



**2024**  
INTERIM REPORT



**Courage Investment Group Limited**  
**勇利投資集團有限公司**

*(Incorporated in Bermuda with limited liability)*  
(Hong Kong Stock Code: 1145)  
(Singapore Stock Code: CIN)



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## Abbreviations

In this interim report, the following abbreviations have the following meanings unless otherwise specified:

“BDI”	Baltic Dry Index
“Board”	Board of Directors
“Company”	Courage Investment Group Limited
“Director(s)”	director(s) of the Company
“dwt”	dead weight tonnage
“Group”	the Company and its subsidiaries
“Hong Kong Listing Rules”	Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGX-ST”	Singapore Exchange Securities Trading Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$” and “US cent(s)”	United States dollars and cent(s), the lawful currency of the United States of America
“%”	per cent

*The Chinese version of this interim report is a translation of the English version and is for reference only. In case of any discrepancies or inconsistencies between the English version and the Chinese version, the English version shall prevail.*



# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Sue Ka Lok (*Chairman*)  
Ms. Lee Chun Yeung, Catherine  
(*Chief Executive Officer*)  
Ms. Wang Yu

### Independent Non-executive Directors

Mr. Zhou Qijin  
Mr. Pau Shiu Ming  
Mr. Tsao Hoi Ho

## AUDIT COMMITTEE

Mr. Tsao Hoi Ho (*Chairman*)  
Mr. Zhou Qijin  
Mr. Pau Shiu Ming

## REMUNERATION COMMITTEE

Mr. Pau Shiu Ming (*Chairman*)  
Mr. Zhou Qijin  
Mr. Tsao Hoi Ho

## NOMINATION COMMITTEE

Mr. Zhou Qijin (*Chairman*)  
Mr. Pau Shiu Ming  
Mr. Tsao Hoi Ho  
Mr. Sue Ka Lok

## COMPANY SECRETARY

Ms. Wang Yu

## DEPUTY COMPANY SECRETARY

Ms. Lee Pih Peng

## TRADING OF SHARES

Hong Kong Stock Exchange  
(Stock Code: 1145)  
Singapore Exchange  
(Stock Code: CIN)

## REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## PRINCIPAL PLACE OF BUSINESS

Room 1501, 15th Floor  
Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong

## PRINCIPAL BANKERS

Bank of Communications Co., Ltd.,  
Hong Kong Branch  
Bank of Communications (Hong Kong) Limited  
Hang Seng Bank Limited

## AUDITOR

Deloitte Touche Tohmatsu  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditors*

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Corporate Services (Bermuda) Limited  
Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## SINGAPORE SHARE TRANSFER AGENT

Unit Trust/Share Registration  
Boardroom Corporate & Advisory Services Pte. Ltd.  
1 Harbourfront Avenue  
#14-07 Keppel Bay Tower  
Singapore 098632

## WEBSITE

[www.courageinv.com](http://www.courageinv.com)



# Management Discussion and Outlook

## BUSINESS REVIEW

During the six months ended 30 June 2024 (“HY2024”), the Group continued to principally engage in the businesses of marine transportation, investment holding, property holding and investment, and merchandise trading.

Overall speaking, the market conditions of the Group’s marine transportation business had improved with the market freight rates for dry bulk vessels rising considerably during HY2024. The rise was mainly the combined effect of the increased commodity demand and the reduced vessel supply caused by the disruptions in the Panama and Suez Canals. During HY2024, despite concerns over global economic growth, the elevated interest rate environment, and conflicts in Ukraine and Palestine, the general improvement in business conditions of the vessel chartering industry contributed to the turnaround results recorded by the Group. For HY2024, the Group reported an increase in revenue by 27% to US\$5,070,000 (30 June 2023: US\$3,989,000), primarily due to the increase in revenue of the marine transportation business, and recorded a profit attributable to owners of the Company of US\$1,278,000, against the loss results of US\$983,000 in the prior period. Basic earnings per share for the period amounted to US0.12 cent (30 June 2023: basic loss per share of US0.09 cent).

### Marine transportation

For HY2024, the revenue of the Group’s marine transportation business increased by 28% to US\$5,070,000 (30 June 2023: US\$3,953,000), while its profit increased by 173% to US\$2,170,000 (30 June 2023: US\$796,000). The increases in revenue and profit of the operation were mainly attributable to the general improvement in market conditions and the considerable increase in freight rates for dry bulk vessels, which were in turn largely the results of the increased global demand for commodity and the reduced vessel supply caused by the disruptions in the Panama and Suez Canals.

During HY2024, the freight rates charged by the Group’s vessels were in general higher than those of the prior period, which were in line with the movements of the BDI, an index closely correlated to the market freight rate. During the interim period, the BDI remained volatile by hitting its low of about 1,300 points in January 2024, reaching its peak of about 2,400 points in March 2024, hovering between the 1,500 to 2,000 points level for much of the period, and was noticeably higher than the 500 to 1,500 points level in the first half of 2023. Although the market freight rates fluctuated considerably during the review period, as global trading activities have increased alongside the recovery and growth of the global economy, the Group remains prudently optimistic about the prospects of the marine transportation business in the medium to long term.

