JINHUI HOLDINGS COMPANY LIMITED

金輝集團有限公司

(Incorporated in Hong Kong with limited liability)

Stock Code : 137

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2023

HIGHLIGHTS
FOR THE FIRST HALF OF 2023

- Revenue for the period: HK$290 million
- Net loss for the period: HK$162 million
- Net loss attributable to shareholders of the Company: HK$96 million
- Basic loss per share: HK$0.181
- Gearing ratio as at 30 June 2023: 11%

MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the interim results of **Jinhui Holdings Company Limited** (the "Company") and its subsidiaries (the "Group") for the six months ended 30 June 2023.

INTERIM RESULTS

The Group's revenue for the first half of 2023 decreased 55% to HK$290,370,000, comparing to HK$649,465,000 for the same period in 2022. The consolidated net loss for the first half of 2023 was HK$162,477,000 whereas a consolidated net profit of HK$297,978,000 which included a net gain on disposal of owned vessels of HK$47,935,000, was reported in the first half of 2022. The consolidated net loss for the period was mainly attributable to the lackluster freight rates upon the weak dry bulk shipping market sentiment especially in early 2023 as compared to the remarkable rebound of market freight rates driven by robust demand for dry bulk commodities in the first half of 2022. The average daily time charter equivalent rate for the fleet decreased to US$8,379 (approximately HK$65,000) for the first half of 2023 as compared to US$22,029 (approximately HK$172,000) for the same period in 2022. The net loss attributable to shareholders of the Company for the six months ended 30 June 2023 was HK$95,911,000 as compared to a net profit of HK$161,979,000 was reported for the corresponding period in 2022. Basic loss per share for the six months ended 30 June 2023 was HK$0.181 as compared to basic earnings per share of HK$0.305 for the corresponding period in 2022.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2023 (30/6/2022: nil).

BUSINESS REVIEW

Chartering freight and hire. The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway.

Dry bulk shipping market confronted headwinds in early 2023 due to the seasonal trading patterns during Chinese New Year holidays, slowdown of global economic growth and unresolved of multiple geo-political issues led to the market freight rates continued to slide. The market sentiment gradually changed in March 2023 and the market freight rates moved upwards driven by the increase in demand for dry bulk commodities and limited supply of vessels. However, the market freight rates for the first half of 2023 were still weak due to the port congestion eased globally and the demand for dry bulk commodities was under pressure as a result of the higher inflation and interest rates. During the first half of 2023, Baltic Dry Index (the "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 rose gradually to the peak of the period at 1,640 points at mid of May and closed at 1,091 points by the end of June 2023. The average of BDI for the first half of 2023 was 1,157 points, which compares to 2,280 points in the same period in 2022.

Average daily time charter equivalent rates ("TCE")	**2023 1st half**	2022 1st half	2022
	US$	*US$*	*US$*
Post-Panamax / Panamax fleet	**8,894**	22,569	20,180
Supramax fleet	**8,357**	21,988	18,681
In average	**8,379**	22,029	18,813

Revenue from chartering freight and hire for the first half of 2023 decreased 55% to HK$290,370,000, comparing to HK$649,465,000 for the first half of 2022 due to the lackluster freight rates upon the weak dry bulk shipping market sentiment especially in early 2023. The average daily TCE earned by the Group's fleet decreased 62% to US$8,379 (approximately HK$65,000) for the first half of 2023 as compared to US$22,029 (approximately HK$172,000) for the corresponding period in 2022. The Company recorded a consolidated net loss of HK$162,477,000 for the first half of 2023 as compared to a consolidated net profit of HK$297,978,000 which included a net gain on disposal of owned vessels of HK$47,935,000, was reported in the first half of 2022. Basic loss per share for the six months ended 30 June 2023 was HK$0.181 as compared to basic earnings per share of HK$0.305 for the corresponding period in 2022.

Key Performance Indicators for Shipping Business	**2023 1st half**	2022 1st half	2022
	HK$'000	*HK$'000*	*HK$'000*
Average daily TCE	**65**	172	147
Daily vessel running cost	**43**	45	44
Daily vessel depreciation	**27**	30	32
Daily vessel finance cost	**1**	1	1
	71	76	77

Daily vessel running cost decreased from US$5,825 (approximately HK$45,000) for the first half of 2022 to US$5,436 (approximately HK$43,000) for the first half of 2023 mainly due to the drop in crew cost and continue reduction in pandemic related manning expenses as a result of lifting Covid related restrictions. Daily vessel depreciation decreased from US$3,878 (approximately HK$30,000) for the first half of 2022 to US$3,490 (approximately HK$27,000) for the first half of 2023. The decrease was mainly attributable to 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. Daily vessel finance cost increased 32% from US$123 (approximately HK$1,000) for the first half of 2022 to US$162 (approximately HK$1,300) for the first half of 2023 due to the rising interest rate and the drawdown of new secured bank loans as compared with that of the corresponding period in 2022. We will continue with our cost reduction effort, striving to maintain a highly competitive cost structure when stacked against other market participants.

