Pacific Basin Shipping Limited

(*incorporated in Bermuda with limited liability*)
(Stock Code: 2343)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2021

The Board of Directors (the "Board") of Pacific Basin Shipping Limited ("Pacific Basin" or the "Company") is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2021 as follows:

BUSINESS HIGHLIGHTS

Group

- We recorded an underlying profit of US$150.4 million in the first half of 2021, representing our best half-year results in 13 years on the back of strongly increasing dry bulk freight rates throughout the period
- The Board has declared an interim dividend of HK14 cents
- Our core business made Handysize and Supramax net daily TCE earnings of US$14,380 and US$18,260
- Our operating activity generated a strong daily margin of US$1,320 net over 9,080 operating activity days
- Our total available liquidity increased to US$417.1m (cash and committed facilities) with net gearing of 31%

	Six Months Ended 30 June	
US$ Million	**2021**	2020
Revenue	**1,142.0**	681.5
EBITDA #	**244.6**	79.2
Underlying profit/(loss)	**150.4**	(26.6)
Profit/(loss) attributable to shareholders	**160.1**	(222.4)
Basic earnings per share *(HK cents)*	**26.4**	(37.1)
Dividend per share *(HK cents)*	**14.0**	–

\# *EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation; closed-out gains on fuel price hedges and unrealised derivative income and expenses.*

Fleet

- We have taken delivery of 2 modern second-hand Handysize and 5 Ultramax ships to date (with 1 more delivering in Q4), and we sold 4 older, small Handysize vessels
- We own 119 ships and we currently have around 270 ships on the water overall, which is the biggest fleet we have ever controlled
- We have grown the Supramax proportion of our fleet and now benefit from the larger earnings upside that these larger ships enjoy in strong markets
- We have covered 76% and 81% of our Handysize and Supramax vessel days for the third quarter of 2021 at US$20,800 and US$31,310 per day net respectively

Our Fleet

	Vessels in Operation[1]				
	Owned [2]	Long-term Chartered	**Subtotal**	Short-term Chartered [3]	**Total**
	Substantially fixed costs			Costs fluctuate with market	
Handysize	77	12	**89**	34	**123**
Supramax (incl. Ultramax)	41	4	**45**	95	**140**
Post-Panamax	1	0	**1**	0	**1**
Total	119	16	**135**	129	**264**

[1] as at 30 June 2021

[2] Including 1 purchased Handysize vessel that delivered to us in July and 1 purchased Ultramax vessel with estimated delivery in fourth quarter 2021

[3] Average number of short-term and index-linked vessels operated in June 2021

Outlook

- In June we registered our strongest monthly underlying results ever. We have covered substantially all of July and August at even higher daily TCE rates, and we expect continued healthy demand and reducing net fleet growth to result in higher average dry bulk freight earnings in the second half of 2021 compared to the first half
- In the short term, we expect market tightness to continue with the imminent start to the northern hemisphere grain export season that typically drives rates in the third quarter. Dry bulk demand for the rest of the year is expected to continue to be broad based and benefit from economic stimulus and infrastructure projects, although with some uncertainty over the path of the pandemic and the longevity of policy support
- We are optimistic about the longer term outlook for the dry bulk market. The orderbook is at an all-time low and we believe supply growth can remain at moderate levels because decarbonisation rules will result in shorter expected economic lives for newbuildings with conventional fuel oil engines, hence discouraging new ship ordering, and IMO rules will force slower speeds from 2023
- Our large core fleet with an enlarged Supramax proportion, our customer-focused business model, our efficient cost structure and our strong team equip us to provide customers with sector-leading service and performance and position us well to take advantage of the strong market

Our Best Half-Year Results in 13 Years, and Our Third Quarter Committed Rates are Even Stronger

During the first half of 2021, we made an underlying profit of US$150.4 million, a net profit of US$160.1 million, an EBITDA of US$244.6 million and a healthy return on equity of 28%. EPS was HK26.4 cents and the Board has declared an interim dividend of HK14 cents per share, in line with our dividend policy of paying out at least 50% of net profits.

While this is our strongest half-year result in 13 years, it is important for investors to note that our profitability improved progressively over the period.

Our underlying result for June alone was US$53 million, the Company's highest monthly underlying result ever. We have covered substantially all of July and August at even higher daily TCE rates, whereas the costs of our core fleet remain substantially fixed.

Our results continue to improve primarily due to:

- increasing market freight rates
- the one to three month lag between fixing and execution of voyages
- the gradual expiry of lower paying cargo contracts
- our larger core fleet with substantially fixed costs
- the enlarged proportion of Supramax vessels in our fleet, which benefit from larger upside in strong markets, and
- our stronger second quarter operating activity performance.

This is the strong market that our teams both ashore and on board have worked so hard to set ourselves up for, and it is very satisfying to now see the returns coming through.

Our large **core business** with substantially fixed costs is the main driver of our profitability, although our **operating activity** also contributed positively with strong margins especially in the second quarter. On average, our operating activity generated a margin of US$1,320 net per day over 9,080 operating days in the first half. This is an excellent performance and a testament to the commercial skills of the Pacific Basin team in a fast changing market.

Our overheads, financing costs and vessel operating expenses remain well controlled and competitive, though ship operating expenses have increased for us and the entire shipping industry due primarily to more expensive crew travel, quarantine and other pandemic-related manning costs.

Due to the stronger freight market and our healthy earnings, we continue to strengthen our balance sheet. Our available liquidity has increased to US$417.1 million as at 30 June 2021, and our net borrowings of US$539.5 million were 31% of the net book value of our owned vessels, which is a reduction of six percentage points compared to the end of last year.

Strong Demand is the Main Reason for the Stronger Freight Rates

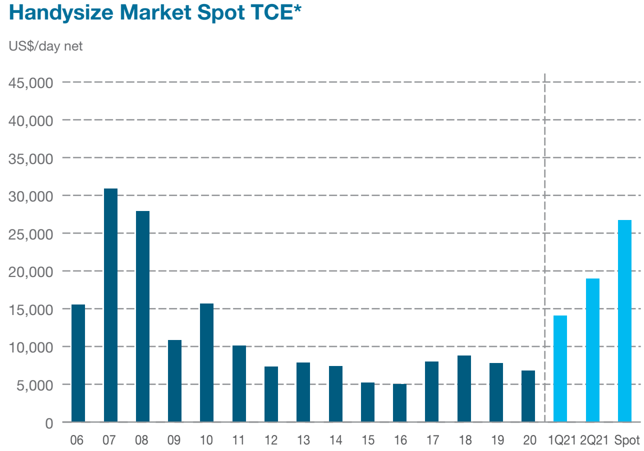
It is primarily strong demand for our two most important commodity groups – minor bulks and grain – that is driving up freight rates in our markets. Indicative global minor bulk loadings were up 13% year on year in the first half of 2021, with strong Chinese import growth in the first quarter followed by increased minor bulk loadings to non-Chinese destinations in the second quarter, including strong US demand for steel, cement and other construction material. Minor bulk demand is broad based and diverse, both geographically and in terms of commodities and customers, and normally tracks growth in GDP. Hence, with a 6% world GDP growth forecast and continued stimulus in many countries, the forecast for minor bulk demand in the rest of the year is positive.

Indicative loading data points to 9% growth in grain loadings in the period, supported by strong soybean trade and an encouraging new trend towards significant corn imports into China. The northern hemisphere grain season is just starting, with Black Sea, European and North American exports gradually requiring tonnage, which often makes the third quarter the strongest quarter of the year for dry bulk. Long-term grain demand is driven less by global economic growth and more by urbanisation, a growing middle class and changing eating habits that drive demand for meat and hence animal feed.

Our segments are also benefiting marginally from exceptionally strong container rates which are driving some commodities to be shipped in geared bulkers, as well as from some fleet inefficiencies caused by congestion, the pandemic and by China not importing coal from Australia but from further afield.

