

## INTERIM RESULTS

The consolidated turnover of the Group for the period was HK\$717,400,000, representing a decrease of 32% as compared to that of last corresponding period. The Group's net profit attributable to shareholders of the Company for the period amounted to HK\$122,405,000 whereas a net profit of HK\$338,346,000 was recorded for last corresponding period. Basic earnings per share was HK\$0.229 for the period as against basic earnings per share of HK\$0.639 for last corresponding period.

The profit for the period was partly attributed to the gain of HK\$193,866,000 on the completion of the disposal of four motor vessels by the Group whereas the profit for last corresponding period was partly attributed to the cancellation fee income of approximately HK\$156,000,000 on compensation received from a counterparty on early termination of a long term time charter party.

## INTERIM DIVIDEND

The Board has resolved not to recommend the payment of any interim dividend for the six months ended 30 June 2006 (2005: HK\$0.19 per share).

## BUSINESS REVIEW

**Chartering freight and hire.** The Group operates its worldwide shipping activities through Jinhui Shipping and Transportation Limited ("Jinhui Shipping"), an approximately 50.21% owned subsidiary of the Company whose shares are listed on the Oslo Stock Exchange.

After a slow start at the beginning of the year, the chartering market rose steadily, simply due to the demand for tonnage has consistently outstripped supply. The Baltic Dry Index dropped around 400 points to 2,033 in late January 2006 and then picked up steadily to close at 2,964 by the end of June 2006.

The Group's shipping turnover for the period amounted to HK\$554,223,000; representing a decrease of 40% over last corresponding period. During the period, the Group's revenue was affected by comparatively low freight rates and the Group's profit was partly offset by the operating loss of two Capesize vessels chartered-in by the Group since mid 2005 at comparatively high costs at the then prevailing market conditions.