

Business Highlights



Better minor bulk market rates combined with our continued outperformance and competitive cost structure supported much improved results

GROUP

- ▶ We recorded a net profit of US\$30.8 million (2017: net loss of US\$12.0 million)
- ▶ We have declared an interim dividend of HK 2.5 cents per share
- ▶ Our Handysize and Supramax daily TCE earnings outperformed the market indices by 19% and 11% respectively
- ▶ We secured a US\$325 million revolving credit facility that significantly extends our repayment profile and lowers our finance costs
- ▶ Our mid-year cash position was US\$317 million with net gearing of 36% (net borrowings to net book value of our fleet)

FLEET




- ▶ We acquired five modern vessels including four funded 50% by equity, which will grow our owned fleet to 111 ships
- ▶ Including chartered ships, we operated an average of 225 vessels in the half year
- ▶ We have covered 54% and 67% of our Handysize and Supramax revenue days for second half 2018 at US\$9,610 and US\$11,010 per day net respectively
- ▶ Our blended Handysize and Supramax vessel operating expenses averaged US\$3,810 per day and we maintain a competitive cost structure overall

OUTLOOK

- ▶ Sound global GDP growth outlook and limited new ship ordering bode well for further improvement in the dry bulk demand-supply balance
- ▶ We are cautiously optimistic for a continued market recovery, although with some volatility along the way
- ▶ Trade dispute actions to date impact only a small fraction of the trades in which we are engaged, but an escalating global trade war could impact global GDP and dry bulk demand
- ▶ We see upside in secondhand vessel values and continue to look at attractive secondhand ship acquisition opportunities
- ▶ Our robust business model, large owned fleet, healthy cash position and competitive cost structure position us well to benefit from the recovering market

OUR FLEET

(as at 30 June 2018)

		Vessels in operation			Total
		Owned	Long-term Chartered	Short-term Chartered ²	
	Handysize	81	21	34	136
	Supramax	26	8	52	86
	Post-Panamax	1	1	0	2
	Total	108¹	30	86	224



¹ An additional 3 vessels we purchased during the period are scheduled to deliver into our fleet by January 2019

² Average number of short-term + index-linked vessels operated in June 2018