As at 30 June 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**

The Group did not carry out any acquisition or disposal of vessels during the first half of 2023.

As at 30 June 2023, the carrying amount of the motor vessels and capitalized drydocking costs was HK$2,826,562,000 (31/12/2022: HK$2,927,614,000).

The Group has recognized the right-of-use assets 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. As at 30 June 2023, the carrying amounts of the right-of-use assets and the lease liabilities were HK$163,426,000 (31/12/2022: HK$226,180,000) and HK$160,591,000 (31/12/2022: HK$228,823,000) respectively.

Management assessed the recoverable amounts of each vessel based on the higher of value in use and fair value less costs of disposal and determine if any impairment loss / reversal of impairment loss on owned vessels is needed to be recognized / reversed as mentioned in note 5 to the consolidated financial statements of the Company for the year ended 31 December 2022. The value in use model is developed through the application of income approach and the Group applied the discounted cash flow technique to calculate the value of vessels or cash generating units. The discounted cash flow method under the income approach for the purpose of determine the value in use of vessels was adopted. Management considers that the discounted cash flow approach is most appropriate in appraising the expected receipt of future economic benefits from the continuous use of vessels such as periodic income, operating expenses, or sale proceeds of vessels. The estimated future cash flows are then discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the vessels. For the determination of the discount rate, weighted average cost of capital, is considered to be the appropriate discount rate applied to discount the future expected cash flows of vessels.

An alternative valuation method is the fair value less cost of disposal. The fair value is based on valuation performed by independent valuer under the market comparison approach. Market comparison approach assumes the vessels being sold in their existing states by reference to comparable recently concluded sale transactions as available in the relevant market. Vessels with comparable age, size, country and reputation of shipbuilder are taken into account and appropriately adjusted in order to arrive the fair value of the vessels. Such approach is the most commonly known valuation approach and it is the most simple and direct method as relevant comparable market transactions are available in the open market.

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 a high financial flexibility and operational competitiveness.

FINANCIAL REVIEW

Revenue and operating loss. Revenue from chartering freight and hire for the first half of 2023 decreased 55% to HK$290,370,000, comparing to HK$649,465,000 for the first half of 2022 due to the decline in market freight rates in dry bulk shipping market. The average daily TCE earned by the Group's fleet decreased 62% to US$8,379 (approximately HK$65,000) for the first half of 2023 as compared to US$22,029 (approximately HK$172,000) for the corresponding period in 2022.

The net loss attributable to shareholders of the Company for the first half of 2023 was HK$95,911,000, whereas net profit of HK$161,979,000 was reported for the corresponding period in 2022. Basic loss per share for the period was HK$0.181 as compared to basic earnings per share of HK$0.305 for the first half of 2022.

Other operating income. Other operating income decreased from HK$95,096,000 for the first half of 2022 to HK$28,958,000 for the first half of 2023 mainly due to a net gain of HK$67,451,000 on bunker arising from shipping operations was recognized for the first half of 2022, whereas a net loss on bunker arising from shipping operations was recognized for the current period and was included in shipping related expenses.

Shipping related expenses. Shipping related expenses mainly comprised of crew expenses, insurance, consumable stores, spare parts, repairs and maintenance and other vessels' expenses. Shipping related expenses decreased from HK$252,265,000 for the first half of 2022 to HK$239,744,000 for the first half of 2023 mainly due to the decline in vessel running cost, in particular the drop in crew cost and continue reduction in pandemic related manning expenses as a result of lifting Covid related restrictions. The Group's daily vessel running cost decreased to US$5,436 (approximately HK$43,000) for the first half of 2023 as compared to US$5,825 (approximately HK$45,000) for the first half of 2022. However, the decrease was partially offset by the recognition of a net loss of HK$16,531,000 on bunker arising from shipping operations for the current period. 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. Other operating expenses for the first half of 2023 decreased to HK$42,219,000, comparing to HK$50,799,000 for the first half of 2022 mainly due to the Group recorded a net loss of HK$6,623,000 on financial assets at fair value through profit or loss and a fair value loss on investment properties of HK$11,690,000 for the current period, while a net loss of HK$16,111,000 on financial assets at fair value through profit or loss and a fair value loss on investment properties of HK$12,090,000 were recognized for the corresponding period in 2022. Other operating expenses for the first half of 2023 also included professional fee of approximately HK$3.1 million, directors' fee of approximately HK$3.3 million, auditor's remuneration related to audit services of approximately HK$1 million and remaining are various office administrative expenses.

Depreciation and amortization. Depreciation and amortization decreased from HK$139,347,000 for the first half of 2022 to HK$133,020,000 for the first half of 2023. The Group's daily vessel depreciation decreased to US$3,490 (approximately HK$27,000) for the first half of 2023 as compared to US$3,878 (approximately HK$30,000) for the corresponding period in 2022. The decrease was mainly attributable to 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. Depreciation and amortization for the current period also included the recognition of depreciation on right-of-use assets of HK$9,848,000 as compared to HK$4,198,000 for the corresponding period in 2022.

