Pacific Basin Shipping Limited

(*incorporated in Bermuda with limited liability*)

(Stock Code: 2343)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2024 as follows:

BUSINESS HIGHLIGHTS

Measured Growth and Strong Cash Generation

In the first half of 2024, we generated an underlying profit of US$43.9 million, net profit of US$57.6 million and EBITDA of US$157.9 million. This yielded a return on equity of 6% (annualised) with basic EPS of HK8.7 cents. Our financial position remains healthy with available committed liquidity of US$537.4 million, with net borrowings of 2% as we continued to pay down debt, while remaining committed to our long-term strategy to renew and grow our owned fleet of Handysize and Supramax/Ultramax vessels. Additionally, we had 61 vessels that were unmortgaged as at 30 June 2024.

The Board has declared an interim dividend of HK4.1 cents per share which represents approximately 50% of our net profit for the period (excluding vessel disposal gains).

	Six Months Ended 30 June	
US$ Million	**2024**	2023
Revenue	**1,281.5**	1,148.1
EBITDA #	**157.9**	189.1
Underlying Profit	**43.9**	76.2
Profit Attributable to Shareholders	**57.6**	85.3
Basic Earnings per Share *(HK cents)*	**8.7**	12.9
Interim Dividend per Share *(HK cents)*	**4.1**	6.5

\# *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*

Supportive Demand and Supply Fundamentals

In the first half of 2024, market freight rates were driven by increased commodity demand, fleet inefficiencies from disruptions in the Suez and Panama Canals and manageable newbuilding deliveries. Despite concerns over global economic growth, elevated interest rates, conflicts in Ukraine and Palestine, and the negative impact of lower Chinese housing construction, global dry bulk loading volumes grew year on year, supported by increased demand for minor bulks, iron ore and grain.

We maintain a positive outlook on the long-term prospects of the dry bulk shipping sector, driven by supportive demand and supply fundamentals. Our fleet, comprised of modern, low-cost, and versatile Handysize and Supramax/Ultramax vessels, along with enhanced access to cargo opportunities, positions us to lead the way in dry bulk shipping.

Our Fleet

	Vessels in Operation			Total	Total Capacity (Million dwt)	Average Age
As at 30 June 2024	Owned	Long-term Chartered	Short-term Chartered[1]		Owned	Owned
Handysize	64	12	60	136	2.2	13
Supramax/ Ultramax[2]	50	5	94	149	2.9	12
Capesize	1	–	–	1	0.1	13
Total	115	17	154	286	5.2	13

[1] Average number of short-term and index-linked vessels operated in June 2024

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

Financial Results

- Our core business achieved Handysize and Supramax net daily time-charter equivalent ("TCE") earnings of US$11,810 and US$13,690 respectively, generating a total contribution of US$76.8 million before overheads
- Our operating activity achieved a daily margin of US$550 net over 14,210 operating days, generating a contribution of US$7.8 million before overheads
- Our costs remain well controlled and our P&L break-even levels remain competitive at US$9,780 and US$11,030 per day for Handysize and Supramax respectively
- In the period, we outperformed the average Handysize (BHSI 38k dwt tonnage adjusted) and Supramax (BSI 58k dwt) indices by US$840 per day and US$410 per day respectively
- As at 30 June 2024, the estimated market value of our Handysize and Supramax fleet was US$2,200 million, significantly above our net book value of US$1,738 million

Our Fleet

- We owned 114 Handysize and Supramax/Ultramax vessels and have around 286 owned and chartered vessels on the water overall as at 30 June 2024
- During the period, we sold two of our older Handysize vessels, while taking delivery of one Handysize newbuilding vessel on long-term time charter and declared to exercise a purchase option on one Supramax vessel
- We remain committed to our long-term strategy of further growing our Supramax/Ultramax 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 continue to comply with IMO carbon intensity reduction rules, as well as the newly introduced EU Emissions Trading System (EU ETS) which came into force in January 2024, through technical enhancements, operational measures, gradual fleet renewal and the purchase of EU emissions allowances
- We will invest in dual-fuel low-emission vessels ("LEVs") when we consider them to be commercially viable for minor bulk trades

CHIEF EXECUTIVE'S REVIEW

Financial Results

In the first half of 2024, we generated an underlying profit of US$43.9 million, a net profit of US$57.6 million and EBITDA of US$157.9 million. This yielded a return on equity of 6% (annualised) with basic EPS of HK8.7 cents.

In the first half of 2024, we outperformed the BHSI and BSI on both our Handysize and Supramax vessels respectively. Our operating activity saw significant growth in vessel numbers and operating days, although at a substantially lower margin per day.

Our outperformance was impacted by the increased cost of chartering short-term core vessels, required as a result of our high near-term cargo coverage. Our customer and cargo focused business model requires that we take in short-term chartered vessels to optimise and supplement our owned and long-term chartered fleet. Year to date, we have seen a notable reduction in seasonality as a result of tonnage imbalances between the Atlantic and Pacific regions due to fleet inefficiencies caused by disruptions in the Suez and Panama Canals. Despite concerns about global economic growth, elevated interest rates, ongoing conflicts in Ukraine and Palestine, and the negative impact of reduced housing construction in China, total dry bulk demand still rose over the period, which is positive for the long-term outlook.

We continue to leverage our strong cash generation to reduce debt and enhance the deadweight carrying capacity of our owned fleet, all while sustaining a healthy financial position with US$537.4 million of committed liquidity readily available. We are closing in on being debt free on a net basis, with our net borrowings now accounting for 2% of the net book value of our owned vessels. Additionally, we had 61 vessels that were unmortgaged as at 30 June 2024.

The Board has declared an interim dividend of HK4.1 cents per share, which represents approximately 50% of our net profit for the period (excluding vessel disposal gains). During the period, we announced the launch of a share buyback programme of up to US$40 million, reflecting our confidence in dry bulk's long-term prospects. Since the commencement of the share buyback programme, we have repurchased and cancelled approximately 42.7 million shares for a consideration of approximately US$14.6 million. We continue to finance the buyback of our shares through our available cash flow and internal resources, while maintaining sufficient financial resources for the continued growth of our operations. This share buyback programme is intended to continue until 31 December 2024. Any shares bought back by the Company will be cancelled.

Outperforming While Maintaining Competitive Cost Base

In the first half of 2024, our large **core business** with substantially fixed costs generated a contribution of US$76.8 million before overheads, with average Handysize and Supramax daily TCE earnings of US$11,810 and US$13,690 per day respectively. In the period, despite freight rates continuing to move higher, we outperformed the average Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) indices by $840 per day and $410 per day respectively. Outperformance will remain negatively impacted in an upwardly moving freight rate environment. Our core business with substantially fixed costs is the main driver of our profitability, with a P&L break-even level for Handysize and Supramax vessels of US$9,780 and US$11,030 per day respectively.

We have covered 60% and 82% of our Handysize and Supramax vessel days for the second half of 2024 at US$12,670 and US$12,640 per day respectively. While this may limit our potential upside in the second half if market freight rates continue to strengthen, we felt it was prudent. Nonetheless, we are maintaining sufficient levels of exposure to current spot rates in our Handysize vessels.

In the first half of 2024, our **operating activity** contributed US$7.8 million or 9% of our Group's performance before overheads, generating a margin of US$550 per day over 14,210 operating days. For our operating activity, short-term charter costs fluctuate with the freight market and therefore the important KPI is the margin per day (the net daily difference between TCE revenue and charter costs), not the TCE level itself. Our operating activities have experienced significant growth, with the number of operating days increasing by 29% year over year.

Our overheads and vessel operating expenses remain well controlled and competitive. We are reducing our debt following our amortisation profile and utilising interest rate swaps to limit our exposure to variable interest rate debt.

Healthy Dry Bulk Market

In the first half of 2024, market freight rates were driven by increased commodity demand, fleet inefficiencies from disruptions in the Suez and Panama Canals and manageable newbuilding deliveries. Despite concerns over global economic growth, elevated interest rates, conflicts in Ukraine and Palestine, and the negative impact of lower Chinese housing construction, global dry bulk loading volumes grew year on year, supported by increased demand for minor bulks, iron ore and grain.

Total minor bulk loadings were approximately 2% higher year on year due to increased loadings of bauxite, forest products and steel which increased by 11%, 3% and 3% respectively, while cement and clinker was the largest detractor falling by 8%.

