Pacific Basin

1Q18 Trading Update

9th Annual Deutsche Bank Access Asia Conference 2018
Singapore, 15 May 2018

Highlights

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2018 First Quarter Trading Update

- Handysize and Supramax freight market indices YTD have followed similar pattern as in recent years, although at a significantly higher level with a short seasonal decline in early 2018 and recovery after Chinese New Year
- In Jan 18 we took delivery of the last of 5 vessels we committed to acquire in Aug17, increasing our owned fleet to 106 ships on the water
- Our capacity in 1Q18 was substantially unchanged from a year ago as we operated more owned ships but took in fewer short-term chartered ships primarily due to reduced Chinese steel export volumes
- Market improvement since last year benefits our increased proportion of owned ships which have mainly fixed costs
- We continue to look at good quality secondhand ship acquisition opportunities as prices are still historically attractive, resulting in reasonable break-even levels and shorter payback times
- Minor bulk improvement in 1Q18 is encouraging with supply fundamentals looking more positive - we are cautiously optimistic for a continued market recovery, although with some volatility along the way

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2018 First Quarter Performance and 2018 Cover

Cover as at 6 Apr 2018

	US$/day	Handysize	Supramax
1Q	Market (BHSI/BSI) index net rate	**8,070**	**10,190**
1Q	PB daily TCE net rate	**9,360**	**11,250**
1Q	PB outperformance	**16% / 1,290**	**10% / 1,060**
2Q-4Q	PB daily TCE net cover rate	**9,710**	**11,490**
2Q-4Q	% cover for remaining contracted days	**44%**	**66%**
FY	PB daily TCE net cover rate	**9,540**	**11,370**
FY	% of contracted days covered	**61%**	**79%**

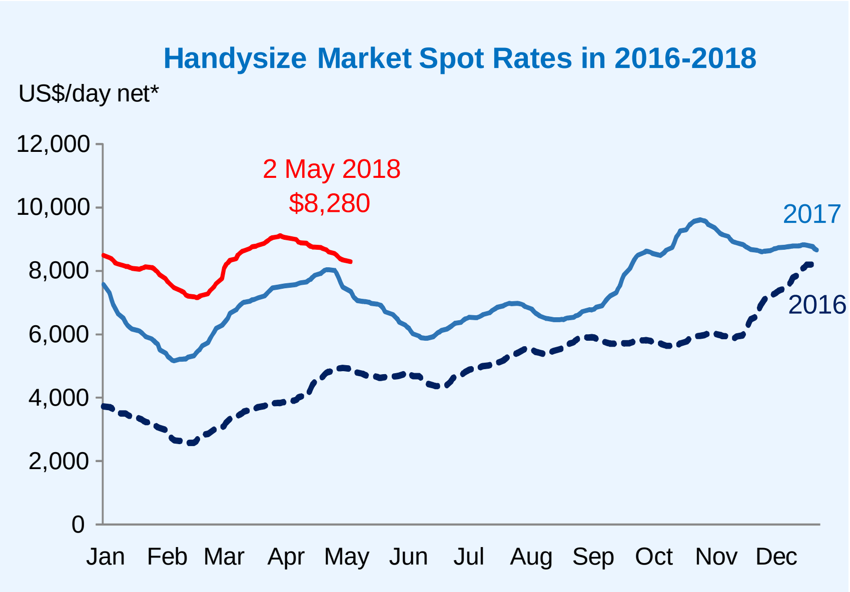
Improvement over 1Q17:
Handysize:
+25% / $1,900
Supramax:
+40% / $3,220

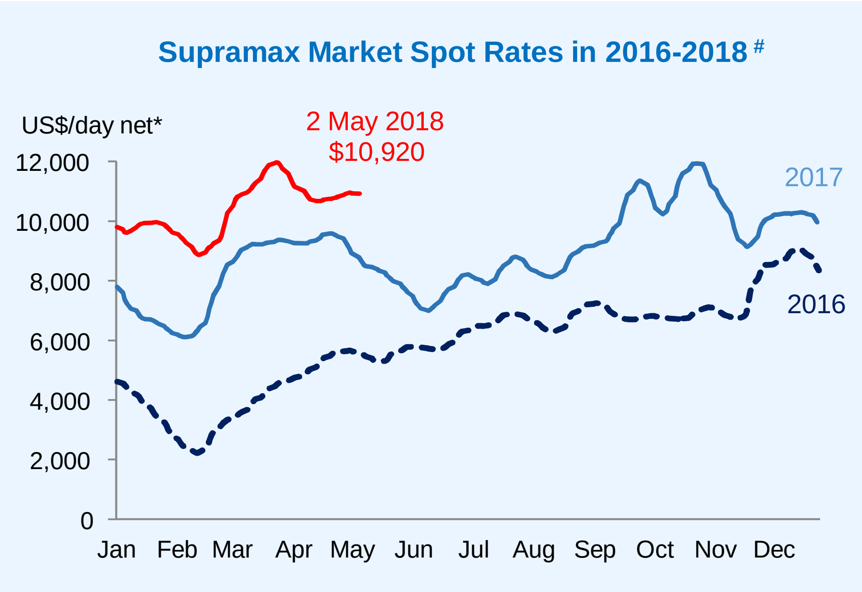
Improvement over FY17 (actual):
Handysize:
+15% / $1,220
Supramax:
+18% / $1,760

With you for the long haul

Market Review

Freight Market Recovery Continues





- YTD 2018 freight indices are following a similar seasonal pattern as last year, although at a higher level
- Demand was partly driven by strong 9% increase in Chinese dry bulk imports, especially minor bulks which increased about 17% YOY (Jan-Feb)
- In the Pacific, stronger market freight rates were partly supported by a shortage of suitable capacity and a continuing recovery in demand for commodities such as concentrates and logs from Australia / NZ
- In the Atlantic, Brazil and Argentina agri-bulk exports grew strongly YOY, partly offset by weaker US exports

** excludes 5% commission*

 # BSI is now based on a standard 58,000 dwt bulk carrier

Source: Baltic Exchange, data as at 2 May 2018

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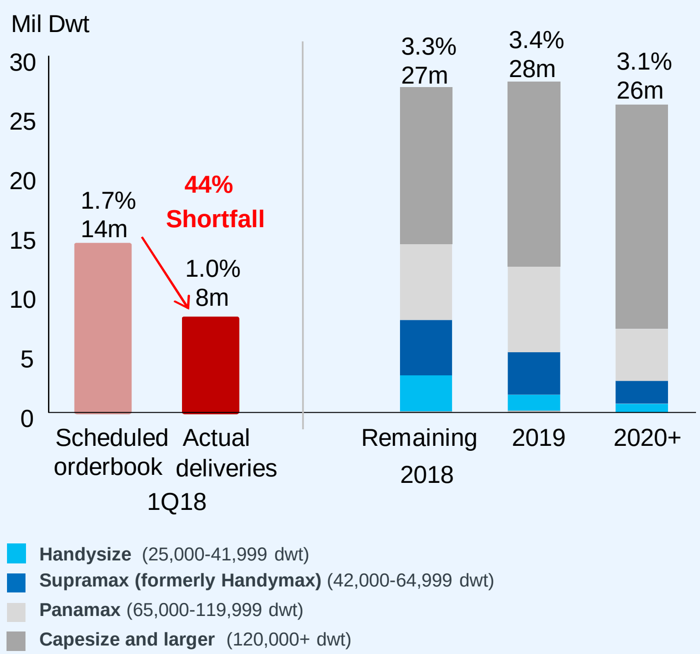
Impact of Recent Trade Tariffs

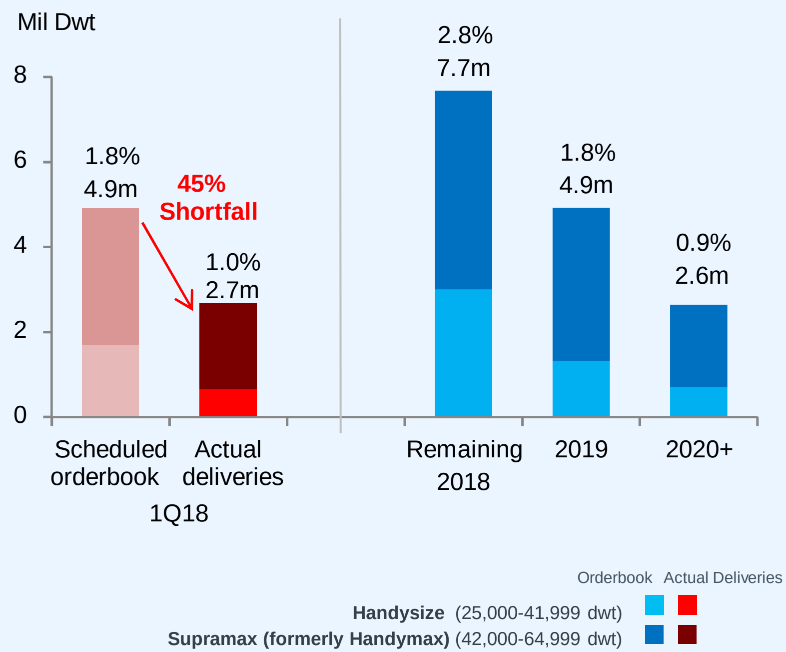
	Recent Protectionist Measures	Impact to the Dry Bulk industry and Pacific Basin
March	US **imposed tariffs on steel and aluminum** from certain countries China announced **retaliatory measures** in response to US trade measures	▪ **Now in effect but we do NOT expect a material impact** Dry bulk cargo flows threatened by these protectionist measures account for only a small fraction of the trades in which Pacific Basin is engaged and we do NOT expect them to have a material impact on overall dry bulk market
April	US **proposed further trade restrictions on China** in retaliation of alleged unfair trade practices and unauthorised intellectual property transfer targeting US$100 billion in Chinese goods China promptly announced plan to **impose retaliatory import tariffs**, including on **US soybean and other agricultural products**	▪ **Could impact cargo flows and has already generated some negative sentiment in the market** Timing and scale of Chinese tariffs depend on the eventual form of the US measures which remain subject to lengthy public consultation ▪ Several important points to bear in mind: ▪ Total US soybean exports to China in 2017 represent about 0.6% of total dry bulk seaborne trade ▪ Majority of this volume moves in Panamax and Kamsarmax ▪ No implementation date for the tariffs has yet been set ▪ Impact on trade volumes in the medium term would likely be limited as high season for US soybean exports does not start until 4Q ▪ While Chinese buyers will still depend on significant soybean imports from the US, they will likely continue to buy more from Brazil While we believe these protectionist actions could affect the dry bulk trade, the impact would be largely outweighed by positive dry bulk supply fundamentals and continued global dry bulk trade growth overall

