Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Supramax dry bulk ships
- Cargo system business model – outperforming market rates
- About 260 dry bulk ships on the water serving major industrial customers around the world
- Hong Kong headquarters, 12 offices worldwide, 330 shore-based staff, 3,000 seafarers*
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders

**OUR MARKET SHARE**

**Handysize**
(<20 years old)

- We operate approximately 6% of global 25-40,000 dwt Handysize ships of less than 20 years old
- Source: Pacific Basin, Clarksons Platou

**Supramax**
(<20 years old)

- We operate approximately 3% of global 50-85,000 dwt Supramax ships of less than 20 years old

* As at Jan 2017

www.pacificbasin.com
Pacific Basin business principles and our Corporate Video
## Understanding Our Core Market

### THE DRY BULK SECTOR

Bulk Carriers for dry bulk commodities

<table>
<thead>
<tr>
<th>Bulk Carrier Ship Types</th>
<th>Percentage of Global Dry Bulk Capacity</th>
<th>Versatility</th>
<th>Main Commodities Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor bulks with cranes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Handysize</td>
<td>10%</td>
<td>More Versatile</td>
<td>Coal, Coke, Potash, Sugar, Steel &amp; Scrap, Other Bulks</td>
</tr>
<tr>
<td>Handymax (incl. Supramax)</td>
<td>24%</td>
<td></td>
<td>Minerals (Ores, Concentrates)</td>
</tr>
<tr>
<td>Major bulks without cranes</td>
<td></td>
<td>Less Versatile</td>
<td>Iron ore, Coal, Grains</td>
</tr>
<tr>
<td>Panamax &amp; Post-Panamax 65,000-119,999 dwt</td>
<td>27%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capesize 120,000+ dwt</td>
<td>39%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Other Mainstream Shipping Sectors**

- Containerships for containerised goods
- Tankers for oil, gas & chemicals

Few ports, few customers, few cargo types, low scope for triangulation

Many ports, many customers, many cargo types, high scope for triangulation
Diversified Cargo & Customer Exposure

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

Our Dry Bulk Cargo Volumes 1Q-3Q 2017

- Minerals
  - Sand & Gypsum: 2%
  - Salt: 2%
  - Soda Ash: 2%

- Energy
  - Coal: 5%
  - Petcoke: 4%
  - Wood Pellets: 1%

- Metals
  - Concentrates & Other Metals: 6%
  - Ores: 5%
  - Alumina: 2%

- Agricultural Products & Related
  - Grains & Agriculture Products: 23%
  - Fertiliser: 10%
  - Sugar: 4%

- Construction Materials
  - Steel & Scrap: 12%
  - Logs & Forest Products: 12%
  - Cement & Cement Clinkers: 10%

- 49.1 Million Tonnes
- approx. 500 customers
Large Fleet of Modern Versatile Ships

Pacific Basin Dry Bulk Fleet: 264
Average age of core fleet: 7.3 years old

<table>
<thead>
<tr>
<th></th>
<th>Owned ¹</th>
<th>Chartered ²</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handysize</td>
<td>80</td>
<td>85</td>
<td>165</td>
</tr>
<tr>
<td>Supramax</td>
<td>25</td>
<td>72</td>
<td>97</td>
</tr>
<tr>
<td>Post-Panamax</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>106</strong></td>
<td><strong>158</strong></td>
<td><strong>264</strong></td>
</tr>
</tbody>
</table>

¹ Two recent acquisitions (one secondhand Handysize and one Supramax newbuilding resale) will join our owned fleet when they deliver in Q4 2017 and Q1 2018 respectively.
² Average number of vessels operated in Sep 2017
Fleet as at 10 Oct 2017
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

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

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

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
Why Handysize? Why Minor Bulk?