Grain loadings increased by 4%, with significant contributions from Argentina, Ukraine and Brazil. Argentina saw a 29% rise in grain loadings compared to the previous year, recovering from drought-affected yields. Ukraine's Black Sea loadings surged by 53% year on year, reflecting enhanced export capabilities compared to early in the conflict. Brazil's grain loadings grew by 8% in the first half of 2024, continuing the trend of strong crop yields. In contrast, coal loadings decreased by 2% year on year primarily due to reduced loadings to Japan and Europe, despite increased demand from India, China and Vietnam, which were up 7%, 4%, and 32% respectively, due to ongoing energy security concerns. China's record coal demand persisted despite high domestic production and improved hydroelectric output. Iron ore loadings increased 5% year on year due to higher loadings from Brazil and India and record demand in China. Although China's housing construction remains muted, the loss in steel demand is being offset by growth in infrastructure and manufacturing sectors, as well as excess steel production supporting record exports.

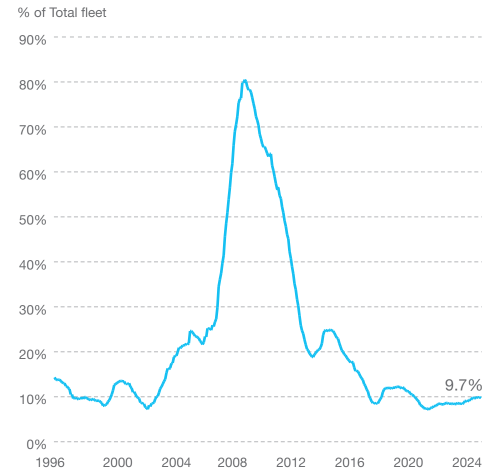
Manageable Dry Bulk Orderbook

Dry bulk vessel ordering continues to be restrained over the period, particularly in comparison to other shipping sectors. According to Clarksons Research, the total dry bulk orderbook stands at 9.7% of the existing fleet, with the combined Handysize and Supramax orderbook totalling 10.6%. Restrained ordering of newbuildings will continue to support limited supply growth in the next few years. Dry bulk newbuild ordering in the first half of 2024 was 22.3 million deadweight tonnes, compared to 25.7 million deadweight tonnes, representing a decrease of 13% compared to the same period last year. Available shipyard slots remain limited due to the large amount of newbuilding orders in other shipping sectors, so a new order placed today is generally expected to be delivered in 2028.

The global dry bulk net fleet growth rate was 1.6% year to date, due to an increase in newbuilding deliveries and lower scrapping. The global fleet of Handysize and Supramax vessels grew by 2.1% net.

We continue to believe that the historical high cost of newbuildings, uncertainty over new environmental regulations and the higher interest rate environment will continue to discourage significant new dry bulk vessel ordering. Newbuilding prices are expected to remain historically high for the foreseeable future, driven by increased input costs, limited new shipbuilding capacity and high shipyard utilisation from other shipping segments.

Overall Dry Bulk Orderbook Development



Based on current assumptions about the Carbon Intensity Indicator ("CII") and other decarbonisation rules, we estimate that an increasing proportion of today's Handysize to Ultramax bulk carrier fleet will find it increasingly difficult and costly to comply, with technical and operational initiatives available today extending vessels' compliance by only a couple more years, unless implementing major retrofits which are currently prohibitively costly or unsuitable for our vessel types. We expect increasingly early scrapping during the period 2030 to 2037, with even the most efficient conventionally-fuelled vessels struggling to comply thereafter. The gradual uptake of sustainable biofuels will help many vessels to comply, but limited availability in the long term means our industry cannot rely solely on biofuels to meet its longer-term targets. New vessels with the ability to run on new green fuels will thus be required.

According to Clarksons Research, the scrapping of Handysize and Supramax vessels in the first half of 2024 was equivalent to 0.8 million dwt, or 0.2% of net fleet as at 1 January 2024. Currently, Handysize and Supramax vessels over 20 years old represent 14% and 11% of the existing fleet deadweight carrying capacity respectively. Handysize and Supramax net fleet growth estimates in 2024 and 2025 are 4.2% and 3.9% respectively, with scrapping of 0.5% in 2024 and 0.5% in 2025.

Suez and Panama Canal Restrictions

We continue to monitor developments in the Red Sea and the Gulf of Aden, which remain complex and a safety concern for shipping. Additionally, we are also having to continuously adapt to the consequences of dry bulk vessels facing limited transits through the Panama Canal. This has added to tonne-mile demand, as vessels are being rerouted on longer voyages when avoiding these key transit routes. To minimise the risk to our seafarers and vessels through the Red Sea, we will continue to take the much longer route around the Cape of Good Hope. Meanwhile, the Panama Canal has experienced improvements in water levels, but we expect restrictions on the transit of vessels throughout the second half of 2024. These issues will continue to reduce effective supply and provide support for rates.

Enhanced Sustainability and Governance

We strive to evolve and enhance management and governance practices to achieve best-in-class risk management, reporting, transparency, stakeholder confidence and corporate stewardship. We consider responsible observance of stakeholder interests to be a fundamental aspect of our commitment to sustainability and good corporate governance. With a focus on resilience and business continuity, we future-proof our business by assessing and managing potential disruptions, including those related to geopolitical risks, climate risks, global pandemics and cybersecurity.

Our Risk Management Committee (RMC) reports directly to the Audit Committee, ensuring robust governance, effective risk management and internal control. In January 2024, our Board of Directors elevated its oversight of sustainability from the Audit Committee to a newly established Sustainability Committee ("SC"). The Sustainability Management Committee ("SMC") now reports to the SC to ensure the effective implementation of our sustainability strategy.

We believe that our enhanced sustainability and governance structure will significantly improve the effectiveness of our sustainable development approach, bolster our business's resilience and reputation, and increase the confidence our stakeholders have in us.

Our decarbonisation strategy is multifaceted to ensure significant progress in improving our vessels' fuel efficiency, reducing our carbon footprint and reaching our target of net-zero emissions by 2050.

By renewing and growing our fleet with an emphasis on energy efficiency, we aim to stay at the forefront of sustainable practices. We are also actively modernising our existing vessels, incorporating the latest green technologies such as low-friction silicone antifouling hull coatings, constant power weather routing, pre-swirl vanes ("PSVs") and many more.

To achieve the long-term goal of complete decarbonisation, we are finalising the design of a dual-fuel low-emission vessel ("LEV") capable of running on fuel oil as well as methanol, and we are considering in 2024 if we are ready to contract to build such vessels with delivery well ahead of our original 2030 target. Additionally, we have trialled biofuels to reduce emissions from our existing vessels, and we are looking for ways to support the future availability of green fuels.

Information-sharing and collaboration are also important to our safety strategy for excellence and continuous improvement. We are engaging with industry stakeholders, regulatory bodies and research institutions to share best practices and drive collective progress towards decarbonisation. By participating in industry forums and alliances, we ensure that we are at the cutting edge of sustainability trends and regulatory developments.

We continue to diligently prepare for growing decarbonisation regulations, ensuring that we are compliant and leading our sector towards a more sustainable future. We are committed to transparent reporting on our environmental and other ESG performance and, setting ambitious targets and regularly reviewing our progress, we demonstrate our commitment to being a sustainable and resilient dry bulk shipping company.

Fleet Growth

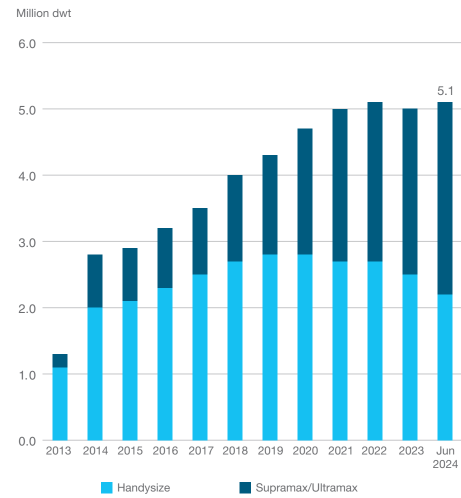
We continue to strategically acquire second-hand vessels, maintaining discipline considering historically high prices. Our long-term strategy focuses on growing our fleet of Supramax/Ultramax vessels by purchasing high-quality, modern second-hand vessels. Concurrently, we are replacing our older and less efficient Handysize vessels with younger and larger ones. In the first half of 2024, we sold two smaller, older Handysize vessels, both built in 2004. Given increasingly strict existing and incoming decarbonisation regulations, such older, less efficient vessels will become increasingly challenging and costly to operate and we therefore consider it appropriate to gradually divest ourselves of our least efficient vessels.