The carrying capacity of the Group’s dry bulk fleet, which currently comprises three Supramax size vessels, is approximately 171,000 dwt. The Group has been considering to acquire a second-hand Supramax or Panamax size vessel and is currently evaluating acquisition opportunities of certain target vessels, barring unforeseeable circumstances, the Group expects to complete the acquisition of a target vessel within twelve months from the date of this announcement. The Group will inform shareholders of any update of the vessel acquisition as and when appropriate.

For HY2024, with reference to the prevailing market conditions (including second-hand prices of similar vessels in terms of country of built, tonnage and age and market freight rate) at the period end, an impairment loss on vessels amounted to US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000) was recognised.



# Management Discussion and Outlook

## Investment holding

During HY2024, no revenue (30 June 2023: US\$36,000) or profit or loss (30 June 2023: loss of US\$771,000) was booked for the Group's investment holding business. For the six months ended 30 June 2023, the revenue of the business represented interest income from corporate bonds and the loss incurred represented mainly the recognition of net allowance for credit losses on debt instruments (i.e., corporate bonds) at fair value through other comprehensive income ("FVTOCI") of US\$704,000.

During the review period, the Group had not made any new investments in corporate bonds. At the period end, the corporate bonds held by the Group were issued by seven property companies with a yield to maturity upon initial acquisition of these bonds ranging from approximately 5.37% to 12.33% per annum, the total carrying amount of these bonds amounted to US\$389,000 (31 December 2023: US\$389,000) and was classified as non-current. There was no significant change in the aggregate fair value of these bonds when compared with that of the prior year end and no allowance for credit losses on these bonds was recognised during the interim period.

## Property holding and investment

During HY2024, the Group was not holding any investment property and no revenue (30 June 2023: nil) was booked. The recorded loss of US\$1,000 (30 June 2023: US\$10,000) was administrative costs of the operation. The Group has been seizing acquisition opportunities of investment properties with good rental yield and/or high appreciation potential. However, as the conditions of the property market in Hong Kong have been unstable in the past years, the management has acted prudently in evaluating potential acquisition opportunities.

## Merchandise trading

During HY2024, as market conditions continued to be volatile, the Group's merchandise trading business, which focusing on trading of electronic components, remained in temporary halt and no revenue (30 June 2023: nil) or profit or loss (30 June 2023: nil) was booked. The management has stepped up its effort in seizing business opportunities with a view to reactivating the Group's merchandise trading business.

## Share of result of a joint venture

In September 2023, the Group entered into an agreement to dispose of a subsidiary that held an indirect holding of 41.7% equity interest in a joint venture, which in turn held an industrial property in Shanghai, China. The disposal of the subsidiary was completed in October 2023. For the six months ended 30 June 2023, the loss of the joint venture shared by the Group amounted to US\$591,000 and was mainly related to the decrease in fair value of the aforementioned industrial property.

## OVERALL RESULTS

For HY2024, the Group recorded a profit attributable to owners of the Company of US\$1,278,000 (30 June 2023: loss of US\$983,000) and a total comprehensive income attributable to owners of the Company of US\$1,278,000 (30 June 2023: total comprehensive expense of US\$1,232,000). Such turnaround of the Group's results was mainly the combined effect of (i) the increase in profit contribution from the Group's marine transportation operation to US\$2,170,000 (30 June 2023: US\$796,000); (ii) the absence of the allowance for credit losses on debt instruments at FVTOCI (30 June 2023: US\$704,000); (iii) the absence of the loss of a joint venture shared by the Group (30 June 2023: US\$591,000) and (iv) the impairment loss recognised on vessels of US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000).



# Management Discussion and Outlook

## FINANCIAL REVIEW

### Liquidity, financial resources and capital structure

During HY2024, the Group financed its operation mainly by cash generated from operations as well as shareholders' funds. At 30 June 2024, the Group had current assets of US\$20,574,000 (31 December 2023: US\$18,807,000) and liquid assets comprising bank deposits and cash and cash equivalents totalling US\$19,964,000 (31 December 2023: US\$17,849,000). The Group's current ratio, calculated based on current assets over current liabilities of US\$1,087,000 (31 December 2023: US\$1,927,000), was at a strong ratio of about 18.93 (31 December 2023: 9.76) at the period end.

At 30 June 2024, the equity attributable to owners of the Company amounted to US\$58,376,000 (31 December 2023: US\$57,098,000), and was equivalent to an amount of approximately US5.3 cents (31 December 2023: US5.2 cents) per share of the Company. The increase in equity attributable to owners of the Company of US\$1,278,000 from the prior year end was a result of the profit earned by the Group during the review period.

