



Seacon Shipping Group Holdings Limited

洲際船務集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code : 2409

INTERIM REPORT

2024





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DEFINITIONS

“Board”	the board of Directors
“Company”	Seacon Shipping Group Holdings Limited (洲際船務集團控股有限公司), an exempted company incorporated under the laws of the Cayman Islands and its shares are listed on the Main Board of the Stock Exchange (stock code: 2409)
“Directors”	the director(s) of the Company
“dwt”	an acronym for deadweight tonnage, a measure expressed in metric tons or long tons of a ship’s carrying capacity, including cargoes, bunker, fresh water, crew and provisions
“Group”	the Company and its subsidiaries
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JPY”	Japanese yen, the lawful currency of Japan
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC” or “China”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 14 March 2023
“RMB”	Renminbi, the lawful currency of the PRC
“SG\$”	Singapore dollars, the lawful currency of the Singapore
“Shareholders”	holders of the shares of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USD” or “US\$”	United States dollars, the lawful currency of the United States of America
“we”, “us” or “our”	the Company or the Group, as the context requires
“%”	per cent

CORPORATE INFORMATION

Executive Directors

Mr. Guo Jinkui (*Chairman*)
Mr. Chen Zekai (*General manager*)
Mr. He Gang
Mr. Zhao Yong

Independent Non-executive Directors

Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Audit Committee

Mr. Fu Junyuan (*Chairperson*)
Ms. Zhang Xuemei
Mr. Zhuang Wei

Remuneration Committee

Ms. Zhang Xuemei (*Chairperson*)
Mr. Chen Zekai
Mr. Zhuang Wei

Nomination Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. Chen Zekai
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Risk Management Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. He Gang
Mr. Fu Junyuan
Ms. Zhang Xuemei
Mr. Zhuang Wei

Environmental, Social and Governance Committee

Mr. Guo Jinkui (*Chairperson*)
Mr. Zhao Yong
Mr. Zhuang Wei

Joint Company Secretaries

Ms. Sun Yufeng
Ms. Chan Sze Ting (*FCG, HKFCG*)

Authorised Representatives

Mr. He Gang
Ms. Chan Sze Ting

Registered Office

Third Floor, Century Yard
Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

Principal Place of Business in the PRC and Headquarters

23/F, Block B, Building 3
No. 20 Zhuzhou Road
Laoshan District, Qingdao City
Shandong Province, the PRC

Principal Place of Business in Hong Kong

Unit No. 3515
35/F, The Center
99 Queen's Road Central
Hong Kong

Compliance Adviser

Zhongtai International Capital Limited
19/F Li Po Chun Chambers
189 Des Voeux Road Central
Central, Hong Kong

Independent Auditor

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

CORPORATE INFORMATION

Hong Kong Legal Adviser

Han Kun Law Offices LLP
Rooms 4301–10
43/F., Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Cayman Islands Principal Share Registrar and Transfer Office

Tricor Services (Cayman Islands) Limited
Cricket Square
P.O. Box 902
Grand Cayman, KY1-1103
Cayman Islands

Hong Kong Branch Share Registrar

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

Principal Bankers

Citibank N.A.
Bank of China
Mizuho Bank, Ltd.
Bank of Communications
OCBC Wing Hang Bank

Stock Code

2409

Company Website

www.seacon.com

MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY PROFILE

The Company is an integrated shipping services provider involved in investment, operation and management of vessels. Its comprehensive services provided include (i) shipping services and (ii) ship management services, covering key processes along the value chain of the maritime shipping industry.

INDUSTRY RECOGNITION

Relying on its rich industrial and operational experience, the Group's services are well acclaimed by the market. The Group has successfully been ranked as one of the Lloyd's List 2023 Global Top 10 Ship Management Enterprises and Managers, and became the only listed company among the top ten ship management companies and the first Chinese-funded shipping company on the list, illustrating the Group's excellent service capability and outstanding market position. In addition, Mr. Guo Jinkui, chairman of the Company, has been listed on the "Top 100 Most Notable Chinese Individuals in Shipping Industry"* (最受航運界關注的100位中國人) for eight consecutive years, which demonstrates the Company management's contribution and outstanding performance in the PRC shipping industry

BUSINESS HIGHLIGHTS

Revenue: Revenue amounted to approximately US\$137.8 million during the six months ended 30 June 2024 (the "Period"), representing a year-on-year increase of 15.6% from approximately US\$119.2 million in the 2023 interim period.

Gross profit: Gross profit amounted to approximately US\$37.8 million during the Period, representing a year-on-year increase of 127.4% from approximately US\$16.6 million in the 2023 interim period.

Adjusted net profit: Adjusted net profit amounted to approximately US\$32.6 million during the Period, representing a year-on-year increase of 156.5% from approximately US\$12.7 million in the 2023 interim period.

	For the six months ended 30 June	
	2024 US\$ million	2023 US\$ million
Revenue	137.8	119.2
Gross profit	37.8	16.6
Adjusted net profit	32.6	12.7
Net profit	32.6	10.9
Earnings before interest and tax	41.8	16.0
Profit per share (US\$ per share)	0.061	0.025

BUSINESS STRATEGY

One-stop service platform of ship asset covering investment, operation and management: With the extensive maritime knowledge of the Group's management, as well as the operational experience and market information accumulated through shipping services and ship management services, the Group is able to respond in advance to the shipping industry cycles. The Company can acquire ship assets at a lower price, and make deployments in advance during the market downturn as well as generate revenue through its operation and management business when the market is sluggish. The Group may sell vessels at a premium to take advantage of the opportunities brought by the market cycle when the market is prosperous. During the Period, the Group sold a total of three vessels, being one 57,005 dwt bulk carrier, one 14,416 dwt bulk carrier, and one 34,827 dwt oil/chemical tanker, generating sales proceeds (after taxes and expenses) of approximately US\$16.0 million. Through regular ship asset operation activities, the Group is able to generate additional financial incomes on the basis of stable businesses.

Allocation of light or heavy ship assets: Maintaining a well-balanced portfolio of vessel fleet assets is one of the keys to the robust development of the Group's shipping services. As the lease term of the chartered-in vessels is generally short (usually expiring within three months), this approach allows the Group to enjoy greater flexibility in vessel fleet operations while avoiding significant capital expenditure. On the other hand, controlled vessels generally enjoy a higher gross profit and could drive the financial performance. Therefore, the balanced vessel fleet assets will be conducive to the achievement of economies of scale and profit improvement of the Group, while maximizing operational flexibility.

Expanding vessel fleet: In view of the low vessel newbuilding cost in the past few years, the Group has engaged well-established shipyards located in the PRC and Japan to build new vessels for it. During the Period, the Group has two new vessels under construction put into operation, along with 3 vessels obtained through investment and bareboat leasing, with a total of additional weight carrying capacity of 142,064 dwt. One new chemical tanker and two 62,000 dwt multi-purpose pulp vessels are expected to be put into operation in the second half of 2024, with additional weight carrying capacity of 127,700 dwt. As of 30 June 2024, there are a total of 20 new vessels under construction for the Group, including 13 chemical/oil tankers and 7 bulk carriers. The Company's additional weight carry capacity covers a variety of vessel types such as oil/chemical tankers, heavy multi-purpose vessels, and general dry cargo vessels, which can effectively expand our carrying capacity while balancing asset investment and benefits.

Diversification of fleet portfolio: With a modern and flexible fleet of dry bulk carriers comprising Capesize, Panamax, Ultramax, Supramax, Handymax and Handysize bulk carrier, as well as flexible oil tankers, medium-range tankers and chemical tankers, the Group's diversified portfolio of vessels can respond more flexibly to changes in the market.

Expanding business presence: In order to support the business development, the Group is committed to setting up offices and service sites in numerous strategic regions worldwide, with an increasingly comprehensive transport network to effectively extend the Company's service capabilities globally, meet customers' needs in a comprehensive manner, improve customer acquisition ability and stickiness of existing customers. In October 2023, the new office of the Group's German branch was officially put into use, strengthening its comprehensive service capabilities in the German and European markets.

Cost reduction, operation efficiency and quality improvement: In order to reduce the impact of macro factors on its financial performance, the Group will endeavour to streamline its existing operating system and process by adopting digital technologies and implementing advanced information technology systems, while seeking diversified financing channels, selecting finance leasing and sale and leaseback in line with the characteristics of the shipping industry, and striving for bank financing at lower interest rates to further reduce financial costs. The Group will also strive to maintain a balanced and diversified vessel fleet asset portfolio, enhancing the controllability of the business and profit margin through controlled vessels increments, while at the same time leveraging chartered-in vessels to maximize operational flexibility at a lower level of capital investment. Such measures will refine cost structure to maintain the profit margin for the Group.

Implementation of environmental, social and corporate governance strategies: In response to green and low-carbon initiatives, the Group has set milestone goals to achieve carbon neutrality. Due to environmental restrictions and the enhanced supervision on carbon emissions intensity of the global shipping industry by the International Maritime Organization, the Group will gradually replace vessels with higher fuel consumption and carbon emissions with new vessels that have lower fuel consumption and carbon emissions. The Group will also adopt energy-saving operational measures and ensure that all new vessels comply with the new requirements through technological improvements and the use of low-emission fuels, thus seizing the huge opportunities brought about by green logistics.

CONTROLLED AND CHARTERED-IN VESSEL FLEETS

The Group offers shipping services for commodity owners, traders and shipping service companies via its controlled or chartered-in vessels. As of 30 June 2024, the Group's controlled fleet comprises 30 vessels of various sizes, including 20 dry bulk carriers and 10 oil/chemical tankers, with a combined weight carrying capacity of 1.45 million dwt, representing a year-on-year increase of 9.8% as compared to 1.32 million dwt as of 30 June 2023, and has an average vessel age of 7.0 years, a decline from 7.3 years in the same period of last year.

Change in controlled fleet

	For the six months ended 30 June	
	2024	2023
Dry bulk carriers		
– Capesize	1	1
– Panamax	7	5
– Ultra Handysize	6	8
– Handysize	6	5
Oil/chemical tanker		
– Oil tanker	3	3
– Chemical tanker	7	2
Total	30	24

MANAGEMENT DISCUSSION AND ANALYSIS

With its solid market position, flexible and efficient operating model, stable financial condition and performance, and information transparency, the Group has established deep cooperative relationships with shipyards in the PRC and Japan for many years. Therefore, the Group has actively seized the market trend of low vessel newbuilding cost and has separately engaged well-established shipyards located in the PRC and Japan to build new vessels. In terms of new orders, the Group signed 13 new shipbuilding orders during the Period, all of which were oil/chemical tankers. The above investment will result in an additional increase of total weight carrying capacity of 353,100 dwt, and further enrich the fleet portfolio of the Group, enhancing its competitiveness in the shipping industry.

Change in chartered-in vessel fleet

The Group believes that maintaining a suitable ratio between chartered-in vessels and controlled vessels allows the Group to maintain a sizeable fleet of vessels whilst effectively reducing its capital commitments and maximizing flexibility in its business operations. The chartered-in vessel fleet conducts ship transportation business via chartered-in vessels on long term, short term and single voyage basis. During the Period, the Group entered into over 55 chartered-in vessel engagements with a combined weight carrying capacity of approximately 0.25 million dwt.

Due to the diversity of its chartered-in vessels, the Group is able to transport all major kinds of dry bulks for its customers such as iron ore, coal, grain, steel, logs, cement, fertilizer, nickel ore and bauxite.

GLOBAL NETWORK

The Group provides shipping services for customers under term charter, trip-based time charters (“TCT”), voyage charters and contract of affreightment, which cover major international dry bulk routes, including South America-China, Australia-Far East, USA-Far East, Africa-Far East, Southeast Asia-Far East and India-China.

In order to meet customers’ increasing demand for shipping and vessel management services, the Group has set up subsidiaries in China, Singapore, Japan, Greece and Germany, covering Shanghai, Zhoushan, Qingdao, Ningbo, Fuzhou, Hong Kong, Singapore, Tokyo, Athens, Hamburg and other cities, with a commitment to providing services in major markets.

CUSTOMER NETWORK

With more than 10 years of extensive industry experience in the industry, the Group is able to serve customers such as ship owners, finance leasing companies, shipyards, dry bulk traders and shipping and logistics companies, including leading shipping charterers and global trading multinationals. The Group’s customers include globally-recognised blue-chip multinationals, such as one of the world’s leading dry bulk owners and vessel operators; large multinational conglomerates engaging in the trading of agricultural goods; the world’s largest private metals trader; one of Japan’s largest steel traders; and the world’s top four grain traders and global large traders.

INFORMATIZATION AND INTELLIGENT DEVELOPMENT

With the increasing competition in the shipping market, downstream market participants continue to raise their demands on the operational capability and efficiency of shipping enterprises, the construction of information systems of various shipping enterprises is accelerating, and informatization and intelligence have become a booster to promote the development of the industry. Through the development of intelligent shipping and management software, the Group has established an integrated and comprehensive shipping management system and, through the centralization, integration and real-time interaction of information, the Group is capable of promoting intelligent management and control as well as analysis ability of big data, realizing all-round and refined management of shipping.

ESG STRATEGY AND TARGET

As the world promotes green energy resources and reduces carbon emissions, the shipping industry is undergoing a transformation. In recent years, the International Maritime Organization (IMO) and the European Union (EU) have enacted a number of regulations to monitor greenhouse gas emissions from ships. In particular, the Marine Environment Protection Committee (MEPC) of the International Maritime Organization, in its latest strategy, has explicitly called for the upgrading of the energy-efficient design of new vessels in order to reduce the carbon emission intensity. These include the need to reduce carbon emissions from ships on international shipping routes by 20% by 2030 and 70% by 2040 as compared with the levels in 2008, and to achieve net zero emissions by 2050 or thereafter. In addition, at least 5% of the energy resources used by ships on international routes by 2030 will need to come from technologies and fuels with zero (or near-zero) greenhouse gas emissions. These regulations impose more stringent energy efficiency requirements on the existing shipping capacity supply.

