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Pacific Basin Shipping Limited

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2009

The Board of Directors (the "Board") of Pacific Basin Shipping Limited ("Pacific Basin" or the "Company") are pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2009 as follows:

Highlights

	Six Months Ended 30 June	
US$ million	**2009**	2008
Revenue	**425.9**	909.9
Gross Profit	**85.9**	328.6
Profit Attributable to Shareholders	**74.8**	337.6
Basic Earnings per share (US cents)	**4.2**	20.8
Basic Earnings per share (HK cents)	***32***	*162*

Results Highlights

Group

- **Group profits were US$74.8 million** (2008: US$337.6 million) in another volatile half year for dry bulk shipping
- **Underlying profit for the period was US$56.8 million** before a US$5.5 million write-back of onerous contracts for future periods, US$15 million of unrealised derivative net income and US$2.5 million of vessel disposal losses
- **Basic earnings per share were HK$0.32**
- **Interim dividend of HK 8 cents per share**, representing a payout ratio of 26%. For the full year, the Board remains committed to our existing dividend policy of paying out a minimum of 50% of profits excluding disposal gains

- **Robust balance sheet with cash position of US$1,141 million** and net cash of US$314 million

- **Fully funded vessel capital commitments** of US$229 million in non-dry bulk vessels and US$76 million in dry bulk vessels

Fleet & Coverage

- **Contract cover** is in place for 93% of our combined handysize and handymax revenue days in 2009 and 53% of our combined revenue days in 2010. 89% of our contracted 23,560 handysize revenue days in 2009 are covered at US$14,280 per day net. The Baltic Handysize spot index on 3 August 2009 stood at US$12,107 per day net

- **Group average handysize daily earnings of US$13,610** in the first half of 2009 were 57% above average Baltic Handysize Index spot rates of US$8,638 per day net, demonstrating the value of our significant forward cover

- **Our fleet (including newbuildings) now totals 150 vessels** comprising 109 dry bulk vessels, 34 tugs and barges, 1 bunker tanker and 6 RoRos

Other Divisions

- **PB Towage has continued to grow** its harbour and offshore towage business, and entered into a joint venture providing towage logistics services to support the development of a major new gas field offshore Western Australia

- **Successfully negotiated deferred delivery of 3 RoRo vessels into 2011.** Our unfixed RoRos now deliver in the second half of 2010 and throughout 2011

- **Fujairah Bulk Shipping** is performing well and is ahead of schedule on its reclamation project requiring the quarrying and transport of 54 million tonnes of aggregates

Outlook

- **Cautious view** as to the outlook for dry bulk shipping during the remainder of 2009 and 2010 due to increasing vessel deliveries and anticipated volatility of China's raw material demands

- **Resilient business model and robust balance sheet** position us well to take advantage of opportunities in the expected challenging market ahead

INTERIM REPORT OF THE DIRECTORS

SUMMARY

In another volatile half year for dry bulk shipping, Pacific Basin Group's unaudited net profit for the six months ended 30 June 2009 was US$75 million (2008: US$338 million) with basic earnings per share of HK$0.32. The Group's underlying profit for the period was US$57 million before accounting for a US$5.5 million write-back of onerous contracts for future periods, US$15 million of unrealised derivative net income and US$2.5 million of vessel disposal losses. The annualised return on average shareholders' equity during the period was 12%.

The lower profit year on year mainly reflected a reduction in Pacific Basin's average handysize daily earnings from US$32,580 per day to US$13,610 per day. However, our daily earnings were some 57% in excess of handysize spot rates (as reflected by the Baltic Handysize Index or "BHSI"), which averaged US$8,638 per day net over the same period. Thus it was Pacific Basin's policy of booking significant levels of forward cover and our relatively low cost fleet that delivered a solid performance in such difficult market circumstances. Moreover our robust balance sheet with cash of US$1.1 billion and net cash of US$314 million positions us well to take advantage of the opportunities that will arise if, as we anticipate, the market continues to be difficult.

The Board has declared an interim dividend of HK 8 cents per share, representing a payout ratio of 26% at the interim and, for the full year, remains committed to our existing dividend policy of paying out a minimum of 50% of profits excluding disposal gains.

Dry bulk markets were choppy but surprisingly buoyant in the first half of 2009 as a result of a surge in Chinese iron ore demand. The Baltic Dry Index ("BDI") recovered dramatically through the period from just above its 22 year low of last December to exceed its pre-2003 highs, albeit not reaching the extraordinary peaks of 2003-8. The freight market is expected to remain volatile due, in part, to continued fluctuation in Chinese demand for raw materials and highly uncertain vessel delivery schedules. Newbuildings from greenfield Chinese shipyards and, to a lesser extent, from Korean shipyards delivered at a much slower pace than expected during the first six months of the year. However, the pace of vessel deliveries has stepped up in recent weeks and is expected to accelerate, thereby unfavourably influencing the demand/supply balance and placing considerable downward pressure on freight rates.

The volatile environment of the last twelve months has proved the resilience of our business model; as a result, we are confident of being able to ride through the challenging market conditions that we anticipate will prevail over the next few years. Despite the difficult trading and financial environment, we have experienced no counterparty default and, in the first half of 2009, we took four key measures to further strengthen our position. First, we significantly increased our cargo cover (as detailed in the paragraph below) and chartered ships in for shorter periods so as to further reduce our near term market exposure. Second, we continued our efforts to save costs across the Group and have achieved our targeted year on year reduction in overhead costs in the first half of the year. Third, we have continued to develop our other business segments so as to provide additional stability to the Group's future earnings. Fourth, aided by an issue of new shares in May 2009, we further improved our already strong cash position.

As at 27 July 2009, our combined handysize and handymax fleet had cover of 93% for 2009 and 53% for 2010 in terms of handysize-equivalent days, and we are continuing to build cover for 2010 and beyond. At the same date, we had covered some 89% of our 2009 handysize revenue days at US$14,280 per day net whereas the Baltic Handysize spot index on 3 August stood at US$12,107 per day net.

In our other core business segments, we have made good progress:

PB Towage continues to expand its operations in both the harbour and offshore sectors. In May 2009, we entered into a joint venture to provide a consortium of oil majors with towage logistics services for their "Gorgon Project", the development of a major new gas field offshore Western Australia.

In view of the current weakness in the RoRo market, we have postponed the delivery dates of three of our five unfixed RoRo newbuildings until 2011 with no change in the total consideration payable. We are actively examining employment opportunities for these vessels both within and outside Europe. We continue to believe in the bright longer-term prospects for this sector on account of the RoRo fleet's age profile and relatively small orderbook, and the growing economic and environmental case for moving more coastal trucking activity onto the sea.

Fujairah Bulk Shipping L.L.C. ("FBSL") is performing well and is ahead of schedule on its significant land reclamation project in Fujairah, requiring the quarrying and transport of 54 million tonnes of aggregates.

During the first seven months of 2009, Pacific Basin took delivery of four owned dry bulk newbuildings which we ordered in 2006 and early 2007 (well before values peaked in the middle of 2008), three tugs and one bunker tanker. In addition, we completed the sale of four dry bulk vessels and the sale and charter back of another two. As at 31 July 2009, the Group's fleet (including newbuildings) numbered 150 vessels comprising 109 dry bulk ships, 34 tugs and barges, one bunker tanker and six RoRos. Our dry bulk core fleet has an average vessel age of 6.9 years.

Outlook

We remain cautious as to the outlook for the dry bulk shipping market in the remainder of 2009 and 2010. Whilst we have been positively surprised by the market rebound in the first half of the year, we are concerned by the unpredictability of China's demand for raw materials and we expect accelerating vessel deliveries to produce excessive supply relative to the demand for tonnage. We therefore do not expect to see the same beneficial drivers of our underlying profits in the balance of 2009 as in the first half of the year, and we reiterate our previously stated strategy of conserving capital to take full advantage of the opportunities that we expect will arise in the future.

Pacific Basin is in a unique position to leverage its business model, with a robust balance sheet that will allow us to further increase our scale when the timing is appropriate. In addition, we are fortunate to have built up a strong management team; the Board extends its thanks to all the staff of Pacific Basin for their great efforts to drive the Company's performance in these challenging times.

Dry Bulk Market Review

Dry bulk markets were surprisingly buoyant in the first half of 2009, with both quarters demonstrating high volatility. The year started with the BHSI at a very depressed US$4,000 per day net and the BDI at 770 points which, excluding the brief dip in early December, represented a 22-year market low. However, fuelled by exceptional lending by State-owned banks, Chinese demand for raw materials – and in particular for iron ore – drove the BDI up by over 300% and the BHSI by over 200%. As at 3 August, the BDI stood at 3,251 points and the BHSI at US$12,107 per day net.

At a time when dry bulk shipping demand around much of the world remained subdued due to the economic crisis, Chinese activity was clearly the overriding freight market driver. Whilst the Chinese stimulus package has supported domestic demand for Chinese steel production since the end of 2008, the resultant strong demand for raw materials has been further increased by the substitution of cheaper imported iron ore for more expensive domestic ore, resulting in a 29% year on year increase in iron ore imports in the first half of 2009. Commodity price rebates offered by foreign minerals groups (even as battle lines were being drawn for the annual iron ore price negotiations) combined with significantly lower freight rates than prevailed in the same period last year made for a compelling reduction in the cost of sourcing higher-grade foreign raw materials. If China's domestic raw materials become cheaper than imported commodities, as now looks to be the case, then the market could turn again.

