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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

FIRST QUARTER REPORT FOR THE QUARTER ENDED 31 MARCH 2023 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 31 May 2023 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, 31 May 2023

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.

First Quarter Report 2023

for the quarter ended 31 March 2023



**JINHUI SHIPPING
AND TRANSPORTATION LIMITED**

HIGHLIGHTS

For the First Quarter of 2023

- ↳ Revenue for the quarter: US\$14 million
- ↳ Net loss for the quarter: US\$13 million
- ↳ Basic loss per share: US\$0.117
- ↳ Gearing ratio as at 31 March 2023: 7%

The Board of **Jinhui Shipping and Transportation Limited** (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (the “Group”) for the quarter ended 31 March 2023.

FIRST QUARTER 2023 RESULTS

Revenue for the first quarter of 2023 decreased 56% to US\$14,430,000, comparing to US\$32,636,000 for the corresponding quarter in 2022. The Company recorded a consolidated net loss of US\$12,752,000 for current quarter as compared to a consolidated net profit of US\$19,018,000 which included a net gain on disposal of owned vessels of US\$6,146,000, for the corresponding quarter in 2022. Basic loss per share was US\$0.117 for the first quarter of 2023 as compared to basic earnings per share was US\$0.174 for the corresponding quarter in 2022. The Group’s results was negatively impacted by the lackluster market freight rates amid weak dry bulk shipping market sentiment in early 2023 compared with the strength market freight rates in dry bulk shipping sector in the first quarter of 2022.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2023.

REVIEW OF OPERATIONS

First Quarter of 2023. Dry bulk shipping market has weakened in early 2023 amid an increasingly challenging macroeconomic and financial environment. The market freight rates continued to slide due to the seasonal trading patterns during Chinese New Year holidays, slowdown of global economic growth and unresolved of multiple geo-political issues. The market sentiment gradually changed in March 2023 and the market freight rates soon began to regained strength driven by the increase in demand for dry bulk commodities and limited supply of vessels. Baltic Dry Index (“BDI”) opened at 1,515 points at the beginning of January, then continued to decline and hit to the low at 530 points at mid of February. Thereafter, BDI gradually climbed up to the highest of the quarter of 1,603 points at mid of March and closed at 1,389 points by the end of March 2023. The average of BDI of the first quarter of 2023 was 1,011 points, which compares to 2,041 points in the same quarter in 2022.

First Quarter 2023 Statement of Profit or Loss

Revenue for the first quarter of 2023 was US\$14,430,000 representing a decrease of 56% as compared to US\$32,636,000 for the same quarter in 2022 due to the lackluster market freight rates amid weak dry bulk shipping market sentiment in early 2023. The average daily time charter equivalent rates (“TCE”) earned by the Group’s fleet decreased 62% to US\$6,580 for the first quarter of 2023 as compared to US\$17,510 for the corresponding quarter in 2022.

Average daily TCE of the Group's fleet	Q1 2023 US\$	Q1 2022 US\$	2022 US\$
Post-Panamax / Panamax fleet	13,116	22,288	20,180
Supramax fleet	6,301	16,997	18,681
In average	6,580	17,510	18,813

Other operating income decreased from US\$8,156,000 for the first quarter of 2022 to US\$2,282,000 for the current quarter mainly due to a net gain of US\$4,550,000 on bunker arising from shipping operations was recognized for the first quarter of 2022, whereas a net loss on bunker arising from shipping operations was recognized for the current quarter and was included in shipping related expenses. In addition, the Group recorded a net gain of US\$2,560,000 on financial assets at fair value through profit or loss for the first quarter of 2022 while a net gain of US\$1,286,000 on financial assets at fair value through profit or loss was recorded for the current quarter.

Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. Shipping related expenses slightly decreased from US\$14,938,000 for the first quarter of 2022 to US\$14,844,000 for the current quarter, which included a net loss of US\$1,118,000 on bunker arising from shipping operations. The Group's daily vessel running cost decreased to US\$5,444 for the first quarter of 2023 as compared to US\$5,682 for the first quarter of 2022 mainly due to the drop in crew costs. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

Depreciation and amortization increased from US\$8,558,000 for the first quarter of 2022 to US\$8,958,000 for the first quarter of 2023. The increase was attributable to the recognition of depreciation on right-of-use assets of US\$1,149,000 for the current quarter, but was partially offset by the decrease in depreciation on owned vessels due to the reduce in carrying amounts of owned vessels after the recognition of impairment loss on owned vessels by end of 2022. The right-of-use assets have been recognized by the Group since June 2022 as the Group entered into a charterparty with a third party in respect of leasing of a Panamax for a term of seven years commencing on the date of delivery of the vessel to the Group. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty and corresponding lease liabilities was also recognized.