The Group's borrowings represented loans from a financial institution and were fully repaid during HY2024. At 31 December 2023, such borrowings were mainly applied for financing the holding of vessels, and were all due within one year, denominated in United States dollars, bore interests at floating rates, and secured by two vessels owned by the Group. For HY2024, the Group's finance costs of US\$19,000 (30 June 2023: US\$115,000) represented mainly interests for the borrowings, finance costs decreased by 83% was mainly a result of the full repayment of borrowings during the period.

At 30 June 2024, the Group's gearing ratio was zero. At 31 December 2023, such ratio, calculated on the basis of total borrowings of US\$756,000 divided by total equity of US\$57,098,000, was at a low ratio of about 1%.

The Group's interest income from banks increased by 24% to US\$385,000 (30 June 2023: US\$311,000), which was mainly a result of additional surplus funds on hand and the general rise in bank deposit rates.

With the amount of liquid assets on hand, the management is of the view that the Group has sufficient financial resources to meet its ongoing operational requirement.

### Use of proceeds from the Open Offer

In January 2021, the Company successfully raised US\$9,148,000 before expenses by way of an open offer of 548,851,784 offer shares (with aggregate nominal value of US\$548,851,784) at the subscription price of HK\$0.13 per offer share (the closing price of the Company's shares was HK\$0.193 on the day when the subscription price was fixed) on the basis of one offer share for every one share of the Company held on the record date (the "Open Offer"). The net proceeds from the Open Offer were US\$8,621,000 (equivalent to a net subscription price of approximately HK\$0.12 per offer share), of which a sum of US\$2,821,000 was utilised as intended to repay a bank revolving loan to achieve immediate saving in finance costs, whilst the remainder of the net proceeds of US\$5,800,000 was earmarked as working capital for the Group's marine transportation business. As opposed to the original intention to apply approximately 50% of the remainder of the proceeds to its marine transportation business, approximately 40% to its investment holding business and approximately 10% to its merchandise trading business as working capital, the net proceeds from the Open Offer were not applied as working capital for the Group's merchandise trading and investment holding businesses as the Group was not active in its merchandise trading and investment activities during the period concerned primarily owing to the adverse economic impact brought by the prolonged continuation of the COVID pandemic. The Company has therefore earmarked the remaining net proceeds of US\$5,800,000 as working capital for the Group's marine transportation business before any acquisition of a vessel is proceeded with. Such working capital would be continually used and replenished in the course of operation on an ongoing basis.



# Management Discussion and Outlook

The management has been evaluating acquisition opportunities of target vessels and it is still the Group's intention to reutilise the remaining net proceeds of the Open Offer of US\$5,800,000 to acquire a second-hand dry bulk vessel. Barring unforeseeable circumstances, the Group expects to complete the acquisition of a target vessel within twelve months from the date of this announcement. The management will continue to closely follow the market conditions and will inform shareholders of any update of the vessel acquisition as and when appropriate.

## Foreign currency management

The monetary assets and liabilities as well as business transactions of the Group are mainly denominated in United States dollars or Hong Kong dollars. During HY2024, the Group had not experienced any significant exposure to exchange rate fluctuations, as such, the Group had not entered into any financial arrangements for hedging purposes. Appropriate measures will be undertaken by the Group should exchange rate fluctuations become significant.

## Pledge of assets

At 30 June 2024, no assets were pledged by the Group as all the borrowings were fully repaid during the current interim period. At 31 December 2023, two vessels with an aggregate carrying amount of US\$25,574,000 (including dry-docking) were pledged to a financial institution as security for the loan facilities granted to the Group.

## Contingent liabilities

At 30 June 2024, the Group had no significant contingent liability (31 December 2023: nil).

## Capital commitments

At 30 June 2024, the Group had no significant capital commitment (31 December 2023: nil).

## EMPLOYEES AND REMUNERATION POLICY

At 30 June 2024, the Group had 17 (31 December 2023: 17) employees including directors of the Company. For HY2024, staff costs (including directors' emoluments) amounted to US\$417,000 (30 June 2023: US\$347,000). The remuneration packages for directors and staff are normally reviewed annually and are structured by reference to prevailing market terms and individual competence, performance and experience. The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") for employees in Hong Kong. In addition, the Group provides other employee benefits including medical insurance, subsidised training programme as well as discretionary bonus.

The Group's contributions to the MPF Scheme for its employees are fully and immediately vested in the employees once the contributions are made. Accordingly, there are no forfeited contributions under the MPF Scheme that may be used by the Group to reduce the existing level of contributions.

During HY2024, the Group continued to engage a crew agency to provide crew services (about 42 crew members) for two of the Group's vessels, crew expenses for the period amounted to US\$961,000 (30 June 2023: US\$1,267,000).



# Management Discussion and Outlook

## PROSPECTS

The Group is prudently optimistic about the prospects of the marine transportation business in the medium to long term, given that global trading activities have increased alongside the recovery and growth of the global economy. Nevertheless, ongoing conflicts in Ukraine and Palestine, and disruptions in the Panama and Suez Canals, are adding uncertainties to the market.