Familiar bottlenecks in the supply chain returned in the first half of the year as Chinese ports strained to discharge the increased numbers of capesize bulk carriers arriving with iron ore, and panamax vessels queued at Australian ports to load coal destined for China. According to shipbroker Simpson, Spence and Young, congestion in Chinese ports decreased the effective supply of capesize vessels in the market by as much as 10% in the second quarter.

As at the end of June, the dry bulk fleet was approximately 6.6% larger than at the same time last year and 3.5% larger than at the beginning of 2009. There were significantly fewer newbuilding deliveries in the year to date than had been expected at the start of 2009: data from Clarksons suggests that under 50% of the first half 2009 scheduled orderbook actually delivered. We believe that this is due less to significant cancellations or yard bankruptcies than to many reported orders not having been fully effective. Some "orders" were, for example, options which were never exercised, or were orders for which pre-requisite refund and performance guarantees by shipyards' and shipowners' guarantors were not forthcoming. In part, the shortfall in deliveries is also due to construction delays which, combined with a larger scheduled orderbook in the second half of the year, means that we can expect the pace of deliveries to accelerate in the coming months and in 2010. Nevertheless, it is doubtful that deliveries this year will reach the approximately 70 million tonnes projected at the start of 2009, and we expect less than 50 million tonnes of new dry bulk capacity to deliver in the full year. Even if a significant portion of these newbuildings do not deliver as scheduled, it is likely that supply will still outweigh demand pushing freight rates down.

Global dry bulk tonnage demand continued to slump during the first quarter of 2009 and then, on the back of surging Chinese raw material imports, rebounded strongly during the second quarter of the year. Demand for bulk shipping is estimated by shipbroker R.S. Platou to have contracted 9% year on year in the first quarter of 2009 and by 2.3% in the second quarter, producing an overall contraction of some 5.7%. The relatively modest contraction in the second quarter is especially impressive given the unusual strength of the second quarter of 2008 when severe port congestion compounded the effect of surging cargo volumes, pushing freight rates to all time highs. Platou's data, albeit preliminary, would seem to corroborate the significant increase that occurred in dry bulk freight rates during the second quarter of 2009.

Encouraging levels of dry bulk vessel scrapping early in the year evaporated by June as freight rates increased to attractive levels, prompting owners of older tonnage to defer their demolition plans for a while longer. 1.8 million tonnes of dry bulk capacity was scrapped in January when freight rates were at their lowest in the half year, whilst only 0.3 million tonnes was scrapped in June when freight rates were at their highest during this period.

Sales and purchase activity continues to be relatively stagnant making it difficult for shipbrokers to value ships. However, Platou's estimates point to a value today of approximately US$22 million for a benchmark five-year old 28,000 dwt handysize vessel. This reflects a slight strengthening in sentiment in the half year since January when values were estimated to be US$21 million and compares favourably with the US$17.6 million average net book value of our owned handysize ships, which are on average six years old. Market values nevertheless remain approximately 60% below record values of a year ago when Clarksons estimated the value of a five-year old handysize to be in excess of US$50 million. Meanwhile handysize newbuilding resales with prompt delivery from Japanese yards are currently being marketed at approximately US$27 million but few owners are willing to contemplate either the acquisition of such vessels or the placing of new orders given the current newbuilding overhang and the uncertainty surrounding future newbuilding prices.

BUSINESS REVIEW

Dry Bulk Shipping

The Group's handysize and handymax dry bulk chartering activities – under the "Pacific Basin-IHC" and "Pacific Basin-IHX" brands respectively – performed well in the volatile market of the first six months of 2009. Net earnings were relatively strong, we had no counterparty default, and we secured a high level of cover for 2009 and beyond.

Both Pacific Basin-IHC and Pacific Basin-IHX make use of a full range of chartering tools including time charters, contracts of affreightment ("COAs"), spot market fixtures, and derivative instruments including forward freight agreements ("FFAs") and bunker hedges. These tools allow us to manage our exposure in response to market changes by increasing or reducing our net vessel and cargo positions. We make only limited use of FFAs (substantially all of which are executed via leading banks) to help us hedge our forward book of physical ships and cargoes; our current net FFA cover represents approximately 5% of our handysize revenue days and 1% of our handymax revenue days in 2009.

The Pacific Basin-IHC fleet is one of the largest handysize fleets in the world and Pacific Basin-IHX continues to elevate its profile among the top 10 handymax operators. The combined fleets (excluding newbuildings on order) comprise 102 owned or chartered, generally modern vessels and enable us to provide our customers with a professional, high-quality, reliable service at competitive freight rates, enhanced by round-the-clock support from experienced freight and operations professionals in eight chartering offices (out of a total 22 Pacific Basin offices) around the world. The current difficult freight market conditions continue to expose many financially struggling shipping companies, who will have no future if market conditions deteriorate sufficiently. In contrast Pacific Basin's robust, visible balance sheet combined with a large-scale, modern fleet reassures our customers and our counterparties of our ability to perform short, medium and long term commitments.

Handysize

Pacific Basin-IHC made a net profit in the first half of 2009 of US$52.1 million (2008: US$226.1 million) on net earnings of US$13,610 per day over 12,460 handysize revenue days. This contribution excludes a total net gain of US$11.2 million from the unrealised mark to market value of derivatives, reflecting a gain of US$30 million in respect of bunker derivatives (which we use to hedge the cost of our forward fuel purchases) and a loss of US$18.8 million in respect of unrealised forward freight agreements. Our net earnings of US$13,610 per day (2008: US$32,460) were some 57% in excess of handysize spot rates (as reflected by the BHSI), which averaged US$8,638 per day net (2008: US$36,579) over the same period.

In line with our view of an increasingly challenging market, we have secured a higher level of forward cargo cover than ever before for the current and following year. As at 27 July, we had covered 89% of our contracted 23,560 handysize revenue days for 2009 at an average daily rate of about US$14,280. Furthermore, we had covered 45% of our contracted 18,860 handysize revenue days in 2010 at rates comparable with our 2009 cover rates. We continue to make good progress in building our cargo cover for 2010 and beyond, whilst preferring to employ shorter-term chartered tonnage so as to limit our exposure to the anticipated lower market.

During the first six months of 2009 our handysize fleet carried 8.5 million tonnes of cargo (2008: 9.9 million). Whilst we carry a diverse range of commodities which helps us manage our product risk, our top five commodities (accounting for 55% of our handysize volumes) during the period were logs and forestry products, steel (including scrap metal), metal concentrates, cement/clinker, and grains and agriculture products. The majority of our ships trade in the Pacific with Australia and China the most frequently visited regions (29% of all our handysize volumes were loaded in Australia, and we discharged 25% of our volumes in China), although our fleet was also active in the Atlantic.

The following table sets out our handysize revenue days and cover in 2009 and 2010 as at 27 July 2009:

Handysize Vessel Activity Summary	Unit	FY 2009	FY 2010
Cargo Commitments			
Revenue days	days	20,030	7,650
Net paper contracts	days	1,000	820
Equivalent revenue days	days	21,030	8,470
Daily TCE	US$	14,280	–
Ship Commitments			
Revenue days	days	23,560	18,860
Net Position			
Cargo as % of ship commitments	%	89%	45%
Handysize FFA Activity Summary	Unit	FY 2009	FY 2010
FFA paper sold	days	2,540	820
FFA paper bought	days	(260)	–
Net realised paper exposure	days	(1,280)	–
Net FFA paper sold	days	1,000	820

Handymax

Pacific Basin-IHX made a net profit in the first half of 2009 of US$11.5 million (2008: US$36.6 million) on net earnings of US$19,840 per day over 5,150 handymax revenue days. This contribution excludes a total net gain of US$0.9 million from the unrealised mark to market value of derivatives, reflecting a gain of US$13.3 million in respect of bunker derivatives (which we use to hedge the cost of our forward fuel purchases) and a loss of US$12.4 million in respect of unrealised forward freight agreements.

As with Pacific Basin-IHC, Pacific Basin-IHX secured a high level of cargo cover during the first half of 2009. As of 27 July 2009, we had covered 100% of our contracted 8,660 handymax revenue days for 2009 at an average daily rate of about US$20,290. Furthermore, we had covered 116% of our contracted 1,760 handymax revenue days in 2010. We continue to make good progress in building cargo cover for 2011 and beyond, whilst preferring to employ shorter-term chartered tonnage so as to limit our exposure to the anticipated lower market ahead.

During the first six months of 2009 our handymax fleet carried 5.0 million tonnes of cargo (2008: 5.7 million), somewhat less than in the same period last year. This drop in volume was primarily due to large freight differentials between the Pacific and Atlantic oceans, making it often more profitable to carry cargoes requiring long ballast voyages. Our top five commodities (accounting for 74% of our handymax volumes) during the period were coal/coke, ores, grains and agriculture products, sugar and fertilisers. Our main customers are large commodity, industrial and mining groups and we moved approximately

47% of our cargo volumes within the Atlantic and 53% within the Pacific. Our primary load areas are the resource rich regions of Australia, the United States' west coast and India. Over 20% of our volumes was discharged in China, as compared to 16% in the same period of 2008.

