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## **JINHUI HOLDINGS COMPANY LIMITED**

### **金輝集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

Stock Code : 137

## **OVERSEAS REGULATORY ANNOUNCEMENT**

### **SECOND QUARTER AND HALF YEARLY REPORT FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2022 OF JINHUI SHIPPING AND TRANSPORTATION LIMITED**

This overseas regulatory announcement is made by Jinhui Holdings Company Limited (the “Company”) in compliance with Rule 13.09 and 13.10(B) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Please refer to the attached announcement released on 24 August 2022 through the Oslo Stock Exchange by Jinhui Shipping and Transportation Limited (“Jinhui Shipping”), an approximately 55.69% owned subsidiary of the Company, in accordance with the regulations of the Oslo Stock Exchange.

The principal accounting policies and methods of computation used in the preparation of the attached unaudited consolidated results of Jinhui Shipping and its subsidiaries are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Jinhui Holdings Company Limited**  
**Ng Siu Fai**  
*Chairman*

Hong Kong, 24 August 2022

*As at date of this announcement, the Executive Directors of Jinhui Holdings Company Limited are Ng Siu Fai, Ng Kam Wah Thomas, Ng Ki Hung Frankie and Ho Suk Lin; and the Independent Non-executive Directors of Jinhui Holdings Company Limited are Cui Jianhua, Tsui Che Yin Frank and William Yau.*



# **JINHUI SHIPPING AND TRANSPORTATION LIMITED**

**Second Quarter and  
Half Yearly Report  
2022**

# HIGHLIGHTS

## For the First Half of 2022

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➤ Revenue for the period: US\$83 million

➤ Net profit for the period: US\$39 million included net gain on disposal of owned vessels of US\$6 million

➤ Basic earnings per share: US\$0.360

➤ Gearing ratio as at 30 June 2022: 1%

## For the Second Quarter of 2022

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➤ Revenue for the quarter: US\$51 million

➤ Net profit for the quarter: US\$20 million

➤ Basic earnings per share: US\$0.186

➤ Interim dividend per share: US\$0.03

The Board of **Jinhui Shipping and Transportation Limited** (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the quarter and six months ended 30 June 2022.

## **SECOND QUARTER RESULTS**

The Group reported a revenue for the second quarter of 2022 of US\$50,629,000, representing an increase of 59% as compared to US\$31,902,000 for the same quarter in 2021. The consolidated net profit for the quarter was US\$20,331,000 as compared to a consolidated net profit of US\$85,502,000 which included a reversal of impairment loss of US\$65,521,000 on owned vessels, was reported in the second quarter of 2021. Basic earnings per share was US\$0.186 for the second quarter of 2022 as compared to basic earnings per share of US\$0.783 for the corresponding quarter in 2021. The consolidated net profit for the quarter was primarily due to the upsurge of market freight rates in dry bulk shipping sector and the increase in number of owned vessels that leads to a significant increase in the chartering freight and hire revenue, however, it was affected by the increment in cost reflected in the rise in vessel running cost and vessel depreciation for the current quarter as compared to the corresponding quarter in 2021.

## **HALF YEARLY RESULTS**

Revenue for the first half of 2022 increased 73% to US\$83,265,000, comparing to US\$48,083,000 for the same period in 2021. The Company recorded a consolidated net profit of US\$39,349,000 for the first half of 2022 while a consolidated net profit of US\$90,755,000 which included a reversal of impairment loss of US\$65,521,000 on owned vessels, was reported in the first half of 2021. Basic earnings per share for the period was US\$0.360 as compared to basic earnings per share of US\$0.831 for the first half of 2021.

Our results benefitted from the strong increase in average daily time charter equivalent rates during the period as compared to the corresponding period in 2021. The Group achieved an average daily time charter equivalent rate for the fleet of US\$22,029 during the first half of 2022 as compared to US\$14,852 for the same period in 2021. The consolidated net profit for the period is mainly attributable to the strong rebound of market freight rates driven by robust demand for dry bulk commodities since 2021 and the increase in number of owned vessels that leads to a significant increase in the chartering freight and hire revenue, however, it was partially affected by the increment in vessel operating expenses such as crew costs and other pandemic related manning expenses. Covid-19 continues to impact the running cost of the vessels, in particular with respect to crewing, which was reflected in the rise in vessel running cost for the current period as compared to the last corresponding period in 2021. During the current period, we have completed the disposal of two Supramaxes and a total net gain of US\$6,146,000 was recognized.

## INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of US\$0.03 per share for the quarter ended 30 June 2022 and such dividend will be paid to the beneficial owners of the shares of the Company whose names are registered in the Euronext Securities Oslo at the close of business on 31 August 2022. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 29 August 2022. The ex dividend date is 30 August 2022 and the dividend will be paid on or about 20 September 2022.

## REVIEW OF OPERATIONS

**Second Quarter of 2022.** In the second quarter of 2022, the dry bulk shipping market further continued to trend upward driven by a general increase in demand for dry bulk commodities. Baltic Dry Index ("BDI") opened at 2,358 points at the beginning of April and rose to the peak of the quarter at 3,369 points and closed at 2,240 points by the end of June 2022. The average of BDI of the second quarter of 2022 was 2,531 points, which compares to 2,793 points in the same quarter in 2021.