The Group has yet to acquire a second-hand Supramax or Panamax vessel and is currently evaluating certain acquisition opportunities. The Group will inform shareholders of any update of the vessel acquisition as and when appropriate. Looking ahead, the Group will continue to manage its businesses in a disciplined manner, as well as to explore potential investment and acquisition opportunities and business enhancement strategies which are expected to bring long-term benefits to the shareholders.



# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Revenue</b>			
Marine transportation income		5,070	3,953
Interest income		–	36
Total revenue	3	5,070	3,989
Direct expenses		(2,966)	(3,147)
Other income	5	502	344
Other gains and losses, net		–	(147)
Administrative expenses		(1,010)	(721)
Impairment loss (recognised) reversed on vessels, net	10	(299)	109
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	11	–	(704)
Share of result of a joint venture		–	(591)
Finance costs		(19)	(115)
Profit (loss) before tax	6	1,278	(983)
Income tax expense	7	–	–
<b>Profit (loss) for the period attributable to owners of the Company</b>		<b>1,278</b>	<b>(983)</b>
<b>Other comprehensive (expense) income</b>			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange difference arising on translation of financial statements of the foreign operation of a joint venture		–	(164)
Net decrease in fair value of debt instruments at fair value through other comprehensive income		–	(789)
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	11	–	704
Other comprehensive expense for the period, net of income tax		–	(249)
<b>Total comprehensive income (expense) for the period attributable to owners of the Company</b>		<b>1,278</b>	<b>(1,232)</b>
<b>Basic earnings (loss) per share attributable to owners of the Company (US cent)</b>	8	<b>0.12</b>	<b>(0.09)</b>



# Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	At 30 June 2024 US\$'000 (Unaudited)	At 31 December 2023 US\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	10	38,444	39,733
Right-of-use asset		56	105
Debt instruments at fair value through other comprehensive income	11	389	389
		<b>38,889</b>	<b>40,227</b>
<b>Current assets</b>			
Trade receivables	12	56	323
Other receivables and prepayments	13	554	635
Bank deposits		18,050	16,535
Cash and cash equivalents		1,914	1,314
		<b>20,574</b>	<b>18,807</b>
<b>Total assets</b>		<b>59,463</b>	<b>59,034</b>



# Condensed Consolidated Statement of Financial Position

At 30 June 2024

	Notes	At 30 June 2024 US\$'000 (Unaudited)	At 31 December 2023 US\$'000 (Audited)
<b>Current liabilities</b>			
Deposits received, other payables and accruals	14	890	1,072
Contract liabilities		138	–
Borrowings	15	–	756
Lease liabilities		59	99
		<b>1,087</b>	<b>1,927</b>
<b>Net current assets</b>			
		<b>19,487</b>	<b>16,880</b>
<b>Total assets less current liabilities</b>			
		<b>58,376</b>	<b>57,107</b>
<b>Capital and reserves</b>			
Share capital	16	1,098	1,098
Reserves		57,278	56,000
<b>Total equity</b>			
		<b>58,376</b>	<b>57,098</b>
<b>Non-current liabilities</b>			
Lease liabilities		–	9
<b>Total liabilities and equity</b>			
		<b>59,463</b>	<b>59,034</b>



# Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024

	Share capital US\$'000	Share premium US\$'000	Contributed surplus US\$'000	Investment revaluation reserve US\$'000	Other reserve US\$'000 (Note)	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2023 (audited)	1,098	8,072	41,029	73	1,531	(7)	9,342	61,138
Loss for the period	-	-	-	-	-	-	(983)	(983)
Exchange difference arising on translation of financial statements of the foreign operation of a joint venture	-	-	-	-	-	(164)	-	(164)
Net decrease in fair value of debt instruments at fair value through other comprehensive income	-	-	-	(789)	-	-	-	(789)
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	-	-	-	704	-	-	-	704
Total comprehensive expense for the period	-	-	-	(85)	-	(164)	(983)	(1,232)
At 30 June 2023 (unaudited)	1,098	8,072	41,029	(12)	1,531	(171)	8,359	59,906

  

	Share capital US\$'000	Share premium US\$'000	Contributed surplus US\$'000	Investment revaluation reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2024 (audited)	1,098	8,072	41,029	-	6,899	57,098
Profit and total comprehensive income for the period	-	-	-	-	1,278	1,278
At 30 June 2024 (unaudited)	1,098	8,072	41,029	-	8,177	58,376

Note: At 30 June 2023, other reserve of US\$1,531,000 represented the excess of the fair value of a property interest transferred to a joint venture of the Group attributable to the Group over the carrying amount of a deferred consideration receivable, which was settled by an independent third party in the prior year. Such other reserve was released and transferred to retained profits upon completion of the disposal of the joint venture during the year ended 31 December 2023.



# Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2024

	<b>Six months ended 30 June</b>	
	<b>2024</b> <i>US\$'000</i> <b>(Unaudited)</b>	<b>2023</b> <i>US\$'000</i> <b>(Unaudited)</b>
<b>Operating activities</b>		
Profit (loss) before tax	<b>1,278</b>	(983)
Adjustments for:		
Interest income	<b>(385)</b>	(347)
Interest expenses	<b>19</b>	115
Depreciation of property, plant and equipment	<b>992</b>	1,019
Impairment loss recognised (reversed) on vessels, net	<b>299</b>	(109)
Allowance for credit losses on debt instruments at fair value through other comprehensive income, net	–	704
Share of result of a joint venture	–	591
Others	<b>49</b>	196
Operating cash flows before movements in working capital	<b>2,252</b>	1,186
Decrease (increase) in trade receivables	<b>267</b>	(265)
Decrease (increase) in other receivables and prepayments	<b>61</b>	(1,281)
Others	<b>(40)</b>	(501)
Net cash from (used in) operations	<b>2,540</b>	(861)
Interest income received	<b>405</b>	478
Interest expenses paid	<b>(21)</b>	(115)
<b>Net cash from (used in) operating activities</b>	<b>2,924</b>	(498)
<b>Net cash (used in) from investing activities</b>		
Purchase of property, plant and equipment	<b>(2)</b>	(64)
Placement of bank deposits	<b>(86,363)</b>	(29,441)
Withdrawal of bank deposits	<b>84,848</b>	30,223
	<b>(1,517)</b>	718
<b>Cash used in financing activities</b>		
Repayment of borrowings	<b>(756)</b>	(1,061)
Repayment of lease liabilities	<b>(51)</b>	(53)
	<b>(807)</b>	(1,114)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>600</b>	(894)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,314</b>	2,201
<b>Cash and cash equivalents at the end of the period</b>	<b>1,914</b>	1,307



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 1. GENERAL INFORMATION

The Company (Registration No. 36692) was incorporated in Bermuda on 5 April 2005 as an exempted company with limited liability under the Companies Act 1981 of Bermuda. Its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business is at Room 1501, 15th Floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong. The Company is primarily listed on the Main Board of the Hong Kong Stock Exchange and secondarily listed on the Main Board of SGX-ST. The condensed consolidated financial statements are presented in United States dollar, which is the functional currency of the Company, and all values are rounded to the nearest thousand (US\$'000) where appropriate or as indicated.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are marine transportation, investment holding, property holding and investment and merchandise trading.

## 2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) as well as the applicable disclosure requirements of Appendix D2 to the Hong Kong Listing Rules.

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of the relevant reporting period.

Other than changes in accounting policies resulting from the application of the amendments to International Financial Reporting Standards (“IFRSs”), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group’s audited consolidated financial statements for the year ended 31 December 2023.

### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on 1 January 2024 for the preparation of the condensed consolidated financial statements:

Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current Liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in the condensed consolidated financial statements.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 3. REVENUE

### Disaggregation of revenue from contracts with customers

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information:

#### Six months ended 30 June 2024

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Type of services:</b>			
Marine transportation	4,391	–	4,391
<b>Revenue from contracts with customers</b>	<b>4,391</b>	<b>–</b>	<b>4,391</b>
Leases	679	–	679
<b>Total revenue</b>	<b>5,070</b>	<b>–</b>	<b>5,070</b>

#### Six months ended 30 June 2023

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Type of services:</b>			
Marine transportation	3,145	–	3,145
<b>Revenue from contracts with customers</b>	<b>3,145</b>	<b>–</b>	<b>3,145</b>
Leases	808	–	808
Interest income from debt instruments at fair value through other comprehensive income (“FVTOCI”)	–	36	36
<b>Total revenue</b>	<b>3,953</b>	<b>36</b>	<b>3,989</b>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. SEGMENT INFORMATION

The following is an analysis of the Group's revenue and results by operating segments, based on information provided to the executive directors and chief executive of the Company, being the chief operating decision makers ("CODM"), for the purposes of resources allocation and assessment of segment performance. This is also the current basis of organisation in the Group, whereby the management organises the Group based on different operating activities.

Specifically, the Group's reportable and operating segments are as follows:

1. Marine transportation
2. Investment holding
3. Property holding and investment
4. Merchandise trading

Segment results represent the profit/loss from each segment without allocation of corporate income, corporate expenses, impairment loss recognised/reversed on vessels, net, share of result of a joint venture and finance costs. The allowance for credit losses on debt instruments at FVTOCI, net is included in the result of the investment holding segment. The CODM has allocated vessels and investment in a joint venture to the measurement of segment assets while the impairment loss recognised/reversed on vessels, net and share of result of a joint venture are not allocated in the measurement of segment results.

