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**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

The following is the preliminary financial information of our Group as of and for the year ended December 31, 2022 (the “2022 Preliminary Financial Information”), together with comparative financial information as of and for the year ended December 31, 2021 and a discussion of changes in our financial condition and results of operations between the two periods. The 2022 Preliminary Financial Information has been prepared based on the unaudited consolidated financial statements of our Group prepared in accordance with HKFRSs. The 2022 Preliminary Financial Information does not constitute the audited consolidated financial statements of our Group for the year ended December 31, 2022. The 2022 Preliminary Financial Information was not audited. Investors should bear in mind that the 2022 Preliminary Financial Information in this appendix may be subject to adjustments.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
		2021	2022
	<i>Note</i>	<i>USD’000</i>	<i>USD’000</i>
			(Unaudited)
Revenue	3	372,738	359,101
Cost of sales	4	<u>(315,088)</u>	<u>(296,737)</u>
Gross profit		57,650	62,364
Selling, general and administrative expenses	4	(17,215)	(11,939)
Net impairment reversal/(losses) on financial assets		205	(169)
Other income		51	2,179
Other (losses)/gains — net	5	<u>(369)</u>	<u>4,900</u>
Operating profit		40,322	57,335
Finance income		1	27
Finance costs		<u>(3,451)</u>	<u>(6,310)</u>
Finance costs, net	6	(3,450)	(6,283)
Share of net profit of associates and joint ventures accounted for using the equity method		<u>4,314</u>	<u>9,995</u>
Profit before income tax		41,186	61,047
Income tax expenses	7	<u>(1,181)</u>	<u>(2,118)</u>
Profit for the year		<u><u>40,005</u></u>	<u><u>58,929</u></u>

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		Year ended December 31,	
		2021	2022
	<i>Note</i>	<i>USD'000</i>	<i>USD'000</i>
			(Unaudited)
Profit attributable to:			
— Shareholders of the Company		33,617	57,316
— Non-controlling interests		<u>6,388</u>	<u>1,613</u>
		<u>40,005</u>	<u>58,929</u>
Other comprehensive income:			
<i>Items that may be reclassified to profit or loss</i>			
— Exchange differences on translation of foreign operations		<u>5</u>	<u>(106)</u>
Other comprehensive income for the year, net of tax		<u>5</u>	<u>(106)</u>
Total comprehensive income for the year		<u>40,010</u>	<u>58,823</u>
Total comprehensive income attributable to:			
— Shareholders of the Company		33,622	57,210
— Non-controlling interests		<u>6,388</u>	<u>1,613</u>
		<u>40,010</u>	<u>58,823</u>
Earnings per share attributable to shareholders of the Company			
Basic earnings per share	8	3.36	5.73
Diluted earnings per share	8	3.36	5.73

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**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
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CONSOLIDATED BALANCE SHEET

		As at December 31,	
		2021	2022
	<i>Note</i>	<i>USD'000</i>	<i>USD'000</i>
			(Unaudited)
Assets			
Non-current assets			
Property, plant and equipment		54,848	91,135
Right-of-use assets		91,932	78,148
Intangible assets		114	92
Interests in associates and joint ventures		5,233	7,846
Deferred tax assets		71	37
Other non-current assets		<u>13,575</u>	<u>47,742</u>
		<u>165,773</u>	<u>225,000</u>
Current assets			
Financial assets at fair value through profit or loss		3,285	1,232
Inventories		4,651	10,630
Prepayment and other current assets		6,134	5,181
Trade and other receivables	9	25,542	25,002
Restricted bank deposits		31	32
Cash and cash equivalents		<u>25,030</u>	<u>20,170</u>
		<u>64,673</u>	<u>62,247</u>
Total assets		<u><u>230,446</u></u>	<u><u>287,247</u></u>
Equity			
Share capital		—	—*
Treasury stock		—	—*
Combined capital		785	—
Reserves		8,839	9,692
Retained earnings		<u>37,696</u>	<u>94,914</u>
Equity attributable to shareholders of the Company		47,320	104,606
Non-controlling interests		<u>4,087</u>	<u>4,404</u>
Total equity		<u>51,407</u>	<u>109,010</u>

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		As at December 31,	
		2021	2022
	<i>Note</i>	<i>USD'000</i>	<i>USD'000</i>
			(Unaudited)
Liabilities			
Non-current liabilities			
Borrowings		27,476	61,575
Lease liabilities		<u>65,586</u>	<u>55,504</u>
		<u>93,062</u>	<u>117,079</u>
Current liabilities			
Advances and contract liabilities		4,448	4,396
Trade and other payables	10	53,247	27,695
Current tax liabilities		1,840	1,941
Borrowings		5,369	9,851
Lease liabilities		<u>21,073</u>	<u>17,275</u>
		<u>85,977</u>	<u>61,158</u>
Total liabilities		<u>179,039</u>	<u>178,237</u>
Total equity and liabilities		<u><u>230,446</u></u>	<u><u>287,247</u></u>

Note: —* The amount which is less than US\$1,000 is presented as “—*”.