To this end, the Group has formulated corresponding short, medium and long term targets. In the short term, the Group is committed to meeting the latest IMO standards for Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Index (CII) for all existing ships from 2023. In the medium term (against the 2008 baseline), the Group targets to achieve a 40% reduction in CO² emission intensity by 2030 and a 70% reduction in CO² emission intensity by 2050, with the ultimate goal of achieving carbon neutrality.

In specific practice, the Group participated in the 2024 Global Shipping Technology Conference held in Shanghai on 30 January 2024, which aims to further promote the decarbonization of the port and shipping industry, encourage technological innovation and business model innovation of enterprises, and select and grant the 2024 Green Decarbonization Innovation Application Award in the shipping industry. In particular, the “GREEN FUTURE Ship Greenhouse Gas Emission Management System”, independently developed by the Group’s Technology Development (Innovation) Centre, won the 2024 Green Decarbonization Innovation Application Award in the shipping industry, demonstrating the Company’s determination to move towards carbon neutrality.

In addition, the Group also endeavours to prepare itself in advance of the implementation of the shipping emission requirements under the European Union Emissions Trading System in 2024 by phasing out and upgrading its vessel fleets, adopting energy-saving operational measures, promoting energy-saving technological improvements, and adopting low-emission fuels. Based on the Wind ESG rating updated in July 2024, the Company’s ESG rating has been upgraded to Grade A after the release of 2023 ESG report. After the European carbon tax policy is officially implemented, it is expected that the supply of dry bulk cargo carrying capacity of the Group will be adjusted. Moreover, the Group’s young fleet will be better positioned in market share and operating costs in the future as the new vessels have better performance in terms of fuel consumption and carbon emissions.

FINANCIAL PERFORMANCE

In the first half of 2024, with the steady recovery in manufacturing and supply chain imbalances caused by geopolitical events, the global shipping market was generally recovering. The Baltic Dry Index (BDI, being the main benchmark to reflect the volatile movements of the dry bulk carrier charter rates and of the market charter rates) increased by 58.7% year-on-year on average over the Period, while the Baltic Clean Tanker Index (BCTI, being a major benchmark for oil tankers charter rates) increased by 20.3% year-on-year on average over the Period. The Group also expanded the size of its controlled vessel fleets to be in line with the increase in shipping rates, which led to the year-on-year increase of its combined weight carrying capacity of controlled vessel fleets by 9.8% to 1.45 million dwt from 1.32 million dwt in the same period last year. Since the second half of 2023, the Group has also been actively deploying in oil/chemical tanker market and successfully secured a higher charter rate with a diversified fleet. As a result of the above, the Group’s total revenue increased by 15.6% on a year-on-year basis to US\$137.8 million from US\$119.2 million in the same period last year.

MANAGEMENT DISCUSSION AND ANALYSIS

Gross profit margin increased from 14.0% in the same period last year to 27.5% for the Period, as revenue contribution from the high gross margin-controlled fleet increased from US\$45.4 million in the same period last year to US\$63.1 million for the Period, and fixed operating costs such as depreciation and crew wages enjoyed a larger scale effect in line with the increase in revenue. Accordingly, the gross profit increased by 127.4% to US\$37.8 million on a year-on-year basis. In addition, as the Group closely monitored investment and trading opportunities for different types of vessels, it sold 3 vessels during the Period, generating a gain of approximately US\$16.0 million of asset sales proceeds. Taking into account the aforesaid factors, profit for the Period was US\$32.6 million, a year-on-year increase by 199.8% compared to US\$10.9 million in the first half of 2023. Profit attributable to the shareholders of the Company also increased from US\$11.0 million in the same period last year to approximately US\$30.7 million, a year-on-year increase of 178.6%.

The adjusted net profit for the Period was approximately US\$32.6 million, a year-on-year increased by 156.5% compared to US\$12.7 million in the first half of 2023.

The Group also strives to maintain a strong financial condition in light of the fluctuations in the market condition. As of 30 June 2024, the Group's total assets were approximately US\$589.7 million (as of 31 December 2023: US\$492.1 million), an increase by 19.8%. Gearing ratio, which is total liabilities dividing by total assets, also maintained at a sound level of approximately 67.9% (as of 31 December 2023: approximately 64.7%).

Ship management services segment

The Group has been serving as a vessel management service provider since 2012 and provides ship owners, finance leasing companies, shipyards, dry bulk traders, and shipping and logistics companies with tailor-made ship management and value-added services covering the whole life cycle, including technical management, crew manning, business services, sale and purchase support of vessels, insurance and financing assistance of vessels. The ship management contracts are generally entered into with service periods from one year to fifteen years. Such agreements are usually renewable at the end of each such service period. The Group generally charges management fees on lump-sum basis or management fee basis.

The Group manages a wide variety of vessel types such as dry bulk carriers, oil tankers, chemical tankers, cargo ships, container ships, automobile ships, operation support vessel for wind farms, pulp vessels, gas carriers and offshore engineering ships. In terms of the number of vessels under our combined management by the end of 2023, the Group was successfully listed in Lloyd's List 2023 Global Top 10 Ship Management Enterprises and Managers, and was the first Chinese-funded shipping company on the list.

Leveraging its increasingly extensive industry experience and broad customer base, the Group has further broadened its service offerings to provide shipbuilding supervision services in 2019. Such services generally cover the provision of initial feasibility analysis and review of vessel blueprints, professional consultations during the shipbuilding as well as technical evaluations and ongoing support services during the course of the shipbuilding process. Since the commencement of the service provision and up to 30 June 2024, the Group has been engaged to provide shipbuilding supervision services for more than 180 shipbuilding projects of various types, covering bulk carriers, container ships, multi-purpose vessels, oil tankers, chemical tankers and marine engineering vessels, automobile ships, LPG ships, very large gas carriers, fishing breeding vessel, wind power installation ships, liquefied natural gas bunkering vessels, passenger ships, etc.

In respect of financial performance, segment revenue for the Period was US\$32.9 million (the first half of 2023: US\$22.4 million), a year-on-year increase by 47.2%, as a result of the increase in the number of vessels under our management on a lump sum basis (usually including crew costs, repair expenses, etc.) during the Period. Profit before income tax of the segment was US\$4.0 million (the first half of 2023: US\$1.2 million), a year-on-year increase by 226.0%, as a result of higher profit associated with the increases in the vessels under management on lump-sum basis. Profit margin of the segment reached 12.1% for the Period (the first half of 2023: approximately 5.5%).

Shipping services segment

The Group's vessel fleet comprises mainly dry bulk carriers which are able to transport all major kinds of dry bulks, such as coal, grain, steel, logs, cement, fertilizer and iron ore. The Group also transports bunkers and petrochemical products through its oil and chemical tankers.

As at 30 June 2024, the Group's controlled fleet comprises 30 vessels, which has a combined weight carrying capacity of 1.45 million dwt, representing a year-on-year increase by 9.8% from 1.32 million dwt as at 30 June 2023, and the average age of vessels further decreased to 7.0 years from 7.3 years in the same period last year. Given its flexibility, chartered-in vessels occupy a portion of fleet of the Group. As at 30 June 2024, the Group entered into over 55 charter agreements with a combined weight carrying capacity of approximately 0.25 million dwt.

Maintaining a perfect and balanced asset mix of vessel fleet is crucial to the healthy development of the business. Controlled vessels are predominantly comprised of dry bulk carriers, oil tankers and chemical tankers which we solely own or jointly own with our business partners, or chartered on a long-term basis through bareboat charters or finance lease arrangements. On the other hand, chartered-in vessels are comprised of dry bulk carriers chartered from vessel suppliers predominantly under term charters and TCT. The generally shorter lease term of chartered-in vessels, which is usually within three months, enables the Group to exert its flexibility in vessel fleet operation while avoiding significant capital expenditure. However, controlled vessels generally bring higher gross profits and can drive financial performance of the Group. Therefore, balanced vessel fleet assets will facilitate the Group to benefit from profit improvement and economics of scale and maximise operating flexibility.

Meanwhile, the Group generally charters its vessels to its customers under term charter and TCT. The Group also provides shipping services to its customers through contract of affreightment including the transport of iron ore from India and Australia to China and metallurgical coal from China to Japan.

During the Period, due to the recovery of global trade volumes, an increase in the number of controlled vessel fleets, and a year-on-year increase of 58.7% and 20.3% in the average BDI and BCTI compared to the same period last year, the segment revenue amounted to US\$104.8 million, a year-on-year increase by 8.3% from US\$96.8 million in the first half of 2023. In particular, revenue from chartered-in vessels was US\$41.7 million, a year-on-year decrease by 18.7% from US\$51.4 million in the first half of 2023, while revenue from controlled vessels was US\$63.1 million, a year-on-year increase by 38.9% from US\$45.4 million in the first half of 2023.

In terms of gross profit, gross profit of shipping services was US\$30.9 million (the first half of 2023: US\$12.3 million) during the period, a year-on-year increase by 151.3%. In particular, the gross profit of chartered-in vessels was US\$0.7 million (the first half of 2023: US\$1.0 million), a year-on-year decrease by 31.4%, and the gross profit margin was 1.7% (the first half of 2023: 2.0%). The gross profit of controlled vessels was US\$30.2 million, a year-on-year increase by 167.6% from US\$11.3 million in the first half of 2023, and gross margin was 47.9% (the first half of 2023: 24.8%). Profit before income tax of this segment was US\$28.9 million (the first half of 2023: US\$10.2 million), a year-on-year increase by 183.1%, while profit margin of the segment for the period was approximately 27.5% (the first half of 2023: 10.5%).

MARKET OVERVIEW

In the fourth quarter of 2023, the dry bulk shipping market was affected by the congestion of the Mississippi River in the United States, Panama Canal and Suez Canal, resulting in a decrease in overall supply of carrying capacity. On the other hand, stimulated by factors such as the increase in grain in Brazil since August and the commencement of bauxite projects in Guinea in October, terminal demand has rebounded. Together, the BDI was driven to reach a high of over 3,000 by the end of 2023. At the beginning of the first quarter of 2024, even though BDI had a short-term slide due to the traditional low season, throughout the first half of 2024, the dry bulk shipping market delivered satisfactory performance due to the market's positive expectations for China's economic recovery, the persistent congestion at the two major canals caused by weather, and the fact that spillover effect of the Israeli-Palestinian conflict has led to a significant heightened risk in the Red Sea maritime route and a large number of ships have been forced to divert via the Cape of Good Hope in Africa.

According to the data published by the National Bureau of Statistics, the total steel production in China in the first half of 2024 was 19.564 million tons, an increase of 0.7% compared to the same period in 2023, among which, the production in June reached 4.185 million tons, a two-year high. Meanwhile, in the first half of 2024, China imported 611 million tons of iron ore, a year-on-year increase of 6.2%, and 250 million tons of coal, a year-on-year increase of 12.5%. These increased commodities were mainly transported via large and medium-sized dry bulk carriers, especially Capesize, which brought stable orders.

Taking into account the above factors, the average BDI from January to June 2024 was 1,837.6, a significant year-on-year increase of 58.7% compared to 2023, among which, the Baltic Capesize Index (BCI) has performed particularly well, surging 88.9% compared to the same period in 2023. The indices of other vessel types, including BPI (Baltic Panamax Index), BSI (Baltic Supramax Index), and BHSI (Baltic Handysize Spot Index), were also significantly higher than those as compared to the same period in 2023 respectively.

In terms of the oil and chemical shipping market, the geopolitical turmoil in the Middle East at the beginning of 2024 stimulated a surge in oil and chemical shipping rates. In the first half of the year, the BDTI (Baltic Dirty Tanker Index) and BCTI reached the record high in mid to late January, but they showed a fluctuating downward trend due to the absence of further impact from geopolitical momentum on supply and demand. However, overall BCTI is still operating at a high level, with an average of 1,003.3 from January to June 2024, an increase of 19.7% compared to the same period in 2023. The trends of different vessel types also vary, with VLCC rent prices falling sharply since late May, while Suez, Afra, and MR tankers also experienced correction of varying degrees in June after strong upturn.

On the ship supply side, the slipway resources of the mainstream shipyards in China, Japan and Korea are still tight. The relatively low proportion of dry bulk carriers orders on hand such as the Capesize Ship to the existing fleet means that the number of dry bulk carriers and oil tankers and chemical tankers available for delivery in the next three to five years will remain limited. At the same time, the ageing trend of dry bulk and oil tankers and chemical tankers is also worsening. With the European Emissions Trading System (EU ETS) coming into force and the establishment of new carbon emission regulations by IMO, it will be more urgent for the phasing out of aged ships and the gradual replacement of vessels fueled by traditional fuels, which will further drive the demand for new dry bulk carriers and oil tankers and chemical tankers.

Looking ahead to future demand, Clarkson's data forecasts that seaborne trades in iron ore, coal, grain and minor commodities is expected to maintain positive growth in 2024, and is expected to grow by approximately 2.7%, 0.3%, 2.2% and 3.3%, respectively. Meanwhile, Clarkson also expects crude oil, refined oil and chemicals will maintain positive growth of approximately 0.4%, 1.4% and 2.4%, respectively. As the volume of seaborne trade in major commodities is closely related to the demand for dry bulk carriers and oil tankers and chemical tankers, a positive growth trend in the former will positively support the latter. In terms of ship allocation, as the Group expects improvements in chemical products and related logistics needs, the Group will also actively increase the number of oil tankers and chemical tankers to better meet market demand.