In the period, we declared to exercise a purchase option on one Supramax vessel, while receiving the first of four long-term chartered 40,000 dwt Handysize newbuildings. We also took delivery of the second long-term chartered 40,000 dwt Handysize newbuilding in July. Each of these time charters comes with an option to extend the charter agreement at a fixed rate, and we have the option to purchase the vessels at a fixed price, which further expands our optionality.

We anticipate that asset prices for new and second-hand vessels will remain elevated due to increased newbuilding input costs and limited yard capacity.

Our Core fleet consists of 131 Handysize and Supramax/Ultramax vessels and, including short-term chartered vessels in our Operating business, we currently have approximately 286 vessels on the water overall. At the end of the period, our total owned fleet's deadweight carrying capacity was 5.1 million deadweight tonnes, excluding our Capesize vessel.

Significant Growth of Our Owned Fleet and Supramax/Ultramax Proportion



Caring for our People

Pacific Basin strives to develop a diverse, effective and motivated team. At sea and on shore, we continue to uphold the highest health and safety standards and train our colleagues to enable them to tackle evolving business challenges while looking after their – and each other's – overall wellbeing. We want to encourage and support each individual's unique efforts to contribute to our business and to remove barriers to inclusion and equality of opportunity.

Despite the industry's emphasis on decarbonisation, our foremost priority continues to be the security and safety of our employees, particularly during periods of increased and more pervasive threats to their well-being. Although incidents of piracy and hijacking have decreased since their peak between 2008 and 2012, certain areas still pose significant risks. We are enhancing security on board with a number of initiatives, including the evaluation of the installation of gangway turnstiles with face recognition and the trialling of an AI-driven camera system to monitor for abnormal activities.

We are rolling out Starlink's high-speed internet service across our fleet, redefining maritime connectivity and enhancing the welfare and quality of life for our seafarers. Starlink's connectivity will provide faster access to critical applications, remote support, and crew training, opening new possibilities for our vessels. This installation is a testament to our commitment to the highest standards of welfare and operational excellence for our crews.

Optimistic about the Future of Dry Bulk Shipping

We maintain a positive market outlook, thanks to the stable demand for the commodities we ship. The global economy's continuous growth drives the demand for essential raw materials such as minor bulks, iron ore, coal and grains. As emerging economies expand their infrastructure and developed nations undertake significant construction projects, the need for these raw materials remains robust. This demand is further bolstered by population growth and urbanisation, which necessitate increased agricultural production and energy consumption, thereby ensuring a steady flow of cargo for dry bulk shipping companies.

On the supply side, the fundamentals are equally encouraging. A well-balanced fleet growth, coupled with the strategic retirement of older, less efficient vessels, contributes to a favourable supply-demand balance in the market. Moreover, new shipbuilding orders have been moderated in recent years, preventing an oversupply that could affect freight rates. The implementation of current and new decarbonisation regulations, further support supply-side fundamentals. These regulations necessitate investments in more efficient and environmentally-friendly vessels, gradually phasing out older vessels and limiting overall fleet expansion.

We will continue to adopt fuel efficiency enhancements and practices to ensure that our conventionally-fuelled existing vessels are well positioned to comply and continue to trade for the foreseeable future.

Martin Fruergaard
Chief Executive Officer

Hong Kong, 8 August 2024

Increased Commodity Demand and Fleet Inefficiencies Positively Impacted Dry Bulk Freight Rates

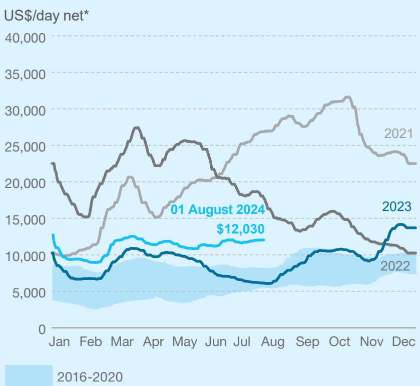
US$10,970 net ↑ 27% YOY

BHSI 38K (tonnage adjusted)
Handysize 1H24 avg. market spot rate

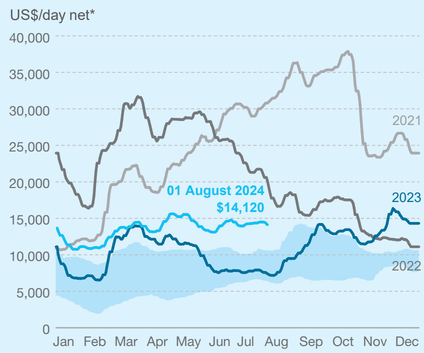
US$13,280 net ↑ 34% YOY

BSI 58K
Supramax 1H24 avg. market spot rate

Handysize Market Spot Rates in 2016-2024



Supramax Market Spot Rates in 2016-2024



* Excludes 5% commission

Source: Baltic Exchange (BHSI 38,000 dwt (tonnage adjusted) and BSI 58,000 dwt)

In the first half of 2024, market freight rates were driven by increased demand for commodities, further supported by fleet inefficiencies related to ongoing disruptions in the Suez and Panama Canals and manageable newbuilding deliveries. Despite concerns over global economic growth, elevated interest rates, conflicts in Ukraine and Palestine, and the negative impact of lower Chinese housing construction, global dry bulk loading volumes grew year on year, supported by increased demand for minor bulks, iron ore and grain. Average freight rates for Handysize and Supramax were US$10,970 and US$13,280 per day respectively.

Looking ahead, we anticipate an increase in global dry bulk loadings in the second half of 2024, along with limited transit of dry bulk vessels through the Suez and Panama Canals, which will increase fleet inefficiencies and tonne-mile demand.

Increasing Ship Values

US$36.8m ↑ 25%

Second-hand Ultramax YOY

Modern Second-hand vessel values increased due to a continued higher freight market and increased newbuilding prices. Clarksons Research currently values a benchmark five-year old Ultramax ship at US$36.8 million, up 25% year on year.

Available shipyard slots remain limited, resulting in a new order placed today unlikely to be delivered until 2028. The majority of incremental new shipyard capacity continues to be concentrated on non-dry bulk vessels.

Source: Clarksons Research data as at June 2024

DEMAND: Record Dry Bulk Demand

Global dry bulk loading volumes grew by approximately 2% year on year, supported by increased demand for minor bulks, iron ore and grain. Minor bulk loading volumes were up by 2% due to higher loadings of bauxite, forest products and steel, which were up by 11%, 3% and 3% year on year respectively. Bauxite remains the primary driver of the increase in minor bulk loadings, primarily sourced from Guinea and transported mainly in Capesize and Panamax vessels.

Grain loadings increased by 4%, driven by significant contributions from Argentina, Ukraine and Brazil. Argentina experienced a 29% rise in grain loadings compared to the previous year, recovering from crop yields that were previously affected by drought. Ukraine's Black Sea loadings surged by 53% year on year, reflecting the country's enhanced export capabilities since the onset of the conflict. Additionally, Brazil's grain loadings grew by 8% in the first half of 2024, continuing the trend of strong crop yields observed both currently and in the prior year.

Iron ore loadings increased 5% year on year due to increased loadings from Brazil and India, as well as record demand in China. China's housing construction remains muted but the corresponding steel demand loss will be offset by growth in steel demand coming from infrastructure investments and manufacturing sectors, as well as excess steel production supporting record steel exports over the period.

Coal loadings decreased by 2% year on year primarily due to reduced loadings to Japan and Europe, despite increased coal demand from India, China and Vietnam, which were up 7%, 4% and 32% respectively, due to on-going energy consumption security concerns. Despite significant domestic coal production and enhanced hydroelectric output resulting from increased rainfall, China's coal demand remained at record levels during this period.

1H 2024 Global Cargo Loading Volumes# YOY Change

Selected Minor Bulks*	↑	+2%
Grain	↑	+4%
Iron Ore	↑	+5%
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

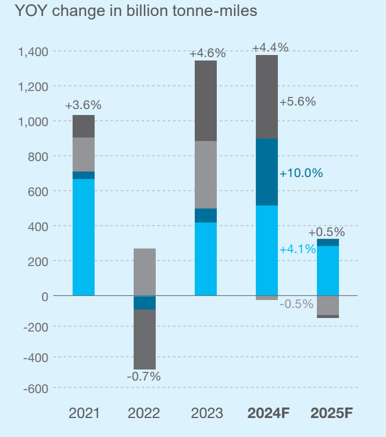
Minor bulk demand is broad based and diverse both geographically and in terms of commodities and customers, and normally tracks growth in GDP. Hence with a 3.2% world GDP growth forecast and continued stimulus in many countries, the forecast for minor bulk demand in 2024 is positive.

