

# **First Quarter Report 2024**

## **31 March 2024**



**JINHUI SHIPPING  
AND TRANSPORTATION LIMITED**

# HIGHLIGHTS

## For the First Quarter of 2024

- Revenue for the quarter: US\$28 million
- Net profit for the quarter: US\$2 million
- EBITDA: US\$13 million
- Basic earnings per share: US\$0.022
- Gearing ratio as at 31 March 2024: 4%

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 ended 31 March 2024.

## **FIRST QUARTER 2024 RESULTS**

Revenue for the first quarter of 2024 increased 93% to US\$27,894,000, comparing to US\$14,430,000 for the corresponding quarter in 2023. The Company recorded a consolidated net profit of US\$2,405,000 for current quarter as compared to a consolidated net loss of US\$12,752,000 for the corresponding quarter in 2023. Basic earnings per share for the first quarter was US\$0.022 as compared to basic loss per share of US\$0.117 for the same quarter in 2023. The Group was benefited by the positive sentiment on the dry bulk shipping market driven by the increasing tonne-mile demand on commodities, caused by unresolved multiple geo-political issues.

## **INTERIM DIVIDEND**

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2024.

## **REVIEW OF OPERATIONS**

**First Quarter of 2024.** The dry bulk market showed counter-seasonal strength in the first quarter of 2024 as the freight rate momentum carried over from the last quarter of 2023, supported by increase in demand on dry bulk commodities and longer sailing distances. Market freight rates began to regain strength driven by the robust demand for dry bulk commodities, limited supply of vessels coupled with the Red Sea dispute. This further pushed up the rise in market freight rates. Baltic Dry Index (“BDI”) experienced fluctuations during the quarter, it opened at 2,094 points, continued to rise to the highest of the quarter at 2,419 points in March and then closed at 1,821 points by the end of March 2024. The average BDI of the first quarter of 2024 was 1,824 points, which compares to 1,011 points in the same quarter in 2023.

### First Quarter 2024 Statement of Profit or Loss and Other Comprehensive Income

Revenue for the first quarter of 2024 was US\$27,894,000 representing an increase of 93% as compared to US\$14,430,000 for the same quarter in 2023 due to the upsurge of market freight rates as compared with the same quarter in 2023. The Group benefited from the strong rebound of market freight rates and the average daily time charter equivalent rates (“TCE”) earned by the Group’s fleet increased 86% to US\$12,218 for the first quarter of 2024 as compared to US\$6,580 for the corresponding quarter in 2023. The average fleet utilization rate of the Group’s fleet is 98% for the current quarter.

	Q1 2024	Q1 2023	2023
Average daily TCE of the Group's fleet	US\$	US\$	US\$
Panamax fleet	<b>17,081</b>	13,116	13,126
Ultramax / Supramax fleet	<b>11,819</b>	6,301	8,892
In average	<b>12,218</b>	6,580	9,063

Other operating income increased from US\$2,282,000 for the first quarter of 2023 to US\$2,721,000 for the current quarter mainly due to the Group recording a net gain of US\$1,716,000 on financial assets at fair value through profit or loss for the first quarter of 2024 while a net gain of US\$1,286,000 on financial assets at fair value through profit or loss was recorded for the same quarter of 2023.

Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. Shipping related expenses slightly decreased from US\$14,844,000 for the first quarter of 2023 to US\$13,491,000 for the current quarter mainly attributable to the decrease in number of owned vessels for the current quarter and a net loss of US\$102,000 on bunker arising from shipping operations while a net loss of bunker of US\$1,118,000 was reported in the first quarter of 2023. The Group's daily vessel running cost decreased 11% to US\$4,830 for the first quarter of 2024 as compared to US\$5,444 for the first quarter of 2023 as lower crew costs were incurred under cost reduction strategy and crewing manning costs under pandemic were relaxed and back to pre-covid level. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Depreciation and amortization increased from US\$8,958,000 for the first quarter of 2023 to US\$9,046,000 for the first quarter of 2024. The increase was attributable to the recognition of depreciation of US\$2,185,000 on right-of-use assets for two long-term chartered-in vessels for the current quarter whereas US\$1,149,000 for one long-term chartered-in vessel was recorded in last corresponding quarter. Depreciation and amortization for the first quarter 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.