### Segment revenue and results

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

#### Six months ended 30 June 2024

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Property holding and investment US\$'000 (Unaudited)	Merchandise trading US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Segment revenue</b>	<b>5,070</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,070</b>
<b>Segment results</b>	<b>2,170</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>2,169</b>
Unallocated:					
Corporate income					415
Corporate expenses					(988)
Impairment loss recognised on vessels, net					(299)
Finance costs					(19)
<b>Profit before tax</b>					<b>1,278</b>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. SEGMENT INFORMATION (continued)

Six months ended 30 June 2023

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Property holding and investment US\$'000 (Unaudited)	Merchandise trading US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Segment revenue</b>	<u>3,953</u>	<u>36</u>	<u>-</u>	<u>-</u>	<u>3,989</u>
<b>Segment results</b>	<u>796</u>	<u>(771)</u>	<u>(10)</u>	<u>-</u>	<u>15</u>
Unallocated:					
Corporate income					336
Corporate expenses					(737)
Impairment loss reversed on vessels, net					109
Share of result of a joint venture					(591)
Finance costs					<u>(115)</u>
<b>Loss before tax</b>					<u>(983)</u>

### Segment assets and liabilities

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

At 30 June 2024

	Marine transportation US\$'000 (Unaudited)	Investment holding US\$'000 (Unaudited)	Property holding and investment US\$'000 (Unaudited)	Merchandise trading US\$'000 (Unaudited)	Total US\$'000 (Unaudited)
<b>Segment assets</b>	<u>40,148</u>	<u>399</u>	<u>21</u>	<u>-</u>	<u>40,568</u>
Unallocated corporate assets					<u>18,895</u>
<b>Total assets</b>					<u>59,463</u>
<b>Segment liabilities</b>	<u>838</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>839</u>
Unallocated corporate liabilities					<u>248</u>
<b>Total liabilities</b>					<u>1,087</u>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 4. SEGMENT INFORMATION (continued)

At 31 December 2023

	Marine transportation US\$'000 (Audited)	Investment holding US\$'000 (Audited)	Property holding and investment US\$'000 (Audited)	Merchandise trading US\$'000 (Audited)	Total US\$'000 (Audited)
<b>Segment assets</b>	<u>41,227</u>	<u>417</u>	<u>21</u>	<u>-</u>	41,665
Unallocated corporate assets					<u>17,369</u>
<b>Total assets</b>					<u>59,034</u>
<b>Segment liabilities</b>	<u>1,626</u>	<u>-</u>	<u>10</u>	<u>-</u>	1,636
Unallocated corporate liabilities					<u>300</u>
<b>Total liabilities</b>					<u>1,936</u>

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than certain property, plant and equipment, right-of-use asset, other receivables and prepayments, bank deposits and cash and cash equivalents; and
- all liabilities are allocated to operating segments other than certain other payables and accruals and lease liabilities.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 5. OTHER INCOME

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Bank interest income	385	311
Other income	117	33
	<b>502</b>	<b>344</b>

## 6. PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax has been arrived at after charging (crediting) the following items:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Employee benefits expenses (including directors' emoluments):		
– Salaries and other benefits	401	334
– Contributions to retirement benefits scheme	16	13
Total employee benefits expenses	<b>417</b>	<b>347</b>
Marine crew expenses	961	1,267
Depreciation of property, plant and equipment	992	1,019
Depreciation of right-of-use asset	49	51
Interest income from banks	<b>(385)</b>	<b>(311)</b>

## 7. INCOME TAX EXPENSE

There was no assessable profit arising in Hong Kong for the six months ended 30 June 2024 and 2023. In the opinion of the directors of the Company, there is no taxation arising in other jurisdictions.



## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

### 8. EARNINGS (LOSS) PER SHARE

The calculation of basic earnings (loss) per share attributable to owners of the Company is based on the following data:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
<b>Earnings (loss)</b>		
Profit (loss) for the period attributable to owners of the Company	<u>1,278</u>	<u>(983)</u>
	Six months ended 30 June	
	2024 '000	2023 '000
<b>Number of shares</b>		
Weighted average number of ordinary shares in issue during the period	<u>1,097,704</u>	<u>1,097,704</u>

For the six months ended 30 June 2024 and 2023, no diluted earnings (loss) per share are presented as there were no dilutive potential ordinary shares outstanding during both periods.

### 9. DIVIDEND

During the six months ended 30 June 2024, no dividend was paid, declared or proposed (30 June 2023: nil). The directors of the Company have determined that no dividend will be paid in respect of the current interim period.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, addition of property, plant and equipment amounted to US\$2,000 (30 June 2023: US\$64,000).

The directors of the Company conduct a review of the carrying amount of the Group's vessels at the end of every reporting period to determine whether there is any indication that the vessels have suffered an impairment loss. An impairment loss is recognised when the carrying amount of a vessel exceeds its recoverable amount, which in turn is the higher of its value in use and its fair value less costs of disposal.

During the current interim period, the BDI, an index that was closely correlated to the market freight rate, remained volatile and gave an indication that conducting an impairment assessment on the carrying amounts of the Group's vessels was warranted.

