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**JINHUI HOLDINGS COMPANY LIMITED**

**金輝集團有限公司**

*(Incorporated in Hong Kong with limited liability)*

Stock Code : 137

**2024 RESULTS ANNOUNCEMENT**

# Highlights

## For the year 2024

- **Revenue for the year: HK\$1,239 million**
- **EBITDA for the year: HK\$543 million**
- **Net profit for the year: HK\$142 million included non-cash reversal of impairment loss on Group's fleet of HK\$51 million**
- **Net profit attributable to shareholders of the Company: HK\$59 million**
- **Basic earnings per share: HK\$0.112**
- **Gearing ratio as at 31 December 2024: 19%**

## MANAGEMENT DISCUSSION AND ANALYSIS

The Board is pleased to present the results of **Jinhui Holdings Company Limited** (the “Company”) and its subsidiaries (the “Group”) for the year ended 31 December 2024.

### 2024 ANNUAL RESULTS

In 2024, the global shipping market was experiencing a general recovery, driven by the steady rebound in manufacturing and the resolution of supply chain disruptions caused by geopolitical events. The Baltic Dry Index increased by 27% year-on-year on average over the last year. The Group also expanded the size of its vessel fleet, both owned and chartered-in vessels, which led to the year-on-year increase of the total deadweight carrying capacity of vessel fleet by 61% to 2.3 million metric tonnes from 1.4 million metric tonnes in the last year. As a result of the above, the Group recorded a significant increase in the chartering freight and hire revenue for 2024 as compared to the depressed freight market upon the weak dry bulk shipping market sentiment in 2023.

The Group's total revenue increased by 94% on a year-on-year basis to HK\$1,239,419,000 from HK\$638,573,000 of last year. The Company generated a consolidated operating profit before depreciation and amortization amounted to HK\$543,361,000 for 2024 as compared to consolidated operating loss before depreciation and amortization of HK\$115,784,000 for 2023. The Company recorded a consolidated net profit of HK\$142,183,000 for the year 2024 whereas a consolidated net loss of HK\$461,805,000 was reported in 2023. Basic earnings per share for the year was HK\$0.112 as compared to basic loss per share of HK\$0.512 for the year 2023. The average daily time charter equivalent rate for the fleet improved 63% to US\$14,741 (approximately HK\$115,000) for the year 2024 as compared to US\$9,063 (approximately HK\$71,000) for the year 2023. The net profit attributable to shareholders of the Company for the year ended 31 December 2024 was HK\$59,217,000 as compared to a net loss of HK\$271,527,000 was reported for the year 2023.

Under the prevailing dry bulk shipping market conditions, the Group performed a reversal of impairment review on the Group's fleet at end of 2024 to reflect our change in the expectation of the global economic and the dry bulk shipping industry outlook. The assumptions applied in estimation of the value in use of our owned vessels and right-of-use assets were therefore adjusted accordingly. At 31 December 2024, a net reversal of impairment loss of HK\$15,148,000 on owned vessels and a reversal of impairment loss of HK\$35,809,000 on right-of-use assets were recognized.

The dry bulk shipping market is a highly volatile market. Market conditions can change rapidly due to factors like global economic conditions, supply and demand dynamics, and geopolitical events. The Group believes that maintaining a suitable proportion of chartered-in vessels to owned vessels allows the Group to maintain a sizeable fleet of vessels whilst limiting its capital commitments and maximizing flexibility in its business operations. In 2024, the Group engaged a well-established shipyard to construct two Ultramax newbuildings, with expected deliveries in 2026 and 2027. In addition to the newly constructed vessels, the Group also contracted to acquire two Capesizes, one Panamax and one Ultramax during the year. For the year ended 31 December 2024, the Group also entered into certain chartered-in vessel engagements with a total deadweight carrying capacity of approximately 827,000 metric tonnes. As at the reporting date, the Group operates twenty-five owned vessels and eight chartered-in vessels.

## MANAGEMENT DISCUSSION AND ANALYSIS

### DIVIDENDS

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2024. As there is no interim dividend payable during the year, there will be no dividend distribution for the whole year of 2024.

### BUSINESS REVIEW

The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited, an approximately 55.69% owned subsidiary of the Company, whose shares are listed on the Oslo Stock Exchange, Norway. The Group's revenue represents chartering freight and hire income arising from the Group's owned and chartered-in vessels.

Dry bulk shipping market remained healthy and performed well during the year supported by demand growth for dry bulk commodities and limited supply of vessels, the combined effect led to a surge of market freight rates. Market freight rates have recovered from the low level as seen from last year despite the simultaneous occurrence of multiple geo-political issues that affected business sentiment. Both Baltic Dry Index ("BDI") and charter rates across all vessel classes had been showing encouraging improvements as compared to year 2023. BDI opened at 2,094 points in January, continued to rise to the highest of the year at 2,419 points in March and then continued to decline and hit to the lowest of the year at 976 points in December and closed at 997 points by the end of 2024. The average BDI for the year 2024 was 1,755 points, which compares to 1,378 points in 2023.

Average daily time charter equivalent rates ("TCE")	2024	2023
	US\$	US\$
Capesize fleet	24,298	-
Panamax fleet	15,528	13,126
Ultramax / Supramax fleet	14,466	8,892
In average	14,741	9,063

The Group achieved a revenue of HK\$1,239,419,000 for the year 2024, marking a significant 94% increase compared to HK\$638,573,000 for the year 2023. The rise mainly attributable to the increase in number of owned vessels and chartered-in vessels, along with the improved revenue earned from the average daily TCE earned by the Group's fleet, improving 63% to US\$14,741 (approximately HK\$115,000) for the year 2024 as compared to US\$9,063 (approximately HK\$71,000) for the year 2023. The Company generated a consolidated operating profit before depreciation and amortization amounted to HK\$543,361,000 for 2024 as compared to consolidated operating loss before depreciation and amortization for 2023 of HK\$115,784,000. Basic earnings per share for the year was HK\$0.112 as compared to basic loss per share of HK\$0.512 for the year 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

Key Performance Indicators for Shipping Business	2024	2023
	HK\$'000	HK\$'000
Average daily TCE	115	71
Daily vessel running cost	44	43
Daily vessel depreciation	26	27
Daily vessel finance cost	-	1
	70	71
Average utilization rate	98%	99%

Daily vessel running cost of the Group's owned vessels increased from US\$5,569 (approximately HK\$43,000) for the year 2023 to US\$5,606 (approximately HK\$44,000) for the year 2024 as certain initial running costs and expenses were incurred for the newly delivered vessels. Daily vessel depreciation decreased from US\$3,486 (approximately HK\$27,000) for the year 2023 to US\$3,343 (approximately HK\$26,000) for the year 2024. The decrease was mainly attributable to the decrease in depreciation on owned vessels due to the reduce in carrying amounts of owned vessels after the recognition of impairment loss on owned vessels by end of 2023. As vessel mortgage loans were fully repaid during the year, the finance cost associated with the vessel mortgage loans was minimal for the year 2024. Our vessel running costs remain well controlled and we will continue to maintain a highly competitive cost structure when stacked against other market participants.

### FLEET OVERVIEW

The Group operates a balanced and diversified fleet of dry bulk carriers, comprising Capesize, Panamax, Ultramax and Supramax bulk carriers. To stay competitive in the market, the Group focused on enhancing the quality of our fleet and adjusting our fleet profile, in particularly in terms of seeking to lower the overall age profile of our fleet. As at 31 December 2024, the Group operates twenty-five owned vessels and eight chartered-in vessels, with total deadweight carrying capacity of approximately 2,276,000 metric tonnes. As at 31 December 2024, the carrying amount of the motor vessels and capitalized drydocking costs was HK\$3,067,893,000 (2023: HK\$2,534,585,000).

	Number of vessels		
	Owned	Chartered-in	Total
Capesize fleet	2	-	2
Panamax fleet	1	3	4
Ultramax / Supramax fleet	22	5	27
<b>Total number of vessels</b>	<b>25</b>	<b>8</b>	<b>33</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the Group entered into agreements to acquire or charter-in vessels with a view to maintaining high financial flexibility and also maximize operational competitiveness at a lower level of capital investment.

### Acquisition and disposal of vessels

During the year, the Group concluded to acquire four second-hand vessels and committed to acquire two newbuildings with independent third parties.