Pacific Basin-IHX has performed well in its fourth year. COA customers value Pacific Basin-IHX's market presence, its uniform and stable fleet size, and its established handymax staff around the world. Customers also much prefer the services of blue-chip owners and operators like Pacific Basin who can be relied on to perform future contractual commitments.

The following table sets out our handymax revenue days and cover in 2009 and 2010 as at 27 July 2009:

Handymax Vessel Activity Summary	Unit	FY 2009	FY 2010
Cargo Commitments			
Revenue days	days	8,540	1,450
Net paper contracts	days	100	590
Equivalent revenue days	days	8,640	2,040
Daily TCE	US$	20,290	–
Ship Commitments			
Revenue days	days	8,660	1,760
Net Position			
Cargo as % of ship commitments	%	100%	116%
Handymax FFA Activity Summary	Unit	FY 2009	FY 2010
FFA paper sold	days	1,860	770
FFA paper bought	days	(1,400)	(180)
Net realised paper exposure	days	(360)	–
Net FFA paper sold	days	100	590

Post Panamax

The Group's two post panamax bulk carriers remain set to deliver in 2011. Our exposure to the large bulk carrier market in respect of these two vessels is covered by a 15-year charter to leading Chinese power company China Huaneng Group and a 10-year charter to another blue-chip counterparty.

Towage

PB Towage made a net profit in the first half of 2009 of US$1.6 million (2008: US$5.8 million loss). The division has continued to grow its harbour and offshore towage business substantially during the last six months with its fleet now comprising 19 tugs, six barges and, in a joint venture, one bunker (fuel) tanker across three main subsidiaries. We have another nine tugs on order and, to fulfil the requirements of our

growing number of customers, are looking to expand further our fleet of harbour tugs and utility vessels through second hand vessel, corporate and further newbuilding acquisitions.

In May 2009, we entered into a joint venture to provide a consortium of oil majors (Chevron, Exxon Mobil and Shell) with towage logistics services to support their "Gorgon Project", the development of a major new gas field offshore Western Australia. PB Towage expects to deploy a number of tugs and utility vessels to service this project over a period of at least three years. This project, with an announced revenue value to the joint venture of A$350 million, provides PB Towage a coveted entry point to the burgeoning Australian offshore oil and gas sector, whilst providing long term employment cover for a number of vessels to complement our existing short term project towage activities.

Our harbour towage operations in Australia have been more affected than our offshore business by the economic downturn and subsequent reduced sea-borne trade, particularly in the container shipping sector. In order to reduce the volatility of earnings from our open market harbour towage business, we have recently secured long term fixed-income contracts in bulk ports in Western Australia and Queensland.

In June 2009, we acquired the outstanding minority interests in PB Towage Australia, our Australian subsidiary, thus increasing our holding in the company to 100%.

PB Towage continues to service the tonnage requirements of Fujairah Bulk Shipping – our joint venture in the UAE – with the deployment of three tugs and two barges to transport aggregates in the Arabian Gulf. We have also begun to deploy vessels in the offshore oil and gas construction sector in the Middle East and India, regions which, despite high barriers to entry, show particularly attractive growth potential.

Roll On Roll Off ("RoRo") Vessels

Our RoRo business is expected to generate its first revenues from mid-September 2009. As previously reported, we have secured a three-year fixture to a blue-chip counterparty for our first RoRo vessel which delivers from the Odense Steel Shipyard this September. In light of the current weakness in the RoRo market, we have negotiated the deferred delivery of our remaining three RoRo newbuildings from this shipyard into 2011. As part of this agreement, we have made early payment of 10% of the contract price, but we benefit from a corresponding reduction in – and deferral of – the final payments. The total consideration for these ships therefore remains unchanged.

Our two chartered-in Korean-built RoRo newbuildings, for which we hold purchase options, remain scheduled to deliver in the second half of 2010. As a result of the negotiated postponement of deliveries from Odense, we now benefit from a more gradual exposure to the RoRo market, with one vessel delivering in 2009 (fixed), two scheduled to deliver in the second half of 2010, and three in 2011.

We are examining a number of potential employment opportunities both within and outside Europe. The RoRo market continues to enjoy attractive longer-term prospects on account of the fleet's age profile, relatively small orderbook, and the European Union's restated commitment to its "Motorways of the Sea" transport policy.

Other Operations

Fujairah Bulk Shipping continues to develop well and has grown its organisation significantly in the last six months. The joint venture currently employs over 600 staff and has one of the largest fleets of heavy equipment in the UAE. In the first six months of 2009, FBSL began work on a land reclamation project for the Municipality of Fujairah requiring the quarrying and transport of approximately 54 million tonnes of aggregates for an industrial site in northern Fujairah. The project is currently ahead of schedule and FBSL expects to deliver the aggregates on budget and on time by the end of 2011. Successful, on time completion of this project is likely to lead to FBSL taking on additional similar projects in the future.

Like the rest of the world, the Gulf region has been affected by the financial and economic crisis and overall project development has slowed. Nevertheless, we are still seeing healthy activity and expect FBSL to continue to grow despite the challenging economic environment.

PB Maritime Services provides technical management and crewing services, giving the highest priority to safety and the environment followed by tight control of ship operating expenses and minimisation of vessel downtime. PB Maritime Services' broad marine management capability, in combination with the Group's commercial, financial and other expertise, enables us to offer effective, high-quality support to clients requiring asset management solutions in the current difficult environment. These comprehensive services are marketed under the "PB Maritime Solutions" banner.

PacMarine Services, our marine consultancy and surveying business, has experienced an 8.5% YoY increase in ship inspections. Now one of the largest independent tanker vetting companies in the world, PacMarine plans to expand its operations into Japan, South America and the United States' east coast in the latter half of 2009.

The Nanjing Longtan Tianyu Terminal in which we hold a 45% interest continues to develop its cargo handling volumes largely in line with our original expectations. Having handled over 1.2 million tonnes in 2008 (its first year of operations), the terminal handled revenue throughput of 1.0 million tonnes of bulk and general cargo in the first half of 2009.

Fleet Development

During the first half of 2009 we took delivery of three owned dry bulk newbuildings which had been ordered in 2006 and early 2007, and we completed the sale of four dry bulk vessels and the sale and charter back of another two vessels. In addition, we took delivery of three tugs and, in a joint venture, one bunker tanker. Following these newbuilding deliveries, the Group was left with total remaining non-cancellable vessel commitments of US$305 million as at 30 June 2009. A table detailing our fleet development during the first half of 2009 can be found in the Investor Relations section of our website.

Between 30 June and 31 July 2009, we took delivery of one further handysize newbuilding and contracted for two newbuilding tugs.

As at 31 July 2009, our fleet of 150 vessels (including newbuildings) comprised 109 dry bulk ships, 34 tugs and barges, one bunker tanker and six RoRos. Our dry bulk core fleet has an average vessel age of 6.9 years.

Richard M. Hext
Chief Executive Officer

Hong Kong, 11 August 2009

Shareholders and investors are reminded that this announcement of interim results for the six months ended 30 June 2009 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.

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 June 2009

	Note	Six months ended 30 June	
		2009	2008
		US$'000	*US$'000*
Revenue	3	**425,913**	909,872
Direct costs		**(340,011)**	(581,292)
Gross profit		**85,902**	328,580
General and administrative expenses		**(6,623)**	(11,149)
Other income		**55,848**	21,628
Other expenses		**(47,544)**	(34,642)
(Losses)/gains on disposal of property, plant and equipment		**(2,532)**	38,610
Finance costs, net		**(9,568)**	(6,914)
Share of profits less losses of jointly controlled entities		**1,414**	2,927
Share of losses of associates		**(119)**	(11)
Profit before taxation	4	**76,778**	339,029
Taxation	5	**(1,949)**	(1,417)
Profit for the period	3	**74,829**	337,612
Attributable to:			
Shareholders		**74,829**	337,587
Minority interests		**–**	25
		74,829	337,612
Dividends	6	**19,911**	170,142
Earnings per share for profit attributable to shareholders			
Basic	7(a)	**US 4.19 cents**	US 20.83 cents
Diluted	7(b)	**US 4.19 cents**	US 20.82 cents

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2009

	Six months ended 30 June	
	2009	2008
	US$'000	*US$'000*
Profit for the period	**74,829**	337,612
Other comprehensive income, net of tax:		
Currency translation differences	**11,441**	2,749
Cash flow hedges:		
– fair value gains	**4,741**	6,347
– transferred to property, plant and equipment	**(433)**	(5,011)
– transferred to finance costs in consolidated income statement	**810**	(95)
Fair value gains on available-for-sale financial assets	**15,967**	3,616
Gains on repurchase and cancellation of convertible bonds	**325**	–
Total comprehensive income for the period	**107,680**	345,218
Attributable to:		
– Shareholders	**107,680**	345,152
– Minority interests	**–**	66
	107,680	345,218