- 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 modest historical Handysize fleet growth

Full Year 2017E Global Dry Bulk Trade
5.1 billion tonnes (+3.5% YOY)

Pacific Basin focuses on these growing markets

- Minor Bulks & Grain is 48% of total Dry Bulk demand
Our Ability 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 substitutable ships
- Experienced staff
- Global office network
- Our cargo contracts, relationships & 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

Average PB premium over market indices in last 5 years:

- Handysize TCE: **US$1,940/day**
- Supramax TCE: **US$1,290/day**
Market Rates Development YTD 2017

Handysize Market Spot Rates in 2016-2017

- Similar freight market pattern YTD as last year, but at higher level
- Seasonal mid-year decline affected 3Q rates
- Recent increase in rates is positive, but benefit is limited in 2017 due to lag between fixing and earning and because much of 4Q is already covered

Supramax Market Spot Rates in 2016-2017

* excludes 5% commission
Source: Baltic Exchange (BSI 58,000 dwt), data as at 26 Oct 2017
Key Demand Drivers for 2017

- 1H17 actual dry bulk effective demand growth about 4.5%
- Clarksons estimate full year 2017 dry bulk effective demand growth will exceed 5% (compared to +1.9% in 2016 and -0.9% in 2015)
- Strong American grain exports, including record high 3Q volumes from Brazil
- SE Asia coal imports increased
- Strong imports of minor bulks into China +18% YOY to highest level since 2013
- Soybean, bauxite and logs growing at healthy levels

Source: Clarksons Platou 3Q17 Trading Update
**Our Performance in 3Q17**

As at 10 Oct 2017

<table>
<thead>
<tr>
<th>US$/day</th>
<th>Handysize</th>
<th>Supramax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>3Q</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB daily TCE 3Q17</td>
<td>$8,130 (+15% YOY)</td>
<td>$9,350 (+27% YOY)</td>
</tr>
<tr>
<td>Market Index Rate</td>
<td>$7,000</td>
<td>$9,070</td>
</tr>
<tr>
<td><strong>1Q-3Q17</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB daily TCE YTD</td>
<td>$8,010 (+25% YOY)</td>
<td>$9,060 (+41% YOY)</td>
</tr>
<tr>
<td>Market Index Rate YTD</td>
<td>$6,730</td>
<td>$8,370</td>
</tr>
<tr>
<td>PB Outperformance YTD</td>
<td>19%</td>
<td>8%</td>
</tr>
</tbody>
</table>

1 Excluding short-term days: Handysize daily TCE US$8,120; Supramax daily TCE US$9,650
### Forward cover for 4Q17 and 2018

As at 10 Oct 2017

<table>
<thead>
<tr>
<th></th>
<th>Handysize</th>
<th>Supramax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$/day</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>4Q</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE Cover Rate for 4Q17</td>
<td>$8,890</td>
<td>$10,600</td>
</tr>
<tr>
<td>% of Contracted Days Covered</td>
<td>70%</td>
<td>79%</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PB TCE Cover Rate for 2018</td>
<td>$7,690</td>
<td>$9,640</td>
</tr>
<tr>
<td>% of Contracted Days Covered</td>
<td>14%</td>
<td>32%</td>
</tr>
</tbody>
</table>
2017 Third Quarter Trading Update

- Market improvement since last year benefits our owned and long term chartered ships which have mainly fixed costs
- Market rates increased at end of 3Q but, due to lag between fixing and earning and 4Q is already mostly covered, these stronger rates will have marginal effect on our 2017 results
- Our capacity has increased YOY due to larger owned fleet (soon 106 ships), complemented by ships on shorter-term charters
  - Acquired 5 modern dry bulk ships in Aug funded by:
    - New PB shares issued to the sellers
    - Cash raised through a share placement
    - Cash from our existing cash resources
- Continue to look at attractive secondhand ship acquisition opportunities if they can generate a reasonable payback at prevailing asset prices and freight earnings
- Our final tug sold in 3Q thus concluding our exit from non-core towage activity
Vessel Values Increased YOY

- Improved freight market conditions supported increased vessel values
- Newbuilding and secondhand prices have increased YOY, but secondhand values remain below the low of 2013
- Gap between newbuilding and secondhand prices continues to discourage new ship ordering

Handysize Vessel Values

Source: Clarksons Platou, as at 20 Oct 2017

Note: The graph shows the trend of Handysize vessel values from 2004 to 2017. The values are presented in US$ Million for both newbuilding and secondhand categories.