The Group entered into an agreement for the acquisition of a Capesize of deadweight 181,279 metric tonnes, built in year 2012, at a purchase price of US\$30,950,000, approximately HK\$241,410,000. The Capesize was delivered to the Group in August 2024. In addition, the Group entered into an agreement for the acquisition of a Panamax of deadweight 81,567 metric tonnes, built in year 2019, at a purchase price of US\$31,122,000, approximately HK\$242,755,000. The Panamax was delivered to the Group in May 2024. The Group also contracted to acquire a Capesize of deadweight 178,021 metric tonnes, built in year 2008, at a purchase price of US\$24,000,000, approximately HK\$187,200,000. The vessel was delivered to the Group in November 2024. Further to the end of the year, the Group entered into an agreement for the acquisition of an Ultramax of deadweight 61,441 metric tonnes, built in year 2017, at a purchase price of US\$24,520,000, approximately HK\$191,256,000 and the Ultramax was delivered to the Group in January 2025. These mark a significant step for the Group, as it has not acquired vessels for the transportation of dry bulk commodities with larger capacities for many years.

During the year, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each at a consideration of US\$34,000,000, approximately HK\$265,200,000, of deadweight 63,500 metric tonnes, to be delivered in 2026 and 2027 respectively. The acquisition of two newbuildings is consistent with the Group's ongoing strategy to renew the fleet with modern, larger and high-quality vessels, by gradually phasing out its older vessels and replacing them with newer and younger vessels. In addition, the two newbuildings are more fuel-efficient and of higher operational efficiency than the other bulk carriers of the Group currently in operation, which meets the latest environmental regulations and prevailing specification requirements in the shipping industry.

A Supramax of deadweight 52,050 metric tonnes which was contracted for disposal in December 2023 at a consideration of US\$10,430,000, approximately HK\$81,354,000, was delivered to the purchaser during the year.

### Lease of vessels

To further enhance and improve our fleet profile while limiting the capital expenditure on acquisition of vessels and maximizing flexibility, the Group entered into certain inward time charters engagements during the year with total deadweight carrying capacity of approximately 827,000 metric tonnes. As at the reporting date, the Group operates eight chartered-in vessels, in which, three of them are long-term time charters with remaining lease term for more than twelve months. The right-of-use assets which are calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was recognized in the consolidated statement of financial position upon their deliveries of the vessels in accordance with HKFRS 16 Leases. As at 31 December 2024, the carrying amounts of the right-of-use assets and the lease liabilities were HK\$234,168,000 (2023: HK\$164,541,000) and HK\$252,598,000 (2023: HK\$227,281,000) respectively.

## MANAGEMENT DISCUSSION AND ANALYSIS

During the year, the Group entered into three long-term inward time charters with independent third parties.

A charterparty was entered into for the leasing of an Ultramax with deadweight 61,452 metric tonnes, built in year 2016, for a minimum term of twenty-two months, and the vessel was delivered to the Group in late April 2024.

The Group took delivery of another Ultramax in May 2024 under a long-term inward time charter for a minimum term of twenty months. The vessel was built in year 2016 with deadweight 61,473 metric tonnes.

Besides, the Group entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tonnes, built in year 2017 for a minimum term of thirty-three months. The vessel was delivered to the Group in January 2025.

We will continuously monitor the market as well as our operations going forward and look out for opportunities to maintain a reasonably modern and competitive fleet, not ruling out any future disposal of smaller and older vessels and replace with newer vessels with larger carrying capacity and longer asset lives or charter-in of vessels. We will make such decisions on an ad hoc basis to maintain high financial flexibility and operational competitiveness.

## FINANCIAL REVIEW

**Revenue and operating profit.** The Group achieved a revenue from chartering freight and hire of HK\$1,239,419,000 for the year 2024, marking a significant 94% increase compared to HK\$638,573,000 for the year 2023. The rise mainly attributable to the increase in number of owned vessels and chartered-in vessels, along with the improved revenue earned from the average daily TCE earned by the Group's fleet, improving 63% to US\$14,741 (approximately HK\$115,000) for the year 2024 as compared to US\$9,063 (approximately HK\$71,000) for the year 2023. The Company generated a consolidated operating profit before depreciation and amortization amounted to HK\$543,361,000 for 2024, which included a net reversal of impairment loss of HK\$15,148,000 on owned vessels and a reversal of impairment loss of HK\$35,809,000 on right-of-use assets whereas a consolidated operating loss before depreciation and amortization of HK\$115,784,000 was recorded for the year 2023, which included a net impairment loss of HK\$109,286,000 on owned vessels and an impairment loss of HK\$44,406,000 on right-of-use assets for the year 2023.

The net profit attributable to shareholders of the Company for the year 2024 was HK\$59,217,000, whereas net loss of HK\$271,527,000 was reported for the year 2023. Basic earnings per share for the year was HK\$0.112 as compared to basic loss per share of HK\$0.512 for the year 2023.

**Other operating income.** Other operating income increased from HK\$61,018,000 for the year 2023 to HK\$136,608,000 for the current year. The increase was mainly due to receipt of a settlement income of HK\$27,300,000 from a legal dispute over the non-performance of a charterparty and recognition of net gain of HK\$41,165,000 on financial assets at fair value through profit or loss, comprised of a realized gain of HK\$22,026,000 upon disposal of certain equity and debt securities and an unrealized fair value gain of HK\$19,139,000 on financial assets at fair value through profit or loss for the current year. On the contrary, a net loss of HK\$5,437,000 on financial assets at fair value through profit or loss was recorded and included in other operating expenses for 2023.



## MANAGEMENT DISCUSSION AND ANALYSIS

**Reversal of impairment loss on owned vessels and right-of-use assets.** As at 31 December 2024, the Group reviewed the dry bulk shipping market environment, the overall macroenvironment and the market value of dry bulk vessels, the management considered that reversal of impairment indication of the Group's fleet existed at end of 2024 and performed a review of recoverable amount of our owned vessels and right-of-use assets.

With due considerations of factors affecting the long term intrinsic values of owned dry bulk vessels in the reversal of impairment review, certain of the Group's owned vessels' recoverable amounts which were determined based on the higher of the fair value less costs of disposal and value in use and were higher than their respective carrying amounts at the end of 2024. Accordingly, a net reversal of impairment loss of HK\$15,148,000 on owned vessels classified in property, plant and equipment was recognized at 31 December 2024 to reflect the Group's change in the expectation of the global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use and fair value less cost of disposal of the Group's owned vessels as compared to 2023. The Group also performed a review on the recoverable amounts of the right-of-use assets based on the value-in-use approach using discounted cash flow method by comparing the carrying value and the recoverable amounts of the right-of-use assets. Based on the assessment, the Group concluded that the recoverable amounts of the right-of-use assets are higher than the carrying amounts. Hence, the Group recognized a reversal of impairment loss of HK\$35,809,000 on right-of-use assets for the year ended 31 December 2024.

**Shipping related expenses.** Our shipping related expenses increased from HK\$456,225,000 in 2023 to HK\$658,353,000 in the current year. This significant rise was primarily attributable to the rise in hire payments upon the increase in the number of short-term chartered-in vessels. Throughout the year, the Group engaged in certain inward time charters engagements, leading to approximately HK\$169,916,000 in hire payments for these short-term leases during the current year. Notably, there were no corresponding payments recorded in 2023. As a result of the enlarged fleet, expenditure on crew costs, consumables and shipping related expenses were increased accordingly upon the delivery of three vessels during the year. The Group's daily vessel running cost rose to US\$5,606 (approximately HK\$44,000) in 2024, up from US\$5,569 (approximately HK\$43,000) in 2023 as certain initial running costs and expenses were incurred for the newly delivered vessels. In response to these rising expenses, we are committed to implementing stringent cost-control measures and enhancing operational efficiency. Our goal is to maintain a highly competitive cost structure that aligns with industry standards and positions us favorably against other market participants.

**Other operating expenses.** Other operating expenses increased slightly from HK\$98,399,000 in 2023 to HK\$114,519,000 in current year. This figure includes a fair value loss of HK\$66,150,000 on investment properties for the current year, compared to a fair value loss of HK\$36,640,000 on investment properties and the recognition of an impairment loss on assets held for sale (disposed vessel), amounting to HK\$10,047,000 recorded in 2023. Other operating expenses for the year 2024 also included professional fee of approximately HK\$5.2 million, directors' fee of approximately HK\$6.7 million, auditor's remuneration related to audit services of approximately HK\$2.2 million and remaining are various office administrative expenses.