Long-term grain demand is driven less by global economic growth and more by urbanisation of a growing middle class and changing eating habits that drive demand for meat and hence animal feed.

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 nautical 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 July 2024, data subject to revision based on possible changes in selected reported trade flows and distance assumptions

SUPPLY: Manageable Fleet Growth due to Low Orderbook and Environmental Regulations

During the first half of 2024, the global dry bulk fleet experienced flat growth of 1.6% net. This expansion was primarily driven by a year-on-year increase in Handysize and Supramax newbuilding deliveries by 16% and 27% respectively, while Panamax and Capesize newbuilding deliveries declined by 14% and 15% respectively over the same period. The global fleet of Handysize and Supramax vessels in which we specialise grew by 2.1% net compared with 1.5% net in the same period last year. The rate of scrapping decreased from 0.3% to 0.2% during the period.

Clarksons Research forecast scrapping of 0.4% and 0.6% of the global dry bulk fleet in 2024 and 2025 respectively. Limited scrapping is the result of current robust earnings and while environmental regulations are becoming increasingly stringent, they are not yet encouraging owners to phase out older, less efficient vessels.

Overall Dry Bulk Supply Development

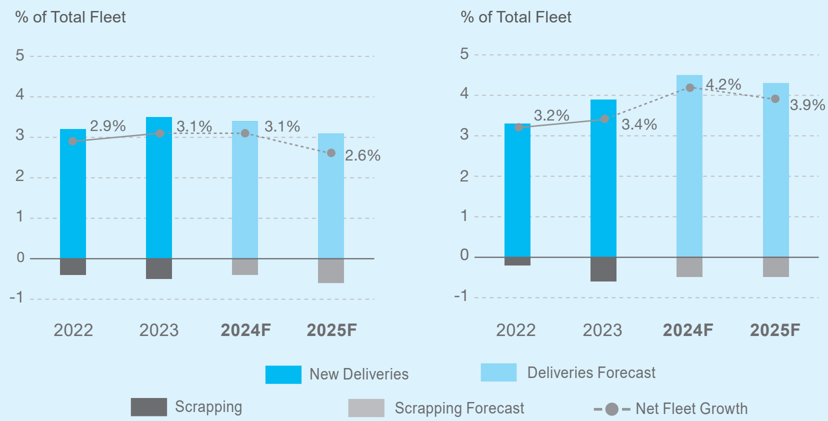
1.6%

Overall dry bulk capacity YTD

Handysize/Supramax Supply Development

2.1%

Global Handysize/Supramax capacity YTD



Source: Clarksons Research, data as at July 2024

Only moderate net fleet growth is expected in the medium term due to manageable new ship ordering and potentially increased scrapping as the fleet ages and decarbonisation regulations tighten. IMO and EU ETS decarbonisation regulations are likely to start forcing slower vessel speeds which will also reduce supply, boding well for the market in the longer term.

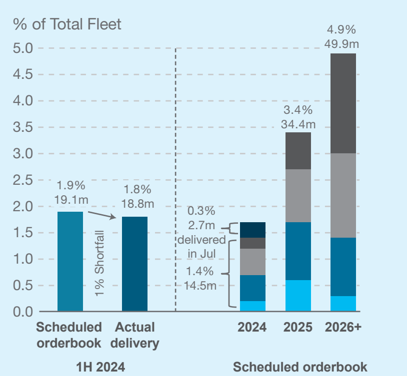
ORDERBOOK: Dry Bulk Expecting Limited Ordering due to Environmental Regulations

The total dry bulk orderbook stands at 9.7% of the existing fleet, with the combined Handysize and Supramax orderbook totaling 10.6%. Restrained ordering of newbuildings will continue to support limited supply growth in the next few years. In the first half of 2024, dry bulk newbuild ordering was 22.3 million dwt, which is a decrease from 25.7 million dwt, this represents a reduction of 13% compared to the same period last year.

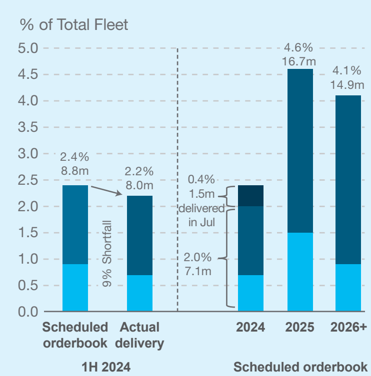
New vessel ordering is expected to remain restrained, discouraged by:

- Uncertainty about the future fuels and technologies required to meet coming decarbonisation regulations
- Limited yard capacity for newbuilding orders until 2028, with limited new yard capacity coming online
- Increased cost of capital further limits appetite for higher cost vessels, and large series of orders
- Asset prices for new and second-hand vessels will remain influenced by increased newbuilding input costs and limited yard capacity

Overall Dry Bulk Orderbook



Handysize & Supramax Combined Orderbook



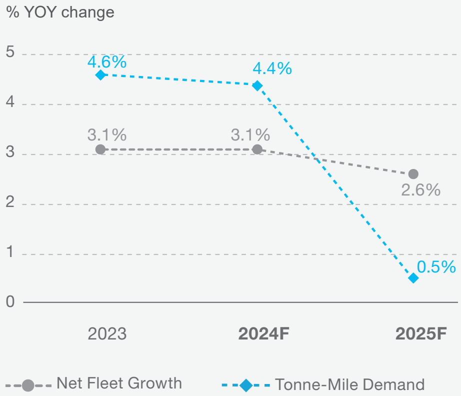
Source: Clarksons Research, data as at August 2024

	Orderbook as % of Existing Fleet	Average Age	Over 20 Years Old	1H 2024 Scrapping as % of 1 January 2024 Existing Fleet
Handysize (10,000–40,000 dwt)	9.2%	14	14%	0.2%
Supramax & Ultramax (40,000–70,000 dwt)	11.4%	12	11%	0.2%
Panamax & Post-Panamax (70,000–100,000 dwt)	12.2%	12	13%	0.4%
Capesize (100,000+ dwt)	7.2%	11	4%	0.1%
Total	9.7%	12	9%	0.2%

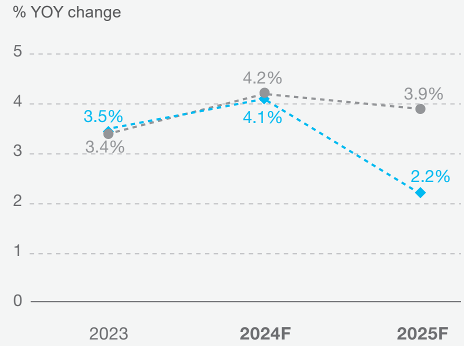
Source: Clarksons Research, data as at August 2024

MARKET BALANCE: Robust Demand and Moderate Supply Growth

Overall Dry Bulk Demand and Supply



Minor Bulk Demand and Handysize/Supramax Supply



Source: Clarksons Research, data as at July 2024

Stable demand for minor bulk commodities, coupled with moderate growth in supply and fleet inefficiencies stemming from ongoing disruptions in the Suez and Panama Canals, is expected in 2024.

POSSIBLE MARKET DRIVERS IN THE MEDIUM TERM

OPPORTUNITIES

- Stimulus-driven recovery in China, and recovery in global economic demand driving increased demand for dry bulk commodities
- Slower vessel operating speeds due to emissions regulations and increased fuel cost
- Limited new vessel ordering and deliveries due to decarbonisation regulations and uncertainty over future vessel designs and alternative fuels, leading to tighter supply
- Increased scrapping of older and less optimally designed tonnage facing onerous environmental regulations and expensive maintenance and upgrade costs

THREATS

- Persistent elevated interest rates negatively impacting global economic activity and demand in dry bulk commodities
- Excessive new vessel ordering in dry bulk driving increased net fleet growth
- Reduced commodity demand in China due to reduced housing construction
- Tariffs and protectionism driving local production at the expense of global trade
- Reduced fleet inefficiency due to easing of canal disruptions

OUR PERFORMANCE

Our business generated an underlying profit of US$43.9 million (1H23: underlying profit of US$76.2 million). In the first half of 2024, we outperformed the BHSI and BSI on both our Handysize and Supramax vessels respectively. Our operating activity saw significant growth in vessel numbers and operating days, although at a substantially lower margin per day. Our outperformance was impacted by the increased cost of chartering short-term core vessels, required as a result of our high near-term cargo coverage.