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

At 30 June 2009

	Note	**30 June 2009** *US$'000*	31 December 2008 *US$'000*
Non-current assets			
Property, plant and equipment		**911,956**	794,622
Investment properties		**4,984**	–
Land use rights		**1,285**	3,035
Goodwill		**25,256**	25,256
Interests in jointly controlled entities		**44,333**	50,806
Investment in associates		**2,739**	2,864
Available-for-sale financial assets		**59,604**	43,454
Derivative assets		**11,315**	23,800
Trade and other receivables	8	**8,898**	9,517
Restricted bank deposits		**2,988**	4,757
Other non-current assets		**54,510**	56,238
		1,127,868	1,014,349
Current assets			
Inventories		**25,643**	24,291
Derivative assets		**35,677**	55,797
Assets held for sale		**–**	65,891
Trade and other receivables	8	**79,109**	151,193
Restricted bank deposits		**32,569**	44,108
Cash and deposits		**1,105,221**	974,876
		1,278,219	1,316,156
Current liabilities			
Derivative liabilities		**15,139**	43,660
Trade and other payables	9	**101,736**	154,691
Current portion of long term borrowings		**48,704**	58,679
Taxation payable		**5,549**	3,553
Provision for onerous contracts		**19,038**	28,179
		190,166	288,762
Net current assets		**1,088,053**	1,027,394
Total assets less current liabilities		**2,215,921**	2,041,743
Non-current liabilities			
Derivative liabilities		**1,250**	8,155
Long term borrowings		**778,206**	789,133
Provision for onerous contracts		**12,857**	25,753
		792,313	823,041
Net assets		**1,423,608**	1,218,702
Equity			
Capital and reserves attributable to shareholders			
Share capital		**192,885**	174,714
Retained profits		**643,802**	568,648
Other reserves		**586,921**	475,340
Total equity		**1,423,608**	1,218,702

Note:

1. General information and basis of preparation

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").

These unaudited condensed consolidated interim financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants. These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

2. Accounting policies

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2008, with an additional policy on investment properties comprising land use rights and buildings, which are held for a combination of rental yields and capital appreciation. Investment properties are stated initially at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate their costs to their residual values over their estimated useful lives. The residual values and useful lives of investment properties are reviewed, and adjusted if appropriate, at each balance sheet date.

Certain new standards, amendments and interpretations to the published standards (collectively "New Standards") are mandatory for accounting period beginning 1 January 2009. The New Standards relevant to the Group are as follows:

- HKAS 1 (revised), "Presentation of financial statements". The revised standard prohibits the presentation of income and expenses directly in the statement of changes in equity. All income and expenses are required to be shown in either one statement of comprehensive income or two statements (the income statement and the statement of comprehensive income). The Group has presented all income and expenses in two statements.

- HKFRS 8, "Operating segments". This standard replaces HKAS 14, "Segment reporting" by adopting a management approach under which segment information is presented on the same basis as that used for internal reporting provided to the chief operating decision-maker. In prior periods, the Group regarded its international dry bulk shipping segment as one dominate segment. The change in the policy has resulted in an increase in the number of reportable segments presented.

  Goodwill is allocated to groups of cash-generating units on a segment level. Comparatives for 2008 have been presented accordingly.

- HKAS 1 (amendment), "Presentation of financial statements". The amendment clarifies that derivatives classified as held for trading must be presented as non-current assets and liabilities to the extent that they meet the requirements of HKAS 1. The Group has presented its trading derivatives as current or non-current according to their respective settlement dates. Comparative figures have been adjusted accordingly.

3. Segment information

The Group manages its businesses by divisions. Reports are presented to the division heads as well as the Board for the purpose of making strategic decisions, allocation of resource and assessing performance. The following reportable segments are consistent with the way in which information is presented.

The reportable operating segments derive their revenue primarily from the provision of dry bulk, towage and RoRo shipping services. Dry bulk is further segregated into handysize and handymax vessels.

Although closely monitored, the results of the Fujairah Bulk Shipping joint venture, ports and infrastructure projects and maritime services activities are included in the “all other segments” column as they do not meet the quantitative thresholds suggested by HKFRS.

Treasury manages the Group’s cash and borrowings which are not considered to be an operating segment. As such, related finance income and expenses are also allocated under treasury.

The Directors consider that the nature of the provision of shipping services, which are carried out internationally, and the way in which costs are allocated, precluded a meaningful allocation of operating profit to specific geographical segments. Accordingly, geographical segment information is not presented.

An analysis of the Group's reportable segment information for the period ended 30 June 2009 is as follows:

	Dry bulk		Towage	RoRo	All other segments	Total Segments	Unallocated		Total	Reclass-ification	Per Financial Statements	Note
	Handysize	Handymax					Treasury	Others				
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	
For the period ended 30 June 2009												
Revenue	258,129	153,432	24,657	–	8,628	444,846	–	(31,272)	413,574	12,339	425,913	
Freight and charter-hire	258,129	153,432	24,087	–	–	435,648	–	(31,272)	404,376	12,339	416,715	1
Maritime management services	–	–	570	–	8,628	9,198	–	–	9,198	–	9,198	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(88,545)	(48,050)	(1,486)	–	–	(138,081)	–	43,357	(94,724)	94,724	–	2
Time charter equivalent earnings	169,584	105,382										
Direct costs	(110,364)	(93,889)	(19,223)	(420)	(4,876)	(228,772)	–	5,523	(223,249)	(116,762)	(340,011)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	–	–	–	–	–	–	–	–	–	(94,724)	(94,724)	2
Charter-hire expenses for vessels	(67,084)	(89,105)	(1,023)	–	–	(157,212)	–	5,523	(151,689)	(22,038)	(173,727)	3
Vessel operating costs	(20,553)	(1,354)	(11,318)	–	–	(33,225)	–	–	(33,225)	–	(33,225)	
Depreciation of vessels	(14,443)	(407)	(3,000)	–	–	(17,850)	–	–	(17,850)	–	(17,850)	
Shore based overheads	(8,284)	(3,023)	(3,882)	(420)	(4,876)	(20,485)	–	–	(20,485)	–	(20,485)	
Gross profit	59,220	11,493	3,948	(420)	3,752	77,993	–	17,608	95,601	(9,699)	85,902	
General and administrative expenses	–	–	–	–	(2,136)	(2,136)	–	(4,487)	(6,623)	–	(6,623)	4
Other income	–	–	–	–	–	–	1,559	–	1,559	54,289	55,848	1, 3, 5
Other expenses	–	–	(341)	–	(2,613)	(2,954)	–	–	(2,954)	(44,590)	(47,544)	1
Losses on disposal of property, plant and equipment	–	–	–	–	–	–	–	(2,532)	(2,532)	–	(2,532)	6
Finance costs, net	(7,149)	–	(676)	–	1,263	(6,562)	(5,945)	2,939	(9,568)	–	(9,568)	
Finance income	–	–	84	–	1,263	1,347	6,199	–	7,546	–	7,546	
Finance costs	(7,149)	–	(760)	–	–	(7,909)	(12,144)	2,939	(17,114)	–	(17,114)	7
Share of profits less losses of jointly controlled entities	–	–	(13)	–	91	78	–	1,336	1,414	–	1,414	8
Share of losses of associates	–	–	(119)	–	–	(119)	–	–	(119)	–	(119)	
Profit before taxation	52,071	11,493	2,799	(420)	357	66,300	(4,386)	14,864	76,778	–	76,778	
Taxation	–	–	(1,210)	–	(739)	(1,949)	–	–	(1,949)	–	(1,949)	
Profit for the period	52,071	11,493	1,589	(420)	(382)	64,351	(4,386)	14,864	74,829	–	74,829	
At 30 June 2009												
Total assets	699,724	44,195	155,571	222,101	143,504	1,265,095	1,096,752	44,240	2,406,087	–	2,406,087	1, 2
Total assets include:												
Property, plant and equipment	577,963	15,983	120,722	181,093	16,195	911,956	–	–	911,956	–	911,956	
Interests in jointly controlled entities	–	–	7,341	–	33,664	41,005	–	3,328	44,333	–	44,333	8
Investment in associates	–	–	2,739	–	–	2,739	–	–	2,739	–	2,739	
Additions to property, plant and equipment	32,375	–	23,556	91,422	2,304	149,657	–	–	149,657	–	149,657	
Total liabilities	301,866	21,718	50,354	131	6,392	380,461	586,061	15,957	982,479	–	982,479	1, 2
Total liabilities include:												
Long term borrowings	206,489	–	39,337	–	–	245,826	581,084	–	826,910	–	826,910	

