

# **Third Quarter and Nine Months Report 2024**



**JINHUI SHIPPING  
AND TRANSPORTATION LIMITED**

# HIGHLIGHTS

## **For the Third Quarter of 2024**

- Revenue for the quarter: US\$46 million
- EBITDA for the quarter: US\$22 million
- Net profit for the quarter: US\$8 million
- Basic earnings per share: US\$0.070

## **For the Nine Months Ended 30 September 2024**

- Revenue for the period: US\$115 million
- EBITDA for the period: US\$55 million
- Net profit for the period: US\$19 million
- Basic earnings per share: US\$0.172
- Gearing ratio as at 30 September 2024: 12%

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

### **THIRD QUARTER AND NINE-MONTH 2024 RESULTS**

Given the rebound of market freight rates driven by robust demand for dry bulk commodities, limited supply of vessels and the increase in number of owned and chartered-in vessels, the Group recorded a significant increase in the chartering freight and hire revenue for the first nine months of 2024 as compared to the depressed freight market upon the weak dry bulk shipping market sentiment for the first nine months of 2023. Market freight rates have recovered from the low level as seen in the beginning of the year despite the simultaneous occurrence of multiple geo-political issues that affected business sentiment.

The Group reported a revenue for the third quarter of 2024 of US\$45,585,000, representing an increase of 127% as compared to US\$20,038,000 for the corresponding quarter in 2023. The Company recorded a consolidated net profit of US\$7,595,000 for the current quarter as compared to a consolidated net loss of US\$8,079,000 for the corresponding quarter in 2023. The consolidated net loss for last corresponding quarter in 2023 was attributable to the exposure to declining freight rates at such unexpected weak dry shipping market and the impairment loss on assets held for sale of US\$1,897,000 recognized upon reclassification of one Supramax for which the Group entered into a disposal agreement.

Basic earnings per share for the third quarter was US\$0.070 as compared to basic loss per share of US\$0.074 for the same quarter in 2023. The average daily time charter equivalent rates earned by the Group’s fleet increased 74% to US\$15,290 for the third quarter of 2024 as compared to US\$8,796 for the corresponding quarter in 2023.

Revenue for the first nine months of 2024 reached US\$114,724,000, which is a significant increase compared to US\$57,265,000 during the same period in 2023. This represents a doubling of revenue year-over-year. The Company recorded a consolidated net profit of US\$18,816,000 for the first nine months of 2024 whereas a consolidated net loss of US\$27,340,000 was reported in the first nine months of 2023. Basic earnings per share for the period was US\$0.172 as compared to basic loss per share of US\$0.250 for the first nine months of 2023. The average daily time charter equivalent rate for the fleet improved 70% to US\$14,446 for the first nine months of 2024 as compared to US\$8,520 for the same period in 2023.

### **INTERIM DIVIDEND**

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

## REVIEW OF OPERATIONS

**Third Quarter of 2024.** In the third quarter of 2024, the momentum in dry bulk shipping market remained positive as limited newbuilding deliveries and increasing tonnage scrapping activities had kept the fleet growth at a reasonable level. During the quarter, the Baltic Dry Index (“BDI”) opened at 2,050 points at the beginning of July. It rose to a peak of 2,179 points in early July and closed at 2,084 points by the end of September 2024. The average of BDI for the third quarter of 2024 was 1,871 points, which compares to 1,194 points in the same quarter in 2023.

### Third Quarter 2024 Statement of Profit or Loss

Revenue for the third quarter of 2024 was US\$45,585,000, representing an increase of 127% as compared to US\$20,038,000 for the third quarter in 2023. The Company generated a consolidated operating profit before depreciation and amortization amounted to US\$21,642,000 for the current quarter as compared to US\$4,025,000 for the last corresponding quarter.

As of 30 September 2024, the Group operated twenty-four owned vessels and nine chartered-in vessels as compared to twenty-four owned vessels and one chartered-in vessel for the same period of last year. During the quarter, a Capesize vessel which has been contracted to acquire in February 2024 was delivered to the Group.