Finance costs. Finance costs increased from HK$8,213,000 for the first half of 2022 to HK$21,666,000 for the first half of 2023. The increase was mainly attributable to the rising interest rate and the drawdown of new secured bank loans as compared with that of the corresponding period in 2022. Finance costs for the current period also included the interest expenses on lease liabilities of HK$2,368,000 as compared to HK$400,000 for the corresponding period in 2022.

Financial assets at fair value through profit or loss. As at 30 June 2023, the Group's portfolio of investment in financial assets at fair value through profit or loss was HK$194,064,000 (31/12/2022: HK$244,979,000), in which HK$175,066,000 (31/12/2022: HK$226,144,000) was investment in listed equity securities, HK$6,568,000 (31/12/2022: HK$10,443,000) was investment in listed and unlisted debt securities and HK$12,430,000 (31/12/2022: HK$8,392,000) was investment in investment funds.

As at 30 June 2023, the Group did not hold any significant investment that accounted for more than 5% of the Group's total assets.

During the first half of 2023, the Group's net loss on financial assets at fair value through profit or loss was HK$6,623,000 (30/6/2022: HK$16,111,000), comprised of a realized gain of HK$6,741,000 (30/6/2022: HK$18,455,000) upon disposal of certain equity and debt securities during the period, and an unrealized fair value loss of HK$13,364,000 (30/6/2022: HK$34,566,000) on financial assets at fair value through profit or loss for the period. The aggregate interest income and dividend income from financial assets was HK$8,808,000 (30/6/2022: HK$16,474,000).

Investment properties. As at 30 June 2023, the Group's investment properties were stated at fair value of HK$361,640,000 (31/12/2022: HK$373,330,000) 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 and located in Hong Kong.

As at 30 June 2023, the Group did not hold any significant investment properties that accounted for more than 5% of the Group's total assets.

Right-of-use assets and lease liabilities. The Group entered into a charterparty with a third party on 20 May 2022 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 HKFRS 16 Leases, the Group recognized 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 in the consolidated statement of financial position.

As at 30 June 2023, the carrying amounts of the right-of-use assets and the lease liabilities were HK$163,426,000 (31/12/2022: HK$226,180,000) and HK$160,591,000 (31/12/2022: HK$228,823,000) respectively. During the first half of 2023, the total cash outflow for the lease was HK$17,694,000 (30/6/2022: HK$1,567,000).

Loan receivables. As at 30 June 2023, the Group's loan receivables of HK$12,304,000 (31/12/2022: HK$10,475,000) arise from co-investment, 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, 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.

Trade and other payables. As at 30 June 2023, the Group's trade and other payables was HK$101,255,000 (31/12/2022: HK$117,672,000), including trade payables of HK$1,804,000 (31/12/2022: HK$1,333,000), accrued charges of HK$19,004,000 (31/12/2022: HK$13,649,000) and other payables of HK$80,447,000 (31/12/2022: HK$102,690,000). Other payables mainly included payables related to vessel running cost and ship operating expenses of HK$54,172,000 (31/12/2022: HK$78,607,000) for owned vessels, hire receipt in advance of HK$21,685,000 (31/12/2022: HK$6,813,000) from charterers, loan interest payables of HK$997,000 (31/12/2022: HK$1,612,000) and accrued employee benefits payables of HK$1,585,000 (31/12/2022: HK$13,340,000).

Liquidity, financial resources and capital structure. As at 30 June 2023, the Group maintained positive working capital position of HK$176,102,000 (31/12/2022: HK$210,311,000) and the total of the Group's equity and debt securities, bank balances and cash decreased to HK$420,445,000 (31/12/2022: HK$515,672,000). During the first half of 2023, cash used in operations before changes in working capital was HK$4,909,000 (30/6/2022: cash generated from operations before changes in working capital was HK$393,612,000) and the net cash generated from operating activities after working capital changes was HK$30,029,000 (30/6/2022: HK$392,601,000). The changes in working capital are mainly attributable to the decrease in equity and debt securities.

The Group's total secured bank loans decreased from HK$769,730,000 as at 31 December 2022 to HK$752,976,000 as at 30 June 2023, of which 41%, 15% and 44% are repayable respectively within one year, in the second year and in the third to fifth year. During the first half of 2023, the Group had drawn new secured bank loans of HK$124,700,000 (30/6/2022: HK$120,000,000) and repaid HK$141,454,000 (30/6/2022: HK$245,446,000). 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.

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 11% (31/12/2022: 8%) as at 30 June 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 30 June 2023, the Group is able to service its debt obligations, including principal and interest payments.

Pledge of assets. As at 30 June 2023, the Group's property, plant and equipment with an aggregate net book value of HK$1,437,035,000 (31/12/2022: HK$1,716,958,000), investment properties with an aggregate carrying amount of HK$322,760,000 (31/12/2022: HK$333,190,000), financial assets at fair value through profit or loss of HK$101,955,000 (31/12/2022: HK$131,387,000) and deposits of HK$3,951,000 (31/12/2022: HK$3,465,000) placed with banks were pledged together with the assignment of twelve (31/12/2022: fourteen) subsidiaries' income to secure credit facilities utilized by the Group. In addition, shares of six (31/12/2022: eight) ship owning subsidiaries were pledged to banks for vessel mortgage loans.