## MANAGEMENT DISCUSSION AND ANALYSIS

**Depreciation and amortization.** Depreciation and amortization increased from HK\$290,875,000 for the year 2023 to HK\$346,919,000 for the year 2024. The increase was attributable to the recognition of depreciation of HK\$117,145,000 on right-of-use assets for long-term chartered-in vessels for the current year whereas HK\$42,637,000 was recorded in last corresponding year. The Group's daily vessel depreciation decreased to US\$3,343 (approximately HK\$26,000) for the year 2024 as compared to US\$3,486 (approximately HK\$27,000) for the year 2023. The decrease was mainly attributable to the decrease in depreciation on owned vessels due to the reduction in carrying amounts of owned vessels after the recognition of impairment loss on owned vessels by end of 2023.

**Finance costs.** Finance costs decreased from HK\$55,152,000 for the year 2023 to HK\$54,259,000 for the year 2024. This decrease was primarily due to the reduced recognition of interest expenses on lease liabilities, which amounted to HK\$10,275,000 in 2024 compared to HK\$11,105,000 in 2023.

**Financial assets at fair value through profit or loss.** As at 31 December 2024, the Group's portfolio of investment in financial assets at fair value through profit or loss was HK\$166,692,000 (2023: HK\$202,610,000), in which HK\$145,616,000 (2023: HK\$182,309,000) was investment in listed equity securities and HK\$21,076,000 (2023: HK\$13,502,000) was investment in investment funds. There was no investment in debt securities (2023: HK\$6,799,000) at the end of year 2024. The principal activities of these financial assets at fair value through profit or loss include mainly banking groups that provide money lending and financial services; securities trading and investment; property development and investment; shipping and transportation, provision of value-added services and online advertising services to users in the PRC.

As at 31 December 2024, the fair value of each of these equity securities and investment funds represented less than 5% of the total assets of the Group.

During the year, the Group's net gain on financial assets at fair value through profit or loss was HK\$41,165,000 (2023: net loss on financial assets at fair value through profit or loss of HK\$5,437,000), comprised of a realized gain of HK\$22,026,000 (2023: HK\$6,477,000) upon disposal of certain equity and debt securities during the year, and an unrealized fair value gain of HK\$19,139,000 (2023: an unrealized fair value loss of HK\$11,914,000) on financial assets at fair value through profit or loss for the year. The aggregate interest income and dividend income from financial assets was HK\$16,595,000 (2023: HK\$16,845,000).

**Investment properties.** As at 31 December 2024, the Group's investment properties were stated at fair value of HK\$273,530,000 (2023: HK\$339,680,000) and comprised of premises and car parks held under operating leases to earn rentals or held for capital appreciation, or both. These premises and car parks are held under long term leases and located in Hong Kong.

As at 31 December 2024, the fair value of each of these investment properties represented less than 5% of the total assets of the Group.

During the year, the Group recognized gross rental income from operating leases on all investment properties of HK\$6,270,000 and recognized loss on fair value of investment properties amounting to HK\$66,150,000 as at 31 December 2024. The Group's investment properties continue to generate steady and recurring stream of income for the Group and majority of these are office asset located in one of the most sought after central business district of Hong Kong.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Right-of-use assets and lease liabilities.** As at the reporting date, the Group operates eight chartered-in vessels, in which, three of them are long-term time charters with remaining lease term for more than twelve months. In accordance with HKFRS 16 Leases, the Group recognized the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was also recognized in the consolidated statement of financial position upon their deliveries of the vessels.

As at 31 December 2024, the carrying amounts of the right-of-use assets and the lease liabilities were HK\$234,168,000 (2023: HK\$164,541,000) and HK\$252,598,000 (2023: HK\$227,281,000) respectively.

During the year, the Group entered into three long-term inward time charters with independent third parties.

A charterparty was entered into for the leasing of an Ultramax with deadweight 61,452 metric tonnes, built in year 2016, for a minimum term of twenty-two months, and the vessel was delivered to the Group in late April 2024.

The Group took delivery of another Ultramax in May 2024 under a long-term inward time charter for a minimum term of twenty months. The vessel was built in year 2016 with deadweight 61,473 metric tonnes.

Besides, the Group entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tonnes, built in year 2017 for a minimum term of thirty-three months. The vessel was delivered to the Group in January 2025.

During the year, the total cash outflow for the lease was HK\$305,878,000 (2023: HK\$38,051,000).

**Unlisted equity investments.** In 2018, a subsidiary of the Company entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Co-investment"), pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000 (approximately HK\$78,000,000). Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported an estimated loss of US\$2,311,000, approximately HK\$18,029,000, on the fair value of equity instruments for the year ended 31 December 2024, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI and was included in other comprehensive loss in the condensed consolidated statement of profit or loss and other comprehensive income. As at the reporting date, the estimated carrying amount of the unlisted equity investments was US\$4,948,000, approximately HK\$38,593,000 (2023: US\$7,259,000, approximately HK\$56,622,000) whereas the loan receivable arise from Co-investment (note 14), together with the interest accrued thereon was US\$2,459,000, approximately HK\$19,186,000 (2023: US\$2,138,000, approximately HK\$16,683,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Loan receivables.** As at 31 December 2024, the Group's loan receivables of HK\$12,304,000 (2023: HK\$12,304,000) arise from Co-investment, are unsecured and denominated in United States Dollars and has no fixed repayment terms. At the reporting date, these receivables have been reviewed by management to assess impairment allowances which are based on the evaluation of current creditworthiness, collection statistics and the net asset value of the Co-investment, and are not considered as impaired. The carrying amount of the loan receivables is considered to be a reasonable approximation of its fair value.

**Trade and other payables.** As at 31 December 2024, the Group's trade and other payables was HK\$173,361,000 (2023: HK\$128,259,000), including trade payables of HK\$6,394,000 (2023: HK\$1,037,000), accrued charges of HK\$37,976,000 (2023: HK\$23,122,000) and other payables of HK\$128,991,000 (2023: HK\$104,100,000). Other payables mainly included payables related to vessel running cost and ship operating expenses of HK\$89,905,000 (2023: HK\$71,015,000) for owned vessels, hire receipt in advance of HK\$21,315,000 (2023: HK\$20,338,000) from charterers, loan interest payables of HK\$638,000 (2023: HK\$1,419,000) and accrued employee benefits payables of HK\$15,229,000 (2023: HK\$9,405,000).

**Liquidity, financial resources and capital structure.** As at 31 December 2024, upon financing the delivery of three vessels, the Group maintained positive working capital position of HK\$30,096,000 (2023: HK\$255,439,000) and had cash and cash equivalents of HK\$189,908,000 (2023: HK\$329,449,000). Net cash generated from operating activities after working capital changes was HK\$587,319,000 (2023: HK\$113,853,000), of which HK\$104,410,000 (2023: HK\$92,221,000) related to changes in working capital.

For the year 2024, net cash used in investing activities was HK\$665,262,000 (2023: HK\$39,340,000). This included HK\$738,646,000 on acquisition of three motor vessels and drydocking expenditure and HK\$19,126,000 on deposit paid for acquisition of an Ultramax which was delivered to the Group in January 2025, partially offset by HK\$81,228,000 proceeds from completed disposal of one Supramax.

Net cash used in financing activities was HK\$61,598,000 (2023: HK\$24,149,000) for 2024. During the year, the Group had drawn new secured bank loans of HK\$509,638,000 (2023: HK\$450,035,000) upon delivery of vessels and repaid HK\$435,554,000 (2023: HK\$411,083,000). Further, repayment of HK\$135,921,000 (2023: HK\$38,051,000) on lease liabilities was incurred.

The Group's total secured bank loans increased from HK\$808,682,000 as at 31 December 2023 to HK\$882,766,000 as at 31 December 2024, of which 18%, 8% and 74% are repayable respectively within one year, in the second year and in the third to fifth year. The bank borrowings represented revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars. All bank borrowings were committed on floating rate basis.