Finance costs was US\$1,495,000 in the first quarter of 2024, a slightly increase from US\$1,347,000 for the first quarter of 2023 due to the rising interest rate environment. Finance costs for the current quarter also included the interest expenses on lease liabilities of US\$395,000 as compared to US\$302,000 for the corresponding quarter in 2023.

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\$736,000 on the fair value of equity instruments for the first quarter 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 the reporting date, the carrying amount of the unlisted equity investments was US\$6,523,000 (31/12/2023: US\$7,259,000) whereas the loan receivable arise from Co-investment, together with the interest accrued thereon was US\$2,218,000 (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.

## First Quarter 2024 Statement of Cash Flows and Statement of Financial Position as at 31 March 2024

As at 31 March 2024, the Company had cash and cash equivalents of US\$23,623,000 (31/12/2023: US\$40,250,000). During the quarter, net cash generated from operating activities after working capital changes was US\$9,996,000 (31/3/2023: net cash used in operating activities after working capital changes was US\$1,915,000). The changes in working capital are mainly attributable to the increase in equity and debt securities. During the quarter, the Group's net gain on financial assets at fair value through profit or loss was US\$1,716,000 (31/3/2023: US\$1,286,000), comprised of a realized gain of US\$495,000 (31/3/2023: US\$699,000) upon disposal of certain equity and debt securities, and an unrealized fair value gain of US\$1,221,000 (31/3/2023: US\$587,000) on financial assets at fair value through profit or loss for the quarter. The aggregate interest income and dividend income from financial assets was US\$315,000 (31/3/2023: US\$237,000).

For the first quarter of 2024, net cash from investing activities was US\$4,213,000 (31/3/2023: net cash used in investing activities was US\$476,000). This included US\$10,414,000 cash proceeds received from the completed disposal of one Supramax, offset by US\$6,207,000 deposit paid for acquisition of two vessels.

During the quarter, the Group had drawn new secured bank loans of US\$42,000 (31/3/2023: US\$6,500,000) and repaid US\$28,709,000 (31/3/2023: US\$9,967,000). The Group's total secured bank loans decreased from US\$88,167,000 as at 31 December 2023 to US\$59,500,000 as at 31 March 2024, of which 16% and 84% 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 and United States Dollars. All bank borrowings were committed on floating rate basis.

As at 31 March 2024, the Group maintained positive working capital position of US\$33,426,000 (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\$47,074,000 (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 4% (31/12/2023: 7%) as at 31 March 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 31 March 2024, the Group is able to service its debt obligations, including principal and interest payments.

## Capital Expenditures and Commitments

During the first quarter of 2024, the Group incurred capital expenditure of US\$233,000 on improvement to motor vessels and US\$5,000 on other property, plant and equipment. For the last corresponding quarter, capital expenditure of US\$667,000 was incurred, including US\$664,000 on capitalized dry-dockings and improvement to motor vessels and US\$3,000 on other property, plant and equipment.

During the quarter, 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 will be delivered to the Group during the third quarter of 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$27,855,000 (31/12/2023: nil).

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 mid-May 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$28,010,000 (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 was US\$56,237,000 (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.

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.

## 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, in particularly in terms of seeking to lower the overall age profile of our fleet. As at 31 March 2024, the Group operates twenty-two owned vessels and six chartered-in vessels, with total carrying capacity of 1,685,072 metric tons. The carrying amount of the motor vessels and capitalized drydocking costs was US\$318,558,000 (31/12/2023: US\$324,947,000).