Capital expenditures and commitments. During the six months ended 30 June 2023, capital expenditure on additions of motor vessels and capitalized drydocking costs was HK$17,197,000 (30/6/2022: HK$358,263,000) and on other property, plant and equipment was HK$163,000 (30/6/2022: HK$212,000).

On 20 April 2018, an approximately 55.69% indirectly 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 (approximately HK$78,000,000). 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, approximately HK$2,905,000 (31/12/2022: US$372,000, approximately HK$2,905,000).

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.

EMPLOYEES AND REMUNERATION POLICY

The Group pursues a policy of gender equality. As at 30 June 2023, the Group had 65 (31/12/2022: 65) full-time employees, of whom 35 (31/12/2022: 35) employees were male and 30 (31/12/2022: 30) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

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

2023 has been challenging for shipping with slowing global growth due to unfavorable monetary environment and inflationary pressure. The reopening of the world after COVID has encouraged a short term economic boost but soon lost steam. The previous general expectation of a slower global economy growth has somewhat materialized. Freight rates of dry bulk shipping has weakened as a result and we expect this weakness to linger for the remaining of 2023.

Transportation of commodities will undergo profound and complex changes given the variables that affect our business are a combination of industry specific, economical, as well as geopolitically driven. When we look purely at the industry fundamentals, the supply of new vessels remain low. With increasing cost of borrowing and 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, should economic recovery gain momentum, our fleet will be well positioned to benefit from these supportive industry specific fundamentals.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

By Order of the Board

Ng Siu Fai
Chairman

Hong Kong, 29 August 2023

CORPORATE GOVERNANCE

COMPLIANCE OF THE CODE PROVISIONS

The Company has complied with the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") throughout the six months ended 30 June 2023, with deviations as explained in following sections.

CG Code provision B.2.2

Under code provision B.2.2 of the CG Code, every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

According to the Articles of Association of the Company, all directors of the Company (the "Directors") other than the Chairman and the Managing Director shall be subject to retirement by rotation at least once every three years and any new directors appointed to fill casual vacancies or as an addition to the Board shall be subject to election by shareholders at the annual general meeting after their appointments.

As the Chairman and the Managing Director are not subject to retirement by rotation in accordance with the Articles of Association of the Company, this constitutes deviation from code provision B.2.2 of the CG Code. The Board is of the view that the leadership of the Chairman and the Managing Director is vital to the Group's business continuity and stability, and there should be planned and orderly succession for these offices. Since continuation is a key factor to the successful implementation of the Company's business plans and strategies, any Director holding the office as the Chairman or the Managing Director should therefore be exempted from the retirement by rotation and re-election at the Company's annual general meeting and the Board believes this arrangement is most beneficial to the Company and its shareholders.

CG Code provision B.2.4

Under code provision B.2.4 of the CG Code, where all the independent non-executive directors of an issuer have served more than nine years on the board, the issuer should appoint a new independent non-executive director on the board at the forthcoming annual general meeting. The appointment of a new independent non-executive director requirement came into effect for the financial year commencing on or after 1 January 2023.

As at 30 June 2023, the Board comprised of three independent non-executive directors, Mr. Cui Jianhua, Mr. Tsui Che Yin Frank and Mr. William Yau, who have served the Company for more than nine years, and their length of tenure are respectively more than twenty-nine years, twenty-eight years and eighteen years. Under this CG code, the Company should appoint a new independent non-executive director on the Board. The Company is still in the process of identifying suitable candidate to be appointed as a new independent non-executive director of the Company. The Company will use its best endeavours to ensure that suitable candidate is appointed as soon as practicable in order to ensure compliance with this CG Code. Further announcement will be made by the Company as and when appropriate.

CORPORATE GOVERNANCE

CG Code provision C.2.1

Under code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and chief executive should be clearly established and set out in writing.

Mr. Ng Siu Fai and Mr. Ng Kam Wah Thomas are brothers who act as the Chairman and the Managing Director of the Company respectively. Mr. Ng Siu Fai, in addition to his duties as the Chairman, is also responsible for the strategic planning and overseeing all aspects of the Group's operations. This constitutes deviation from code provision C.2.1 of the CG Code as part of his duties overlap with those of the Managing Director, who is in practice the chief executive.

As one of the founders of the Group, Mr. Ng Siu Fai has extensive experience and knowledge in the core businesses of the Group and his duty for overseeing all aspects of the Group's operations is clearly beneficial to the Group. The Board also considers that this will not impair the balance of power and authority between the Board and the management of the Company as one-third of the Board members are represented by the independent non-executive directors and the Board will meet regularly to consider major matters affecting the operations of the Group and all Directors are properly briefed on the matters arising at the Board meetings with adequate, complete and reliable information received in a timely manner. The current structure also allows flexibility and enhances the efficiency of decision making process in response to the constantly changing competitive environment.