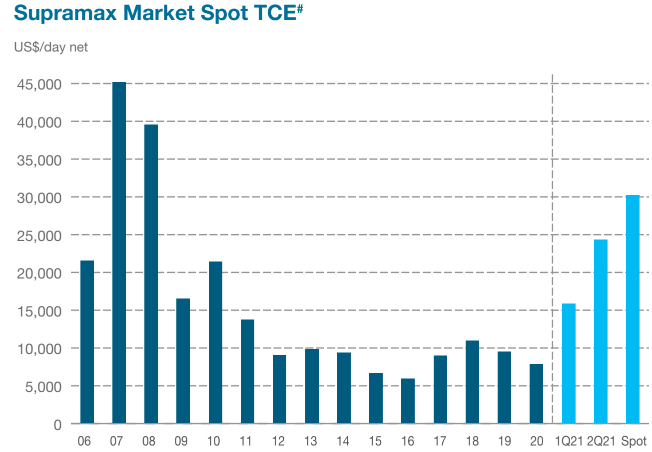
Market TCE Rates are Now Well Above Previous Strong Market Levels of 2010

Handysize Market Spot TCE*



* *Handysize BHSI 28k dwt until end 2017, BHSI 38k dwt tonnage adjusted since 2018*

Supramax Market Spot TCE#



\# *Supramax BSI 52k dwt until July 2015, BSI 58k dwt since August 2015*

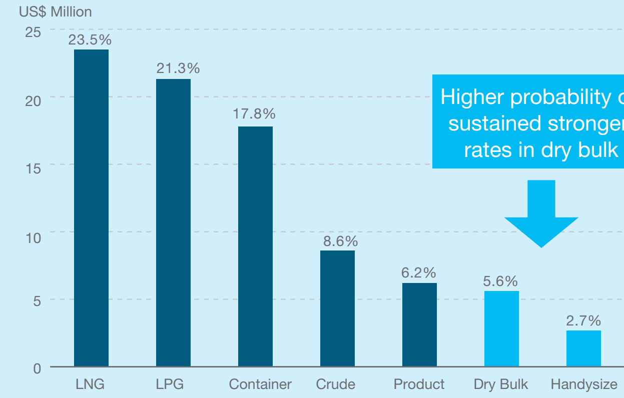
Dry Bulk Supply Growth is Slowing and the Orderbook is at an All-time Low

Despite continued minimal scrapping activity, supply growth has moderated due to slower new shipbuilding deliveries which will reduce further in the second half of 2021 and into 2022. Due to the much higher freight rates, and despite higher fuel prices, vessel operating speeds have accelerated gradually during the year, in spite of which supply capacity remains tight.

Dry bulk net fleet growth is expected to be lower than demand growth in the years ahead, especially for our segments, boding well for freight rates. The dry bulk orderbook as tracked by Clarksons is at an all-time low and is also smaller compared to other shipping sectors.

While strong freight rates have historically led to increased new ordering, we believe that dry bulk supply growth can remain at moderate levels because:

Dry Bulk Orderbook is at an All-Time Low



Source: Clarksons Research

- decarbonisation rules result in uncertainty and shorter expected economic lives for newbuildings with conventional fuel oil engines
- the time between ordering and delivering current technology ships is two to three years, further increasing technical and economic uncertainty
- it will be several more years before new technology ships become commercially viable and the requisite fuelling infrastructure is built out globally
- lower priced second-hand ships with prompt delivery in today's strong market represent a more attractive investment, and
- IMO rules will force slower speeds from 2023

Benefiting from our Strategy of Significantly Growing our Owned Fleet

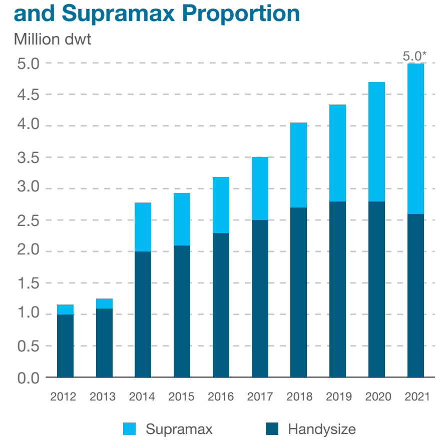
Second-hand vessel values have rebounded since the lows of late last year but are still well below the levels seen in previous strong markets. For example, current values of 10-year old Handysize and Supramax ships are only about 70% of where they were in 2010, while current freight rates are about 135% of average freight rates in 2010. We see further upside in second-hand values and have continued to buy good quality second-hand vessels.

In line with our strategy, we have purchased six Ultramax vessels and two 38,000 dwt Handysize vessels since November last year, of which all but one Ultramax have now been delivered to us. We have strategically grown the Supra/Ultramax proportion of our fleet and now benefit from the larger earnings upside that these larger ships enjoy in strong markets.

Four older, smaller Handysize ships that we agreed to sell in December and January left our fleet in the first half of the year.

Including the Ultramax that has yet to deliver, we own 119 quality ships that are very well suited for our customers and trades and are now generating very attractive returns. The average age of our owned ships is 10.9 years which we consider ideal for optimising our return on capital, with remaining upside on appreciation in value while minimising residual value risk from the shift over time to new technology vessels. Including chartered ships, we currently have around 270 ships on the water, which is the biggest overall fleet we have ever controlled.

Significant Growth of Owned Fleet and Supramax Proportion



* Including purchased and sold vessels in the first half of 2021

Second-hand vessel values remain well below the previous strong market levels of 2010 despite freight rates being well above 2010 levels. We see further upside in second-hand values and have continued to buy good quality second-hand vessels.

Crew Change and Other Pandemic Impacts on our Operations

Our wide-ranging business continuity initiatives have enabled our business to remain fully operational throughout the pandemic. Covid-related additional costs and delays are being carefully managed and our service to customers has continued substantially uninterrupted despite continued crew-change restrictions and complications.

We are grateful to our seagoing staff who throughout the pandemic have demonstrated continued professionalism in maintaining safe operating practices while Covid restrictions sometimes keep them at sea for longer than expected.

We are encouraged by the 70% vaccination rate among our seafarers prior to joining our ships, and we are facilitating inoculation of our unvaccinated crews when our ships call in ports that welcome seafarers at their vaccination centres, such as in the United States.

New IMO Carbon-Efficiency Regulations will Force Lower Speeds from 2023

IMO adopted global regulations in June 2021 to drive technical and operational measures to ensure annual improvements in the carbon efficiency of existing ships over the course of this decade with effect from January 2023. We at Pacific Basin have been adopting such carbon efficiency enhancements and practices for many years which positions our ships well to comply.

In mid-July, the European Commission announced its intention to include shipping in the European Union Emissions Trading System (EU ETS), charge tax on bunker fuel and implement carbon intensity reduction requirements effective 2023 which, subject to further development of these rules, may help to drive a more ambitious pace of decarbonisation.

A more detailed review of the IMO and EU rules will feature in our 2021 Sustainability Report, though it is fair to conclude that a medium-term consequence of both will be slower average speeds, with poorly designed and less fuel-efficient ships affected the most. We believe this will improve Pacific Basin's relative competitiveness in the market.

In the longer term, we will invest in low- or zero-emission ships when they become commercially viable for minor bulk and the requisite global refuelling infrastructure is in place. R&D has ramped up fast and we at Pacific Basin are supportive of and involved in the industry-wide discussion to make zero-emission ships a reality within this decade. In the meantime, we are not contracting newbuildings with conventional fuel oil engines.

Positive Market Outlook for the Second Half

In July, the IMF further upgraded its global GDP growth forecast to 6% in 2021 and 4.9% in 2022 to reflect mainly pandemic and fiscal support developments in advanced economies in addition to the vaccine-powered recovery previously anticipated for the second half of 2021. These economic drivers are already supporting strong demand for dry bulk shipping, which we expect to continue to benefit particularly from economic stimulus and infrastructure projects, although with some uncertainty over the path of the pandemic and the longevity of continued policy support.

In the short term, current market tightness is expected to continue with the imminent start to the northern hemisphere grain export season that typically drives rates in the third quarter.

We expect continued dry bulk demand strength in the second half to be broad based and less China dependent. We expect continued healthy demand for minor bulks and grain and the reducing fleet growth to result in higher average dry bulk freight earnings in the second half of 2021 compared to the first half, as is also indicated by our strong cover rates for the third quarter. Our current attractive earnings will enable us to return capital to our shareholders through our dividend policy.

A Change at the Helm

As announced in January, I am retiring at the end of July after more than nine years as CEO and will return to my native Sweden. The Company is today entirely focused on its now significantly larger core Handysize and Supramax business with a strong team and efficient cost structure, and is well positioned to take advantage of the strong market. I thank my Pacific Basin colleagues – ashore and at sea – as well as our shareholders and all stakeholders for your excellent support over the years. It has been an honour serving with Pacific Basin.

I feel all the more fulfilled knowing that Pacific Basin has an excellent new CEO taking the helm on 31 July. Martin Fruergaard comes with impressive, lifelong maritime experience and proven leadership credentials. The Board and I are excited about Martin joining the Company and are confident that Pacific Basin's leading position in the minor bulk segments will continue to develop and prosper under his leadership.

