Pacific Basin Shipping Limited

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

The Board of Directors (the "Board") of Pacific Basin Shipping Limited ("Pacific Basin" or "PB" 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 2022 as follows:

BUSINESS HIGHLIGHTS

Our Best Ever Interim Results

During the first half of 2022, we generated our best interim results in Pacific Basin's history, producing an underlying profit of US$457.5 million, a net profit of US$465.1 million and an EBITDA of US$566.9 million. This yielded an exceptionally strong return on equity of 48% with basic EPS of HK74.5 cents.

Our financial position continues to strengthen with available committed liquidity of US$698.6 million and a net cash position of US$68.9 million as at 30 June 2022.

The Board has declared an interim basic dividend of HK35 cents per share, representing 50% of our net profit for the period, and an additional special dividend of HK17 cents per share, representing 25% of our net profit for the period. The basic dividend and the special dividend together amount to a total dividend of HK52 cents per share, equal to US$348.0 million or 75% of the net profit.

	Six Months Ended 30 June	
US$ Million	**2022**	2021
Revenue	**1,722.8**	1,142.0
EBITDA #	**566.9**	244.6
Underlying Profit	**457.5**	150.4
Profit Attributable to Shareholders	**465.1**	160.1
Basic Earnings per Share *(HK cents)*	**74.5**	26.4
Interim Dividends per Share, including HK17 cents Special Dividend *(HK cents)*	**52.0**	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 and unrealised derivative income and expenses.*

Our Fleet

	Vessels in Operation: Owned	Long-term Chartered	Short-term Chartered[1]	Total	Total Capacity (Million dwt) Owned	Average Age Owned
Handysize	75	10	30	115	2.6	12
Supramax/ Ultramax[2]	42	7	75	124	2.4	10
Capesize[3]	1	–	–	1	0.1	11
Total	118	17	105	240	5.1	12

As at 30 June 2022

1 Average number of short-term and index-linked vessels operated in June 2022

2 Supramax vessels in excess of 60,000 dwt are generally referred to as Ultramaxes

3 Having redelivered a chartered 95,000 dwt Post-Panamax ship, we now refer to our owned 115,000 dwt bulker as a Capesize vessel, consistent with industry definitions

Strong Minor Bulk Fundamentals

The minor bulk freight market in the first half of 2022 was driven by broad based global demand for commodities, further supported by low fleet growth and continued fleet inefficiencies.

Minor bulk rates continue to be supported despite concerns over global economic growth, on-going conflict in Ukraine, and Covid-related impacts on the Chinese economy.

Delivering Excellent Results

- Our core business achieved Handysize and Supramax net daily TCE earnings of US$26,370 and US$33,840 respectively, generating a total contribution of US$468.2 million before overheads
- Our operating activity achieved a strong daily margin of US$3,330 net over 9,200 operating days, generating a contribution of US$30.7 million before overheads
- Our P&L break-even was US$10,260 and US$10,600 per day for Handysize and Supramax respectively; our costs remain competitive despite higher crewing and repatriation related costs and increased depreciation as a result of the reversal of a vessel impairment provision in 2021
- In light of a softening global economy we expect dry bulk demand to moderate in the second half of 2022, but favourable supply dynamics make us optimistic about the long-term potential of the market

Fleet Optimisation for the Future

- We currently own 117 Handysize and Supramax ships and have around 240 owned and chartered ships on the water overall
- During the period we sold five of our older Handysize ships, while taking delivery of one Ultramax vessel purchased in 2021
- We remain committed to our long-term strategy of further growing our Supramax fleet and renewing our Handysize fleet with younger, larger and more efficient vessels, thereby further optimising our fleet to more easily meet tightening environmental regulations
- We are well positioned to comply with IMO carbon intensity reduction rules coming into force in 2023 through technical enhancements, operational measures and gradual fleet renewal

CHIEF EXECUTIVE'S REVIEW

Our Best Interim Results in Our Company's History

In the first half of 2022, we generated our best interim results ever, producing an underlying profit of US$457.5 million, a net profit of US$465.1 million and an EBITDA of US$566.9 million. This yielded an exceptionally strong return on equity of 48%, with basic EPS of HK74.5 cents.

Our results benefited from significantly higher average TCE earnings compared to the same period last year, strong operating activity results, and a competitive cost structure. We continued to significantly outperform the market index rates, especially in our Supramax business, which delivered an exceptional performance over the period.

Looking forward, we have covered the majority of our third quarter days at US$23,690* net per day for Handysize and US$28,970* net per day for Supramax respectively, underpinning continued strong earnings in what is typically the seasonally stronger part of the year.

Our financial position continues to strengthen with available committed liquidity of US$698.6 million and a net cash position of US$68.9 million as at 30 June 2022.

In light of the strong earnings, cash position and our confidence in the longer-term outlook for minor bulk shipping, the Board has declared an interim basic dividend of HK35 cents per share, representing 50% of our net profit for the period, and an additional special dividend of HK17 cents per share, representing 25% of our net profit for the period. The basic dividend and the special dividend together amount to a total dividend of HK52 cents per share.

* Indicative 3Q 2022 TCE only, voyages are still in progress

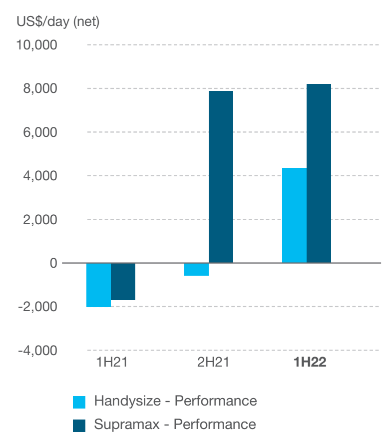
Excellent Performance Driven by Strong Revenue Generation and Competitive Cost Base

Our **core business** generated average Handysize and Supramax daily time-charter equivalent ("TCE") earnings of US$26,370 and US$33,840 net per day in the first half, representing an increase of 83% and 85% compared to the same period in 2021, respectively. In the period we outperformed the average Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) indices by US$4,370 per day and US$8,210 per day respectively. Our performance continues to benefit from our diverse cargo and customer base and the close customer interaction facilitated by our extensive global office network.

Our **operating activity** contributed US$30.7 million, generating a margin of US$3,330 net per day over 9,200 operating days in the first half. While margins varied over the period, they still remain historically high and our operating activity represents an on-going opportunity to utilise the commercial and operating skills of the Pacific Basin team to generate supplementary earnings for the business.

Our overheads and vessel operating expenses remain well controlled despite more expensive crew travel, quarantine and other pandemic-related manning costs.

PB Performance Relative to Market Index Rates



Further Strengthening Our Balance Sheet

We continue to maintain a conservative balance sheet, which will allow us to invest over the cycle, while still distributing excess cash to shareholders through dividends.

During the period we structured an offer to holders of our US$175.0 million convertible bond to incentivise early conversion. This resulted in a reduction of our outstanding convertible bond to US$70.1 million. This offer has allowed us to further optimise our capital structure by reducing net borrowings and increasing the Company's equity capital, thereby deleveraging our balance sheet while at the same time lowering our finance costs.

Strong Demand with Limited New Supply

The minor bulk freight market in the first half of 2022 was significantly stronger than the same period last year, driven by favourable supply and demand fundamentals. Minor bulk rates continue to be supported despite concerns over global economic growth, on-going conflict in Ukraine, and Covid-related impacts on the Chinese economy.