In terms of ship management market, amid increasing compliance requirements, shipowners in the market are gradually inclined to seek advice from professional third-party ship managers. As one of the world's top ten largest ship management services provider headquartered in the PRC, the Group has obvious advantages in brands, experience and scale, which will help it to capture a larger share of the market in the future.

PROSPECTS

Following its successful listing on the Main Board of the Stock Exchange, the Group has been actively harnessing the international capital to expand controlled vessel fleet and chartered-in vessel fleet with light and heavy assets. During the Period, the Group has launched two new vessels, together with the joint acquisition of two chemical tanker with a combined weight carrying capacity of 11,650 dwt during the Period and one chemical tanker with 7,474 dwt acquired under a bareboat, the combined weight carrying capacity reached 1.45 million dwt, an increase of 9.8% of weight carrying capacity as compared with that as of 30 June 2023. Meanwhile, the Group is also actively expanding its fleet coverage. The Group expects to add 26 vessels successively from the second half of 2024 to 2027, including 11 bulk carriers, 11 chemical tankers, and 4 MR product oil tankers, which is expected to enable the combined weight carrying capacity to increase by an additional 940,000 dwt. With the overall enhancement of the Group's shipping service capacity, the Group expects its financial results to remain solid growth in the short term.

Meanwhile, the operation of new vessels will bring more opportunities for replacing old vessels. The Group will be dedicated to capturing the cyclical nature of the industry and release capital values at market highs to lift its asset return. Following the successful disposal of three vessels, the Group has recorded sales proceeds (after tax and expenses) of approximately US\$16.0 million during the period. Subsequent to the reporting period, the Group also continued to implement its vessel replacement plan to optimize its fleet size and improve working capital liquidity. In particular, the Group disposed 1 bulk carrier of 50,944 dwt, 1 bulk carrier of 12,138 dwt and 1 bulk carrier of 63,289.90 dwt in July and August 2024, respectively. Upon completion of the transactions, it is estimated that total sales proceeds (after tax and expenses) of approximately US\$17.0 million will be realised. Through its regular vessel investment activities, the Group will continue to seize opportunities to generate additional financial gains on the basis of stable businesses. As the Group eliminates and upgrades fleets in due course, the Group will capture larger market share with vessels that meet the updated international standard and have greater advantages in oil consumption and carbon tax expenses.

MANAGEMENT DISCUSSION AND ANALYSIS

In terms of ship management business, the Group will continue to consolidate its market leadership by properly leveraging its roles as the world's top ten and China's largest third-party ship management service provider to utilize the business opportunities from future policies. The Group will also expand its major ship management presences currently located in Qingdao, Shanghai, Ningbo and Fuzhou so as to meet the market needs with more comprehensive services.

Under the multi-pronged development direction, the Group will keep pursuing higher operational efficiency and greater business scale and strive to create higher value for the Shareholders and other stakeholders.

FINANCIAL REVIEW

Revenue

The Group's revenue was principally derived from the provision of (i) shipping services; and (ii) ship management services. The Group's revenue increased by approximately US\$18.6 million or 15.6% from approximately US\$119.2 million for the six months ended 30 June 2023 to approximately US\$137.8 million for the Period.

Shipping services

The Group's revenue from shipping services increased by approximately US\$8.0 million or 8.3% from approximately US\$96.8 million for the six months ended 30 June 2023 to approximately US\$104.8 million for the Period primarily due to the recovery of global trade volumes, an increase in the number of controlled vessel fleets, and an increase in the market charter and freight rates during the Period.

Ship management services

The Group's revenue from ship management services increased by approximately US\$10.5 million or 47.2% from approximately US\$22.4 million for the six months ended 30 June 2023 to approximately US\$32.9 million for the Period primarily due to the increase in the number of vessels under the Group's management where the Group charged management fees under lump-sum basis (usually including crew costs, spare parts costs, lubricating oil costs, repair expenses, etc.).

Cost of sales

The Group's cost of sales decreased by approximately US\$2.6 million or 2.5% from approximately US\$102.5 million for the six months ended 30 June 2023 to approximately US\$99.9 million for the Period primarily due to a decrease in charter hire cost as a result of a decrease in chartered-in vessels engagements from vessel suppliers during the Period, which was partially offset by an increase in crew manning expenses due to the increase in number of vessels under the Group's management during the Period.

Gross profit and gross profit margin

The Group's gross profit increased by approximately US\$21.2 million or 127.4% from approximately US\$16.6 million for the six months ended 30 June 2023 to approximately US\$37.8 million for the Period. The Group's overall gross profit margin increased from approximately 14.0% for the six months ended 30 June 2023 to approximately 27.5% for the Period. Such increase was primarily due to revenue contribution from the high gross margin-controlled fleet increased, and fixed operating costs such as depreciation and crew wages enjoyed a larger scale effect in line with the increase in revenue.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses increased by approximately US\$0.3 million or 3.1% from approximately US\$8.6 million for the six months ended 30 June 2023 to approximately US\$8.9 million for the Period primarily due to the increase in employee benefit expenses during the Period.

Other gains, net

The Group recorded other gains of approximately US\$12.8 million for the Period as compared to approximately US\$6.5 million for the six months ended 30 June 2023 primarily due to the recognition of net gains of approximately US\$16.0 million from the disposal of property, plant and equipment during the Period, which was partially offset by foreign exchange losses of approximately US\$2.6 million during the Period.

Finance costs

The Group's finance costs increased by approximately US\$4.3 million or 93.5% from approximately US\$4.6 million for the six months ended 30 June 2023 to approximately US\$8.9 million for the Period primarily due to an increase in external financing as a result of the addition of several controlled vessels during the Period and the increased interest rates as a result of the interest rate hikes by the United States Federal Reserves during the Period.

Share of net profits of associates and joint ventures

The Group recorded share of net profit of approximately US\$0.7 million for the Period as compared to approximately US\$1.2 million for the six months ended 30 June 2023 primarily due to a decrease in profitability of several associates of the Company.

Profit for the Period

As a result of the foregoing, the Group's profit increased by approximately US\$21.7 million or 199.1% from approximately US\$10.9 million for the six months ended 30 June 2023 to approximately US\$32.6 million for the Period.

MANAGEMENT DISCUSSION AND ANALYSIS

Non-HKFRS measure

Non-HKFRS measure is not a standard measure under HKFRSs. To supplement the Group's unaudited consolidated financial statements which are presented in accordance with HKFRS, the Group also use non-HKFRS measure, namely, adjusted net profit which is not required by, or presented in accordance with HKFRS. While adjusted net profit (non-HKFRS measure) provides an additional financial measure for investors to assess the Group's operating performance, the use of adjusted net profit (non-HKFRS measure) has certain limitations. Further, the Group's presentation of the adjusted net profit (non-HKFRS measure) may not be comparable to similarly titled measures presented by other companies. You should not consider it in isolation from, or as substitute for analysis of, the Group's results of operations or financial condition as reported under HKFRS. The Group define adjusted net profit (non-HKFRS measure) as profit for the period adjusted by adding listing expenses. The table below sets out the Group's adjusted net profit (non-HKFRS measure) for the periods indicated:

	Unaudited Six months ended 30 June	
	2024 US\$ million	2023 US\$ million
Profit for the period	32.6	10.9
Add: Listing expenses ⁽¹⁾	—	1.8
Non-HKFRS measure: Adjusted net profit for the period	32.6	12.7

Note:

(1) Listing expenses relate to the global offering of the Company.

Indebtedness

As of 30 June 2024, the Group's borrowings and lease liabilities amounted to approximately US\$323.0 million in aggregate (as of 31 December 2023: US\$282.5 million).

As of 30 June 2024, the amount guaranteed by the Group for joint ventures and associates amounted to approximately US\$94.6 million (as of 31 December 2023: nil).

Borrowings

The Group's total borrowings increased from approximately US\$215.9 million as at 31 December 2023 to approximately US\$274.1 million as at 30 June 2024 primarily due to the finance leases the Group entered into in relation to certain vessels during the Period. The Group's borrowings are denominated in US\$, RMB, JPY and SG\$.

Pledge of assets

For financing arrangements of the Group's controlled vessels, the Group generally financed the acquisition or newbuilding of controlled vessels through a mix of internal resources, bank loans and finance lease arrangements. The Group companies provide security by way of guarantees or pledge vessels as collateral to secure bank loans or finance lease arrangements.

As at 30 June 2024, property, plant and equipment with the carrying amount of approximately US\$325.3 million was pledged to secure borrowings (As at 31 December 2023: approximately US\$266.9 million).

Lease liabilities

The Group's lease liabilities primarily represent the long-term bareboat charters with lease periods of one year or more. The Group's lease liabilities decreased from approximately US\$66.6 million as at 31 December 2023 to approximately US\$48.9 million as at 30 June 2024.

Contingent liabilities

As of 30 June 2024, the Group did not have any material contingent liabilities.

Capital structure

The Group's total assets increased from approximately US\$492.1 million as of 31 December 2023 to approximately US\$589.7 million as of 30 June 2024. The Group's total liabilities increased from approximately US\$318.3 million as of 31 December 2023 to approximately US\$400.4 million as of 30 June 2024.

The Group's net debt to equity ratio remained relatively stable, which was approximately 150.5% as of 31 December 2023 and approximately 150.2% as of 30 June 2024. Net debt to equity ratio is calculated as net debt divided by total equity as of relevant date. Net debt is calculated as total borrowings, lease liabilities, amount due to related parties and amount due to third parties less cash and cash equivalents. Total equity is shown in the consolidated balance sheet.

Capital commitments

The capital commitment as at 30 June 2024 was approximately US\$320.5 million (as at 31 December 2023: US\$278.5 million), which was mainly related to eleven vessels purchase contracts of which the vessels were not yet delivered up to 30 June 2024. Among such eleven vessels, the expected delivery date of eight vessels will be in 2025 and three vessels will be in 2026.

Save as disclosed, the Group did not have any other material capital commitments as at 30 June 2024.

Liquidity and financial resources

As at 30 June 2024, the Group recorded net current assets of approximately US\$2.2 million compared to approximately US\$0.8 million as at 31 December 2023. The Group's current ratio (namely current assets as of relevant dates divided by current liabilities) increased from 1.01 as of 31 December 2023 to 1.02 as of 30 June 2024.

As at 30 June 2024, the Group's cash and cash equivalents amounted to approximately US\$44.1 million and the Group's cash and cash equivalents amounted to approximately US\$28.0 million as at 31 December 2023. The Group's cash and cash equivalents are denominated in US\$, RMB, JPY, SG\$, EUR and HKD.

TREASURY POLICY

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the Shareholders and to maintain an optimal capital structure to enhance Shareholders' value in the long term. The Group has adopted a prudent financial management approach towards the treasury policy. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of its assets, liabilities and other commitments can meet its funding requirements at all times.

FOREIGN EXCHANGE RISK

We are exposed to certain foreign exchange risks in respect of depreciation or appreciation amongst the currencies used in our business operations. Our revenue is denominated in US\$ and the primary functional currencies used in our business operations include US\$ and RMB. Our cost of sales, operating expenses and capital expenditures are predominantly incurred in US\$ while some of our primary payment commitments and expenditures, including but not limited to payment obligations pursuant to shipbuilding contracts, are denominated in RMB or JPY. However, our reporting currency is in US\$ and therefore our revenue, cost of sales and other accounting items are all translated into US\$ on our unaudited consolidated financial statements. As a result, we may be exposed to foreign exchange risk from fluctuation in foreign exchange rate. Our assets and liabilities and transactions in its operations did not expose to material foreign exchange risk. We did not use any derivative instrument contracts to hedge foreign exchange risk. We manage foreign exchange risk by closely monitoring fluctuations in exchange rates of foreign currency, and minimise foreign exchange risk via prudent measures.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Group did not have material acquisitions or disposals of subsidiaries, associates and joint ventures during the Period.

SIGNIFICANT INVESTMENTS AND FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As of 30 June 2024, there were 20 vessels under construction for the Group. It is expected that three, nine, five and three of such vessels will be delivered in late 2024, 2025, 2026 and 2027, respectively. In respect of 13 of the vessels under construction for the Group, relevant shipbuilding or acquisition contracts were entered into during the Period. Details of those material relevant contracts entered into during the Period have been disclosed in the Company's announcements dated 31 January 2024, 18 February 2024, 15 March 2024, 2 April 2024, 15 April 2024 and 3 June 2024, respectively, and the Company's circulars dated 23 February 2024 and 24 May 2024, respectively.

Save as disclosed, the Group did not have any other material investment or capital assets during the Period. In addition, the Group will utilise net proceeds from the global offering in the same manner as indicated in the section headed "Use of Net Proceeds from the Global Offering" of this report. Save as disclosed, the Group does not currently have any other plans for significant investment or capital assets. However, the Group will continue to seek for new opportunities for business development.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 12 July 2024, the Group entered into an agreement with PT Primatama Energi Mandiri, pursuant to which the Group agreed to sell a vessel to the latter for a consideration of USD13.8 million. For detail of the transaction, please refer to the Company's announcement dated 12 July 2024.

On 22 July 2024, the Group entered into two bareboat charter agreements with Tianjin Dongjiang Comprehensive Bonded Zone Yingxing No. 2 Leasing Co., Ltd. and Tianjin Dongjiang Comprehensive Bonded Zone Yingxing No. 3 Leasing Co., Ltd. for two vessels. The aggregate value (unaudited) of the right-of-use assets that will be recognized by the Company in relation to the vessels under the bareboat charters will amount to approximately USD55.9 million. For details of the transaction, please refer to the Company's announcement dated 22 July 2024.