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APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2022

NOTES TO THE 2022 PRELIMINARY FINANCIAL INFORMATION

1 General information

Seacon Shipping Group Holdings Limited (the “Company”) was incorporated in the Cayman Islands on October 22, 2021 as an exempted company with limited liability under the Companies Act (Cap.22, Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of the Company’s registered office is Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries (together the “Group”) are principally engaged in the provision of (i) shipping business which provides foreign trade shipping services through dry bulk carrier, oil tanker and chemical tanker with flag of convenience, and (ii) ship management business which provides ship management services (the “[REDACTED] Businesses”). The ultimate owner of the Group is Mr. Guo Jinkui (“Mr. Guo”).

These financial statements are presented in United States dollar (“USD”) and all values are rounded to the nearest thousand (USD’000) except when otherwise indicated.

2 Basis of preparation and accounting policies

The 2022 Preliminary Financial Information of the Group has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”). The 2022 Preliminary Financial Information has been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss, which are carried at fair value.

The preparation of the 2022 Preliminary Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the 2022 Preliminary Financial Information are disclosed in Note 4 to the Accountant’s Report in Appendix I to this document.

New standards and interpretations not yet adopted

New standard, amendments to existing standards and interpretations that have been issued but are not effective and have not been early adopted by the Group are set out below:

	New standards, amendments and interpretations	Effective for annual periods beginning on or after
HKAS 1 (Amendments)	Classification of liabilities as current or non-current, Non-current Liabilities with Covenants (amendments)	January 1, 2024
HKFRS 17	Insurance contract (new standard and amendments), Amendments to HKFRS 17, Initial Application of HKFRS 17 and HKFRS 9-Comparative Information	January 1, 2023
HKAS 8 (Amendments)	Definition of accounting estimates	January 1, 2023

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	New standards, amendments and interpretations	Effective for annual periods beginning on or after
Hong Kong Interpretation 5 (2020)	Presentation of financial statements — classification by the borrower of a term loan that contains a repayment on demand clause	Applied when an entity applies “Classification of Liabilities as Current or Non-current — Amendments to HKAS 1”
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of accounting policies	January 1, 2023
Amendments to HKAS 12	Deferred tax related to assets and liabilities arising from a single transaction	January 1, 2023
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback (amendments)	January 1, 2024
HK Int 5 (Revised)	Hong Kong Interpretation 5 (Revised) Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause (HK Int 5 (Revised))	January 1, 2024
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Directors of the Company are of the opinion that the adoption of the above new standards, amendments to existing standards and interpretations would not have a material impact on the Group’s financial statements when they become effective.

3 Revenue and segment information

The Company’s executive directors are the Group’s chief operating decision maker (“CODM”). The Group’s CODM mainly examines the Group’s performance from a business perspective, and has identified two reporting segments of its business as follows:

- Shipping business
- Ship management business

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(a) Segment information of the Group

The following is an analysis of the Group’s revenue and results by reportable segments:

	For the year ended December 31, 2022 (Unaudited)			
	Shipping	Ship		
	business	management	Elimination	Total
	<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>	<i>USD’000</i>
Total reportable segment revenue				
Revenue from external customers	305,862	53,239	—	359,101
Inter-segment revenue	<u>—</u>	<u>2,487</u>	<u>(2,487)</u>	<u>—</u>
Total reportable segment revenue	<u>305,862</u>	<u>55,726</u>	<u>(2,487)</u>	<u>359,101</u>
Segment results				
Profit before income tax	<u>54,495</u>	<u>6,552</u>	<u>—</u>	<u>61,047</u>
Segment results included:				
Finance income	23	4		27
Finance costs	(6,251)	(59)		(6,310)
Depreciation and amortisation	(29,881)	(547)		(30,428)
Net impairment (losses)/ reversal on financial assets	(175)	6		(169)
Share of profit of associates and joint ventures	9,969	26		9,995

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	For the year ended December 31, 2021			
	Shipping business <i>USD'000</i>	Ship management business <i>USD'000</i>	Elimination <i>USD'000</i>	Total <i>USD'000</i>
Total reportable segment revenue				
Revenue from external customers	323,742	48,996	—	372,738
Inter-segment revenue	<u>—</u>	<u>11,107</u>	<u>(11,107)</u>	<u>—</u>
Total reportable segment revenue	<u>323,742</u>	<u>60,103</u>	<u>(11,107)</u>	<u>372,738</u>
Segment results				
Profit before income tax	<u>38,343</u>	<u>2,843</u>	<u>—</u>	<u>41,186</u>
Segment results included:				
Finance income	—*	1		1
Finance costs	(3,399)	(52)		(3,451)
Depreciation and amortisation	(17,973)	(291)		(18,264)
Net impairment reversal on financial assets	60	145		205
Share of profit of associates and joint ventures	4,302	12		4,314

Note: —* The amount which is less than US\$1,000 is presented as “—*”.

The following is an analysis of the Group’s assets and liabilities by reportable segments:

	As at December 31, 2022 (Unaudited)			
	Shipping business <i>USD'000</i>	Ship management business <i>USD'000</i>	Elimination <i>USD'000</i>	Total <i>USD'000</i>
Segment assets	<u>270,193</u>	<u>23,248</u>	<u>(6,194)</u>	<u>287,247</u>
Segment liabilities	<u>171,905</u>	<u>12,526</u>	<u>(6,194)</u>	<u>178,237</u>
	As at December 31, 2021			
	Shipping business <i>USD'000</i>	Ship management business <i>USD'000</i>	Elimination <i>USD'000</i>	Total <i>USD'000</i>
Segment assets	<u>213,982</u>	<u>22,058</u>	<u>(5,594)</u>	<u>230,446</u>
Segment liabilities	<u>168,902</u>	<u>15,731</u>	<u>(5,594)</u>	<u>179,039</u>

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FOR THE YEAR ENDED DECEMBER 31, 2022**

(b) Analysis of revenue

The Group’s businesses are managed on a worldwide basis. The revenues generated from provision of shipping business and ship management business, which is carried out internationally, and the way in which costs are allocated, preclude a meaningful presentation of geographical information.