	Number of vessels		Total
	Owned	Chartered-in	
Panamax fleet	-	2	2
Ultramax / Supramax fleet	22	4	26
<b>Total fleet</b>	<b>22</b>	<b>6</b>	<b>28</b>

During the quarter, the Group entered into agreements to acquire, dispose 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 quarter, 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 will be delivered to the Group during the third quarter of 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 mid-May 2024.

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 quarter.

### Lease of vessels

To further enhance and improve our fleet profile, as at the reporting date, the Group operates six chartered-in vessels, in which, two of them are long-term time charters 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.

As at 31 March 2024, the carrying amounts of the right-of-use assets and the lease liabilities were US\$26,896,000 (31/12/2023: US\$21,095,000) and US\$35,014,000 (31/12/2023: US\$29,139,000) respectively.

Subsequent to the reporting date, the Group has entered into two long-term inward time charters for two Ultramax, both were delivered to the Group as of date of this report. In addition, the Group has entered into a long-term time charter for a Capesize scheduled to be delivered in the first quarter of 2025. Accordingly, the Group will recognize the unaudited value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of those three vessels upon their deliveries to the Group. The unaudited value of the right-of-use assets is estimated to be approximately US\$45.69 million, which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties in accordance with IFRS 16 and HKFRS 16 Leases.

## **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

2024 has been a relatively good start, with steady demand in dry seaborne trade, we expect the freight market to remain robust given the positive tonne mile effect due to trade route disruptions caused by geopolitical tensions and conflicts.

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 the supply of new vessels remaining low and long waiting time. This has provided very strong support to vessels second hand values.

Looking ahead, should global economic recovery gain pace at a rate that is beyond market expectations, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities 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 currently have no newbuilding contracts, and likely to focus on suitable second-hand tonnages or charter-in opportunities in terms of capacity growth. 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](http://www.jinhuiship.com) and the NewsWeb of the Oslo Stock Exchange at [www.newsweb.no](http://www.newsweb.no).

