

Business Highlights

Better but still challenging dry bulk market conditions in first half 2017

Group

- Market conditions have improved since last year and we believe the worst of the current dry bulk market cycle is behind us
- We booked a much reduced underlying loss of US\$6.7 million and increased positive EBITDA of US\$56.6 million
- Our Handysize and Supramax daily TCE earnings outperformed the market indices by 20% and 11% respectively
- We took delivery of our final newbuildings and recommenced secondhand acquisitions
- Our mid-year cash position was US\$248 million with net gearing of 40%
- We opened a new commercial office in Rio and relocated our headquarters in Hong Kong to an improved, lower-cost office

Fleet




- Our last seven newbuildings delivered in the first half of the year
- We used the still weak asset values to buy a younger, larger Supramax vessel of better design to one we sold, and we purchased two secondhand Handysize vessels
- Our owned fleet expanded to 101 ships on the water by mid-year, and we operated about 250 dry bulk ships overall
- We continued to exercise good control of our operating expenses
- We have covered 57% of our Handysize and 80% of our Supramax revenue days for second half 2017 at US\$8,360 and US\$9,830 per day net respectively

Position

- Market freight rates in the first half were significantly above the historic low levels of one year ago, but earnings are still not profitable for most dry bulk shipowners
- The shrinking orderbook bodes well for the long term, but reduced scrapping and continued global fleet growth remain negative factors
- More scrapping and limited ordering are required for a more normal market balance to be sustained
- Our healthy cash and net gearing positions enhance our ability to safely navigate the protracted challenging environment and attract cargo as a strong partner
- We continue to assess attractive ship acquisition opportunities to grow and renew our fleet

Our Fleet (as at 30 June 2017)



	Vessels in operation		
	Owned	Chartered	Total
 Handysize	79	73	152
 Supramax	21	82	103
 Post-Panamax	1	1	2
Total	101	156	257

Our cover design is a map of international load line zones used to establish safe loading practices in different areas and at different times of the year.

Tropic of Capricorn