Revenue for the second quarter of 2022 was US\$50,629,000 representing an increase of 59% as compared to US\$31,902,000 for the same quarter in 2021 due to the upsurge of market freight rates and the increase in number of owned vessels. The Group benefited from the remarkable rebound of market freight rates and the average daily time charter equivalent rates ("TCE") earned by the Group's fleet increased 38% to US\$26,397 for the second quarter of 2022 as compared to US\$19,149 for the corresponding quarter in 2021. The fleet utilization rate of the Group's fleet decreased from 97% in the second quarter of 2021 to 95% in the second quarter of 2022.

	<b>2022</b>	2021	<b>2022</b>	2021	2021
	<b>Q2</b>	Q2	<b>1st half</b>	1st half	2021
<b>Average daily TCE of the Group's fleet</b>	<b>US\$</b>	US\$	<b>US\$</b>	US\$	US\$
Post-Panamax / Panamax fleet	<b>23,171</b>	12,250	<b>22,569</b>	12,250	19,116
Supramax fleet	<b>26,544</b>	20,000	<b>21,988</b>	15,182	19,247
In average	<b>26,397</b>	19,149	<b>22,029</b>	14,852	19,233

Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. Shipping related expenses increased from US\$9,632,000 for the second quarter of 2021 to US\$17,404,000 for the current quarter mainly due to the inflation and the increase in number of owned vessels that led to an increase in shipping related expenses for the quarter. The Group's daily vessel running cost increased to US\$5,924 for the second quarter of 2022 as compared to US\$4,538 for the second quarter of 2021 mainly due to the increased crew costs and other pandemic related manning expenses. 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 increased from US\$995,000 for the second quarter of 2021 to US\$6,646,000 for the current quarter mainly due to the Group recorded a net loss of US\$4,547,000 on financial assets at fair value through profit or loss and a fair value loss on investment properties of US\$803,000 for the current quarter. On the contrary, there were a net gain of US\$1,635,000 on financial assets at fair value through profit or loss and a fair value gain on investment properties of US\$842,000 for the second quarter of 2021, which both were included in other operating income.

During the quarter, 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 commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group on 21 June 2022. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the unaudited value of the right-of-use asset which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty and corresponding lease liabilities was also recognized in the consolidated statement of financial position. The Directors consider that the lease of a Panamax newbuilding represents an opportunity for the Group to increase the carrying capacity with a modern ship at a reasonable price via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business.

Depreciation and amortization increased from US\$3,724,000 for the second quarter of 2021 to US\$9,142,000 for the second quarter of 2022. The Group's daily vessel depreciation increased to US\$3,830 for the second quarter of 2022 as compared to US\$2,071 for the second quarter of 2021 mainly due to the increase in carrying amounts of the owned vessels after the recognition of the reversal of impairment loss on owned vessels in 2021 and the delivery of acquired owned vessels. Depreciation and amortization for the current quarter also included the recognition of depreciation on right-of-use assets of US\$538,000.

**First Half of 2022.** Dry bulk shipping market showed strong sign of rebound amid global economic recovery since mid-2021. The market is characterized by upsurge freight rates driven by robust demand for commodities worldwide. Although, there had been some corrections in the freight market at the start of the year 2022, affected by multiples issues from seasonal trading patterns such as Chinese New Year holidays, decrease in industrial activity during Beijing Olympics, volatility in commodity prices, to continued disruptions in global supply chain which in turn affected industries from commodities all the way through to the export of manufactured goods. The market freight rates then regained strength and rebound remarkably backed by the robust demand for dry bulk commodities and limited supply of vessel, despite the simultaneous occurrence of multiple geo-political issues that affected the business sentiment. BDI opened at 2,217 points at the beginning of January and hit to the low at 1,296 points at end of January, then rose gradually to the peak of the period at 3,369 points in May and closed at 2,240 points by the end of June 2022. The average of BDI for the first half of 2022 was 2,280 points, which compares to 2,257 points in the same period in 2021.

Revenue for the first half of 2022 increased 73% to US\$83,265,000, comparing to US\$48,083,000 for the first half of 2021 reflected in the average daily TCE earned by the Group's fleet, improving 48% to US\$22,029 for the first half of 2022 as compared to US\$14,852 for the corresponding period in 2021. Basic earnings per share for the period was US\$0.360 as compared to basic earnings per share of US\$0.831 for the first half of 2021.

During the first half of 2022, the Group entered into two agreements to dispose of two Supramaxes of deadweight 53,806 and 50,259 metric tons respectively at total consideration of US\$17,750,000 with a net gain of US\$6,146,000 which was recognized on completion of the disposal of these two vessels in the period.

Other operating income increased from US\$7,855,000 for the first half of 2021 to US\$11,645,000 for the first half of 2022 mainly due to a net gain of US\$8,648,000 on bunker arising from shipping operations was recognized in current period as compared to a net gain of US\$1,893,000 on bunker for the corresponding period in 2021. Other operating income for the first half of 2022 also included dividend income of US\$1,165,000. Whereas, other operating income for the first half of 2021 included a fair value gain of US\$842,000 on investment properties and net gain of US\$1,822,000 on financial assets at fair value through profit or loss which comprised of a realized gain of US\$1,945,000 upon disposal of certain equity and debt securities net of an unrealized fair value loss of US\$123,000 on financial assets at fair value through profit or loss.

