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.

Management Discussion and Analysis

OUTLOOK

2025 has been characterised by volatility due to uncertainties from all fronts, from financial markets, geopolitics, sanctions, to disruption in trade routes. We expect little change in the months ahead when uncertainties remain and market participants tend to have low risks appetite, in particular appetite for long term commitments.

Supply of new vessels has been increasing due to rise in orders albeit in relatively good balance. It is worth noting that newbuilding deliveries are slowly seeping into the market. We continue to see disconnections between freight rates and vessels values. As part of our strategy to maintain a young fleet, we have further reduced some older vessels to third parties given there is interest in older tonnages in the prevailing market.

As of the date of this report, we have successfully covered 67% of our Capesize and Panamax vessel days for the second half of 2025, with an average rate of US\$22,000 and US\$18,000 per day respectively. For Ultramax/Supramax, 45% of vessel days was covered at average rate of US\$14,000 per day for the second half of 2025.

Looking ahead, should global economic activity regain confidence with less uncertainty, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities.

We will remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that will disrupt our business operations. 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.

By Order of the Board

Ng Siu Fai
Chairman

Hong Kong, 27 August 2025

Disclosure of Interests

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY, ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2025, the interests and short positions of each Director and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO) or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers were as follows:

Long positions

(i) Directors' interests in shares of the Company

Name	Number of shares in the Company held and capacity			Total	Percentage of total issued shares of the Company
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	25,203,000	15,140,000	205,325,568 <i>Note 1</i>	245,668,568	46.33%
Ng Kam Wah Thomas	5,909,000	–	136,883,712 <i>Note 2</i>	142,792,712	26.93%
Ng Ki Hung Frankie	3,000,000	–	–	3,000,000	0.57%
Ho Suk Lin	3,850,000	–	–	3,850,000	0.73%
Cui Jianhua	960,000	–	–	960,000	0.18%
Tsui Che Yin Frank	1,000,000	–	–	1,000,000	0.19%
William Yau	441,000	–	–	441,000	0.08%

Disclosure of Interests

Note 1: Mr. Ng Siu Fai is deemed to be interested in 205,325,568 shares of the Company held by his 51% owned company, Fairline Consultants Limited. Mr. Ng Siu Fai is the director of Fairline Consultants Limited.

Note 2: Mr. Ng Kam Wah Thomas is deemed to be interested in 136,883,712 shares of the Company held by his wholly owned company, Timberfield Limited. Mr. Ng Kam Wah Thomas is the director of Timberfield Limited.

(ii) Directors' interests in associated corporation

Name	Number of shares in Jinhui Shipping held and capacity			Total	Percentage of total issued shares of Jinhui Shipping
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Ng Siu Fai	4,141,830	1,252,990	61,250,339 <i>Note 1</i>	66,645,159	61.00%
Ng Kam Wah Thomas	864,900	–	260,000 <i>Note 2</i>	1,124,900	1.03%

Notes:

- Mr. Ng Siu Fai is deemed to be interested in 61,250,339 shares of Jinhui Shipping through his interests in 51% of the issued capital of Fairline Consultants Limited as Fairline Consultants Limited was the beneficial owner of 409,099 shares of Jinhui Shipping and, through Fairline Consultants Limited's controlling interests in the Company, is also deemed to be interested in 60,841,240 shares of Jinhui Shipping held by the Company.
- Mr. Ng Kam Wah Thomas is deemed to be interested in 260,000 shares of Jinhui Shipping through his wholly owned company, Timberfield Limited.

All the interests stated above represent long positions. No short positions were recorded in the register maintained by the Company under Section 352 of the SFO as at 30 June 2025.

Save as disclosed above, as at 30 June 2025, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its specified undertakings, and associated corporations (within the meaning of Part XV of the SFO) which is required to be recorded and kept in the register in accordance with Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer.