Historically Low Handysize and Supramax Orderbook

Total Dry Bulk Orderbook



Combined Orderbook: Handysize and Supramax



- Slower growth in global dry bulk capacity was a key driver of the improved freight market during 1Q18
- Combined Handysize and Supramax orderbook has reduced to 5.5%, the lowest since 1990s
- Significantly lower orderbook for Handysize and Supramax in 2019 and beyond

Source: Clarksons Research, as at 1 Apr 2018

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Better Fundamentals for Handysize

	Orderbook as % of Existing Fleet	Average Age	Over 20 Years	Over 15 Years	YTD Scrapping as % of Existing Fleet as at 1 Apr 2018 (annualised)
Handysize – 81m dwt (25,000-41,999 dwt)	**6.2%**	**10**	**11%**	**17%**	**0.6%**
Supramax – 195m dwt (42,000-64,999 dwt)	**5.2%**	**9**	**7%**	**15%**	**0.4%**
Panamax – 219m dwt (65,000-119,999 dwt)	**8.2%**	**9**	**6%**	**17%**	**0.3%**
Capesize and larger – 312m dwt (120,000+ dwt)	**15.3%**	**8**	**6%**	**12%**	**1.4%**
Total Dry Bulk – 824m dwt (>10,000 dwt)	**9.9%**	**10**	**7%**	**15%**	**0.8%**

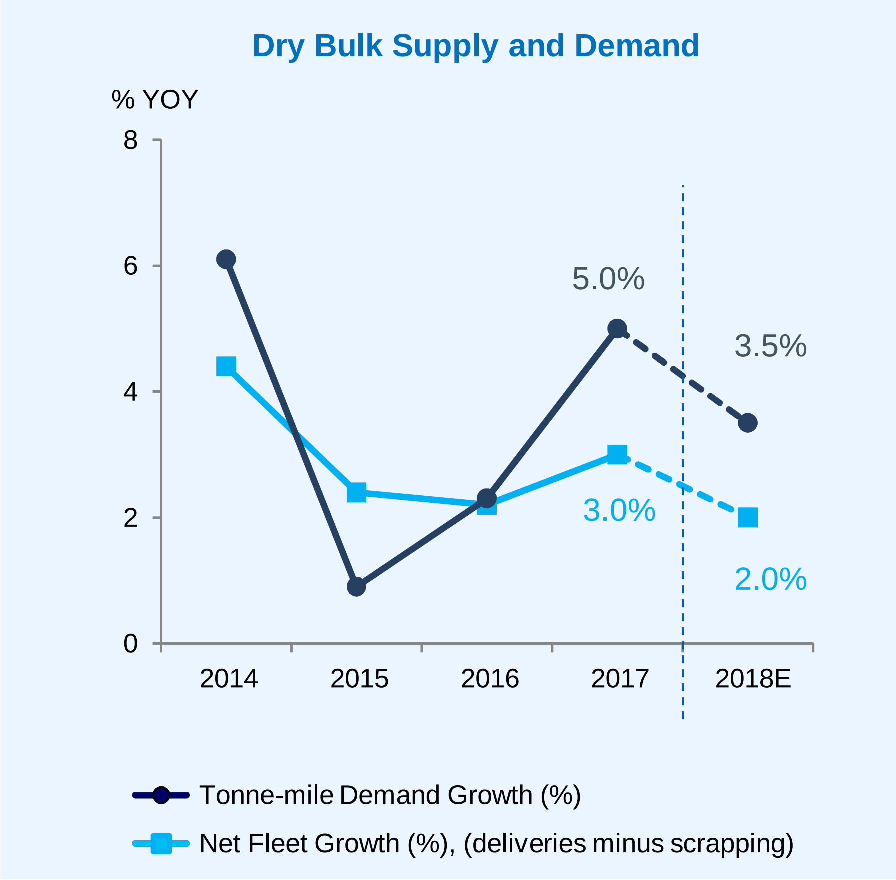
Lower orderbook

More older ships

We now refer to the Handymax, Supramax and Ultramax segments more generally as "Supramax", and we now consider 42,000 dwt as the cut-off between Handysize and Supramax

Source: Clarksons Research , as at 1 Apr 2018

Favourable Dry Bulk Supply and Demand Outlook



- Demand outpacing supply
- Progressively fewer new ships will deliver from shipyards in 2018 and 2019
- Clarksons Research estimate:
  3.5% tonne-mile demand growth and
  2.0% net fleet growth in 2018
  (3.2% deliveries – 1.2% scrapping)
- Expected actual deliveries will be around 26m dwt compared to 38m dwt in 2017

Source: Clarksons Research, as at 1 Apr 2018

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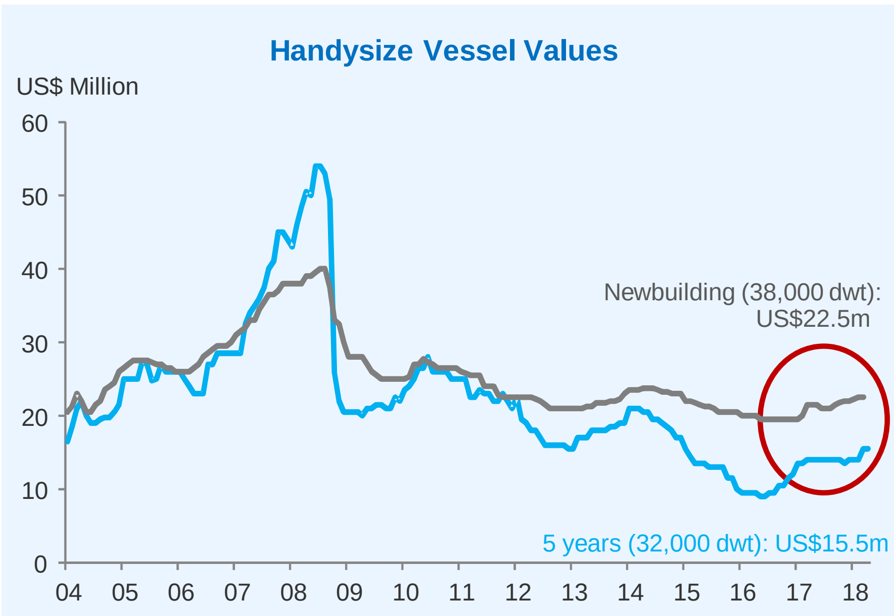
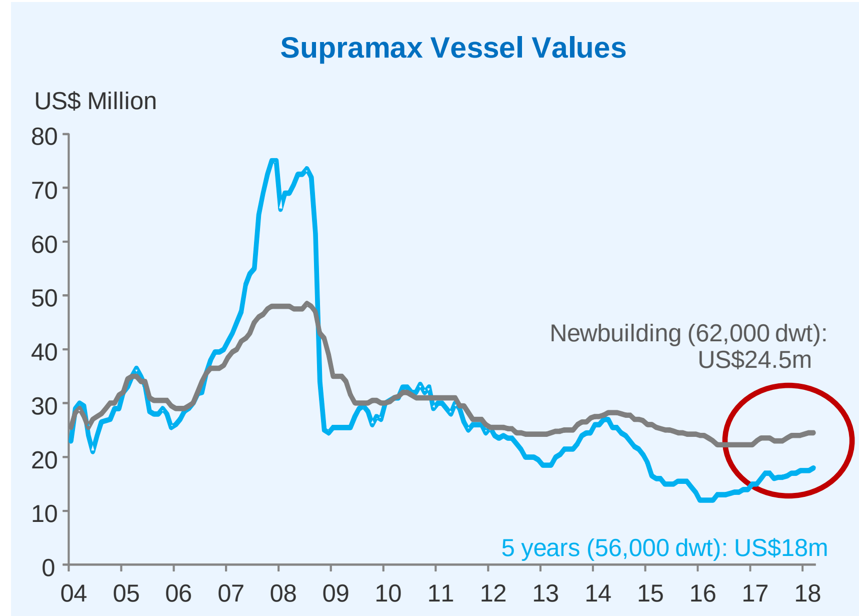
Improved Outlook Supports Vessel Values