Interest income decreased from US\$2,348,000 for the first half of 2021 to US\$500,000 for the first half of 2022 mainly due to a drop in interest income from loan receivables in current period as certain borrowers chose to early repay respective loans in 2021.

Shipping related expenses increased from US\$16,544,000 for the first half of 2021 to US\$32,342,000 for the first half of 2022 mainly due to the inflation and the increase in number of owned vessels that led to an increase in shipping related expenses for the period. The Group's daily vessel running cost increased to US\$5,825 for the first half of 2022 as compared to US\$4,152 for the first half of 2021 mainly due to the increased crew costs and other pandemic related manning expenses. 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 increased from US\$2,014,000 for the first half of 2021 to US\$5,315,000 for the current period mainly due to the Group recorded a net loss of US\$1,987,000 on financial assets at fair value through profit or loss and a fair value loss on investment properties of US\$803,000 for the current period. The net loss of US\$1,987,000 on financial assets at fair value through profit or loss comprised of a realized gain of US\$2,114,000 upon disposal of certain equity and debt securities during the period, and an unrealized fair value loss of US\$4,101,000 on financial assets at fair value through profit or loss for the first half of 2022. On the contrary, there were a net gain of US\$1,822,000 on financial assets at fair value through profit or loss and a fair value gain on investment properties of US\$842,000 for the corresponding period in 2021, which both were included in other operating income.

During the first half of 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 commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group on 21 June 2022. The Group recognized the unaudited value of the right-of-use asset and corresponding lease liabilities in the consolidated statement of financial position. Details are disclosed hereinabove under the heading of Second Quarter of 2022.

Depreciation and amortization increased from US\$7,370,000 for the first half of 2021 to US\$17,700,000 for the first half of 2022. The Group's daily vessel depreciation increased to US\$3,878 for the first half of 2022 as compared to US\$2,116 for the corresponding period in 2021 mainly due to the increase in carrying amounts of the owned vessels after the recognition of the reversal of impairment loss on owned vessels in 2021 and the delivery of acquired owned vessels during the period. Depreciation and amortization for the current period also included the recognition of depreciation on right-of-use assets of US\$538,000.

## FINANCIAL REVIEW

During the first half of 2022, capital expenditure on additions of motor vessels and capitalized drydocking costs was US\$45,931,000 (30/6/2021: US\$16,582,000) and on other property, plant and equipment was US\$27,000 (30/6/2021: US\$40,000).

On 20 April 2018, a wholly owned subsidiary of the Company (the "Co-Investor") 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 "Tower A" or previously named as "T3 Property"), pursuant to which the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss Limited ("Dual Bliss") of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2021: US\$372,000).

On 28 March 2022, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 63,485 metric tons at a purchase price of US\$25,500,000, which was delivered to the Group at end of July 2022. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$22,950,000 (31/12/2021: nil).

In December 2021, the Group entered into two agreements in respect of the acquisition of two Supramaxes each at a consideration of US\$17,250,000 and the total consideration of the two vessels is US\$34,500,000. The first vessel is deadweight 56,361 metric tons and the second vessel is deadweight 56,469 metric tons. The first vessel was delivered to the Group in February 2022 and the second vessel was delivered to the Group in March 2022. As at 31 December 2021, the capital expenditure commitments contracted by the Group but not provided for was US\$34,500,000.

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$23,322,000 (31/12/2021: US\$34,872,000). 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.

During the first half of 2022, the Group entered into two agreements to dispose of two Supramaxes of deadweight 53,806 and 50,259 metric tons respectively at total consideration of US\$17,750,000 with a net gain of US\$6,146,000 which was recognized on completion of the disposal of these two vessels in the period.



On 20 May 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 commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group on 21 June 2022. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the unaudited value of the right-of-use asset which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty and corresponding lease liabilities was also recognized in the consolidated statement of financial position. The Directors consider that the lease of a Panamax newbuilding represents an opportunity for the Group to increase the carrying capacity with a modern ship at a reasonable price via means other than outright acquisition of vessels, improving the fleet profile of the Group with minimal immediate capital expenditure, bring chartering freight and hire income to the Group and enhance the Group's income and cashflow from core shipping business.

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, acquisition or charter-in of vessels and will make such decisions on an ad hoc basis to maintain a high financial flexibility and operational competitiveness.

The Group's total secured bank loans decreased from US\$92,578,000 as of 31 December 2021 to US\$76,675,000 as at 30 June 2022, of which 54%, 30% and 16% are repayable respectively within one year, one to two years and two to five years. During the first half of 2022, the Group had drawn new revolving loan and term loan of US\$15,385,000 (30/6/2021: US\$12,556,000) and repaid US\$31,288,000 (30/6/2021: US\$20,888,000). The bank borrowings represented vessel mortgage loans that were denominated in United States Dollars, 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.