TCE earnings over the period began substantially higher than prior years and, despite a typical seasonal decline around Chinese New Year, rates have since been supported at historically high levels by growing minor bulk demand and some supply constraints. A softening in rates since May has been due to higher vessel availability as a result of a reduction in Black Sea grain exports and demand weakness in China.

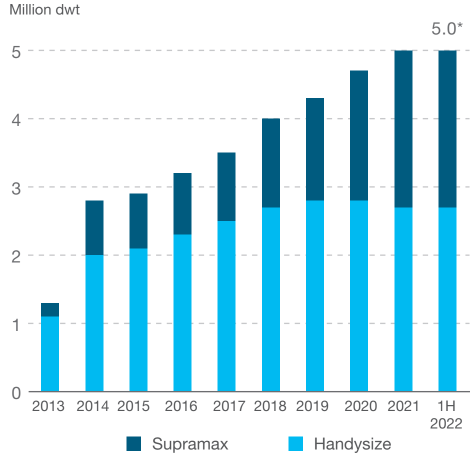
We continue to see opportunities in this strong, yet volatile rates environment to generate further positive earnings, despite global economic short-term uncertainty

Benefitting From Our Fleet Renewal Strategy

We remain committed to our long-term strategy to grow our owned fleet of Supramax ships by acquiring high-quality, modern, second-hand vessels, and to sell our older and less-efficient Handysize ships and replace them with younger and larger Handysize vessels. During the period we sold five of our older Handysize ships, while taking delivery of one Ultramax vessel purchased in 2021. This strategy is resulting in an even more efficient fleet with greater longevity, while crystallising value from historically high second-hand prices.

We expect our vessel purchasing activity to be less than last year as asset prices have approached historical highs, though we remain opportunistic where we see attractive second-hand acquisition opportunities. We currently own 117 Handysize and Supramax ships and, including chartered ships, we have approximately 240 ships on the water overall.

Significant Growth of Our Owned Fleet and Supramax Proportion



* Including purchased and sold vessels in the first half of 2022

In the short term we are focused on selling some of our smaller, older Handysize ships as second-hand prices are strong, thereby crystallising value and further optimising our fleet to meet tightening environmental regulations

Our Safety First Culture

KPIs	Unit	FY 2021	1H 2022
Health & Safety			
Total recordable case frequency	injuries per million man hours	0.55	**0.58**
Lost time injury frequency	injuries per million man hours	0.25	**0.19**

During the pandemic, travel restrictions have highlighted the need to focus our efforts on maintaining high levels of crew safety and wellbeing. Our early adoption of the latest industry best practices of online training, 24/7 online medical and wellbeing support, remote and onboard inspections, and updated communication infrastructure allow our vessels and seafarers to stay connected and continue to learn and apply updated procedures.

Despite the difficult operating environment during the pandemic, our safety management system and enhanced training programme continues to support sound crew safety KPIs.

Well Prepared for IMO Carbon Intensity Reduction Rules

From January 2023, IMO's global EEXI (energy efficiency existing ship index) and CII (carbon intensity index) regulations are expected to drive technical and operational measures to improve the carbon efficiency of existing ships. We have thoroughly analysed the implications of these rules on our fleet and prepared our people, ships and systems to ensure our conventionally-fuelled ships are well positioned to comply and continue to trade for the foreseeable future through technical enhancements, operational measures and gradual fleet renewal.

The consequences of these rules will include the progressive slowing of vessel speeds and, over time, accelerated scrapping as older and less-efficient ships become no longer fit for trading.

We are preparing ourselves for shipping's eventual inclusion in the European Union Emissions Trading System (EU ETS) among other EU initiatives to drive decarbonisation in shipping. The European "Fit for 55" package remains subject to negotiations between the European Council, Parliament and Commission, and is now likely to apply to shipping from 2024 onwards.

Developing Zero-Emission-Ready Ships

We will invest in zero-emission-ready ships when they become commercially viable for minor bulk trades and the requisite global bunkering infrastructure is being built out.

In May, to accelerate this development we committed to cooperate with Nihon Shipyard Co. and Mitsui & Co. in investigating alternative green fuels and their availability, and to develop zero-emission vessels and potentially invest in related bunkering infrastructure. Through this arrangement, Pacific Basin will continue to be at the forefront of our industry's development, and accelerate the transition to make zero-emission-ready vessels the default choice for new vessels by 2030, enabling us to meet our target of net zero emissions by 2050.

Retirement of Our Chairman and Executive Director

The Board announced in May that our Chairman and Executive Director David Turnbull has decided to retire from the position of Executive Director and Chairman of the Company after nearly 14 years in those positions and two prior years as an Independent Non-executive Director. Mr. Turnbull's retirement will take effect from the conclusion of the Company's 2023 annual general meeting, and he remains fully committed to his current roles in the meantime.

The Company has appointed an international recruitment firm to undertake a global search for a successor as Chairman. The Board has decided that, in future, the chairman role should be independent and non-executive.

Market Outlook

The IMF has lowered its global GDP growth forecast to 3.2% for 2022 and 2.9% for 2023, reflecting impacts of higher inflation and interest rates, on-going conflict in Ukraine and Covid-related disruptions to the Chinese economy.

In light of a softening global economy, we expect dry bulk demand in the second half to moderate somewhat from recent highs but remain relatively firm mainly due to seasonal factors in the grain market, elevated coal demand for electricity production and continued investment in global infrastructure.

Any revival of the Chinese economy is expected to be supported by domestic property construction, manufacturing and infrastructure spending as government policies are needed to drive growth in light of continuing Covid restrictions.

Changes in trade flows caused by the conflict in Ukraine have positively impacted tonne-mile demand for some commodities to date, but we continue to monitor the impact that the conflict might have as we come close to the typical Black Sea grain export season.

Supply is still tied up in congestion around the world, and although vessel speeds remain elevated leaving limited scope to increase vessel capacity through higher speed, historically very high bunker costs have begun to lower speeds taking some supply out of the market.

We believe uncertainty over new environmental regulations and the high cost of newbuildings, will continue to discourage any significant new ship ordering. According to Clarksons Research, current orderbook is at a 30-year low of just 7.2% of total fleet and new ordering is down 60% in the first half of 2022 compared to the same period last year. The low orderbook, coupled with IMO regulations to reduce carbon intensity likely resulting in slower speeds and increased scrapping from 2024 onwards, bodes well for the long-term health of the dry bulk market.

Well Positioned for the Future

Given the supportive fundamentals of our industry, we are excited by the long-term prospects of dry bulk shipping despite any short-term headwinds. Our large and modern owned fleet of highly versatile Handysize and Supramax ships, combined with our close customer partnerships, enhanced access to cargo opportunities, and high vessel utilisation, enables us to outperform in this strong earnings environment.

Having significantly further strengthened our balance sheet in the first half of 2022, we anticipate that the still healthy dry bulk market, our strong cash generation and limited expected capital expenditure will enable us to continue to reward shareholders by returning capital and take advantage of opportunities to grow our fleet going forward.

As always, I would like to take this opportunity to thank all of our loyal and talented Pacific Basin seafarers and shore-based staff, as it is not without your commitment and professionalism that we can deliver these results and continue to improve our safety performance. I also thank all Pacific Basin stakeholders for your support and your contribution to our on-going success as we strive to be the first choice partner in dry bulk.