The Group’s revenues for the years ended December 31, 2021 and 2022 are recognised over-time.

For the years ended December 31, 2021 and 2022, there were no sales to any single customer which contributed 10% or more of the Group’s revenue.

There is no significant long-term unsatisfied performance obligations for the years ended December 31, 2021 and 2022. For the above contracts with customers, they are rendered in short period of time, which is generally less than a year, and the Group has elected the practical expedient for not to disclose the remaining performance obligations for these type of contracts.

4 Expenses by nature

Expenses included in cost of sales, selling, general and administrative expenses are analyzed as follows:

	Year ended December 31,	
	2021	2022
	<i>USD’000</i>	<i>USD’000</i>
		(Unaudited)
Charter hire costs	176,683	132,422
Crew manning expenses	47,837	51,619
Bunker consumed	36,468	42,527
Depreciation and amortization	18,264	30,428
Employee benefit expenses	13,096	10,889
Port charges	13,919	9,879
Lubricating oil and spare parts costs	5,562	7,794
Shipbuilding supervision outsourced fee	3,592	3,833
Insurance	2,581	3,704
Brokerage	4,154	2,990
Repair expenses	1,374	2,457
Vessel certificate and inspection related cost	914	1,911
[REDACTED] expenses	1,377	1,858
Vessel take over fee	980	802
Business development and entertainment expenses	407	624
Auditor’s remuneration	23	190
Others	<u>5,072</u>	<u>4,749</u>
Total cost of sales, selling, general and administrative expenses	<u><u>332,303</u></u>	<u><u>308,676</u></u>

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5 Other (losses)/gains, net

	Year ended December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Foreign exchange (losses)/gains, net	(242)	542
Bank charges	(258)	(554)
Provision for legal proceedings	(803)	(680)
Net gains on disposal of property, plant and equipment	3	5,646
Net fair value gains/(losses) on financial assets at fair value through profit or loss	920	(47)
Others	11	(7)
	<u>(369)</u>	<u>4,900</u>

6 Finance costs, net

	Year ended December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Finance income	(1)	(27)
Finance costs:		
— borrowings	1,934	4,354
— lease liabilities	1,517	1,956
	<u>3,451</u>	<u>6,310</u>
Finance costs, net	<u>3,450</u>	<u>6,283</u>

7 Income tax expense

	Year ended December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Current income tax:		
— Hong Kong profits tax	398	140
— PRC enterprise income tax	28	75
— Japan income tax	500	1,245
— Singapore income tax	302	624
Deferred income tax	(47)	34
	<u>1,181</u>	<u>2,118</u>

For the year ended December 31, 2022, taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates.

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The taxation of the Group’s profit before taxation differs from the theoretical amount that would arise using the rates prevailing in the jurisdictions in which the Group operates as follows:

	Year ended December 31,	
	2021	2022
	<i>USD’000</i>	<i>USD’000</i>
		(Unaudited)
Profit before income tax	41,186	61,047
Tax calculated at applicable tax rates	7,083	10,946
Expenses not deductible for taxation purposes	241	36
Tax effect of share of profits of associates and joint ventures	(712)	(1,699)
Net exempted gains	<u>(5,431)</u>	<u>(7,165)</u>
Income tax expense	<u><u>1,181</u></u>	<u><u>2,118</u></u>

8 Earnings per share

Basic earnings per share for the year ended December 31, 2022 are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the issue of shares in connection with the Reorganization completed in February 2022.

	Year ended December 31,	
	2021	2022
		(Unaudited)
Profit attributable to the owners of the Company (<i>USD’000</i>)	33,617	57,316
Weighted average number of ordinary shares in issue	10,000	10,000
Basic earnings per share (<i>USD’000</i>)	3.36	5.73

As the Company has no dilutive instruments for the year ended December 31, 2022, the Group’s diluted earnings per share equals to its basic earnings per share.

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9 Trade and other receivables

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Trade receivables — ship management business ^{(Note (a))}		
— third parties	5,486	2,601
— related parties	121	473
Less: provision for impairment	<u>(17)</u>	<u>(21)</u>
Trade receivables — net	<u>5,590</u>	<u>3,053</u>
Trade receivables — shipping business ^{(Note (a))}		
— third parties	11,363	11,640
— related parties	32	—
Less: provision for impairment	<u>(25)</u>	<u>(155)</u>
Trade receivables — net	<u>11,370</u>	<u>11,485</u>
Other receivables		
— amount due from related parties	3,623	184
— deposits to related parties	50	—
— deposits and guarantees	3,496	5,202
— dividends receivable from an associate	—	3,104
— others	<u>1,478</u>	<u>2,053</u>
	8,647	10,543
Less: provision for impairment of other receivables	<u>(65)</u>	<u>(79)</u>
Other receivables — net	<u>8,582</u>	<u>10,464</u>
	<u>25,542</u>	<u>25,002</u>

