

Results Highlights

- **Group profits for the year were US\$110.3 million** (2005: US\$147.1 million) as a result of a relatively weak first half dry bulk market compared to an exceptionally strong second half 2005. **Basic earnings per share were HK 65 cents** (2005: HK 90 cents)
- **A year of two halves** saw Group profits more than double from US\$36.4 million in the first half to US\$73.9 million in the second half 2006
- **Net cash from operating activities of US\$148.2 million** (2005: US\$173.3 million)
- **Strong balance sheet** with total assets of US\$919.9 million and shareholders' equity of US\$485.0 million. Return on average equity was 36% (2005: 54%)
- **Proposed final dividend of HK 22.5 cents per share.** Together with the interim dividend of HK 20 cents per share, this brings total dividends for the year to HK 42.5 cents per share, representing a payout ratio of 71% and total shareholders' return (including share price capital gain and dividends paid during the year) of 51%
- **15% increase in handysize revenue days to 16,420 in 2006** (2005: 14,260) due to expanded owned and long term chartered fleet. A further 23% year on year increase to 20,190 handysize revenue days is already committed for 2007. In 2006 the Group earned an average US\$15,420 (2005: US\$17,100) per handysize revenue day
- **Our fleet** now totals 77 vessels (February 2006: 60) comprising 35 owned, 38 long term chartered and 4 managed vessels. The total includes 58 handysize and 6 handymax vessels afloat, and 12 handysize and 1 handymax newbuildings
- **Total vessel expenditure during the year of US\$285.1 million** (2005: US\$118.8 million), including 8 handysize and 2 handymax acquisitions, plus instalments on 10 newbuildings
- **Positive dry bulk market outlook** for 2007 supported by a continued healthy global economy and a strong appetite for commodities which is expected to absorb slowing new ship deliveries
- **Contract cover** is in place for 58% of current 20,190 handysize revenue days in 2007 at an expected yield of about US\$17,000 per day upon execution of voyages. Baltic Handysize spot index on 28 February 2007 stood at US\$20,447 per day net

Contract Coverage and Daily TCE for 2006 and 2007