By Order of the Board



**Ng Siu Fai**  
*Chairman*

31 May 2024

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		3 months ended 31/3/2024	3 months ended 31/3/2023	Year ended 31/12/2023
		(Unaudited)	(Unaudited)	(Audited)
	Note	US\$'000	US\$'000	US\$'000
<b>Revenue</b>	2	27,894	14,430	81,868
Net loss on disposal of owned vessels		-	-	(880)
Other operating income	3	2,721	2,282	7,643
Interest income	4	259	193	819
Impairment loss on owned vessels and right-of-use assets		-	-	(19,704)
Shipping related expenses		(13,491)	(14,844)	(58,490)
Staff costs		(3,075)	(3,019)	(13,336)
Other operating expenses		(1,362)	(1,489)	(9,748)
<b>Operating profit (loss) before depreciation and amortization</b>		<b>12,946</b>	<b>(2,447)</b>	<b>(11,828)</b>
Depreciation and amortization		(9,046)	(8,958)	(36,994)
<b>Operating profit (loss)</b>		<b>3,900</b>	<b>(11,405)</b>	<b>(48,822)</b>
Finance costs		(1,495)	(1,347)	(6,234)
<b>Profit (Loss) before taxation</b>		<b>2,405</b>	<b>(12,752)</b>	<b>(55,056)</b>
Taxation	6	-	-	1
<b>Net profit (loss) for the period / year</b>		<b>2,405</b>	<b>(12,752)</b>	<b>(55,055)</b>
<b>Other comprehensive income (loss)</b>				
<b>Items that will not be reclassified to profit or loss:</b>				
Change in fair value of financial assets at fair value through OCI (non-recycling)		(736)	-	(2,137)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties (non-recycling)		-	-	367
<b>Items that may be reclassified subsequently to profit or loss:</b>				
Change in fair value of financial assets at fair value through OCI (recycling)		-	-	(12)
<b>Total comprehensive income (loss) for the period / year attributable to shareholders of the Company</b>		<b>1,669</b>	<b>(12,752)</b>	<b>(56,837)</b>
<b>Earnings (Loss) per share</b>	7			
- Basic and diluted		US\$0.022	US\$(0.117)	US\$(0.504)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31/3/2024	31/3/2023	31/12/2023
		(Unaudited)	(Unaudited)	(Audited)
	Note	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		326,790	377,519	333,413
Right-of-use assets	9(a)	26,896	27,629	21,095
Investment properties	10	25,259	27,210	25,259
Financial assets at fair value through OCI	11	6,955	9,840	7,691
Loan receivables	12	1,577	-	1,577
Deposit paid for the acquisition of owned vessels		6,207	-	-
		<b>393,684</b>	<b>442,198</b>	<b>389,035</b>
<b>Current assets</b>				
Inventories		2,620	2,034	1,383
Loan receivables	12	-	1,577	-
Trade and other receivables		14,821	22,054	18,089
Financial assets at fair value through profit or loss	13	25,250	24,971	24,094
Pledged deposits		22	341	359
Bank balances and cash		23,623	26,490	40,250
		<b>66,336</b>	<b>77,467</b>	<b>84,175</b>
Assets held for sale		-	-	10,423
		<b>66,336</b>	<b>77,467</b>	<b>94,598</b>
<b>Total assets</b>		<b>460,020</b>	<b>519,665</b>	<b>483,633</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
	Note			
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Issued capital		5,463	5,463	5,463
Reserves		346,136	392,922	344,467
<b>Total equity</b>		<b>351,599</b>	<b>398,385</b>	<b>349,930</b>
<b>Non-current liabilities</b>				
Secured bank loans	14	50,156	44,823	55,670
Lease liabilities	9(b)	25,355	24,084	24,078
		<b>75,511</b>	<b>68,907</b>	<b>79,748</b>
<b>Current liabilities</b>				
Trade and other payables		13,777	13,438	16,221
Amount due to holding company		130	159	176
Secured bank loans	14	9,344	34,548	32,497
Lease liabilities	9(b)	9,659	4,228	5,061
		<b>32,910</b>	<b>52,373</b>	<b>53,955</b>
<b>Total equity and liabilities</b>		<b>460,020</b>	<b>519,665</b>	<b>483,633</b>

## 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
<b>Comprehensive loss</b>								
Net loss for the period	-	-	-	-	-	-	(12,752)	(12,752)
<b>Total comprehensive loss for the period</b>	-	-	-	-	-	-	(12,752)	(12,752)
At 31 March 2023	5,463	95,585	719	16,297	476	(145)	279,990	398,385
At 1 January 2024	5,463	95,585	719	16,297	843	(2,294)	233,317	349,930
<b>Comprehensive income</b>								
Net profit for the period	-	-	-	-	-	-	2,405	2,405
<b>Other comprehensive loss</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(736)	-	(736)
<b>Total comprehensive income (loss) for the period</b>	-	-	-	-	-	(736)	2,405	1,669
At 31 March 2024	5,463	95,585	719	16,297	843	(3,030)	235,722	351,599

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from (used in) operations before changes in working capital	12,640	(2,684)	9,117
Decrease (Increase) in working capital	(1,461)	1,865	11,494
Cash generated from (used in) operations	11,179	(819)	20,611
Interest paid	(1,183)	(1,096)	(4,817)
Hong Kong Profits Tax refunded	-	-	150
<b>Net cash from (used in) operating activities</b>	<b>9,996</b>	<b>(1,915)</b>	<b>15,944</b>
<b>INVESTING ACTIVITIES</b>			
Interest received	188	147	518
Dividend income received	56	44	1,171
Purchase of property, plant and equipment	(238)	(667)	(24,333)
Deposit paid for the acquisition of owned vessels	(6,207)	-	-
Proceeds from disposal of assets held for sale, net	10,414	-	-
Proceeds from disposal of property, plant and equipment, net	-	-	17,432
<b>Net cash from (used in) investing activities</b>	<b>4,213</b>	<b>(476)</b>	<b>(5,212)</b>
<b>FINANCING ACTIVITIES</b>			
New secured bank loans	42	6,500	57,696
Repayment of secured bank loans	(28,709)	(9,967)	(52,367)
Decrease in pledged deposits	337	103	85
Payment of lease liabilities	(2,111)	(806)	(3,455)
Interest paid on lease liabilities	(395)	(302)	(1,424)
Dividends paid to shareholders of the Company	-	-	(4,370)
<b>Net cash used in financing activities</b>	<b>(30,836)</b>	<b>(4,472)</b>	<b>(3,835)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(16,627)</b>	<b>(6,863)</b>	<b>6,897</b>
<b>Cash and cash equivalents at beginning of the period / year</b>	<b>40,250</b>	<b>33,353</b>	<b>33,353</b>
<b>Cash and cash equivalents at end of the period / year</b>	<b>23,623</b>	<b>26,490</b>	<b>40,250</b>