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- (a) Aging analysis of trade receivables of the Group on each balance sheet date, based on the invoice date, was as follows:

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Trade receivables — ship management business		
Within 3 months	2,942	2,876
3–6 months	347	88
6–12 months	853	90
1–2 years	<u>1,465</u>	<u>20</u>
	<u>5,607</u>	<u>3,074</u>
Less: provision for impairment	<u>(17)</u>	<u>(21)</u>
	<u><u>5,590</u></u>	<u><u>3,053</u></u>

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Trade receivables — shipping business		
Within 3 months	10,662	10,059
3–6 months	711	31
6–12 months	—	1,528
1–2 years	—	—
2–3 years	22	—
3–4 years	<u>—</u>	<u>22</u>
	<u>11,395</u>	<u>11,640</u>
Less: provision for impairment	<u>(25)</u>	<u>(155)</u>
	<u><u>11,370</u></u>	<u><u>11,485</u></u>

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which use a lifetime expected loss allowance for all trade receivables.

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10 Trade and other payables

	As at December 31,	
	2021	2022
	<i>US\$'000</i>	<i>US\$'000</i>
		(Unaudited)
Trade payables ^{(Note (a))}		
— third parties	15,712	20,498
— related parties	<u>4,137</u>	<u>556</u>
	<u>19,849</u>	<u>21,054</u>
Other payables		
— amount due to related parties	26,850	1,345
— deposits from related parties	154	18
— amount due to third parties	—	108
— deposits and guarantees	2,025	1,276
— salaries and staff welfare payable	2,524	1,903
— provisions for legal proceeding	784	1,102
— [REDACTED] expenses	935	650
— others	<u>126</u>	<u>239</u>
	<u>33,398</u>	<u>6,641</u>
	<u>53,247</u>	<u>27,695</u>

(a) Aging analysis of trade payable of the Group on each balance sheet date, based on the invoice date, was as follows:

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
		(Unaudited)
Less than 1 year	19,670	20,866
1–2 years	176	76
2–3 years	3	110
Over 3 years	<u>—</u>	<u>2</u>
	<u>19,849</u>	<u>21,054</u>

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11 Dividends

Seacon Enterprise, a non-wholly owned subsidiary which the Group has 60% shareholding interests, declared cash dividend of US\$8,000,000 and US\$3,237,940 respectively for the year ended December 31, 2021 and 2022 to the Group and the non-controlling interests, among which US\$3,200,000 and US\$1,295,176 respectively has been paid in cash to its non-controlling interests for the corresponding years.

No dividends have been declared or paid by the Company for the years ended December 31, 2021 and 2022.

12 Subsequent event

Pursuant to the written resolutions of the shareholders of the Company passed on March 2, 2023, conditional on the share premium account of the Company having sufficient balance, or otherwise being credited as a result of the allotment and issuance of the [REDACTED] pursuant to the [REDACTED], the Directors of the Company are authorised to capitalize HK\$[REDACTED] standing to the credit of the share premium account of the Company by applying such sum to pay up in full at par [REDACTED] Shares (or any such number of Shares any director may determine) for allotment and issuance to those shareholders of the Company whose names appeared in the register of members or the principal share register of the Company at close of business on the date which the said resolution is passed (or another date as our Directors may direct) in proportion to their respective shareholdings in the Company, each ranking *pari passu* in all respects with the shares then in issue.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

MANAGEMENT DISCUSSION AND ANALYSIS

Business review and outlook

We are an integrated shipping services provider headquartered in the PRC. We endeavour to provide comprehensive shipping solutions to our customers along the value chain of the maritime shipping industry. We are principally engaged in the provision of ship management and shipping services.

With respect to our shipping services, we provided shipping services through our fleet of controlled vessels and chartered-in vessels during the Track Record Period which primarily comprised dry bulk carriers. Through our large and varied fleet of dry bulk carriers, we are able to transport all major kinds of dry bulks for our customers such as iron ore, coal, grain, steel, logs, cement, fertilizer, nickel ore and bauxite. In addition to dry bulk goods, we are also able to transport asphalt, petrochemical products and molten sulphur through our controlled fleet of oil and chemical tankers.

With respect to our ship management services, we have established ourselves as a leading ship management services provider with a proven track record of providing comprehensive and high-quality ship management solutions. The vessels under our management are of varying types and sizes registered under the flag states of major global shipping hubs such as Singapore, Hong Kong, the PRC, Panama, the Marshall Islands and Liberia.

Going forward, we plan to implement the following strategies by leveraging our core competitive strengths which we believe will enable us to further develop our existing service offerings and capture rising business opportunities:

- continue to scale up and diversify our vessel fleet with a strategic focus on maintaining an appropriate balance of chartered-in and controlled vessels by (i) expanding and diversifying our chartered-in vessel fleet and (ii) expanding and optimizing our controlled vessel fleet;
- expand our ship management capabilities by reinforcing our existing market share and establishing a presence in global markets; and
- adopt digital technologies and implement advanced information technology systems in our business operations.