In the third quarter of 2024, our Panamax fleet achieved an average daily time charter equivalent rate (“TCE”) of US\$14,555, while the Ultramax/Supramax fleet recorded US\$15,228. In comparison, during the same quarter of 2023, the Panamax fleet recorded US\$15,104 and the Ultramax/Supramax fleet recorded US\$8,531.

	2024 Q3	2023 Q3	2024 1st nine months	2023 1st nine months	2023
Average daily TCE of the Group’s fleet	US\$	US\$	US\$	US\$	US\$
Capesize fleet	<b>23,788</b>	-	<b>23,788</b>	-	-
Panamax fleet	<b>14,555</b>	15,104	<b>16,254</b>	10,987	13,126
Ultramax / Supramax fleet	<b>15,228</b>	8,531	<b>14,170</b>	8,416	8,892
In average	<b>15,290</b>	8,796	<b>14,446</b>	8,520	9,063

Other operating income increased from US\$2,502,000 from the third quarter of 2023 to US\$4,444,000 for the current quarter mainly due to the Group recording a net gain of US\$2,140,000 on financial assets at fair value through profit or loss for the third quarter of 2024 while a net loss of US\$130,000 on financial assets at fair value through profit or loss was recorded and included in other operating expenses for the same quarter of 2023.

Shipping related expenses rose from US\$12,572,000 for the third quarter of 2023 to US\$24,147,000 for the current quarter mainly attributable to the rise in hire payments upon the increase in number of chartered-in vessels. Throughout the nine-month period, the Group engaged in certain inward time charters engagements, resulting in approximately US\$8 million in hire payments for these short-term leases during the third quarter of 2024.

The daily vessel running cost of the Group's owned vessels slightly increased to US\$5,302 for the third quarter of 2024 as compared to US\$5,181 for the third quarter of 2023 as certain initial running costs and expenses 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 decreased 62% from US\$3,163,000 for the third quarter of 2023 to US\$1,209,000 for the current quarter. This decrease was mainly due to the recognition of an impairment loss on assets held for sale (disposed vessel), which amounted to US\$1,897,000 in the same period of last year.

Depreciation and amortization of the Group increased from US\$10,300,000 for the third quarter of 2023 to US\$12,473,000 for the third quarter of 2024. The increase was attributable to the recognition of depreciation of US\$4,753,000 on right-of-use assets for long-term chartered-in vessels for the current quarter whereas US\$2,124,000 was recorded in last corresponding quarter. The Group's daily vessel depreciation decreased to US\$3,467 for the current quarter as compared to US\$3,596 for the corresponding quarter in 2023. This reduction is attributed to lower carrying amounts of owned vessels following the recognition of an impairment loss on these vessels at the end of 2023.

Finance costs decreased from US\$1,804,000 for the third quarter of 2023 to US\$1,574,000 in the third quarter of 2024. The reduction was due to a decreased recognition of interest expenses on lease liabilities, which amounted to US\$299,000 during the quarter as compared to US\$568,000 for last corresponding period.

#### First Nine Months of 2024 Statement of Cash Flows and Statement of Financial Position as at 30 September 2024

During the first nine months of 2024, upon financing of delivery of two vessels, the Group maintained positive working capital position and had cash and cash equivalents of US\$22,460,000 (31/12/2023: US\$40,250,000). Net cash generated from operating activities after working capital changes was US\$56,791,000 (30/9/2023: US\$6,122,000), of which US\$4,844,000 (30/9/2023: US\$4,481,000) related to changes in working capital.

For the first nine months of 2024, net cash used in investing activities was US\$61,228,000 (30/9/2023: US\$4,253,000). This included US\$10,414,000 cash proceeds received from the completed disposal of one Supramax, US\$68,188,000 on acquisition of two motor vessels and dry-docking expenditure and US\$4,800,000 on deposit paid for acquisition of a Capesize which will be delivered to the Group during the fourth quarter of 2024.

During the first nine months of 2024, the Group had drawn new secured bank loans of US\$50,876,000 (30/9/2023: US\$30,474,000) and repaid US\$51,975,000 (30/9/2023: US\$28,220,000). The Group's total secured bank loans decreased from US\$88,167,000 as at 31 December 2023 to US\$87,068,000 as at 30 September 2024, of which 19%, 8% and 73% 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 September 2024, the total of the Group's equity and debt securities, bank balances and cash decreased to US\$43,019,000 (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 12% (31/12/2023: 7%) as at 30 September 2024. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 30 September 2024, the Group is able to service its debt obligations, including principal and interest payments.