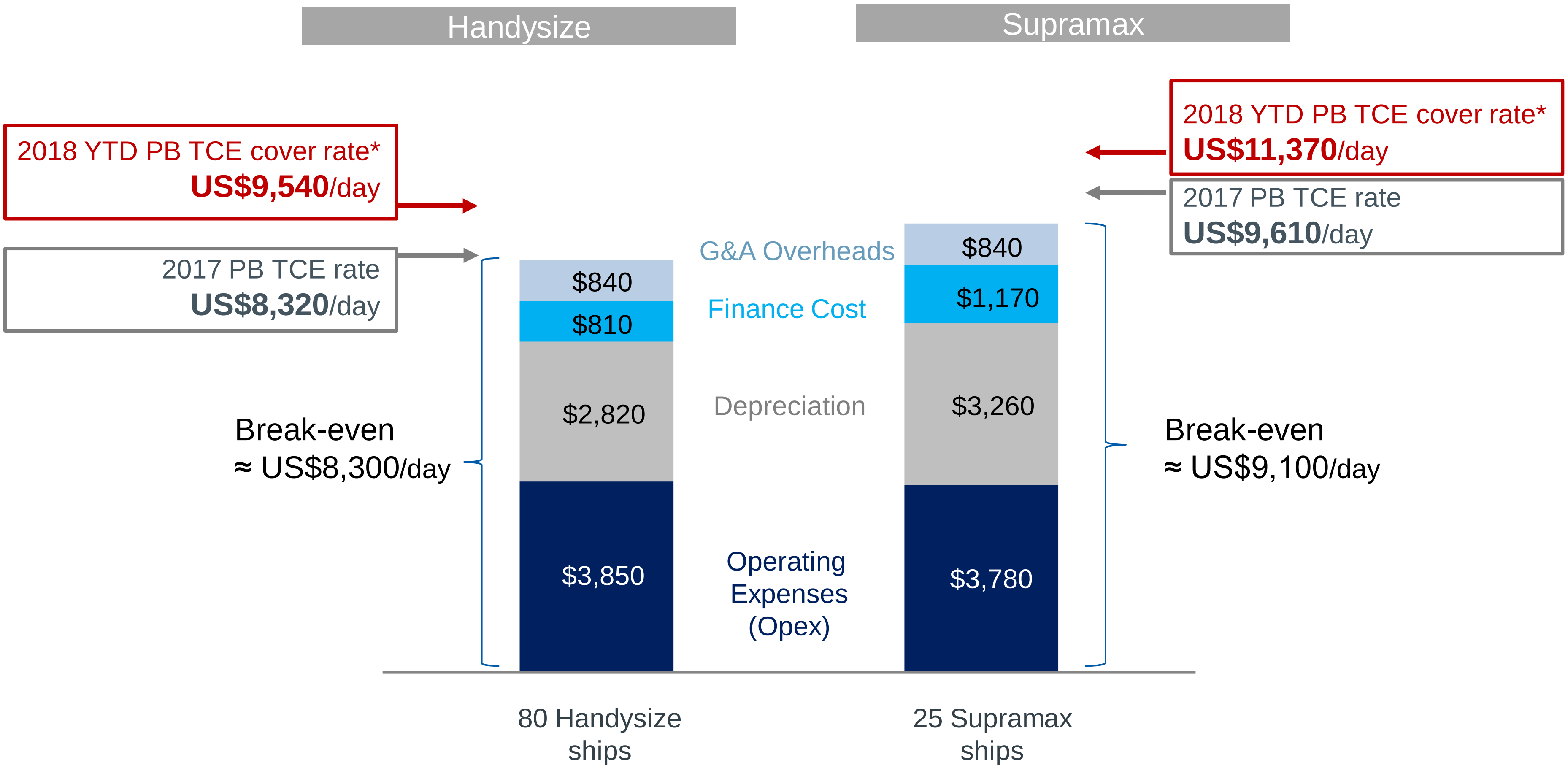


- Improved freight market conditions supported both newbuilding and secondhand vessel values
- However, gap between newbuilding and secondhand prices continues to discourage new ship ordering
- We still see upside in secondhand values

Source: Clarksons Research, as at 27 Apr 2018

Outlook and Strategy

Competitive Owned Vessel Break-Even Levels



* 2018 1Q Actual + 2Q to 4Q Cover as at 6 Apr 2018

Our Business Model Continues to Outperform

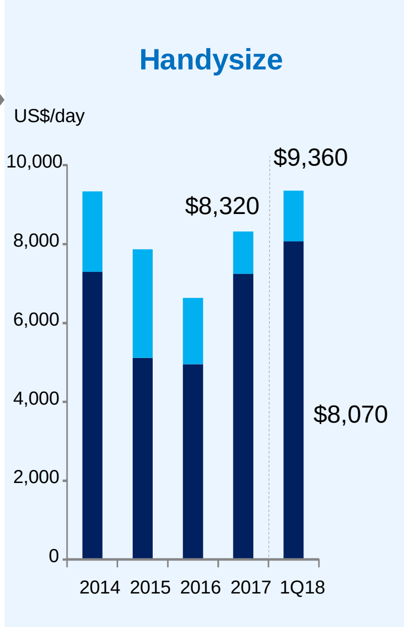
Our business model has been refined over many years. We are able to generate a TCE earnings premium over market rates because of our high laden percentage (minimum ballast legs), which is made possible by a combination of:

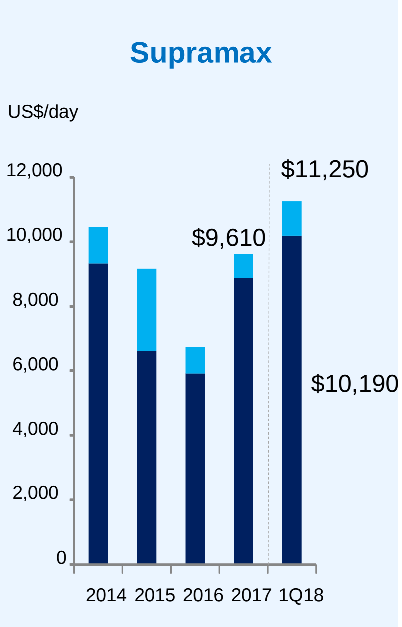
- Our fleet scale
- High-quality interchangable ships
- Experienced staff
- Global office network
- Our cargo contracts, relationships and direct interaction with end users
- Our fleet has a high proportion of owned vessels facilitating greater control and minimising trading constraints
- Our segment’s versatile ships and diverse trades

Our TCE Outperformance Compared to Market in Last 5 Years

US$1,850
Daily Handysize Premium

US$1,290
Daily Supramax Premium





Baltic Indices PB Premium

Well Positioned for a Recovering Market

Our TCE Outperforms Market

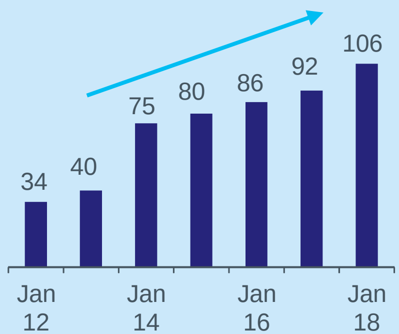
Average PB premium over market indices in last 5 years[1]:

US$**1,850**/day
Handysize TCE

US$**1,290**/day
Supramax TCE

+

More Owned Vessels with Fixed Costs



Owned Vessel Breakeven
Incl. G&A overheads

US$**8,300**/day
Handysize[2]

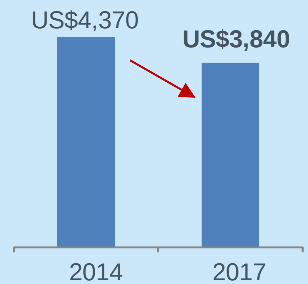
US$**9,100**/day
Supramax[3]

+

Efficient Cost Structure

Annual Group G&A Overheads

Daily Vessel Operating Expenses
(Combined Handysize and Supramax)



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Sensitivity toward Market Rates[4]

Market Rate
+/-
US$1,000
daily TCE

Impact on our Underlying Results
+/-
US$ 35-40m

[1] *PB Premium as at 6 Apr 2018*
[2] 2017 PB owned Handysize \$7,480/day + G&A overheads \$840/day ≈ US\$8,300/day
[3] 2017 PB owned Supramax \$8,210/day + G&A overheads \$840/day ≈ US\$9,100/day
[4] Based on current fleet and commitments

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Our Outlook and Strategy

Outlook

- 1Q18 market improvement for minor bulk is encouraging, and all-important supply fundamentals look more positive
- Possible market drivers in the medium term:
  - \+ Positive economic growth and commodity demand outlook, low deliveries, and new regulations
  - − Increased protectionism, risk of reduced Chinese coal and ore imports, increased new ship ordering and higher ship operating speeds
- We are cautiously optimistic for a continued market recovery, although with some volatility along the way

Strategy – Well Positioned for a Recovering Market

- Continue to focus on our world-leading Handysize and Supramax business
- Maximise our fleet utilisation and TCE earnings by combining minor bulk characteristics with our large fleet of interchangeable ships and global network
- We continue to look at good quality secondhand ship acquisition opportunities
- No newbuildings in the medium term, we continue to watch technological, fuel and regulatory developments closely
- Healthy cash and net gearing positions enhance our ability to take advantage of opportunities to grow our business and attract cargo as a strong partner
- Robust business model, larger owned fleet and competitive cost structure position us well to navigate and benefit from the recovering market

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Fully Handysize & Supramax focused

\+

Business model generating outperformance

\+

High-quality predominantly Japanese-built fleet

\+

Experienced staff, globally

\+

Strong partner

=

Well Positioned

Disclaimer

This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Pacific Basin and certain plans and objectives of the management of Pacific Basin.

Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of Pacific Basin to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements are based on numerous assumptions regarding Pacific Basin's present and future business strategies and the political and economic environment in which Pacific Basin will operate in the future.

Our Communication Channels:

- **Financial Reporting**
  - Annual (PDF & Online) & Interim Reports
  - Quarterly trading updates
  - Press releases on business activities
- **Shareholder Meetings and Hotlines**
  - Analysts Day & IR Perception Study
  - Sell-side conferences
  - Investor/analyst calls and enquiries

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- **Company Website - www.pacificbasin.com**
  - Corporate Information
  - CG, Risk Management and CSR
  - Fleet Profile and Download
  - Investor Relations:
  - financial reports, news & announcements, excel download, awards, media interviews, stock quotes, dividend history, corporate calendar and glossary
- **Social Media Communications**
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Appendix: Pacific Basin Overview

Our Vision

"To be a leading ship owner/operator in the dry bulk shipping space, and the first choice partner for customers and other stakeholders."

www.pacificbasin.com
Pacific Basin business principles and our Corporate Video

Owned Fleet
106
Handysize & Supramax Bulk Carriers

Hong Kong HQ
12 Global Offices
330+ Shore-based staff
3,400+ Seafarers

200+ Handysize and Supramax vessels
World's largest owner and operator of modern Handysize tonnage

Total Volume Carried in 2017
66.2m tonnes
9,000+ Port Calls

Secure counterparty
US$2bn+
total assets
+ strong balance sheet

500+
Major Industrial Customers

1,500+
voyages/year

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Appendix: Business Foundation

Our People

Close to you

12 local dry bulk offices

24/7 support

Our Record

Trusted and transparent

Strong public balance sheet and track record

Award winning CSR policy and environmental focus

Our Fleet

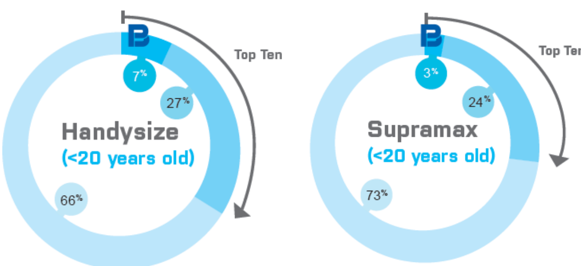
Managed In-house and Highly Versatile

Modern quality ships with the best-in-class design

Low breakeven cost and fuel efficient

Our Worldwide Network and Trading Areas

Our Market Shares



We operate approx. 7% of global 25-42,000 dwt Handysize ships of less than 20 years old; and approx 3% of global 50-65,000 dwt Supramax of less than 20 years old

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Appendix: Strategic Model

MARKET-LEADING CUSTOMER FOCUS & SERVICE

Priority to build and sustain long-term customer relationships

Solution-driven approach ensures accessibility, responsiveness and flexibility towards customers

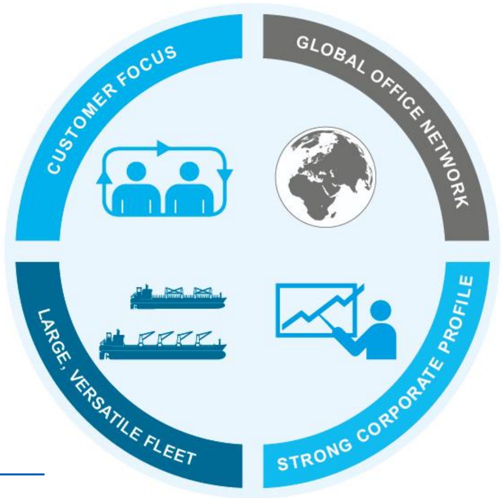
Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit

COMPREHENSIVE GLOBAL OFFICE NETWORK

Integrated international service enhanced by experienced commercial and technical staff around the world

Being local facilitates clear understanding of and response to customers' needs and first-rate personalised service

Being global facilitates comprehensive market intelligence and cargo opportunities, and optimal trading and positioning of our fleet



LARGE FLEET & MODERN VERSATILE SHIPS

Fleet scale and interchangeable high-quality ships facilitate service flexibility for customers, optimised scheduling and maximised vessel and fleet utilisation

In-house technical operations facilitate enhanced health & safety, quality and cost control, and enhanced service reliability and seamless integrated service and support for customers

STRONG CORPORATE & FINANCIAL PROFILE

Striving for best-in-class internal and external reporting, transparency and corporate stewardship

Strong cash position and track record set us apart as a preferred counterparty

Hong Kong listing, scale and balance sheet facilitate good access to capital

Responsible observance of stakeholder interests and our commitment to good corporate governance and CSR

Appendix: Understanding Our Core Market

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The Dry Bulk Sector

Other Mainstream Shipping Sectors

Bulk Carriers for dry bulk commodities

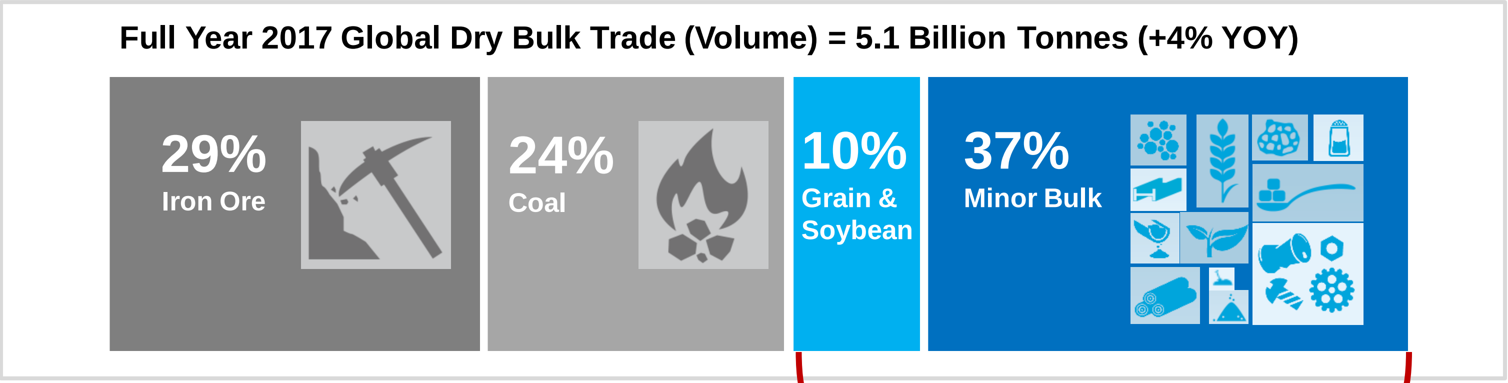
Tankers for oil, gas & chemicals

Containerships for containerised goods

	Bulk Carrier Ship Types	Percentage of Global Dry Bulk Capacity	Versatility	Main Commodities Carried
Our Focus: Minor Bulks with cranes	**Handysize** 25,000–41,999 dwt	10%	More Versatile	**Minor Bulks:** Ores & Concentrates, Alumina, Bauxite, Coal/Coke, Petcoke, Salt, Sand & Gypsum, Grains, Fertiliser, Sugar, Logs/Forest Goods, Cement & Clinker, Steel, Scrap
Our Focus: Minor Bulks with cranes	**Supramax** (formerly Handymax) 42,000–64,999 dwt	24%	More Versatile	
Major Bulks without cranes	**Panamax & Post-Panamax** 65,000–119,999 dwt	27%	Less Versatile	**Major Bulks:** Grains, Coal, Iron Ore
Major Bulks without cranes	**Capesize & larger** 120,000+ dwt	39%	Less Versatile	

Few ports, few customers, few cargo types, low scope for triangulation ↔ **Many ports, many customers, many cargo types, high scope for triangulation**

Appendix: Why Handysize? Why Minor Bulk?



✓ Minor Bulks & Grain is 47% of total Dry Bulk demand

✓ Pacific Basin focuses on these growing markets

- More diverse customer, cargo and geographical exposure enables high utilisation
- A segment where scale and operational expertise make a difference
- Better daily TCE earnings driven by a high laden-to-ballast ratio
- Sound long-term demand expectations and more modest fleet growth

Source: Clarksons Research, 1 Feb 2018

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Appendix: Fleet List – 31 Mar 2018