During the first half of 2022, cash generated from operations before changes in working capital was US\$50,982,000 (30/6/2021: US\$29,728,000) and the net cash generated from operating activities after working capital changes was US\$49,691,000 (30/6/2021: US\$35,309,000). The changes in working capital are mainly attributable to the decrease in equity and debt securities. During the first half of 2022, the Group's net loss on financial assets at fair value through profit or loss was US\$1,987,000 (30/6/2021: net gain of US\$1,822,000). The net loss of US\$1,987,000 on financial assets at fair value through profit or loss comprised of a realized gain of US\$2,114,000 upon disposal of certain equity and debt securities during the first half of 2022, and an unrealized fair value loss of US\$4,101,000 on financial assets at fair value through profit or loss for the period. The aggregate interest income and dividend income from financial assets was US\$1,665,000 (30/6/2021: US\$2,834,000).

As at 30 June 2022, the Group maintained positive working capital position of US\$44,523,000 (31/12/2021: US\$37,887,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to US\$70,087,000 (31/12/2021: US\$76,407,000).

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, dropped to 1% (31/12/2021: 4%) as at 30 June 2022. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 30 June 2022, the Group is able to service its debt obligations, including principal and interest payments.

## FLEET

As at 30 June 2022, the Group had twenty four owned vessels and one chartered-in vessel as follows:

	Number of vessels		
	Owned	Chartered-in	Total
Post-Panamax / Panamax fleet	2	1	3
Supramax fleet	22	-	22
<b>Total fleet</b>	<b>24</b>	<b>1</b>	<b>25</b>

In December 2021, the Group entered into two agreements in respect of the acquisition of two Supramaxes each at a consideration of US\$17,250,000 and the total consideration of the two vessels is US\$34,500,000. The first vessel is deadweight 56,361 metric tons and the second vessel is deadweight 56,469 metric tons. The first vessel was delivered to the Group in February 2022 and the second vessel was delivered to the Group in March 2022.

During the first half of 2022, the Group entered into two agreements to dispose of two Supramaxes of deadweight 53,806 and 50,259 metric tons respectively at total consideration of US\$17,750,000. Both vessels were delivered to the purchasers at end of March 2022.

On 28 March 2022, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 63,485 metric tons at a purchase price of US\$25,500,000, which was delivered to the Group at end of July 2022.

On 20 May 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 commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group on 21 June 2022.

## **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**

The dry bulk market has enjoyed a strong first half, driven by strong demand, limited new supply of vessels, and covid related congestion.

Going forward however, a number of indicators serving as bellwether for international economy as well as extraordinary events are suggesting a softening global economy going forward, such as IMF lowered global GDP growth forecast, the largest chipmakers as shown by their dial back of investments or weakening export orders, the on-going conflict in Ukraine and the business and industrial disruptions in China due to COVID.

Anticipating a softening global economy, we expect dry bulk demand in the second half of 2022 to retreat from the earlier buoyant market. We do see freight environment to remain healthy, due to robust coal demand for electricity production and minor bulk demand for specialized industrial productions. Additional investment in infrastructure and revival of any real estate construction in China may lead to further upside. The overall picture will be balanced by the mechanics in the supply side, where global capacity has been tied up due to congestion, with capacity increase from raising sailing speed expected to be limited though this could change with short notice should there be any wild swings in bunker prices going forward. Downward pressure on supply may increase, should recent increase in scrapping activity of large vessels continue, where their demand has weakened significantly within a short time.

We continue to expect the uncertainty over new environmental regulations and the high newbuilding prices will translate to limited ordering of newbuildings. A low orderbook, new IMO regulations to reduce carbon intensity that will likely lead to slow steaming of dry bulk vessels, and possible increase in scrapping of non-competitive older ships, will provide long term support to the dry bulk market.

We remain highly 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 capital expenditure commitment in relation to newbuilding contracts, and will continue to focus on taking sensible and decisive actions to maintain a strong financial position.

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to our seafarers who have continued to remain professional under an extremely challenging environment, 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 black ink, appearing to be "Ng Siu Fai", written over a horizontal line.

**Ng Siu Fai**  
*Chairman*

24 August 2022

## RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the half yearly report for the period from 1 January to 30 June 2022 has been prepared in accordance with applicable accounting standards and gives a true and fair view of the assets, liabilities, financial position and results of operations of the Group and that the half yearly report includes a fair review of the development and performance of the business and the position of the Group together with a description of the key principal risks and uncertainty factors that the Group faces.