As at 31 December 2024, the total of the Group's equity and debt securities, bank balances and cash decreased to HK\$335,524,000 (2023: HK\$518,557,000)

The gearing ratio, as calculated on the basis of net debts (total interest-bearing debts net of equity and debt securities, bank balances and cash) over total equity, was 19% (2023: 10%) as at 31 December 2024. With cash, marketable equity and debt securities in hand as well as available credit facilities, the Group has sufficient financial resources to satisfy its commitments and working capital requirements. As at 31 December 2024, the Group is able to service its debt obligations, including principal and interest payments.

## MANAGEMENT DISCUSSION AND ANALYSIS

**Pledge of assets.** As at 31 December 2024, the Group's property, plant and equipment with an aggregate net book value of HK\$1,977,323,000 (2023: HK\$1,733,638,000), investment properties with an aggregate carrying amount of HK\$245,670,000 (2023: HK\$303,750,000), financial assets at fair value through profit or loss of HK\$54,556,000 (2023: HK\$97,997,000) and deposits of HK\$2,564,000 (2023: HK\$2,803,000) placed with banks were pledged together with the assignment of fifteen (2023: fourteen) subsidiaries' income to secure credit facilities utilized by the Group.

### **Capital expenditures and commitments.**

#### Capital expenditures

During the year, the Group incurred capital expenditure of HK\$738,646,000 (2023: HK\$188,918,000) on additions of motor vessels and capitalized drydocking and HK\$3,105,000 (2023: HK\$884,000) on other property, plant and equipment.

#### Capital commitments

During the year, the Group entered into two shipbuilding contracts for the construction of two Ultramax newbuildings, each at a consideration of US\$34,000,000, approximately HK\$265,200,000, of deadweight 63,500 metric tonnes, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000, approximately HK\$530,400,000 (2023: nil).

The Group further entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tonnes, built in year 2017, for a term of minimum thirty-three months; the vessel was delivered to the Group in January 2025. The right-of-use assets of approximately US\$26,640,000, approximately HK\$207,775,000 will be recognized on the date of delivery of the vessel. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$26,640,000, approximately HK\$207,775,000 (2023: nil).

During the year, the Group entered into an agreement for the acquisition of an Ultramax of deadweight 61,441 metric tonnes, built in year 2017, at a purchase price of US\$24,520,000, approximately HK\$191,256,000. The vessel was delivered to the Group in January 2025. As at the reporting date, a deposit of US\$2,452,000, approximately HK\$19,126,000, for the vessel was paid, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$22,068,000, approximately HK\$172,130,000 (2023: nil).

In 2018, a subsidiary of the Company entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000, approximately HK\$78,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000, approximately HK\$2,905,000 (2023: US\$372,000, approximately HK\$2,905,000).

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$117,080,000, approximately HK\$913,210,000 (2023: US\$372,000, approximately HK\$2,905,000).

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

## MANAGEMENT DISCUSSION AND ANALYSIS

### EVENTS AFTER THE REPORTING DATE

#### **Significant Litigation Update.**

Galsworthy Limited (“Galsworthy”), a subsidiary of the Company, was the disponent owners of the vessel “CANTON TRADER” which was later renamed “JIN KANG”. On 17 June 2008, Galsworthy entered into a time charter with Parakou Shipping Pte Limited (“Parakou Shipping”) for a period of approximately five years, with delivery not due until March 2009. On or about 13 March 2009, Parakou Shipping wrongfully refused to take delivery of the vessel and Galsworthy accepted their conduct as a repudiation of the charter, bringing it to an end.

The dispute was the subject of various proceedings, but principally in London arbitration. By Arbitration Awards dated 31 August 2010 and 13 May 2011, the London arbitrators upheld Galsworthy’s claims and awarded damages of approximately US\$41.25 million (approximately HK\$321.75 million) plus interest and costs.

Parakou Shipping went into liquidation in 2011. Galsworthy has submitted a proof of debt in the liquidation in respect of its claim under the arbitration awards. Galsworthy has also been trying inter alia to enforce the arbitration awards against Parakou Shipping and its former directors and obtain compensation for its sub-stancial losses. The outstanding amount is in excess of US\$60 million (approximately HK\$468 million).

In one action Galsworthy has been funding Singapore proceedings commenced by the liquidator of Parakou Shipping against four of Parakou Shipping’s former directors and related corporate entities (the “Defendants”), seeking to claw back assets into Parakou Shipping for distribution amongst the creditors. Judgment was obtained in February 2017 in a sum of SGD17 million against the Defendants, but the Defendants have now appealed the same. The Liquidator cross appealed to increase the judgment amount.

(For more information with regards to the February 2017 judgment issued by Singapore High Court, please visit [https://www.elitigation.sg/gd/s/2017\\_SGHC\\_15](https://www.elitigation.sg/gd/s/2017_SGHC_15))

On 17 January 2018, the Singapore Court of Appeal substantially dismissed the Defendants’ appeal and found in the Liquidator’s favour. Amongst other things, the Singapore Court of Appeal upheld the Liquidator’s argument that the London arbitration, and a litigation subsequently filed in the Hong Kong courts seeking indemnity against any liability in the arbitration, were commenced and pursued by the directors in breach of their fiduciary duties. The Court considered that evidence had been disregarded which showed that the directors’ key concern was to avoid a statutory clawback period. The Court also agreed that certain asset sales that had taken place in late 2008 were done while Parakou Shipping was insolvent and were not part of a restructuring, as claimed by the former directors of Parakou Shipping. The Court found that a company resolution advanced as evidence of a restructuring plan by the Defendants was in fact an “an afterthought” produced later than its date under “suspicious circumstances”. The Liquidator is entitled to seek either damages or an account of profits arising from the relevant breaches.

(For more information with regards to the January 2018 judgment issued by Singapore Court of Appeal, please visit [https://www.elitigation.sg/gd/s/2018\\_SGCA\\_3](https://www.elitigation.sg/gd/s/2018_SGCA_3))

Legal actions also took place in South Africa over the arrest of the vessel “PRETTY SCENE”, as well as in Hong Kong against three of the former directors of Parakou Shipping for unlawful means conspiracy. An injunction order, freezing assets belonging to the directors of Parakou Shipping, was obtained.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

This multi jurisdiction legal saga dragged on for an extensive period of time. In April 2024, Galsworthy and Parakou Shipping had reached agreement to settle the Hong Kong legal action for a settlement income of US\$3.5 million (approximately HK\$27.3 million), paving the way to bring the global actions to an end.

The termination of the Hong Kong legal action allowed Galsworthy to formally bring the ongoing legal dispute to an end and effect the application to the Singapore High Court for the receipt of the settlement sum of the Singapore January 2018 judgment. Galsworthy received a sum of SGD27.6 million, a total of approximately HK\$158.34 million in January 2025.

Save as disclosed above, there was no other significant event occurred after the reporting date.

### **EMPLOYEES AND REMUNERATION POLICY**

The Group pursues a policy of gender equality. As at 31 December 2024, the Group had 74 (2023: 66) full-time employees, of whom 41 (2023: 37) employees were male and 33 (2023: 29) employees were female. The Group remunerates its employees in accordance with their performances, experiences and prevailing market practices and provides them with usual fringe benefits including medical insurance and contributions to provident funds. Bonuses are also offered to employees of the Group at the discretion of the Directors and depending upon the financial performance of the Group.

### **RISK FACTORS**

This report may contain forward looking statements. These statements are based upon various assumptions, many of which are based, in turn, upon further assumptions, including the Company's management's examination of historical operating trends. Although the Company believes that these assumptions were reasonable when made, because assumptions are inherently subject to significant uncertainties which are difficult or impossible to predict and are beyond its control, the Company cannot give assurance that it will achieve or accomplish these expectations, beliefs or targets.

Key risk factors that could cause actual results to differ materially from those discussed in this report will include but not limited to the way world economies, currencies and interest rate environment may evolve going forward, general market conditions including fluctuations in charter rates and vessel values, financial market conditions including fluctuations in marketable securities value, counterparty risk, changes in demand in the dry bulk market, changes in operating expenses including bunker prices, crewing costs, drydocking and insurance costs, availability of financing and refinancing, inability to obtain restructuring or rescheduling of indebtedness from lenders in liquidity trough, changes in governmental rules and regulations or actions taken by regulatory authorities, potential liability from pending or future litigation, general domestic and international political conditions, potential disruption of shipping routes due to accidents, piracy or political events, and other important factors described from time to time in the reports filed by the Company.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OUTLOOK

2025 is expected to be an interesting year, where we expect increase volatility in the freight markets. With trade route disruptions due to military conflicts potentially coming to an end going forward, we have continued to work hard to look at longer-term employments for part of our fleet in order to lock in some revenue visibility.