Disclosure of Interests

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, in accordance with the register kept under Section 336 of the SFO, the following persons (other than Directors or chief executives of the Company) had interests representing 5% or more of the issued share capital of the Company:

Long positions

Name of shareholders	Number of shares in the Company held and capacity			Total	Percentage of total issued shares of the Company
	Beneficial owner	Interest of spouse	Interest of controlled corporation		
Wong Yee Man Gloria	15,140,000	230,528,568 <i>Note 1</i>	–	245,668,568	46.33%
Ng Chi Lam Michael	–	–	205,325,568 <i>Note 2</i>	205,325,568	38.72%
Fairline Consultants Limited	205,325,568	–	–	205,325,568	38.72%
Timberfield Limited	136,883,712	–	–	136,883,712	25.81%
Bian Ximing	–	–	29,378,000 <i>Note 3</i>	29,378,000	5.54%
Zhongcai Merchants Investment Group Co., Ltd.	–	–	29,378,000 <i>Note 4</i>	29,378,000	5.54%
Zhongcai (Holdings) Limited	26,949,000	–	–	26,949,000	5.08%

Disclosure of Interests

Notes:

1. Ms. Wong Yee Man Gloria is deemed to be interested in 230,528,568 shares of the Company through the interests of her spouse, Mr. Ng Siu Fai (as disclosed hereinabove).
2. Mr. Ng Chi Lam Michael is deemed to be interested in 205,325,568 shares of the Company through his interests in 49% of the issued capital of Fairline Consultants Limited (as disclosed hereinabove).
3. Mr. Bian Ximing is deemed to be interested in 29,378,000 shares of the Company through his interests in 65.32% of the issued capital of Zhongcai Merchants Investment Group Co., Ltd. (as disclosed in Note 4 below).
4. Zhongcai Merchants Investment Group Co., Ltd. is deemed to be interested in 29,378,000 shares of the Company through its subsidiaries, Zhongcai (Holdings) Limited and Hong Kong Zhongcai Finance Investment Limited, which are the beneficial owners of 26,949,000 shares and 2,429,000 shares of the Company respectively.

Save as disclosed herein, as at 30 June 2025, the Company has not been notified of any person (other than Directors or chief executives of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

Corporate Governance

COMPLIANCE OF THE CODE PROVISIONS

The Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the six months ended 30 June 2025, with deviations as explained in following sections.

CG Code provision B.2.2

Under code provision B.2.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Articles of Association of the Company, all directors of the Company (the “Directors”) other than the Chairman and the Managing Director shall be subject to retirement by rotation at least once every three years and any new directors appointed to fill casual vacancies or as an addition to the Board shall be subject to election by shareholders at the annual general meeting after their appointments.

As the Chairman and the Managing Director are not subject to retirement by rotation in accordance with the Articles of Association of the Company, this constitutes deviation from code provision B.2.2 of the CG Code. The Board is of the view that the leadership of the Chairman and the Managing Director is vital to the Group’s business continuity and stability, and there should be planned and orderly succession for these offices. Since continuation is a key factor to the successful implementation of the Company’s business plans and strategies, any Director holding the office as the Chairman or the Managing Director should therefore be exempted from the retirement by rotation and re-election at the Company’s annual general meeting and the Board believes this arrangement is most beneficial to the Company and its shareholders.

CG Code provision B.2.4

Under code provision B.2.4 of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. The appointment of a new independent non-executive director requirement came into effect for the financial year commencing on or after 1 January 2023.

Corporate Governance

As at 30 June 2025, the Board comprised of three independent non-executive directors, Mr. Cui Jianhua, Mr. Tsui Che Yin Frank and Mr. William Yau, who have served the Company for more than nine years, and their length of tenure are respectively more than thirty-one years, thirty years and twenty years. Under this CG code, the Company should appoint a new independent non-executive director on the Board. The Company is still in the process of identifying suitable candidate to be appointed as a new independent non-executive director of the Company. The Company will use its best endeavours to ensure that suitable candidate is appointed as soon as practicable in order to ensure compliance with this CG Code. Further announcement will be made by the Company as and when appropriate.