24 August 2022



**Ng Siu Fai**  
*Chairman*



**Ng Kam Wah Thomas**  
*Managing Director and  
Deputy Chairman*



**Ng Ki Hung Frankie**  
*Executive Director*



**Ho Suk Lin Cathy**  
*Executive Director*



**Tsui Che Yin Frank**  
*Non-executive Director*



**William Yau**  
*Non-executive Director*

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

		<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
	Note					
<b>Revenue</b>	2	<b>50,629</b>	31,902	<b>83,265</b>	48,083	131,069
Net gain on disposal of owned vessels	3	-	-	<b>6,146</b>	-	-
Other operating income	4	<b>6,101</b>	5,258	<b>11,645</b>	7,855	12,616
Interest income	5	<b>255</b>	816	<b>500</b>	2,348	2,980
Reversal of impairment loss on owned vessels	6	-	65,521	-	65,521	133,606
Shipping related expenses		<b>(17,404)</b>	(9,632)	<b>(32,342)</b>	(16,544)	(43,524)
Staff costs		<b>(2,972)</b>	(2,952)	<b>(5,944)</b>	(5,934)	(13,397)
Other operating expenses		<b>(6,646)</b>	(995)	<b>(5,315)</b>	(2,014)	(8,366)
<b>Operating profit before depreciation and amortization</b>		<b>29,963</b>	89,918	<b>57,955</b>	99,315	214,984
Depreciation and amortization		<b>(9,142)</b>	(3,724)	<b>(17,700)</b>	(7,370)	(18,848)
<b>Operating profit</b>		<b>20,821</b>	86,194	<b>40,255</b>	91,945	196,136
Finance costs		<b>(474)</b>	(465)	<b>(890)</b>	(963)	(1,749)
<b>Profit before taxation</b>		<b>20,347</b>	85,729	<b>39,365</b>	90,982	194,387
Taxation	8	<b>(16)</b>	(227)	<b>(16)</b>	(227)	(190)
<b>Net profit for the period / year</b>		<b>20,331</b>	85,502	<b>39,349</b>	90,755	194,197
<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)		<b>(4,200)</b>	766	<b>(4,200)</b>	766	1,884
<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)		-	38	-	38	112
<b>Total comprehensive income for the period / year attributable to shareholders of the Company</b>		<b>16,131</b>	86,306	<b>35,149</b>	91,559	196,193
<b>Earnings per share</b>	9					
- Basic and diluted		<b>US\$0.186</b>	US\$0.783	<b>US\$0.360</b>	US\$0.831	US\$1.777

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30/6/2022</b>	30/6/2021	31/12/2021
		<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>Note</i>	<b>US\$'000</b>	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		<b>406,985</b>	268,267	389,549
Right-of-use assets	11	<b>43,060</b>	-	-
Investment properties	12	<b>27,342</b>	30,321	28,145
Financial assets at fair value through OCI	13	<b>8,539</b>	11,547	12,739
Loan receivables	14	-	11,997	3,698
Deposit paid for the acquisition of owned vessel		<b>2,550</b>	2,163	-
		<b>488,476</b>	324,295	434,131
<b>Current assets</b>				
Inventories		<b>4,842</b>	875	3,413
Loan receivables	14	<b>9,350</b>	2,243	5,538
Trade and other receivables		<b>25,133</b>	11,711	19,621
Financial assets at fair value through profit or loss	15	<b>39,861</b>	56,058	43,387
Pledged deposits		<b>7,190</b>	4,844	8,307
Bank balances and cash		<b>31,053</b>	52,033	33,328
		<b>117,429</b>	127,764	113,594
<b>Total assets</b>		<b>605,905</b>	452,059	547,725

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		<b>30/6/2022</b>	30/6/2021	31/12/2021
		<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>Note</i>	<b>US\$'000</b>	US\$'000	US\$'000
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Issued capital		5,463	5,463	5,463
Reserves		454,113	325,256	426,612
<b>Total equity</b>		<b>459,576</b>	330,719	432,075
<b>Non-current liabilities</b>				
Secured bank loans	16	35,628	41,763	39,943
Lease liabilities	11	37,795	-	-
		<b>73,423</b>	41,763	39,943
<b>Current liabilities</b>				
Trade and other payables		26,075	21,197	22,923
Amount due to holding company		131	130	149
Secured bank loans	16	41,047	58,250	52,635
Lease liabilities	11	5,653	-	-
		<b>72,906</b>	79,577	75,707
<b>Total equity and liabilities</b>		<b>605,905</b>	452,059	547,725



## 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 2021	5,463	95,585	719	16,297	476	758	119,862	239,160
<b>Comprehensive income</b>								
Net profit for the period	-	-	-	-	-	-	90,755	90,755
<b>Other comprehensive income</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	804	-	804
<b>Total comprehensive income for the period</b>	-	-	-	-	-	804	90,755	91,559
At 30 June 2021	5,463	95,585	719	16,297	476	1,562	210,617	330,719
At 1 January 2022	5,463	95,585	719	16,297	476	2,754	310,781	432,075
<b>Comprehensive income</b>								
Net profit for the period	-	-	-	-	-	-	39,349	39,349
<b>Other comprehensive loss</b>								
Change in fair value of financial assets at fair value through OCI	-	-	-	-	-	(4,200)	-	(4,200)
<b>Total comprehensive income for the period</b>	-	-	-	-	-	(4,200)	39,349	35,149
2021 final dividend paid	-	-	-	-	-	-	(7,648)	(7,648)
At 30 June 2022	5,463	95,585	719	16,297	476	(1,446)	342,482	459,576