Pacific Basin Dry Bulk Fleet: 242
Average age of core fleet: 8.2 years old

www.pacificbasin.com
Customers > Our Fleet

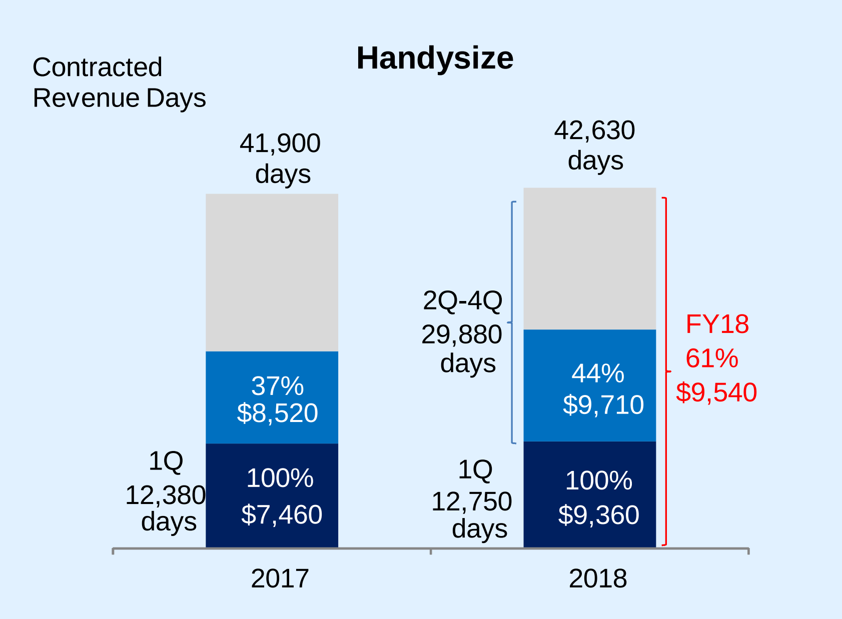
106 Vessels owned

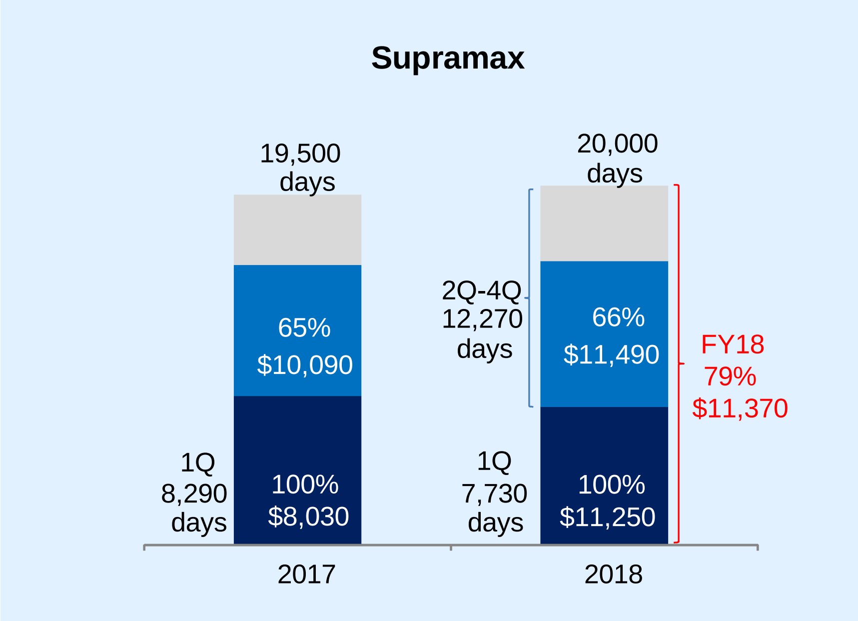
136 Vessels Chartered *

	Vessels owned	Vessels Chartered *	Total
Handysize	80	66	146
Supramax	25	69	94
Post-Panamax	1	1	2

** Average number of vessels operated in Mar 2018*

Appendix: Earnings Cover in 2018



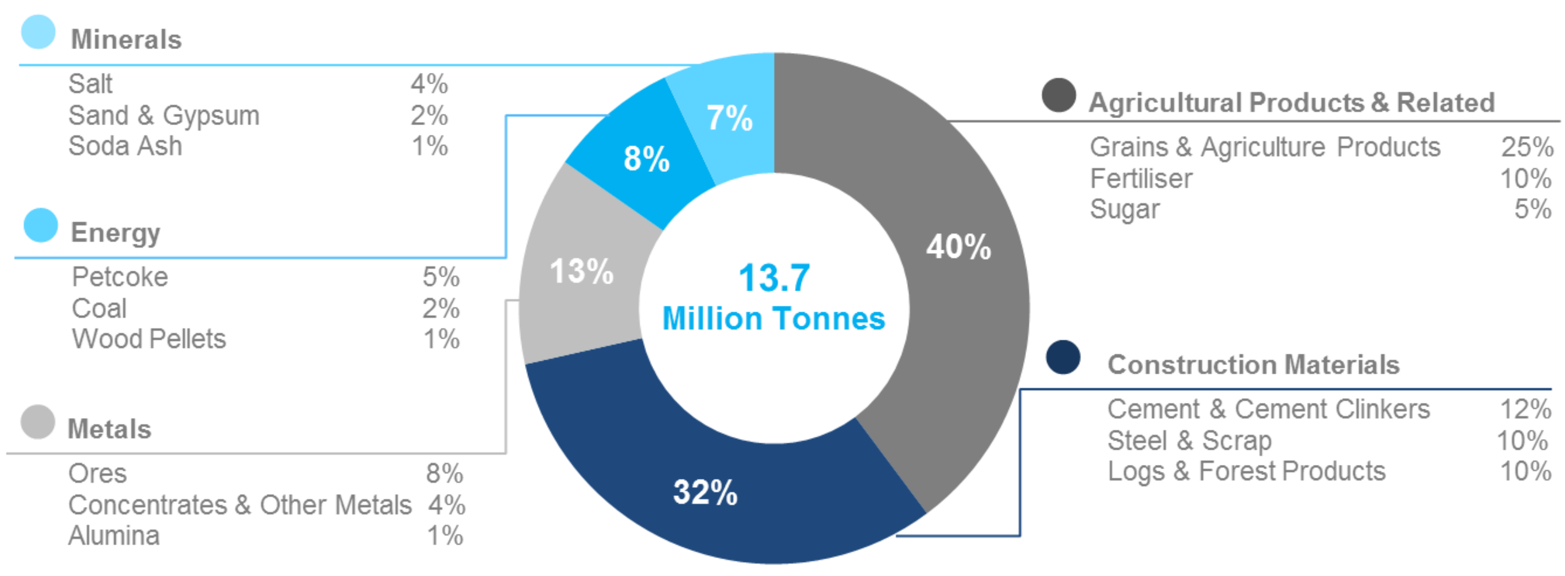


1Q Completed 2Q-4Q Covered 2Q-4Q Uncovered

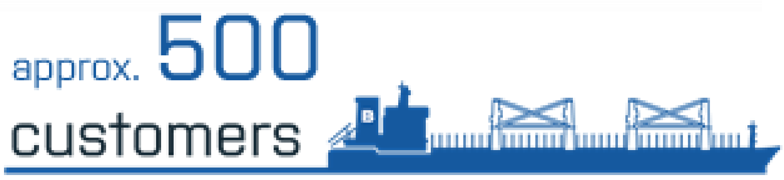
Currency in US$, 2018 data as at 6 April 2018
2017 data as announced in April 2017

Appendix:
Pacific Basin Dry Bulk – Diversified Cargo

Our Dry Bulk Cargo Volumes in 1Q 2018 (1 Jan – 28 Mar)



- Diverse range of commodities reduces product risk
- China and North America were our largest markets
- About 60% of business in Pacific and 40% in Atlantic



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Appendix: New Regulations

As in 2017 Annual Report

New Regulations	Content	Impact on the Industry	PB actions
IMO Ballast Water Treatment - Installation required at first dry-docking after 8 Sep 2019	▪ International Maritime Organization (IMO) requires ballast water treatment equipment (BWTS) to be fitted on all ships ▪ US Coast Guard requires all ships sailing to US to use approved BWTS	▪ Increased capex for existing shipowners ▪ Increased potential scrapping	▪ System selected, pending US Coast Guard approval ▪ Installation in 2018-2023 for our owned vessels

Low Sulphur Emissions Cap - 1 Jan 2020
Larger impact on the industry
	▪ IMO has set a global 0.5% sulphur limit for marine fuel oil, effective 2020 (in addition to existing 0.1% sulphur limit in Emission Control Areas)
	▪ Exception: Shipowners can use higher sulphur fuel if they fit scrubbers (costing several million US$) to clean exhaust gas
		▪ Low sulphur fuel is more expensive
		  ▪ Increased demand for low sulphur fuel
		  ▪ Decreased demand for heavy fuel oil
		  ▪ More slow-steaming contribute to better supply-demand balance
		▪ Increased capex (if installing scrubbers)
		▪ Uncertainty of ship design should hold back newbuild ordering
		▪ Increased potential scrapping
		Low uptake of scrubbers expected by 2020
			▪ We do NOT think sulphur scrubbers are an effective solution neither technically nor environmentally
			▪ Much prefer a mandate to use low sulphur fuel which would support a level playing field, lower speeds and lower emissions (incl. CO_2)

We believe the new regulations will penalise poor performers and older ships while benefitting stronger companies with high quality ships that are better positioned to adapt and cope practically and financially with compliance

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As in 2017 Annual Report

Appendix: We Will Not Order More Newbuildings Today

- Market does not need more newbuildings
  - Extra capacity remains in the global fleet through potentially higher operating speed
  - Limited efficiency benefits from newbuildings compared to good quality Japanese-built secondhand ships
- The industry needs a more reasonable level of profitability
- Risk and payback time for newbuildings is currently excessive due to several uncertainties
  - How best to comply with the global sulphur emissions cap from 2020
  - Which ballast water treatment system to install
  - Questions about the future price, types and availability of fuel
  - Potential additional new regulations (e.g. NO_x and CO_2 emissions, etc)
  - Faster and potentially more significant technological developments in the longer term
- Attractive secondhand prices compared to newbuilding prices
- New accounting rules requiring time charters to be capitalised from 2019

Discouraging new ship ordering

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Appendix: 2017 Annual Results - Highlights

As in 2017 Annual Report

US$m	2017	2016	Change
EBITDA	**133.8**	22.8	+111.0
Net profit	**3.6**	(86.5)	+90.1
Cash	**244.7**	269.2	
Net gearing	**35%**	34%	
Owned fleet / Total fleet *	**105 / 225**	92 / 226	