- Newbuilding (35,000 dwt): US$21.5m
- 5 years (32,000 dwt): US$14m
Orderbook Continues to Shrink

Handysize Orderbook
149 vessels (5.5 million dwt)

<table>
<thead>
<tr>
<th>YTD</th>
<th>YTD</th>
<th>Remaining</th>
<th>2018</th>
<th>2019+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mil Dwt</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled orderbook</td>
<td>6.0m</td>
<td>7.6%</td>
<td>51%</td>
<td>Shortfall</td>
</tr>
<tr>
<td>Actual delivery</td>
<td>2.9m</td>
<td>3.7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>3.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019+</td>
<td>1.6%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Dry Bulk Orderbook
623 vessels (64.1 million dwt)

<table>
<thead>
<tr>
<th>YTD</th>
<th>YTD</th>
<th>Remaining</th>
<th>2017</th>
<th>2018</th>
<th>2019+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mil Dwt</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scheduled orderbook</td>
<td>51.8m</td>
<td>6.4%</td>
<td>34%</td>
<td>Shortfall</td>
<td></td>
</tr>
<tr>
<td>Actual delivery</td>
<td>34.3m</td>
<td>4.2%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.6%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>3.1%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019+</td>
<td>3.2%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

New Vessel Ordering is Down

Historically low levels of ordering

H’max: 0.8%
H’size: 0.9%

- Combined Handysize and Supramax orderbook now at 5.4%, lowest since Oct 1999
- Net fleet growth estimated at about 3.5% in FY17
- Very low new vessel ordering in last 18 months influenced by:
  - Secondhand values still low
  - New low sulphur and Ballast Water Treatment System regulations create uncertainty of design
  - New accounting rules from 2019 discouraging new long-term time charters

Source: Clarksons Platou, as at 1 Oct 2017
Dry Bulk Supply & Demand

- Demand is recovering and outpacing supply so far in 2017
- For full year 2017:
  - Clarksons estimate effective demand growth to exceed 5%
  - PB estimate net supply growth around 3.5% (5.0% deliveries – about 1.5% scrapping)
- Progressively fewer new ships will deliver from shipyards in 2018 and 2019
- However, risk of new ordering and the potential for increased vessel speeds remain negative factors

**Source:** Clarksons Platou, Pacific Basin

---

**Graph:**
- **Effective Demand Growth (%)**
- **Net Fleet Growth (%), (Deliveries net of scrapping)**

- **% YOY Change**
  - 2013: 8%
  - 2014: 6%
  - 2015: 4%
  - 2016: 2%
  - 2017E: 5.9%
  - 2013: 2.2%
  - 2014: 1.7%
  - 2015: 3.5%
As at 30 June 2017

**1H17 Daily Vessel Costs – Handysize**

- Daily cash cost before overhead: US$6,310 (1H16: US$6,010)
- Charter-hire costs increased due to new ST charters in stronger market
- Opex further reduced due to scale benefits
- **Overheads** reduced to US$590/day (1H16: US$680/day) - includes all direct & indirect costs

*Chartered rates are shown net of provision*
**1H17 Daily Vessel Costs – Supramax**

- **Owned**
  - **Blended US$8,360 (FY2016: US$6,830)**

- **Chartered**
  - Days & Rates:
    - **2017**
    - **2018**

- **Inward Charter Commitments**
  - Days & Rates
    - **2017-2018**

**As at 30 June 2017**

- **Finance cost**
- **Charter-hire: Short-term (ST) / Long-term (LT)**
- **Depreciation**
- **Opex**