## 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 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Chartering freight and hire income:			
Hire income under time charters <sup>1</sup>	27,894	14,430	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\$6,654,000 (31/3/2023: US\$8,107,000).

### 3. Other operating income

	3 months ended 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Other shipping operating income	745	751	4,350
Net gain on financial assets at fair value through profit or loss	1,716	1,286	-
Dividend income	56	44	1,171
Gross rental income from operating leases on investment properties	141	142	569
Sundry income	63	59	279
Reversal of impairment loss on trade and other receivables, net	-	-	1,274
	<b>2,721</b>	<b>2,282</b>	<b>7,643</b>

### 4. Interest income

	3 months ended 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Interest income in respect of:			
Deposits with banks and other financial institutions	170	113	470
Loan receivables	80	69	310
Financial assets at fair value through profit or loss	9	11	39
	<b>259</b>	<b>193</b>	<b>819</b>



## 5. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Realized gain on financial assets at fair value through profit or loss	(495)	(699)	(701)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(1,221)	(587)	1,528
Net loss (gain) on financial assets at fair value through profit or loss	(1,716)	(1,286)	827
Impairment loss on owned vessels and right-of-use assets	-	-	19,704
Impairment loss on assets held for sale	-	-	1,288
Change in fair value of investment properties	-	-	2,334
Net loss on disposal of owned vessels	-	-	880
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 charged / (credited) to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	3 months ended 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (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 31/3/2024 (Unaudited)	3 months ended 31/3/2023 (Unaudited)	Year ended 31/12/2023 (Audited)
Weighted average number of ordinary shares in issue	109,258,943	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US\$'000)	2,405	(12,752)	(55,055)
Basic and diluted earnings (loss) per share	US\$0.022	US\$(0.117)	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 31 March 2024 (31/3/2023: nil).

## 9. Right-of-use assets and lease liabilities

### (a) Right-of-use assets

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	21,095	28,997	28,997
Additions	8,616	-	-
Lease remeasurement	(630)	(219)	3,257
Depreciation	(2,185)	(1,149)	(5,466)
Impairment loss	-	-	(5,693)
	26,896	27,629	21,095

### (b) Lease liabilities

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	29,139	29,337	29,337
Additions	8,616	-	-
Lease remeasurement	(630)	(219)	3,257
Interest expense (included in finance costs)	395	302	1,424
Repayments of lease liabilities	(2,506)	(1,108)	(4,879)
	35,014	28,312	29,139

The lease liabilities were repayable as follows:

	<b>31/3/2024</b>	31/3/2023	31/12/2023
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Within one year	<b>9,659</b>	4,228	5,061
After one year but within two years	<b>8,207</b>	4,404	5,272
After two years but within five years	<b>17,148</b>	14,437	17,284
After five years	<b>-</b>	5,243	1,522
	<b>25,355</b>	24,084	24,078
	<b>35,014</b>	28,312	29,139

As at the reporting date, the Group operates six chartered-in vessels, in which, two of them are long-term time charters 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 were mainly attributable to a charterparty entered into with a third party 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.

During the quarter, the total cash outflow for the lease was US\$2,506,000 (31/3/2023: US\$1,108,000).