Martin Fruergaard
Chief Executive Officer

Hong Kong, 28 July 2022

Our Strategies

- Maintain and grow our cargo focus and scale
- Continue to be both a fully integrated owner (asset heavy) and operator (asset light)
- Be the industry leader on an earnings and cost per day basis
- Maintain empowered local chartering and operations close to customers
- Keep building our brand as a leading, admired and preferred shipping company
- Keep our cash and balance sheet strong
- Protect our leading Handysize position by replacing our older, smaller ships with younger, larger ships
- Continue to grow the proportion of our owned Supramax fleet
- Not order newbuildings until zero-emission bulkers are available and viable
- Continue to build and leverage our sustainability and decarbonisation, digitalisation, and research capabilities

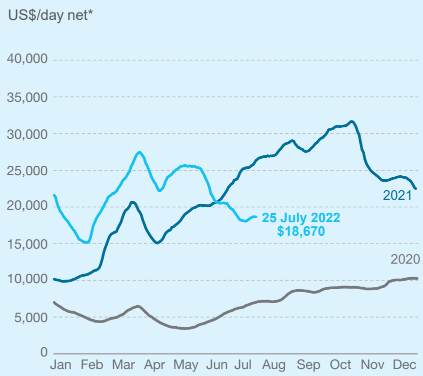
MARKET REVIEW

The Dry Bulk Freight Market Continues to Thrive

US$22,000 net ⬆ 34%

BHSI 38K (tonnage adjusted)
Handysize 1H22 avg. market spot rate

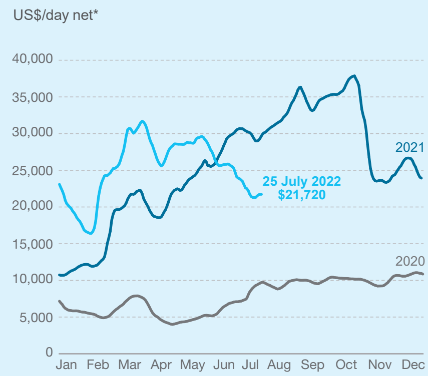
Handysize Market Spot Rates in 2020–2022



US$25,630 net ⬆ 28%

BSI 58K
Supramax 1H22 avg. market spot rate

Supramax Market Spot Rates in 2020–2022



* Excludes 5% commission
Source: Baltic Exchange (BHSI 38,000 dwt (tonnage adjusted) and BSI 58,000 dwt)

The minor bulk freight market in the first half of 2022 saw continued favourable demand and supply fundamentals which have supported freight rates in the year to date. Freight rates saw a typical seasonal decline leading up to Chinese New Year, but otherwise remained firm over the period at higher levels than prior years, averaging US$22,000 and US$25,630 net per day for Handysize and Supramax respectively.

Demand for minor bulks over the period was robust despite concerns over global economic growth, on-going conflict in Ukraine, and Covid-related impacts on the Chinese economy. Changes to traditional trade routes as a result of the Ukraine conflict has benefited tonne-mile demand of some commodities such as coal and grain. Looking ahead, we expect that lower grain availability, slower global growth, and higher inflation may have a somewhat moderating impact on dry bulk freight demand in the second half.

Ship Values Remain Elevated

US$28.5m ⬆ +4%

Second-hand Handysize YOY

Vessel values have been supported by the continued strong freight market and increasing newbuilding prices. Clarksons Research currently values a benchmark five-year old Handysize at US$28.5 million, up 4% since the start of the year.

Dry bulk newbuilding prices remain above second-hand prices as shipyards offer limited pricing incentives to build dry bulk ships. Yard capacity has largely been filled up by higher margin non-dry bulk ship ordering which is likely to continue as we expect dry bulk vessel ordering will remain constrained until commercially viable zero-emission vessels are available.

Source: Clarksons Research

DEMAND: Minor Bulks Continue to Drive Demand

Global minor bulk loading volume grew approximately 9% in the first half compared to the same period last year. Construction materials were the main driver, in particular cement, clinker and aggregates where loadings were up 8% year on year. Compared to the first half of 2021, demand was strong across a broad range of commodities, in particular pet coke and bauxite loadings which were up 15% and 7% respectively. We believe increased global infrastructure spending and some relaxation of Chinese domestic property construction curbs will support minor bulk demand for the remainder of 2022 albeit at a more moderate rate then seen in the first half as slowing global growth is likely to impact demand.

Conflict in Ukraine continues to impact grain exports from the Black Sea and has been a major contributing factor in lower year to date grain loadings of 6% compared to the first half of 2021. Global food security has become a major issue as typical buyers of Ukrainian grains are forced to source from locations which are further away. Some lost volumes are being replaced by other producers, most notably the United States, Argentina, Brazil and Australia as higher grain prices have incentivised farmers around the world to increase plantings for export, with these volumes expected to benefit overall tonne-mile demand.

Coal loading volumes in the first half of 2022 increased 2% compared to the same period in 2021. Since the lifting of the Indonesian coal export ban we have seen a significant increase in coal loadings to countries in Europe, as well as India. The conflict in Ukraine has also had a positive tonne-mile impact as coal is increasingly being sourced from non-Russian areas such as Australia, United States, Canada and Colombia.

1H2022 Global Cargo Loading Volumes#

Selected Minor Bulks*	⬆	+9%
Grain	⬇	–6%
Iron Ore	⬇	–1%
Coal	⬆	+2%

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

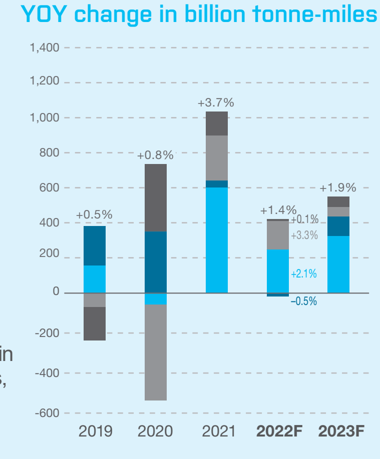
Source: Oceanbolt

Iron ore loading volumes declined 1% in the first six months of 2022 compared to the same period last year. The decline was due to seasonal weather impacting mining operations from key producers in Brazil and Australia, as well as reduced demand for steel products in China as domestic property construction underperforms, and economic growth is negatively impacted by continued Covid mitigation controls. Steel production in China is now expected to be lower than 2021 levels.

Cargo volume is different to tonne-mile demand. Tonne-miles is the primary measure of transport demand. A tonne-mile is defined as one tonne of freight shipped one mile, and therefore reflects both the volume shipped (tonnes) and distance shipped (miles).

Annual Change in Global Dry Bulk Tonne-mile Demand

YOY change in billion tonne-miles



Source: Clarksons Research, data as at June 2022

SUPPLY: Low Net Fleet Growth and Supply Inefficiencies are Supporting Rates

Despite very little scrapping, the global dry bulk fleet grew only 1.5% net during the half-year compared to 1.9% in the same period last year mainly due to slowing newbuilding deliveries. The global fleet of Handysize and Supramax vessels grew by 1.6%, which despite slowing global economic growth has helped to support higher rates over the period.

Vessel speeds remain elevated leaving limited scope to increase vessel capacity through faster speeds, while Covid-related inefficiencies around the world, particularly in China, have further constrained the availability of tonnage to meet global demand for dry bulk shipping.