And finally, I will leave Pacific Basin knowing that the Company is in the good hands of a world-class Board of Directors and the best team of talented, experienced, hard-working and loyal staff who make the Company the segment leader and carrier of choice that it is.

Mats Berglund
Chief Executive Officer

Hong Kong, 29 July 2021

Possible Market Drivers in the Medium Term

OPPORTUNITIES

- Continued growth and strong industrial production and grain consumption in China, driving demand for dry bulk commodities
- Post-pandemic and stimulus-driven recovery in the US and rest of the world
- Slower vessel operating speeds due to emissions regulations and increased fuel cost
- Limited new ship ordering and deliveries due to decarbonisation regulations and uncertainty over future vessel designs and alternative fuels, leading to tighter supply
- Increased scrapping of poor quality and poorly designed tonnage facing onerous environmental regulations and expensive maintenance and upgrade costs

THREATS

- Expanding or renewed pandemic containment measures impacting global economic activity and the trade in dry bulk commodities
- Excessive new ship ordering in dry bulk driving increased net fleet growth
- Slowing Chinese economic growth and reduced stimulus, impacting dry bulk demand
- Tariffs and protectionism driving local production at the expense of global trade
- The marginal benefit that dry bulk demand is getting from temporary factors such as fleet inefficiencies and the very strong container market may reduce

Dry Bulk Has Gone From Strength To Strength

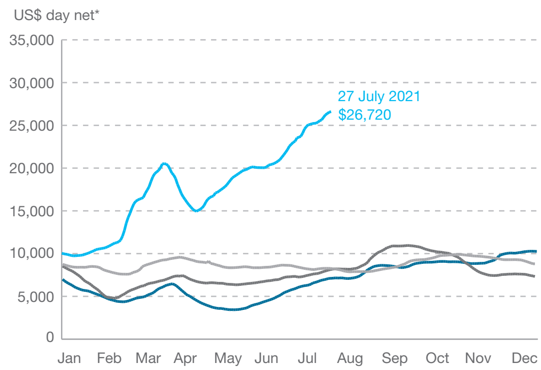
US$16,400 net ⬆ 233% YOY

BHSI 38K (tonnage adjusted) Handysize
1H21 average market spot rate

US$19,960 net ⬆ 248% YOY

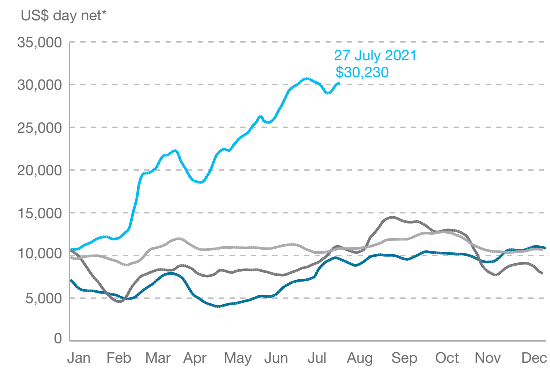
BSI 58K Supramax
1H21 average market spot rate

Handysize Market Spot Rates



BHSI 38,000 dwt (tonnage adjusted)

Supramax Market Spot Rates



BSI 58,000 dwt

2018 2019 2020 2021

* Excludes 5% commission
Source: Baltic Exchange

Dry Bulk Demand is Strong and Broad Based

The freight market in the first half of 2021 benefited from a broad-based increase in demand for commodities. Preliminary data indicates that global dry bulk volumes loaded in the period grew 8% compared to the same period last year, supported by several drivers.

Chinese demand for dry bulk imports continued to be strong on the back of increased construction, manufacturing and industrial output (driving minor bulk and iron ore volumes) and a restocking of the swine population (driving grain and soybean volumes). Trade tensions between Australia and China resulted in China sourcing imports from further afield, increasing tonne-miles.

Non-Chinese destinations demonstrated firm demand growth due to stimulus and economic activity around the world, driving trade in key commodities such as iron ore, global loadings of which were up around 4% in the year to June compared to the same period last year.

Global grain loadings were 9% higher in the first half, benefiting from the continuation of record high US soybean exports from late 2020 into 2021, a strong South American grain export season in the second quarter, and significant corn exports to China which is a new and encouraging trend.

Global coal loadings in the first half recovered 4% following the pandemic-induced weakness of last year, particularly due to a recovery in Indian demand.

Global minor bulk loadings were up 13% due to increased construction, and benefiting marginally from the exceptionally high container rates resulting in some breakbulk cargoes switching to dry bulk ships.

DEMAND DRIVERS

1H2021 Global Cargo Loading Volumes

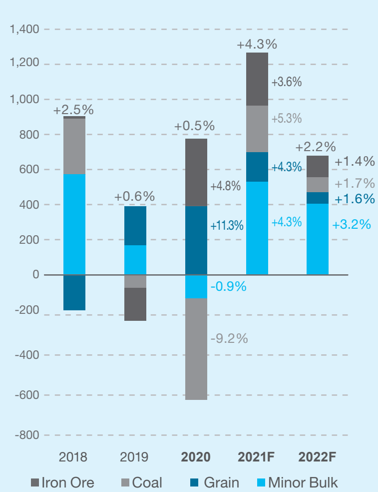
Iron Ore	⬆ +4%
Coal	⬆ +4%
Grain	⬆ +9%
Minor Bulks*	⬆ +13%
Total Dry Bulk	⬆ +8%

* Minerals, non-coal energy, metals and ores, fertiliser, sugar and non-grain agricultural products, cement and clinker, logs and forest products, steel and scrap

Source: AXS Marine

Annual Change in Global Dry Bulk Tonne-mile Demand

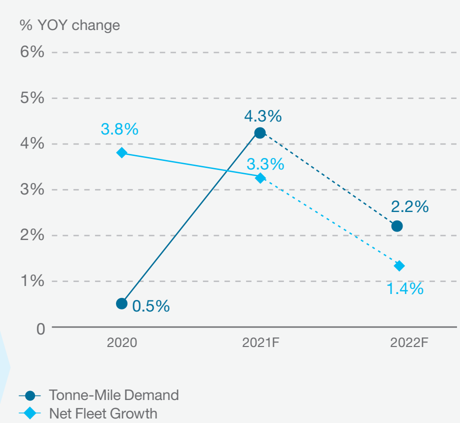
YOY change in Billion tonne-miles



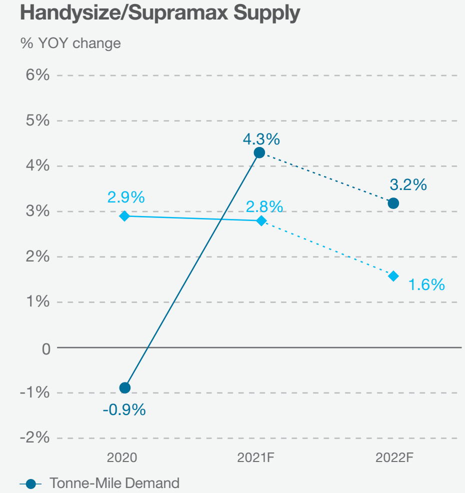
Source: Clarksons Research, data as at July 2021

Positive Demand and Supply Balance Expected Ahead

Total Dry Bulk Supply and Demand



Minor Bulk Demand and Handysize/Supramax Supply



Source: Clarksons Research, data as at July 2021

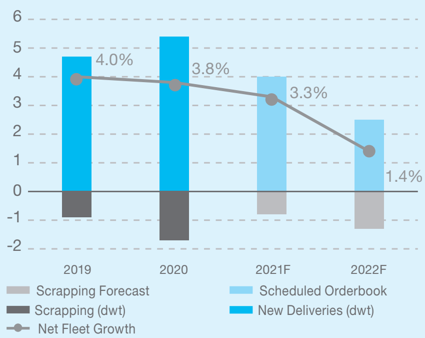
Net Fleet Growth Is Reducing

+1.9%
Overall dry bulk capacity 1H21

+1.3%
Global Handy/Supra capacity 1H21

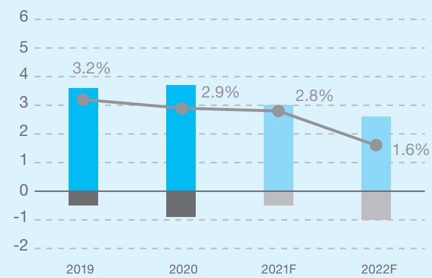
Overall Dry Bulk Supply Development

% of Total Fleet



Handysize/Supramax Supply Development

% of Total Fleet



Source: Clarksons Research, data as at July 2021

Bulker scrapping has been very low due to the healthy returns owners are making by continuing to operate their vessels in the current strong freight market. Even without scrapping, global dry bulk net fleet growth has slowed since mid-2020, with capacity expanding only 1.9% net during the first half of 2021 compared to 2.2% in the same period last year, mainly due to slowing newbuilding deliveries which peaked in the second quarter of 2020. The market also benefited marginally from fleet inefficiencies.