### Capital Expenditures and Commitments

#### Capital Expenditures

During the first nine months of 2024, the Group incurred capital expenditure of US\$67,925,000 on additions of motor vessels and capitalized drydockings and US\$263,000 on other property, plant and equipment. For the first nine months of 2023, capital expenditure of US\$3,666,000 was incurred, including US\$3,564,000 on capitalized dry-dockings and improvements to motor vessels and US\$102,000 on other property, plant and equipment.

#### Capital Commitments

During the first nine months ended 30 September 2024, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000 (31/12/2023: nil).

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

During the current quarter, the Group entered into an agreement in respect of the acquisition of a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US\$24,000,000, to be delivered to the Group in the fourth quarter of 2024. As at the reporting date, a deposit of US\$4,800,000 for the vessel was paid, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$19,200,000 (31/12/2023: nil).

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

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$114,212,000 (31/12/2023: US\$372,000). Save as disclosed above, there was no other significant capital expenditure commitments contracted by the Group but not provided for as at the reporting date.

## FLEET OVERVIEW

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising 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 particularly in terms of seeking to lower the overall age profile of our fleet. As at 30 September 2024, the Group operates twenty-four owned vessels and nine chartered-in vessels, with total carrying capacity of approximately 2,152,000 metric tons. As at 30 September 2024, the carrying amount of the motor vessels and capitalized drydocking costs was US\$371,911,000 (31/12/2023: US\$324,947,000).

	Number of vessels		Total
	Owned	Chartered-in	
Capesize fleet	1	-	1
Panamax fleet	1	3	4
Ultramax / Supramax fleet	22	6	28
<b>Total number of vessels</b>	<b>24</b>	<b>9</b>	<b>33</b>

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

### Acquisition and Disposal of Vessels

During the first nine months of 2024, the Group concluded to acquire three second-hand vessels and committed to acquire two newbuildings with independent third parties.

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 which was delivered to the Group in August 2024. In addition, the Group entered into an agreement for the acquisition of a Panamax of deadweight 81,567 metric tons, built in year 2019, at a purchase price of US\$31,122,000 and the Panamax was delivered to the Group in May 2024. The Group also contracted to acquire a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US\$24,000,000. The vessel will be delivered to the Group in the fourth quarter of 2024. This marks a significant step for the Group, as it has not acquired vessels for the transportation of dry bulk commodities with larger capacities for many years.

During the first nine months of 2024, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. The acquisition of two newbuildings is consistent with the Group's ongoing strategy to renew the fleet with modern, larger and high-quality vessels, by gradually phasing out its older vessels and replacing them with newer and younger vessels. In addition, the two newbuildings are more fuel-efficient and of higher operational efficiency than the other bulk carriers of the Group currently in operation, which meets the latest environmental regulations and prevailing specification requirements in the shipping industry.

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

### Lease of Vessels

To further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility, the Group entered into certain inward time charters engagements during the nine months of 2024 with total carrying capacity of approximately 705,000 metric tons. As at the reporting date, the Group operates nine chartered-in vessels, in which, four of them are long-term time charters in respect of lease term for more than twelve months. The unaudited value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was recognized in the consolidated statement of financial position upon their deliveries of the vessels in accordance with IFRS 16 and HKFRS 16 Leases. As at 30 September 2024, the carrying amounts of the right-of-use assets and the lease liabilities were US\$32,819,000 (31/12/2023: US\$21,095,000) and US\$40,204,000 (31/12/2023: US\$29,139,000) respectively.

During the first nine months of 2024, the Group entered into three long-term inward time charters with independent third parties.

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

The Group took delivery of another Ultramax in May 2024 under a long-term inward time charter for a minimum term of twenty months. The vessel was built in year 2016 with deadweight 61,473 metric tons.