Operating Performance

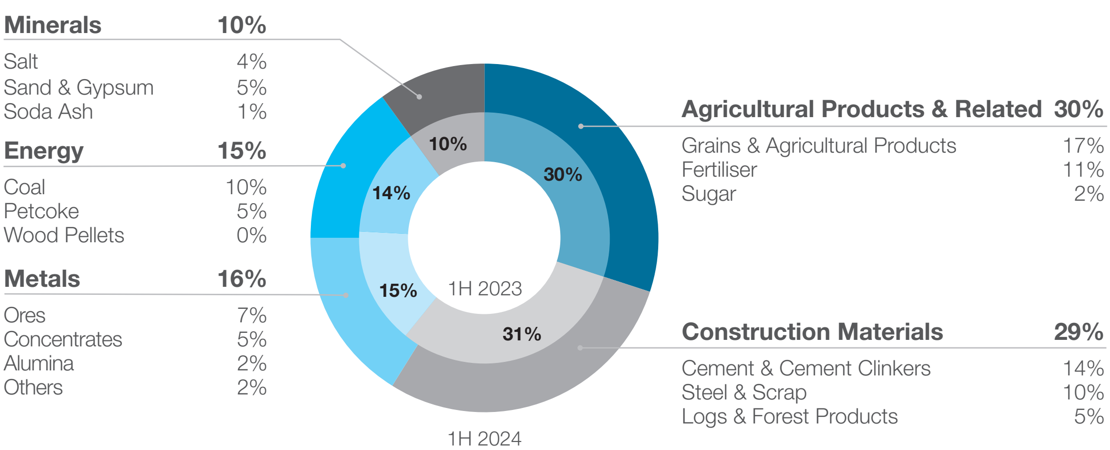
	Six months ended 30 June		
US$ Million	**2024**	**2023**	**Change**
Core business Handysize contribution	**41.1**	62.7	-34%
Core business Supramax contribution	**35.7**	33.4	+7%
Operating activity contribution	**7.8**	17.0	-54%
Capesize contribution[1]	**0.8**	0.8	–
Performance before overheads	**85.4**	113.9	-25%
Adjusted total G&A overheads	**(41.2)**	(37.3)	-10%
Tax and others	**(0.3)**	(0.4)	+25%
Underlying profit	**43.9**	76.2	-42%

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

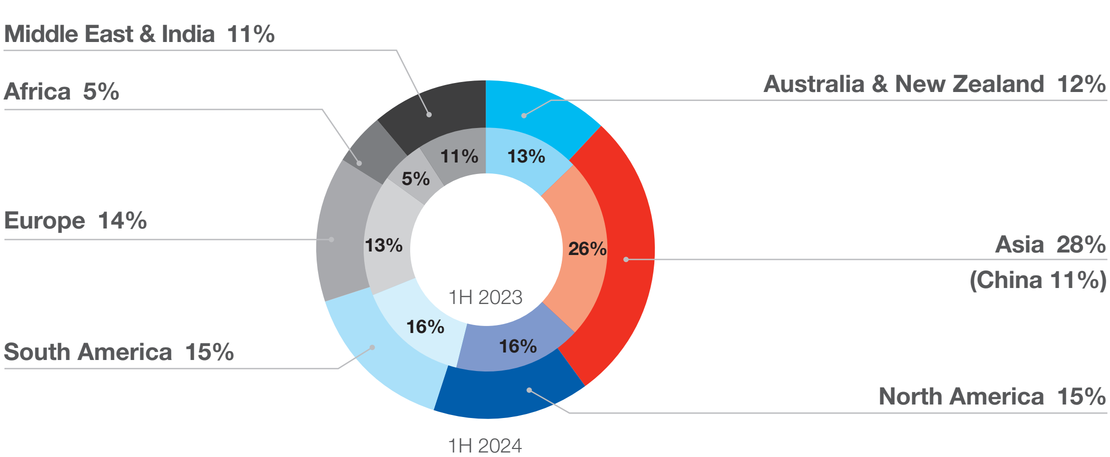
[1] Having redelivered a chartered 95,000 dwt Post-Panamax, we now refer to our owned 115,000 dwt bulker as a Capesize vessel, consistent with industry definitions

OUR CARGO VOLUMES

44.7 million tonnes in 1H 2024 (40.9 million tonnes in 1H 2023)



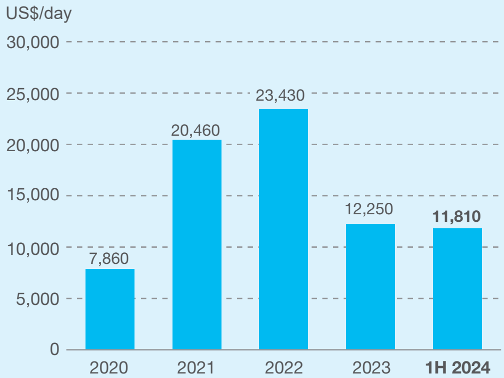
Cargo Loading and Discharging Activity in 1H 2024 and 1H 2023



CORE BUSINESS

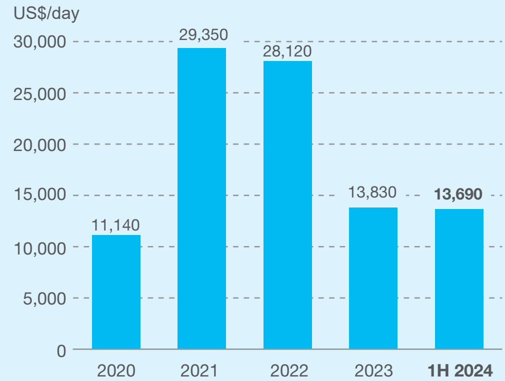
Handysize

TCE EARNINGS KPI



Supramax

TCE EARNINGS KPI



TCE EARNINGS KPI

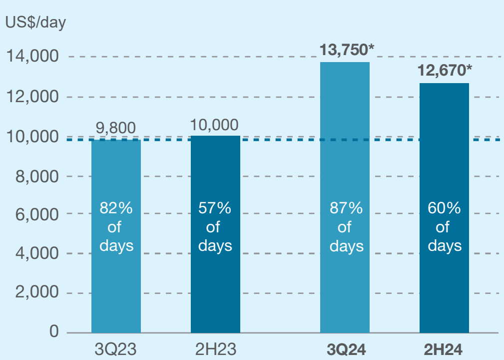
Our core business generated:

- Handysize daily earnings of US$11,810 on 13,570 revenue days
- Supramax daily earnings of US$13,690 on 10,030 revenue days
- In the period, our Handysize outperformed the index (BHSI 38k dwt tonnage-adjusted) by US$840 per day. In the period, scrubbers fitted to our three core Handysize vessels contributed US$30 per day to outperformance
- In the period, our Supramax outperformed the index (BSI 58,000 dwt) by US$410 per day. In the period, scrubbers fitted to our 33 core Supramax vessels contributed US$720 per day to outperformance
- Note that Handysize and Supramax 4Q23 TCE earnings were positively impacted by reversal of prior-period freight tax provisions.

Reversal of Handysize freight tax provision of US$11.6 million resulted in an increase to TCE of US$1,690 per day in 4Q23. Reversal of Supramax 4Q23 freight tax provision of US$11.1 million resulted in an increase to TCE of US$2,150 per day in 4Q23. This resulted in a 2023 full year increase to Handysize and Supramax TCE earnings of US$410 per day and US$550 per day respectively

Handysize

FORWARD CARGO COVER



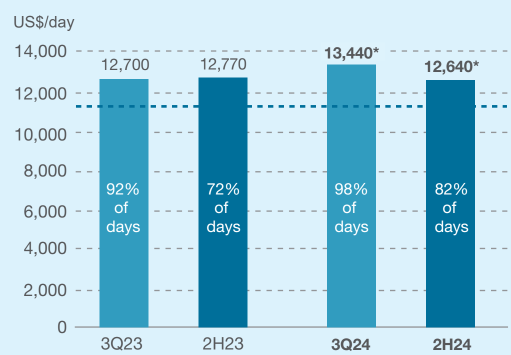
Indicative core fleet P&L break-even level incl. G&A for 1H24 = US$9,780

* As of early August 2024, indicative TCE rates only as voyages are still in progress, our Handysize cover for the rest of the year is backhaul heavy. When combined with better earning fronthaul voyages, the overall TCE rates will typically be higher;

Current value of Handysize scrubber benefits is approximately US$30 per day. When a Handysize vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber

Supramax

FORWARD CARGO COVER



Indicative core fleet P&L break-even level incl. G&A for 1H24 = US$11,030

* As of early August 2024, indicative TCE rates only as voyages are still in progress; Current value of Supramax scrubber benefits is approximately US$250 per day. When a Supramax vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber

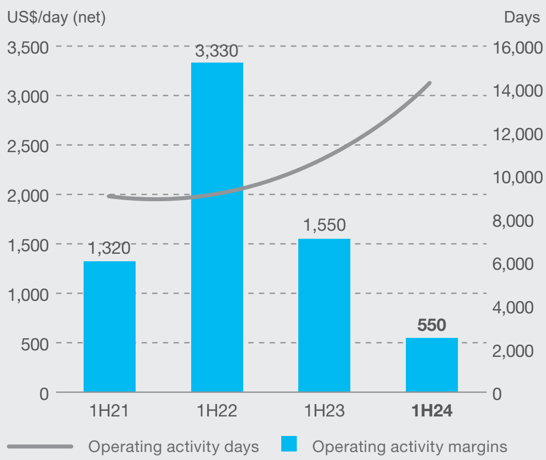
FORWARD CARGO COVER

- We have covered 87% and 98% of our Handysize and Supramax vessel days currently contracted for the third quarter of 2024 at US$13,750 and US$13,440 per day respectively
- We have covered 60% and 82% of our Handysize and Supramax vessel days currently contracted for the second half of 2024 at US$12,670 and US$12,640 per day respectively
- We have covered 7% and 19% of our Handysize and Supramax vessel days currently contracted for the first half of 2025 at US$9,670 and US$13,370 per day respectively
- Our P&L break-even was US$9,780 and US$11,030 for Handysize and Supramax respectively in the first half 2024. Our costs remain well controlled and competitive

OPERATING ACTIVITY

MARGIN KPI

US$550 per day



- In the first half of 2024, our operating activity contributed US$7.8 million or 9% of our Group's performance before overheads, generated a margin of US$550 per day over 14,210 operating activity days on short-term chartered vessels chartered specifically for carrying spot cargoes. We currently operate approximately 154 short-term chartered vessels, with a 29% increase in operating days year over year. Our strategy continues to focus on increasing profitable operating days on a year-on-year basis
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels (when our core vessels are unavailable), thereby making a margin and contributing to our Group's results regardless of whether the market is weak or strong

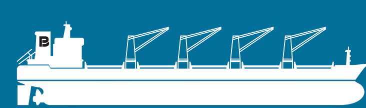
Our Commercial Activities

Core Business

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

Operating Activity

Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels, making a margin and contributing to our Group 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 vessels are unavailable.

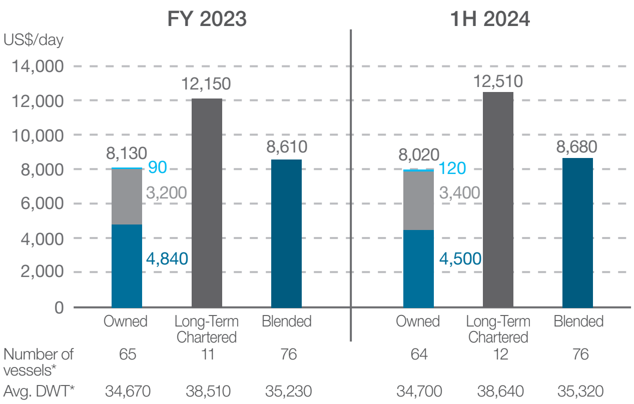


CORE BUSINESS VESSEL COSTS

Daily Vessel Costs

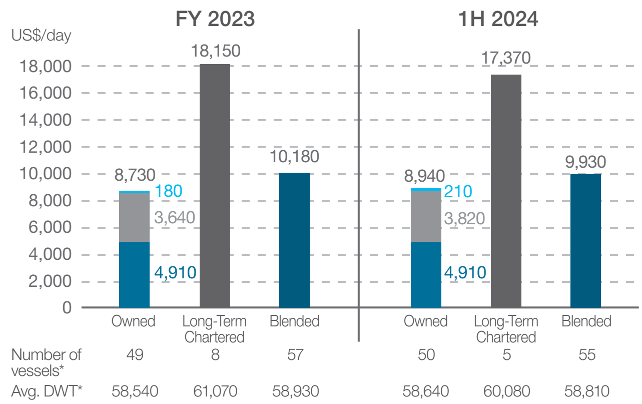
Handysize

Blended US$8,680



Supramax

Blended US$9,930



* Fleet as at 30 June

Opex Depreciation Finance Cost

Owned Vessel Costs

- **Operating expenses**
  Our average Handysize and Supramax daily operating expenses ("Opex") decreased by 4% to US$4,680 (FY 2023: US$4,870), mainly due to the normalisation of crew costs. Our Opex remained at competitive levels in the industry through good cost control and scale benefits as well as efficient procurement.

  During the period, our fleet of owned vessels experienced on average 0.7 days (FY 2023: 0.8 days) of unplanned technical off-hire per vessel.

- **Depreciation**
  Our Handysize and Supramax daily depreciation costs increased by 6% and 5% respectively, mainly due to higher drydocking costs and investments in fuel-efficiency enhancements.

- **Finance costs**
  The increase of our average Handysize and Supramax daily finance costs by 33% to US$160 (FY 2023: US$120), mainly due to combined effect of lower interest income due to lower average cash and higher interest expenses as a result of increased interest rates.

Long-term Chartered Vessel Costs

Long-term chartered vessel costs mainly comprise depreciation of right-of-use assets, interest expenses of lease liabilities and technical management service costs for leases over 12 months. Our Handysize long-term chartered vessel daily costs increased by 3% to US$12,510 primarily due to stronger freight market. Our Supramax long-term chartered vessel daily costs reduced by 4% to US$17,370 primarily due to the redelivery of more expensive vessels.

Blended Costs

Our daily blended costs for owned and long-term chartered vessels increased to US$8,680 for Handysize vessels (FY 2023: US$8,610) and decreased to US$9,930 for Supramax vessels (FY 2023: US$10,180).

General and Administrative ("G&A") Overheads

Our adjusted total G&A overheads increased to US$41.2 million (1H 2023: US$37.3 million and FY 2023: US$76.0 million) mainly due to the increased staff costs and IT-related expenses during the period. Spread across our total vessel days, our daily G&A overheads remain competitive at US$780 (FY 2023: US$760), comprising US$1,100 and US$580 (FY 2023: US$1,030 and US$560) for owned and chartered vessels respectively.

Vessel Days

The following table shows an analysis of our vessel days in 1H 2024 and 2023:

	Handysize		Supramax	
Days	FY 2023	**1H 2024**	FY 2023	**1H 2024**
Core business revenue days	28,420	**13,570**	20,230	**10,030**
– Owned revenue days	24,960	**11,560**	17,070	**8,830**
– Long-term chartered days	3,460	**2,010**	3,160	**1,200**
Short-term core days[1]	7,730	**5,710**	18,660	**8,710**
Operating activity days	9,190	**5,760**	14,290	**8,450**
Owned off-hire days	710	**170**	400	**220**
Total vessel days	46,050	**25,210**	53,580	**27,410**

[1] Short-term chartered vessels used to support our core business

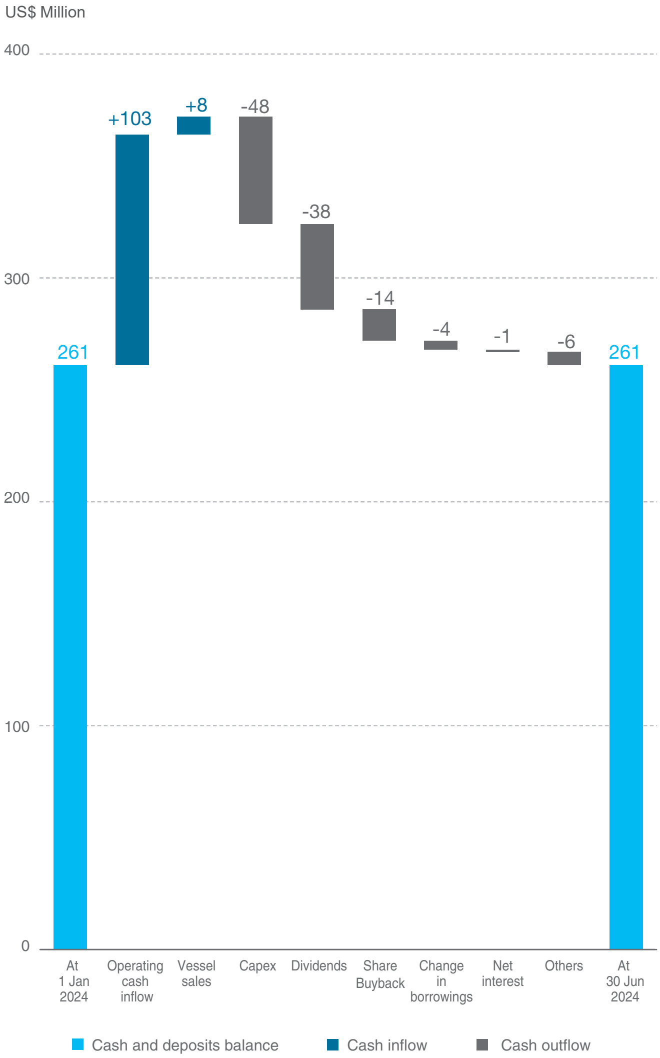
Future Long-term Chartered Vessel Costs

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$)	Vessel days	Average cost (US$)
2H2024	2,230	12,130	430	13,940
2025	3,370	12,680	610	14,830
2026	2,260	13,100	1,400	15,030
2027	1,830	12,860	1,460	14,660
2028+	2,560	12,340	4,080	13,960
Total	**12,250**		**7,980**	