On 29 July 2024, the Group provided a guarantee, pursuant to which the Group has agreed to provide a guarantee up to approximately RMB48.5 million for the due performance by Xiamen U-Link Shipping Co., Ltd.* (廈門新永聯航運有限公司) (the “**Obligor**”), an associate company of the Company, of the Obligor’s payment obligations and liabilities under a finance lease agreement, in proportion to the Group’s shareholding in the Obligor. For details of the transaction, please refer to the Company’s announcement dated 29 July 2024.

On 12 August 2024, the Group entered into an agreement with SHENXIN SHIP LEASING (SHANGHAI) CO., LTD.* (申鑫船舶租賃(上海)有限責任公司), pursuant to which the Group agreed to sell a vessel to the latter for a consideration of USD32.1 million. For details of the transaction, please refer to the Company’s announcement dated 12 August 2024.

Save as disclosed, there was no other significant event since 30 June 2024 and up to the date of this report that could have a material impact on the Company’s operations and financial performance.

INTERIM DIVIDEND

The Board did not recommend the payment of an interim dividend for the Period.

EMPLOYEES

The Group recognises that employees are valuable wealth of the Group, and that achieving and improving employees’ values will facilitate the achievement of the Group’s overall goals. The Group has been committed to providing employees with competitive remuneration packages, attracting promotion opportunities and a respectful and professional working environment. The Group participates in and contributes to statutory social benefit and mandatory contribution schemes, social benefits (including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance) and housing provident fund contributions in accordance with applicable laws, rules and regulations. The Group’s employees are also entitled to various subsidies and benefits, including but not limited to paid annual leave, paid birthday leave and maternity allowance, etc. The Group believes that its training culture helps the Group to recruit and retain talents. The Group provides internal training and external seminars related to quality, operation, internal control, environment and health and safety policies depending on the departments and scope of work of the employees. The Group will continue to attract and retain more talent by regularly reviewing the performance of its employees and using the review results as reference in determining any salary adjustments and promotions. As of the date of this report, certain of the Group’s employees belonged to a trade union called China Seamen’s Union Seacon Shandong Shipping Group Committee* (中國海員工會山東洲際航運集團委員會). The Group believes that it maintains good working relationships with its employees and there were no significant disruptions in the Group’s operations due to industrial actions or labour disputes during the Period.

The Company has also adopted a share option scheme pursuant to the written resolutions of the Shareholders and Directors passed on 2 March 2023 (the “**Share Option Scheme**”) to incentivise eligible Directors, senior management and employees, to attract, motivate and retain skilled and experienced personnel, and to provide incentives or rewards for their contribution or potential contribution to the Group. Further information of the Share Option Scheme will be available in the interim report of the Company for the Period.

REMUNERATION POLICIES AND EMPLOYMENT BENEFITS

As at 30 June 2024, the Group had 287 employees (as at 31 December 2023: 288). The Group believes that its employees are valuable assets of the Group and are of great significance to the Group's business. Therefore, the Group recognises the importance of maintaining a good relationship with its employees. The Group's remuneration policies are based on the Group's profitability, prevailing industry practices, prevailing market levels, the qualifications of employees, the relevant work experience, positions and experience and the performance of each of the Group's subsidiaries and individual employees. These policies are reviewed on a regular basis. In addition to basic salaries, the Group provides employees with contributions and other fringe benefits under applicable laws, rules and regulations, including discretionary mid-year and year-end bonuses, paid annual leave, paid birthday leave and maternity allowance, etc. Total employee remuneration expenses including Directors' remuneration for the Period amounted to approximately US\$10.2 million (in the first half of 2023: approximately US\$5.6 million).

MATERIAL LEGAL PROCEEDINGS

- In May 2023, a customer filed a lawsuit with Guangzhou Maritime Court of the PRC against (i) Seacon Ships Management Co., Limited (香港洲際船舶管理有限公司), a wholly-owned subsidiary of the Company; (ii) Seacon Ships Management Pte. Ltd., a wholly-owned subsidiary of the Company; and (iii) Taiping & Sinopec TJ19 Shipping Leasing Co., Ltd.* (太平十九號(天津)航運租賃有限公司) concerning a dispute over cargo shortage and claimed for compensation of approximately RMB1.8 million together with interest and legal costs. On 23 June 2024, the court issued a judgment against the plaintiff customer;
- In June 2022, Sky Height Maritime Ltd. ("**Sky Height Maritime**") filed a lawsuit with Ningbo Maritime Court of the PRC against Seacon Ships Co., Limited (Qingdao)* (青島洲際之星船務有限公司) ("**Seacon Ships Qingdao**"), a wholly-owned subsidiary of the Company, and Seacon Shipping Group Limited* (洲際船務集團有限公司) ("**Seacon Shipping Group**") concerning, among other things, disputes over the rental expenses and the improper installation of certain devices on SKY HEIGHT. The court has handed down a judgment in relation to the litigation on 31 March 2023 ruling that (i) Seacon Ships Qingdao shall compensate Sky Height Maritime for economic loss of RMB7,446,326 within ten days after the judgment becomes effective; and (ii) the other claims of Sky Height Maritime be dismissed. On 12 April 2023, Seacon Ships Qingdao filed an appeal with the High People's Court of Zhejiang Province of the PRC. The parties reached a settlement in April 2024; and
- In February 2022, a customer initiated an arbitration proceeding in the United Kingdom against a subsidiary of the Company for breach of a time charterparty contract and claimed for various damages in February 2022 in the amount of approximately US\$1.0 million, including, among other things, the loss of profit suffered by the customer as well as interest and legal costs. The parties reached a settlement in April 2024.

Save as disclosed above, the Directors were not aware of any other material proceedings or claims pending or threatened against the Group during the Period and as at the date of this report.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES

As at 30 June 2024, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which had to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to be notified to the Company and the Stock Exchange were as follows:

Directors' Interests in the Company

Name of Director	Capacity/Nature of interest	Number of ordinary shares held/interested ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Mr. Guo Jinkui ⁽³⁾	Founder of a discretionary trust; Interest in a controlled corporation	288,750,000	57.75%
Mr. Chen Zekai ⁽⁴⁾	Founder of a discretionary trust; Interest in a controlled corporation	75,000,000	15.00%
Mr. He Gang ⁽⁵⁾	Interest in a controlled corporation	3,750,000	0.75%
Mr. Zhao Yong ⁽⁶⁾	Interest in a controlled corporation	7,500,000	1.50%

Notes:

- (1) All interests stated are long positions.
- (2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.
- (3) The entire share capital of Jin Qiu Holding Ltd. is wholly-owned by Shining Friends Limited, which is wholly-owned by Tricolor Equity Trustee Limited, the trustee of The J&Y Trust, which was established by Mr. Guo Jinkui (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo Jinkui (as founder of The J&Y Trust) and Shining Friends Limited are taken to be interested in the 247,500,000 shares held by Jin Qiu Holding Ltd. pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. and Jovial Alliance Limited are both 100% beneficially owned by Mr. Guo Jinkui. Accordingly, Mr. Guo Jinkui is deemed to be interested in the 11,250,000 shares held by Jin Chun Holding Ltd. and the 30,000,000 shares held by Jovial Alliance Limited under the SFO.

By virtue of the SFO, Mr. Guo Jinkui is deemed to be interested in all the shares held by Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited.

- (4) The entire share capital of Kaimei Holding Ltd. is wholly-owned by Oceanic Flame Limited, which is wholly-owned by Tricolor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen Zekai (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen Zekai (as founder of The CZK Trust) and Oceanic Flame Limited are taken to be interested in the 71,250,000 shares held by Kaimei Holding Ltd. pursuant to Part XV of the SFO.

OTHER INFORMATION

CZK Holding Ltd. is 100% beneficially owned by Mr. Chen Zekai. Accordingly, Mr. Chen Zekai is deemed to be interested in the 3,750,000 shares held by CZK Holding Ltd. under the SFO.

By virtue of the SFO, Mr. Chen Zekai is deemed to be interested in all the shares held by Kaimei Holding Ltd. and CZK Holding Ltd.

- (5) Passion Wealth Ltd. is 100% beneficially owned by Mr. He Gang. Accordingly, Mr. He Gang is deemed to be interested in the 3,750,000 shares held by Passion Wealth Ltd. under the SFO.
- (6) Ruigao Holding Ltd. is 100% beneficially owned by Mr. Zhao Yong. Accordingly, Mr. Zhao Yong is deemed to be interested in the 7,500,000 shares held by Ruigao Holding Ltd. under the SFO.

Save as disclosed above, as at 30 June 2024, none of the Directors or chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken or are deemed to have taken under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Save as disclosed above, none of the Directors or their spouse or children under the age of 18 had been granted any rights to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such rights for the six months ended 30 June 2024.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES

As at 30 June 2024, so far as is known to our Directors, the following parties, not being a Director or chief executive of the Company, had interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein:

(a) Substantial Shareholders' Interests in the Company

Name of Shareholder	Type/Nature of interest	Number of ordinary shares held/interested ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾
Tricor Equity Trustee Limited ⁽³⁾	Trustee	318,750,000	63.75%
Shining Friends Limited ⁽³⁾	Interest in a controlled corporation	247,500,000	49.50%
Jin Qiu Holding Ltd. ⁽³⁾	Beneficial owner	247,500,000	49.50%
Jovial Alliance Limited ⁽³⁾	Beneficial owner	30,000,000	6.00%
Oceanic Flame Limited ⁽⁴⁾	Interest in a controlled corporation	71,250,000	14.25%
Kaimei Holding Ltd. ⁽⁴⁾	Beneficial owner	71,250,000	14.25%
Ms. Li Xuyue ⁽⁵⁾	Interest of spouse	288,750,000	57.75%
Ms. Chen Meimei ⁽⁶⁾	Interest of spouse	75,000,000	15.00%

Notes:

- (1) All interests stated are long positions.
- (2) The percentage represents the number of shares interested divided by the total number of ordinary shares of the Company in issue as of the date of this report, i.e., 500,000,000.
- (3) The entire share capital of Jin Qiu Holding Ltd. is wholly-owned by Shining Friends Limited, which is wholly-owned by Tricor Equity Trustee Limited, the trustee of The J&Y Trust, which was established by Mr. Guo Jinkui (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo Jinkui (as founder of The J&Y Trust) and Shining Friends Limited are taken to be interested in 247,500,000 shares held by Jin Qiu Holding Ltd. pursuant to Part XV of the SFO.

Jin Chun Holding Ltd. and Jovial Alliance Limited are both 100% beneficially owned by Mr. Guo Jinkui. Accordingly, Mr. Guo Jinkui is deemed to be interested in the 11,250,000 shares held by Jin Chun Holding Ltd. and the 30,000,000 shares held by Jovial Alliance Limited under the SFO.

By virtue of the SFO, Mr. Guo Jinkui is deemed to be interested in the 288,750,000 shares held by Jin Qiu Holding Ltd., Jin Chun Holding Ltd. and Jovial Alliance Limited in aggregate.

- (4) The entire share capital of Kaimei Holding Ltd. is wholly-owned by Oceanic Flame Limited, which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen Zekai (as the settlor and protector) on 6 December 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen Zekai (as founder of The CZK Trust) and Oceanic Flame Limited are taken to be interested in the 71,250,000 shares held by Kaimei Holding Ltd. pursuant to Part XV of the SFO.

CZK Holding Ltd. is 100% beneficially owned by Mr. Chen Zekai. Accordingly, Mr. Chen Zekai is deemed to be interested in the 3,750,000 shares held by CZK Holding Ltd. under the SFO.

By virtue of the SFO, Mr. Chen Zekai is deemed to be interested in all the shares held by Kaimei Holding Ltd. and CZK Holding Ltd.

- (5) Ms. Li Xuyue is the spouse of Mr. Guo Jinkui and is deemed, or taken to be, interested in all the shares in which Mr. Guo Jinkui has interest in under the SFO.
- (6) Ms. Chen Meimei is the spouse of Mr. Chen Zekai and is deemed, or taken to be, interested in all the shares in which Mr. Chen Zekai has interest in under the SFO.

Save as disclosed above, as at 30 June 2024, based on publicly available information, there were no other persons, not being a Director or chief executive of the Company, who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

SHARE OPTION SCHEME

A share option scheme (the “**Share Option Scheme**”) was adopted pursuant to the written resolutions of the Shareholders and Directors of the Company passed on 2 March 2023. The principal terms of the Share Option Scheme are summarised as below:

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or reward for the eligible participants for their contribution or potential contribution to the Company and/or any of its subsidiaries.

2. Who may join

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound, at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme (i.e., 2 March 2023), to make an offer to any of the following classes:

- (a) any Directors and employees of our Group (including persons who are granted options under the Share Option Scheme as an inducement to enter into employment contracts with any member of our Group);
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of our Company; and
- (c) persons who provide services to our Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group, which may include persons who work for the member of our Group as independent contractors where the continuity and frequency of his service is akin to those of employees (the “**Service Providers**”), but excluding any (i) placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions and (ii) professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

3. Maximum number of Shares

- (a) The total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the total number of shares in issue immediately following completion of the Global Offering, being 50,000,000 shares (the “**Scheme Mandate Limit**”) unless the Company obtains an approval from our Shareholders. The options which are cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other schemes of our Company shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.
- (b) Without prejudice to (a) above, the total number of shares which may be allotted and issued in respect of all options and awards to be granted under the Share Option Scheme and any other schemes of our Group to Service Providers shall be within the Scheme Mandate Limit and must not in aggregate exceed one per cent of the total number of Shares in issue immediately following completion of the Global Offering unless the Company obtains an approval from our Shareholders.
- (c) The Company may update the Scheme Mandate Limit at any time with the prior approval of the Shareholders and subject to compliance with the requirements of the Listing Rules. The total number of shares which may be allotted and issued upon exercise of all options and awards to be granted under the Share Option Scheme and any other schemes of our Company under the Scheme Mandate Limit as refreshed shall not exceed 10% of the shares in issue as at the date of the approval of the limit.
- (d) Since the date of adoption of the Share Option Scheme and up to the date of this report, no option has been granted, exercised, expired or lapsed under the Share Option Scheme and no option has been outstanding. As of the date of this report, the total number of shares available for issue under the Share Option Scheme was 50,000,000 shares, representing 10% of the total number of shares in issue.