CG Code provision C.2.1

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are brothers who act as the Chairman and the Managing Director of the Company respectively. Mr. Ng Siu Fai, in addition to his duties as the Chairman, is also responsible for the strategic planning and overseeing all aspects of the Group's operations. This constitutes deviation from code provision C.2.1 of the CG Code as part of his duties overlap with those of the Managing Director, who is in practice the chief executive.

As one of the founders of the Group, Mr. Ng Siu Fai has extensive experience and knowledge in the core businesses of the Group and his duty for overseeing all aspects of the Group's operations is clearly beneficial to the Group. The Board also considers that this will not impair the balance of power and authority between the Board and the management of the Company as one-third of the Board members are represented by the independent non-executive directors and the Board will meet regularly to consider major matters affecting the operations of the Group and all Directors are properly briefed on the matters arising at the Board meetings with adequate, complete and reliable information received in a timely manner. The current structure also allows flexibility and enhances the efficiency of decision making process in response to the constantly changing competitive environment.

Corporate Governance

As the Chairman's major responsibility is to manage the Board whereas the Managing Director's major responsibility is to manage the Group's businesses, the Board considers that the responsibilities of the Chairman and the Managing Director are clear and distinctive and hence written terms thereof are not necessary. Although the respective responsibilities of the Chairman and the Managing Director are not set out in writing, power and authority are not concentrated in any one individual and all major decisions are made in consultation with members of the Board and appropriate board committees, as well as senior management.

Going forward, the Board will periodically review the effectiveness of this arrangement, the board composition as well as division of responsibilities to enhance best interests of the Company and its shareholders as a whole.

CG Code provision D.2.5

Under code provision D.2.5 of the CG Code, the Group should have an internal audit function. Based on the size and simple operating structure of the Group as well as the existing internal control processes, the Board has decided not to set up an internal audit department for the time being. When necessary, the Audit Committee under the Board would carry out the internal audit function for reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out therein throughout the six months ended 30 June 2025.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors. The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statement for the six months ended 30 June 2025.

Supplementary Information

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2025.

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

		Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
	Note		
Revenue	3	620,460	539,284
Net loss on disposal of owned vessels	4	(19,001)	–
Other operating income	5	221,058	79,182
Interest income	6	6,316	3,942
Shipping related expenses		(347,483)	(271,619)
Staff costs		(51,451)	(49,595)
Other operating expenses	7	(48,724)	(53,564)
Operating profit before depreciation and amortization	8	381,175	247,630
Depreciation and amortization		(235,383)	(154,265)
Operating profit		145,792	93,365
Finance costs		(39,600)	(26,465)
Profit before taxation		106,192	66,900
Taxation	9	–	–
Net profit for the period		106,192	66,900
Other comprehensive 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)		(4,890)	(9,608)
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through OCI (recycling)		(2,100)	–
Total comprehensive income for the period		99,202	57,292

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
<i>Note</i>		
Net profit for the period attributable to:		
Shareholders of the Company	53,835	28,117
Non-controlling interests	52,357	38,783
	106,192	66,900
Total comprehensive income for the period attributable to:		
Shareholders of the Company	49,012	22,766
Non-controlling interests	50,190	34,526
	99,202	57,292
Earnings per share		
Basic and diluted	<i>10</i> HK\$0.102	HK\$0.053

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Note		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		3,144,823	3,140,837
Right-of-use assets	12(a)	347,875	234,168
Investment properties	13	261,670	273,530
Financial assets at fair value through OCI	14	57,261	64,251
Loan receivables	15	12,304	12,304
Deposit paid for the acquisition of owned vessels		–	19,126
Intangible assets		733	755
		3,824,666	3,744,971
Current assets			
Inventories		22,243	21,130
Trade and other receivables	16	134,089	125,612
Financial assets at fair value through profit or loss	17	181,913	166,692
Pledged deposits		1,268	2,564
Bank balances and cash		200,246	189,908
		539,759	505,906
Assets held for sale	18	79,677	–
		619,436	505,906