	Dry bulk		Towage	RoRo	All other	Total	Unallocated		Total	Reclass-	Per Financial	
	Handysize	Handymax			segments	Segments	Treasury	Others		ification	Statements	
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	Note
For the period ended 30 June 2008												
Revenue	548,365	332,404	8,566	–	10,146	899,481	–	(1,271)	898,210	11,662	909,872	
Freight and charter-hire	548,365	332,404	8,566	–	–	889,335	–	(1,271)	888,064	11,662	899,726	1
Maritime management services	–	–	–	–	10,146	10,146	–	–	10,146	–	10,146	
Bunkers, port disbursements, other charges and amounts payable to other pool members	(141,591)	(72,432)	–	–	–	(214,023)	–	44,952	(169,071)	169,071	–	2
Time charter equivalent earnings	406,774	259,972										
Direct costs	(172,028)	(223,331)	(7,383)	(332)	(9,147)	(412,221)	–	–	(412,221)	(169,071)	(581,292)	
Bunkers, port disbursements, other charges and amounts payable to other pool members	–	–	–	–	–	–	–	–	–	(169,071)	(169,071)	2
Charter-hire expenses for vessels	(124,015)	(216,006)	–	–	–	(340,021)	–	–	(340,021)	–	(340,021)	
Vessel operating costs	(20,881)	(2,249)	(5,523)	–	–	(28,653)	–	–	(28,653)	–	(28,653)	
Depreciation of vessels	(15,277)	(1,969)	(841)	–	–	(18,087)	–	–	(18,087)	–	(18,087)	
Shore based overheads	(11,855)	(3,107)	(1,019)	(332)	(9,147)	(25,460)	–	–	(25,460)	–	(25,460)	
Gross profit	234,746	36,641	1,183	(332)	999	273,237	–	43,681	316,918	11,662	328,580	
General and administrative expenses	–	–	–	–	(4,297)	(4,297)	–	(6,852)	(11,149)	–	(11,149)	4
Other income	–	–	–	–	10,802	10,802	–	–	10,802	10,826	21,628	1
Other expenses	–	–	(6,202)	–	(5,952)	(12,154)	–	–	(12,154)	(22,488)	(34,642)	1
Gains on disposal of property, plant and equipment	–	–	–	–	–	–	–	38,610	38,610	–	38,610	6
Finance costs, net	(8,681)	–	(699)	–	788	(8,592)	2,069	(391)	(6,914)	–	(6,914)	
Finance income	–	–	106	–	788	894	13,149	–	14,043	–	14,043	
Finance costs	(8,681)	–	(805)	–	–	(9,486)	(11,080)	(391)	(20,957)	–	(20,957)	7
Share of profits less losses of jointly controlled entities	–	–	–	–	97	97	–	2,830	2,927	–	2,927	8
Share of losses of associates	–	–	(11)	–	–	(11)	–	–	(11)	–	(11)	
Profit before taxation	226,065	36,641	(5,729)	(332)	2,437	259,082	2,069	77,878	339,029	–	339,029	
Taxation	–	–	(60)	–	(1,357)	(1,417)	–	–	(1,417)	–	(1,417)	
Profit for the period	226,065	36,641	(5,789)	(332)	1,080	257,665	2,069	77,878	337,612	–	337,612	
At 31 December 2008												
Total assets	745,163	106,709	124,080	170,265	157,175	1,303,392	965,111	62,002	2,330,505	–	2,330,505	1, 2
Total assets include:												
Property, plant and equipment and assets held for sale	612,317	49,841	91,426	89,671	17,258	860,513	–	–	860,513	–	860,513	
Interests in jointly controlled entities	–	–	–	–	33,562	33,562	–	17,244	50,806	–	50,806	8
Investment in associates	–	–	2,864	–	–	2,864	–	–	2,864	–	2,864	
Additions to property, plant and equipment	155,030	11,629	54,481	95,897	4,957	321,994	–	–	321,994	–	321,994	
Total liabilities	361,369	37,393	33,539	640	10,473	443,414	616,574	51,815	1,111,803	–	1,111,803	1, 2
Total liabilities include:												
Long term borrowings	213,349	–	19,395	–	–	232,744	615,068	–	847,812	–	847,812	

Note

1. Net unrealised forward freight agreement benefits and expenses are under others. Net realised benefits and expenses are allocated under dry bulk into handysize and handymax.

   For the presentation of the financial statements, net realised and unrealised freight forward agreement benefits and expenses are reclassified to other income and other expenses.

   The related derivative assets and liabilities are also allocated under others.

2. Net unrealised bunker swap contracts benefits and expenses are under others. Net realised benefits and expenses are allocated under dry bulk into handysize and handymax.

   For the presentation of the financial statements, bunkers, port disbursements, other charges and amounts payable to other pool members are reclassified to direct costs.

   The related derivative assets and liabilities are also allocated under others.

3. Provision write-back of onerous contracts for future periods of contracts due to the increase in the economic benefits expected to be received under them are under others.

   Provision utilisation of the portion of contracts which lapsed during the six months ended 30 June 2009 is allocated under dry bulk into handysize.

   For the presentation of the financial statements, both of the above are reclassified to other income.

4. Others represent corporate shore based overheads.

5. Treasury represents the gains on the repurchase and cancellation of the Group's convertible bonds during the period.

6. Others represent the Group's gains and losses on disposal of property, plant and equipment which are not considered to be an operating segment.

7. Others represent net unrealised interest rate swap contracts benefits and expenses.

8. Others represent the Group's share of the gains on the disposal of a vessel owned by a joint venture of which the Group is a joint venture partner, and the resultant net assets.

4. Profit before taxation

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

	Six months ended 30 June	
	2009	2008
	US$'000	*US$'000*
Depreciation for		
– owned vessels	**12,068**	10,538
– leased vessels	**5,782**	7,549
– investment properties	**28**	–
– other owned property, plant and equipment	**698**	652
Amortisation of land use rights	**21**	4
Bunkers consumed	**77,004**	108,713
Lubricating oil consumed	**2,057**	1,945
Gains on financial assets at fair value through profit or loss	**–**	(4,863)
Net gains on bunker swap contracts	**(32,972)**	(54,648)
Net losses on forward freight agreements	**12,339**	11,662
Net (gains)/losses on interest rate swap contracts	**(1,478)**	559
Interest on borrowings		
– bank loans	**3,014**	542
– finance leases	**7,149**	9,483
– convertible bonds	**8,098**	9,864

5. Taxation

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period.

Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

The amount of taxation charged to the unaudited condensed consolidated income statement represents:

	Six months ended 30 June	
	2009	2008
	US$'000	*US$'000*
Current taxation		
Hong Kong profits tax	**368**	1,100
Overseas tax	**1,581**	317
	1,949	1,417

6. Dividends

	Six months ended 30 June	
	2009	2008
	US$'000	*US$'000*
Interim dividend of HK 8 cents or US 1.0 cents per share (2008: HK 76 cents or US 9.7 cents per share)	**19,911**	170,142

An interim dividend in respect of the year ending 31 December 2009 of HK 8 cents or US 1.0 cents per share, amounting to a total dividend of US$19,911,000 was declared on 11 August 2009. These condensed consolidated interim financial statements do not reflect this dividend payable. A 2007 final dividend of HK 75 cents or US 9.6 cents per share, totalling US$152,825,000 was paid during the period ended 30 June 2008.

7. Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period, excluding the shares held by the trustee of the Company's Long Term Incentive Scheme ("LTIS").

	Six months ended 30 June	
	2009	2008
Profit attributable to shareholders (US$'000)	**74,829**	337,612
Weighted average number of ordinary shares in issue ('000)	**1,785,864**	1,620,734
Basic earnings per share	**US 4.19 cents**	US 20.83 cents
Equivalent to	**HK 32 cents**	HK 162 cents

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares after adjusting for the number of potential dilutive ordinary shares granted under the Company's LTIS but excluding the shares held by the trustee of the Company's LTIS.

	Six months ended 30 June	
	2009	2008
Profit attributable to shareholders (US$'000)	**74,829**	337,612
Weighted average number of ordinary shares in issue ('000)	**1,785,864**	1,620,734
Adjustment for share options ('000)	**493**	933
Weighted average number of ordinary shares for diluted earnings per share ('000)	**1,786,357**	1,621,667
Diluted earnings per share	**US 4.19 cents**	US 20.82 cents
Equivalent to	**HK 32 cents**	HK 162 cents

8. Trade and other receivables

Included in trade and other receivables are net trade receivables and their ageing analysis is as follows:

	30 June 2009	31 December 2008
	US$'000	*US$'000*
Less than 30 days	**18,364**	16,146
31-60 days	**1,728**	5,857
61-90 days	**895**	1,451
Over 90 days	**1,905**	4,296
	22,892	27,750

Trade receivables consist principally of voyage-related trade receivables. It is industry practice that 95% to 100% of freight is paid upon completion of loading, with the balance paid after completion of discharge and the finalisation of port disbursements, demurrage claims or other voyage-related charges. The Group normally will not grant any credit terms to its customers and trade receivables at the balance sheet date are all past due.

9. Trade and other payables

Included in trade and other payables are trade payables and their ageing analysis is as follows:

	30 June 2009	31 December 2008
	US$'000	*US$'000*
Less than 30 days	**15,175**	11,591
31-60 days	**1,107**	846
61-90 days	**734**	320
Over 90 days	**3,698**	3,999
	20,714	16,756

FINANCIAL REVIEW

This year sees the adoption of the new accounting standard HKFRS 8 “Operating Segments”, which provides a clearer analysis of the Group’s performance.

During the six months ended 30 June 2009, revenue was down 53.2% to US$425.9 million (2008: US$909.9 million). Gross profit was US$85.9 million (2008: US$328.6 million), down 73.9%.