As the Chairman's major responsibility is to manage the Board whereas the Managing Director's major responsibility is to manage the Group's businesses, the Board considers that the responsibilities of the Chairman and the Managing Director are clear and distinctive and hence written terms thereof are not necessary. Although the respective responsibilities of the Chairman and the Managing Director are not set out in writing, power and authority are not concentrated in any one individual and all major decisions are made in consultation with members of the Board and appropriate board committees, as well as senior management.

Going forward, the Board will periodically review the effectiveness of this arrangement, the board composition as well as division of responsibilities to enhance best interests of the Company and its shareholders as a whole.

CG Code provision D.2.5

Under code provision D.2.5 of the CG Code, the Group should have an internal audit function. Based on the size and simple operating structure of the Group as well as the existing internal control processes, the Board has decided not to set up an internal audit department for the time being. When necessary, the Audit Committee under the Board would carry out the internal audit function for reviewing the adequacy and effectiveness of the risk management and internal control systems of the Group.

CORPORATE GOVERNANCE

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out therein throughout the six months ended 30 June 2023.

AUDIT COMMITTEE

The Audit Committee comprises of three independent non-executive directors. The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 June 2023.

SUPPLEMENTARY INFORMATION

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months ended 30 June 2023.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 (Unaudited)** *HK$'000*	Six months ended 30 June 2022 (Unaudited) *HK$'000*
Revenue	*2*	**290,370**	649,465
Net gain on disposal of owned vessels		**-**	47,935
Other operating income	*3*	**28,958**	95,096
Interest income	*4*	**3,158**	3,902
Shipping related expenses		**(239,744)**	(252,265)
Staff costs		**(48,314)**	(47,673)
Other operating expenses	*5*	**(42,219)**	(50,799)
Operating profit (loss) before depreciation and amortization	*6*	**(7,791)**	445,661
Depreciation and amortization		**(133,020)**	(139,347)
Operating profit (loss)		**(140,811)**	306,314
Finance costs		**(21,666)**	(8,213)
Profit (Loss) before taxation		**(162,477)**	298,101
Taxation	*7*	**-**	(123)
Net profit (loss) for the period		**(162,477)**	297,978
Other comprehensive income (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)		**(2,271)**	(32,756)
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of financial assets at fair value through OCI (recycling)		**1,100**	-
Total comprehensive income (loss) for the period		**(163,648)**	265,222

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	Note	**Six months ended 30 June 2023 (Unaudited)**	Six months ended 30 June 2022 (Unaudited)
		HK$'000	*HK$'000*
Net profit (loss) for the period attributable to:			
Shareholders of the Company		**(95,911)**	161,979
Non-controlling interests		**(66,566)**	135,999
		(162,477)	297,978
Total comprehensive income (loss) for the period attributable to:			
Shareholders of the Company		**(96,076)**	143,738
Non-controlling interests		**(67,572)**	121,484
		(163,648)	265,222
Earnings (Loss) per share	*8*		
Basic and diluted		**HK$(0.181)**	HK$0.305

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	**30 June 2023 (Unaudited) *HK$'000***	31 December 2022 (Audited) *HK$'000*
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**2,909,898**	3,015,688
Right-of-use assets	*10 (a)*	**163,426**	226,180
Investment properties	*11*	**361,640**	373,330
Financial assets at fair value through OCI	*12*	**97,581**	98,752
Intangible assets		**822**	844
		3,533,367	3,714,794
Current assets			
Inventories		**15,573**	23,336
Loan receivables	*13*	**12,304**	10,475
Trade and other receivables	*14*	**145,188**	157,887
Financial assets at fair value through profit or loss	*15*	**194,064**	244,979
Tax recoverable		**1,328**	1,328
Pledged deposits		**3,951**	3,465
Bank balances and cash		**238,811**	279,085
		611,219	720,555
Current liabilities			
Trade and other payables	*16*	**101,255**	117,672
Secured bank loans	*17*	**308,701**	360,025
Lease liabilities	*10 (b)*	**25,161**	32,547
		435,117	510,244
Net current assets		**176,102**	210,311
Total assets less current liabilities		**3,709,469**	3,925,105
Non-current liabilities			
Secured bank loans	*17*	**444,275**	409,705
Lease liabilities	*10 (b)*	**135,430**	196,276
		579,705	605,981
Net assets		**3,129,764**	3,319,124

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
EQUITY		
Equity attributable to shareholders of the Company		
Issued capital	**381,639**	381,639
Reserves	**1,396,467**	1,503,149
	1,778,106	1,884,788
Non-controlling interests	**1,351,658**	1,434,336
Total equity	**3,129,764**	3,319,124