Condensed Consolidated Statement of Financial Position

As at 30 June 2025

		30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
	Note		
Current liabilities			
Trade and other payables	19	144,306	173,361
Secured bank loans	20	168,102	156,653
Lease liabilities	12(b)	176,241	145,796
		488,649	475,810
Net current assets		130,787	30,096
Total assets less current liabilities		3,955,453	3,775,067
Non-current liabilities			
Secured bank loans	20	730,392	726,113
Lease liabilities	12(b)	195,037	106,802
		925,429	832,915
Net assets		3,030,024	2,942,152
EQUITY			
Equity attributable to shareholders of the Company			
Issued capital		381,639	381,639
Reserves		1,311,802	1,262,790
		1,693,441	1,644,429
Non-controlling interests		1,336,583	1,297,723
Total equity		3,030,024	2,942,152

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to shareholders of the Company						
	Issued capital (Unaudited) HK\$'000	Other asset revaluation reserve (Unaudited) HK\$'000	Reserve for financial assets at fair value through OCI (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	Total equity (Unaudited) HK\$'000
At 1 January 2024	381,639	5,400	5,225	1,203,250	1,595,514	1,222,794	2,818,308
Comprehensive income							
Net profit for the period	–	–	–	28,117	28,117	38,783	66,900
Other comprehensive loss							
Change in fair value of financial assets at fair value through OCI	–	–	(5,351)	–	(5,351)	(4,257)	(9,608)
Total comprehensive income for the period	–	–	(5,351)	28,117	22,766	34,526	57,292
At 30 June 2024	381,639	5,400	(126)	1,231,367	1,618,280	1,257,320	2,875,600

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

	Attributable to shareholders of the Company						Total equity (Unaudited) HK\$'000
	Issued capital (Unaudited) HK\$'000	Other asset revaluation reserve (Unaudited) HK\$'000	Reserve for financial assets at fair value through OCI (Unaudited) HK\$'000	Retained profits (Unaudited) HK\$'000	Subtotal (Unaudited) HK\$'000	Non- controlling interests (Unaudited) HK\$'000	
At 1 January 2025	381,639	5,400	(5,077)	1,262,467	1,644,429	1,297,723	2,942,152
Comprehensive income							
Net profit for the period	–	–	–	53,835	53,835	52,357	106,192
Other comprehensive loss							
Change in fair value of financial assets at fair value through OCI	–	–	(4,823)	–	(4,823)	(2,167)	(6,990)
Total comprehensive income for the period	–	–	(4,823)	53,835	49,012	50,190	99,202
Final dividend paid to non-controlling interests by subsidiaries	–	–	–	–	–	(11,330)	(11,330)
At 30 June 2025	381,639	5,400	(9,900)	1,316,302	1,693,441	1,336,583	3,030,024

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
OPERATING ACTIVITIES		
Cash generated from operations before changes in working capital	413,862	268,327
Increase in working capital	(49,798)	(10,987)
Cash generated from operations	364,064	257,340
Interest paid	(25,999)	(20,819)
Net cash from operating activities	338,065	236,521
INVESTING ACTIVITIES		
Interest received	2,408	2,461
Dividend income received	6,146	4,557
Purchase of property, plant and equipment	(229,388)	(255,011)
Installments paid for vessels under construction	(53,040)	–
Deposit paid for the acquisition of owned vessels	–	(24,141)
Proceeds from disposal of assets held for sale, net	–	81,228
Proceeds from disposal of property, plant and equipment, net	63,055	110
Net cash used in investing activities	(210,819)	(190,796)
FINANCING ACTIVITIES		
New secured bank loans	117,000	179,329
Repayment of secured bank loans	(101,272)	(363,573)
Decrease in pledged deposits	1,296	1,254
Payment of lease liabilities	(108,841)	(46,398)
Interest paid on lease liabilities	(13,761)	(6,450)
Dividend paid to non-controlling interests by subsidiaries	(11,330)	–
Net cash used in financing activities	(116,908)	(235,838)
Net increase (decrease) in cash and cash equivalents	10,338	(190,113)
Cash and cash equivalents at 1 January	189,908	329,449
Cash and cash equivalents at 30 June	200,246	139,336