Clarksons Research forecasts scrapping in 2022 of just 0.4% of the global dry bulk fleet due to the prevailing strong TCE earnings. Scrapping is estimated to accelerate to 2.4% in 2023 which we believe to be optimistic, as we expect IMO 2023 decarbonisation regulations will not start forcing slower speeds and higher scrapping until 2024 at the earliest.

These supply constraints, and limited scope for speeding up the global world fleet, provides structural long-term support for the dry bulk market. Coupled with a healthy long-term demand outlook, despite short-term headwinds, make us optimistic about the long-term future of our market.

Overall Dry Bulk Supply Development

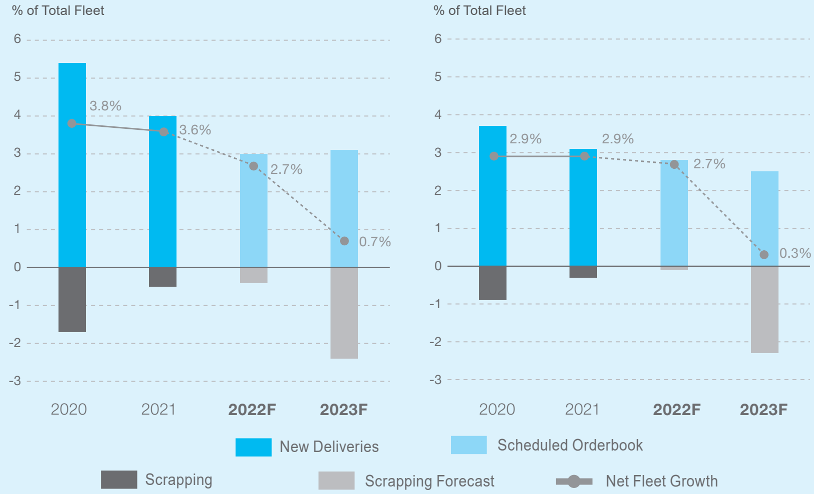
1.5%

Overall dry bulk capacity 1H22

Handysize/Supramax Supply Development

1.6%

Global Handysize/Supramax capacity 1H22



Source: Clarksons Research, data as at June 2022

Only moderate net fleet growth is expected in the next few years due to minimal new ship ordering and potentially increased scrapping as the fleet ages and decarbonisation regulations tighten. From 2024, IMO and EU decarbonisation regulations are likely to start forcing slower vessel speeds.

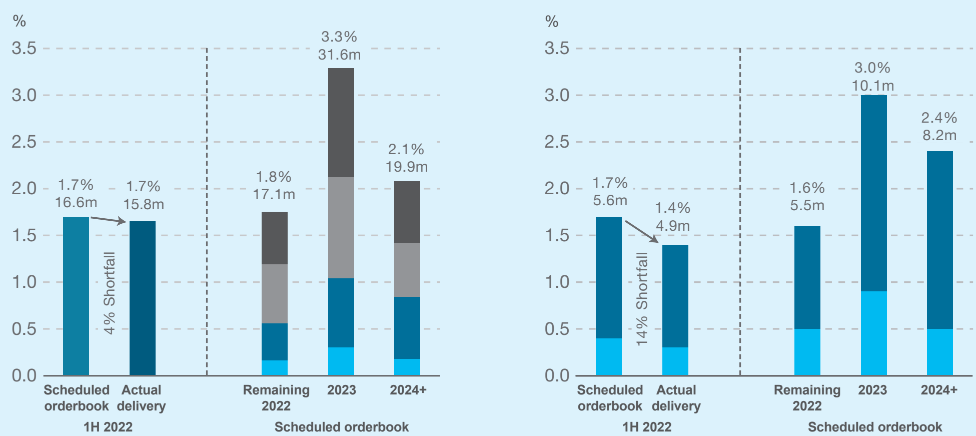
ORDERBOOK: Orderbook at Record Low as New Ordering Continues to Fall

The total dry bulk orderbook stands at 7.2% of the existing fleet, which is the smallest it has been in decades. The combined Handysize and Supramax orderbook is 7.1%, presenting the basis for continued low supply growth in the next few years. Dry bulk newbuild ordering in the first half of 2022 was 9.4m dwt, compared to 23.4m dwt in the first half of 2021, a reduction of 60% compared to the same period last year.

New ship ordering is expected to remain restrained until vessel designs for clean fuels (such as ammonia and methanol) and associated bunkering infrastructure become commercially available.

Overall Dry Bulk Orderbook

Handysize & Supramax Combined Orderbook



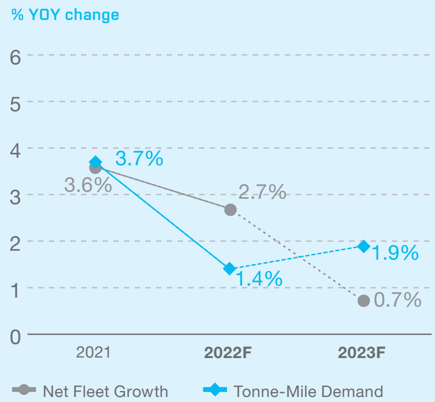
Source: Clarksons Research, data as at June 2022; 2022 orderbook excludes YTD deliveries

	Orderbook as % of Existing Fleet	Average Age	Over 20 Years Old	1H 2022 Scrapping as % of 1 January 2022 Existing Fleet
Handysize (10,000–40,000 dwt)	5.6%	13	14%	0.1%
Supramax & Ultramax (40,000–70,000 dwt)	7.8%	11	9%	0.0%
Panamax & Post-Panamax (70,000–100,000 dwt)	9.1%	11	13%	0.1%
Capesize (100,000+ dwt)	6.0%	10	2%	0.4%
Total	7.2%	11	8%	0.2%

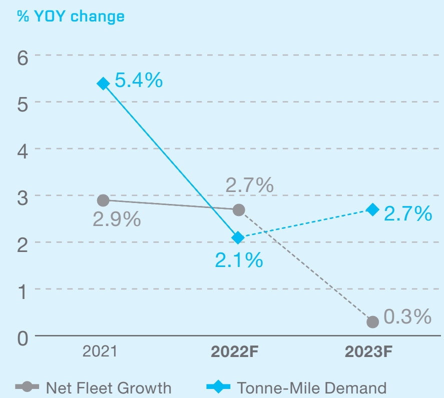
Source: Clarksons Research, data as at June 2022

MARKET BALANCE: Supportive Long-Term Demand and Supply Fundamentals

Overall Dry Bulk Demand and Supply



Minor Bulk Demand and Handysize/Supramax Supply



Dry bulk demand growth is expected to outpace new supply growth from 2023.

Source: Clarksons Research

POSSIBLE MARKET DRIVERS IN THE MEDIUM TERM

OPPORTUNITIES

- Limited new ship ordering and deliveries due to decarbonisation regulations and uncertainty over future vessel designs and alternative fuels, leading to tighter supply
- Higher dry bulk demand through increased global infrastructure investment and demand for commodities for the green energy transition
- Chinese economy is expected to be supported by government led property construction, manufacturing and infrastructure spending
- Slower vessel operating speeds due to emissions regulations and increased fuel cost
- Higher demand for coal as a substitute for energy production due to constraints in gas supply

THREATS

- Excessive new ship ordering in dry bulk driving increased net fleet growth
- On-going pandemic containment measures in China reducing domestic and international economic growth
- Increased inflation and slowing global growth reducing dry bulk demand
- The marginal benefit that dry bulk demand is getting from temporary factors such as fleet inefficiencies and the very strong container market may reduce

OUR PERFORMANCE

Our business generated an underlying profit of US$457.5 million (1H 2021: US$150.4 million) representing our strongest interim results ever. Our results benefited from significantly higher average TCE earnings compared to the same period last year, strong operating activity results, and competitive cost structure.