- Significantly improved dry bulk market supported a much improved EBITDA and positive net result in 2017
- During the year, we took delivery of our last 7 newbuildings and recommenced secondhand acquisitions – purchasing 8 modern ships at historically low asset values
- Our innovative combination of a share issue and private placement in Aug 2017 enabled us to grow our fleet with 5 modern ships while strengthening our balance sheet
- We are cautiously optimistic for a continued market recovery albeit with some volatility along the way

** As at 31 Dec*

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As in 2017 Annual Report

Appendix: Significant Improvement in 2017 Financial Results

As at 31 Dec

US$m	2017	2016
Revenue	**1,488.0**	1,087.4
Voyage expenses	**(701.5)**	(555.4)
Time-charter equivalent earnings ("TCE")	**786.5**	532.0
Owned vessel costs	**(279.2)**	(260.8)
Charter costs*	**(451.0)**	(305.5)
Operating profit/(loss)	**56.3**	(34.3)
Total G&A overheads	**(54.4)**	(52.9)
Taxation & others	**0.3**	(0.5)
Underlying profit/(loss) KPI	**2.2**	(87.7)
Derivatives M2M and one-off items	**1.4**	1.2
Profit/(loss) attributable to shareholders	**3.6**	(86.5)
EBITDA	**133.8**	22.8

Owned vessel costs

	2017	2016
Opex	**(139.3)**	(130.9)
Depreciation	**(107.6)**	(97.1)
Finance	**(32.3)**	(32.8)

Derivatives M2M and one-off items

	2017	2016
Derivative M2M	**5.4**	23.6
Office relocation costs	**(1.4)**	-
Vessel impairments	**(0.8)**	(15.2)
Sale of towage assets	**(0.5)**	(4.9)
Towage exchange loss	**(1.3)**	(2.8)
Others	**-**	0.5

Profit/(loss) attributable to shareholders

	2017	2016
Dry Bulk	**2.6**	(87.6)
Towage	**(0.5)**	(0.1)
Others	**1.5**	1.2

- In view of small net profit in 2017, the Board recommends not to pay a dividend for 2017
- However, we continue to target a pay-out ratio of at least 50% of net profits excluding disposal gains once we return to a more meaningful level of profitability

*including write-back of onerous contract provisions

Appendix: Improvement in Both Handysize and Supramax Segments

As in 2017 Annual Report

		2017	2016	Change
Handysize contribution	(US$m)	**31.4**	(37.1)	>+100%
Revenue days	(days)	**53,360**	47,590	+12%
TCE earnings	(US$/day)	**8,320**	6,630	+25%
Owned + chartered costs	(US$/day)	**7,660**	7,320	-5%
Supramax contribution	(US$m)	**19.8**	(3.3)	>+100%
Revenue days	(days)	**34,510**	29,590	+17%
TCE earnings	(US$/day)	**9,610**	6,740	+43%
Owned + chartered costs	(US$/day)	**9,000**	6,830	-32%
Post Panamax contribution	(US$m)	**5.5**	5.5	-
Dry Bulk G&A overheads and tax	(US$m)	**(54.1)**	(52.7)	-3%
Total Dry Bulk contribution	(US$m)	**2.6**	(87.6)	>+100%

+/- Note: Positive changes represent an improving result and negative changes represent a worsening result

Appendix: Handysize – Owned Vessel Costs Reducing

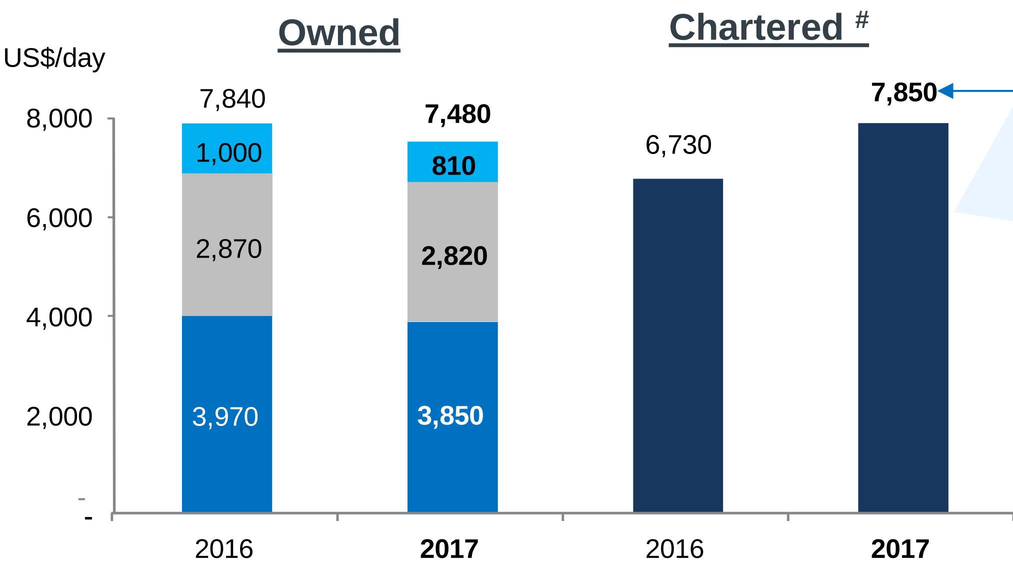
As in 2017 Annual Report

Pacific Basin

As at 31 Dec

US$7,660/day	US$6,360/day	US$600*
Blended P/L Costs before G&A Overheads (2016: US$7,320)	**Blended Cash Cost** before G&A Overheads (2016: US$6,090)	Daily G&A Overheads (2016: US$660)

2017 Daily Vessel Costs - Handysize



	Owned 2016	Owned 2017	Chartered 2016	Chartered 2017
Vessel Days	25,650	28,410	22,530	25,440

- Finance cost
- Depreciation
- Operating expenses (Opex)
- Charter-hire including: Long-term (>1 year), Short-term, Index-linked

Inward Charter Commitments #

		LT	ST	Index	Total
2017	Rate	$8,010	$7,770	$7,690	$7,850
	Days	9,300	14,580	1,560	25,440
1H18	Rate	$8,550	$9,020	Market	-
	Days	3,710	760	380	4,850
2H18	Rate	$8,850	-	Market	-
	Days	3,790	-	10	3,800

** Comprising US$840/day for owned ships and US$450/day for chartered-in ships*
 # Chartered rates are shown on a P&L basis (including write-back of onerous contract provision)

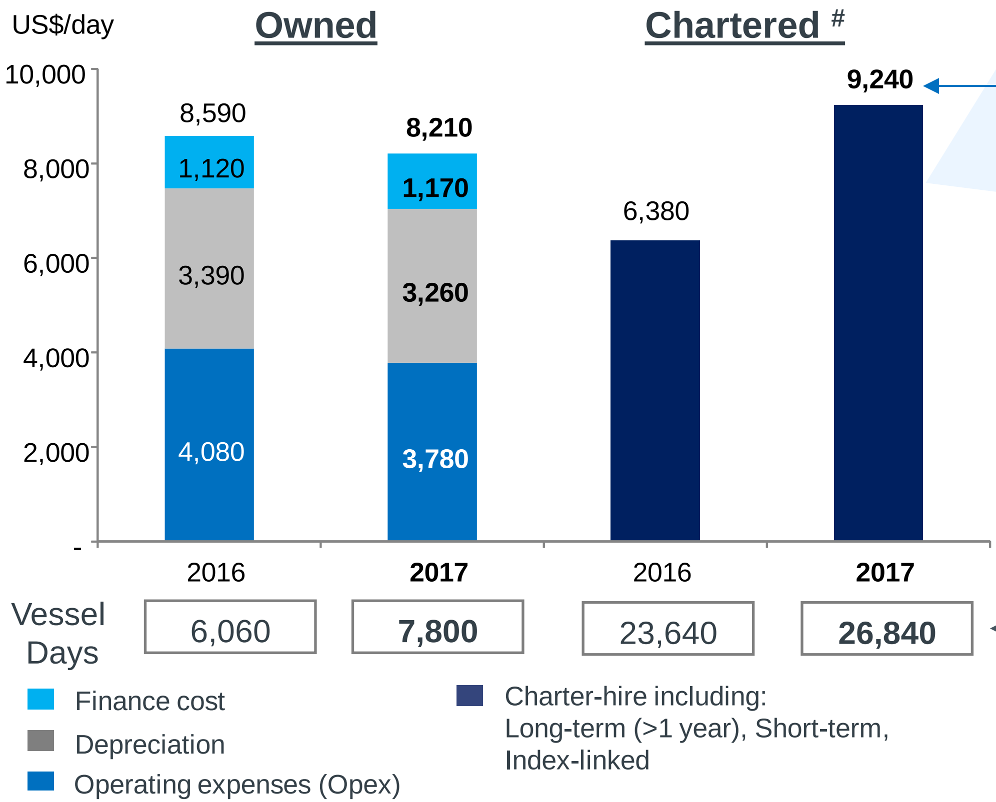
Appendix: Supramax – More Owned Ships with Lower Daily Cost

As in 2017 Annual Report

As at 31 Dec

US$9,000/day	**US$8,310/day**	**US$600***
Blended Daily P/L Costs before G&A Overheads (2016: US$6,830)	**Blended Daily Cash** Cost before G&A Overheads (2016: US$6,390)	Daily G&A Overheads (2016: US$660)