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 2024

- In April, we extended and increased an existing term loan by an additional US$28.6 million secured by the same 6 vessels under the original facility
- During the period we realised US$8.1 million from the sale of 1 Handysize vessel
- Our net cash outflow from borrowings was US$3.6 million in the period
- During the period we applied US$14.0 million to the repurchase of shares under our announced share buyback program
- During the period we incurred capital expenditure of US$47.8 million, including:
  (a) US$25.2 million for 1 Ultramax vessel
  (b) US$22.6 million for dry dockings and other additions
- As at 30 June 2024, we had 61 unmortgaged vessels

Liquidity and Borrowings

US$ Million	30 Jun 2024	31 Dec 2023	Change
Cash and deposits (a)	**260.7**	261.5	0%
Available undrawn committed facilities	**276.7**	287.7	-4%
Available committed liquidity	**537.4**	549.2	-2%
Current portion of borrowings	**(51.2)**	(46.3)	
Non-current portion of borrowings	**(241.7)**	(254.1)	
Total borrowings (b)	**(292.9)**	(300.4)	+3%
Net borrowings (a) + (b)	**(32.2)**	(38.9)	+17%
Net borrowings to shareholders' equity	**2%**	2%	
Net borrowings to net book value of owned vessels KPI	**2%**	2%	

Borrowings and Undrawn Committed Facilities

Borrowings and Undrawn Committed Facilities – US$542.1 million (31 December 2023: US$555.4 million)

Borrowings and undrawn committed facilities decreased during the period mainly due to repayments and scheduled loan amortisation, partly net off by additional drawdown of US$28.6 million on an existing facility.

An increase in interest to US$8.7 million (1H 2023: US$8.5 million) was mainly due to an increase in average interest rates.

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.

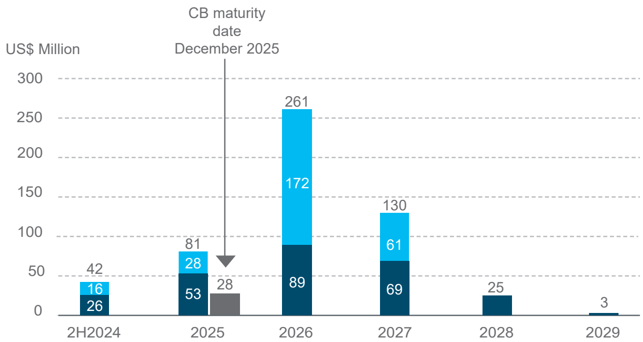
As at 30 June 2024:

- The Group's secured borrowings were secured by 54 vessels with a total net book value of US$927.6 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$27.5 million (31 December 2023: US$32.7 million)

As at 30 June 2024 further to the conversion offer completed in May 2022, a subsequent bondholder conversion in July 2022, the open market repurchase of convertible bonds in December 2022 followed by further bondholder conversions in May 2023 and June 2024, there remained the 3% coupon guaranteed convertible bonds due in 2025 with an outstanding principal amount of US$28.1 million and a prevailing conversion price of HK$1.42 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 2024, including the liability component of the convertible bonds, amounted to US$569.6 million (31 December 2023: US$588.1 million) and are denominated in United States Dollars.

- Undrawn committed facilities (US$276.7 million)
- Borrowings (US$265.4 million)
- Convertible bonds (face value US$28.1 million, book value US$27.5 million)

Finance Costs

US$ Million	Average interest rate P/L	Average interest rate Cash	Balance at 30 June 2024	Finance costs 1H 2024	Finance costs 1H 2023	Change
Borrowings (including realised interest rate swap contracts)	5.7%	5.7%	**265.4**	**8.7**	8.5	-3%
Convertible bonds (Note)	4.7%	3.0%	**27.5**	**0.7**	0.8	+1%
	5.6%	KPI 5.4%	**292.9**	**9.4**	9.3	-2%
Other finance charges				**1.2**	0.8	
Total finance costs				**10.6**	10.1	-5%
Interest coverage (calculated as EBITDA divided by total finance costs)				KPI **14.9x**	18.8x	

Note: The convertible bonds have a P/L cost of US$0.7 million and a cash cost of US$0.5 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 2024, 68% (31 December 2023: 75%) of the Group's borrowings were on fixed interest rates.

FINANCIAL RESULTS

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.

US$ Million	Note	Six months ended 30 June **2024**	2023	Change*
Revenue		**1,281.5**	1,148.1	+12%
Bunker, port disbursement & other voyage costs		**(564.3)**	(506.7)	-11%
Time-charter equivalent ("TCE") earnings	1	**717.2**	641.4	+12%
Owned vessel costs				
Operating expenses	2	**(97.3)**	(103.6)	+6%
Depreciation	3	**(76.8)**	(73.9)	-4%
Net finance costs	4	**(3.3)**	(2.2)	-50%
Chartered vessel costs				
Non-capitalised charter costs	5	**(425.8)**	(315.0)	-35%
Capitalised charter costs	5	**(28.6)**	(32.8)	+13%
Operating performance before overheads		**85.4**	113.9	-25%
Adjusted total G&A overheads	6	**(41.2)**	(37.3)	-10%
Taxation and others		**(0.3)**	(0.4)	+25%
Underlying profit		**43.9**	76.2	-42%
Unrealised derivative income	7	**7.1**	0.3	
Write-back of provisions	8	**4.0**	–	
Disposal gain of vessel	9	**2.6**	8.8	
Profit attributable to shareholders		**57.6**	85.3	-32%
EBITDA		**157.9**	189.1	-16%
Net profit margin		**4%**	7%	-3%
Return on average equity (annualised)		**6%**	9%	-3%

* 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 due to stronger freight rate and our increased cargo volume.
2. Total operating expenses of our owned vessels decreased by 6% due to the normalisation of crew costs.
3. Depreciation of our owned vessels increased by 4% mainly due to higher docking costs and investments in fuel-efficiency enhancements.
4. The increase of net finance costs by 50% was a combined effect of lower interest income due to lower average cash, and higher interest expenses as a result of increased interest rates.
5. Non-capitalised charter costs comprise the cost of short-term charters with a term of 12 months or less and the non-lease portion of long-term charters with a term of over 12 months. Capitalised charter costs comprise depreciation of right-of-use assets and interest expenses on lease liabilities relating to the lease portion of long-term charters with a term of over 12 months. The increase in overall charter costs is in line with the higher freight rates during the period.
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 10% mainly due to increased staff costs and IT-related expenses.
7. Unrealised derivative income mainly represents the positive mark-to-market on our bunker swap contracts.
8. Write-back of provisions relates to settlement in operational costs and claims.
9. The disposal gain relates to the disposal of one smaller, older Handysize vessel.