Finance costs increased from US\$416,000 for the first quarter of 2022 to US\$1,347,000 for the first quarter of 2023. The increase was mainly attributable to the rising interest rate as compared with that of the corresponding quarter in 2022.

First Quarter 2023 Statement of Cash Flows and Statement of Financial Position as at 31 March 2023

During the quarter, cash used in operations before changes in working capital was US\$2,684,000 (31/3/2022: cash generated from operations before changes in working capital was US\$21,471,000) and the net cash used in operating activities after working capital changes was US\$1,915,000 (31/3/2022: net cash generated from operating activities after working capital changes was US\$26,400,000). The changes in working capital are mainly attributable to the decrease in equity and debt securities. During the quarter, the Group's net gain on financial assets at fair value through profit or loss was US\$1,286,000 (31/3/2022: US\$2,560,000), comprised of a realized gain of US\$699,000 upon disposal of certain equity and debt securities during the quarter, and an unrealized fair value gain of US\$587,000 on financial assets at fair value through profit or loss for the quarter. The aggregate interest income and dividend income from financial assets was US\$237,000 (31/3/2022: US\$381,000).

During the quarter, the Group had drawn new revolving loan of US\$6,500,000 (31/3/2022: US\$15,385,000) and repaid US\$9,967,000 (31/3/2022: US\$13,036,000). The Group's total secured bank loans decreased from US\$82,838,000 as at 31 December 2022 to US\$79,371,000 as at 31 March 2023, of which 43%, 19% and 38% are repayable respectively within one year, one to two years and two to five years. 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.

As at 31 March 2023, the Group maintained positive working capital position of US\$25,094,000 (31/12/2022: US\$34,153,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to US\$49,862,000 (31/12/2022: US\$61,504,000).

During the quarter, capital expenditure on additions of motor vessels and capitalized drydocking costs was US\$664,000 (31/3/2022: US\$42,020,000) and on other property, plant and equipment was US\$3,000 (31/3/2022: US\$19,000).

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 (31/12/2022: US\$372,000).

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

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

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 7% (31/12/2022: 5%) as at 31 March 2023. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 31 March 2023, the Group is able to service its debt obligations, including principal and interest payments.

FLEET

As at 31 March 2023 and 30 May 2023, the Group had twenty four owned vessels and one chartered-in vessel as follows:

	Number of vessels		
	Owned	Chartered-in	Total
Panamax fleet	-	1	1
Supramax fleet	24	-	24
Total fleet	24	1	25

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

As we progress forward in 2023, the freight environment has weakened since the world “reopen” from COVID, the logistics nightmare due to COVID related restrictions that caused port congestions and rush to restock inventories subsided. As discussed before, volatility is expected given any changes in monetary policies or material geo-political issues will affect business sentiment, or in some cases business practices or trade patterns will be affected.

When we look at the industry fundamentals, the supply of new vessels remain low, the industry outlook continues to point towards a relatively healthy freight market for our business operations. Demand for commodities is expected to remain strong over the longer term albeit short term weaknesses will be in play given a sharp increase in interest rates and a slower than expected recovery of the global economy causing a decline in business confidence.

With the expected global dry bulk fleet growth at historical lows, and with no consensus in the shipping with regards to the next generation engine design to reduce carbon emission, new vessel orders are expected to be few. Looking ahead, this potentially highly favorable demand and supply dynamics is expected to continue, where our fleet is well positioned to capture the benefits should they materialize.

We remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We currently have no 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 and the NewsWeb of the Oslo Stock Exchange at www.newsweb.no.