**Key Points**

- Daily cash cost before overhead: US$7,850 (1H16: US$5,940)
- Charter-hire costs increased due to new ST charters in stronger market
- Opex further reduced due to scale benefits
- **Overheads** reduced to US$590/day (1H16: US$680/day) - includes all direct & indirect costs

*Chartered rates are shown net of provision*
Our Ability 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 substitutable ships
- Experienced staff
- Global office network
- Our cargo contracts, relationships & 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

Average PB premium over market indices in last 5 years:

- Handysize TCE: **US$1,940/day**
- Supramax TCE: **US$1,290/day**
Our Outlook and Strategy

Dry Bulk Outlook
- Market conditions have improved since last year and we believe the worst of the current Dry Bulk market cycle is behind us.
- Demand has recovered and benefit from growing grain consumption for animal feed and increased government stimulus in China.
- The shrinking orderbook bodes well for long-term but more time, scrapping and limited ordering are required for a more normal market balance to be sustained.

Strategy
- Continue to focus on our world-leading Handysize & Supramax business.
- Maximise our fleet utilisation and TCE earnings by combining minor bulk characteristics with our large fleet of substitutable ships & global office network.
- Continue to assess attractive secondhand vessel acquisition opportunities if they can generate reasonable return & payback.
- Healthy cash and net gearing positions enhance our strong corporate profile: preferred, strong, reliable, safe partner for customers and other stakeholders.
- We are well positioned for a recovering market.
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
  - Voluntary 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

Contact IR – Emily Lau
E-mail: elau@pacificbasin.com
       ir@pacificbasin.com
Tel : +852 2233 7000

- **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**
  - Follow us on Facebook, Twitter, Linkedin, YouTube and WeChat!
Appendix: Earnings Cover in 2017

Handysize

- **4Q 11,170 Days**
  - **Revenue Days:** 40,180
  - **Covered:** 70%
    - **Revenue:** $8,890
  - **Uncovered:** 30%
  - **Revenue:** $7,690
  - **Covered Revenue Days:** 34,720 days
  - **100%**
    - **Revenue:** $6,690

- **4Q 4,950 Days**
  - **Revenue Days:** 36,600
  - **Covered:** 75%
    - **Revenue:** $8,010
  - **Uncovered:** 25%
    - **Revenue:** $7,690
  - **Covered Revenue Days:** 32,360 days
  - **100%**
    - **Revenue:** $6,430

Supramax

- **4Q 5,750 Days**
  - **Revenue Days:** 26,980
  - **Covered:** 79%
    - **Revenue:** $8,150
  - **Uncovered:** 21%
    - **Revenue:** $6,840
  - **Covered Revenue Days:** 22,030 days
  - **100%**
    - **Revenue:** $9,040

- **4Q 5,750 Days**
  - **Revenue Days:** 26,980
  - **Covered:** 95%
    - **Revenue:** $6,580
  - **Uncovered:** 5%
    - **Revenue:** $7,460
  - **Covered Revenue Days:** 22,030 days
  - **100%**
    - **Revenue:** $9,040

**Currency in US$, data as at 10 Oct 2017**

*2016 data as announced in Oct 2016
2017 Market freight rates well above historic lows one year ago and demand outpacing supply

Much increased positive 1H17 EBITDA of US$56.6m from negative $5m in 1H16

Much reduced 1H17 underlying loss of US$6.7m from a loss of US$61.6m in 1H16

Took delivery of our final 7 newbuildings in 1H17 and our cash position was US$248m at mid-year

We are operating about 250 dry bulk ships overall and with 8 secondhand acquisitions during the year, our owned fleet will expand to 106 ships

We opened a new commercial office in Rio and relocated our HK Headquarters to an improved lower cost office