Profit attributable to shareholders was US$74.8 million (2008: US$337.6 million). Profit was down 77.8% from the comparative period mainly due to a decrease in daily charter rates of the dry bulk vessels, balanced by lower blended vessel daily operating costs. The underlying profit in the period was US$56.8 million (2008: US$255.8 million), and the Group’s performance was improved overall by:

(i) a US$5.5 million provision write-back of onerous contracts relating to future periods, reflecting higher achieved and expected earnings for time charter contracts as compared to that expected at the end of 2008; and

(ii) the inclusion of US$15.0 million (2008: US$43.2 million) of net unrealised derivative non cash income mainly from bunker swap contracts; offset by

(iii) US$2.5 million of vessel disposal losses.

Annualised return on average equity of US$1,284.7 million (31 December 2008: US$1,179.5 million) was 11.6% (31 December 2008: 34.7%).

The Group derives its revenue primarily from the provision of shipping services which management analyses in three reporting segments: dry bulk (further split into handysize and handymax); towage; and Roll on Roll off (“RoRo”).

During the six months ended 30 June 2009, dry bulk and towage generated US$70.7 million and US$4.0 million of segment gross profits, whilst RoRo incurred expenses of US$0.4 million (no RoRo revenue will be generated until the first vessel delivers in September 2009). Together, these divisions represented 95.2% of total segment gross profits. Dry bulk continues to dominate the Group’s activities.

The following pages provide further analysis of the results of the Group with a review of gross profits by segment followed by a review of other items in the income statement along with other financial information.

Dry Bulk Segment Gross Profit

Income

The Group's dry bulk fleet generated US$411.6 million (2008: US$880.8 million) or 92.5% (2008: 97.9%) of total segment revenue. The handysize and the handymax vessels generated US$169.6 million (2008: US$406.8 million) and US$105.4 million (2008: US$260.0 million) in terms of time charter equivalent earnings respectively.

The following table summarises the change in time charter equivalent earnings:

US$ Million	Handysize	Handymax	Total
During the six months ended 30 June 2008	406.8	260.0	666.8
Change in revenue days	(0.8)	(3.7)	(4.5)
Change in daily charter rates	(236.4)	(150.9)	(387.3)
During the six months ended 30 June 2009	169.6	105.4	275.0

The following table shows the handysize and handymax operating performance during the period:

	Six months ended 30 June		
	2009	2008	% change
Handysize			
Revenue days	**12,460**	12,480	–
Daily charter rates (US$)	**13,610**	32,580	–58%
Daily vessel operating costs (US$)	**9,380**	14,470	–35%
Handymax			
Revenue days	**5,150**	5,210	–1%
Daily charter rates (US$)	**19,840**	49,150	–60%
Daily vessel operating costs (US$)	**17,580**	41,980	–58%

Note 1: Vessel operating costs include the write-back of the provision for time charter contracts for periods which lapsed during the six months ended 30 June 2009 but exclude the write-back of the provision relating to future periods.

Note 2: Handymax performance excludes two vessels which are on long term charter at a daily rate of US$8,460 and for which the daily vessel operating cost is US$8,530.

Direct Costs

The Group's dry bulk fleets incurred US$204.3 million (2008: US$395.4 million) or 89.3% (2008: 95.9%) of total segment direct costs. The majority of the decrease was represented by charter-hire expenses for vessels under operating leases (after provision for onerous contracts) which decreased to US$156.2 million (2008: US$340.0 million), reflecting:

i) a 55.8% decrease in the average daily charter rate of vessels chartered by the Group under operating leases;

ii) a 3.2% rise in the average number of vessel days chartered by the Group under operating leases; and

iii) the inclusion within direct costs in 2009 and its comparative of 1,480 (2008: 940) and 2,870 (2008: 2,310) short term handysize and handymax vessel days chartered by the Pacific Basin-IHC and Pacific Basin-IHX pools respectively under operating leases. The average rates for these short term chartered vessels were US$7,700 (2008: US$34,010) and US$10,980 (2008: US$52,980) respectively. These costs were previously classified as part of "bunkers, port disbursements, other charges and amounts payable to other pool members".

Dry bulk depreciation charges decreased to US$14.9 million (2008: US$17.2 million) primarily due to a decrease in the average number of owned and finance leased vessels from 33 to 31.

Dry bulk operating costs for owned and finance leased vessels, which includes crew related, spares, lubricating oil and insurance costs, decreased slightly to US$21.9 million (2008: US$23.1 million).

Direct costs of the Group included an overhead allocation of US$20.5 million (2008: US$25.5 million), of which US$11.3 million (2008: US$15.0 million) was attributable to the dry bulk division. The overhead allocation represented the Group's shore based staff costs, office and related expenses directly attributable to the management of the dry bulk fleet, ports, towage and maritime management services activities.

Revenue days and vessel days of our dry bulk vessels are analysed in the following table. The fleet of owned vessels experienced average annualised off-hire of 1.9 days (FY2008: 1.5 days) per vessel in the six months ended 30 June 2009.

	Six months ended 30 June					
	2009			2008		
	Owned & Finance leased	**Chartered**	**Total**	Owned & Finance leased	Chartered	Total
Handysize						
Vessel days	**5,490**	**7,040**	**12,530**	5,710	6,840	12,550
Drydocking	**(50)**	**–**	**(50)**	(40)	–	(40)
Off-hire	**(20)**	**–**	**(20)**	(30)	–	(30)
Revenue days	**5,420**	**7,040**	**12,460**	5,640	6,840	12,480
Handymax						
Vessel days	**110**	**5,050**	**5,160**	360	4,880	5,240
Drydocking	**–**	**–**	**–**	(30)	–	(30)
Off-hire	**(10)**	**–**	**(10)**	–	–	–
Revenue days	**100**	**5,050**	**5,150**	330	4,880	5,210

Blended vessel daily operating cost for handysize was US$9,380 (FY2008: US$14,960), a decrease of 37.3% over the previous year mainly due to lower charter-hire costs of vessels sourced from the market. The equivalent daily cost for handymax was US$17,580 (FY2008: US$40,070), a decrease of 56.1% over the previous year for the same reason.

Towage Segment Gross Profit

The Group's towage business continues to seek growth opportunities and expanded into harbour towage, offshore supply and project businesses. Its fleet of tugs and barges grew from 20 to 25 during the period.

Towage generated US$24.7 million (2008: US$8.6 million) or 5.5% (2008: 1.0%) of total segment revenue.

It incurred US$19.2 million (2008: US$7.4 million) of direct costs, which mainly comprised vessel operating costs, depreciation charges and shore based overheads of US$11.3 million (2008: US$5.5 million), US$3.0 million (2008: US$0.8 million) and US$3.9 million (2008: US$1.0 million) respectively. Both increases are in line with the expansion of the Group's towage business since the start of 2009.

During the period, the Group acquired all of the minority shareholding of PB Towage Australia, a business providing harbour towage services in Australia, thus increasing our holding to 100%, and incurred US$0.5 million of transaction related costs.

Losses on Disposal of Property, Plant and Equipment

The Group's losses on disposal of property, plant and equipment totalled US$2.5 million (2008: gains of US$38.6 million). The Group disposed of a total of five vessels of which two were leased back. An additional vessel was sold and accounted for in the share of profits less losses of jointly controlled entities. Proceeds from these sales of US$105.2 million were used to repay associated debt facilities of US$43.8 million, to fund investments and to increase general working capital. In accordance with HKAS 17 "Leases", operating lease accounting has been adopted for these sale and lease back transactions with the vessels being treated as sold, the gains or losses on disposal being recognised immediately on completion, and subsequent charter-hire payments being recognised as expenses.

Other Income

Movements in the fair value of receipts from forward freight agreements amounted to US$32.3 million (2008: US$10.8 million).

During the period, the Group repurchased at a discount some of its convertible bonds with an aggregate face value of US$10.3 million, realising a gain for the Group of US$1.5 million.

During 2008, the Group made a provision of US$53.9 million for time charter contracts substantially expiring in a three year period and whose charter rates were higher than the expected earnings for the remaining charter periods. Included in this was an amount of US$16.5 million for the portion of time charter contracts which lapsed during the six months ended 30 June 2009. This has been written back to the income statement and shown in the dry bulk segment results. In addition, the Group wrote back US$5.5 million of provisions for time charter contracts for future periods due to the increase in the economic benefits expected to be received from these contracts, however, this is not allocated to a segment result as it relates to future periods. In aggregate, there was an overall reduction in the time charter contract provision of US$22.0 million.

Other Expenses

Movements in the fair value of payments for forward freight agreements amounted to US$44.6 million (2008: US$22.5 million). Taking into account the movements in fair value of receipts of US$32.3 million included in other income above, the net movement in the fair value of forward freight agreements was an expense of US$12.3 million (2008: US$11.7 million).

General and Administrative Expenses

The Group's total administrative expenses of US$27.1 million (2008: US$36.6 million) are split between direct expenses for our shore based overheads of US$20.5 million (2008: US$25.5 million) and general and administrative expenses of US$6.6 million (2008: US$11.1 million). The decrease was a result of our cost reduction exercises carried out at the end of 2008 and during the period including the decrease in the number of staff who were engaged in maritime management services activities.

Total administrative expenses as a percentage of revenue increased from 3.9% to 6.4%. The number of full time shore based staff per owned, chartered and managed vessel decreased slightly from 2.5 to 2.4. This excludes the staff who are engaged in ports, towage and maritime management services activities.