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
<b>OPERATING ACTIVITIES</b>			
Cash generated from operations before changes in working capital	<b>50,982</b>	29,728	76,136
(Increase) Decrease in working capital	<b>(427)</b>	6,568	17,489
Cash generated from operations	<b>50,555</b>	36,296	93,625
Interest paid	<b>(810)</b>	(987)	(1,785)
Hong Kong Profits Tax paid	<b>(54)</b>	-	(393)
<b>Net cash from operating activities</b>	<b>49,691</b>	35,309	91,447
<b>INVESTING ACTIVITIES</b>			
Interest received	<b>512</b>	2,565	3,382
Dividend income received	<b>1,165</b>	486	1,514
Purchase of property, plant and equipment	<b>(45,958)</b>	(16,622)	(81,297)
Proceeds from disposal of property, plant and equipment, net	<b>17,500</b>	875	875
Deposit paid for the acquisition of owned vessel	<b>(2,550)</b>	(2,163)	-
Proceeds from disposal of assets held for sale, net	<b>-</b>	5,380	5,380
<b>Net cash used in investing activities</b>	<b>(29,331)</b>	(9,479)	(70,146)
<b>FINANCING ACTIVITIES</b>			
New secured bank loans	<b>15,385</b>	12,556	12,556
Repayment of secured bank loans	<b>(31,288)</b>	(20,888)	(28,323)
Decrease (Increase) in pledged deposits	<b>1,117</b>	1,097	(2,366)
Payment of lease liabilities	<b>(150)</b>	-	-
Interest paid on lease liabilities	<b>(51)</b>	-	-
Final dividend paid to shareholders of the Company	<b>(7,648)</b>	-	(3,278)
<b>Net cash used in financing activities</b>	<b>(22,635)</b>	(7,235)	(21,411)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,275)</b>	18,595	(110)
<b>Cash and cash equivalents at beginning of the period / year</b>	<b>33,328</b>	33,438	33,438
<b>Cash and cash equivalents at end of the period / year</b>	<b>31,053</b>	52,033	33,328

## NOTES :

### 1. Basis of preparation and accounting policies

The 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. 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 2021, except for the Group has adopted International Financial Reporting Standards (“IFRS”) 16 and Hong Kong Financial Reporting Standards (“HKFRS”) 16 Leases (see details below) and the amended IFRS and HKFRS, which are effective for the annual period beginning on 1 January 2022. 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.

In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the right-of-use assets and lease liabilities on the consolidated statement of financial position at the commencement of the lease. The right-of-use assets are measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred and any lease payments made in advance of the lease commencement date (net of any lease incentives received). The recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to testing for impairment if there is an indicator of impairment, as for owned assets.

### 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:

	<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
Chartering freight and hire income:					
Hire income under time charters <sup>1</sup>	<b>50,629</b>	31,902	<b>83,265</b>	48,083	131,069

Note:

- 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.

### 3. Net gain on disposal of owned vessels

During the first half of 2022, the Group entered into two agreements to dispose of two Supramaxes of deadweight 53,806 and 50,259 metric tons respectively at total consideration of US\$17,750,000 with a net gain of US\$6,146,000 which was recognized on completion of the disposal of these two vessels in the period.

#### 4. Other operating income

	<b>3 months ended 30/6/2022</b>	3 months ended 30/6/2021	<b>6 months ended 30/6/2022</b>	6 months ended 30/6/2021	Year ended 31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Net gain on bunker arising from shipping operations	<b>4,098</b>	502	<b>8,648</b>	1,893	4,294
Other shipping operating income	<b>645</b>	1,046	<b>1,308</b>	1,716	3,547
Gross rental income from operating leases on investment properties	<b>139</b>	111	<b>276</b>	248	473
Dividend income	<b>1,029</b>	449	<b>1,165</b>	486	1,541
Net gain on financial assets at fair value through profit or loss	-	1,635	-	1,822	-
Change in fair value of investment properties	-	842	-	842	-
Net gain on disposal of property, plant and equipment, other than motor vessels	-	278	-	278	278
Reversal of impairment loss on trade and other receivables, net	-	-	-	114	1,786
COVID-19 related government subsidies	<b>129</b>	-	<b>129</b>	-	-
Sundry income	<b>61</b>	395	<b>119</b>	456	697
	<b>6,101</b>	5,258	<b>11,645</b>	7,855	12,616

#### 5. Interest income

	<b>3 months ended 30/6/2022</b>	3 months ended 30/6/2021	<b>6 months ended 30/6/2022</b>	6 months ended 30/6/2021	Year ended 31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
Interest income in respect of:					
Financial assets at fair value through profit or loss	<b>36</b>	156	<b>74</b>	959	1,089
Deposits with banks and other financial institutions	<b>19</b>	4	<b>21</b>	12	24
Loan receivables	<b>200</b>	656	<b>405</b>	1,377	1,867
	<b>255</b>	816	<b>500</b>	2,348	2,980

## 6. Reversal of impairment loss on owned vessels

In 2021, the Group recognized a reversal of impairment loss of US\$65,521,000 on owned vessels classified in property, plant and equipment at 30 June 2021 and a further reversal of impairment loss of US\$68,085,000 on owned vessels at 31 December 2021 to reflect our change in the expectation on the long term global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use of our owned vessels.

The total reversal of impairment loss on owned vessels recognized in 2021 was US\$133,606,000. The reversal of impairment loss on owned vessels is non-cash in nature and does not have impact on the operating cash flows of the Group.