Operating Performance

US$ Million	Six months ended 30 June 2022	2021	Change
Core business Handysize contribution	**265.4**	105.2	+>100%
Core business Supramax contribution	**202.8**	65.9	+>100%
Operating activity contribution	**30.7**	11.9	+>100%
Capesize contribution[1]	**0.7**	2.1	-67%
Operating performance before overheads	**499.6**	185.1	+>100%
Adjusted total G&A overheads	**(41.8)**	(34.1)	-23%
Taxation and others	**(0.3)**	(0.6)	+50%
Underlying profit	**457.5**	150.4	+>100%
Vessel net book value (incl. assets held for sale)	**1,840.3**	1,720.0	+7%

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

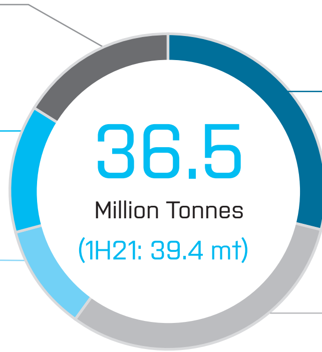
[1] Having redelivered a chartered 95,000 dwt Post-Panamax, we now refer to our owned 115,000 dwt bulker as a Capesize vessel, consistent with industry definitions

Our Cargo Volumes in 1H 2022

Minerals 11%
- Salt 5%
- Sand & Gypsum 4%
- Soda Ash 2%

Energy 13%
- Coal 8%
- Petcoke 4%
- Wood Pellets 1%

Metals 16%
- Ores 7%
- Concentrates 5%
- Alumina 3%
- Others 1%



Agricultural Products & Related 29%
- Grains & Agricultural Products 15%
- Fertiliser 12%
- Sugar 2%

Construction Materials 31%
- Cement & Cement Clinkers 13%
- Steel & Scrap 11%
- Logs & Forest Products 7%

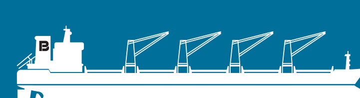
Our Commercial Activities

Core Business

Our core business is to optimally combine our owned and long-term chartered ships with multi-shipment contract cargoes and spot cargoes to achieve the highest daily TCE earnings. Our core business also uses short-term chartered ships to carry contract cargoes to maximise the utilisation and TCE of our owned and long-term chartered ships.

Operating Activity

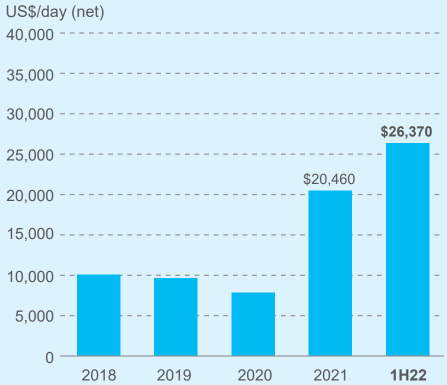
Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered ships, making a margin and contributing to our Group's results regardless of whether the market is weak or strong. Through our operating activity, we provide a service to our customers even if our core ships are unavailable.



CORE BUSINESS

Handysize

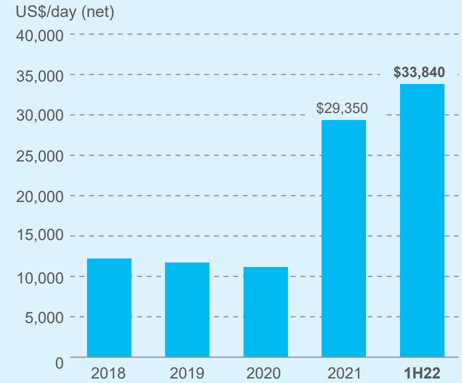
TCE EARNINGS KPI



Note: Pre-2020 historical data has not been restated to split operating activity from core business

Supramax

TCE EARNINGS KPI

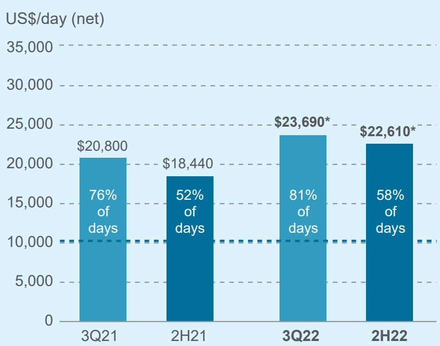


Note: Pre-2020 historical data has not been restated to split operating activity from core business

- Our core business generated:
  - Handysize daily earnings of US$26,370 on 15,520 revenue days
  - Supramax daily earnings of US$33,840 on 8,360 revenue days
- Our daily TCE over the period were substantially higher than prior years, supported by growing minor bulk demand. Combined with our competitive cost structure, this resulted in significantly increased Handysize and Supramax core business contributions
- In the period we outperformed the average Handysize (BHSI 38,000 dwt tonnage-adjusted) and Supramax (BSI 58,000 dwt) indices by US$4,370 per day and US$8,210 per day, respectively. In the period, scrubbers fitted to our 35 core Supramax vessels contributed US$2,120 per day to outperformance

Handysize

FORWARD CARGO COVER



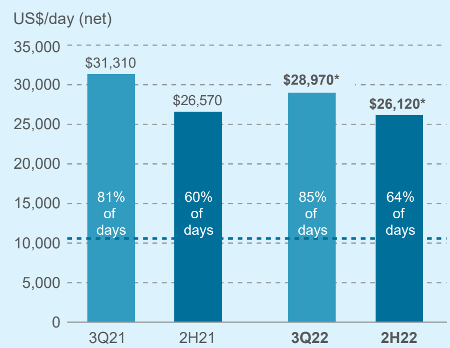
As at late July, indicative TCE only as voyages are still in progress

- - - Indicative core fleet P&L break-even level incl. G&A for 1H22 = US$10,260

* 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

Supramax

FORWARD CARGO COVER



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

- - - Indicative core fleet P&L break-even level incl. G&A for 1H22 = US$10,600

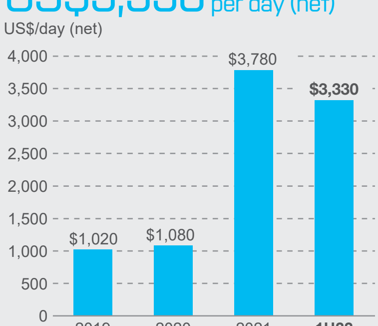
* Note that our Supramax cover for the rest of the year is backhaul heavy (see Handysize note) and excludes any scrubber benefit, currently about US$5,130 per day

- Market activity over the period was strong allowing us to take attractive cover, while maintaining sufficient spot market exposure
- We have covered 81% and 85% of our Handysize and Supramax vessel days currently contracted for the third quarter of 2022 at US$23,690 and US$28,970 net per day respectively
- We have covered 58% and 64% of our Handysize and Supramax vessel days currently contracted for the second half of 2022 at US$22,610 and US$26,120 net per day respectively
- Our P&L break-even was US$10,260 and US$10,600 for Handysize and Supramax respectively in first half 2022