Share of Profits Less Losses of Jointly Controlled Entities

The Group's share of profits less losses of jointly controlled entities totalled US$1.4 million (2008: US$2.9 million). This mainly represented:

(i) the Group's share of US$1.4 million (2008: US$1.4 million) in Fujairah Bulk Shipping L.L.C., a joint venture with the Government of Fujairah involved in the production, supply and transportation of aggregates in the Middle East;

(ii) the share of results from the sale of the vessel "Captain Corelli" of US$1.3 million (2008: US$2.8 million); and

(iii) the share of losses of US$1.4 million (2008: US$1.6 million) in Longtan Tianyu Terminal Co. Ltd, a business involved in the operation of a dry bulk and general cargo terminal in Nanjing that formally commenced operations in February 2008.

Finance Income

Finance income of US$7.5 million (2008: US$14.0 million) represented primarily US$7.0 million (2008: US$9.9 million) of bank interest income and the drop was in line with the reduction in deposit rates.

Financing

Finance costs of US$17.1 million (2008: US$21.0 million) included interest payments of US$3.0 million (2008: US$0.5 million) in relation to bank borrowings used to finance the Group's owned vessels, finance charges of US$7.1 million (2008: US$9.5 million) in relation to vessels under finance lease arrangements and interest expenses of US$8.1 million (2008: US$9.9 million) in relation to convertible bonds issued by the Group.

Financing – Interest Payments on Bank Borrowings

The US$2.5 million increase in interest payments on bank borrowings to US$3.0 million was primarily due to the increase in the average bank borrowings outstanding to US$333.9 million (2008: US$20.0 million). Bank borrowings are subject to floating interest rates but the Group manages these exposures by way of interest rate swap contracts. The average interest rate before hedging on bank borrowings was approximately 1.8% (2008: 5.4%).

Financing – Finance Charges

Finance charges of US$7.1 million (2008: US$9.5 million) represented interest payments on the Group's finance leased vessels. Aggregate current and long term finance lease liabilities at 30 June 2009 were US$206.5 million. The fixed equal quarterly charter-hire payments are accounted for as a combination of repayments of finance lease liabilities in the balance sheet and finance charges in the income statement. Finance charges can be expressed as interest rates, fixed for the period of the leases. The average interest rate on finance leases was approximately 6.8% (2008: 6.8%).

Financing – Interest Expenses on Convertible Bonds

In December 2007, the Group issued US$390 million, 3.3% per annum coupon, guaranteed convertible bonds maturing in 2013. During the period, the Group further repurchased its convertible bonds with an aggregate face value of US$10.3 million, in addition to the repurchases in 2008 of US$65.8 million. After these transactions, convertible bonds with a face value of US$314.0 million remain outstanding at 30 June 2009. Interest expenses of US$8.1 million (2008: US$9.9 million) represented the bonds' effective 5.7% interest rate.

Tax

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

Cashflow

At 30 June 2009, the Group had net working capital of US$1,088.1 million. The primary sources of liquidity comprised cash and bank balances of US$1,140.8 million (principally denominated in US dollars) and unutilised committed and secured bank borrowing facilities of US$4.8 million. The Group's primary liquidity needs are to fund general working capital requirements (including lease and other short term financing commitments), fleet expansion and other capital expenditure. Dividends are funded from net cash generated from operating activities.

	Six months ended 30 June	
US$ million	**2009**	2008
Net cash from operating activities	**60.5**	284.2
Purchase of property, plant and equipment and assets held for sale	**(171.4)**	(201.2)
Disposal of property, plant and equipment and assets held for sale	**105.2**	80.6
Payment for available-for-sale financial assets	**–**	(40.3)
Investment in jointly controlled entities	**–**	(17.3)
Net repayment of loans to jointly controlled entities	**25.0**	–
Dividends received from jointly controlled entities	**15.2**	–
Net receipts from forward foreign exchange contracts	**17.3**	–
(Decrease)/increase in restricted and pledged bank deposits	**13.3**	(34.1)
Others	**8.8**	(5.2)
Net cash (used in)/from investing activities	**13.4**	(217.5)
Proceeds from shares issued upon placing of new shares, net of issuing expenses	**97.1**	271.0
Net repayment of borrowings	**(6.9)**	–
Repayment of finance lease payables capital element	**(6.9)**	(51.6)
Payment for repurchase and cancellation of convertible bonds	**(8.6)**	–
Interest and other finance charges paid	**(16.9)**	(10.7)
Dividends paid to shareholders of the Company	**–**	(152.8)
Others	**(1.3)**	(1.9)
Net cash from financing activities	**56.5**	54.0
Cash and bank deposits at 30 June	**1,140.8**	804.3

Financial Instruments

The Group is exposed to fluctuations in interest rates, bunker prices, freight rates and foreign currencies in relation to contracts designated in foreign currencies. The Group manages these exposures by way of:

(i) interest rate swap contracts;

(ii) bunker swap contracts;

(iii) forward freight agreements; and

(iv) forward foreign exchange contracts.

At 30 June 2009, the forward foreign exchange contracts and all except one of the interest rate swap contracts qualified as cash flow hedges. Accordingly, the change in the fair value of these instruments during the period was recognised directly in the hedging reserve.

Bunker swap contracts and forward freight agreements do not qualify for hedge accounting mainly because the contract periods, which are in calendar months, do not exactly coincide with the periods of the physical contracts. Terms of one of the interest rate swap contracts also did not qualify it for hedge accounting.

Income or expenses arising from a change in the fair value of these contracts were recognised in the income statement under

(i) finance costs for interest rate swap contracts;

(ii) bunkers, port disbursements and other charges under direct costs for bunker swap contracts; and

(iii) other income and other expenses for forward freight agreements.

The application of HKAS 39 “Financial Instruments: Recognition and Measurement” has the effect of shifting the estimated results of these future contracts into the current period, which in 2009 created a net unrealised non-cash income of US$15.0 million, whereas the cash flows of these contracts will occur in future reporting periods.

During the six months ended 30 June 2009, the Group recognised net realised derivative income of US$7.1 million in segment results, attributable to the division to which the underlying contract relates. The Group also recognised net unrealised derivative income of US$15.0 million in the segment results as "unallocated-others". This resulted in a total income for the period of US$22.1 million. These are further analysed as follows:

US$ Million	Realised	Unrealised	Six months ended 30 June 2009	2008
Income				
Interest rate swap contracts	**–**	**2.9**	**2.9**	–
Bunker swap contracts	**0.3**	**43.4**	**43.7**	60.2
Forward freight agreements	**25.1**	**7.2**	**32.3**	10.8
	25.4	**53.5**	**78.9**	71.0
Expenses				
Interest rate swap contracts	**(1.5)**	**–**	**(1.5)**	(0.6)
Bunker swap contracts	**(10.7)**	**–**	**(10.7)**	(5.3)
Forward freight agreements	**(6.1)**	**(38.5)**	**(44.6)**	(22.5)
	(18.3)	**(38.5)**	**(56.8)**	(28.4)
Net				
Interest rate swap contracts	**(1.5)**	**2.9**	**1.4**	(0.6)
Bunker swap contracts	**(10.4)**	**43.4**	**33.0**	54.9
Forward freight agreements	**19.0**	**(31.3)**	**(12.3)**	(11.7)
	7.1	**15.0**	**22.1**	42.6

Indebtedness

The indebtedness of the Group at period end, principally denominated in US dollars, comprised finance lease liabilities of US$206.5 million, bank borrowings of US$329.7 million and the debt component of the Group's convertible bonds of US$290.7 million. The current portion of indebtedness included in this, repayable within one year from the balance sheet date, is US$14.5 million of finance lease liabilities and US$34.2 million of bank borrowings.

Finance lease liabilities decreased to US$206.5 million (31 December 2008: US$213.3 million) as a result of repayments during the period. Bank borrowings (net of deferred loan arrangement fees) decreased to US$329.7 million (31 December 2008: US$332.8 million) as a result of repayments and prepayments following the sale of five vessels. The debt component of the Group's convertible bonds decreased to US$290.7 million (31 December 2008: US$301.7 million) primarily as a result of the repurchase and cancellation of a portion of the bonds during the period.

At 30 June 2009, all outstanding finance lease liabilities will expire between 2015 and 2017, and all outstanding secured bank borrowings will expire between 2012 and 2018. All of the Group's outstanding convertible bonds will expire in 2013; however, bondholders have the option to redeem the bonds in February 2011.

The Group's bank borrowings were secured by mortgages over 28 vessels with a total net book value of US$401.0 million and an assignment of earnings and insurances in respect of these vessels.

The Group had unutilised committed bank borrowing facilities of US$4.8 million available to finance the Group's newbuilding commitments and other vessel acquisitions.

The Group, through its treasury function, procures indebtedness so as to optimise the availability of cash resources to the Group, by leveraging the Group's balance sheet. Finance lease liabilities are allocated to the segment where the asset is owned.

Net Cash

As part of the Group's ordinary activities, the treasury function manages the Group's cash resources so as to enhance the income from these resources through a mix of financial products, including overnight and term deposits and money market funds, based on the perceived balance of risk, return and liquidity.