As of the date of the announcement, we have successfully covered 100% of our Capesize and Panamax vessel days for the first quarter of 2025, with an average rate of US\$24,750 and US\$13,528 per day respectively. For Ultramax/Supramax, 47% of vessel days was covered at average rate of US\$15,488 per day for the first quarter of 2025.

Transportation of commodities will continue to be affected by non-economical and non-industry specific factors, with geopolitical events and whether interest rates will remain elevated, being the main uncertainty going forward. Supply of new vessels remains to be tight, with newbuilding supply at moderate levels. We saw some disconnection between freight rates and vessels values a few months back and second-hand vessel values have been weakening.

Looking ahead, should global economic activity regain confidence with less uncertainty, our fleet will be well positioned to benefit from these supportive industry specific fundamentals. We also continue to look for fleet renewal opportunities at reasonable prices should they resurface.

We will remain alert to the increasingly frequent economic, geo-political, or other unforeseen surprises that can trigger volatility to our business performance, as well as the carrying value of our shipping assets and financial assets. We will continue to focus on taking sensible and decisive actions to achieve growth without sacrificing the maintenance of a strong financial position.

On behalf of the Board of Directors of the Company, I would like to first express our heartfelt appreciation to all our colleagues, as well as all customers and stakeholders for their ongoing support.

By Order of the Board

**Ng Siu Fai**  
*Chairman*

Hong Kong, 18 March 2025



## CORPORATE GOVERNANCE

### COMPLIANCE OF THE CODE PROVISIONS

The Company has complied with the Corporate Governance Code (the “CG Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 31 December 2024, with deviations as explained in following sections.

#### **CG Code provision B.2.2**

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

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

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

#### **CG Code provision B.2.4**

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

As at 31 December 2024, the Board comprised of three independent non-executive directors, Mr. Cui Jianhua, Mr. Tsui Che Yin Frank and Mr. William Yau, who have served the Company for more than nine years, and their length of tenure are respectively more than thirty-one years, thirty years and twenty years. Under this CG code, the Company should appoint a new independent non-executive director on the Board. The Company is still in the process of identifying suitable candidate to be appointed as a new independent non-executive director of the Company. The Company will use its best endeavours to ensure that suitable candidate is appointed as soon as practicable in order to ensure compliance with this CG Code. Further announcement will be made by the Company as and when appropriate.

## CORPORATE GOVERNANCE

### **CG Code provision C.2.1**

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

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

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

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

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

### **CG Code provision D.2.5**

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

## **CORPORATE GOVERNANCE**

### **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. All Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard as set out therein throughout the year ended 31 December 2024.

### **SCOPE OF WORK OF THE AUDITOR**

The figures in the results announcement of the Group for the year ended 31 December 2024 have been agreed by the Group's auditor, Grant Thornton Hong Kong Limited (the "Auditor"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on the results announcement.

### **AUDIT COMMITTEE**

The Audit Committee comprises of three independent non-executive directors. The Audit Committee has reviewed with the management, the accounting principles and practices adopted by the Group and discussed auditing, risk management, internal control and financial reporting matters including the review of the Company's interim and annual reports before submission to the Board. The Group's annual consolidated financial statements for the year ended 31 December 2024 have been reviewed by the Audit Committee, which is of the opinion that such statements comply with applicable accounting standards and legal requirements, and that adequate disclosures have been made.

## **SUPPLEMENTARY INFORMATION**

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

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the year.

### **ANNUAL GENERAL MEETING AND BOOK CLOSURE**

The Annual General Meeting of the Company will be held on Tuesday, 3 June 2025. Notice of the Annual General Meeting will be published on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.jinhuiship.com](http://www.jinhuiship.com), and will be despatched to shareholders of the Company in due course.

The register of members of the Company will be closed from Thursday, 29 May 2025 to Tuesday, 3 June 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 28 May 2025.

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

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Revenue</b>	2	<b>1,239,419</b>	638,573
Net loss on disposal of owned vessels		-	(6,866)
Other operating income	3	<b>136,608</b>	61,018
Interest income	4	<b>6,571</b>	6,434
Reversal of impairment loss (Impairment loss) on owned vessels and right-of-use assets	5	<b>50,957</b>	(153,692)
Shipping related expenses		<b>(658,353)</b>	(456,225)
Staff costs		<b>(117,322)</b>	(106,627)
Other operating expenses	6	<b>(114,519)</b>	(98,399)
<b>Operating profit (loss) before depreciation and amortization</b>	7	<b>543,361</b>	(115,784)
Depreciation and amortization		<b>(346,919)</b>	(290,875)
<b>Operating profit (loss)</b>		<b>196,442</b>	(406,659)
Finance costs		<b>(54,259)</b>	(55,152)
<b>Profit (Loss) before taxation</b>		<b>142,183</b>	(461,811)
Taxation	8	-	6
<b>Net profit (loss) for the year</b>		<b>142,183</b>	(461,805)
<b>Other comprehensive income (loss)</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Change in fair value of financial assets at fair value through OCI (non-recycling)		<b>(18,029)</b>	(16,667)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties (non-recycling)		-	2,863
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Change in fair value of financial assets at fair value through OCI (recycling)		<b>(310)</b>	505
<b>Total comprehensive income (loss) for the year</b>		<b>123,844</b>	(475,104)

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

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Net profit (loss) for the year attributable to:</b>			
Shareholders of the Company		59,217	(271,527)
Non-controlling interests		82,966	(190,278)
		<b>142,183</b>	<b>(461,805)</b>
<b>Total comprehensive income (loss) for the year attributable to:</b>			
Shareholders of the Company		48,915	(278,668)
Non-controlling interests		74,929	(196,436)
		<b>123,844</b>	<b>(475,104)</b>
<b>Earnings (Loss) per share</b>			
	9		
Basic and diluted		<b>HK\$0.112</b>	<b>(HK\$0.512)</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		3,140,837	2,613,676
Right-of-use assets	11 (a)	234,168	164,541
Investment properties	12	273,530	339,680
Financial assets at fair value through OCI	13	64,251	82,590
Loan receivables	14	12,304	12,304
Deposit paid for the acquisition of owned vessels		19,126	-
Intangible assets		755	800
		<b>3,744,971</b>	<b>3,213,591</b>
<b>Current assets</b>			
Inventories		21,130	10,781
Trade and other receivables	15	125,612	141,831
Financial assets at fair value through profit or loss	16	166,692	202,610
Tax recoverable		-	166
Pledged deposits		2,564	2,803
Bank balances and cash		189,908	329,449
		<b>505,906</b>	<b>687,640</b>
Assets held for sale		-	81,299
		<b>505,906</b>	<b>768,939</b>
<b>Current liabilities</b>			
Trade and other payables	17	173,361	128,259
Secured bank loans	18	156,653	345,765
Lease liabilities	11 (b)	145,796	39,476
		<b>475,810</b>	<b>513,500</b>
<b>Net current assets</b>		<b>30,096</b>	<b>255,439</b>
<b>Total assets less current liabilities</b>		<b>3,775,067</b>	<b>3,469,030</b>
<b>Non-current liabilities</b>			
Secured bank loans	18	726,113	462,917
Lease liabilities	11 (b)	106,802	187,805
		<b>832,915</b>	<b>650,722</b>
<b>Net assets</b>		<b>2,942,152</b>	<b>2,818,308</b>



## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2024

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<b>EQUITY</b>		
<b>Equity attributable to shareholders of the Company</b>		
Issued capital	381,639	381,639
Reserves	1,262,790	1,213,875
	1,644,429	1,595,514
<b>Non-controlling interests</b>	1,297,723	1,222,794
<b>Total equity</b>	2,942,152	2,818,308