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

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



## **RISK FACTORS**

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

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

## **OUTLOOK**

With 2024 coming to its final quarter, while appreciating a relatively steady demand in dry seaborne trade this year, when looking ahead, we expect the freight market to be unexciting for the remaining of this year. With trade route disruptions due to military conflicts potentially coming to an end going forward, we have been working hard to look at longer term employments for part of our fleet in order to lock in some revenue visibility. As of the date of the announcement, we have successfully covered 73.91% and 62.75% of our Capesize and Ultramax/Supramax vessel days for the fourth quarter of 2024 at average of US\$28,000 and US\$15,271 per day respectively. For Panamax, 100% of vessel days was covered at average of US\$15,616 per day for the fourth quarter of 2024.

Transportation of commodities will continue to be affected by non-economical and non-industry specific factors, with geopolitical events being the main uncertainty going forward. Supply of new vessels remain to be tight, with newbuilding supply at moderate levels. We saw some disconnection between freight rates and vessels values a few months back and second-hand vessel values have indeed corrected recently.

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 at reasonable prices should they resurface.

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

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

## **PUBLICATION OF FINANCIAL INFORMATION**

This report is available on the website of the Company at [www.jinhuiship.com](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

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

**Ng Siu Fai**  
*Chairman*

26 November 2024

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

		3 months ended 30/9/2024	3 months ended 30/9/2023	9 months ended 30/9/2024	9 months ended 30/9/2023	Year ended 31/12/2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Note	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>Revenue</b>	2	45,585	20,038	114,724	57,265	81,868
Net loss on disposal of owned vessels		-	-	-	-	(880)
Other operating income	3	4,444	2,502	14,093	4,808	7,643
Interest income	4	147	206	645	607	819
Impairment loss on owned vessels and right-of-use assets		-	-	-	-	(19,704)
Shipping related expenses		(24,147)	(12,572)	(58,970)	(42,009)	(58,490)
Staff costs		(3,178)	(2,986)	(9,369)	(9,013)	(13,336)
Other operating expenses		(1,209)	(3,163)	(5,685)	(7,587)	(9,748)
<b>Operating profit (loss) before depreciation and amortization</b>		<b>21,642</b>	4,025	<b>55,438</b>	4,071	(11,828)
Depreciation and amortization		(12,473)	(10,300)	(32,106)	(27,200)	(36,994)
<b>Operating profit (loss)</b>		<b>9,169</b>	(6,275)	<b>23,332</b>	(23,129)	(48,822)
Finance costs		(1,574)	(1,804)	(4,516)	(4,211)	(6,234)
<b>Profit (Loss) before taxation</b>		<b>7,595</b>	(8,079)	<b>18,816</b>	(27,340)	(55,056)
Taxation	6	-	-	-	-	1
<b>Net profit (loss) for the period / year</b>		<b>7,595</b>	(8,079)	<b>18,816</b>	(27,340)	(55,055)
<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)		-	(7,851)	(1,232)	(8,142)	(2,137)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties (non-recycling)		-	367	-	367	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>7,595</b>	(15,563)	<b>17,584</b>	(35,115)	(56,837)
<b>Earnings (Loss) per share</b>	7					
- Basic and diluted		US\$0.070	US\$(0.074)	US\$0.172	US\$(0.250)	US\$(0.504)