The fair values of the Group's vessels were determined based on the valuation carried out by JP Assets Consultancy Limited, an independent qualified professional valuer not connected to the Group, and the market approach was principally adopted for the valuation as there was a known market for used vessels. The fair values of the vessels were primarily determined based on the direct comparison method by making reference to the recent sale transactions of similar vessels with similar age and condition (Level 2 fair value hierarchy).

At 30 June 2024, the fair values less costs of disposal of two vessels were determined with reference to prevailing market conditions (including second-hand prices and freight rate of similar vessels) and amounted to US\$27,963,000 (31 December 2023: US\$28,919,000) in aggregate, as such fair values were higher than the respective values in use of the vessels, the fair values represented the recoverable amounts of the two vessels. Furthermore, as the recoverable amounts of these vessels were lower than their individual carrying amount before impairment, an impairment loss on vessels of US\$299,000 (30 June 2023: a net reversal of impairment loss of US\$109,000) was recognised in profit or loss during the period.

Details of the pledge of property, plant and equipment are set out in note 17.

## 11. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

These debt instruments are listed on either the Hong Kong Stock Exchange or SGX-ST. At 30 June 2024, debt instruments at FVTOCI were stated at fair values which were determined based on quoted market closing prices. These debt instruments carried coupon from 5.25% to 11.95% (31 December 2023: 5.25% to 11.95%) per annum and their contractual maturity dates were from 22 March 2022 to 28 June 2025 (31 December 2023: from 22 March 2022 to 28 June 2025).

For the six months ended 30 June 2024, there was no significant change in the aggregate fair value of these debt instruments when compared with that of the prior year end and no allowance for credit losses on these debt instruments at FVTOCI was recognised in profit or loss. For the six months ended 30 June 2023, a net allowance for credit losses on debt instruments at FVTOCI of US\$704,000 was recognised in profit or loss with a corresponding adjustment to other comprehensive income.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 12. TRADE RECEIVABLES

Trade receivables arose from the marine transportation business and aged within 30 days from the invoice date. The credit periods for customers of time charter are from 0 day to 30 days (31 December 2023: from 0 day to 30 days). At 30 June 2024 and 31 December 2023, none of the Group's trade receivables were past due nor impaired and all were subsequently settled.

## 13. OTHER RECEIVABLES AND PREPAYMENTS

	At 30 June 2024 US\$'000 (Unaudited)	At 31 December 2023 US\$'000 (Audited)
Other receivables	369	481
Account balances with brokers	10	10
Prepayments and other deposits for operating expenses	175	144
	<b>554</b>	<b>635</b>

## 14. DEPOSITS RECEIVED, OTHER PAYABLES AND ACCRUALS

	At 30 June 2024 US\$'000 (Unaudited)	At 31 December 2023 US\$'000 (Audited)
Accrued expenses and other payables for operations	341	337
Deposits received from lessee of vessel	549	735
	<b>890</b>	<b>1,072</b>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 15. BORROWINGS

	<b>At 30 June 2024 US\$'000 (Unaudited)</b>	At 31 December 2023 US\$'000 (Audited)
Secured loans	–	756
The carrying amounts of the loans were repayable within a period not exceeding one year*	–	756
Less: Amounts due within one year shown under current liabilities	–	(756)
Amounts shown under non-current liabilities	–	–
Effective interest rate (%) per annum	<b>8.65 – 9.04</b>	8.65 – 9.46

\* The amounts due were based on the scheduled repayment dates set out in the loan agreements.

During the six months ended 30 June 2024, the loans were fully repaid. At 31 December 2023, the Group's borrowings were denominated in United States dollars which were also the functional currencies of the respective entities of the Group.

At 31 December 2023, the loans were carrying interest at Secured Overnight Financing Rate plus certain basis points. The outstanding loans at 31 December 2023 were repayable within one year.

The borrowings at 31 December 2023 were secured by the following:

- (i) corporate guarantee from the Company;
- (ii) first preferred mortgage over the vessels held by Heroic Marine Corp. and Polyworld Marine Corp., named MV Heroic and MV Polyworld respectively; and
- (iii) assignment of insurance proceeds in respect of vessels MV Heroic and MV Polyworld.



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 16. SHARE CAPITAL

	Number of shares '000	Amount US\$'000
<b>Authorised:</b>		
At 1 January 2023, 30 June 2023, 31 December 2023 and 30 June 2024 (US\$0.001 per share)	<u>180,000,000</u>	<u>180,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2023, 30 June 2023, 31 December 2023 and 30 June 2024 (US\$0.001 per share)	<u>1,097,704</u>	<u>1,098</u>

At 30 June 2024, all issued ordinary shares have a par value of US\$0.001 each (31 December 2023: US\$0.001 each), carry one vote per share and carry the rights to dividends as and when declared by the Company.

## 17. PLEDGE OF ASSETS

At 30 June 2024, no assets were pledged by the Group as all the loans had been fully repaid during the current interim period. At 31 December 2023, two vessels with an aggregate carrying amount of US\$25,574,000 (including dry-docking) were pledged to a financial institution as security for the loan facilities granted to the Group.