The global fleet of Handysize and Supramax ships in which we specialise grew by only 1.3% net, pointing to even healthier fundamentals compared to the large vessel sizes.

Due to the much higher freight rates and despite higher fuel prices, vessel operating speeds have accelerated by 3% during the period, in spite of which supply remains tight.

Moderate net fleet growth is expected in the next few years due to the orderbook remaining low and scrapping potentially increasing as the fleet ages and decarbonisation regulations tighten. Effective 2023, IMO and EU decarbonisation regulations will also lead to some reduction in vessel speeds which in turn reduces supply, also boding well for the market in the longer term.

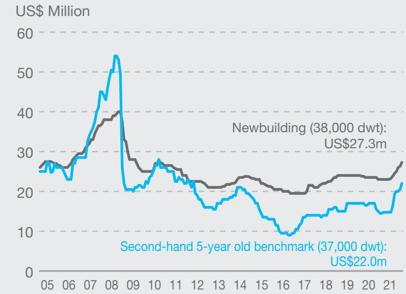
Second-hand Ship Values Have Rebounded

US$22.0m ⬆ 49%
Second-hand Handysize YOY

Vessel values have rebounded since the lows of late 2020, supported by the much stronger freight market and improved outlook. Clarksons Research currently values a benchmark five-year old Handysize ship at US$22.0 million, up 49% since the start of the year.

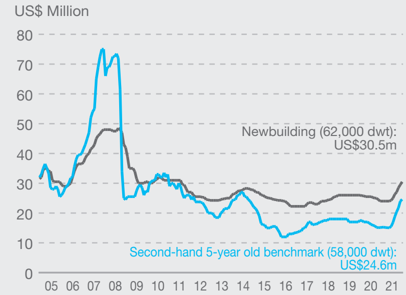
Handysize Vessel Values

US$ Million



Supramax Vessel Values

US$ Million



Source: Clarksons Research and Baltic Exchange, data as at July 2021

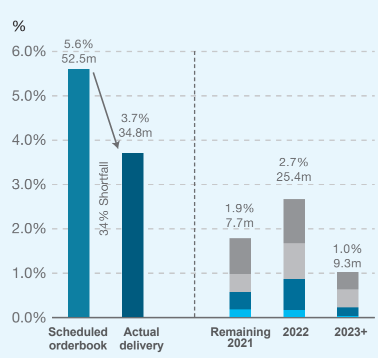
VALUES & OUTLOOK IMPACT NEW SHIP ORDERING

Dry Bulk Orderbook is at a Record Low

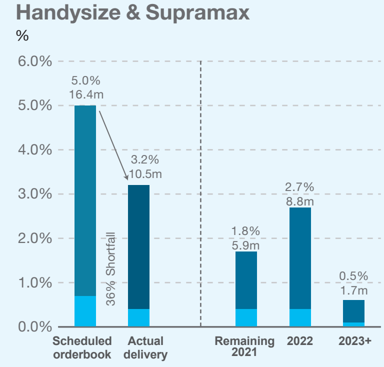
New bulk carrier ordering in the first half of the year remained subdued despite the strong freight market and is expected to remain restrained as higher commodity prices have driven up newbuilding costs significantly, and tightening decarbonisation regulations and related technological uncertainty discourage ordering of conventional vessels based on fossil fuels.

The combined Handysize and Supramax orderbook now stands at 5.0% of the existing fleet, and the overall dry bulk orderbook is at a record low 5.6%, presenting the basis for a continued tight supply/demand balance in the next few years.

Orderbook by Year

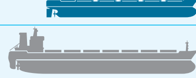
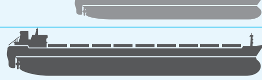


Combined Orderbook: Handysize & Supramax



Source: Clarksons Research, data as at July 2021

Handysize has the smallest orderbook and the oldest fleet in the dry bulk sector

		ORDERBOOK AS % OF EXISTING FLEET	AVERAGE AGE	OVER 20 YEARS OLD	1H21 SCRAPPING AS % OF 1 JANUARY 2021 EXISTING FLEET
	Handysize (10,000–41,999 dwt)	2.7%	12	13%	0.4%
	Supramax (incl. Ultramax) (42,000–64,999 dwt)	6.2%	10	8%	0.2%
	Panamax & Post-Panamax (65,000–119,999 dwt)	6.1%	11	10%	0.2%
	Capesize (incl. VLOC) (120,000+ dwt)	5.9%	9	1%	0.8%
	Total Dry Bulk > 10,000 dwt	5.6%	11	6%	0.5%

Source: Clarksons Research, data as at July 2021

OUR PERFORMANCE

Our business generated an underlying profit of US$150.4 million (2020: underlying loss of US$26.6 million) representing our strongest half-year result in 13 years. We delivered our best daily TCE earnings since 2010, generated strong operating activity margins, and continued to maintain good control of our vessel operating costs.

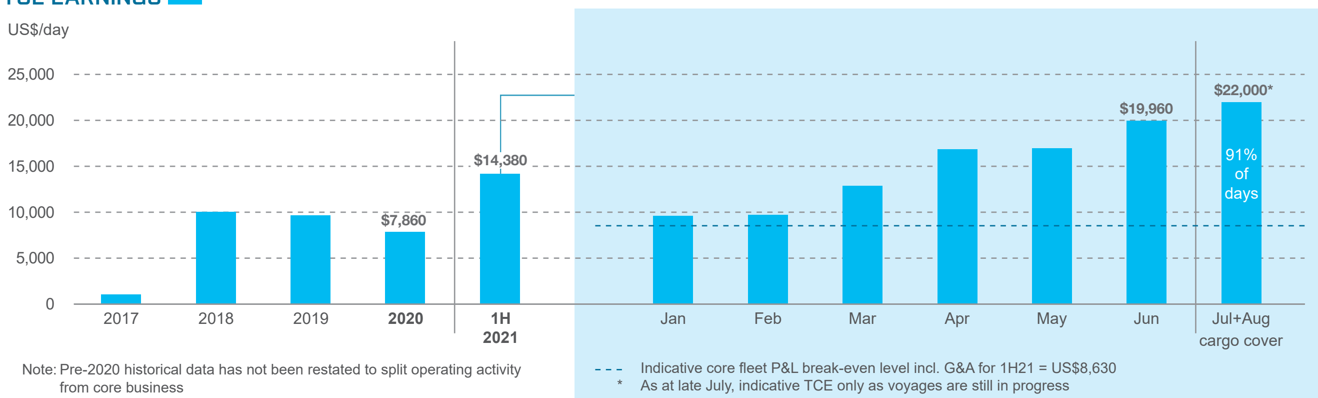
	Six months ended 30 June		
US$ Million	**2021**	**2020**	**Change**
Core business Handysize contribution	**105.2**	(16.0)	>+100%
Core business Supramax contribution	**65.9**	5.0	>+100%
Operating activity contribution	**11.9**	12.5	-5%
Post-Panamax contribution	**2.1**	2.1	–
Performance before overheads	**185.1**	3.6	>+100%
Adjusted total G&A overheads	**(34.1)**	(30.0)	-14%
Tax and others	**(0.6)**	(0.2)	>-100%
Underlying profit/(loss)	**150.4**	(26.6)	>+100%
Vessel net book value (incl. assets held for sale)	**1,720.0**	1,717.5	+0%

+/- Note: In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result.