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2024

	Attributable to shareholders of the Company						Total equity HK\$'000
	Issued capital HK\$'000	Other asset revaluation reserve HK\$'000	Reserve for financial assets at fair value through OCI HK\$'000	Retained profits HK\$'000	Subtotal HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2023	381,639	3,806	13,960	1,485,383	1,884,788	1,434,336	3,319,124
<b>Comprehensive loss</b>							
Net loss for the year	-	-	-	(271,527)	(271,527)	(190,278)	(461,805)
<b>Other comprehensive income (loss)</b>							
Change in fair value of financial assets at fair value through OCI	-	-	(8,735)	-	(8,735)	(7,427)	(16,162)
Change in fair value arisen from reclassification from leasehold land and buildings to investment properties	-	1,594	-	-	1,594	1,269	2,863
<b>Total comprehensive loss for the year</b>	-	1,594	(8,735)	(271,527)	(278,668)	(196,436)	(475,104)
Final dividend paid	-	-	-	(10,606)	(10,606)	-	(10,606)
Dividend paid to non-controlling interests by subsidiaries	-	-	-	-	-	(15,106)	(15,106)
At 31 December 2023	381,639	5,400	5,225	1,203,250	1,595,514	1,222,794	2,818,308
At 1 January 2024	381,639	5,400	5,225	1,203,250	1,595,514	1,222,794	2,818,308
<b>Comprehensive income</b>							
Net profit for the year	-	-	-	59,217	59,217	82,966	142,183
<b>Other comprehensive loss</b>							
Change in fair value of financial assets at fair value through OCI	-	-	(10,302)	-	(10,302)	(8,037)	(18,339)
<b>Total comprehensive income for the year</b>	-	-	(10,302)	59,217	48,915	74,929	123,844
At 31 December 2024	381,639	5,400	(5,077)	1,262,467	1,644,429	1,297,723	2,942,152

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2024

	2024 HK\$'000	2023 HK\$'000
<b>OPERATING ACTIVITIES</b>		
Cash generated from operations before changes in working capital	527,508	64,704
Decrease in working capital	104,410	92,221
Cash generated from operations	631,918	156,925
Interest paid	(44,765)	(44,240)
Hong Kong Profits Tax refunded	166	1,168
<b>Net cash from operating activities</b>	<b>587,319</b>	<b>113,853</b>
<b>INVESTING ACTIVITIES</b>		
Interest received	4,248	4,081
Dividend income received	10,024	10,411
Purchase of property, plant and equipment	(741,751)	(189,802)
Deposit paid for the acquisition of owned vessels	(19,126)	-
Proceeds from disposal of asset held for sale, net	81,228	-
Proceeds from disposal of property, plant and equipment, net	115	135,970
<b>Net cash used in investing activities</b>	<b>(665,262)</b>	<b>(39,340)</b>
<b>FINANCING ACTIVITIES</b>		
New secured bank loans	509,638	450,035
Repayment of secured bank loans	(435,554)	(411,083)
Decrease in pledged deposits	239	662
Payment of lease liabilities	(125,646)	(26,946)
Interest paid on lease liabilities	(10,275)	(11,105)
Dividend paid to non-controlling interests by subsidiaries	-	(15,106)
Final dividend paid to shareholders of the Company	-	(10,606)
<b>Net cash used in financing activities</b>	<b>(61,598)</b>	<b>(24,149)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(139,541)</b>	<b>50,364</b>
<b>Cash and cash equivalents at 1 January</b>	<b>329,449</b>	<b>279,085</b>
<b>Cash and cash equivalents at 31 December</b>	<b>189,908</b>	<b>329,449</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Basis of preparation and accounting policies

The financial information relating to the years ended 31 December 2024 and 2023 included in this announcement of 2024 annual results do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance (Cap. 622) is as follows:

- The Company has delivered the financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance (Cap. 622) and will deliver the financial statements for the year ended 31 December 2024 in due course.
- The Company's auditor has reported on the financial statements of the Group for both years. The independent auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance (Cap. 622).

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and accounting principles generally accepted in Hong Kong. In addition, these consolidated financial statements included applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance.

The accounting policies and basis of preparation adopted in these consolidated financial statements are consistent with those adopted in the annual consolidated financial statements for the year ended 31 December 2023, except for the Group has adopted the amended HKFRS, which are effective for the annual period beginning on 1 January 2024. The adoption of the amended HKFRSs does not have material impact on the Group's financial performance and financial position for the current and prior periods have been prepared and presented.

### 2. Revenue

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Chartering freight and hire income:		
Hire income under time charters <sup>1</sup>	<b>1,239,419</b>	638,573

Note:

1. Hire income under time charter is accounted for as operating lease and is recognized on a straight-line basis over the period of each time charter contract. During the year, hire income included a non-lease component in relation to crewing service of HK\$215,969,000 (2023: HK\$237,614,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 3. Other operating income

	2024 HK\$'000	2023 HK\$'000
Net gain on financial assets at fair value through profit or loss	41,165	-
Other shipping operating income	37,019	33,931
Settlement income	27,300	-
Reversal of impairment loss on trade and other receivables, net	14,416	9,937
Dividend income	10,024	10,411
Gross rental income from operating leases on investment properties	6,270	6,448
Sundry income	414	291
	<b>136,608</b>	<b>61,018</b>

### 4. Interest income

	2024 HK\$'000	2023 HK\$'000
Interest income in respect of:		
Deposits with banks and other financial institutions	3,599	3,713
Loan receivables	2,503	2,418
Financial assets at fair value through profit or loss	198	303
Others	271	-
	<b>6,571</b>	<b>6,434</b>

### 5. Reversal of impairment loss (Impairment loss) on owned vessels and right-of-use assets

Given the prevailing dry bulk shipping market conditions, management considered that reversal of impairment indication of the Group's fleet and right-of-use assets existed at the end of 2024. A review on the recoverable amount of our owned vessels and right-of-use assets was performed to reflect our change in the expectation of the global economic and the dry bulk shipping industry outlook.

#### (a) Reversal of impairment loss on owned vessels, net

With due considerations of factors affecting the long term intrinsic values of owned dry bulk vessels in the reversal of impairment loss review, certain of the Group's owned vessels' recoverable amounts which were determined based on the higher of the fair value less costs of disposal and value in use and were higher than their respective carrying amounts at the end of 2024. Those vessels with carrying amount of HK\$855,581,000 is estimated based on the value in use under discounted cash flow method, using estimated future cash flows projections from the continuous use of such vessels. Key assumptions applied in value in use calculation mainly included discount rate and hire rates earned by each vessel as the value in use is most sensitive to the changes in these two factors. Other assumptions applied in the estimated future cash flows projections included the first five-year period from the continuous use of such vessels and cash flows beyond the five-year period are extrapolated using the zero growth rate.

The hire rates applied in the reversal of impairment test on owned vessels were based on management's best estimation, taking into consideration of historical performances, market research data and market expectation. The hire rates would have an average of 1% decline (2023: 1% growth) for the first five-year period and cash flows beyond the five-year period are extrapolated using the zero growth rate. The discount rate applied to the value in use calculation on owned vessels was 10.5% (2023: 10.5%), which was a pre-tax rate that reflected current market assessments of time value of money and the risks specific to the assets. It is based on weighted average cost of capital in which the cost of equity, cost of debt and capital structure are the key parameters. Other assumptions included utilization rate which is assumed to be 98% (2023: 95%) in all

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

subsequent years; and vessels are expected to have useful life of 25 (2023: 25) years from the date of the initial delivery from the shipyards. The net cash flow also reflected the estimated drydocking and special surveys costs and vessels operating expense.

Certain owned vessels with carrying amount of HK\$1,116,219,000 are determined based on fair value less cost of disposal. The fair value less cost of disposal is based on valuation performed by independent valuer and the valuation is under market comparison approach and such measurement of these owned vessels was categorized as Level 2 of the three-level fair value hierarchy as defined under HKFRS 13. Key assumptions applied in fair value less cost of disposal mainly included quoted recent transactions of similar vessels. Other assumptions included estimated cost of disposal of these vessels which are based on the Group's historical acquisition and disposal transactions of its fleets.

Accordingly, a net reversal of impairment loss of HK\$15,148,000 (2023: net impairment loss of HK\$109,286,000) on owned vessels classified in property, plant and equipment was recognized at 31 December 2024 to reflect the Group's change in the expectation of the global economic and the dry bulk shipping industry outlook which affect the assumptions applied in estimation of the value in use and fair value less cost of disposal of the Group's owned vessels.