Notes to the Interim Financial Statements

1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2024 that is included in these condensed consolidated interim financial statements for the six months ended 30 June 2025 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2024 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).
- The Company’s auditor has reported on the financial statements of the Group for the year ended 31 December 2024. The independent auditor’s report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

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 2024, except for the Group has adopted the amended HKFRS Accounting Standards, which are effective for the annual period beginning on 1 January 2025.

The adoption of the amended HKFRS Accounting Standards 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.

Notes to the Interim Financial Statements

2. Segment information

The Group is principally engaged in the business of ship chartering and ship owning and the management has regarded this business as the only dominant reportable operating segment to be reported to the chief operating decision maker. Thus, no analysis of segment revenue, segment results, segment assets and segment liabilities are presented in the condensed consolidated interim financial statements for the six months ended 30 June 2025 and 2024.

While the Group's revenue was mainly attributable to its chartering operations which are carried out internationally and cannot be attributable to any particular geographical location, no analysis of revenue from chartering freight and hire business by geographical area is presented in the condensed consolidated interim financial statements.

The Group's non-current assets mainly consist of property, plant and equipment, right-of-use assets and investment properties. Property, plant and equipment and right-of-use assets mainly comprised of the Group's owned vessels and chartered-in vessel respectively. As the Group's motor vessels are operated across different geographical regions, it is meaningless to identify the specific geographical locations of the motor vessels at the reporting date. The Group's investment properties comprised of premises and car parks and all are located in Hong Kong. While majority of the Group's non-current assets other than financial instruments cannot be attributable to any particular geographical location, no analysis of non-current assets other than financial instruments by geographical area is presented in the condensed consolidated interim financial statements.

Notes to the Interim Financial Statements

3. Revenue

Revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels. Revenue recognized during the periods are as follows:

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
Chartering freight and hire income:		
Hire income under time charters ¹	607,674	539,284
Freight income under voyage charters ²	12,786	–
	620,460	539,284

Notes:

1. Hire income under time charters 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 HK\$125,489,000 (30/6/2024: HK\$104,067,000).
2. Freight income under voyage charters is accrued over the period from the date of loading of charterer's cargo to the date of discharging the cargo and is recognized on percentage of completion basis measured by time proportion of each voyage charter contract.

4. Net loss on disposal of owned vessels

During the first half of 2025, the Group entered into an agreement to dispose of a Supramax of deadweight 53,350 metric tonnes at a consideration of US\$8,260,000 (approximately HK\$64,428,000) with a net loss of HK\$19,001,000 which was recognized on completion of the disposal vessel in the period.

Notes to the Interim Financial Statements

5. Other operating income

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
Net gain on financial assets at fair value through profit or loss	20,206	30,516
Settlement income ¹	157,738	27,300
Other shipping operating income	32,445	13,474
Dividend income	6,146	4,557
Gross rental income from operating leases on investment properties	2,373	3,160
Sundry income	2,150	175
	221,058	79,182

Note:

- The settlement income represents amounts received from legal proceedings involving the subsidiaries of the Company and Parakou Shipping Pte Limited in London and Hong Kong in relation to the non-performance of a charterparty. In 2024, Galsworthy Limited, a subsidiary of the Company, and Parakou Shipping Pte Limited reached a settlement agreement to resolve the legal action. As a result, the Group received settlement income of US\$3.5 million, approximately HK\$27.3 million, in April 2024 and US\$20.2 million, approximately HK\$157.7 million, in January 2025, which have been recognized.