CORE BUSINESS

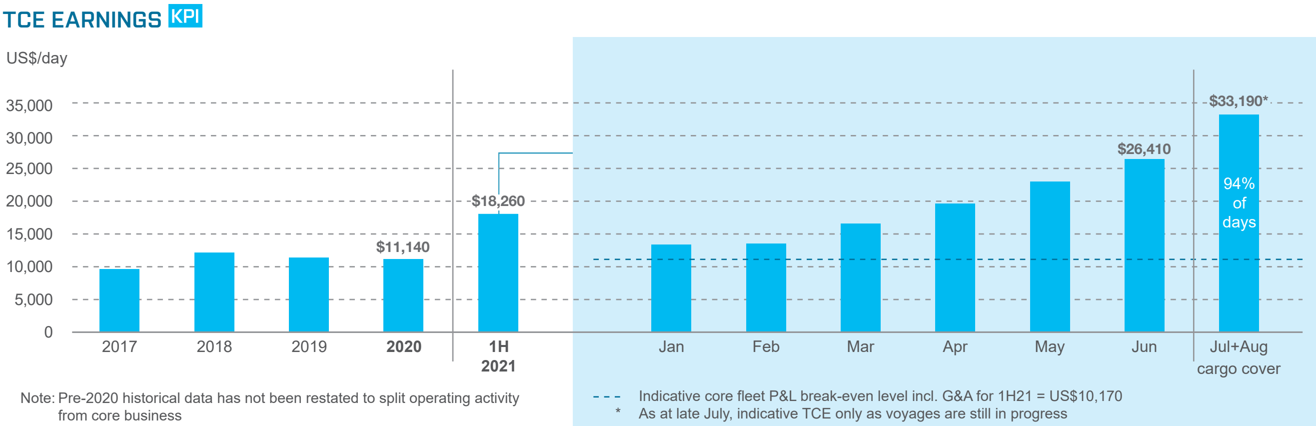
Handysize

TCE EARNINGS KPI



Supramax

TCE EARNINGS KPI

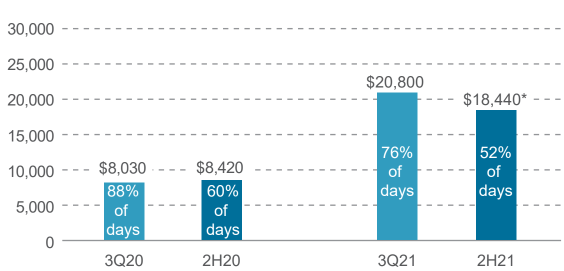


- Our core business generated:
  - Handysize daily TCE earnings of US$14,380 on 16,030 revenue days.
  - Supramax daily TCE earnings of US$18,260 on 7,360 revenue days.
- Our daily TCE earnings have improved progressively every month in the year to date due to the much stronger minor bulk market which, together with our good cost control, has resulted in significantly increased Handysize and Supramax contributions.
- In June we registered our strongest monthly underlying result ever of US$53 million, and we have covered substantially all of July and August at even higher daily TCE rates.

FORWARD CARGO COVER

Handysize

US$20,800 per day (net) in 3Q 2021



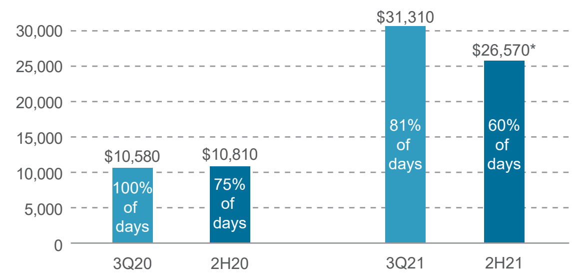
As at late July, indicative TCE only as voyages are still in progress.

*Note that our Handysize cover for the rest of the year is backhaul heavy. When combined with better earning fronthaul voyages, the overall TCE will typically be higher.

FORWARD CARGO COVER

Supramax

US$31,310 per day (net) in 3Q 2021



As at late July, indicative TCE only as voyages are still in progress

*Note that our Supramax cover for the rest of the year is backhaul heavy (see Handysize note to left) and excludes any scrubber benefit, currently about US$1,250 per day.

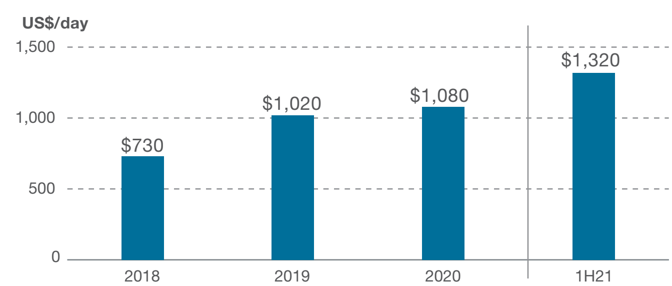
- We have covered 76% and 81% of our Handysize and Supramax vessel days currently contracted for the third quarter of 2021 at US$20,800 and US$31,310 per day net respectively.
- We have covered 52% and 60% of our Handysize and Supramax vessel days currently contracted for the second half of 2021 at US$18,440 and US$26,570 per day net respectively. (Cargo cover excludes operating activity.)
- Following the United States' announced termination of the reciprocal tax exemption with Hong Kong on international shipping income, we have commenced payment of US transportation tax on our international shipping activities in US waters with effect from January 2021, but we continue to investigate with Hong Kong authorities solutions to reduce or eliminate these taxes in the future.

OPERATING ACTIVITY

- Our operating activity generated a strong margin of US$1,320 net per day over 9,080 operating days in the first half of the year on short-term ships that we chartered specifically to carry spot cargoes.
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered ships (when our core ships are unavailable), thereby making a margin and contributing to our group results regardless of whether the market is weak or strong.

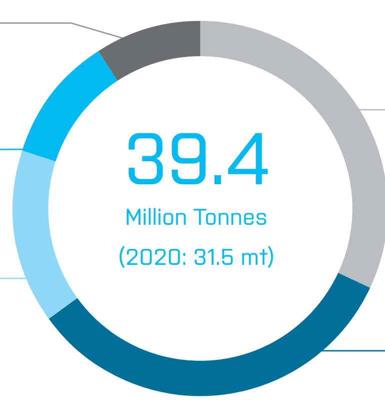
Margin KPI

US$1,320 per day (net)



OUR CARGO VOLUMES IN 1H 2021

Minerals	**9%**
Sand & Gypsum	3%
Salt	4%
Soda Ash	2%
Energy	**11%**
Coal	7%
Petcoke	3%
Wood Pellets	1%
Metals	**15%**
Ores	6%
Concentrates	5%
Alumina	3%
Others	1%



Agricultural Products & Related	**32%**
Grains & Agricultural Products	19%
Fertiliser	9%
Sugar	4%
Construction Materials	**33%**
Cement & Cement Clinkers	13%
Steel & Scrap	11%
Logs & Forest Products	9%

CORE BUSINESS VESSEL COSTS

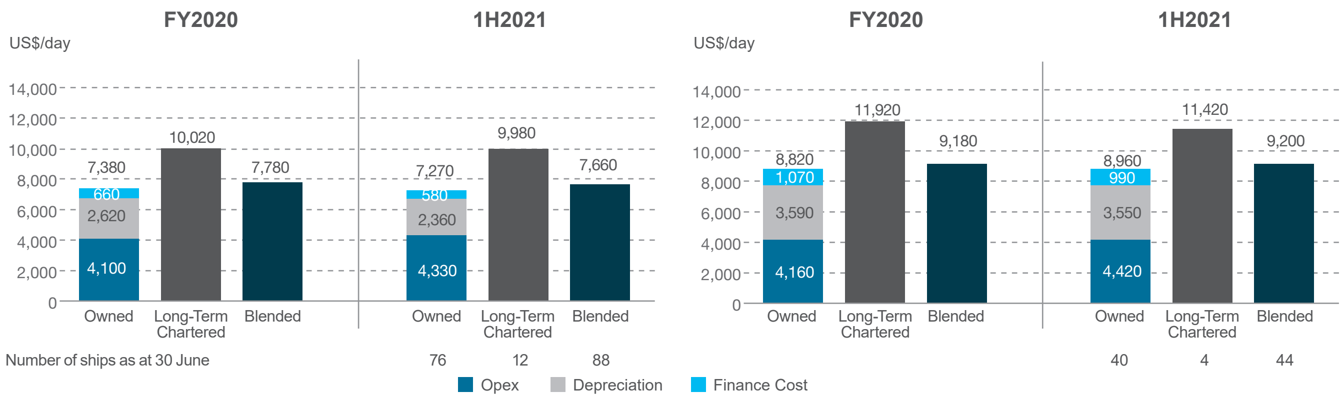
Daily Vessel Costs (Before G&A Overheads)

Handysize

US$7,660 per day (blended)

Supramax

US$9,200 per day (blended)



Owned Vessel Costs

- **Operating expenses**

  Our average Handysize and Supramax daily vessel operating expenses ("Opex") amounted to US$4,360 per day (FY2020: US$4,120), which is an increase of 6% compared to FY2020. This was mainly due to more expensive crew travel, quarantine and other pandemic-related manning costs, which have affected the entire industry. Our Opex remained at competitive levels as a result of efficient management, good cost control and scale benefits, including operational and procurement cost efficiencies.

  During the period, our fleet of owned vessels experienced on average 0.8 days (FY2020: 1.0 days) of unplanned technical off-hire per vessel of which 0.2 days were Covid related.