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/9/2024	30/9/2023	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		379,935	354,609	333,413
Right-of-use assets	9(a)	32,819	24,903	21,095
Investment properties	10	23,544	26,860	25,259
Financial assets at fair value through OCI	11	6,459	1,698	7,691
Loan receivables	12	1,577	-	1,577
Deposit paid for the acquisition of owned vessels		4,800	2,043	-
		<b>449,134</b>	<b>410,113</b>	<b>389,035</b>
<b>Current assets</b>				
Inventories		1,679	1,379	1,383
Loan receivables	12	-	1,577	-
Trade and other receivables		17,513	21,218	18,089
Financial assets at fair value through profit or loss	13	23,118	22,377	24,094
Pledged deposits		387	1,260	359
Bank balances and cash		22,460	28,851	40,250
		<b>65,157</b>	<b>76,662</b>	<b>84,175</b>
Assets held for sale		-	7,992	10,423
		<b>65,157</b>	<b>84,654</b>	<b>94,598</b>
<b>Total assets</b>		<b>514,291</b>	<b>494,767</b>	<b>483,633</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30/9/2024 (Unaudited) US\$'000	30/9/2023 (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		362,051	366,189	344,467
<b>Total equity</b>		<b>367,514</b>	<b>371,652</b>	<b>349,930</b>
<b>Non-current liabilities</b>				
Secured bank loans	14	70,360	53,621	55,670
Lease liabilities	9(b)	20,370	21,767	24,078
		<b>90,730</b>	<b>75,388</b>	<b>79,748</b>
<b>Current liabilities</b>				
Trade and other payables		19,389	11,827	16,221
Amount due to holding company		116	134	176
Secured bank loans	14	16,708	31,471	32,497
Lease liabilities	9(b)	19,834	4,295	5,061
		<b>56,047</b>	<b>47,727</b>	<b>53,955</b>
<b>Total equity and liabilities</b>		<b>514,291</b>	<b>494,767</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	-	-	-	-	-	-	(27,340)	(27,340)
<b>Other comprehensive income (loss)</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(8,142)	-	(8,142)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties	-	-	-	-	367	-	-	367
<b>Total comprehensive loss for the period</b>	-	-	-	-	367	(8,142)	(27,340)	(35,115)
2022 final dividend paid	-	-	-	-	-	-	(4,370)	(4,370)
<b>At 30 September 2023</b>	<b>5,463</b>	<b>95,585</b>	<b>719</b>	<b>16,297</b>	<b>843</b>	<b>(8,287)</b>	<b>261,032</b>	<b>371,652</b>
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	-	-	-	-	-	-	18,816	18,816
<b>Other comprehensive loss</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(1,232)	-	(1,232)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(1,232)	18,816	17,584
<b>At 30 September 2024</b>	<b>5,463</b>	<b>95,585</b>	<b>719</b>	<b>16,297</b>	<b>843</b>	<b>(3,526)</b>	<b>252,133</b>	<b>367,514</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations before changes in working capital	55,431	5,037	9,117
Decrease in working capital	4,844	4,481	11,494
Cash generated from operations	60,275	9,518	20,611
Interest paid	(3,484)	(3,396)	(4,817)
Hong Kong Profits Tax refunded	-	-	150
<b>Net cash from operating activities</b>	<b>56,791</b>	<b>6,122</b>	<b>15,944</b>
<b>INVESTING ACTIVITIES</b>			
Interest received	429	399	518
Dividend income received	902	1,057	1,171
Purchase of property, plant and equipment	(68,188)	(3,666)	(24,333)
Deposit paid for the acquisition of owned vessels	(4,800)	(2,043)	-
Proceeds from disposal of assets held for sale, net	10,414	-	-
Proceeds from disposal of property, plant and equipment, net	15	-	17,432
<b>Net cash used in investing activities</b>	<b>(61,228)</b>	<b>(4,253)</b>	<b>(5,212)</b>
<b>FINANCING ACTIVITIES</b>			
New secured bank loans	50,876	30,474	57,696
Repayment of secured bank loans	(51,975)	(28,220)	(52,367)
Decrease (Increase) in pledged deposits	(28)	(816)	85
Payment of lease liabilities	(11,100)	(2,568)	(3,455)
Interest paid on lease liabilities	(1,126)	(871)	(1,424)
Dividends paid to shareholders of the Company	-	(4,370)	(4,370)
<b>Net cash used in financing activities</b>	<b>(13,353)</b>	<b>(6,371)</b>	<b>(3,835)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(17,790)</b>	<b>(4,502)</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>22,460</b>	<b>28,851</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 30/9/2024 (Unaudited) US\$'000	3 months ended 30/9/2023 (Unaudited) US\$'000	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Chartering freight and hire income:					
Hire income under time charters <sup>1</sup>	45,585	20,038	114,724	57,265	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 first nine months of 2024, hire income included a non-lease component in relation to crewing service of US\$20,325,000 (30/9/2023: US\$23,223,000).