4. Maximum entitlement of each eligible participant

Unless Shareholders' approval has been obtained and such grantee and their close associates (or his associates if the participant is a connected person) abstain from voting, the total number of shares issued and to be issued upon exercise of any options and awards which may be granted under the Share Option Scheme and any other schemes of our Group (including both exercised or outstanding options but excluding any options and awards lapsed in accordance with the terms of the Share Option Scheme or any other schemes of our Group) to each grantee in any 12-month period up to and including the date of such grant shall not exceed 1% of the issued share capital of our Company for the time being.

5. Time of acceptance and exercise of an option

An offer under the Share Option Scheme may remain open for acceptance by the eligible participants concerned (and by no other person) for a period of up to 21 days from the date, which must be a business day, on which the offer is made.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination under the Share Option Scheme.

A nominal consideration of HK\$1.00 is payable to the Company upon acceptance of the grant of an option by a grantee.

6. Vesting Period

The vesting period for options shall be determined by the Board and in any case, shall not be less than 12 months.

7. Exercise price for Shares

The exercise price in respect of any option under the Share Option Scheme shall be at the discretion of our Board, provided that it shall be at least the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (iii) the nominal value of a share on the date of grant.

8. Remaining life of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted (i.e., 2 March 2023) unless the Company passes an ordinary resolution in general meeting to terminate the operation of the Share Option Scheme before its expiry. As of the date of this report, the remaining life of the Share Option Scheme is approximately 8 years and 5 months.

OTHER INFORMATION

USE OF NET PROCEEDS FROM THE GLOBAL OFFERING

The Company's shares were listed on the Stock Exchange on 29 March 2023 and a global offering of the Company's ordinary shares was offered, comprising 12,500,000 shares under the Hong Kong public offering and 112,500,000 shares under international placing, both at an offer price of HK\$3.27 per share (collectively, the "Global Offering"). The net proceeds from the Global Offering, after deduction of underwriting fees and related expenses, amounted to approximately HK\$333.8 million (the "Net Proceeds").

The following table sets forth the status of the use of the Net Proceeds:

Purpose	% of total proceeds	Planned allocation of Net Proceeds (approximately) (HK\$ in million)	Utilised Net Proceeds as of the date of this report (approximately) (HK\$ in million)	Unutilised Net Proceeds as of the date of this report (approximately) (HK\$ in million)	Expected timeline for utilisation of the remaining Net Proceeds
• Expand and optimize the Company's vessel fleet					
— Expand and optimize the Company's controlled vessel fleet	57.0	190.3	190.3	—	—
— Increase the scale of the Company's chartered-in vessel fleet by entering into 20 to 25 chartered-in engagements predominantly through time charters	20.0	66.8	66.8	—	—
• (i) Reinforce the Company's ship management capabilities by setting up new offices in strategic locations such as Shanghai, Greece, Philippines and Japan by renting office premises, and (ii) expand the Group's current ship management operations in Qingdao, Ningbo and Fuzhou	10.0	33.4	33.4	—	—
• Adopt digital technologies and implement advanced information technology in the Company's business operations	3.0	10.0	6.0	4.0	By the end of 2024
• General working capital and other general corporate purpose	10.0	33.4	33.4	—	—
Total	100%	333.8	329.9	4.0	

Note:

(1) Using USD/HK\$ exchange rate as of 30 June 2024.

There has been no change in the intended use of Net Proceeds as previously disclosed in the Prospectus. The Group has been gradually utilizing the net proceeds from the Global Offering according to the manner and proportions disclosed in the Prospectus.

The remaining Net Proceeds are currently held in bank deposits and it is intended that it will similarly be applied in the manner consistent with the proposed allocations in the Prospectus. For more details, please refer to the section headed “Future Plans and Use of Proceeds” in the Prospectus.

ROUNDING

Certain amounts and percentage figures included in this report have been subject to rounding adjustments. Any discrepancies in any table between totals and sums of amounts listed therein are due to rounding.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Period, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities, including sales of treasury shares (the “**Treasury Shares**”), within the meaning under the Listing Rules. As at 30 June 2024, the Company did not hold any Treasury Shares.

CHANGES IN DIRECTORS’ INFORMATION

The Company is not aware of any changes in the Directors’ information which is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the 2023 annual report.

CONTINUING DISCLOSURE OBLIGATION PURSUANT TO THE LISTING RULES

As at 30 June 2024, the Group has provided financial assistance to Golden Pegasus Shipping Company Limited (“**Golden Pegasus**”) in the form of (1) the four charter guarantees dated 2 April 2024 executed by the Company, pursuant to which the Company’s liability shall not exceed 50% of the principal sum, namely US\$73.1 million, as well as other interests, obligations, liabilities and responsibilities in relation to the bareboat charters entered into by Golden Pegasus, and (2) a shareholder’s loan of up to approximately US\$13.0 million, which exceeded 8% under the assets ratio (as defined under Rule 14.07(1) of the Listing Rules). The financial assistance enabled Golden Pegasus to enter into finance lease arrangements to obtain additional working capital as well as financing for the acquisition of vessels.

As at 30 June 2024, Golden Pegasus was owned as to 50% by both Major Progress Limited, a wholly-owned subsidiary of CSSC (Hong Kong) Shipping Company Limited (stock code: 3877), and Seacon Shipinvest (HK) Limited (“**Seacon Shipinvest**”, together with Major Progress Limited, the “**JV Shareholders**”), an indirect wholly-owned subsidiary of the Company.

The shareholder’s loan shall be unsecured and interest-free, which is repayable following the requisite approval in accordance with the relevant joint venture arrangement, upon termination of the joint venture arrangement, or upon the winding-up of Golden Pegasus. The capital contribution which has been contributed by Seacon Shipinvest in Golden Pegasus was HK\$5,000. For further details, please refer to the Company’s announcement dated 2 April 2024.

OTHER INFORMATION

In accordance with Rule 13.22 of the Listing Rules, the Company discloses the following pro forma combined statement of financial position of the affiliated companies with financial assistance from the Group and the Group's attributable interests in these affiliated companies as of 30 June 2024:

	Combined statement of financial position US\$'000	Group's attributable interests US\$'000
Non-current assets	35,346	17,673
Current assets	—	—
Current liabilities	5,868	2,934
Non-current liabilities	<u>29,580</u>	<u>14,790</u>

The proforma combined statement of financial position of the affiliated companies is prepared by combining their statements of financial position, after making adjustments to conform with the Group's significant accounting policies and re-grouping into significant classification in the statement of financial position, as at 30 June 2024.

Save as disclosed in this interim report, the Company did not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

CORPORATE GOVERNANCE

The Board is committed to maintaining corporate governance standards. The Board believes that high corporate governance standards are essential in providing a framework for the Group to safeguard the interests of the Shareholders, enhance corporate value, formulate its business strategies and policies, and improve its transparency and accountability.

The Company has adopted the principles and code provisions of the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Listing Rules as the basis for the corporate governance practices of the Company.

During the six months ended 30 June 2024, the Company complied with all applicable code provisions of the CG Code, except for the deviation as follows:

Under the code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer shall be separate and shall not be performed by the same individual. Mr. Guo Jinkui, being the Chairman and executive Director of the Company, is responsible for the operation and management of the Board. No chief executive officer has been appointed by the Company. The day-to-day management of the Group is delegated to other executive Directors and the management of the Company. The Board is of the view that the current management structure can effectively facilitate the Group's operation and business development.

The Company is committed to enhancing its corporate governance practices used to regulate conduct and promote growth of its business and to reviewing such practices from time to time to ensure that the Company complies with the CG Code and align with the latest developments of the Company.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct for dealing in securities of the Company by the Directors.

Having made specific enquiries to all Directors, all Directors confirmed that they have complied with the Model Code for the six months ended 30 June 2024.

AUDIT COMMITTEE

The audit committee of the Company has reviewed the interim report of the Group for the six months ended 30 June 2024, including the accounting principles adopted by the Group, with the Company's management.

PUBLICATION OF THE INTERIM REPORT

This interim report of the Company for the six months ended 30 June 2024 which contains all the information required by the Listing Rules was published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.seacon.com) in September 2024 and will be made available to the Shareholders in September 2024.

On Behalf of the Board
Seacon Shipping Group Holdings Limited
Mr. Guo Jinkui
Chairman of the Board

Hong Kong, 28 August 2024

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited Six months ended 30 June	
		2024 US\$'000	2023 US\$'000
	Note		
Revenue	6	137,778	119,171
Cost of sales	9	(99,943)	(102,535)
Gross profit		37,835	16,636
Selling, general and administrative expenses	9	(8,895)	(8,631)
Net impairment losses on financial assets		(944)	(199)
Other income	7	373	376
Other gains, net	8	12,753	6,496
Operating profit		41,122	14,678
Finance income	11	30	118
Finance costs	11	(8,949)	(4,586)
Finance costs, net	11	(8,919)	(4,468)
Share of net profit of associates and joint ventures accounted for using the equity method	16	655	1,212
Profit before income tax		32,858	11,422
Income tax expenses	12	(302)	(563)
Profit for the period		32,556	10,859
Profit attributable to:			
– Shareholders of the Company		30,721	11,028
– Non-controlling interests		1,835	(169)
		32,556	10,859

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Unaudited	
		Six months ended 30 June	
		2024 US\$'000	2023 US\$'000
Profit for the period		32,556	10,859
Other comprehensive income:			
– Exchange differences on translation of foreign operations		(59)	(60)
Other comprehensive income for the period, net of tax		(59)	(60)
Total comprehensive income for the period		32,497	10,799
Total comprehensive income attributable to:			
– Shareholders of the Company		30,654	10,968
– Non-controlling interests		1,843	(169)
		32,497	10,799
Earnings per share attributable to shareholders of the Company for the period			
Basic earnings per share (expressed in US\$ per share)	13	0.061	0.025
Diluted earnings per share (expressed in US\$ per share)	13	0.061	0.025

The notes on pages 29 to 62 form an integral part of this interim condensed consolidated financial information.

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Assets			
Non-current assets			
Property, plant and equipment	14	328,459	269,186
Right-of-use assets	15	51,545	70,348
Intangible assets		216	97
Interests in associates and joint ventures	16	12,172	10,694
Other non-current assets	17	70,656	68,619
		<u>463,048</u>	<u>418,944</u>
Current assets			
Financial assets at fair value through profit or loss		500	—
Inventories		5,983	6,427
Prepayment and other current assets		4,676	3,344
Trade and other receivables	18	34,554	25,530
Restricted bank deposits		249	2,820
Cash and cash equivalents		44,090	27,996
		<u>90,052</u>	<u>66,117</u>
Assets classified as held for sale	19	36,610	6,996
		<u>126,662</u>	<u>73,113</u>
Total assets		<u><u>589,710</u></u>	<u><u>492,057</u></u>
Equity			
Share capital	20	637	637
Share Premium	21	46,959	46,959
Reserves	21	8,596	8,636
Retained earnings		129,888	116,100
		<u>186,080</u>	<u>172,332</u>
Equity attributable to shareholders of the Company		186,080	172,332
Non-controlling interests		3,280	1,398
		<u>189,360</u>	<u>173,730</u>
Total equity		<u><u>189,360</u></u>	<u><u>173,730</u></u>

CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2024

	Note	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Liabilities			
Non-current liabilities			
Borrowings	22	239,545	194,512
Lease liabilities	15	35,709	50,838
Other non-current liabilities		640	640
		<u>275,894</u>	<u>245,990</u>
Current liabilities			
Advances and contract liabilities		3,187	3,030
Trade and other payables	23	48,559	30,550
Current tax liabilities		1,891	1,541
Borrowings	22	34,597	21,341
Lease liabilities	15	13,159	15,774
Derivative liabilities		194	101
		<u>101,587</u>	<u>72,337</u>
Liabilities directly associated with assets classified as held for sale	19	22,869	—
		<u>124,456</u>	<u>72,337</u>
Total liabilities		<u>400,350</u>	<u>318,327</u>
Total equity and liabilities		<u>589,710</u>	<u>492,057</u>

The notes on pages 29 to 62 form an integral part of this interim condensed consolidated financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited						
		Attributable to shareholders of the Company						
		Share capital	Share Premium	Reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
Note		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	Balance at 1 January 2023	—	—	9,692	94,914	104,606	4,404	109,010
	Comprehensive income							
	Profit for the period	—	—	—	11,028	11,028	(169)	10,859
	Other comprehensive income	—	—	(60)	—	(60)	—	(60)
	Total comprehensive income	—	—	(60)	11,028	10,968	(169)	10,799
	Transactions with shareholders in their capacity as shareholders							
	Dividends declared to non-controlling interests in subsidiaries	21	—	—	—	—	(4,155)	(4,155)
	Capitalisation of share premium	21	478	(478)	—	—	—	—
	Issue of new shares upon listing	21	159	51,916	—	52,075	—	52,075
	Share issue expenses	21	—	(4,479)	—	(4,479)	—	(4,479)
			637	46,959	—	47,596	(4,155)	43,441
	Balance at 30 June 2023	<u>637</u>	<u>46,959</u>	<u>9,632</u>	<u>105,942</u>	<u>163,170</u>	<u>80</u>	<u>163,250</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

