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)

<table>
<thead>
<tr>
<th>Vessels in operation</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
</tr>
<tr>
<td>Handysize</td>
<td>81</td>
</tr>
<tr>
<td>Supramax</td>
<td>26</td>
</tr>
<tr>
<td>Post-Panamax</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>108¹</td>
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</tbody>
</table>

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