

8. Trade payables

The ageing analysis of trade payables is as follows:

	30 June 2002	31 December 2001
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
0 – 90 days	45,183	54,792
91 – 180 days	3,956	984
181 – 365 days	511	637
Over 365 days	8,150	12,140
	<u>57,800</u>	<u>68,553</u>

9. Comparative figures

Certain comparative figures have been reclassified to conform to the current period's presentation.

INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the period (*six months ended 30 June 2001: Nil*).

BUSINESS REVIEW

Turnover for the six months ended 30 June 2002 was HK\$374,116,000, representing a decrease of 18% as compared to the last corresponding period. Net loss for the period amounted to HK\$30,464,000 whereas a profit of HK\$32,426,000 was made for the last corresponding period. Basic loss per share was HK5.79 cents for the period as against basic earnings per share of HK6.16 cents for the last corresponding period.

Contrary to the first half of 2001 in which the shipping market was firm and healthy, the slowdown in the world's economies and rising in operating costs such as fuel costs and maintenance expenses greatly affected the shipping industry during the first half of 2002. During the period, the freight rates remained low as a whole though the dry bulk freight markets have arisen and improved gradually since the end of 2001. The Baltic Freight Index opened at 876 and closed at 1,005 during the period. This was still 381 points below that at 1,386 by the end of June 2001. The decline in freight rates exerted a negative impact on the Group's shipping activities as its committed tonnage was yet to be unwound. The shipping turnover was HK\$267,333,000 for the period, representing a decrease of 22% as compared to that of the last corresponding period. During the period, the Company put every effort to improve efficiency and adopted active measures to reduce its main operating costs. Under such circumstances, the Group's shipping operations managed to operate at a profit of HK\$12,030,000 for the period; whereas an operating profit of HK\$20,505,000 was reported for the last corresponding period.

Meanwhile, the Group remains its strategy of expanding fleet of well-equipped and modernized owned vessels. During the period, two motor vessels namely "Jin Tai" and "Jin Kang" were delivered respectively in January and March 2002 as scheduled. As at 30 June 2002, the Group owned eleven dry bulk vessels with total dead weight tonnages of about 544,000 tonnes.

Affected by the downturn of the economy, the turnover for the Group's trading of chemical products was HK\$104,797,000, representing a decrease of 9% as compared to the last corresponding period. A modest profit was reported for both the trading activities and investments in China during the period.