		Unaudited					
		Attributable to shareholders of the Company					
Note	Share capital US\$'000	Share Premium US\$'000	Reserves US\$'000	Retained earnings US\$'000	Sub-total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance at 1 January 2024	637	46,959	8,636	116,100	172,332	1,398	173,730
Comprehensive income							
Profit for the period	—	—	—	30,721	30,721	1,835	32,556
Other comprehensive income	21	—	(67)	—	(67)	8	(59)
Total comprehensive income		—	(67)	30,721	30,654	1,843	32,497
Transactions with shareholders in their capacity as shareholders							
Profit distribution to shareholders	24	—	—	(16,933)	(16,933)	—	(16,933)
Capital received from minority shareholders		—	—	—	—	66	66
Equity transaction with non-controlling interests		—	—	27	27	(27)	—
		—	—	27	(16,933)	39	(16,867)
Balance at 30 June 2024	637	46,959	8,596	129,888	186,080	3,280	189,360

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024

	Note	Unaudited Six months ended 30 June	
		2024 US\$'000	2023 US\$'000
Cash flows from operating activities			
Cash generated from operations		46,283	15,023
Interest received		30	118
Income tax paid		45	(180)
Net cash inflow from operating activities		46,358	14,961
Cash flows from investing activities			
Repayments from related parties		—	279
Proceeds from disposal of property, plant and equipment		54,937	6,909
Proceeds from disposal of financial assets at fair value through profit or loss		1,877	—
Dividends from joint ventures and associates	16	3,218	3,104
Payments for property, plant and equipment and other non-current assets		(87,542)	(91,353)
Payment for acquisition of associate		(6,398)	—
Payment for deposit of forward freight agreement		(2,440)	—
Payments for financial assets at fair value through profit or loss		(500)	—
Advances to related parties		(11,274)	(1,960)
Decrease in restricted cash of bank deposit		2,571	—
Net cash outflow from investing activities		(45,551)	(83,021)
Cash flows from financing activities			
Proceeds from listing		—	52,075
Capital injection received from minor shareholders		66	—
Proceeds from borrowings		48,779	57,075
Advances from related parties		5,823	185
Repayments to related parties		(7,431)	(1,325)
Repayments of borrowings		(11,590)	(6,780)
Repayments of principal and interest of lease liabilities and deposits for right-of-use assets		(8,605)	(10,585)
Interests paid of borrowings		(10,518)	(2,732)
Payments for listing fees		—	(3,929)
Net cash inflow from financing activities		16,524	83,984
Net increase in cash and cash equivalents		17,331	15,924
Cash and cash equivalents at the beginning of the period		27,996	20,170
Effects of exchange rate changes on cash and cash equivalents		(1,237)	(746)
Cash and cash equivalents at end of the period		44,090	35,348

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

1 GENERAL INFORMATION

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

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

A reorganisation (the “Reorganisation”) in preparation for the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited was completed on 28 February 2022. The Company had its primary listing on The Stock Exchange of Hong Kong Limited on 29 March 2023.

These interim condensed consolidated financial information are presented in United States dollar (“US\$”) and all values are rounded to the nearest thousand (US\$’000) except when otherwise indicated.

The interim condensed consolidated financial information of the Group for the six months ended 30 June 2024 has not been audited.

2 BASIS OF PREPARATION

This interim condensed consolidated financial information for the six months ended 30 June 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34. This interim condensed consolidated financial information does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2023, which has been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

The preparation of this interim condensed consolidated financial information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

3 ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2023 as described in those annual financial statements except for the adoption of new and amended standards as set out below. Taxes on income in the interim periods are accrued using tax rate that would be applicable to expected total earnings.

(a) New and amended standards adopted by the Group

The following amended standards are mandatory for the first time for the Group's financial year beginning on 1 January 2024 and are applicable for the Group:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in Sale and Leaseback
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

Amendments to HKFRSs effective for the financial year beginning on 1 January 2024 do not have a material impact on the Group's interim financial information.

(b) Impact of standards issued but not yet applied by the Group

Certain new accounting standards and interpretations have been published that are not mandatory for this reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

4 ESTIMATES

The preparation of the Interim Financial Information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this Interim Financial Information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2023.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk (including market freight rate risk, foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. These risks are managed by the Group's financial management policies and practices.

The interim condensed consolidated financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2023.

There have been no changes in the risk management or any risk management policies since the year end.

5.2 Fair value estimation

As certain of significant inputs used in the determination of fair value of financial assets at fair value through profit or loss are arrived at by reference to quoted market prices for similar instruments or the present value of future cash flows based on forward exchange rates at the end of the reporting period. The fair value of financial assets at fair value through profit or loss of the Group are included in level 2 of the fair value measurement hierarchy as follows.

Recurring fair value measurements At 30 June 2024 (unaudited)	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
Derivative financial instruments			
Foreign exchange forward contracts	—	(116)	—
Forward freight agreements	—	(78)	—
	<u>—</u>	<u>(194)</u>	<u>—</u>
Recurring fair value measurements At 31 December 2023	Level 1 US\$'000	Level 2 US\$'000	Level 3 US\$'000
Derivative financial instruments			
Foreign exchange forward contracts	—	90	—
Forward freight agreements	—	(191)	—
	<u>—</u>	<u>(101)</u>	<u>—</u>

The carrying amount of the Group's other financial assets and liabilities, including cash and cash equivalents, restricted bank deposits, trade and other receivables, and trade and other payables and borrowings approximate their fair values, which either due to their short-term maturities, or that they are subject to floating rates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6 REVENUE AND SEGMENT INFORMATION

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

- Shipping business
- Ship management business

(a) Segment information of the Group

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

	Unaudited			
	For the six months ended 30 June 2024			
	Shipping business US\$'000	Ship management business US\$'000	Elimination US\$'000	Total US\$'000
Total reportable segment revenue				
Revenue from external customers	104,846	32,932	—	137,778
Inter-segment revenue	—	4,039	(4,039)	—
Total reportable segment revenue	<u>104,846</u>	<u>36,971</u>	<u>(4,039)</u>	<u>137,778</u>
Segment results				
Profit before income tax	<u>28,874</u>	<u>3,984</u>	<u>—</u>	<u>32,858</u>
Segment results included:				
Finance income	29	1		30
Finance costs	(8,917)	(32)		(8,949)
Depreciation and amortisation	(13,948)	(973)		(14,921)
Net impairment losses on financial assets	(366)	(578)		(944)
Share of profit of associates and joint ventures	641	14		655
Additions to non-current assets	105,532	—		105,532

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6 REVENUE AND SEGMENT INFORMATION *(continued)*

(a) Segment information of the Group *(continued)*

	Unaudited			
	For the six months ended 30 June 2023			
	Shipping	Ship	Elimination	Total
	business	management		
	US\$'000	business	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000
Total reportable segment revenue				
Revenue from external customers	96,794	22,377	—	119,171
Inter-segment revenue	—	2,087	(2,087)	—
Total reportable segment revenue	96,794	24,464	(2,087)	119,171
Segment results				
Profit before income tax	10,200	1,222	—	11,422
Segment results included:				
Finance income	117	1		118
Finance costs	(4,578)	(8)		(4,586)
Depreciation and amortisation	(14,236)	(355)		(14,591)
Net impairment (losses)/reversal on financial assets	(203)	4		(199)
Share of profit of associates and joint ventures	1,207	5		1,212
Additions to non-current assets	123,538	—		123,538

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

	As at 30 June 2024 (unaudited)			
	Shipping	Ship	Elimination	Total
	business	management		
	US\$'000	business	US\$'000	US\$'000
	US\$'000	US\$'000	US\$'000	US\$'000
Segment assets	555,339	50,563	(16,192)	589,710
Segment liabilities	386,035	30,507	(16,192)	400,350

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

6 REVENUE AND SEGMENT INFORMATION *(continued)*

(a) Segment information of the Group *(continued)*

	As at 31 December 2023 (audited)			
	Shipping business US\$'000	Ship management business US\$'000	Elimination US\$'000	Total US\$'000
Segment assets	<u>470,933</u>	<u>31,016</u>	<u>(9,892)</u>	<u>492,057</u>
Segment liabilities	<u>312,717</u>	<u>15,502</u>	<u>(9,892)</u>	<u>318,327</u>

(b) Analysis of revenue

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

The Group's revenues for the six months ended 30 June 2024 are recognised over-time.

(i) *The revenue is listed as below:*

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Revenue from shipping business		
Shipping service income – over time	69,711	81,878
Rental income	<u>35,135</u>	<u>14,916</u>
	<u>104,846</u>	<u>96,794</u>
Revenue from ship management business		
Ship management income – over time	<u>32,932</u>	<u>22,377</u>

(ii) *Information about major customers*

For the six months ended 30 June 2024, there were no sales to any single customer which contributed 10% or more of the Group's revenue (2023: Nil).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

7 OTHER INCOME

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Insurance compensation	355	—
Contract compensation	—	356
Government grants	—	20
Others	18	—
	<u>373</u>	<u>376</u>

8 OTHER GAINS, NET

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Foreign exchange losses, net	(2,591)	(403)
Bank charges	(716)	(205)
Provision for legal proceedings (i)	(34)	(245)
Net gains on disposal of property, plant and equipment	16,009	6,909
Net fair value gains on financial assets at fair value through profit or loss	(41)	456
Others	126	(16)
	<u>12,753</u>	<u>6,496</u>

(i) Provision for legal proceedings represents the provision made for on-going legal proceedings in connection with disputes.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

9 EXPENSES BY NATURE

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

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Crew manning expenses (i)	31,894	22,483
Charter hire costs (ii)	22,232	30,590
Depreciation and amortisation	14,921	14,591
Bunker consumed	12,353	18,281
Employee benefit expenses (Note 10)	10,153	5,569
Insurance expenses	3,443	2,215
Port charges	3,331	5,445
Lubricating oil and spare parts costs	3,302	2,916
Vessel certificate and inspection related cost	1,064	928
Brokerage	855	913
Vessel take over fee	726	518
Business development and entertainment expenses	535	415
Shipbuilding supervision outsourced fee	476	1,815
Repair expenses	93	515
Listing expenses	—	1,835
Auditor's remuneration	193	144
Others	3,267	1,993
Total cost of sales, selling, general and administrative expenses	108,838	111,166

(i) Crew manning expenses represent the wages of the crew members charged by the crew manning agencies.

(ii) Charter hire costs mainly comprise the cost of short-term charters with a term of 12 months or less.

10 EMPLOYEE BENEFIT EXPENSES

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Wages, salaries, bonuses and allowances	9,039	5,084
Social benefits	491	195
Contributions to pension schemes	489	148
Other welfare expenses	134	142
	10,153	5,569

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

11 FINANCE COSTS, NET

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Finance income	30	118
Finance costs:		
– borrowings	(10,449)	(3,828)
– lease liabilities	(904)	(758)
	(11,353)	(4,586)
Less: amounts capitalised on prepayment for vessels purchased (i)	2,404	–
Finance costs expensed	(8,949)	(4,586)
Finance costs, net	(8,919)	(4,468)

12 INCOME TAX EXPENSES

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Current income tax		
– Hong Kong profits tax	88	94
– PRC enterprise income tax	36	7
– Japan income tax	229	483
– Singapore income tax	(54)	12
– Germany Corporation income tax	3	–
Deferred income tax	–	(33)
	302	563

For the six months ended 30 June 2024 and 2023, taxation has been provided at the appropriate rates of taxation prevailing in the countries in which the Group operates.

(i) Cayman Islands Income Tax

The Company is incorporated under the law of the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands and is not subject to Cayman Islands income tax.

12 INCOME TAX EXPENSES *(continued)*

(ii) British Virgin Islands (“BVI”) Income Tax

Under the current laws of the BVI, the BVI subsidiaries are not subject to tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the BVI.

(iii) Marshall Islands Income Tax

Under the current laws of the Marshall Islands, the Marshall Islands subsidiaries are not subject to Marshall Islands tax on its income or capital gains. In addition, any payments of dividends are not subject to withholding tax in the Marshall Islands.

(iv) Liberia Income Tax

Under the current laws of Liberia, the Liberia subsidiaries are not subject to tax on its income or capital gains as the income is not Liberia sourced.

(v) Singapore Income Tax

Certain subsidiaries engaged in ship management business and shipping business are registered in Singapore or are Singapore tax resident, while the statutory rate for Singapore income tax is 17%, however, profit from shipping business derived by the Group is exempted from tax under Section 13F of the Singapore Income Tax Act.

For subsidiaries which are engaged in ship management business, the partial tax exemption scheme applies on the first SG\$200,000 of normal chargeable income; and specifically 75% of up to the first SG\$10,000 of a company’s normal chargeable income, and 50% of up to the next SG\$190,000 is exempt from corporate tax.

(vi) Hong Kong Profits Tax

Certain subsidiaries engaged in ship management business and shipping business are registered in Hong Kong or Hong Kong tax resident. The provision for Hong Kong profits tax of shipping management services are calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profit tax rates regime, the first HK\$2 million of profits of qualifying corporation are taxed at 8.25%, and profits above HK\$2 million are taxed at 16.5%. A group of “connected entities” can only nominate one entity within the group to enjoy the two-tier rates for a given year of assessment. The profits of corporation which is not qualifying for the two-tiered profits tax rates regime is taxed at a flat rate of 16.5%. The profits from shipping business which are not derived from or arising in Hong Kong meets the criteria of Inland Revenue Ordinance of Hong Kong Section 23B and should be exempt from profits tax.

(vii) Japan Income Tax

Certain subsidiaries engaged in shipping business are registered in Japan or are Japanese tax resident. The Japan income tax have been provided at the progressive tax rate on the estimated profits.