By Order of the Board



Ng Siu Fai
Chairman

31 May 2023

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
	<i>Note</i>			
Revenue	2	14,430	32,636	152,466
Net gain on disposal of owned vessels		-	6,146	5,636
Other operating income	3	2,282	8,156	15,419
Interest income	4	193	245	1,064
Impairment loss on owned vessels, net		-	-	(49,326)
Shipping related expenses		(14,844)	(14,938)	(66,793)
Staff costs		(3,019)	(2,972)	(13,668)
Other operating expenses		(1,489)	(1,281)	(8,583)
Operating profit (loss) before depreciation and amortization		(2,447)	27,992	36,215
Depreciation and amortization		(8,958)	(8,558)	(39,870)
Operating profit (loss)		(11,405)	19,434	(3,655)
Finance costs		(1,347)	(416)	(3,438)
Profit (Loss) before taxation		(12,752)	19,018	(7,093)
Taxation	6	-	-	(20)
Net profit (loss) for the period / year		(12,752)	19,018	(7,113)
Other comprehensive loss				
Items that will not be reclassified to profit or loss:				
Change in fair value of financial assets at fair value through OCI (non-recycling)		-	-	(2,861)
Items that may be reclassified subsequently to profit or loss:				
Change in fair value of financial assets at fair value through OCI (recycling)		-	-	(38)
Total comprehensive income (loss) for the period / year attributable to shareholders of the Company		(12,752)	19,018	(10,012)
Earnings (Loss) per share	7			
- Basic and diluted		US\$(0.117)	US\$0.174	US\$(0.065)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31/3/2023	31/3/2022	31/12/2022
		(Unaudited)	(Unaudited)	(Audited)
	<i>Note</i>	US\$'000	<i>US\$'000</i>	<i>US\$'000</i>
ASSETS				
Non-current assets				
Property, plant and equipment		377,519	411,670	384,661
Right-of-use assets	9(a)	27,629	-	28,997
Investment properties	10	27,210	28,145	27,210
Financial assets at fair value through OCI	11	9,840	12,739	9,840
Loan receivables	12	-	3,537	-
		442,198	456,091	450,708
Current assets				
Inventories		2,034	671	2,993
Loan receivables	12	1,577	5,550	1,342
Trade and other receivables		22,054	24,467	20,245
Financial assets at fair value through profit or loss	13	24,971	39,516	29,227
Pledged deposits		341	7,815	444
Bank balances and cash		26,490	38,457	33,353
		77,467	116,476	87,604
Total assets		519,665	572,567	538,312

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		31/3/2023	31/3/2022	31/12/2022
		(Unaudited)	(Unaudited)	(Audited)
	<i>Note</i>	US\$'000	<i>US\$'000</i>	<i>US\$'000</i>
EQUITY AND LIABILITIES				
Capital and reserves				
Issued capital		5,463	5,463	5,463
Reserves		392,922	445,630	405,674
Total equity		398,385	451,093	411,137
Non-current liabilities				
Secured bank loans	14	44,823	37,783	48,560
Lease liabilities	9(b)	24,084	-	25,164
		68,907	37,783	73,724
Current liabilities				
Trade and other payables		13,438	26,408	14,833
Amount due to holding company		159	139	167
Secured bank loans	14	34,548	57,144	34,278
Lease liabilities	9(b)	4,228	-	4,173
		52,373	83,691	53,451
Total equity and liabilities		519,665	572,567	538,312

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 2022	5,463	95,585	719	16,297	476	2,754	310,781	432,075
Comprehensive income								
Net profit for the period	-	-	-	-	-	-	19,018	19,018
Total comprehensive income for the period								
	-	-	-	-	-	-	19,018	19,018
At 31 March 2022	5,463	95,585	719	16,297	476	2,754	329,799	451,093
At 1 January 2023	5,463	95,585	719	16,297	476	(145)	292,742	411,137
Comprehensive loss								
Net loss for the period	-	-	-	-	-	-	(12,752)	(12,752)
Total comprehensive loss for the period								
	-	-	-	-	-	-	(12,752)	(12,752)
At 31 March 2023	5,463	95,585	719	16,297	476	(145)	279,990	398,385

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
OPERATING ACTIVITIES			
Cash generated from (used in) operations before changes in working capital	(2,684)	21,471	75,567
Decrease in working capital	1,865	5,406	15,682
Cash generated from (used in) operations	(819)	26,877	91,249
Interest paid	(1,096)	(423)	(2,690)
Hong Kong Profits Tax paid	-	(54)	(220)
Net cash from (used in) operating activities	(1,915)	26,400	88,339
INVESTING ACTIVITIES			
Interest received	147	291	906
Dividend income received	44	136	2,624
Purchase of property, plant and equipment	(667)	(42,039)	(140,603)
Proceeds from disposal of property, plant and equipment, net	-	17,500	64,668
Net cash used in investing activities	(476)	(24,112)	(72,405)
FINANCING ACTIVITIES			
New secured bank loans	6,500	15,385	66,859
Repayment of secured bank loans	(9,967)	(13,036)	(76,599)
Decrease in pledged deposits	103	492	7,863
Payment of lease liabilities	(806)	-	(2,403)
Interest paid on lease liabilities	(302)	-	(703)
Dividends paid to shareholders of the Company	-	-	(10,926)
Net cash from (used in) financing activities	(4,472)	2,841	(15,909)
Net increase (decrease) in cash and cash equivalents	(6,863)	5,129	25
Cash and cash equivalents at beginning of the period / year	33,353	33,328	33,328
Cash and cash equivalents at end of the period / year	26,490	38,457	33,353