Except for the estimated non-recurring [REDACTED] expenses as disclosed in this document, to the best of our Directors’ knowledge, there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2022 and up to the date of this document.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

RESULTS OF OPERATIONS

The year ended December 31, 2022 compared to the year December 31, 2021

Revenue

Our revenue decreased by approximately USD13.6 million or 3.7% from approximately USD372.7 million in 2021 to approximately USD359.1 million in 2022. Such decrease was mainly a result of the combined effect of:

- *Shipping services:* A decrease in revenue by approximately USD17.8 million or 5.5% from approximately USD323.7 million in 2021 to approximately USD305.9 million in 2022 primarily due to the revenue derived from our chartered-in vessels decreased from approximately USD257.2 million in 2021 to approximately USD198.2 million in 2022, representing a decrease of approximately 22.9%. This was primarily due to (i) the fact that we entered into less chartered-in vessel engagements in 2022 compared to 2021, and (ii) a decrease in the average daily BDI from approximately 2,943 points in 2021 compared to approximately 1,937 points in 2022 which meant that the charter hire we were able to receive from our customers reduced. On the other hand, the revenue derived from our controlled vessels increased from approximately USD66.6 million in 2021 to approximately USD107.8 million in 2022, representing an increase of approximately 61.8%. This was primarily due to the introduction of five oil tankers into our controlled vessel fleet during the second half of 2021 and early 2022; and
- *Ship management services:* An increase in revenue by approximately USD4.2 million or 8.7% from approximately USD49.0 million in 2021 to approximately USD53.2 million in 2022 primarily due to (i) an increase in the aggregate number of third party-owned vessels under our management in 2022 compared to 2021, and (ii) an increase in the revenue derived from our provision of shipbuilding supervision services from approximately USD2.5 million in 2021 to approximately USD5.5 million in 2022, representing an increase of approximately 121.3% as a large majority of our shipbuilding supervision projects commenced in the latter half of 2021 contributed to our revenue in 2022.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Cost of sales

Our cost of sales decreased by approximately USD18.4 million or 5.8% from approximately USD315.1 million in 2021 to approximately USD296.7 million in 2022. Such decrease was mainly a result of the decrease in charter hire cost from approximately USD176.7 million in 2021 to approximately USD132.4 million in 2022, which was primarily due to decrease in chartered-in vessels engagements from vessel suppliers in addition to the decreasing average daily BDI. Such decrease was partially offset by (i) an increase in bunker costs from approximately USD36.5 million in 2021 to approximately USD42.5 million in 2022 primarily as a result of an increase in bunker fuel prices in early 2022 resulting from the Russian-Ukraine conflict; and (ii) expansion of our controlled vessel fleet which required us to properly crew with sailors, leading to an increase in our crew manning expenses from USD47.8 million in 2021 to USD51.6 million in 2022.

Gross profit and gross profit margin

As a result of the foregoing, our gross profit increased by approximately USD4.7 million or 8.2% from approximately USD57.7 million in 2021 to approximately USD62.4 million in 2022. Our overall gross profit margin increased from approximately 15.5% in 2021 to approximately 17.4% in 2022. Such increase was mainly a result of the combined effect of:

- *Shipping services:* The gross profit from our shipping services remained relatively stable at approximately USD52.2 million and USD52.2 million in 2021 and 2022, respectively. The gross profit derived from our chartered-in vessels decreased by approximately USD9.1 million or 28.6% from approximately USD31.6 million to USD22.5 million, which was generally in line with our decrease in revenue derived from our chartered-in vessels. On the other hand, the gross profit derived from our controlled vessels increased by approximately USD9.0 million or 44.0% from approximately USD20.6 million in 2021 to approximately USD29.6 million in 2022, which was generally in line with our increase in revenue derived from our controlled vessels. The gross profit margins of our chartered-in vessels remained stable at approximately 12.3% and 11.4% in 2021 and 2022, respectively. The gross profit margins of our controlled vessels also remained stable at approximately 30.9% and 27.5% in 2021 and 2022, respectively; and

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

- *Ship management services:* The gross profit from our ship management services increased by approximately USD4.7 million or 85.6% from approximately USD5.5 million in 2021 to approximately USD10.2 million in 2022 primarily due to (i) an increase in our revenue contributed by vessels charged under a management fee basis, and (ii) an increase in our revenue contributed by our shipbuilding supervision projects as a large portion of our shipbuilding supervision projects commenced during the latter half of 2021. Our gross profit margin for ship management services also increased from approximately 11.2% in 2021 to 19.1% in 2022 primarily due to the increase in proportion of revenue contributed by vessels charged under a management fee basis in addition to the commencement of a large portion of our shipbuilding supervision projects during the latter half of 2021 that generally did not involve a high level of associated costs as compared to the ship management services rendered under lump sum basis, thereby improving the general profitability of our ship management services business segment in 2022 compared to 2021.

Selling, general and administrative expenses

Our selling, general and administrative expenses decreased by approximately USD5.3 million or 30.6% from approximately USD17.2 million in 2021 to approximately USD11.9 million in 2022 mainly due to the decrease in employee benefit expenses from approximately USD9.0 million in 2021 to USD3.9 million in 2022 primarily owing to the recognition of share based compensation of approximately USD5.6 million incurred during 2021 as a result of the shares granted to certain Directors which vested during 2021.

Net impairment losses/reversal on financial assets

We recognized net impairment reversal on financial assets of approximately USD205,000 in 2021 and net impairment losses on financial assets of approximately USD169,000 in 2022 primarily due to an increase in provision for impairment over our trade receivables as at December 31, 2022 which was made on an individual basis after taking into consideration of the long-aging status of the trade receivables due from one of our customers.