12 INCOME TAX EXPENSES (continued)**(viii) PRC Enterprise Income Tax (“EIT”)**

Certain subsidiaries engaged in ship management business are registered in the PRC. The statutory rate for PRC enterprise income tax is 25% except for certain subsidiaries which are taxed at preferential tax rate.

According to Cai Shui [2023] No. 6 issued by the Ministry of Finance and the State Administration of Taxation, certain PRC subsidiaries of the Company were entitled to the preferential income tax applied for small low-profit enterprises as follows:

- For companies with the annual taxable income of no more than RMB1 million, the annual taxable income shall be deducted into the taxable income by 25%, and the EIT shall be prepaid at the rate of 20% from 1 January 2023 to 31 December 2024.
- For companies with the annual taxable income exceeds RMB1 million but no more than RMB3 million, the annual taxable income shall be deducted into the taxable income by 25%, and the EIT shall be prepaid at the rate of 20% from 1 January 2022 to 31 December 2024.

(ix) Greece Income Tax

Under the prevailing tax laws and regulations of Greece, the Greek offices of foreign legal entities established under Law 89/1967 (as amended through the provisions of article 25 of L.27/1975) that are engaged in the management of vessels flying a Greek or foreign flag and other activities approved by the license of operation, are exempt while subject to tonnage tax. The L.89 regime is applicable to offices or branches of foreign legal entities (irrespective of their type) that are exclusively engaged either in the management, exploitation, chartering, insurance, average adjustments, or in the sales, chartering, insurance or shipbuilding brokerage of Greek or foreign vessels over 500 GRT (which are not routed in domestic voyages), as well as in the representation of foreign ship-owing companies.

(x) Germany Income Tax

Germany taxes its corporate residents on their worldwide income. Corporation tax is levied at a uniform rate of 15% and is then subject to a surcharge of 5.5% (solidarity surcharge). This results in a total tax rate of 15.825%.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

13 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the respective periods. The weighted average number of ordinary shares has been retrospectively adjusted for the effect of the capitalisation issue of 374,990,000 shares on 29 March 2023 which are deemed to have been in issue since 1 January 2021.

	Unaudited	
	Six months ended 30 June	
	2024	2023
Profit attributable to the owners of the Company (US\$'000)	30,721	11,028
Weighted average number of ordinary shares in issue	500,000,000	437,500,000
Basic earnings per share (expressed in US\$ per share)	0.061	0.025

As the Company has no dilutive instruments for the six months ended 30 June 2024 (2023: Nil), the Group's diluted earnings per share equals to its basic earnings per share.

14 PROPERTY, PLANT AND EQUIPMENT

Six months ended 30 June 2024 (unaudited)	Vessels US\$'000	Buildings US\$'000	Transportation equipment US\$'000	Office equipment and other	Total US\$'000
				equipment US\$'000	
Opening net book amounts	267,702	1,211	140	133	269,186
Additions	101,478	—	—	37	101,515
Disposal	(31,931)	—	—	(1)	(31,932)
Depreciation charge	(6,332)	(30)	(28)	(32)	(6,422)
Assets classified as held for sale	(3,879)	—	—	—	(3,879)
Currency translation differences	—	(9)	—	—	(9)
Closing net book amounts	327,038	1,172	112	137	328,459

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

14 PROPERTY, PLANT AND EQUIPMENT *(continued)*

Six months ended 30 June 2023 (unaudited)	Vessels US\$'000	Buildings US\$'000	Transportation equipment US\$'000	Office equipment and other equipment US\$'000	Total US\$'000
Opening net book amounts	89,516	1,294	194	131	91,135
Additions	140,838	—	97	—	140,935
Disposal	(27,195)	—	—	—	(27,195)
Depreciation charge	(2,865)	(31)	(38)	(25)	(2,959)
Assets classified as held for sale	—	—	—	—	—
Currency translation differences	—	(45)	(3)	(4)	(52)
Closing net book amounts	<u>200,294</u>	<u>1,218</u>	<u>250</u>	<u>102</u>	<u>201,864</u>

15 LEASES

This note provides information for leases where the Group is a lessee. The balance sheet shows the following amounts relating to leases:

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Right-of-use assets		
Vessels	49,798	68,925
Building	<u>1,747</u>	<u>1,423</u>
	<u>51,545</u>	<u>70,348</u>
Lease liabilities		
Current	13,159	15,774
Non-current	<u>35,709</u>	<u>50,838</u>
	<u>48,868</u>	<u>66,612</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

15 LEASES (continued)

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Opening net book amounts	70,348	78,148
Additions (i)	848	273
Depreciation charge	(7,907)	(10,522)
Change of lease term	(11,744)	—
Closing balance	51,545	67,899

- (i) Additions to the right-of-use assets were mainly attributable to the new lease agreements entered into for buildings during the six months ended 30 June 2023 and the six months ended 30 June 2024.
- (ii) The statement of profit or loss shows the following amounts relating to leases:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Depreciation charge of right-of-use assets		
Vessels	7,436	10,169
Buildings	471	353
	7,907	10,522
Interest expense (included in finance cost)	904	758
Expense relating to short-term leases		
— Cost of sales	22,232	30,590
— Administrative expenses and selling expenses	119	76

The total cash outflow for leases for the six months ended 30 June 2024 was US\$31,832,000 (for the six months ended 30 June 2023:US\$43,631,000).

- (iii) The guarantors for certain lease liabilities were as follows:

	Unaudited	Audited
	30 June	31 December
	2024	2023
	US\$'000	US\$'000
Guarantor:		
The Company/Seacon Shipping Pte., Ltd.*	31,626	46,532
The Company	13,251	15,645
The Company/Seacon Ships Qingdao*/Seacon Shipping Pte., Ltd.*	2,329	3,093
	47,206	65,270

* These companies are the subsidiaries of the Group.

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES

Set out below are the joint ventures and associates of the Group as at 30 June 2024. The entities listed below have share capital consisting solely of ordinary shares, which are held indirectly by the Company. The proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of incorporation/ establishment and operations	Principal activities	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
			30 June 2024	31 December 2023			30 June 2024	31 December 2023
							US\$'000	US\$'000
Msm Ship Management Pte. Ltd.	Singapore	Ship management	50%	50%	Joint venture	Equity method	97	84
Hongkong Xinyihai 55 Co., Limited	Hong Kong	Vessel holding and chartering services	35%	35%	Associate	Equity method	13	15
Seacon 6 Limited ("Seacon 6")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	—	3,238
Seacon 7 Limited ("Seacon 7")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	689	2,242
Seacon 8 Limited ("Seacon 8")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	1,156	1,479
Seacon 9 Limited ("Seacon 9")	Hong Kong	Vessel holding and chartering services	49.5%	49.5%	Associate	Equity method	3,666	3,636
Union Merchant Limited	Hong Kong	Vessel holding and chartering services	20.0%	20.0%	Associate	Equity method	—	—
Zhejiang Xinghu Shipping Co., LTD	China	Vessel holding and chartering services	48.0%	48.0%	Associate	Equity method	6,551	—
Golden Pegasus Shipping Company Limited	Hong Kong	Vessel holding and chartering services	50%	N/A	Joint venture	Equity method	—	N/A
Continental Kapital MPP Holdings Limited	Marshall Islands	Vessel holding and chartering services	50%	N/A	Joint venture	Equity method	—	N/A
Tianjin Tianhui Shipping Co.,Ltd.	China	Vessel holding and chartering services	45%	N/A	Associate	Equity method	—	N/A
							12,172	10,694

- (1) The above associates and joint ventures are all private entities with no quoted price available. There is no contingent liability in respect of associates and joint ventures. For information about commitments in respect of associates and joint ventures please refer to note 27(f).

The Company had no directly owned associates or joint ventures as at 30 June 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

16 INTERESTS IN ASSOCIATES AND JOINT VENTURES *(continued)*

There is no associate or joint venture that is individually material to the Group as at 30 June 2024. The financial information below, after making necessary adjustments to conform to the Group's significant accounting policies, represents the Group's respective interests in the associates and joint ventures:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Aggregate carrying amount of individually immaterial associates and joint ventures	12,172	9,058
Aggregate amounts of the Group's share of:		
Net profit	655	1,212
Other comprehensive income	—	—
Total comprehensive income	655	1,212
Dividend and liquidation distribution received (i)	(3,218)	(3,104)

- (i) Dividend amounted to US\$3,104,000 declared by Hongkong Xinyihai 55 Co., Limited in late 2022 and has been received in April 2023. Dividend amounted to US\$3,218,000 declared and paid by Seacon 6, Seacon 7 and Seacon 8 in the first half of 2024. Distribution amounted to US\$2,386,000 from the liquidation of Seacon 6 has been declared in early 2024. And Seacon 6 has transferred the distribution liabilities to Seacon 7. As at 30 June 2024, Seacon 7 hasn't paid yet.

17 OTHER NON-CURRENT ASSETS

	Unaudited	Audited
	30 June	31 December
	2024	2023
	US\$'000	US\$'000
Prepayment for vessels purchased (i)	59,015	58,104
Prepayment for ships management deposit	7,000	5,000
Prepayment for dry-docking and equipment purchased	2,830	1,390
Prepayment for buildings purchased	1,693	1,693
Prepayment for bareboat charter	—	2,108
Others	188	365
Less: provision for impairment	(70)	(41)
	<u>70,656</u>	<u>68,619</u>

- (i) The Group prepaid for vessels purchased according to the payment schedule of the purchase contracts.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18 TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Trade receivables — ship management business		
— Third parties	4,786	4,698
— Related parties (Note 27(h))	264	268
Less: provision for impairment	(66)	(70)
Trade receivables — net	<u>4,984</u>	<u>4,896</u>
Trade receivables — shipping business		
— Third parties	4,345	6,397
— Related parties (Note 27(h))	410	478
Less: provision for impairment	(1,550)	(1,552)
Trade receivables — net	<u>3,205</u>	<u>5,323</u>
Other receivables		
— Amount due from related parties (Note 27(h))	13,630	—
— Deposits to related parties (Note 27(h))	5	4
— Deposits and guarantees	7,650	10,204
— Others	5,319	5,226
	<u>26,604</u>	<u>15,434</u>
Less: provision for impairment of other receivables	(239)	(123)
Other receivables — net	<u>26,365</u>	<u>15,311</u>
	<u><u>34,554</u></u>	<u><u>25,530</u></u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18 TRADE AND OTHER RECEIVABLES *(continued)*

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

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
<hr/>		
Trade receivables — ship management business		
Within 3 months	4,137	4,703
3–6 months	628	150
6–12 months	204	45
1–2 years	76	63
2–3 years	5	5
	<hr/>	<hr/>
	5,050	4,966
Less: provision for impairment	(66)	(70)
	<hr/>	<hr/>
	4,984	4,896
	<hr/> <hr/>	<hr/> <hr/>
<hr/>		
	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
<hr/>		
Trade receivables — shipping business		
Within 3 months	2,541	5,081
3–6 months	—	—
6–12 months	528	244
1–2 years	136	1,550
Over 2 years	1,550	—
	<hr/>	<hr/>
	4,755	6,875
Less: provision for impairment	(1,550)	(1,552)
	<hr/>	<hr/>
	3,205	5,323
	<hr/> <hr/>	<hr/> <hr/>

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

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

18 TRADE AND OTHER RECEIVABLES *(continued)*

(a) *(continued)*

Movements in allowance for impairment of trade receivables is as follows:

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Trade receivables — ship management business		
Opening balance	(70)	(21)
Provision	—	(2)
Reversal	4	—
Closing balance	<u>(66)</u>	<u>(23)</u>

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Trade receivables — shipping business		
Opening balance	(1,552)	(155)
Provision	—	(54)
Reversal	2	—
Closing balance	<u>(1,550)</u>	<u>(209)</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

19 ASSETS CLASSIFIED AS HELD FOR SALE

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Non-current assets held for sale		
Other non-current assets — vessels (Note a)	32,731	—
Property, plant and equipment — vessels (Note b)	3,879	6,160
Prepayment for dry-docking for the vessel held for sale	—	836
	<u>36,610</u>	<u>6,996</u>
Liabilities directly associated with assets classified as held for sale		
Long-term borrowing (Note a)	<u>22,869</u>	<u>—</u>

- (a) The Group expects to sell six subsidiaries (which are included in shipping business reportable segment) to a joint venture in the next 12 months. The Group classified all the assets and liabilities of these subsidiaries as held for sale.
- (b) The Group entered into an agreement, pursuant to which the Group agreed to sell a vessel for a consideration of US\$5,400,000 in June 2024.

20 SHARE CAPITAL

	The Company	
	Number of shares	Nominal value HKD
Authorised		
700,000,000 ordinary shares of HKD0.01 each as at 31 December 2023 and 30 June 2024 (note c and note d)	<u>700,000,000</u>	<u>7,000,000</u>

20 SHARE CAPITAL (continued)

	Number of shares	The Company	
		Nominal value HKD	Share capital USD
Issued:			
At date of incorporation (note a)	1	0.01	—
Issued to Jin Chun Holding Ltd. (“Jin Chun Holding”) and CZK Holding Ltd. (“CZK Holding”) (note a)	9	0.09	—
Issued to Jin Chun Holding and CZK Holding (note b)	9,990	99.90	—
Capitalisation of share premium (note b)	374,990,000	3,749,900	478,000
Issue of new shares upon listing (note c)	125,000,000	1,250,000	159,000
As at 31 December 2023	<u>500,000,000</u>	<u>5,000,000</u>	<u>637,000</u>
As at 30 June 2024	<u>500,000,000</u>	<u>5,000,000</u>	<u>637,000</u>

- (a) On 22 October 2021, the Company was incorporated in the Cayman Islands with an authorised capital of HKD380,000 divided into 38,000,000 ordinary shares of HKD0.01 each.