Notes to the Interim Financial Statements

6. Interest income

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
Interest income in respect of:		
Deposits with banks and other financial institutions	3,151	2,557
Loan receivables	3,165	1,244
Financial assets at fair value through profit or loss	–	141
	6,316	3,942

7. Other operating expenses

Other operating expenses for the first half of 2025 mainly included impairment loss on assets held for sale of approximately HK\$14.3 million, change in fair value of investment properties of approximately HK\$11.9 million, professional fee of approximately HK\$1.3 million, directors' fee of approximately HK\$3.3 million, auditor's remuneration related to audit services of approximately HK\$1.1 million and remaining are various office administrative expenses.

Other operating expenses for the first half of 2024 mainly included change in fair value of investment properties of approximately HK\$29.2 million, professional fee of approximately HK\$3.3 million, directors' fee of approximately HK\$3.3 million, auditor's remuneration related to audit services of approximately HK\$1 million and remaining are various office administrative expenses.

Notes to the Interim Financial Statements

8. Operating profit before depreciation and amortization

This is stated after charging / (crediting):

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
Realized gain on financial assets at fair value through profit or loss	(3,972)	(8,148)
Unrealized gain on financial assets at fair value through profit or loss	(16,234)	(22,368)
Net gain on financial assets at fair value through profit or loss	(20,206)	(30,516)
Charter hire payments for time charters ¹	51,970	66,075
Impairment loss on assets held for sale	14,281	–
Change in fair value of investment properties	11,860	29,230
Settlement income	(157,738)	(27,300)
Dividend income	(6,146)	(4,557)

Note:

- Represents short term leases with a term of twelve months or less.

9. Taxation

Hong Kong Profits Tax has not been provided as the Group has no assessable profits for all relevant periods. In the opinion of the Directors, a substantial portion of the Group's income neither arose in nor was derived from Hong Kong and therefore was not subject to Hong Kong Profits Tax. The Group is not subject to taxation in any other jurisdictions in which the Group operates.

Notes to the Interim Financial Statements

10. Earnings per share

Basic and diluted earnings per share were calculated on the net profit attributable to shareholders of the Company of HK\$53,835,000 for the six months ended 30 June 2025 (30/6/2024: HK\$28,117,000) and the weighted average number of 530,289,480 (30/6/2024: 530,289,480) ordinary shares in issue during the period.

Diluted earnings per share for the six months ended 30 June 2025 and 2024 were the same as basic earnings per share as there were no potentially dilutive ordinary shares in existence for the six months ended 30 June 2025 and 2024.

11. Interim dividend

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2025 (30/6/2024: nil).

12. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	234,168	164,541
Additions	216,147	217,469
Lease remeasurement	11,374	(66,506)
Depreciation	(113,814)	(117,145)
Reversal of impairment loss	–	35,809
	347,875	234,168

Notes to the Interim Financial Statements

12. Right-of-use assets and lease liabilities (Continued)

(b) Lease liabilities

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	252,598	227,281
Additions	216,147	217,469
Lease remeasurement	11,374	(66,506)
Interest expense (included in finance costs)	13,761	10,275
Repayments of lease liabilities	(122,602)	(135,921)
	371,278	252,598

The lease liabilities were repayable as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within one year	176,241	145,796
After one year but within two years	114,131	39,219
After two years but within five years	80,906	67,583
	195,037	106,802
	371,278	252,598

Notes to the Interim Financial Statements

12. Right-of-use assets and lease liabilities (Continued)

During the first half of 2025, the total cash outflow for the lease was HK\$174,593,000 (30/6/2024: HK\$52,848,000).

At 30 June 2025, the Group operated five (31/12/2024: four) long-term chartered-in vessels, two (31/12/2024: three) of them were with remaining lease terms of more than twelve months. In the first half of 2025, the Group took delivery of a long term chartered-in Capesize, with deadweight 207,672 metric tonnes, built in year 2017, for a minimum term of thirty-three months.

In accordance with HKFRS 16 Leases, the Group recognized 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.