2017 Daily Vessel Costs - Supramax



Inward Charter Commitments #

		LT	ST	Index	Total
2017	Rate	$11,670	$8,940	$9,180	$9,240
	Days	2,840	23,040	960	26,840
1H18	Rate	$11,700	$9,940	Market	-
	Days	1,400	1,570	410	3,380
2H18	Rate	$11,650	-	Market	-
	Days	1,170	-	20	1,190

* *Comprising US$840/day for owned ships and US$450/day for chartered-in ships*
\# *Chartered rates are shown on a P&L basis (including write-back of onerous contract provision)*

Appendix: Strong Balance Sheet and Liquidity

As in 2017 Annual Report

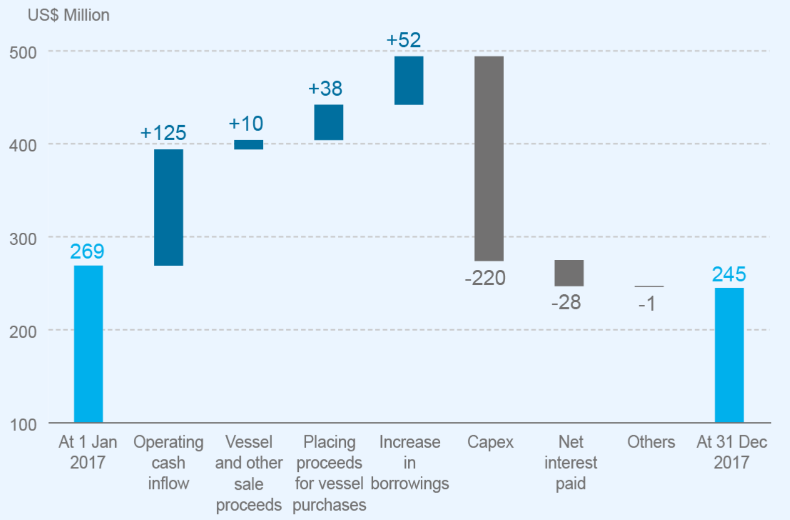
US$m	2017	2016
Vessels & other fixed assets	**1,798**	1,653
Total assets	**2,232**	2,107
Total borrowings	**881**	839
Total liabilities	**1,070**	1,066
Total Equity	**1,161**	1,041
Net borrowings (total cash US$245m)	**636**	570
Net borrowings to net book value of vessels & other fixed assets KPI	**35%**	34%

- Vessel average net book value: Handysize $15.3m (9.3 years); Supramax $21.9m (6.1 years)
- KPI: maintain net gearing below 50%

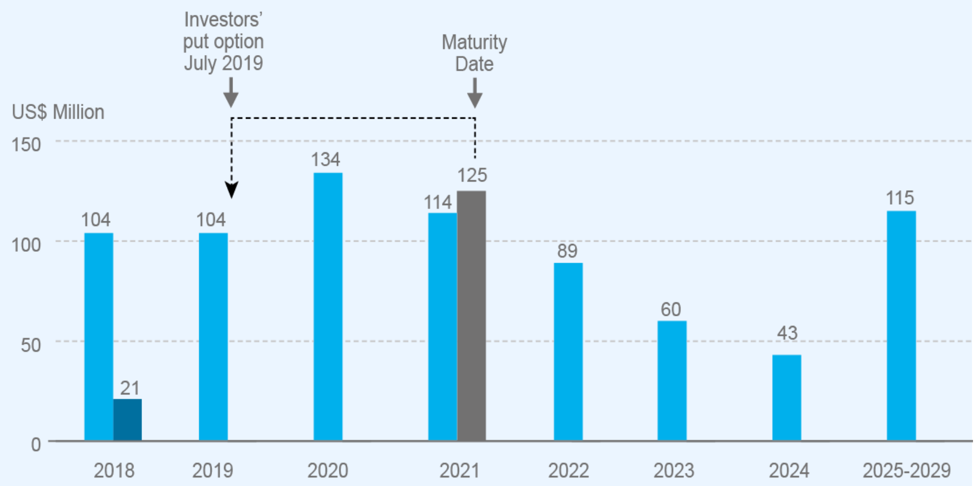
Appendix: No Newbuilding Capex Ahead

As at 31 Dec

Cash Flow in 2017



Schedule of Repayments and Vessel Capital Commitments



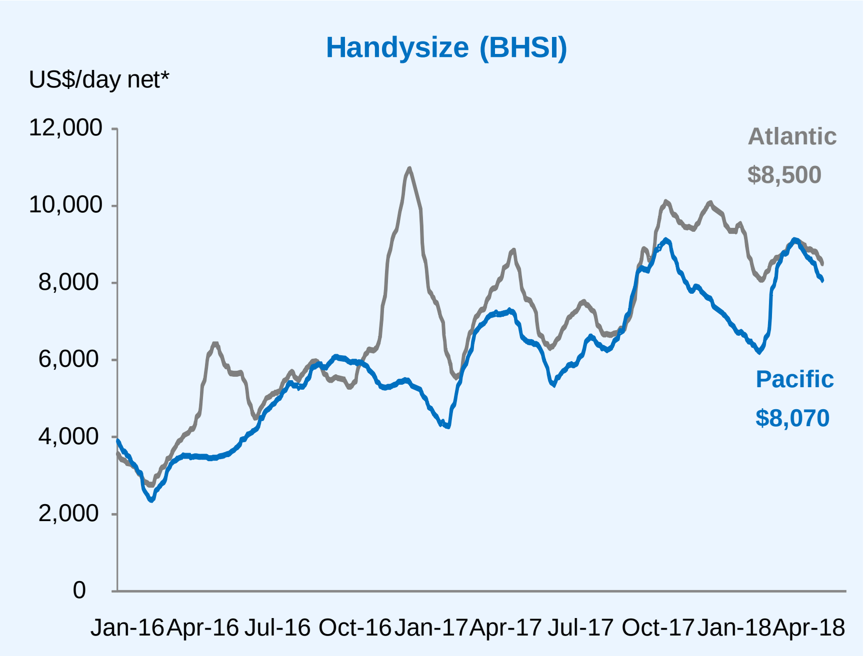
- Cash and deposit balance
- Cash inflow
- Cash outflow

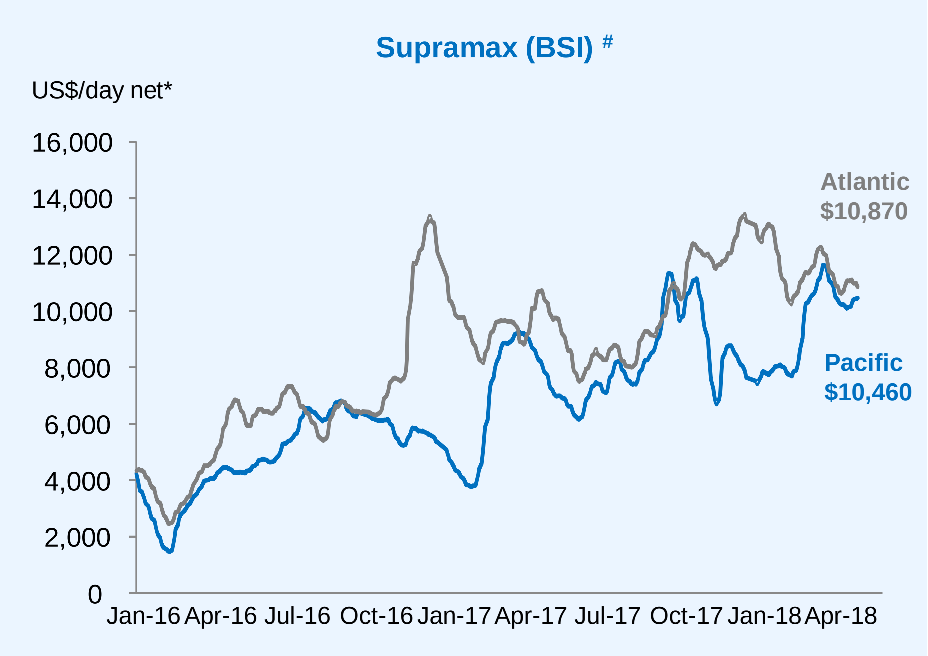
- Secured borrowings (US$763.3m)
- Vessel capital commitments (US$20.8m)
- Convertible bond (face value US$125.0m)

US$245m Cash & Deposits	10 vessels* Unmortgaged (approx. US$173m market value)	KPI 3.9% Average P/L interest rate	No Newbuilding Capex