Unaudited Condensed Consolidated Income Statement

	Note	Six months ended 30 June 2024 US$'000	2023 US$'000
Revenue	3	**1,281,541**	1,148,084
Cost of services		**(1,221,469)**	(1,067,526)
Gross profit		**60,072**	80,558
Indirect general and administrative overheads		**(3,119)**	(3,898)
Other income and gains		**6,767**	12,960
Other expenses		**(827)**	–
Finance income		**7,243**	8,082
Finance costs		**(12,175)**	(11,727)
Profit before taxation	4	**57,961**	85,975
Tax charges	5	**(327)**	(636)
Profit attributable to shareholders		**57,634**	85,339
Earnings per share for profit attributable to shareholders (in US cents)			
Basic earnings per share	7(a)	**1.11**	1.64
Diluted earnings per share	7(b)	**1.08**	1.59

Unaudited Condensed Consolidated Statement of Comprehensive Income

	Six months ended 30 June 2024 US$'000	2023 US$'000
Profit attributable to shareholders	**57,634**	85,339
Other comprehensive income Items that are and may be reclassified subsequently to income statement		
Cash flow hedges		
– fair value gains	**1,337**	1,405
– fair value gains transferred to income statement	**(1,573)**	(1,995)
Currency translation differences	**(459)**	(155)
Total comprehensive income attributable to shareholders	**56,939**	84,594

Unaudited Condensed Consolidated Balance Sheet

	Note	30 June 2024 US$'000	31 December 2023 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,755,781**	1,796,678
Right-of-use assets		**52,214**	63,190
Goodwill		**25,256**	25,256
Derivative assets		**3,544**	3,831
Trade and other receivables	8	**2,961**	4,292
Restricted cash		**–**	54
		1,839,756	1,893,301
Current assets			
Inventories		**138,410**	134,729
Derivative assets		**5,895**	2,043
Trade and other receivables	8	**158,123**	140,044
Assets held for sale		**7,271**	–
Cash and deposits		**260,690**	261,399
Tax recoverable		**183**	946
		570,572	539,161
Total assets		**2,410,328**	2,432,462
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		**52,325**	52,638
Retained profits		**616,496**	597,075
Other reserves		**1,135,976**	1,148,216
Total equity		**1,804,797**	1,797,929
LIABILITIES			
Non-current liabilities			
Borrowings		**241,693**	254,139
Lease liabilities		**28,795**	26,603
Derivative liabilities		**68**	791
		270,556	281,533
Current liabilities			
Borrowings		**51,187**	46,261
Lease liabilities		**25,535**	39,249
Derivative liabilities		**3,924**	6,559
Trade and other payables	9	**254,329**	260,931
		334,975	353,000
Total liabilities		**605,531**	634,533

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 2023, 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 2023.

The new or revised 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	**2024**	2023
Freight	**1,109,139**	975,172
Charter-hire		
– lease component	**115,563**	116,327
– non-lease component	**56,839**	56,585
	1,281,541	1,148,084

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 our shipping services are international in nature, precluding 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	**2024**	2023
Vessel charter costs	**425,826**	315,017
Bunkers consumed	**322,202**	287,410
Port disbursements and other voyage costs	**244,214**	220,714
Depreciation	**105,276**	106,952
Employee benefit expenses	**95,477**	98,793
Net (gains)/losses on bunker swap contracts	**(9,892)**	1,253
Gains on disposal of vessels	**(2,625)**	(8,890)
Interest on borrowings		
– bank loans and other borrowings	**10,276**	9,996
– convertible bonds	**742**	751
Interest on lease liabilities	**1,594**	1,647

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 jurisdictions in which the Group operates. Income from non-shipping activities is subject to tax at prevailing rates in the jurisdictions in which these businesses operate.

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

	Six months ended 30 June	
US$'000	**2024**	2023
Current taxation		
Hong Kong profits tax, provided at the rate of 16.5% (2023: 16.5%)	**–**	370
Overseas tax, provided at the rates of taxation prevailing in the jurisdictions	**320**	292
Adjustments in respect of prior year	**7**	(26)
Tax charges	**327**	636

6. Dividends

	Six months ended 30 June					
	2024			2023		
	HK cents per share	**US cents per share**	**US$'000**	HK cents per share	US cents per share	US$'000
Interim dividend (a)	**4.1**	**0.5**	**27,600**	6.5	0.8	43,636
Dividends paid during the period (b)	**5.7**	**0.8**	**38,224**	26.0	3.4	174,225

(a) The interim dividend is declared on 8 August 2024 and therefore not reflected in the financial statements.

(b) Dividends paid during the period represent final basic dividend and final 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 bought back and to be cancelled, the shares held by the trustee of the Company's 2013 Share Award Scheme and 2023 Share Award Scheme (collectively "SASs") and unvested restricted shares.

		Six months ended 30 June	
		2024	2023
Profit attributable to shareholders	(US$'000)	**57,634**	85,339
Weighted average number of shares in issue	('000)	**5,193,712**	5,196,025
Basic earnings per share	(US cents)	**1.11**	1.64
Equivalent to	(HK cents)	**8.68**	12.87

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing the basic earnings, after adjusting for effect 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 SASs and after adjusting for the dilutive effect of convertible bonds and unvested restricted shares.

		Six months ended 30 June	
		2024	2023
Profit attributable to shareholders	(US$'000)	**57,634**	85,339
Effect of interest on convertible bonds	(US$'000)	**742**	751
Adjusted profit attributable to shareholders	(US$'000)	**58,376**	86,090
Weighted average number of shares in issue	('000)	**5,193,712**	5,196,025
Effect of convertible bonds	('000)	**180,352**	168,641
Effect of unvested restricted shares	('000)	**35,175**	50,615
Diluted weighted average number of shares	('000)	**5,409,239**	5,415,281
Diluted earnings per share	(US cents)	**1.08**	1.59
Equivalent to	(HK cents)	**8.44**	12.45

8. Trade and other receivables

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

US$'000	**30 June 2024**	31 December 2023
≤ 30 days	**87,134**	64,148
31-60 days	**2,864**	7,607
61-90 days	**3,688**	4,307
> 90 days	**11,806**	16,024
	105,492	92,086

9. Trade and other payables

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

US$'000	**30 June 2024**	31 December 2023
≤ 30 days	**91,621**	83,710
31-60 days	**834**	7,255
61-90 days	**862**	2,985
> 90 days	**6,187**	10,719
	99,504	104,669

Purchase, Sale or Redemption of Securities

During the six months ended 30 June 2024, the Company bought back a total of 42,716,000 shares on the Stock Exchange under the Company's Share Buy-Back Program as announced on 18 April 2024. The aggregate consideration paid (before expenses) amounting to approximately HK$113.8 million (equivalent to approximately US$14.6 million) of which the settlement of 2 million shares bought back in the amount of approximately HK$4.9 million (equivalent to approximately US$0.6 million) took place in early July 2024. All shares bought back have been cancelled during the period except that the cancellation of 8,917,000 shares took place on 8 July 2024. As at 30 June 2024, the total number of shares in issue was 5,260,375,146 (before the cancellation on 8 July 2024 of the 8,917,000 shares bought back). Since 8 July 2024 and up to the date of this announcement, the total number of shares in issue was 5,251,458,146. Particulars of the shares bought back are as follows:

Month	Number of shares bought back	Price paid per share (HK$) Average	Highest	Lowest	Aggregate consideration (HK$) before expenses
May 2024	15,381,000	2.80	2.87	2.73	43,002,786.20
June 2024	27,335,000	2.59	2.77	2.41	70,799,059.70
	42,716,000				113,801,845.90

In March 2024, the trustee of the share award schemes of the Company purchased a total of 17,874,000 shares from the market for award to employees.

Save as disclosed above, during the six months ended 30 June 2024, 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 (the "Model Code"), as set out in Appendix C3 to the Rules Governing the Listing of the Securities on the Stock Exchange (the "Listing Rules").

The Board confirms that, having made specific enquiry of all Directors, the Directors have fully complied with the required standards as set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2024.

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 or other relevant Group's information 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 as set out in the Dealing Rules during the six months ended 30 June 2024.

Compliance with the Corporate Governance Code

Throughout the six months ended 30 June 2024, the Group has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

Review of Interim Results

This interim results announcement and the 2024 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 an interim dividend of HK4.1 cents per share for the six months ended 30 June 2024 which will be paid on 4 September 2024 to those shareholders whose names appear on the Company's register of members on 23 August 2024.

The register of members will be closed on 23 August 2024 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 22 August 2024. The ex-dividend date for the interim dividend will be on 21 August 2024.

Interim Report and Disclosure of Information on Stock Exchange's Website

The announcement of interim results containing all the information required in paragraphs 46(1) to 46(10) of Appendix D2 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 2024 Interim Report is printed in English and Chinese languages, and will be available on the Company's website on or around 23 August 2024.

Directors

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

Executive Director:
Martin Fruergaard

Independent Non-executive Directors:
Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka, John Mackay McCulloch Williamson and Alexandre Frederic Akira Emery

Non-executive Directors:
Alexander Howarth Yat Kay Cheung and Mats Henrik Berglund

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 2024 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.