## 7. Operating profit before depreciation and amortization

This is stated after charging / (crediting):

	<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
Realized gain on financial assets at fair value through profit or loss	<b>(314)</b>	(303)	<b>(2,114)</b>	(1,945)	(2,755)
Unrealized loss (gain) on financial assets at fair value through profit or loss	<b>4,861</b>	(1,332)	<b>4,101</b>	123	5,325
Net loss (gain) on financial assets at fair value through profit or loss	<b>4,547</b>	(1,635)	<b>1,987</b>	(1,822)	2,570
Net gain on disposal of owned vessels	-	-	<b>(6,146)</b>	-	-
Net gain on disposal of property, plant and equipment, other than motor vessels	-	(278)	-	(278)	(278)
Change in fair value of investment properties	<b>803</b>	(842)	<b>803</b>	(842)	1,334
Reversal of impairment loss on owned vessels	-	(65,521)	-	(65,521)	(133,606)
Reversal of impairment loss on trade and other receivables, net	-	-	-	(114)	(1,786)

## 8. Taxation

Taxation has been provided on the estimated assessable profits arising in Hong Kong from a wholly owned subsidiary of the Company which is a qualifying corporation in accordance with the two-tiered profits tax rates regime in Hong Kong. Under the two-tiered profits tax rates regime, the first HK\$2,000,000 (approximately US\$256,000) of assessable profits of the qualifying corporation are taxed at 8.25%, and the assessable profits above HK\$2,000,000 (approximately US\$256,000) are taxed at 16.5%. Apart from the estimated assessable profits arising in Hong Kong from that subsidiary, in the opinion of the Directors, the Group is not subject to taxation in any other jurisdictions in which the Group operates.

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 to the condensed consolidated statement of profit or loss and other comprehensive income represents:

	<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
Hong Kong Profits Tax	<b>16</b>	227	<b>16</b>	227	190

## 9. Earnings per share

	<b>3 months ended 30/6/2022 (Unaudited)</b>	3 months ended 30/6/2021 (Unaudited)	<b>6 months ended 30/6/2022 (Unaudited)</b>	6 months ended 30/6/2021 (Unaudited)	Year ended 31/12/2021 (Audited)
Weighted average number of ordinary shares in issue	<b>109,258,943</b>	109,258,943	<b>109,258,943</b>	109,258,943	109,258,943
Net profit attributable to shareholders of the Company (US\$'000)	<b>20,331</b>	85,502	<b>39,349</b>	90,755	194,197
Basic and diluted earnings per share	<b>US\$0.186</b>	US\$0.783	<b>US\$0.360</b>	US\$0.831	US\$1.777

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

## 10. Dividends

	<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
2021 interim dividend, declared of US\$0.03 per share	-	3,278	-	3,278	3,278
2021 final dividend, declared of US\$0.07 per share	-	-	-	-	7,648
2022 interim dividend, declared of US\$0.03 per share	<b>3,278</b>	-	<b>3,278</b>	-	-
	<b>3,278</b>	3,278	<b>3,278</b>	3,278	10,926

The final dividend for the year 2021 was approved by the Company's shareholders on the annual general meeting held on 20 May 2022. Such dividend was paid to the shareholders of the Company in mid of June 2022.

On 24 August 2022, the Board has resolved to declare the payment of an interim dividend of US\$0.03 per share for the quarter ended 30 June 2022 and such dividend will be paid to the beneficial owners of the shares of the Company whose names are registered in the Euronext Securities Oslo at the close of business on 31 August 2022. The Company's shares listed on the Oslo Stock Exchange will be traded including dividend up until and including 29 August 2022. The ex dividend date is 30 August 2022 and the dividend will be paid on or about 20 September 2022. The declare of interim dividend for the quarter ended 30 June 2022 has not been recognized as a liability at the end of the reporting period and will be payable in cash.

## 11. Leases

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

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At 1 January	-	-	-
Additions	<b>43,598</b>	-	-
Depreciation	<b>(538)</b>	-	-
	<b>43,060</b>	-	-

### (ii) Lease liabilities

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
At 1 January	-	-	-
Additions	<b>43,598</b>	-	-
Interest expense (included in finance costs)	<b>51</b>	-	-
Repayments	<b>(201)</b>	-	-
	<b>43,448</b>	-	-
Non-current	<b>37,795</b>	-	-
Current	<b>5,653</b>	-	-
	<b>43,448</b>	-	-

On 20 May 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 commencing on the date of delivery of the vessel to the Group. The vessel was delivered to the Group on 21 June 2022. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the unaudited value of the right-of-use asset which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty and corresponding lease liabilities was also recognized.

During the first half of 2022, the total cash outflow for the lease was US\$201,000 (30/6/2021: nil).



## 12. Investment properties

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>US\$'000</b>	US\$'000	US\$'000
At 1 January	<b>28,145</b>	29,479	29,479
Change in fair value	<b>(803)</b>	842	(1,334)
	<b>27,342</b>	30,321	28,145

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

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

### 13. Financial assets at fair value through OCI

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>US\$'000</b>	US\$'000	US\$'000
Unlisted equity investments			
Co-investment in a property project			
At 1 January	<b>12,257</b>	10,373	10,373
Change in fair value <sup>1</sup>	<b>(4,200)</b>	766	1,884
	<b>8,057</b>	11,139	12,257
Unlisted club membership			
At 1 January	<b>482</b>	370	370
Change in fair value <sup>2</sup>	<b>-</b>	38	112
	<b>482</b>	408	482
	<b>8,539</b>	11,547	12,739

#### Notes:

1. Items that will not be reclassified to profit or loss.
2. Items that may be reclassified subsequently to profit or loss.
3. In March 2021, 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 ("Dual Bliss"), for the purposes of funding the operating expenditure of Tower A and the Co-Investor agreed to provide a maximum amount of advance up to US\$1,577,000. At the reporting date, advance of US\$1,342,000 (31/12/2021: US\$568,000) was drawdown and the amount was included in loan receivables.