- **Depreciation**

  Our daily depreciation costs (including capitalisation of dry-docking costs) decreased by 10% for Handysize mainly due to the impairment taken in June 2020.

- **Finance costs**

  Our daily finance costs decreased by 12% and 7% compared to FY2020 for Handysize and Supramax respectively, reflecting the combined effect of less borrowings and lower interest rates. Our blended Handysize and Supramax finance costs averaged US$710 per day (FY2020: US$780).

Long-term Chartered Vessel Costs

Long-term chartered vessel daily costs mainly comprise the depreciation of right-of-use assets, interest expenses of lease liabilities and technical management service costs for leases over 12 months. Our Handysize long-term chartered vessel costs were substantially unchanged. Our Supramax long-term chartered vessel costs reduced by 4% primarily due to the redelivery of more expensive vessels.

US$	FY2020	**1H2021**	2H2021 (future)
Handysize	10,020	**9,980**	10,550
Supramax	11,920	**11,420**	14,560

Blended Costs

Our daily blended costs for owned and long-term chartered vessels reduced to US$7,660 for Handysize and increased to US$9,200 for Supramax (FY2020: US$7,780 and US$9,180).

Future Long-Term Chartered Costs

	Handysize		Supramax	
Year	Vessel days	Average cost (US$)	Vessel days	Average cost (US$)
2H2021	2,660	10,550	1,290	14,560
2022	4,240	9,980	1,170	13,250
2023	2,250	10,240	270	10,290
2024	1,660	10,290	–	–
2025	370	10,500	–	–
Total	**11,180**		**2,730**	

Vessel Days

	Handysize		Supramax	
Days	FY2020	**1H2021**	FY2020	**1H2021**
Core business revenue days	34,120	**16,030**	14,120	**7,360**
– Owned revenue days	28,830	**13,650**	12,450	**6,650**
– Long-term chartered days	5,290	**2,380**	1,670	**710**
Short-term core days[1]	6,070	**4,780**	12,520	**9,710**
Operating activity days	7,310	**2,830**	8,190	**6,250**
Owned off-hire days	820	**310**	280	**90**
Total vessel days	48,320	**23,950**	35,110	**23,410**

(1) Short-term chartered ships used to support our core business

General and Administrative ("G&A") Overheads

Our adjusted total G&A overheads increased to US$34.1 million (1H2020: US$30.0 million and FY2020: US$61.2 million) due primarily to an increase in staff costs during the period. Spread across our total vessel days, our daily G&A overheads remain competitive at US$720 (FY2020: US$730), comprising US$970 and US$520 (FY2020: US$940 and US$520) per day for owned and chartered ships respectively.

FUNDING

Cash Flow and Liquidity

The Group's four main sources of funds are operating cash flows, loans, convertible bonds and equity. The major factors influencing future cash balances are operating cash flows, the purchase and sale of vessels, the payment of dividends and drawdown and repayment of borrowings.

We actively manage the cash and borrowings of the Group to ensure sufficient funds are available to meet our Group's commitments and an appropriate level of liquidity is maintained during different stages of the shipping cycle.

Over the long term, we aim to maintain a consolidated net gearing of no greater than 50% – defined as the ratio of net borrowings to net book value of owned vessels – which we believe is appropriate over all stages of the shipping cycle. We successfully continue to maintain the ratio well below this limit.

The information in this section is presented before the adjustments required by HKFRS 16 "Leases".

Key Developments in 1H 2021

- Our operating cash inflow inclusive of all long and short-term charter-hire payments was US$203.9 million, as compared with US$77.5 million in the first half of 2020 and US$181.5 million in the full year 2020.
- In April we closed a new US$45.0 million bilateral 6-year term loan secured against two unmortgaged vessels.
- Our net cash outflow from borrowings was US$98.9 million in the period after we drew down US$45.0 million net under our committed facilities while making net repayments of US$143.9 million.
- During the period we incurred capital expenditure of US$114.6 million in cash, of which:

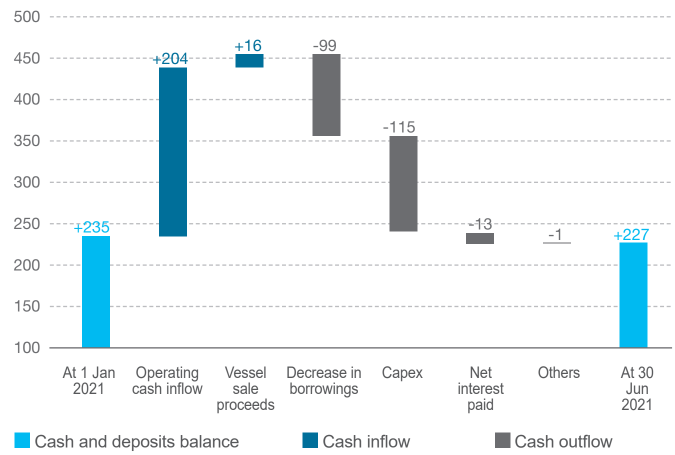
  (a) we paid US$96.4 million for four second-hand Ultramax vessels that we committed to purchase in November 2020 and one additional second-hand Ultramax and one second-hand Handysize which delivered into our fleet in the first half of 2021; and

  (b) we paid US$18.2 million for dry dockings and the installation of ballast water treatment systems.
- In June we purchased one second-hand Handysize vessel for US$14.9 million in cash which was paid for and delivered in July and one second-hand Ultramax vessel for US$14.8 million which will be paid for in cash and is expected to be delivered into our fleet in the fourth quarter.

As at 30 June 2021:

- The Group's cash and deposits were US$227.0 million.
- Our available undrawn committed facilities were US$190.1 million.
- We had a 31% net gearing ratio.
- We had eight unmortgaged vessels.

Cash Inflow and Outflow in 1H 2021



Liquidity and Borrowings

US$ Million	30 Jun 2021	31 Dec 2020	Change
Cash and deposits (a)	**227.0**	234.8	-3%
Available undrawn committed facilities	**190.1**	127.7	+49%
Total available liquidity	**417.1**	362.5	+15%
Current portion of borrowings	**(88.8)**	(88.7)	
Non-current portion of borrowings	**(677.7)**	(775.2)	
Total borrowings (b)	**(766.5)**	(863.9)	+11%
Net borrowings (b)-(a)	**(539.5)**	(629.1)	+14%
Net borrowings to shareholders' equity	**44%**	59%	
Net borrowings to net book value of owned vessels KPI	**31%**	37%	

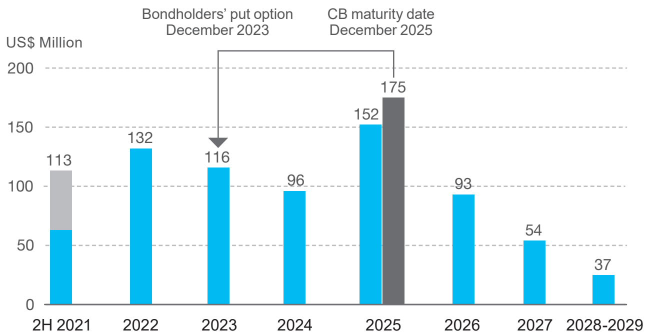
We invest our cash in a mix of financial products, based on our assessment of balance of risk, return and liquidity. Cash, deposits and investment products are placed with a range of leading international banks, mainly in Hong Kong and Singapore.

The Group's cash and deposits at 30 June 2021 comprised US$223.9 million in United States Dollars and US$3.1 million in other currencies. They are primarily placed in liquid deposits of three months or less and saving accounts. This maintains liquidity to meet the Group's working capital needs, dividends and any vessel purchase commitments.

During the first half of 2021, we achieved a 0.3% return on the Group's cash.

Borrowings and Undrawn Committed Facilities

Schedule of Reduction in Borrowings and Undrawn Committed Facilities



We arrange financing by leveraging the Group's balance sheet to optimise the availability of cash resources of the Group. The aggregate borrowings and undrawn committed facilities of the Group at 30 June 2021, including the liability component of the convertible bonds, amounted to US$956.6 million (31 December 2020: US$991.6 million) and are mainly denominated in United States Dollars.

- US$50.0 million unsecured 364-day revolving credit facility
- Secured borrowings and undrawn committed facilities (US$742.6 million)
- Convertible bonds (face value US$175.0 million, book value US$164.0 million, bondholders' put option December 2023)

Borrowings and Undrawn Committed Facilities – US$792.6 million (31 December 2020: US$828.7 million)

The overall decrease in secured borrowings is mainly due to scheduled loan amortisation, partially offset by the closing of one new bilateral term loan.