13. Investment properties

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	273,530	339,680
Change in fair value	(11,860)	(66,150)
	261,670	273,530

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 and located in Hong Kong.

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 HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period / year.

Notes to the Interim Financial Statements

14. Financial assets at fair value through OCI

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Unlisted equity investments		
Co-investment in a property project		
At 1 January	38,593	56,622
Change in fair value ¹	(4,890)	(18,029)
	33,703	38,593
Unlisted club debentures		
At 1 January	22,400	22,600
Change in fair value ²	(2,100)	(200)
	20,300	22,400
Unlisted club membership		
At 1 January	3,258	3,368
Change in fair value ²	–	(110)
	3,258	3,258
	57,261	64,251

Notes:

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

Notes to the Interim Financial Statements

14. Financial assets at fair value through OCI (Continued)

Unlisted equity investments

In 2018, a subsidiary of the Company 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 (approximately HK\$78,000,000). Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported an estimated loss of US\$627,000, approximately HK\$4,890,000 on the fair value of equity instruments for the first half of 2025, 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 estimated carrying amount of the unlisted equity investments was US\$4,321,000, approximately HK\$33,703,000 (31/12/2024: US\$4,948,000, approximately HK\$38,593,000) whereas the loan receivable arise from Co-investment (note 15), together with the interest accrued thereon was HK\$22,351,000 (31/12/2024: HK\$19,186,000). 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 HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period / year.

Unlisted club debentures and Unlisted club membership

The investment in club debentures and club membership are stated at fair values which are 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 HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period / year.

Notes to the Interim Financial Statements

15. Loan receivables

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
At 1 January	12,304	12,304
Provision of individual impairment	—	—
Loan receivables, net of provision	12,304	12,304

A 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 HK\$12,304,000 (31/12/2024: HK\$12,304,000) 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.

Notes to the Interim Financial Statements

16. Trade and other receivables

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade receivables	26,744	8,527
Prepayments	40,985	52,729
Rental and other deposits	793	827
Other receivables	65,567	63,529
	107,345	117,085
	134,089	125,612

The aging analysis of trade receivables (net of impairment loss) based on payment due dates is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within three months	26,301	7,132
Over three months but within six months	31	1,144
Over six months but within twelve months	178	251
Over twelve months	234	—
	26,744	8,527

Management has a credit policy in place for approving the credit limits to charterers and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. Credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount.

The credit terms given to charterers vary from 15 to 60 days according to the types of vessels' employment.

The carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values due to their short term maturities.

Notes to the Interim Financial Statements

17. Financial assets at fair value through profit or loss

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
<i>Held for trading</i>		
Equity securities		
Listed in Hong Kong	104,309	94,682
Listed outside Hong Kong	55,215	50,934
	159,524	145,616
<i>Designated as such upon initial recognition</i>		
Investment funds	22,389	21,076
	181,913	166,692

At the reporting date, the fair value measurements of listed equity 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 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 HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the period / year.

18. Assets held for sale

On 16 May 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,952 metric tonnes, built in year 2008, at a consideration of US\$10,225,000 (approximately HK\$79,755,000). The vessel was delivered to the purchaser in July 2025. For financial reporting purposes, the vessel was reclassified to "Assets held for sale" in accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" at the reporting date, with an impairment loss on assets held for sale (disposed vessel) of HK\$14,281,000 was recognized in the first half of 2025 and was included in other operating expenses for the period.