Other income

Our other income increased significantly by approximately USD2.1 million or 4,172.6% from approximately USD51,000 in 2021 to approximately USD2.2 million in 2022 primarily due to (i) contract compensation of approximately USD2.0 million paid to us arising from a customer terminating a charterparty contract prior to the intended vessel delivery date, and (ii) the one-off government subsidies granted to our subsidiary Seacon Ships Ningbo for business support.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Other gains/losses

We recorded other gains of approximately USD4.9 million in 2022 as compared to other losses of approximately USD0.4 million in 2021 primarily due to the recognition net gains on disposal of property, plant and equipment of approximately USD5.4 million in 2022 arising from the disposal of SEACON BRAZIL, one of our controlled vessels, in 2022.

Finance costs

Our finance costs increased by approximately USD2.8 million or 82.8% from approximately USD3.5 million in 2021 to approximately USD6.3 in 2022 primarily due to an increase in the interest payable on our borrowings and lease liabilities as we had entered into (i) new finance leases for SEACON FUZHOU and SEACON ATHENS in 2022 and (ii) five new bareboat charters throughout late 2021 to early 2022 which increased our interest payable on lease liabilities.

Share of net profit of associates and joint ventures

We recorded share of net profit of approximately USD4.3 million in 2021 which increased to approximately USD10.0 million in 2022 primarily because (i) we acquired shareholding interests over each of Seacon 6, Seacon 7, Seacon 8 and Seacon 9 during the second half of 2021 which greatly contributed to our share of net profits of such associated companies; (ii) Hongkong Xinyihai recorded a strong financial performance in 2022 compared to 2021; and (iii) our share of the net profits from the sale of XINYIHAI 55 in 2022.

Income tax expenses

Our income tax expense increased by approximately USD0.9 million or 79.3% from approximately USD1.2 million in 2021 to approximately USD2.1 million in 2022 primarily due to an increase in our tax payable in 2022 owing to higher profits recorded in 2022 compared to 2021.

Profit for the year

As a result of the foregoing, our profit for the year increased by approximately USD18.9 million or 47.3% from approximately USD40.0 million in 2021 to approximately USD58.9 million in 2022.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

DESCRIPTION OF SELECTED ITEMS OF CONSOLIDATED BALANCE SHEETS

Current assets and current liabilities

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
	(Unaudited)	
Current assets		
Financial assets at fair value through profit or loss	3,285	1,232
Inventories	4,651	10,630
Prepayment and other current assets	6,134	5,181
Trade and other receivables	25,542	25,002
Restricted bank deposits	31	32
Cash and cash equivalents	<u>25,030</u>	<u>20,170</u>
	<u>64,673</u>	<u>62,247</u>
Current liabilities		
Advances and contract liabilities	4,448	4,396
Trade and other payables	53,247	27,695
Current tax liabilities	1,840	1,941
Borrowings	5,369	9,851
Lease liabilities	<u>21,073</u>	<u>17,275</u>
	<u>85,977</u>	<u>61,158</u>

Trade and other receivables

Our trade receivables represent outstanding amounts due from customers for our services. Our other receivables primarily consist of dividends receivable from an associate and deposits and guarantees.

Our trade receivables decreased from approximately USD17.0 million as at December 31, 2021 to approximately USD14.5 million as at December 31, 2022. The decrease in our trade receivables from December 31, 2021 to December 31, 2022 was generally in line with our decrease in revenue in 2022. Our other receivables increased from approximately USD8.6 million as at December 31, 2021 to approximately USD10.5 million as at December 31, 2022 primarily due to the dividends receivable from an associate of approximately USD3.1 million as at December 31, 2022.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

The following table sets forth the average turnover days of our trade receivables for the years as indicated:

	Year ended December 31,	
	2021	2022
	(Unaudited)	
Average turnover days of our trade receivables ^(Note)	16	16

Note: Overall average turnover days of trade receivables is derived by dividing the arithmetic mean of the opening and closing balances of trade receivables for the relevant year by revenue and multiplying by 365 days.

Trade and other payables

Our trade and other payables represent payments due to our suppliers including service fees paid to various maritime services providers.

Our trade payables increased from approximately USD19.8 million as at December 31, 2021 to approximately USD21.1 million as at December 31, 2022 mainly attributable to the increase in purchase of bunker fuel during 2022 and repair and maintenance expenses in connection with our controlled vessels during 2022. Our other payables decreased from approximately USD33.4 million as at December 31, 2021 to approximately USD6.6 million as at December 31, 2022 primarily due to the settlement of amount due to related parties.

The following table sets forth the average turnover days of our trade payables for the years as indicated:

	Year ended December 31,	
	2021	2022
	(Unaudited)	
Average turnover days of our trade payables ^(Note)	25	25

Note: Overall average turnover days of trade payables is derived by dividing the arithmetic mean of the opening and closing balances of payables for the relevant year by cost of sales and multiplying by 365 days.