NOTES:

1. Basis of preparation and accounting policies

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and have not been reviewed by our auditor, Grant Thornton Hong Kong Limited. The accounting policies and basis of preparation adopted in these interim financial statements are consistent with those adopted in the annual financial statements for the year ended 31 December 2022, except for the Group has adopted the amended International Financial Reporting Standards (“IFRS”) and Hong Kong Financial Reporting Standards (“HKFRS”), which are effective for the annual period beginning on 1 January 2023. The adoption of the amended IFRSs and HKFRSs does not have material impact on the Group’s financial performance and financial position for the current and prior periods have been prepared and presented.

2. Revenue

The Group is principally engaged in the businesses of ship chartering and ship owning which are carried out internationally. Revenue represents chartering freight and hire income arising from the Group’s owned and chartered-in vessels. Revenue recognized during the periods / year are as follows:

	3 months ended 31/3/2023 (Unaudited) US\$’000	3 months ended 31/3/2022 (Unaudited) US\$’000	Year ended 31/12/2022 (Audited) US\$’000
Chartering freight and hire income:			
Hire income under time charters ¹	14,430	32,636	152,466

Note:

1. Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract. Hire income included a non-lease component in relation to crewing service of US\$8,107,000 (31/3/2022: US\$9,077,000).

3. Other operating income

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
Net gain on bunker arising from shipping operations	-	4,550	2,352
Write-back of other payables	-	-	5,167
Other shipping operating income	751	663	2,648
Net gain on financial assets at fair value through profit or loss	1,286	2,560	-
Gross rental income from operating leases on investment properties	142	137	559
Dividend income	44	136	2,624
Reversal of impairment loss on trade and other receivables, net	-	-	1,620
COVID-19 related government subsidies	-	-	194
Sundry income	59	110	255
	2,282	8,156	15,419

4. Interest income

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
Interest income in respect of:			
Deposits with banks and other financial institutions	113	2	120
Loan receivables	69	205	815
Financial assets at fair value through profit or loss	11	38	129
	193	245	1,064

5. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
Realized gain on financial assets at fair value through profit or loss	(699)	(1,800)	(1,493)
Unrealized loss (gain) on financial assets at fair value through profit or loss	(587)	(760)	4,003
Net loss (gain) on financial assets at fair value through profit or loss	(1,286)	(2,560)	2,510
Net gain on disposal of owned vessels	-	(6,146)	(5,636)
Change in fair value of investment properties	-	-	935
Impairment loss on owned vessels, net	-	-	49,326
Reversal of impairment loss on trade and other receivables, net	-	-	(1,620)

6. 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:

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
Hong Kong Profits Tax	-	-	20

7. Earnings (Loss) per share

	3 months ended 31/3/2023 (Unaudited)	3 months ended 31/3/2022 (Unaudited)	Year ended 31/12/2022 (Audited)
Weighted average number of ordinary shares in issue	109,258,943	109,258,943	109,258,943
Net profit (loss) attributable to shareholders of the Company (US\$'000)	(12,752)	19,018	(7,113)
Basic and diluted earnings (loss) per share	US\$(0.117)	US\$0.174	US\$(0.065)

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

8. Dividends

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
2022 interim dividend, declared of US\$0.03 per share	-	-	3,278
2022 final dividend, declared of US\$0.04 per share	-	-	4,370
	-	-	7,648

The final dividend for the year 2022 was approved by the Company's shareholders on the annual general meeting held on 24 May 2023. Such dividend will be payable to the shareholders of the Company on or about 16 June 2023. The final dividend for the year 2022 has not been recognized as a liability at the end of the reporting period.

The Board has resolved not to recommend the payment of any interim dividend for the quarter ended 31 March 2023.