*Including 1 Supramax delivered in Jan 2018

Appendix: Atlantic Rates Stronger than Pacific





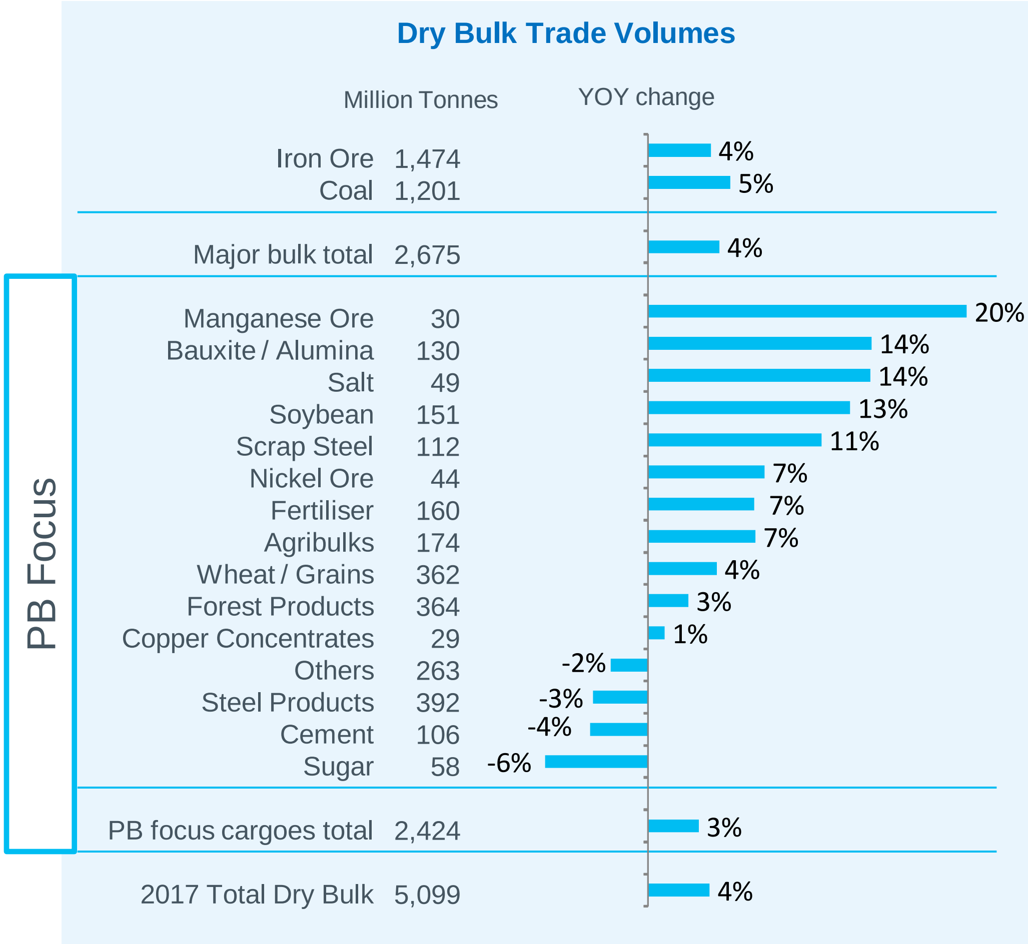
- Atlantic market driven by strong South American grain exports and US coal exports pushing Atlantic earnings to outperform the Pacific in 2017
- Pacific earnings peaked in Oct17 and have since declined impacted by Chinese anti-pollution policy reducing some industrial activities and, more recently, the coming of the Lunar New Year.

** excludes 5% commission*

 # BSI is now based on a standard 58,000 dwt bulk carrier

Source: Baltic Exchange, data as at 2 May 2018

Appendix: 2017 Was a Demand Story



Key Drivers in 2017

- Stronger seaborne trade growth apparent across most dry bulk cargo categories – both major and minor bulks
- Stronger Chinese industrial activity
- Record South American grain exports
- Longer trade distances supported stronger seaborne tonne-mile demand (5.1%)
- Reduced steel and cement shipments primarily due to strong Chinese domestic demand limiting export

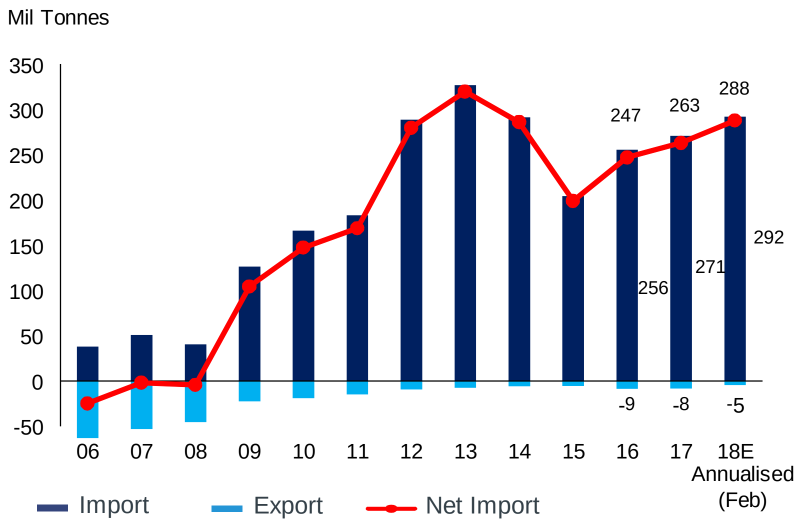
Long-Term Trends

- Strong world GDP (+3.7%*) – highly correlated with dry bulk demand growth
- Continued strong grain demand for animal feed due to shift towards meat-based diet
- Strong industrial growth and infrastructure investment in China and Asian countries
- Environmental policy in China encouraging shift from domestic to imported supply of resources

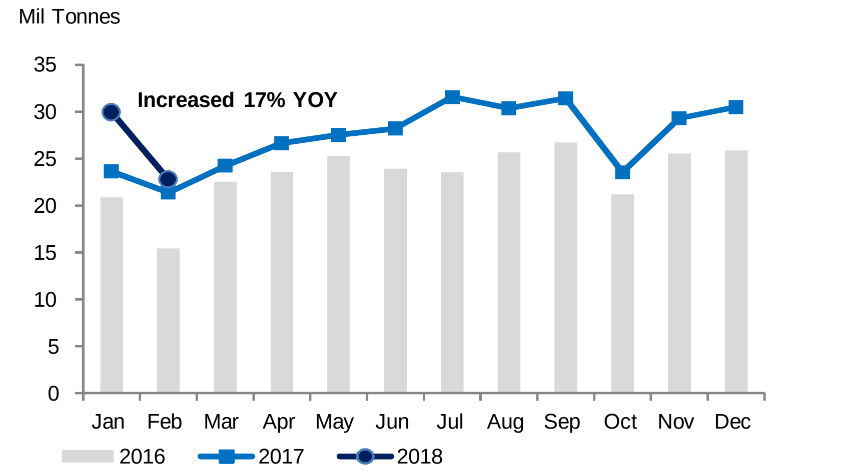
** 2017E: 3.7%; 2018E: 3.9%*
Source: International Monetary Fund (IMF) as at 11 Jan 2018; Clarksons Research, as at 1 Feb 2018

Appendix:
China Major and Minor Bulk Trade

China Coal Trade



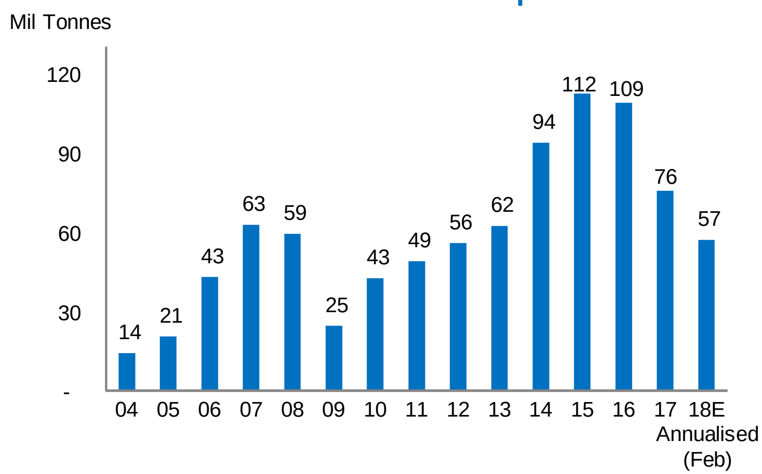
2018 Chinese Minor Bulk Imports



Chinese imports of 8 minor bulks including Logs, Soyabean, Cereals, Fertiliser, Bauxite, Nickel Ore, Copper Concentrates & Manganese Ore

China Iron Ore Sourcing for Steel Production

China Steel Export

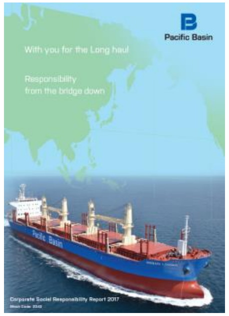


Source: Bloomberg, Clarksons Research

Pacific Basin

Appendix: Sustainability

- **Applying sustainable thinking in our decisions and the way we run our business**
- **Creating long-term value through good corporate governance and CSR**



2017 CSR Report
www.pacificbasin.com/ar2017

Corporate Social Responsibility (CSR)

- Guided by strategic objectives on (i) workplace practices (primarily safety), (ii) the environment, and (iii) our communities (where our ships trade and our people live and work)
- Active approach to CSR, with KPIs to measure effectiveness
- Reporting follows SEHK's ESG Reporting Guide
- Disclosure also through CDP, HKQAA, CFR for HK-listed companies

Corporate Governance & Risk Management

- Adopted recommended best practices under SEHK's CG Code (with quarterly trading update)
- Closely integrated Group strategy and risk management
- Transparency priority
- Stakeholder engagement includes in-depth customer and investor surveys
- Risk management committee interaction with management and business units
- Integrated Reporting following International <IR> Framework of IIRC

Appendix:
Convertible Bonds Due 2021

Issue size	US$125 million
Maturity Date	3 July 2021 (approx. 6 years)
Investor Put Date and Price	3 July 2019 (approx. 4 years) at par
Coupon	3.25% p.a. payable semi-annually in arrears on 3 January and 3 July
Redemption Price	100%
Initial Conversion Price	HK$4.08 (current conversion price: HK$3.07 with effect from 30 May 2016)
Intended Use of Proceeds	To maintain the Group's balance sheet strength and liquidity and to continue to proactively manage its upcoming liabilities, including its Existing Convertible Bonds, as well as for general working capital purposes

Conversion/redemption Timeline