Upon incorporation, one share of the Company was allotted and issued at par value to an initial subscriber, and was subsequently transferred to Jin Chun Holding. On the same day, 7 shares and 2 shares of the Company, were allotted and issued at par value to Jin Chun Holding and CZK Holding, respectively.

- (b) On 25 November 2021, the Company allotted and issued 7,992 and 1,998 shares to Jin Chun Holding and CZK Holding respectively.

On 30 November 2021, Jin Chun transferred 200 and 100 shares to Ruigao Holding and Passion Wealth, respectively. On 20 December 2021, Jin Chun transferred 6,600 shares to Jin Qiu and CZK Holding transferred 1,900 shares to Kaimei Holding. On 22 February 2022, Jin Chun transferred 800 shares, for nil consideration, to Jovial Alliance.

After such transfers of shares, Jin Qiu, Jin Chun, Kaimei Holding, CZK Holding, Jovial Alliance, Ruigao Holding and Passion Wealth owned 6,600, 300, 1,900, 100, 800, 200 and 100 shares, representing 66%, 3%, 19%, 1%, 8%, 2% and 1% of the issued share capital of the Company, respectively.

- (c) On 2 March 2023, the authorised share capital of the Company was increased from HKD380,000 to HKD7,000,000 by the creation of additional 662,000,000 shares, such that following such increase, the authorised share capital of the Company was HKD7,000,000 divided into 700,000,000 shares of HKD0.01 each.
- (d) On 29 March 2023, the Company allotted and issued 374,990,000 shares with a nominal value of HKD0.01 each to the shareholders whose names appear on the register of members of the Company on 2 March 2023 by the capitalisation of the share premium accounts. The nominal value of capitalization issue amounted to approximately HKD3,749,900 (equivalent to approximately USD478,000).
- (e) On 29 March 2023, the Company issued 125,000,000 new shares with a nominal value of HKD0.01 each for its international public offering and public offer at the offer price of HKD3.27 (equivalent to approximately USD0.42) each. Gross proceeds from the IPO amounted to HKD408,750,000 (equivalent to USD52,075,000). Share premium (net of share issue expenses of USD4,479,000 and share capital of USD159,000) in the amount of USD47,437,000.

Immediately after the listing and as at 30 June 2024, the Company had a total of 500,000,000 issued ordinary shares with a nominal value of HKD0.01 each.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

21 SHARE PREMIUM AND RESERVES

	Share premium US\$'000	Reserves US\$'000	Statutory reserve US\$'000	Share-based compensation US\$'000	Exchange differences on translation of foreign operations US\$'000	Total US\$'000
Balance at 1 January 2024	46,959	2,945	140	5,635	(84)	55,595
Exchange differences on translation of foreign operations	—	—	—	—	(67)	(67)
Equity transaction with non-controlling interests	—	27	—	—	—	27
Balance at 30 June 2024	<u>46,959</u>	<u>2,972</u>	<u>140</u>	<u>5,635</u>	<u>(151)</u>	<u>55,555</u>
Balance at 1 January 2023	—	4,018	115	5,635	(76)	9,692
Exchange differences on translation of foreign operations	—	—	—	—	(60)	(60)
Issue of shares (Note 20(e))	51,916	—	—	—	—	51,916
Share issue expenses (Note 20(e))	(4,479)	—	—	—	—	(4,479)
Capitalization of share premium (Note 20(d))	(478)	—	—	—	—	(478)
Balance at 30 June 2023	<u>46,959</u>	<u>4,018</u>	<u>115</u>	<u>5,635</u>	<u>(136)</u>	<u>56,591</u>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22 BORROWINGS

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Current		
Bank loans		
– Secured	2,312	2,336
– Unsecured	10,026	11
Other borrowings (ii)		
– Secured (i)	22,259	18,994
	<u>34,597</u>	<u>21,341</u>
Non-current		
Bank loans		
– Secured (i)	295	2,502
– Unsecured	54	62
Other borrowings (ii)		
– Secured (i)	239,196	191,948
	<u>239,545</u>	<u>194,512</u>
	<u>274,142</u>	<u>215,853</u>

The increase in long-term borrowings as at 30 June 2024 were mainly secured borrowings for the purpose of vessel purchase.

(i) The guarantors and the pledge for each secured borrowing were as follows:

		Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Guarantor:	Pledge:		
The Company	Vessels	62,055	19,816
The Company/Seacon Shipping Pte. Ltd.*	Vessels	199,400	191,125
Seacon Osaka Ltd*	Vessels	—	1,620
Seacon Kobe Ltd*	Vessels	1,170	1,463
Seacon Victory Ltd*	Vessels	1,014	1,304
Seacon Ships Qingdao*	Buildings	423	452
		<u>264,062</u>	<u>215,780</u>

* These companies are the subsidiaries of the Group.

All the guarantees provided by related parties has been fully released upon the Initial Public Offering in March 2023.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

22 BORROWINGS (continued)

(ii) The Group's other borrowings related to 14 (2023: 12) owned vessels with a combined net book value of US\$321,291,000 (2023: US\$253,015,000) which were sold and simultaneously leased back by the Group on a bareboat charter basis. Under the terms of the leases, the Group has options to purchase these vessels at pre-determined times during the lease period and is obliged to purchase these vessels upon the expiry of the respective lease. Such borrowings are effectively secured as the rights to the leased vessels revert to the lessors in the event of default.

(a) The Group's borrowings were repayable as follows:

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Bank loans		
Within 1 year	12,338	2,347
1-2 years	314	1,895
2-5 years	33	651
Over 5 years	2	18
	<u>12,687</u>	<u>4,911</u>
Other borrowings		
Within 1 year	22,259	18,994
1-2 years	21,783	16,961
2-5 years	58,572	50,428
Over 5 years	158,841	124,559
	<u>261,455</u>	<u>210,942</u>
	<u>274,142</u>	<u>215,853</u>

(b) The carrying amount of borrowings are not materially different from their fair value as at each balance date.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

23 TRADE AND OTHER PAYABLES

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Trade payables (a)		
– Third parties	14,596	15,737
– Related parties (Note 27(h))	—	10
	<u>14,596</u>	<u>15,747</u>
Other payables (b)		
– Amount due to related parties (Note 27(h))	5,435	7,035
– Deposits from related parties (Note 27(h))	13	13
– Dividend payable	16,973	—
– Deposits and guarantees	6,519	2,565
– Salaries and staff welfare payable	3,235	2,905
– Provisions for legal proceeding	190	1,640
– Others	1,598	645
	<u>33,963</u>	<u>14,803</u>
	<u>48,559</u>	<u>30,550</u>

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

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Less than 1 year	14,386	15,603
1–2 years	164	98
2–3 years	27	20
Over 3 years	19	26
	<u>14,596</u>	<u>15,747</u>

- (b) The carrying amounts of trade and other payables of the Group approximate their fair values.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

24 DIVIDENDS

On 27 March 2024, the Board proposed a final dividend of HKD0.15 per ordinary share and declared a special dividend of HKD0.115 per ordinary share in respect of the year ended 31 December 2023, totaling HKD132.5 million (equivalent to USD16,933,000), US\$11,433,000 of which was settled in July and August 2024. No dividends have been declared or paid by the Company for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

25 CONTINGENCIES

As mentioned in Note 8, there were one on-going legal proceedings as at 30 June 2024.

In November 2023, a customer claimed a compensation of approximately US\$190,000 for overpaid hire for dispute of off-hire and cargo claims. The management made a provision of US\$190,000 in 2023 based on the estimated compensation amount.

A controlled vessel of the Group collided with a third-party vessel in 2022. The third party claimed a compensation to the insurance company of the Group amounted to approximately US\$4 million to 5 million which will be covered by the insurance company. The Group has no further liability for compensation.

26 COMMITMENTS

(a) Capital commitments

Capital expenditure contracted for by the Group at the balance sheet date but not yet incurred is as follows:

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Property, plant and equipment	320,521	278,540
– Vessels	288,352	246,371
– Buildings	32,169	32,169

The Group had eleven vessels purchase contracts of which the vessels were not yet delivered up to 30 June 2024, the expected delivery date of eight vessels will be in 2025 and three vessels will be in 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27 RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are under common control or joint control in the controlling shareholders' families. Members of key management and their close family member of the Group are also considered as related parties.

The following is a summary of the significant transactions took place between the Group and its related parties at terms as mutually agreed among the parties concerned for the six months ended 30 June 2024.

(a) Purchases of goods or services

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Seacon Group	—	2,015

(b) Services provision

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Joint ventures and associates	1,470	1,379
Seacon Group	—	30
	<u>1,470</u>	<u>1,409</u>

(c) Lease

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Rental expense		
Seacon Group	—	31
Rental income		
Associate	1,667	—

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27 RELATED PARTY TRANSACTIONS *(continued)*

(d) Advances to related parties

Advances to joint ventures and associates

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Advances to related parties during the period		
– Cash	11,134	1,960
– Non cash	2,356	–
	<u>13,490</u>	<u>1,960</u>
Repayments from related parties during the period		
– Non cash	–	–
	<u>–</u>	<u>–</u>

Advances to Seacon Group

	Unaudited Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Advances to related parties during the period		
– Cash	140	–
– Non cash	–	119
	<u>140</u>	<u>119</u>
Repayments from related parties during the period		
– Cash	–	279
– Non cash	–	24
	<u>–</u>	<u>303</u>

Advances to related parties also include amount paid/received on behalf between the Group and related parties.

Advances to related parties were all unsecured and collectable within one year. As mutually agreed with the parties in concern, the Group did not charge any interest on the advances to related parties.

27 RELATED PARTY TRANSACTIONS (continued)
(e) Advances from related parties
Advances from Seacon Group

	Unaudited	
	Six months ended 30 June	
	2024 US\$'000	2023 US\$'000
Advances from related parties during the period		
– Cash	5,823	185
– Non cash	8	20
	<u>5,831</u>	<u>205</u>
Repayments to related parties during the period		
– Cash	7,431	1,325
– Non cash	–	203
	<u>7,431</u>	<u>1,528</u>

Advances from related parties also includes amount paid/received on behalf between the Group and related parties.

Advances from related parties were all unsecured and repayable within one year. As mutually agreed with the parties in concern, the Group did not pay any interest on the advances from related parties.

(f) Provision of guarantees

The information set out below represents the transaction amount guaranteed by the company for related parties at the end of each period or year.

	Unaudited	Audited
	30 June	31 December
	2024	2023
	US\$'000	US\$'000
Joint venture and associates	<u>94,642</u>	<u>–</u>

The Company, as guarantor, executed several charter guarantees, pursuant to which the Company has agreed to guarantee the due and punctual performance of the obligations under those transaction documents in favour of the related parties in relation to the construction of vessels or lease arrangements.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27 RELATED PARTY TRANSACTIONS *(continued)*

(g) Key management compensation

Key management includes directors (executive and non-executive) and respective department heads. The compensation paid or payable to key management for employee services is shown below:

	Unaudited	
	Six months ended 30 June	
	2024	2023
	US\$'000	US\$'000
Salaries, bonuses and other benefits	2,199	460

(h) Significant year-end balances arising from advances to/from related parties and sales/purchases of goods/services

	Unaudited	Audited
	30 June	31 December
	2024	2023
	US\$'000	US\$'000
Receivables from related parties		
Trade receivables:		
— Joint ventures and associates	674	746
Other receivables:		
Amount due from:		
— Joint ventures and associates	13,490	—
— Seacon Group	140	—
	13,630	—
Deposits to:		
— Joint ventures and associates	5	4

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

27 RELATED PARTY TRANSACTIONS *(continued)*

(h) Significant year-end balances arising from advances to/from related parties and sales/purchases of goods/services *(continued)*

	Unaudited 30 June 2024 US\$'000	Audited 31 December 2023 US\$'000
Payables to related parties		
Trade payables:		
– Seacon Group	–	10
Other payables:		
Amount due to:		
– Seacon Group	5,433	7,033
– Other related parties	2	2
	<u>5,435</u>	<u>7,035</u>
Deposits from:		
– Joint ventures and associates	13	13
Total other payables to related parties	<u>5,448</u>	<u>7,048</u>
Lease liability:		
– Seacon Group	–	94

Except amount due to and due from Seacon Group which were generated from non-operating activities and were non-trade in nature, all other balances with related parties were generated from normal operating activities and were of trade in nature.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE SIX MONTHS ENDED 30 JUNE 2024

28 SUBSEQUENT EVENTS

On 12 July 2024, the Group entered into an agreement with PT Primatama Energi Mandiri, an independent third party, pursuant to which the subsidiary agreed to sell a vessel for a consideration of USD13.8 million.

On 22 July 2024, the Group entered into two bareboat charter agreements with Tianjin Dongjiang Comprehensive Bonded Zone Yingxing No. 2 Leasing Co., Ltd. and Tianjin Dongjiang Comprehensive Bonded Zone Yingxing No. 3 Leasing Co., Ltd for two vessels. The aggregate value of the right-of-use assets that will be recognized by the Company in relation to the vessels under the bareboat charters will amount to approximately USD55.9 million.

On 29 July 2024, Seacon Shipmanage (Shanghai) Co., Ltd. (上海洲際之星海事科技有限公司), an indirect wholly-owned subsidiary of the Company executed a guarantee, pursuant to which the Group has agreed to provide a guarantee up to approximately RMB48.5 million for the due performance by a associate of its payment obligations and liabilities under a finance lease agreement, in proportion to the Group's shareholding in the associate.

On 12 August 2024, the Group entered into an agreement with a subsidiary of JIC Financial Leasing (Shanghai) Co., Ltd. (中建投融資租賃(上海)有限公司), pursuant to which the Group agreed to sell a vessel for a consideration of USD32,100,000.