## 18. RELATED PARTY DISCLOSURES

Details of transactions between the Group and the related party are disclosed below:

(a) For the six months ended 30 June 2024, the Group paid office lease expenses of US\$24,000 (30 June 2023: US\$20,000) to a related company. Such related company and the Company had a common substantial shareholder.

### (b) Remuneration of key management personnel

For the six months ended 30 June 2024, the remuneration of the Group's key management personnel comprising directors and chief executive officer of the Company is as follows:

	Six months ended 30 June	
	2024 US\$'000 (Unaudited)	2023 US\$'000 (Unaudited)
Short-term benefits	202	187
Post-employment benefits	8	6
	<u>210</u>	<u>193</u>



# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2024

## 19. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### **Fair value of the Group's financial assets that are measured at fair value on a recurring basis**

Some of the Group's financial assets are measured at fair value at the end of each reporting period.

The fair values of listed debt securities classified as debt instruments at FVTOCI are categorised as Level 1 fair value measurement and determined with reference to quoted prices in active markets.

### **Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis**

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost at the end of each reporting period approximate their fair values.

## 20. APPROVAL OF UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR ISSUE

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 have been approved and authorised for issue by the Board on 26 August 2024.



## Other Information

### INTERIM DIVIDEND

The Board has resolved not to declare an interim dividend for the six months ended 30 June 2024 (30 June 2023: nil).

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2024, none of the directors and chief executive of the Company had any interests in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code contained in the Hong Kong Listing Rules.

### SHARE OPTION SCHEME

The share option scheme of the Company (the **"Share Option Scheme"**) was adopted by the Company at the annual general meeting of the Company held on 28 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will be valid and effective for a period of ten years commencing on the date of adoption.

The purpose of the Share Option Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

At the special general meeting of the Company held on 20 October 2021, the shareholders of the Company approved the refreshment of the scheme mandate limit in respect of the grant of options to subscribe for shares of the Company under the Share Option Scheme (the **"Scheme Mandate Limit Refreshment"**). Accordingly, the total number of shares of the Company available for issue under the Share Option Scheme was 109,770,356 shares as refreshed, representing approximately 10% of the issued shares of the Company as at the date of approval of the Scheme Mandate Limit Refreshment.

No share options have been granted under the Share Option Scheme since its adoption. The total number of shares of the Company available for issue under the Share Option Scheme is 109,770,356 shares, representing approximately 10% of the issued shares of the Company as at the date of this interim report.

Further details of the Share Option Scheme were set out in the 2023 annual report of the Company.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Share Option Scheme" above, at no time during the six months ended 30 June 2024 was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the directors of the Company or their spouse or minor children had any rights to subscribe for the securities of the Company, or had exercised any such rights during the period.



## Other Information

### INTERESTS AND SHORT POSITIONS OF SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

As at 30 June 2024, the following interests of more than 5% of the total number of issued shares of the Company were recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

#### Long positions in the shares of the Company:

<u>Name of shareholder</u>	<u>Capacity and nature of interest</u>	<u>Number of shares held</u>	<u>Approximate percentage of the Company's issued shares</u>
Suen Cho Hung, Paul (" <b>Mr. Suen</b> ")	Interest of controlled corporation	315,990,132 (Note)	28.79%
Brilliant Epic Asia Limited (" <b>Brilliant Epic</b> ")	Interest of controlled corporation	315,990,132 (Note)	28.79%
Success United Development Limited (" <b>Success United</b> ")	Beneficial owner	315,990,132 (Note)	28.79%

#### Note:

Success United was a wholly-owned subsidiary of Brilliant Epic which was, in turn, wholly-owned by Mr. Suen. Mr. Suen was the sole director of Brilliant Epic and Success United. Accordingly, Brilliant Epic and Mr. Suen were deemed to be interested in 315,990,132 shares of the Company held by Success United under the SFO.

The interests of Mr. Suen, Brilliant Epic and Success United in 315,990,132 shares of the Company referred to in the note above related to the same parcel of shares.

Save as disclosed above, the Company had not been notified of any other relevant interests or short positions in the shares and underlying shares of the Company as at 30 June 2024 as required to be recorded pursuant to section 336 of the SFO.

### CORPORATE GOVERNANCE

The Company had complied with all the applicable code provisions of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules throughout the six months ended 30 June 2024.

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted the Model Code set out in Appendix C3 to the Hong Kong Listing Rules as its own code of conduct regarding securities transactions by directors of the Company. Having made specific enquiry with the directors, all of them confirmed that they had complied with the required standards set out in the Model Code during the six months ended 30 June 2024.



## Other Information

### AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 June 2024 have not been audited, but have been reviewed by the Audit Committee and have been duly approved by the Board under the recommendation of the Audit Committee.

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

During the six months ended 30 June 2024, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

On behalf of the Board

**Sue Ka Lok**  
*Chairman*

Hong Kong, 26 August 2024