OPERATING ACTIVITY

MARGIN KPI

US$3,330 per day (net)



- Our operating activity generated a strong margin of US$3,330 net per day over 9,200 operating activity 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's results regardless of whether the market is weak or strong

CORE BUSINESS VESSEL COSTS

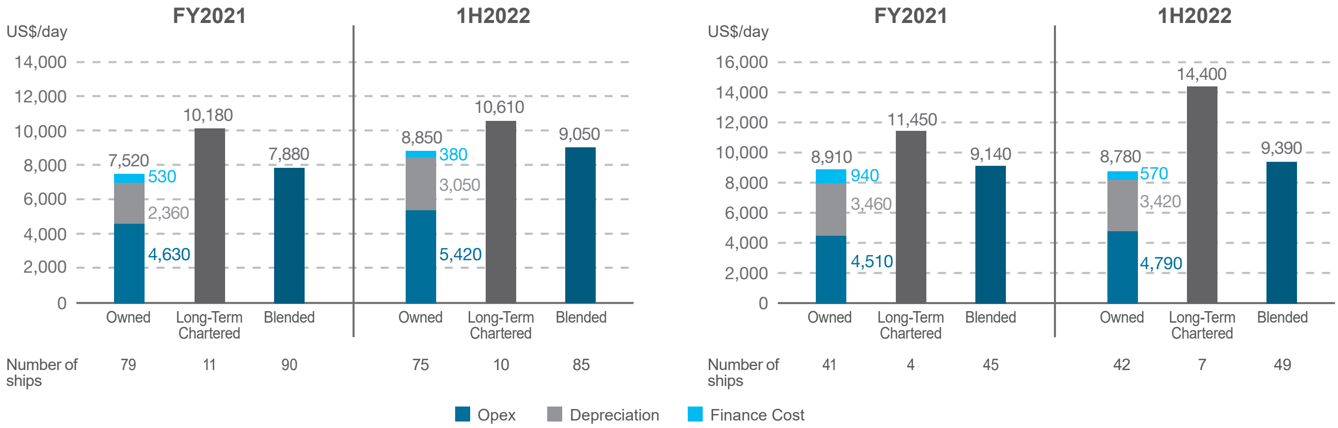
Daily Vessel Costs

Handysize

Blended US$9,050

Supramax

Blended US$9,390



Owned Vessel Costs

- Operating expenses

Our average Handysize and Supramax daily operating expenses ("Opex") increased by 13% to US$5,200 per day (FY2021: US$4,590). This was mainly due to continued high crew travel cost and other pandemic-related manning expenses. However, our Opex remained at competitive levels in the industry 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 (FY2021: 1.7 days) of unplanned technical off-hire per vessel of which 0.3 days (FY2021: 0.8 day) were Covid related.

- Depreciation

Our Handysize depreciation costs increased by 29% mainly due to the reversal of an impairment provision in December 2021. Our Supramax depreciation costs were substantially unchanged.

- Finance costs

Our average Handysize and Supramax daily finance costs decreased by 33% to US$450 per day (FY2021: US$670), mainly due to lower borrowings.

Long-term Chartered Vessel Costs

Long-term chartered vessel costs are mainly accounted for as depreciation of right-of-use assets, interest expenses of lease liabilities and technical management service costs for leases over 12 months. Our long-term chartered vessel daily costs increased by 4% to US$10,610 and 26% to US$14,400 for Handysize and Supramax respectively, primarily due to higher charter costs on new chartered vessels due to strong market conditions.

Blended Costs

Our daily blended costs for owned and long-term chartered vessels increased to US$9,050 and US$9,390 for Handysize and Supramax respectively (FY2021: US$7,880 and US$9,140 respectively).

General and Administrative ("G&A") Overheads

Our adjusted total G&A overheads increased to US$41.8 million (1H2021: US$34.1 million and FY2021: US$82.0 million) primarily due to an increase in staff costs during the period. Spread across our total vessel days, our daily G&A overheads remain competitive at US$940 (FY2021: US$870), comprising US$1,210 and US$690 (FY2021: US$1,150 and US$630) per day for owned and chartered ships respectively.

Vessel Days

The following table shows an analysis of our vessel days in 1H2022 and FY2021:

	Handysize		Supramax	
Days	FY2021	**1H2022**	FY2021	**1H2022**
Core business revenue days	32,080	**15,520**	15,480	**8,360**
– Owned revenue days	27,580	**13,700**	14,040	**7,430**
– Long-term chartered days	4,500	**1,820**	1,440	**930**
Short-term core days[(1)]	8,710	**3,830**	19,110	**6,960**
Operating activity days	4,910	**2,260**	13,330	**6,940**
Owned off-hire days	770	**370**	130	**150**
Total vessel days	46,470	**21,980**	48,050	**22,410**

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

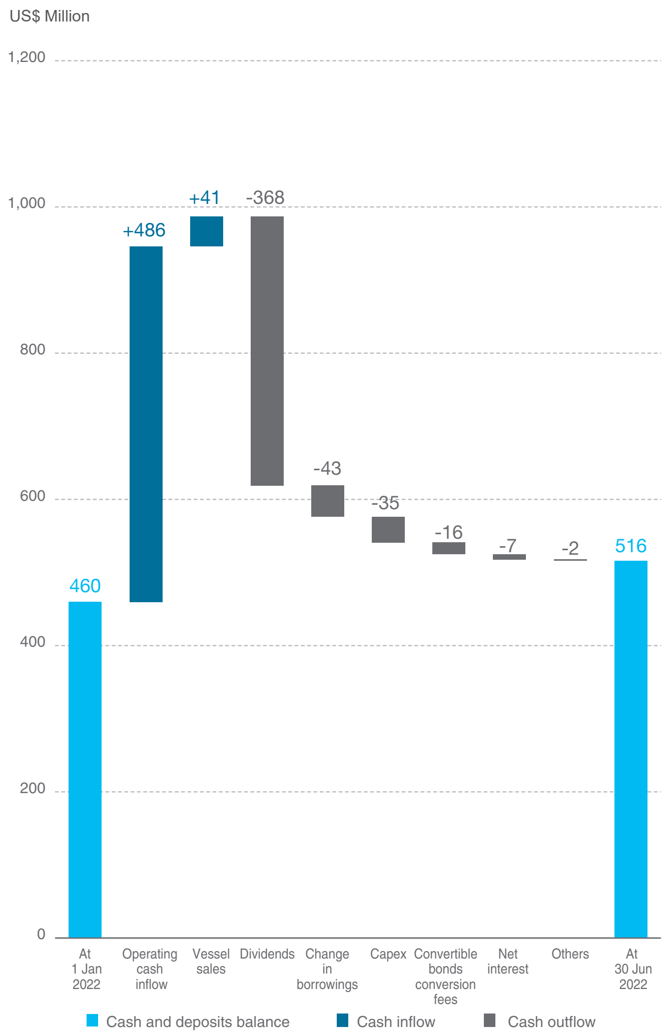
Future Long-term Chartered Vessel Costs

The following table shows the average daily charter costs for our long-term chartered Handysize and Supramax vessels during their remaining charter period by year:

	Handysize		Supramax	
Year	Vessel days	Average cost (US$)	Vessel days	Average cost (US$)
2H2022	2,080	10,860	1,570	17,810
2023	2,690	11,330	2,530	19,240
2024	2,400	11,390	710	21,180
2025	1,100	12,230	–	–
2026	370	12,730	–	–
Total	**8,640**		**4,810**	