Notes to the Interim Financial Statements

19. Trade and other payables

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Trade payables	1,441	6,394
Accrued charges	43,689	37,976
Other payables		
Payables related to vessel running cost and ship operating expenses	79,916	89,905
Hire receipt in advance	15,608	21,315
Loan interest payables	478	638
Accrued employee benefits	1,796	15,229
Others	1,378	1,904
	99,176	128,991
	144,306	173,361

The aging analysis of trade payables based on payment due dates is as follows:

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Within three months	161	3,189
Over three months but within six months	392	2,317
Over twelve months	888	888
	1,441	6,394

Notes to the Interim Financial Statements

20. Secured bank loans

	30 June 2025 (Unaudited) HK\$'000	31 December 2024 (Audited) HK\$'000
Secured bank loans	898,494	882,766
Less: Amount repayable within one year	(168,102)	(156,653)
Amount repayable after one year	730,392	726,113

During the six months ended 30 June 2025, the Group had drawn new secured bank loans of HK\$117,000,000 (30/6/2024: HK\$179,329,000) and repaid HK\$101,272,000 (30/6/2024: HK\$363,573,000).

At the reporting date, secured bank loans 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.

21. Capital expenditures and commitments

Capital expenditures

During the first half of 2025, the Group reported capital expenditure of HK\$228,256,000, primarily for the balance payment on vessel deliveries and capitalized drydocking costs. Additionally, HK\$53,040,000 was paid as installments for vessels under construction, and HK\$1,132,000 was spent on other property, plant and equipment.

For the last corresponding period, capital expenditure of HK\$255,011,000 was incurred, including HK\$253,874,000 on additions of motor vessels and capitalized drydocking costs and HK\$1,137,000 on other property, plant and equipment.

Notes to the Interim Financial Statements

21. Capital expenditures and commitments (Continued)

Capital commitments

In 2024, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each at a consideration of US\$34,000,000, approximately HK\$265,200,000, of deadweight 63,500 metric tonnes, to be delivered in 2026 and 2027 respectively. As at 30 June 2025, installments of US\$6,800,000, approximately HK\$53,040,000 for the vessels under construction were paid, and the capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was approximately US\$61,200,000, approximately HK\$477,360,000 (31/12/2024: US\$68,000,000, approximately HK\$530,400,000).

In 2018, a subsidiary of the Company 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, approximately HK\$78,000,000. 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, approximately HK\$2,905,000 (31/12/2024: US\$372,000, approximately HK\$2,905,000).

As at 30 June 2025, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of installments paid, was US\$61,572,000, approximately HK\$480,265,000.

As of 31 December 2024, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$117,080,000, approximately HK\$913,210,000. In addition to the aforementioned commitments, the amount also included right-of-use assets of approximately US\$26,640,000, approximately HK\$207,775,000 for the long term charter of a Capesize, which was delivered in January 2025, as well as a capital expenditure commitment of US\$22,068,000, approximately HK\$172,130,000, for the acquisition of an Ultramax, which was acquired at the end of 2024 and delivered to the Group in January 2025.

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.

Notes to the Interim Financial Statements

22. Related party transactions

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

	Six months ended 30 June 2025 (Unaudited) HK\$'000	Six months ended 30 June 2024 (Unaudited) HK\$'000
Salaries and other benefits	33,405	33,344
Contributions to retirement benefits schemes	1,781	1,781
	35,186	35,125

Other payables included accrued employee benefits payables to directors and senior management of HK\$168,000 (31/12/2024: HK\$11,410,000). There is no other balance or transaction related to connected party or any director and senior management and substantial shareholder of the Group that had not been disclosed under the requirement of Chapter 14 and 14A of the Listing Rules and HKAS 24 (Revised) "Related Party Disclosures".

23. Events after the reporting date

Subsequent to the reporting date, the Group entered into three agreements for the disposal of three Supramaxes.

On 4 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,927 metric tonnes, built in year 2009, at a consideration of US\$10,800,000, approximately HK\$84,240,000. The vessel was delivered to the purchaser in July 2025.

On 23 July 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,913 metric tonnes, built in year 2009, at a consideration of US\$11,000,000, approximately HK\$85,800,000. The vessel was delivered to the purchaser in July 2025.

On 6 August 2025, the Group entered into an agreement for the disposal of a Supramax of deadweight 56,887 metric tonnes, built in year 2009, at a consideration of US\$10,500,000, approximately HK\$81,900,000. The vessel will be delivered to the purchaser during the fourth quarter of 2025.