The Group had cash and deposits of US$1,140.8 million and net cash of US$313.9 million at 30 June 2009. The Group's cash benefited from the US$97.1 million net proceeds from the placement of 174,731,010 new shares in May 2009.

The Group's cash, net of bank borrowings, finance lease liabilities and convertible bonds, expressed as a percentage of property, plant and equipment (based on net book values) and vessel finance lease receivables was 34.0% (31 December 2008: 21.8%).

Lease Commitments

Vessel operating lease commitments stood at US$488.6 million (31 December 2008: US$593.4 million), as illustrated in the table below. These commitments exclude vessels under finance leases which are included as part of property, plant and equipment. The decrease in lease commitments was mainly due to the lower number of dry bulk chartered days.

Lease Commitments	**≤ 1 year**	**> 1 year & ≤ 5 years**	**> 5 years**	**Total**
(US$ Million)				
Handysize	122.9	117.5	51.7	292.1
Handymax	70.6	19.6	–	90.2
Handysize and Handymax total	193.5	137.1	51.7	382.3
RoRo	–	39.6	–	39.6
Post panamax	–	20.0	46.7	66.7
Total	193.5	196.7	98.4	488.6

The number of days in relation to the lease commitments of the handysize and handymax vessels are as follows:

(days)				
Handysize	10,260	10,250	4,120	24,630
Handymax	3,600	620	–	4,220
Handysize and Handymax total	13,860	10,870	4,120	28,850

As part of other income in the period ended 30 June 2009, the Group wrote back US$5.5 million of provision for time charter contracts relating to future periods, primarily due to the increase in the economic benefits expected to be received under them. At 30 June 2009, there remains a provision of US$31.9 million for handysize time charter contracts substantially expiring in a three year period and whose charter rates are higher than the expected earnings for the remaining charter periods. No provisions were made for handymax time charter contracts.

The provision will be released back to the income statement in the periods in which the charter payments for these handysize vessels are due, as follows:

Year	**US$ Million**
2009	10.2
2010	16.6
2011	2.7
2012	2.4
Total	31.9

The Group has commitments to 31,190 days under handysize finance leases and 28,850 days under handysize and handymax operating leases. The following table shows the average contracted daily charter rates and total number of vessel days of our handysize and handymax vessels under operating leases and finance leases in each year, assuming the purchase options will not be exercised until the expiry of the charter-hire agreements. These daily rates represent the average effective charter rate after the release of the US$31.9 million provision for charter-hire expenses in the year in which charter payments are due.

	Handysize Operating leases		**Handysize Finance leases**		**Handymax Operating leases**	
Year	**Average daily rate (US$)**	**Vessel days**	**Average daily rate (US$)**	**Vessel days**	**Average daily rate (US$)**	**Vessel days**
2H09	10,120	6,060	5,960	2,400	17,450	2,640
2010	9,900	6,600	5,960	4,750	26,900	1,360
2011	9,300	2,840	5,920	4,760	34,380	220
2012	10,150	2,450	5,960	4,750	–	–
2013	11,790	1,830	5,950	4,750	–	–
2014	12,310	1,460	5,940	4,750	–	–
2015	12,400	1,380	5,910	2,590	–	–
2016	12,480	820	5,970	1,830	–	–
2017	12,850	390	5,840	610	–	–
2018	13,000	370	–	–	–	–
2019	13,000	370	–	–	–	–
2020	13,000	60	–	–	–	–
Total		24,630		31,190		4,220

Certain lease agreements provide the Group with options to purchase the related vessels at predetermined times and prices during the lease periods. The average prices of the existing purchase options for both handysize vessels and handymax vessels in the earliest years in which these options may be exercised, along with the number of vessels and the average age of such vessels in that year, are as follows:

Earliest year in which options may be exercised	Vessel type	Number of vessels Finance lease	Number of vessels Operating lease	Average age of vessels (years)	Average purchase option price (US$ Million)
2009	Handysize	13	8	7	18.3
2010	Handysize	–	1	3	22.3
	Handymax	–	1	5	17.7
2016	Handysize	–	1	5	45.3
	Post Panamax	–	1	5	67.9
Total		13	12		

Capital Expenditure, Property, Plant and Equipment and Commitments

During the six months ended 30 June 2009, capital expenditure amounted to US$149.7 million, at the end of the period resulting in the addition of two handysize vessels and three tugs as well as installment payments on 11 vessels, including handysize, post panamax, RoRo and tug newbuildings.

At 30 June 2009, the Group had property, plant and equipment with net book value of US$912.0 million, of which US$649.3 million related to 30 delivered handysize vessels with an average net book value of US$17.6 million, one delivered handymax vessel and 25 tugs and barges.

At 30 June 2009, the Group had non-cancellable vessel commitments of US$305.4 million and other non-vessel capital commitments of US$9.7 million. The vessels are for delivery to the Group between July 2009 and November 2011. They are shown in the table below:

Vessel Capital Commitments

(US$ Million)	Number	2009	2010	2011	Total
Handysize newbuildings	3	31.8	–	–	31.8
Post panamax newbuilding	1	–	21.7	22.1	43.8
Tug newbuildings	9	33.6	14.2	–	47.8
RoRo newbuildings	4	49.0	83.2	49.8	182.0
	17	114.4	119.1	71.9	305.4

If options to purchase two RoRo newbuildings are exercised, capital expenditure would be as follows:

	Number	2009	2010	2011	Total
RoRo newbuildings	2	–	133.6	–	133.6
Total	19	114.4	252.7	71.9	439.0

These commitments will be financed by cash generated from the Group's operations, existing cash and additional long term borrowings to be arranged as required. Where the commitments are in currencies other than the functional currencies of the underlying assets, the Group has entered into forward foreign exchange contracts to purchase the currencies at predetermined rates.

Staff

At 30 June 2009, the Group employed a total of 354 (2008: 489) full time shore based staff in offices in Hong Kong, Shanghai, Beijing, Dalian, Nanjing, Tokyo, Seoul, Singapore, Manila, Mumbai, Karachi, Dubai, Fujairah, Melbourne, Sydney, Auckland, London, Liverpool, Bad Essen, Houston, Vancouver and Santiago. The decrease was largely due to the reduction in the number of staff engaged in maritime management services activities.

The Group incurred total staff costs (included in direct costs and general and administrative expenses as described earlier) of approximately US$17.1 million (2008: US$26.5 million), representing 4.0% of the Group's revenue (2008: 2.9%). The decrease is discussed under the paragraph headed "General and Administration Expenses".

Remuneration of the Group's employees includes fixed basic salaries, discretionary cash bonuses (based on both the Group's and individual's performance for the year) and long term incentives through the Company's Long Term Incentive Scheme ("LTIS"). The LTIS allows the Company to award eligible participants with restricted share awards and share options.

The Group's principal retirement benefit scheme is the Mandatory Provident Fund Scheme, a defined contribution scheme provided under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those staff employed under the jurisdiction of the Hong Kong Employment Ordinance.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company purchased a total of 1,025 units of the Group's convertible bonds at face value of US$10,000 each in January 2009 at an average price of US$8,210 per unit. The purchase involved a total cash outlay of US$8,415,250 excluding accrued interest of US$153,702 and was for the purpose of saving potential repayments of US$1.8 million and related coupon payments on the convertible bonds in the period before maturity. The repurchase has resulted in a reduction of long term liabilities from the cancellation of the convertible bonds repurchased and a profit on cancellation in the income statement.

Saved as disclosed above and other than for satisfying restricted share awards granted under the LTIS as disclosed earlier, neither the Company nor any of its subsidiaries has, during the period, purchased, sold or redeemed any of the securities of the Company.

COMPLIANCE WITH THE CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

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

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 during the reporting period.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group has complied with all code provisions of the Code on Corporate Governance Practices, as set out in Appendix 14 of the Listing Rules throughout the six months ended June 2009.

REVIEW OF AUDIT COMMITTEE

The audit committee of the Company has reviewed this interim results announcement and the 2009 Interim Report of the Company for the six months ended 30 June 2009.

INTERIM DIVIDEND AND BOOK CLOSURE

The Board has declared an interim dividend for the six months ended 30 June 2009 of HK 8 cents per Share, which will be paid on 7 September 2009 to those shareholders whose names appear on the Company's register of members on 27 August 2009.

The register of members will be closed from 26 August 2009 to 27 August 2009 (both days inclusive) during which period 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 25 August 2009. The ex-dividend date for the interim dividend will be on 24 August 2009.

INTERIM REPORT AND DISCLOSURE OF INFORMATION ON STOCK EXCHANGE'S WEBSITE

This announcement of interim results containing all the information required by paragraphs 46(1) to 46(9) 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 2009 Interim Report will be available on the Company's website at www.pacificbasin.com on the date it is sent to shareholders, being 26 August 2009.

DIRECTORS

At the date of this announcement, the executive Directors of the Company are David Muir Turnbull, Richard Maurice Hext, Klaus Nyborg, Wang Chunlin and Jan Rindbo, the non-executive Directors of the Company are Daniel Rochfort Bradshaw and Dr. Lee Kwok Yin, Simon and the independent non-executive Directors of the Company are Robert Charles Nicholson, Patrick Blackwell Paul and Alasdair George Morrison.

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