CASH AND BORROWINGS

Cash Flow



To provide readers with a better understanding of our cash flow position, the presentation in this section considers charter-hire payment as operating cash flow, before applying the treatment under HKFRS 16 – "Leases"

Key Developments in 1H 2022

- In May we completed a conversion offer of our US$175.0 million 3% p.a. coupon guaranteed convertible bonds due 2025 which resulted in a US$104.9 million (60%) reduction of the outstanding convertible bonds to US$70.1 million and the issue of 425,987,441 shares
- Our net cash outflow from borrowings was US$43.0 million in the period
- During the period we incurred capital expenditure of US$35.3 million, including:
  - (a) US$15.5 million for one Ultramax vessel which delivered into our fleet in the first quarter; and
  - (b) US$19.8 million for dry dockings and the installation of ballast water treatment systems
- As at 30 June 2022, we had 31 unmortgaged vessels

Liquidity and Borrowings

US$ Million	30 Jun 2022	31 Dec 2021	Change
Cash and deposits (a)	**516.3**	459.7	+12%
Available undrawn committed facilities	**182.3**	208.7	-13%
Available committed liquidity	**698.6**	668.4	+5%
Current portion of borrowings	**(60.6)**	(66.8)	
Non-current portion of borrowings	**(386.8)**	(521.3)	
Total borrowings (b)	**(447.4)**	(588.1)	+24%
Net cash/(borrowings) (a)+(b)	**68.9**	(128.4)	+>100%
Net cash/(borrowings) to shareholders' equity	**3%**	(7%)	
Net cash/(borrowings) to net book value of owned vessels KPI	**4%**	(7%)	

Borrowings and Undrawn Committed Facilities

Borrowings and Undrawn Committed Facilities – US$563.1 million (31 December 2021: US$631.6 million)

The overall decrease in secured borrowings is mainly due to repayments and scheduled loan amortisation.

A decrease in interest to US$7.7 million (1H 2021: US$10.8 million) was mainly due to a decrease in average borrowings to US$418.2 million (1H 2021: US$684.3 million).

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.

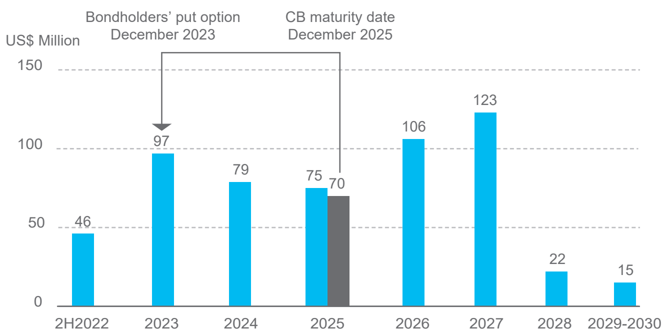
As at 30 June 2022:

- The Group's secured borrowings were secured by 87 vessels with a total net book value of US$1,416.0 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

Convertible Bonds Liability Component – US$66.6 million (31 December 2021: US$165.2 million)

As at 30 June 2022 further to the conversion offer completed in May 2022, there remained the 3% p.a. coupon guaranteed convertible bonds due 2025 with an outstanding principal of US$70.1 million and a prevailing conversion price of HK$1.93 per share.

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 2022, including the liability component of the convertible bonds, amounted to US$629.7 million (31 December 2021: US$796.8 million) and are mainly denominated in United States Dollars.

- Secured borrowings and undrawn committed facilities (US$563.1 million)
- Convertible bonds (face value US$70.1 million, book value US$66.6 million, bondholders' put option December 2023)

Finance Costs

US$ Million	Average interest rate P/L	Average interest rate Cash	Balance at 30 June 2022	Finance costs 1H 2022	Finance costs 1H 2021	Change
Borrowings (including realised interest rate swap contracts)	3.7%	3.7%	**380.8**	**7.7**	10.8	+29%
Convertible bonds (Note)	4.7%	3.0%	**66.6**	**3.1**	3.8	+18%
	3.9%	KPI 3.6%	**447.4**	**10.8**	14.6	+26%
Other finance charges				**0.7**	0.7	
Total finance costs				**11.5**	15.3	+25%
Interest coverage (calculated as EBITDA divided by total finance costs)				KPI **49.3x**	16.0x	

Note: The convertible bonds have a P/L cost of US$3.1 million and a cash cost of US$1.1 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.

The Group aims to achieve a balance between floating and fixed interest rates on its borrowings. As at 30 June 2022, 77% (31 December 2021: 81%) of the Group's borrowings were on fixed interest rates. We currently expect about 55% and 54% of the Group's borrowings will be on fixed interest rates as at 31 December 2022 and 2023 respectively, assuming all revolving credit facilities are fully drawn.

FINANCIAL STATEMENTS

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	2022	2021	Change*
Revenue		**1,722.8**	1,142.0	+51%
Bunker, port disbursement & other voyage costs		**(497.3)**	(429.8)	-16%
Time-charter equivalent ("TCE") earnings	1	**1,225.5**	712.2	+72%
Owned vessel costs				
Operating expenses	2	**(112.6)**	(90.3)	-25%
Depreciation	3	**(71.3)**	(57.9)	-23%
Net finance costs	4	**(9.8)**	(15.0)	+35%
Chartered vessel costs				
Non-capitalised charter costs	5	**(509.0)**	(348.4)	-46%
Capitalised charter costs	5	**(23.2)**	(15.5)	-50%
Operating performance before overheads		**499.6**	185.1	+>100%
Adjusted total G&A overheads	6	**(41.8)**	(34.1)	-23%
Taxation and others		**(0.3)**	(0.6)	+50%
Underlying profit		**457.5**	150.4	+>100%
Unrealised derivative income	7	**13.5**	6.9	
Reversal of vessel impairment		**–**	3.7	
Net disposal gain of vessels	8	**10.9**	1.1	
Incentives and fees for conversion of convertible bonds	9	**(15.8)**	–	
Provisions	10	**(1.0)**	(2.0)	
Profit attributable to shareholders		**465.1**	160.1	+>100%
EBITDA		**566.9**	244.6	+>100%
Net profit margin		**27%**	14%	+13%
Return on average equity (annualised)		**48%**	28%	+20%

* 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 and unrealised derivative income and expenses.

Notes

1. Total time-charter equivalent ("TCE") earnings increased significantly mainly reflecting strong dry bulk freight rates during the period.
2. Total operating expenses of our owned vessels increased by 25% as a result of continued high crew travel cost and other pandemic-related expenses.
3. Depreciation of our owned vessels increased by 23% mainly as a result of the reversal of an impairment provision of our Handysize fleet in December 2021.
4. Net finance costs decreased by 35% mainly due to lower borrowings.
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 overall charter costs is in line with the strong 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 23% 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 net disposal gain relates to the disposal of our smaller, older Handysize vessels.
9. Incentives and fees relate to the incentivised conversion offer to our convertible bondholders in May 2022.
10. Provisions relate to potential operational costs and claims.