Property, plant and equipment

Our property, plant and equipment primarily consisted of vessels, buildings, transportation equipment and office equipment. Our property, plant and equipment increased from approximately USD54.8 million as at December 31, 2021 to approximately USD91.1 million as at December 31, 2022, primarily due to the acquisition of SEACON FUZHOU and SEACON ATHENS in January 2022.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Right-of-use assets

Our right-of-use assets primarily comprised vessels which we chartered in from vessel suppliers and the building leases for our offices. Our right-of-use assets decreased from approximately USD91.9 million as at December 31, 2021 to approximately USD78.1 million as at December 31, 2022, primarily due to (i) the acquisition of SEACON FUZHOU and SEACON ATHENS (which were previously bareboat chartered to us) in January 2022, (ii) the change of lease term of GOLDEN CAMELLIA as a reduction of right-of-use assets as we have notified the shipowner of our intention to exercise the purchase option of GOLDEN CAMELLIA in October 2022, and (iii) the amortisation of the balance in relation to the vessels which were bareboat chartered to us throughout 2022.

Interests in associates and joint ventures

We held interests in joint ventures and associated companies with third parties. The aggregate carrying amounts of our joint ventures and associates increased from approximately USD5.2 million as at December 31, 2021 to approximately USD7.8 million as at December 31, 2022 mainly due to the increase in carrying value of Seacon 6 and XINYIHAI 55 as a result of the sale of our jointly owned vessel SEACON 6 and XINYIHAI 55 as well as the improved profitability of each of Seacon 7, Seacon 8 and Seacon 9 and Hongkong Xinyihai in 2022.

Other non-current assets

The increase in other non-current assets from approximately USD13.6 million as at December 31, 2021 to approximately USD47.7 million as at December 31, 2022 mainly attributable to (i) prepayment for the our seven vessels under construction in accordance with the payment schedule, and (ii) prepayment for equipment purchased.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss represented the aggregate of our right of gain/loss sharing from disposal of two of our controlled vessels under bareboat charter as well as the right to receive the deposits we previously paid for these two vessels pursuant to a gain/loss sharing arrangement entered into with the lessor of these two controlled vessels.

In particular, our financial assets at fair value through profit or loss decreased from approximately USD3.3 million as at December 31, 2021 to approximately USD1.2 million as at December 31, 2022 as one of the two controlled vessels subject to such gain/loss sharing arrangement, namely SEACON SINGAPORE, had been sold in May 2022 which in effect decreased our financial assets at fair value through profit or loss as at December 31, 2022 because there was only one controlled vessel subject to the gain/loss sharing arrangement instead of two vessels after the sale of SEACON SINGAPORE.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Inventories

Our inventories primarily consisted of lubricating oil, spare parts and bunker fuel. Our inventories of approximately USD4.7 million as at December 31, 2021 increased to approximately USD10.6 million as at December 31, 2022 primarily due to (i) a general increase in bunker fuel prices owing to the Russian-Ukraine conflict which greatly pushed up oil prices during early 2022, and (ii) the period-based time charter which our controlled vessel SEACON AFRICA was under had ended during the first half of 2022 and was subsequently chartered out under voyage charter which meant we were responsible for the bunker fuel when chartering-out via voyage charter and the bunker fuel stored in SEACON AFRICA was recognized as our inventory as at December 31, 2022.

Prepayment and other current assets

Our prepayment and other current assets primarily consisted of prepayments for vessels under short term charters and office rental, prepayment for insurance expenses and other prepayments for spare parts. Others mainly included prepayments for repair and maintenance work on our vessels and prepayments of freight charges. Our prepayment and other current assets decreased from approximately USD6.1 million as at December 31, 2021 to approximately USD5.2 million as at December 31, 2022 primarily due to a decrease in prepayments made for our vessels under short term time charters.

Lease liabilities

Our lease liabilities primarily comprised of charter hire paid to our vessel suppliers in respect of our controlled vessels chartered by us under bareboat charters. Our lease liabilities decreased from approximately USD86.7 million as at December 31, 2021 to approximately USD72.8 million as at December 31, 2022 primarily due to (i) the acquisition of SEACON FUZHOU and SEACON ATHENS (which were previously bareboat chartered to us) in January 2022, (ii) the change of lease term of GOLDEN CAMELLIA as a reduction of right-of-use assets as we have notified the shipowner of our intention to exercise the purchase option of GOLDEN CAMELLIA in October 2022, and (iii) the amortisation of the balance in relation to the vessels which were bareboat chartered to us throughout 2022.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

INDEBTEDNESS

Our indebtedness primarily consisted of bank borrowings and lease liabilities. The following table sets out our indebtedness as at the dates indicated:

	As at December 31,	
	2021	2022
	<i>USD'000</i>	<i>USD'000</i>
	(Unaudited)	
Borrowings		
— Current	5,369	9,851
— Non-current	<u>27,476</u>	<u>61,575</u>
Subtotal:	<u>32,845</u>	<u>71,426</u>
Lease liabilities		
— Current	21,073	17,275
— Non-current	<u>65,586</u>	<u>55,504</u>
Subtotal:	<u>86,659</u>	<u>72,779</u>
Total:	<u><u>119,504</u></u>	<u><u>144,205</u></u>

Borrowings

Our total borrowings increased from approximately USD32.8 million as at December 31, 2021 to approximately USD71.4 million as at December 31, 2022 mainly due to the finance leases we had entered into with respect to our controlled vessels SEACON ATHENS and SEACON FUZHOU in January 2022 and the re-financing of our controlled vessel SEACON SHANGHAI in February 2022.

As at December 31, 2022, we have unutilized banking facilities of USD2.0 million.