9. Leases

(a) Right-of-use assets

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
At 1 January	28,997	-	-
Additions	-	-	43,598
Lease remeasurement	(219)	-	(11,858)
Depreciation	(1,149)	-	(2,743)
	27,629	-	28,997

(b) Lease liabilities

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
At 1 January	29,337	-	-
Additions	-	-	43,598
Lease remeasurement	(219)	-	(11,858)
Interest expense (included in finance costs)	302	-	703
Repayments of lease liabilities	(1,108)	-	(3,106)
	28,312	-	29,337

At the reporting date, the lease liabilities were repayable as follows:

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
Within one year	4,228	-	4,173
After one year but within two years	4,404	-	4,371
After two years but within five years	14,437	-	14,276
After five years	5,243	-	6,517
	24,084	-	25,164
	28,312	-	29,337

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 in June 2022. In accordance with IFRS 16 and HKFRS 16 Leases, the Group recognized the value of the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparty and corresponding lease liabilities was also recognized.

During the quarter, the total cash outflow for the lease was US\$1,108,000 (31/3/2022: nil).

10. Investment properties

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
At 1 January	27,210	28,145	28,145
Change in fair value	-	-	(935)
	27,210	28,145	27,210

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

The investment properties of the Group were not revalued at 31 March 2023 by independent valuers. The management was aware of the possible change in the conditions of the property market and considered that the carrying amount of the Group's investment properties did not differ significantly from that which had been determined using fair values at 31 December 2022. Consequently, no change in fair value of investment properties has been recognized in the current period.

11. Financial assets at fair value through OCI

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
Unlisted equity investments			
Co-investment in a property project			
At 1 January	9,396	12,257	12,257
Change in fair value ¹	-	-	(2,861)
	9,396	12,257	9,396
Unlisted club membership			
At 1 January	444	482	482
Change in fair value ²	-	-	(38)
	444	482	444
	9,840	12,739	9,840

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 of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Tower A" or previously named as "T3 Property") 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\$1,577,000 (31/12/2022: US\$1,342,000) was drawdown and the amount was included in note 12.

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 (31/12/2022: 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.

12. Loan receivables

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
At 1 January	1,342	9,236	9,236
Gross new loan originated	235	362	774
Repayment	-	(511)	(8,668)
Provision of individual impairment	-	-	-
Loan receivables, net of provision	1,577	9,087	1,342
Less: Amount receivable within one year	(1,577)	(5,550)	(1,342)
Amount receivable after one year	-	3,537	-

At the reporting date, the Group's loan receivables of US\$1,577,000 (31/12/2022: US\$1,342,000) arise from co-investment (as mentioned in note 11), are unsecured and denominated in United States Dollars and has no fixed repayment terms.

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

13. Financial assets at fair value through profit or loss

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
<i>Held for trading</i>			
Listed equity securities	22,528	36,741	26,812
Listed debt securities	557	2,454	1,051
Unlisted debt securities	287	-	288
	23,372	39,195	28,151
<i>Designated as such upon initial recognition</i>			
Investment funds	1,599	321	1,076
	24,971	39,516	29,227

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 institution and were categorized as Level 2 of the three-level fair value hierarchy as defined under IFRS 13 and HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the periods / year.

14. Secured bank loans

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

	31/3/2023	31/3/2022	31/12/2022
	(Unaudited)	(Unaudited)	(Audited)
	US\$'000	US\$'000	US\$'000
Within one year	34,548	57,144	34,278
In the second year	14,912	22,263	15,406
In the third to fifth year	29,911	15,520	33,154
Total secured bank loans	79,371	94,927	82,838
Less: Amount repayable within one year	(34,548)	(57,144)	(34,278)
Amount repayable after one year	44,823	37,783	48,560

During the quarter, the Group had drawn new secured bank loan of US\$6,500,000 (31/3/2022: US\$15,385,000) and repaid US\$9,967,000 (31/3/2022: US\$13,036,000).

15. Capital expenditures and commitments

During the quarter, capital expenditure on additions of motor vessels and capitalized drydocking costs was US\$664,000 (31/3/2022: US\$42,020,000) and on other property, plant and equipment was US\$3,000 (31/3/2022: US\$19,000).

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 (31/12/2022: US\$372,000).

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

16. Related party transactions

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

	3 months ended 31/3/2023 (Unaudited) US\$'000	3 months ended 31/3/2022 (Unaudited) US\$'000	Year ended 31/12/2022 (Audited) US\$'000
Salaries and other benefits	1,965	1,954	8,994
Contributions to retirement benefits schemes	111	111	444
	2,076	2,065	9,438



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