Pursuant to the co-investment documents, the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2021: US\$372,000).

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 stated at fair value represented investment in club membership which their fair values can be 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.

#### 14. Loan receivables

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>US\$'000</b>	US\$'000	US\$'000
At 1 January	<b>9,236</b>	33,358	33,358
Gross new loan originated	<b>774</b>	-	568
Repayment	<b>(660)</b>	(19,118)	(24,690)
Provision of individual impairment	-	-	-
Loan receivables, net of provision	<b>9,350</b>	14,240	9,236
Less: Amount receivable within one year	<b>(9,350)</b>	(2,243)	(5,538)
Amount receivable after one year	-	11,997	3,698

At the reporting date, the Group's loan receivables of US\$8,008,000 (31/12/2021: US\$8,668,000) which arise from asset-based financing, are denominated in United States Dollars and are secured by collaterals provided by the borrowers, and are repayable with fixed terms agreed with the borrowers; and loan receivables of US\$1,342,000 (31/12/2021: US\$568,000) which arise from co-investment (as mentioned in note 13), are unsecured and denominated in United States Dollars and has no fixed repayment terms.

At the reporting date, these receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness and the collection statistics, and are not considered as impaired. The carrying amount of these loan receivables are considered to be a reasonable approximation of their fair values.

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

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>US\$'000</b>	US\$'000	US\$'000
<i>Held for trading</i>			
Listed equity securities	<b>36,314</b>	50,173	40,193
Listed debt securities	<b>2,427</b>	4,653	2,886
Unlisted debt securities	<b>293</b>	960	-
	<b>39,034</b>	55,786	43,079
<i>Designated as such upon initial recognition</i>			
Investment funds	<b>827</b>	272	308
	<b>39,861</b>	56,058	43,387

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.

## 16. Secured bank loans

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

	<b>30/6/2022</b>	30/6/2021	31/12/2021
	<b>(Unaudited)</b>	(Unaudited)	(Audited)
	<b>US\$'000</b>	US\$'000	US\$'000
Within one year	<b>41,047</b>	58,250	52,635
In the second year	<b>23,316</b>	8,516	21,167
In the third to fifth year	<b>12,312</b>	33,247	18,776
Total secured bank loans	<b>76,675</b>	100,013	92,578
Less: Amount repayable within one year	<b>(41,047)</b>	(58,250)	(52,635)
Amount repayable after one year	<b>35,628</b>	41,763	39,943

During the six months ended 30 June 2022, the Group had drawn new secured bank loan of US\$15,385,000 (30/6/2021: US\$12,556,000) and repaid US\$31,288,000 (30/6/2021: US\$20,888,000).

## 17. Capital expenditures and commitments

During the first half of 2022, capital expenditure on additions of motor vessels and capitalized drydocking costs was US\$45,931,000 (30/6/2021: US\$16,582,000) and on other property, plant and equipment was US\$27,000 (30/6/2021: US\$40,000).

Pursuant to the co-investment documents, the Co-Investor committed to acquire non-voting participating class A shares of Dual Bliss of US\$10,000,000. Dual Bliss is one of the investors of the co-investment in Tower A. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000 (31/12/2021: US\$372,000).

On 28 March 2022, the Group entered into an agreement in respect of the acquisition of a Supramax of deadweight 63,485 metric tons at a purchase price of US\$25,500,000, which was delivered to the Group at end of July 2022. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$22,950,000 (31/12/2021: nil).

In December 2021, the Group entered into two agreements in respect of the acquisition of two Supramaxes each at a consideration of US\$17,250,000 and the total consideration of the two vessels is US\$34,500,000. The first vessel is deadweight 56,361 metric tons and the second vessel is deadweight 56,469 metric tons. The first vessel was delivered to the Group in February 2022 and the second vessel was delivered to the Group in March 2022. As at 31 December 2021, the capital expenditure commitments contracted by the Group but not provided for was US\$34,500,000.

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for was US\$23,322,000 (31/12/2021: US\$34,872,000).

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.

## 18. Related party transactions

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

	<b>3 months ended 30/6/2022 (Unaudited) US\$'000</b>	3 months ended 30/6/2021 (Unaudited) US\$'000	<b>6 months ended 30/6/2022 (Unaudited) US\$'000</b>	6 months ended 30/6/2021 (Unaudited) US\$'000	Year ended 31/12/2021 (Audited) US\$'000
Salaries and other benefits	1,943	1,941	3,897	3,894	8,968
Contributions to retirement benefits schemes	111	111	222	222	443
	<b>2,054</b>	2,052	<b>4,119</b>	4,116	9,411



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