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2023

	Attributable to shareholders of the Company						
	Issued capital (Unaudited) *HK$'000*	Other asset revaluation reserve (Unaudited) *HK$'000*	Reserve for financial assets at fair value through OCI (Unaudited) *HK$'000*	Retained profits (Unaudited) *HK$'000*	Subtotal (Unaudited) *HK$'000*	Non-controlling interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
At 1 January 2022	381,639	3,806	26,549	1,562,795	1,974,789	1,506,704	3,481,493
Comprehensive income							
Net profit for the period	-	-	-	161,979	161,979	135,999	297,978
Other comprehensive loss							
Change in fair value of financial assets at fair value through OCI	-	-	(18,241)	-	(18,241)	(14,515)	(32,756)
Total comprehensive income for the period	-	-	(18,241)	161,979	143,738	121,484	265,222
Final dividend paid	-	-	-	(31,817)	(31,817)	-	(31,817)
Final dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(26,437)	(26,437)
At 30 June 2022	381,639	3,806	8,308	1,692,957	2,086,710	1,601,751	3,688,461
At 1 January 2023	381,639	3,806	13,960	1,485,383	1,884,788	1,434,336	3,319,124
Comprehensive loss							
Net loss for the period	-	-	-	(95,911)	(95,911)	(66,566)	(162,477)
Other comprehensive loss							
Change in fair value of financial assets at fair value through OCI	-	-	(165)	-	(165)	(1,006)	(1,171)
Total comprehensive loss for the period	-	-	(165)	(95,911)	(96,076)	(67,572)	(163,648)
Final dividend paid	-	-	-	(10,606)	(10,606)	-	(10,606)
Final dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(15,106)	(15,106)
At 30 June 2023	**381,639**	**3,806**	**13,795**	**1,378,866**	**1,778,106**	**1,351,658**	**3,129,764**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2023

	Six months ended 30 June 2023 (Unaudited) *HK$'000*	Six months ended 30 June 2022 (Unaudited) *HK$'000*
OPERATING ACTIVITIES		
Cash generated from (used in) operations before changes in working capital	**(4,909)**	393,612
Decrease in working capital	**54,851**	6,993
Cash generated from operations	**49,942**	400,605
Interest paid	**(19,913)**	(7,584)
Hong Kong Profits Tax paid	**-**	(420)
Net cash from operating activities	**30,029**	392,601
INVESTING ACTIVITIES		
Interest received	**2,053**	3,997
Dividend income received	**5,650**	12,572
Purchase of property, plant and equipment	**(17,360)**	(358,475)
Proceeds from disposal of property, plant and equipment, net	**-**	136,500
Deposit paid for the acquisition of owned vessel	**-**	(19,890)
Net cash used in investing activities	**(9,657)**	(225,296)
FINANCING ACTIVITIES		
New secured bank loans	**124,700**	120,000
Repayment of secured bank loans	**(141,454)**	(245,446)
Decrease (Increase) in pledged deposits	**(486)**	8,706
Payment of lease liabilities	**(15,326)**	(1,167)
Interest paid on lease liabilities	**(2,368)**	(400)
Final dividend paid to non-controlling interests by subsidiaries	**(15,106)**	(26,436)
Final dividend paid to shareholders of the Company	**(10,606)**	(31,817)
Net cash used in financing activities	**(60,646)**	(176,560)
Net decrease in cash and cash equivalents	**(40,274)**	(9,255)
Cash and cash equivalents at 1 January	**279,085**	269,175
Cash and cash equivalents at 30 June	**238,811**	259,920

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. Basis of preparation and accounting policies

The condensed consolidated interim financial statements of the Group for the six months ended 30 June 2023 have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The financial information relating to the year ended 31 December 2022 that is included in these condensed consolidated interim financial statements for the six months ended 30 June 2023 as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2022 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622).

- The Company's auditor has reported on the financial statements of the Group for the year ended 31 December 2022. The independent auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

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 Hong Kong Financial Reporting Standards ("HKFRS"), which are effective for the annual period beginning on 1 January 2023.

The adoption of the amended 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.

NOTES TO THE INTERIM FINANCIAL STATEMENTS

2. Revenue

Revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels. Revenue recognized during the period is as follows:

	Six months ended 30 June 2023 (Unaudited) ***HK$'000***	Six months ended 30 June 2022 (Unaudited) *HK$'000*
Chartering freight and hire income:		
Hire income under time charters [1]	**290,370**	649,465

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 HK$122,862,000 (30/6/2022: HK$144,616,000).

3. Other operating income

	Six months ended 30 June 2023 (Unaudited) ***HK$'000***	Six months ended 30 June 2022 (Unaudited) *HK$'000*
Net gain on bunker arising from shipping operations	**-**	67,451
Other shipping operating income	**19,938**	10,204
Dividend income	**5,650**	12,572
Gross rental income from operating leases on investment properties	**3,246**	3,770
COVID-19 related government subsidies	**-**	1,072
Sundry income	**124**	27
	28,958	95,096

4. Interest income

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
	HK$'000	*HK$'000*
Interest income in respect of:		
Deposits with banks and other financial institutions	**1,837**	161
Loan receivables	**1,160**	3,161
Financial assets at fair value through profit or loss	**161**	580
	3,158	3,902

5. Other operating expenses

Other operating expenses for the first half of 2023 mainly included net loss on financial assets at fair value through profit or loss of approximately HK$6.6 million, change in fair value of investment properties of approximately HK$11.7 million, professional fee of approximately HK$3.1 million, directors' fee of approximately HK$3.3 million, auditor's remuneration related to audit services of approximately HK$1 million and remaining are various office administrative expenses.