(b) Reversal of impairment loss on right-of-use assets

The Group carried out a review of the recoverable amounts of the right-of-use assets based on the value-in-use approach using discounted cash flow method by comparing the carrying value and the recoverable amounts of the right-of-use assets. The key assumptions for the discounted cash flow method are those regarding the discount rates, hire rates, growth rate and utilization rate during the lease term of the charterparty.

The hire rates applied in the reversal of impairment test on right-of-use assets were based on management's best estimation, taking into consideration of historical performances, market research data and market expectation. The hire rates would have an average of 1% (2023: 1%) decline during the lease term of the charterparty. The discount rate applied to the value in use calculation on right-of-use assets was 10.5% (2023: 10%), which was a pre-tax rate that reflected current market assessments of time value of money and the risks specific to the assets. It is based on weighted average cost of capital in which the cost of equity, cost of debt and capital structure are the key parameters. Utilization rate of 98% (2023: 95%) is assumed during the lease term of the charterparty.

Based on the reversal of impairment test performed, the recoverable amounts of the right-of-use assets exceed its carrying amount and accordingly, a reversal of impairment loss of HK\$35,809,000 (2023: impairment loss of HK\$44,406,000) was recognized for the year ended 31 December 2024.

The reversal of impairment loss on owned vessels and right-of-use assets of HK\$50,957,000 (2023: net impairment loss of HK\$153,692,000) for the year ended 31 December 2024 are non-cash in nature and do not have impact on the operating cash flows of the Group.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 6. Other operating expenses

Other operating expenses for the year 2024 mainly included change in fair value of investment properties of approximately HK\$66.2 million, professional fee of approximately HK\$5.2 million, directors' fee of approximately HK\$6.7 million, auditor's remuneration related to audit services of approximately HK\$2.2 million and remaining are various office administrative expenses.

Other operating expenses for the year 2023 mainly included an impairment loss on assets held for sale (disposed vessel) of approximately HK\$10 million, net loss on financial assets at fair value through profit or loss of approximately HK\$5.4 million, change in fair value of investment properties of approximately HK\$36.6 million, professional fee of approximately HK\$5.6 million, directors' fee of approximately HK\$6.7 million, auditor's remuneration related to audit services of approximately HK\$2.1 million and remaining are various office administrative expenses.

### 7. Operating profit (loss) before depreciation and amortization

This is stated after charging / (crediting):

	<b>2024</b>	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Realized gain on financial assets at fair value through profit or loss	<b>(22,026)</b>	(6,477)
Unrealized loss (gain) on financial assets at fair value through profit or loss	<b>(19,139)</b>	11,914
Net loss (gain) on financial assets at fair value through profit or loss	<b>(41,165)</b>	5,437
Charter hire payments for time charters <sup>1</sup>	<b>169,916</b>	-
Impairment loss (Reversal of impairment loss) on owned vessels and right-of-use assets	<b>(50,957)</b>	153,692
Change in fair value of investment properties	<b>66,150</b>	36,640
Reversal of impairment loss on trade and other receivables, net	<b>(14,416)</b>	(9,937)
Dividend income	<b>(10,024)</b>	(10,411)
Impairment loss on assets held for sale	-	10,047
Net loss on disposal of owned vessels	-	6,866

Note:

1. Represents short term leases with a term of twelve months or less.



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 8. Taxation

Hong Kong Profits Tax has not been provided as the Group has no assessable profits for the years. In the opinion of the Directors, a substantial portion of the Group's income neither arose in nor was derived from Hong Kong and therefore was not subject to Hong Kong Profits Tax. The Group is not subject to taxation in any other jurisdictions in which the Group operates.

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong Profits Tax		
Over provision in prior year	-	(6)

### 9. Earnings (Loss) per share

Basic and diluted earnings (loss) per share were calculated on the net profit attributable to shareholders of the Company of HK\$59,217,000 for the year 2024 (2023: net loss attributable to shareholders of the Company of HK\$271,527,000) and the weighted average number of 530,289,480 (2023: 530,289,480) ordinary shares in issue during the year.

Diluted earnings (loss) per share for the years 2024 and 2023 were the same as basic earnings (loss) per share as there was no potentially dilutive ordinary shares in existence for the years 2024 and 2023.

### 10. Dividends

The Board has resolved not to recommend the payment of any final dividend for the year ended 31 December 2024 (2023: nil).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. Right-of-use assets and lease liabilities

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	164,541	226,180
Additions	217,469	-
Lease remeasurement	(66,506)	25,404
Depreciation	(117,145)	(42,637)
Reversal of impairment loss (Impairment loss)	35,809	(44,406)
	<b>234,168</b>	<b>164,541</b>

#### (b) Lease liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	227,281	228,823
Additions	217,469	-
Lease remeasurement	(66,506)	25,404
Interest expense (included in finance costs)	10,275	11,105
Repayments of lease liabilities	(135,921)	(38,051)
	<b>252,598</b>	<b>227,281</b>

The lease liabilities were repayable as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within one year	145,796	39,476
After one year but within two years	39,219	41,123
After two years but within five years	67,583	134,809
After five years	-	11,873
	<b>106,802</b>	<b>187,805</b>
	<b>252,598</b>	<b>227,281</b>

During the year, the total cash outflow for the lease was HK\$305,878,000 (2023: HK\$38,051,000).

At the reporting date, the Group operates four long-term chartered-in vessels, three of them are with remaining lease term of more than twelve months. In accordance with HKFRS 16 Leases, the Group recognized the right-of-use assets which is calculated with the present value of total minimum hire payment at the inception of the lease terms of the charterparties and corresponding lease liabilities was also recognized in the consolidated statement of financial position upon their deliveries of the vessels.

In 2022, the Group entered into a charterparty with a third party in respect of leasing of a Panamax of deadweight 84,484 metric tonnes, built in year 2022 for a term of seven years and the vessel was delivered to the Group in June 2022.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Additions to right-of-use assets during the year 2024 were mainly attributable to three long-time inward time charters where vessels have been delivered to the Group during the year.

- (i) A Panamax of deadweight 81,842 metric tonnes, built in 2021 for a term of minimum twenty-two months and the vessel was delivered to the Group in January 2024.
- (ii) An Ultramax of deadweight 61,452 metric tonnes, built in year 2016 for a term of minimum twenty-two months and the vessel was delivered to the Group in April 2024.
- (iii) An Ultramax of deadweight 61,473 metric tonnes, built in year 2016 for a term of minimum twenty months and the vessel was delivered to the Group in May 2024.

At the reporting date, an impairment assessment of right-of-use assets was performed and a reversal of impairment loss of HK\$35,809,000 (2023: an impairment loss of HK\$44,406,000) was recognized as at 31 December 2024. Details of impairment review on right-of-use assets was disclosed in note 5(b).

### 12. Investment properties

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	339,680	373,330
Reclassification from leasehold land and buildings	-	2,990
Change in fair value	<b>(66,150)</b>	(36,640)
	<b>273,530</b>	339,680

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

At the reporting date, the fair values of the Group's investment properties were determined by Centaline Surveyors Limited, an independent qualified professional valuer, on direct comparison approach on annually basis with reference to comparable transactions available in the relevant locality. In estimating the fair value of investment properties, the highest and best use of the properties is their current use.

The fair value measurement of these investment properties was categorized as Level 3 of the three-level fair value hierarchy as defined under HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2024 HK\$'000	2023 HK\$'000
Unlisted equity investments		
Co-investment in a property project		
At 1 January	56,622	73,289
Change in fair value <sup>1</sup>	(18,029)	(16,667)
	<b>38,593</b>	56,622
Unlisted club debentures		
At 1 January	22,600	22,000
Change in fair value <sup>2</sup>	(200)	600
	<b>22,400</b>	22,600
Unlisted club membership		
At 1 January	3,368	3,463
Change in fair value <sup>2</sup>	(110)	(95)
	<b>3,258</b>	3,368
	<b>64,251</b>	82,590

Notes:

- Items that will not be reclassified to profit or loss.
- Items that may be reclassified subsequently to profit or loss.

#### Unlisted equity investments

In 2018, a subsidiary of the Company entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC (the "Co-investment"), pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000 (approximately HK\$78,000,000). Dual Bliss Limited is one of the investors of the Co-investment.