Lease liabilities

As at December 31, 2021 and 2022, our lease liabilities were approximately USD86.7 million and USD72.8 million, respectively, which primarily represent long term bareboat charters with lease periods of one year or more. Please see the paragraph headed “Description of selected items of consolidated balance sheets — Lease liabilities” in the “Financial Information” section of this document for further details.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Contingent Liabilities

As at the Latest Practicable Date, save as disclosed in the section headed “Business — Legal proceedings” in this document, we were not involved in any legal proceedings pending or, to our knowledge, threatened against us which could have a material adverse effect on our business or operations, and our Directors further confirm that we did not have any significant contingent liabilities.

Save as disclosed in the paragraph headed “Indebtedness” in the “Financial Information” section of this document, we did not have outstanding indebtedness or any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

KEY FINANCIAL RATIOS

The following table sets out our key financial ratios for the years or as at the dates indicated:

	As at December 31/ Year ended December 31,	
	2021	2022
		(Unaudited)
Return on equity ⁽¹⁾	65.4%	52.6%
Return on total assets ⁽²⁾	14.6%	20.0%
Current ratio ⁽³⁾	0.8	1.0
Quick ratio ⁽⁴⁾	0.7	0.8
Net debt to equity ratio ⁽⁵⁾	183.8%	113.8%

Notes:

1. Return on equity is calculated by profit attributable to shareholders of our Company divided by total equity as at the end of the respective year multiplied by 100%.
2. Return on total assets is calculated by profit attributable to shareholders of our Company divided by total assets as at the end of the respective year multiplied by 100%.
3. Current ratio is calculated by dividing current assets with current liabilities as at the end of the respective year.
4. Quick ratio is calculated by dividing total current assets net of inventory with current liabilities as the end of the respective year.
5. Net debt to equity ratio is calculated by dividing interest-bearing bank and other borrowings net of cash and cash equivalents at the end of the year by total equity at the end of the respective year and expressed as a percentage.

**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Return on equity

Our return on equity decreased from approximately 65.4% in 2021 to approximately 52.6% in 2022 mainly due to the increase in the retained earnings which is more significant than the increase in the profit attributable to shareholders of our Company.

Return on total assets

Our return on total assets increased from approximately 14.6% in 2021 to approximately 20.0% in 2022, which was mainly due to the increase in our net profit resulting from our improved financial condition and profitability in 2022.

Current ratio

Our current ratio increased from approximately 0.8 in 2021 to approximately 1.0 in 2022 mainly due to the reduction of our current liabilities mainly due to the (i) settlement of amount due to related parties in 2022, (ii) the acquisition of SEACON FUZHOU and SEACON ATHENS (which were previously bareboat chartered to us) in January 2022, and (iii) the change of lease term of GOLDEN CAMELLIA as a reduction of right-of-use assets as we have notified the shipowner of our intention to exercise the purchase option of GOLDEN CAMELLIA in October 2022.

Quick ratio

Our quick ratio increased from approximately 0.7 in 2021 to approximately 0.8 in 2022 mainly due to the (i) settlement of amount due to related parties in 2022, (ii) the acquisition of SEACON FUZHOU and SEACON ATHENS in January 2022, (iii) the change of lease term of GOLDEN CAMELLIA as a reduction of right-of-use assets as we have notified the shipowner of our intention to exercise the purchase option of GOLDEN CAMELLIA in October 2022, and (iv) the amortisation of the balance in relation to the vessels which were bareboat chartered to us throughout 2022.

Net debt to equity ratio

Our net debt to equity ratio decreased from approximately 183.8% in 2021 to approximately 113.8% in 2022 mainly due to the significant increase in our total equity resulting from an improvement of our profitability in 2022.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Please refer to Note 3 to the Accountant’s Report in Appendix I to this document for the details of the risks to which we are exposed to.

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**APPENDIX IIB UNAUDITED PRELIMINARY FINANCIAL INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

CODE ON CORPORATE GOVERNANCE PRACTICES

Since we were not yet [REDACTED] on the Stock Exchange during the year ended December 31, 2022, the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (“Corporate Governance Code”) was not applicable to us during such period under review. After the [REDACTED], we will comply with all the code provisions set forth in the Corporate Governance Code.

REVIEW OF OUR PRELIMINARY FINANCIAL INFORMATION

We have established an Audit Committee, which will come into operation with effect from the [REDACTED], in compliance with the Corporate Governance Code. Each of the proposed members of the Audit Committee have been informed and reviewed the 2022 Preliminary Financial Information as set out in this appendix. The unaudited financial information in respect of our consolidated balance sheet as of December 31, 2022, consolidated statement of comprehensive income for the year ended December 31, 2022 and the related notes thereto as set out in the 2022 Preliminary Financial Information above has been agreed by the Reporting Accountant to the amounts set out in the Group’s unaudited consolidated financial statements for the year ended December 31, 2022 in accordance with Practice Note 730 “Guidance for Auditors Regarding Preliminary Announcements of Annual Results” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The work performed by the Reporting Accountant in this respect did not constitute an assurance engagement performed in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the Reporting Accountant on the 2022 Preliminary Financial Information.

PURCHASE, SALES OR REDEMPTION OF OUR SHARES

Since we were not yet [REDACTED] on the Stock Exchange during the year ended December 31, 2022, this disclosure requirement is not applicable to us.