Other operating expenses for the first half of 2022 mainly included net loss on financial assets at fair value through profit or loss of approximately HK$16.1 million, change in fair value of investment properties of approximately HK$12.1 million, professional fee of approximately HK$4.3 million, directors' fee of approximately HK$3.3 million, auditor's remuneration related to audit services of approximately HK$1 million and remaining are various office administrative expenses.

6. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	Six months ended 30 June 2023 (Unaudited)	Six months ended 30 June 2022 (Unaudited)
	HK$'000	*HK$'000*
Realized gain on financial assets at fair value through profit or loss	**(6,741)**	(18,455)
Unrealized loss on financial assets at fair value through profit or loss	**13,364**	34,566
Net loss on financial assets at fair value through profit or loss	**6,623**	16,111
Net gain on disposal of owned vessels	**-**	(47,935)
Change in fair value of investment properties	**11,690**	12,090
Dividend income	**(5,650)**	(12,572)

NOTES TO THE INTERIM FINANCIAL STATEMENTS

7. Taxation

Taxation has been provided on the estimated assessable profits arising in Hong Kong from an approximately 55.69% indirectly 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 of assessable profits of the qualifying corporation are taxed at 8.25%, and the assessable profits above HK$2,000,000 are taxed at 16.5%. Apart from the estimated assessable profits arising in Hong Kong from that subsidiary, in the opinion of the Directors, a substantial portion of the Group's income neither arose in nor was derived from Hong Kong and therefore was not subject to Hong Kong Profits Tax and the Group is not subject to taxation in any other jurisdictions in which the Group operates.

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

	Six months ended 30 June 2023 (Unaudited) *HK$'000*	Six months ended 30 June 2022 (Unaudited) *HK$'000*
Hong Kong Profits Tax	-	123

8. Earnings (Loss) per share

Basic and diluted earnings (loss) per share were calculated on the net loss attributable to shareholders of the Company of HK$95,911,000 for the six months ended 30 June 2023 (30/6/2022: net profit attributable to shareholders of the Company of HK$161,979,000) and the weighted average number of 530,289,480 (30/6/2022: 530,289,480) ordinary shares in issue during the period.

Diluted earnings (loss) per share for the six months ended 30 June 2023 and 2022 were the same as basic earnings (loss) per share as there was no potentially dilutive ordinary shares in existence for the six months ended 30 June 2023 and 2022.

9. Interim dividends

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2023 (30/6/2022: nil).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

10. Leases

(a) Right-of-use assets

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
At 1 January	**226,180**	-
Additions	**-**	340,064
Lease remeasurement	**(52,906)**	(92,489)
Depreciation	**(9,848)**	(21,395)
	163,426	226,180

(b) Lease liabilities

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
At 1 January	**228,823**	-
Additions	**-**	340,064
Lease remeasurement	**(52,906)**	(92,489)
Interest expense (included in finance costs)	**2,368**	5,478
Repayments of lease liabilities	**(17,694)**	(24,230)
	160,591	228,823

The lease liabilities were repayable as follows:

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
Within one year	**25,161**	32,547
After one year but within two years	**26,210**	34,091
After two years but within five years	**85,925**	111,350
After five years	**23,295**	50,835
	135,430	196,276
	160,591	228,823

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 HKFRS 16 Leases, the Group recognized 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 in the consolidated statement of financial position.

During the first half of 2023, the total cash outflow for the lease was HK$17,694,000 (30/6/2022: HK$1,567,000).

NOTES TO THE INTERIM FINANCIAL STATEMENTS

11. Investment properties

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
At 1 January	**373,330**	385,220
Change in fair value	**(11,690)**	(11,890)
	361,640	373,330

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 and located in Hong Kong.

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 HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period.

12. Financial assets at fair value through OCI

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
Unlisted equity investments		
Co-investment in a property project		
At 1 January	**73,289**	95,604
Change in fair value [1]	**(2,271)**	(22,315)
	71,018	73,289
Unlisted club debentures		
At 1 January	**22,000**	22,000
Change in fair value [2]	**1,100**	-
	23,100	22,000
Unlisted club membership		
At 1 January	**3,463**	3,755
Change in fair value [2]	**-**	(292)
	3,463	3,463
	97,581	98,752

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, an approximately 55.69% indirectly 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 (approximately HK$12,304,000). At the reporting date, advance of US$1,577,000, approximately HK$12,304,000 (31/12/2022: US$1,342,000, approximately HK$10,475,000) was drawdown and the amount was included in note 13.

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 (approximately HK$78,000,000). 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, approximately HK$2,905,000 (31/12/2022: US$372,000, approximately HK$2,905,000).

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 HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the period / year.

Unlisted club debentures and unlisted club membership stated at fair value represented investments in club debentures and 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 HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the period / year.