### 3. Other operating income

	3 months ended 30/9/2024 (Unaudited) US\$'000	3 months ended 30/9/2023 (Unaudited) US\$'000	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Net gain on financial assets at fair value through profit or loss	2,140	-	5,595	-	-
Other shipping operating income	1,573	573	3,300	3,129	4,350
Settlement income	-	-	3,500	-	-
Dividend income	355	418	902	1,057	1,171
Reversal of impairment loss on trade and other receivables, net	170	-	170	-	1,274
Gross rental income from operating leases on investment properties	138	142	419	427	569
Sundry income	68	69	207	195	279
Net gain on bunker arising from shipping operations	-	1,300	-	-	-
	<b>4,444</b>	2,502	<b>14,093</b>	4,808	7,643

### 4. Interest income

	3 months ended 30/9/2024 (Unaudited) US\$'000	3 months ended 30/9/2023 (Unaudited) US\$'000	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Interest income in respect of:					
Deposits with banks and other financial institutions	59	116	380	348	470
Loan receivables	81	80	240	229	310
Financial assets at fair value through profit or loss	7	10	25	30	39
	<b>147</b>	206	<b>645</b>	607	819

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

This is stated after charging / (crediting):

	3 months ended 30/9/2024 (Unaudited) US\$'000	3 months ended 30/9/2023 (Unaudited) US\$'000	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Realized loss (gain) on financial assets at fair value through profit or loss	(606)	34	(1,619)	(701)	(701)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(1,534)	96	(3,976)	1,767	1,528
Net loss (gain) on financial assets at fair value through profit or loss	(2,140)	130	(5,595)	1,066	827
Charter hire payments for time charters <sup>1</sup>	8,023	-	16,495	-	-
Settlement income	-	-	(3,500)	-	-
Reversal of impairment loss on trade and other receivables, net	(170)	-	(170)	-	(1,274)
Change in fair value of investment properties	-	-	1,715	733	2,334
Impairment loss on assets held for sale	-	1,897	-	1,897	1,288
Impairment loss on owned vessels and right-of-use assets	-	-	-	-	19,704
Net loss on disposal of owned vessels	-	-	-	-	880

Note:

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

## 6. Taxation

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

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

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

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

	3 months ended 30/9/2024 (Unaudited) US\$'000	3 months ended 30/9/2023 (Unaudited) US\$'000	9 months ended 30/9/2024 (Unaudited) US\$'000	9 months ended 30/9/2023 (Unaudited) US\$'000	Year ended 31/12/2023 (Audited) US\$'000
Hong Kong Profits Tax					
Over provision in prior year	-	-	-	-	(1)

## 7. Earnings (Loss) per share

	3 months ended 30/9/2024 (Unaudited)	3 months ended 30/9/2023 (Unaudited)	9 months ended 30/9/2024 (Unaudited)	9 months ended 30/9/2023 (Unaudited)	Year ended 31/12/2023 (Audited)
Weighted average number of ordinary shares in issue	109,258,943	109,258,943	109,258,943	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US\$'000)	7,595	(8,079)	18,816	(27,340)	(55,055)
Basic and diluted earnings (loss) per share	US\$0.070	US\$(0.074)	US\$0.172	US\$(0.250)	US\$(0.504)

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

## 8. Interim dividend

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 30 September 2024 (30/9/2023: nil).

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

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

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	21,095	28,997	28,997
Additions	27,821	-	-
Lease remeasurement	(5,656)	(707)	3,257
Depreciation	(10,441)	(3,387)	(5,466)
Impairment loss	-	-	(5,693)
	32,819	24,903	21,095

**(b) Lease liabilities**

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	29,139	29,337	29,337
Additions	27,821	-	-
Lease remeasurement	(5,656)	(707)	3,257
Interest expense (included in finance costs)	1,126	871	1,424
Repayments of lease liabilities	(12,226)	(3,439)	(4,879)
	<b>40,204</b>	<b>26,062</b>	<b>29,139</b>

The lease liabilities were repayable as follows:

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Within one year	19,834	4,295	5,061
After one year but within two years	8,940	4,474	5,272
After two years but within five years	11,430	14,667	17,284
After five years	-	2,626	1,522
	<b>20,370</b>	<b>21,767</b>	<b>24,078</b>
	<b>40,204</b>	<b>26,062</b>	<b>29,139</b>

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

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

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

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

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

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

During the first nine month of 2024, the total cash outflow for the lease was US\$12,226,000 (30/9/2023: US\$3,439,000).