Unaudited Condensed Consolidated Income Statement

	Note	Six months ended 30 June 2022 US$'000	2021 US$'000
Revenue	3	**1,722,828**	1,142,072
Cost of services		**(1,234,390)**	(963,553)
Gross profit		**488,438**	178,519
Indirect general and administrative overheads		**(5,661)**	(4,178)
Other income and gains		**12,856**	4,911
Other expenses		**(18,612)**	(2,086)
Finance income		**1,725**	313
Finance costs		**(12,908)**	(16,771)
Profit before taxation	4	**465,838**	160,708
Tax charges	5	**(710)**	(604)
Profit attributable to shareholders		**465,128**	160,104
Earnings per share for profit attributable to shareholders (in US cents)			
Basic earnings per share	7(a)	**9.53**	3.40
Diluted earnings per share	7(b)	**8.79**	3.04

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2022 US$'000	2021 US$'000
Profit attributable to shareholders	**465,128**	160,104
Other comprehensive income		
Items that may be reclassified to income statement		
Cash flow hedges		
– fair value gains/(losses)	**3,162**	(173)
– transferred to income statement	**3,219**	2,980
Currency translation differences	**(1,238)**	33
Total comprehensive income attributable to shareholders	**470,271**	162,944

Unaudited Condensed Consolidated Balance Sheet

	Note	30 June 2022 US$'000	31 December 2021 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,828,059**	1,906,019
Right-of-use assets		**86,279**	55,302
Goodwill		**25,256**	25,256
Derivative assets		**4,190**	496
Trade and other receivables	8	**5,284**	8,499
Restricted bank deposits		**51**	51
		1,949,119	1,995,623
Current assets			
Inventories		**160,966**	103,590
Derivative assets		**36,309**	14,710
Trade and other receivables	8	**207,419**	171,839
Assets held for sale		**14,400**	–
Cash and deposits		**516,277**	459,670
		935,371	749,809
Total assets		**2,884,490**	2,745,432
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		**52,497**	47,858
Retained profits		**839,525**	744,553
Other reserves		**1,144,684**	1,038,815
Total equity		**2,036,706**	1,831,226
LIABILITIES			
Non-current liabilities			
Borrowings		**386,796**	521,363
Lease liabilities		**39,523**	29,270
Derivative liabilities		**4,145**	6,540
Trade and other payables	9	**–**	17
		430,464	557,190
Current liabilities			
Borrowings		**60,664**	66,793
Lease liabilities		**50,675**	31,159
Derivative liabilities		**19,388**	10,232
Trade and other payables	9	**285,129**	247,554
Taxation payable		**1,464**	1,278
		417,320	357,016
Total liabilities		**847,784**	914,206

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 interim condensed consolidated 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 2021, 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 2021.

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

	Six months ended 30 June	
US$'000	**2022**	2021
Freight	**1,388,748**	975,862
Charter-hire		
– lease component	**272,265**	119,318
– non-lease component	**61,815**	46,889
Other revenues	**–**	3
	1,722,828	1,142,072

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 before taxation

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

	Six months ended 30 June	
US$'000	**2022**	2021
Vessel charter costs	**509,039**	348,435
Bunkers consumed	**300,139**	224,188
Port disbursements and other voyage costs	**219,443**	216,021
Employee benefit expenses	**116,092**	89,670
Depreciation		
– owned vessels	**71,307**	57,892
– other property, plant and equipment	**744**	819
– right-of-use assets	**23,026**	15,308
Net gains on bunker swap contracts	**(35,972)**	(17,155)
Incentives and fees for conversion of convertible bonds	**15,824**	–
Gains on disposal of vessels	**(12,376)**	(951)
Provision for vessel impairment	**1,513**	–
Reversal of impairment on assets held for sale	**–**	(3,676)
Provisions	**950**	2,000
Interest on borrowings		
– bank loans	**6,012**	8,264
– convertible bonds	**3,097**	3,757
– other borrowings	**865**	1,134
Interest on lease liabilities		
– vessels	**1,259**	1,313
– other property, plant and equipment	**153**	184

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	**2022**	2021
Current taxation		
Hong Kong profits tax, provided at the rate of 16.5% (2021: 16.5%)	**430**	397
Overseas tax, provided at the rates of taxation prevailing in the countries	**263**	211
Adjustments in respect of prior year	**17**	(4)
Tax charges	**710**	604

6 Dividends

	Six months ended 20 June					
	2022			2021		
	HK cents per share	**US cents per share**	**US$'000**	HK cents per share	US cents per share	US$'000
Interim basic dividend (a)	**35.0**	**4.4**	**234,226**	14.0	1.8	86,473
Special dividend (a)	**17.0**	**2.2**	**113,767**	–	–	–
Total dividends for the period	**52.0**	**6.6**	**347,993**	14.0	1.8	86,473
Dividends paid during the period (b)	**60.0**	**7.7**	**367,696**	–	–	–

(a) The interim basic dividend and special dividend are declared on 28 July 2022 and not reflected in the financial statements.

(b) Dividends paid during the period represent final basic dividend and special dividend of the prior year.

7 Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit 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	
		2022	2021
Profit attributable to shareholders	(US$'000)	**465,128**	160,104
Weighted average number of shares in issue	('000)	**4,880,350**	4,707,504
Basic earnings per share	(US cents)	**9.53**	3.40
Equivalent to	(HK cents)	**74.52**	26.39

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing the basic earnings, after adjusting for effect of interest on and incentives and fees for conversion of 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	
		2022	2021
Profit attributable to shareholders	(US$'000)	**465,128**	160,104
Effect of interest on convertible bonds	(US$'000)	**3,097**	3,757
Effect of incentives and fees for conversion of convertible bonds	(US$'000)	**15,824**	–
Adjusted profit attributable to shareholders	(US$'000)	**484,049**	163,861
Weighted average number of shares in issue	('000)	**4,880,350**	4,707,504
Effect of unvested restricted shares	('000)	**65,978**	96,226
Effect of convertible bonds	('000)	**561,432**	586,033
Diluted weighted average number of shares	('000)	**5,507,760**	5,389,763
Diluted earnings per share	(US cents)	**8.79**	3.04
Equivalent to	(HK cents)	**68.72**	23.59

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 2022**	31 December 2021
≤ 30 days	**125,538**	95,255
31-60 days	**1,013**	6,665
61-90 days	**1,496**	5,431
> 90 days	**3,508**	10,714
	131,555	118,065

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 2022**	31 December 2021
≤ 30 days	**88,666**	66,034
31-60 days	**879**	732
61-90 days	**378**	93
> 90 days	**3,511**	3,654
	93,434	70,513

Purchase, Sale or Redemption of Securities

During the six months ended 30 June 2022, 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 to the Listing Rules (the "Model Code").

The Board confirms that, having made specific enquiry, the Directors have complied in full with the required standard as set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2022.

Senior Management 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 2022.

Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2022, the Group has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 to the Listing Rules.

Review of Interim Results

This interim results announcement and the 2022 Interim Report have been reviewed by the external auditor and the Audit Committee of the Company.

Interim Dividend and Closure of Register of Members

The Board has declared a total interim dividend of HK52 cents per share – comprising a basic dividend of HK35 cents per share and a special dividend of HK17 cents per share – for the six months ended 30 June 2022 which will be paid on 24 August 2022 to those shareholders whose names appear on the Company's register of members on 12 August 2022.

The register of members will be closed on 12 August 2022 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 share 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 11 August 2022. The ex-dividend date for the interim dividend will be on 10 August 2022.

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 to 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 2022 Interim Report is printed in English and Chinese languages, and will be available on the Company's website on or around 16 August 2022 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, Martin Fruergaard and Peter Schulz

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

Non-executive Director:
Alexander Howarth Yat Kay Cheung

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 2022 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.