The Investment Manager of the Co-investment, Phoenix Property Investors Limited, reported an estimated loss of US\$2,311,000, approximately HK\$18,029,000 on the fair value of equity instruments for the year ended 31 December 2024, mainly arising from the financing costs incurred for the shareholder loans. The reported loss on the Co-investment was recognized by the Group as a change in fair value of financial assets at fair value through OCI and was included in other comprehensive loss in the condensed consolidated statement of profit or loss and other comprehensive income. As at the reporting date, the estimated carrying amount of the unlisted equity investments was US\$4,948,000, approximately HK\$38,593,000 (2023: US\$7,259,000, approximately HK\$56,622,000) whereas the loan receivable arise from Co-investment (note 14), together with the interest accrued thereon was HK\$19,186,000 (2023: HK\$16,683,000). The Group will closely monitor the performance of the Co-investment and will assess impairment allowances where appropriate.

There is no quoted market price in active market for unlisted equity investments. Transactions in such investments do not occur on a regular basis. The Group uses its net asset value (representing the fair value of the equity instruments reported by Phoenix Property Investors Limited, the Investment Manager) to determine its fair value as the Group determined that this is the fair price at which shareholders subscribe and redeem the investments or determined its fair value with generally accepted pricing models.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The fair value measurement of unlisted equity investments was categorized as Level 3 of the three-level fair value hierarchy as defined under HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

### Unlisted club debentures and Unlisted club membership

The investment in club debentures and club membership are stated at fair values which are determined directly by reference to published price quotations in active markets and were categorized as Level 1 of the three-level fair value hierarchy as defined under HKFRS 13 and there was no transfer among the three levels of the fair value hierarchy during the year.

#### 14. Loan receivables

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
At 1 January	12,304	10,475
Gross new loan originated	-	1,829
Provision of individual impairment	-	-
<b>Loan receivables, net of provision</b>	<b>12,304</b>	<b>12,304</b>

A subsidiary of the Company (the “Co-Investor”) together with other co-investors signed an unsecured subordinated shareholder loan agreement with Triple Smart Limited, a special purpose vehicle invested by Dual Bliss Limited, for the purposes of funding the operating expenditure of the Co-investment in 2021. A maximum amount of HK\$12,304,000 (2023: HK\$12,304,000) was agreed and provided as at the reporting date. The loan receivables are unsecured and denominated in United States Dollars and has no repayment terms.

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 15. Trade and other receivables

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade receivables	8,527	7,797
Prepayments	52,729	19,484
Rental and other deposits	827	730
Other receivables	63,529	113,820
	<b>117,085</b>	134,034
	<b>125,612</b>	141,831

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within three months	7,132	6,547
Over three months but within six months	1,144	1,037
Over six months but within twelve months	251	213
	<b>8,527</b>	7,797

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2024 HK\$'000	2023 HK\$'000
<i>Held for trading</i>		
Equity securities		
Listed in Hong Kong	94,682	118,311
Listed outside Hong Kong	50,934	63,998
	<b>145,616</b>	182,309
Debt securities		
Listed outside Hong Kong	-	4,502
Unlisted	-	2,297
	-	6,799
<i>Designated as such upon initial recognition</i>		
Investment funds	21,076	13,502
	<b>166,692</b>	202,610

At the reporting date, the fair value measurements of listed equity securities and listed debt securities were determined by reference to their quoted bid prices in active markets and were categorized as Level 1 and the fair value measurements of unlisted debt securities and investment funds represented the quoted market prices on the underlying investments provided by financial institutions and were categorized as Level 2 of the three-level fair value hierarchy as defined under HKFRS 13. There was no transfer among the three levels of the fair value hierarchy during the year.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 17. Trade and other payables

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade payables	6,394	1,037
Accrued charges	37,976	23,122
Other payables		
Payables related to vessel running cost and ship operating expenses	89,905	71,015
Hire receipt in advance	21,315	20,338
Loan interest payables	638	1,419
Accrued employee benefits	15,229	9,405
Others	1,904	1,923
	128,991	104,100
	173,361	128,259

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Within three months	3,189	149
Over three months but within six months	2,317	-
Over twelve months	888	888
	6,394	1,037



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 18. Secured bank loans

	2024 HK\$'000	2023 HK\$'000
Vessel mortgage loans	-	128,734
Other bank loans	882,766	679,948
<b>Total secured bank loans</b>	<b>882,766</b>	<b>808,682</b>
Less: Amount repayable within one year	(156,653)	(345,765)
<b>Amount repayable after one year</b>	<b>726,113</b>	<b>462,917</b>

During the year, the Group had drawn new secured bank loans of HK\$509,638,000 (2023: HK\$450,035,000) and repaid HK\$435,554,000 (2023: HK\$411,083,000).

At the reporting date, other bank loans represented revolving loans, term loans and property mortgage loans that were denominated in Hong Kong Dollars. All bank borrowings were committed on floating rate basis.

### 19. Capital expenditures and commitments

#### Capital expenditures

During the year, the Group incurred capital expenditure of HK\$738,646,000 (2023: HK\$188,918,000) on additions of motor vessels and capitalized drydocking and HK\$3,105,000 (2023: HK\$884,000) on other property, plant and equipment.

#### Capital commitments

During the year, the Group entered into two shipbuilding contracts for the construction of two newbuildings, each at a consideration of US\$34,000,000, approximately HK\$265,200,000, of deadweight 63,500 metric tonnes, to be delivered in 2026 and 2027 respectively. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$68,000,000, approximately HK\$530,400,000 (2023: nil).

The Group further entered into a charterparty in respect of leasing of a Capesize of deadweight 207,672 metric tonnes, built in year 2017, for a term of minimum thirty-three months; the vessel was delivered to the Group in January 2025. The right-of-use assets of approximately US\$26,640,000, approximately HK\$207,775,000 will be recognized on the date of delivery of the vessel. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was approximately US\$26,640,000, approximately HK\$207,775,000 (2023: nil).

During the year, the Group entered into an agreement for the acquisition of an Ultramax of deadweight 61,441 metric tonnes, built in year 2017, at a purchase price of US\$24,520,000, approximately HK\$191,256,000, was delivered to the Group in January 2025. As at the reporting date, a deposit of US\$2,452,000, approximately HK\$19,126,000, for the vessel was paid, the capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was approximately US\$22,068,000, approximately HK\$172,130,000 (2023: nil).

In 2018, a subsidiary of the Company entered into the co-investment documents to co-invest in a property project in Tower A of One Financial Street Center, Jing'an Central Business District, Shanghai, the PRC, pursuant to which the Group is committed to acquire non-voting participating class A shares of Dual Bliss Limited of US\$10,000,000, approximately HK\$78,000,000. Dual Bliss Limited is one of the investors of the Co-investment. As at the reporting date, the capital expenditure commitments contracted by the Group but not provided for was US\$372,000, approximately HK\$2,905,000 (2023: US\$372,000, approximately HK\$2,905,000).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at the reporting date, the total amount of capital expenditure commitments contracted by the Group but not provided for, net of deposits paid, was US\$117,080,000, approximately HK\$913,210,000 (2023: US\$372,000, approximately HK\$2,905,000).

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

### 20. Related party transactions

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

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Salaries and other benefits	77,973	73,486
Contributions to retirement benefits schemes	3,562	3,562
	<b>81,535</b>	77,048

Other payables included accrued employee benefits payables to directors and senior management of HK\$11,410,000 (2023: HK\$7,012,000). There is no other balance or transaction related to connected party or any director and senior management and substantial shareholder of the Group that had not been disclosed under the requirement of Chapter 14 and 14A of the Listing Rules and HKAS 24 (Revised) "Related Party Disclosures".

### 21. Events after the reporting date

Regarding the legal proceedings between the subsidiaries of the Company and Parakou Shipping Pte Limited ("Parakou Shipping") in London and Hong Kong in relation to the non-performance of a charterparty, Galsworthy Limited, a subsidiary of the Company, and Parakou Shipping had reached an agreement to settle the legal action, and the Group received a sum of SGD27.6 million, a total of approximately HK\$158.34 million in January 2025. For details, please refer to the section SIGNIFICANT LITIGATION UPDATE on page 12.

## **PUBLICATION OF FINANCIAL INFORMATION**

The annual report of the Company for the year ended 31 December 2024 containing all the detailed information will be despatched to shareholders of the Company and available on the websites of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.jinhuiship.com](http://www.jinhuiship.com) in due course.

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