The Group monitors the loan-to-asset value requirements on its bank borrowings. If the market values of the Group's mortgaged assets fall below the level prescribed by our lenders, the Group may pledge additional cash or offer other additional collateral unless the banks offer waivers for technical breaches.

As at 30 June 2021:

- The Group's secured borrowings were secured by 109 vessels with a total net book value of US$1,607.8 million and by an assignment of earnings and insurances in respect of these vessels.
- The Group was in compliance with all its loan-to-asset value requirements.

P/L impact:

A decrease in interest to US$10.8 million (1H 2020: US$14.3 million) was mainly due to a decrease in average borrowings to US$684.3 million (1H 2020: US$810.4 million).

Certain borrowings are subject to floating interest rates but the Group manages these exposures by using interest rate swap contracts.

Convertible Bonds Liability Component – US$164.0 million (31 December 2020: US$162.9 million)

As at 30 June 2021 there remained the 3.0% p.a. coupon December 2025 convertible bonds with an outstanding principal of US$175.0 million and a prevailing conversion price of HK$2.34 per share.

As disclosed in the Company's 2020 Annual Report, US$22.2 million of the original convertible bonds proceeds has been used to replenish the cash used as the cash consideration for the purchase of two vessels pursuant to the four-ship acquisition transaction as announced on 17 September 2019, US$27.2 million has been used as the cash consideration for the purchase of the other two vessels of the said transaction, US$16.8 million has been used to purchase a second-hand Supramax vessel delivered to the Group in early 2020, US$67.0 million has been used to purchase the four second-hand Ultramax vessels as announced in November 2020, and US$13.5 million has been used to purchase one further second-hand Ultramax vessel. All five Ultramax vessels were delivered to the Group during the first half of 2021. The balance of US$26.7 million has been used for general corporate purposes including but not limited to vessel operating expenses, vessel charter-hire, the service of the Group's financial obligations, office administrative expenses and vessel and non-vessel equipment expenditures.

P/L impact:

The US$3.8 million (1H 2020: US$3.7 million) interest expense of the convertible bonds outstanding during the period is calculated at an effective average interest rate of 4.7% (1H 2020: 4.7%).

Finance Costs

US$ Million	Average interest rate P/L	Average interest rate Cash	Balance at 30 June 2021	Finance costs 1H2021	Finance costs 1H2020	Change
Borrowings (including realised interest rate swap contracts)	3.1%	3.1%	602.5	**10.8**	14.3	+24%
Convertible bonds (Note)	4.7%	3.0%	164.0	**3.8**	3.7	-3%
	KPI 3.4%	KPI 3.1%	766.5	**14.6**	18.0	+19%
Other finance charges				**0.7**	0.5	
Total finance costs				**15.3**	18.5	+18%
Interest coverage (calculated as EBITDA divided by total finance costs)				KPI **16.0X**	4.3X	

Note: The convertible bonds have a P/L cost of US$3.8 million and a cash cost of US$2.6 million.

The KPIs on which management focuses to assess the cost of borrowings are average interest rates for different types of borrowings and the Group's interest coverage (see table above).

The Group aims to achieve a balance between floating and fixed interest rates on its borrowings. This is adjusted from time to time, depending on the interest rate cycle, using interest rate swap contracts where appropriate. In the first half of 2021, all our interest rate swap contracts qualified for hedge accounting as cash flow hedges and US$1.4 million of interest rate swap contract expense was realised. As at 30 June 2021, 68% (31 December 2020: 65%) of the Group's borrowings were on fixed interest rates. We currently expect about 57% and 60% of the Group's existing borrowings will be on fixed interest rates as at 31 December 2021 and 2022 respectively, assuming all revolving credit facilities are fully drawn.

Group Performance Review

This Group Performance Review comprises a presentation of our income statement adjusted to provide readers with a better understanding of the key dynamics of a shipping business, more consistent with the way we review our performance in our internal management reporting.

		Six months ended 30 June		
US$ Million	Note	**2021**	2020	Change*
Revenue		**1,142.0**	681.5	+68%
Bunker, port disbursements & other voyage costs		**(429.8)**	(351.6)	-22%
Time-charter equivalent ("TCE") earnings	1	**712.2**	329.9	>+100%
Owned vessel costs				
Operating expenses	2	**(90.3)**	(83.2)	-9%
Depreciation	3	**(57.9)**	(66.7)	+13%
Net finance costs	4	**(15.0)**	(16.4)	+9%
Chartered vessel costs				
Non-capitalised charter costs	5	**(348.4)**	(142.6)	>-100%
Capitalised charter costs	5	**(15.5)**	(17.4)	+11%
Operating performance before overheads		**185.1**	3.6	>+100%
Adjusted total G&A overheads	6	**(34.1)**	(30.0)	-14%
Taxation and others		**(0.6)**	(0.2)	>-100%
Underlying profit/(loss)		**150.4**	(26.6)	>+100%
Unrealised derivative income/(expenses)	7	**6.9**	(4.0)	
Reversal of/(provision for) vessel impairment	8	**3.7**	(198.2)	
Disposal gain/(loss) of vessels	9	**1.1**	(1.0)	
Provisions	10	**(2.0)**	–	
Closed-out gains on fuel price spread hedge		**–**	7.4	
Profit/(loss) attributable to shareholders		**160.1**	(222.4)	>+100%
EBITDA		**244.6**	79.2	>+100%
Net profit margin		**14%**	(33%)	+47%
Return on average equity (annualised)		**28%**	(36%)	+64%

* In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result.

EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation; closed-out gains on fuel price hedges and unrealised derivative income and expenses.

Notes

1. Total time-charter equivalent ("TCE") earnings increased significantly mainly reflecting the strongly improving dry bulk market during the period.
2. Total operating expenses of our owned vessels increased by 9% as a result of an expansion of our owned fleet and more expensive crew travel, quarantine and other pandemic-related manning costs, which have affected the entire industry.
3. Depreciation of our owned vessels decreased by 13% mainly as a result of the impairment of our Handysize fleet made in June 2020.
4. Net finance costs decreased by 9% mainly reflecting the combined effect of less borrowings and lower interest rates.
5. Non-capitalised charter costs comprise the cost of short-term charters with a term of 12 months or less and the non-lease portion of long-term charters with a term of over 12 months. Capitalised charter costs comprise depreciation of right-of-use assets and interest expenses on lease liabilities relating to the lease portion of long-term charters with a term of over 12 months. The significant increase in non-capitalised charter costs is in line with the much stronger market.
6. Adjusted total G&A overheads comprise the total G&A overheads and the interest on lease liabilities of other PP&E. The amount increased by 14% primarily due to increased staff costs.
7. Unrealised derivative income mainly represents the positive mark-to-market on our regular bunker swap contracts.
8. The reversal of impairment relates to the increase in fair market value of vessels classified as assets held for sale.
9. The disposal gain relates to the disposal of our smaller, older Handysize vessels.
10. Provisions relate to potential operational costs and claims.

Unaudited Condensed Consolidated Income Statement

	Note	Six months ended 30 June 2021 US$'000	2020 US$'000
Revenue		**1,142,072**	681,487
Cost of services		**(963,553)**	(683,280)
Gross profit/(loss)		**178,519**	(1,793)
Indirect general and administrative overheads		**(4,178)**	(3,123)
Other income and gains		**4,911**	348
Other expenses		**(2,086)**	(1,009)
Vessel impairment		**–**	(198,203)
Finance income		**313**	2,172
Finance costs		**(16,771)**	(20,266)
Profit/(loss) before taxation	4	**160,708**	(221,874)
Tax charges	5	**(604)**	(503)
Profit/(loss) attributable to shareholders		**160,104**	(222,377)
Earnings per share for profit/(loss) attributable to shareholders (in US cents)			
Basic earnings per share	7(a)	**3.40**	(4.77)
Diluted earnings per share	7(b)	**3.04**	(4.77)

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2021 US$'000	2020 US$'000
Profit/(loss) attributable to shareholders	**160,104**	(222,377)
Other comprehensive income Items that may be reclassified to income statement		
Cash flow hedges		
– fair value losses	**(173)**	(10,860)
– transferred to income statement	**2,980**	763
Currency translation differences	**33**	(480)
Total comprehensive income/(loss) attributable to shareholders	**162,944**	(232,954)