13. Loan receivables

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
At 1 January	**10,475**	72,041
Gross new loan originated	**1,829**	6,041
Repayment	**-**	(67,607)
Provision of individual impairment	**-**	-
Loan receivables, net of provision	**12,304**	10,475

At the reporting date, the Group's loan receivables of HK$12,304,000 (31/12/2022: HK$10,475,000) arise from co-investment (as mentioned in note 12), 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.

14. Trade and other receivables

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade receivables	**9,244**	10,564
Prepayments	**16,103**	19,236
Rental and other deposits	**749**	768
Other receivables	**119,092**	127,319
	135,944	147,323
	145,188	157,887

The aging analysis of trade receivables (net of impairment loss) based on payment due dates is as follows:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within three months	**5,779**	6,961
Over three months but within six months	-	1,099
Over six months but within twelve months	**1,683**	2,504
Over twelve months	**1,782**	-
	9,244	10,564

Management has a credit policy in place for approving the credit limits to charterers and the exposures to credit risk are monitored such that any outstanding trade receivables are reviewed and followed up on an ongoing basis. Credit evaluations including assessing the customer's creditworthiness and financial standing are performed on customers requiring a credit over certain amount.

The credit terms given to charterers vary from 15 to 60 days according to the types of vessels' employment.

The carrying amounts of trade and other receivables are considered to be a reasonable approximation of their fair values due to their short term maturities.

15. Financial assets at fair value through profit or loss

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
	HK$'000	*HK$'000*
Held for trading		
Equity securities		
Listed in Hong Kong	**108,821**	155,031
Listed outside Hong Kong	**66,245**	71,113
	175,066	226,144
Debt securities		
Listed in Hong Kong	**-**	4,471
Listed outside Hong Kong	**4,341**	3,728
Unlisted	**2,227**	2,244
	6,568	10,443
Designated as such upon initial recognition:		
Investment funds	**12,430**	8,392
	194,064	244,979

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

NOTES TO THE INTERIM FINANCIAL STATEMENTS

16. Trade and other payables

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Trade payables	**1,804**	1,333
Accrued charges	**19,004**	13,649
Other payables		
Payables related to vessel running cost and ship operating expenses	**54,172**	78,607
Hire receipt in advance	**21,685**	6,813
Loan interest payables	**997**	1,612
Accrued employee benefits	**1,585**	13,340
Others	**2,008**	2,318
	80,447	102,690
	101,255	117,672

The aging analysis of trade payables based on payment due dates is as follows:

	30 June 2023	31 December 2022
	(Unaudited)	(Audited)
	HK$'000	*HK$'000*
Within three months	**185**	527
Over three months but within six months	**346**	-
Over six months but within twelve months	**467**	-
Over twelve months	**806**	806
	1,804	1,333

NOTES TO THE INTERIM FINANCIAL STATEMENTS

17. Secured bank loans

	30 June 2023 (Unaudited) *HK$'000*	31 December 2022 (Audited) *HK$'000*
Vessel mortgage loans	**145,384**	206,456
Other bank loans	**607,592**	563,274
Total secured bank loans	**752,976**	769,730
Less: Amount repayable within one year	**(308,701)**	(360,025)
Amount repayable after one year	**444,275**	409,705

During the six months ended 30 June 2023, the Group had drawn new secured bank loans of HK$124,700,000 (30/6/2022: HK$120,000,000) and repaid HK$141,454,000 (30/6/2022: HK$245,446,000).

At the reporting date, vessel mortgage loans were denominated in United States Dollars, and other bank loans which included revolving loans, term loans and property mortgage loans were denominated in Hong Kong Dollars and United States Dollars. All secured bank loans were committed on floating rate basis.

18. Capital expenditures and commitments

During the six months ended 30 June 2023, capital expenditure on additions of motor vessels and capitalized drydocking costs was HK$17,197,000 (30/6/2022: HK$358,263,000) and on other property, plant and equipment was HK$163,000 (30/6/2022: HK$212,000).

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 (approximately HK$78,000,000). 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, approximately HK$2,905,000 (31/12/2022: US$372,000, approximately HK$2,905,000).

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.

19. Related party transactions

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

	Six months ended 30 June 2023 (Unaudited) *HK$'000*	Six months ended 30 June 2022 (Unaudited) *HK$'000*
Salaries and other benefits	**33,385**	33,244
Contributions to retirement benefits schemes	**1,781**	1,773
	35,166	35,017

Other payables included accrued employee benefits payables to directors and senior management of HK$161,000 (31/12/2022: HK$9,471,000). There is no other balance or transaction related to connected party or any director and senior management and substantial shareholder of the Group that had not been disclosed under the requirement of Chapter 14 and 14A of the Listing Rules and HKAS 24 (Revised) "Related Party Disclosures".

PUBLICATION OF FINANCIAL INFORMATION

The interim report of the Company for the six months ended 30 June 2023 containing all the detailed information will be despatched to shareholders of the Company and available on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the Company at www.jinhuiship.com in due course.

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