## 10. Investment properties

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (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	-	-	(2,334)
	<b>25,259</b>	<b>27,210</b>	<b>25,259</b>

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.

The investment properties of the Group were not revalued at 31 March 2024 by independent valuers. The management was aware of the possible change in the conditions of the property market and considered that the carrying amount of the Group's investment properties did not differ significantly from that which had been determined using fair values at 31 December 2023. Consequently, no change in fair value of investment properties has been recognized in the current period.

## 11. Financial assets at fair value through OCI

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (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 <sup>1</sup>	(736)	-	(2,137)
	<b>6,523</b>	9,396	7,259
Unlisted club membership			
At 1 January	432	444	444
Change in fair value <sup>2</sup>	-	-	(12)
	<b>432</b>	444	432
	<b>6,955</b>	9,840	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\$736,000 on the fair value of equity instruments for the first quarter 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\$6,523,000 (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\$2,218,000 (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**

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	1,577	1,342	1,342
Gross new loan originated	-	235	235
Repayment	-	-	-
Provision of individual impairment	-	-	-
Loan receivables, net of provision	1,577	1,577	1,577
Less: Amount receivable within one year	-	(1,577)	-
Amount receivable after one year	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

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
<i>Held for trading</i>			
Listed equity securities	22,560	22,528	21,491
Listed debt securities	593	557	577
Unlisted debt securities	298	287	295
	<b>23,451</b>	23,372	22,363
<i>Designated as such upon initial recognition</i>			
Investment funds	1,799	1,599	1,731
	<b>25,250</b>	24,971	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:

	31/3/2024 (Unaudited) US\$'000	31/3/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Within one year	9,344	34,548	32,497
In the second year	50,156	14,912	55,670
In the third to fifth year	-	29,911	-
Total secured bank loans	<b>59,500</b>	79,371	88,167
Less: Amount repayable within one year	<b>(9,344)</b>	(34,548)	(32,497)
Amount repayable after one year	<b>50,156</b>	44,823	55,670

During the quarter, the Group had drawn new secured bank loans of US\$42,000 (31/3/2023: US\$6,500,000) and repaid US\$28,709,000 (31/3/2023: US\$9,967,000).

## 15. Capital expenditures and commitments

During the first quarter of 2024, the Group incurred capital expenditure of US\$233,000 on improvement to motor vessels and US\$5,000 on other property, plant and equipment. For the last corresponding quarter, capital expenditure of US\$667,000 was incurred, including US\$664,000 on capitalized dry-dockings and improvement to motor vessels and US\$3,000 on other property, plant and equipment.

During the quarter, 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 will be delivered to the Group during the third quarter of 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$27,855,000 (31/12/2023: nil).

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 mid-May 2024. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$28,010,000 (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 was US\$56,237,000 (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 31/3/2024 (Unaudited) US\$'000	3 months ended 31/3/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Salaries and other benefits	1,958	1,965	8,692
Contributions to retirement benefits schemes	111	111	446
	<b>2,069</b>	<b>2,076</b>	<b>9,138</b>



## 17. Events after the reporting date

Subsequent to the reporting date, the Group entered into a charterparty with a third party in respect of leasing of a Ultramax of deadweight 61,452 metric tons, built in year 2016 for a term of minimum twenty-two months commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group as at date of this report.

In addition, the Group entered into a charterparty with a third party 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 is expected to be delivered to the Group between 1 January 2025 to 31 March 2025.

Furthermore, the Group entered into a charterparty with a third party in respect of leasing of a Ultramax of deadweight 61,473 metric tons, built in year 2016 for a term of minimum twenty months commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group as at date of this report.

Accordingly, in accordance with IFRS 16 and HKFRS 16 Leases, the Group will recognize the unaudited value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of those three vessels upon their delivery to the Group. The unaudited value of the right-of-use assets is estimated to be approximately US\$45.69 million, which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties in accordance with IFRS 16 and HKFRS 16 Leases.



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