#### 10. Investment properties

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (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	383
Change in fair value	(1,715)	(733)	(2,334)
	23,544	26,860	25,259

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

As at 30 June 2024, 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 and change in fair value of investment properties of US\$1,715,000 had been recognized as at 30 June 2024.

The investment properties of the Group were not revalued at 30 September 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 30 June 2024. Consequently, no change in fair value of investment properties has been recognized in the third quarter of 2024.

The fair value measurement of these investment properties was categorized as Level 3 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period.

## 11. Financial assets at fair value through OCI

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (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>	(1,232)	(8,142)	(2,137)
	<b>6,027</b>	1,254	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>6,459</b>	1,698	7,691

### Notes:

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

### Unlisted equity investments

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

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported a loss of US\$1,232,000 on the fair value of equity instruments during the first nine months of 2024, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI and was included in other comprehensive loss in the condensed consolidated statement of profit or loss and other comprehensive income. As at the reporting date, the carrying amount of the unlisted equity investments was US\$6,027,000 (31/12/2023: US\$7,259,000) whereas the loan receivable arise from Co-investment (note 12), together with the interest accrued thereon was US\$2,378,000 (31/12/2023: US\$2,138,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

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

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

Unlisted club membership

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

**12. Loan receivables**

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
At 1 January	1,577	1,342	1,342
Gross new loan originated	-	235	235
Provision of individual impairment	-	-	-
<b>Loan receivables, net of provision</b>	<b>1,577</b>	1,577	1,577

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

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

### 13. Financial assets at fair value through profit or loss

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
<i>Held for trading</i>			
Listed equity securities	20,559	19,903	21,491
Listed debt securities	-	575	577
Unlisted debt securities	-	293	295
	20,559	20,771	22,363
<i>Designated as such upon initial recognition</i>			
Investment funds	2,559	1,606	1,731
	23,118	22,377	24,094

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 IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the periods / year.

### 14. Secured bank loans

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

	30/9/2024 (Unaudited) US\$'000	30/9/2023 (Unaudited) US\$'000	31/12/2023 (Audited) US\$'000
Within one year	16,708	31,471	32,497
In the second year	6,692	38,461	55,670
In the third to fifth year	63,668	15,160	-
Total secured bank loans	87,068	85,092	88,167
Less: Amount repayable within one year	(16,708)	(31,471)	(32,497)
Amount repayable after one year	70,360	53,621	55,670

During the nine months ended 30 September 2024, the Group had drawn new secured bank loans of US\$50,876,000 (30/9/2023: US\$30,474,000) and repaid US\$51,975,000 (30/9/2023: US\$28,220,000).



## 15. Capital expenditures and commitments

### Capital expenditures

During the nine months ended 30 September 2024, the Group incurred capital expenditure of US\$67,925,000 (30/9/2023: US\$3,564,000) on additions of motor vessels and capitalized dry-docking and US\$263,000 (30/9/2023: US\$102,000) on other property, plant and equipment.

### Capital commitments

During the nine months ended 30 September 2024, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000 of deadweight 63,500 metric tons, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000 (31/12/2023: nil).

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

During the current quarter, the Group entered into an agreement for the acquisition of a Capesize of deadweight 178,021 metric tons, built in year 2008, at a purchase price of US\$24,000,000, to be delivered to the Group in the fourth quarter of 2024. As at the reporting date, a deposit of US\$4,800,000 for the vessel was paid, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$19,200,000 (31/12/2023: nil).

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

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$114,212,000 (31/12/2023: US\$372,000).

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

## 16. Related party transactions

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

	3 months ended 30/9/2024 (Unaudited) <i>US\$'000</i>	3 months ended 30/9/2023 (Unaudited) <i>US\$'000</i>	9 months ended 30/9/2024 (Unaudited) <i>US\$'000</i>	9 months ended 30/9/2023 (Unaudited) <i>US\$'000</i>	Year ended 31/12/2023 (Audited) <i>US\$'000</i>
Salaries and other benefits	1,951	1,951	5,860	5,867	8,692
Contributions to retirement benefits schemes	111	111	334	333	446
	<b>2,062</b>	2,062	<b>6,194</b>	6,200	9,138



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