Unaudited Condensed Consolidated Balance Sheet

	Note	30 June 2021 US$'000	31 December 2020 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,711,236**	1,665,242
Right-of-use assets		**68,567**	65,778
Goodwill		**25,256**	25,256
Derivative assets		**4,351**	4,026
Trade and other receivables	8	**8,044**	4,947
Restricted bank deposits		**52**	51
		1,817,506	1,765,300
Current assets			
Inventories		**100,503**	78,095
Subleasing receivables		**–**	1,915
Derivative assets		**24,788**	15,410
Trade and other receivables	8	**118,408**	77,898
Assets held for sale		**12,078**	16,136
Cash and deposits		**226,911**	234,773
		482,688	424,227
Total assets		**2,300,194**	2,189,527
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		**47,954**	47,490
Retained profits/(accumulated losses)		**146,304**	(11,330)
Other reserves		**1,035,094**	1,028,349
Total equity		**1,229,352**	1,064,509
LIABILITIES			
Non-current liabilities			
Borrowings		**677,701**	775,149
Lease liabilities		**42,035**	50,089
Derivative liabilities		**11,714**	13,564
Trade and other payables	9	**460**	895
		731,910	839,697
Current liabilities			
Borrowings		**88,801**	88,736
Lease liabilities		**35,206**	26,744
Derivative liabilities		**12,239**	7,667
Trade and other payables	9	**201,494**	161,366
Taxation payable		**1,192**	808
		338,932	285,321
Total liabilities		**1,070,842**	1,125,018

Notes:

1. General information

The Company was incorporated in Bermuda on 10 March 2004 as an exempted company with limited liability under the Companies Act 1981 of Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

2. Basis of preparation and accounting policies

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. These financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2020.

The new standards and amendments that became effective in this accounting period do not have any significant impact on the Group's accounting policies and do not require any adjustments.

3. Revenue and segment information

The Group's revenue is substantially derived from the provision of dry bulk shipping services internationally and, accordingly, information is not presented by business segment.

Geographical segment information is not presented as the management considers that the nature of our shipping services, which are carried out internationally, precludes a meaningful allocation of operating profit to specific geographical segments.

4. Profit/(loss) before taxation

Profit/(loss) before taxation is stated after charging/(crediting) the following:

	Six months ended 30 June	
US$'000	**2021**	2020
Vessel charter costs	**348,435**	142,579
Bunkers consumed	**224,188**	172,992
Port disbursements and other voyage costs	**216,021**	167,843
Employee benefit expenses	**89,670**	77,004
Depreciation		
– owned vessels	**57,892**	66,684
– other property, plant and equipment	**819**	763
– right-of-use assets	**15,308**	17,090
Net (gains)/losses on bunker swap contracts	**(17,155)**	7,417
Provisions	**2,000**	–
Reversal of impairment on assets held for sale	**(3,676)**	–
Provision for vessel impairment	**–**	198,203
Interest on borrowings		
– bank loans	**8,264**	12,996
– convertible bonds	**3,757**	3,707
– other borrowings	**1,134**	782
Interest on lease liabilities		
– vessels	**1,313**	1,509
– other property, plant and equipment	**184**	209

5. Taxation

Shipping income from international trade is either not subject to or exempt from income tax according to the tax regulations prevailing in the countries in which the Group operates. Income from non-shipping activities is subject to tax at prevailing rates in the countries in which these businesses operate.

The amount of taxation charged/(credited) to the income statement represents:

	Six months ended 30 June	
US$'000	**2021**	2020
Current taxation		
Hong Kong profits tax, provided at the rate of 16.5% (2020: 16.5%)	**397**	343
Overseas tax, provided at the rates of taxation prevailing in the countries	**211**	162
Adjustments in respect of prior year	**(4)**	(2)
Tax charges	**604**	503

6. Dividends

On 29 July 2021, the Board has declared an interim dividend of HK14.0 cents or US1.8 cents per share amounting to US$86,801,000. This dividend is not reflected as a dividend payable in these financial statements.

No dividend was declared for the year ended 31 December 2020.

The 2019 final dividend of HK2.1 cents or US0.3 cents per share totalling US$12,894,000 was paid in the first half of 2020.

7. Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit/(loss) attributable to shareholders by the weighted average number of shares in issue during the period, excluding the shares held by the trustee of the Company's 2013 Share Award Scheme ("SAS") and unvested restricted shares.

		Six months ended 30 June	
		2021	2020
Profit/(loss) attributable to shareholders	(US$'000)	**160,104**	(222,377)
Weighted average number of shares in issue	('000)	**4,707,504**	4,660,536
Basic earnings per share	(US cents)	**3.40**	(4.77)
Equivalent to	(HK cents)	**26.39**	(37.07)

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing the basic earnings, after adjusting for effect of interest on convertible bonds, by the weighted average number of shares in issue during the period, excluding the shares held by the trustee of the Company's SAS and after adjusting for the dilutive effect of convertible bonds and unvested restricted shares.

		Six months ended 30 June	
		2021	2020
Profit/(loss) attributable to shareholders	(US$'000)	**160,104**	(222,377)
Effect of interest on convertible bonds	(US$'000)	**3,757**	–
Adjusted profit/(loss) attributable to shareholders	(US$'000)	**163,861**	(222,377)
Weighted average number of shares in issue	('000)	**4,707,504**	4,660,536
Effect of unvested restricted shares	('000)	**96,226**	–
Effect of convertible bonds	('000)	**586,033**	–
Diluted weighted average number of shares	('000)	**5,389,763**	4,660,536
Diluted earnings per share	(US cents)	**3.04**	(4.77)
Equivalent to	(HK cents)	**23.59**	(37.07)

8. Trade and other receivables

Trade receivables are included in trade and other receivables and their ageing based on invoice date is as follows:

US$'000	**30 June 2021**	31 December 2020
≤ 30 days	**51,075**	32,207
31-60 days	**6,197**	3,844
61-90 days	**1,628**	1,475
> 90 days	**4,261**	4,462
	63,161	41,988

9. Trade and other payables

Trade payables are included in trade and other payables and their ageing based on due date is as follows:

US$'000	**30 June 2021**	31 December 2020
≤ 30 days	**61,567**	50,743
31-60 days	**10**	316
61-90 days	**263**	346
> 90 days	**4,144**	4,927
	65,984	56,332

Purchase, sale or redemption of securities

During the six months ended 30 June 2021, other than for satisfying restricted awards granted under the Company's 2013 Share Award Scheme, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the share capital or convertible bonds of the Company.

Directors' securities transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 of the Listing Rules (the "Model Code").

The Board confirms that, having made specific enquiry, the Directors have complied in full with the required standard set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2021, except that a Director traded in the Company's securities prior to obtaining written approval from the Company during a period when no trading restrictions were in place. The Board has given formal reminder to the said Director that the Model Code stipulates written approval must be received before any securities transactions can proceed.

Senior managers' and staff's securities transactions

The Company has adopted rules for those senior managers and staff who are more likely to be in possession of unpublished inside information of the Group based on the Model Code (the "Dealing Rules"). These senior managers and staff have been individually notified and provided with a copy of the Dealing Rules.

The Board confirms that, having made specific enquiry, all senior managers and staff who have been notified and provided with the Dealing Rules have fully complied with the required standards set out in the Dealing Rules during the six months ended 30 June 2021.

Compliance with the corporate governance code

Throughout the six months ended 30 June 2021, the Group has complied with all code provisions of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules.

Review of interim results

This interim results announcement and the 2021 Interim Report have been reviewed by the external auditors and the Audit Committee of the Company.

Interim Dividend and Closure of Register of Members

The Board has declared an interim dividend for the six months ended 30 June 2021 of HK14 cents per share which will be paid on 25 August 2021 to those shareholders whose names appear on the Company's register of members on 13 August 2021.

The register of members will be closed on 13 August 2021 when no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 12 August 2021. The ex-dividend date for the interim dividend will be on 11 August 2021.

Interim report and disclosure of information on stock exchange's website

The announcement of interim results containing all the information required by paragraphs 46(1) to 46(10) of Appendix 16 of the Listing Rules has been published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.pacificbasin.com.

The Company's 2021 Interim Report is printed in English and Chinese languages, and will be available on the Company's website on or around 17 August 2021 when it is sent to those shareholders who have elected to receive a printed copy.

Directors

As at the date of this announcement, the Directors of the Company are:

Executive Directors:
David Muir Turnbull, Mats Henrik Berglund, Martin Fruergaard and Peter Schulz

Independent Non-executive Directors:
Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison, Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka and John Mackay McCulloch Williamson

Note: The English text of this announcement shall prevail over the Chinese text in case of any inconsistency.

Shareholders and investors are reminded that this announcement of interim results for the six months ended 30 June 2021 is based on the Group's internal records and management accounts. Shareholders and investors are cautioned not to rely unduly on this announcement of interim results and are advised to exercise caution when dealing in the shares of the Company.