Our vessel opex and our G&A per day reduced further, lowering the breakeven levels for our owned ships
## 2017 First Half Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>1H17</th>
<th>1H16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dry Bulk</strong></td>
<td>(6.3)</td>
<td>(60.4)</td>
</tr>
<tr>
<td><strong>Towage &amp; Others</strong></td>
<td>(0.4)</td>
<td>(1.2)</td>
</tr>
<tr>
<td><strong>Underlying loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealised derivative (expenses)/income</td>
<td>(2.6)</td>
<td>13.7</td>
</tr>
<tr>
<td>Office relocation costs</td>
<td>(1.4)</td>
<td>-</td>
</tr>
<tr>
<td>Impairment of towage vessels</td>
<td>(0.9)</td>
<td>-</td>
</tr>
<tr>
<td>Sales of vessels</td>
<td>(0.4)</td>
<td>(1.9)</td>
</tr>
<tr>
<td><strong>Loss attributable to shareholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(12.0)</td>
<td>(49.8)</td>
</tr>
</tbody>
</table>

- Revenue and cost of services increased by 44% and 33% respectively, mainly due to improved market conditions
- US$(2.6)m unrealised derivative accounting loss:
  - M2M of existing and new bunker swap contracts to be completed
- US$(0.4) disposal loss:
  - Sales of 2 tugs and 1 Supramax
### 3Q17 Trading Update

- Both Handysize and Supramax contributions returned to positive territory as we continue to leverage our business model to outperform in the improved but still challenging market.
- Excluding short-term vessel days:
  - Handysize daily TCE US$8,010 on 21,460 days
  - Supramax daily TCE US$9,890 on 8,980 days

### Appendix: 1H17 By Vessel Segment

<table>
<thead>
<tr>
<th>Vessel Segment</th>
<th>1H17</th>
<th>1H16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Handysize</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue days</td>
<td>(days)</td>
<td>25,660</td>
<td>23,070</td>
</tr>
<tr>
<td>TCE earnings</td>
<td>(US$/day)</td>
<td>7,920</td>
<td>6,080</td>
</tr>
<tr>
<td>Owned + chartered costs</td>
<td>(US$/day)</td>
<td>7,550</td>
<td>7,300</td>
</tr>
<tr>
<td>Handysize contribution</td>
<td>(US$m)</td>
<td>7.8</td>
<td>(30.2)</td>
</tr>
<tr>
<td><strong>Supramax</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue days</td>
<td>(days)</td>
<td>17,330</td>
<td>14,180</td>
</tr>
<tr>
<td>TCE earnings</td>
<td>(US$/day)</td>
<td>8,920</td>
<td>5,910</td>
</tr>
<tr>
<td>Owned + chartered costs</td>
<td>(US$/day)</td>
<td>8,360</td>
<td>6,370</td>
</tr>
<tr>
<td>Supramax contribution</td>
<td>(US$m)</td>
<td>9.1</td>
<td>(6.8)</td>
</tr>
</tbody>
</table>

- Shaded cells indicate positive contributions.
## Appendix: Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>30 Jun 17</th>
<th>30 Dec 16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels &amp; other fixed assets</td>
<td>1,763</td>
<td>1,653</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,204</td>
<td>2,107</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>952</td>
<td>839</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,174</td>
<td>1,066</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,030</td>
<td>1,041</td>
</tr>
<tr>
<td>Net borrowings (total cash US$248m)</td>
<td>705</td>
<td>570</td>
</tr>
<tr>
<td>Net borrowings to net book value of property, plant and equipment</td>
<td>40%</td>
<td>34%</td>
</tr>
</tbody>
</table>

- Vessel average net book value: Handysize $15.6m (9.4 years); Supramax $22.8m (6.3 years)
- KPI: maintain net gearing below 50%
- Group in compliance with all loan covenants
Appendix: Borrowings and Capex

As at 30 June 2017

- As at 30 June 2017

- Our final 7 newbuildings delivered in 1H17, all remaining facilities were drawn down
Appendix: Cash Flow in 1H17

As at 30 June 2017

<table>
<thead>
<tr>
<th>1H17 Operating cash flow</th>
<th>US$47.6m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H17 EBITDA</td>
<td>US$56.6m</td>
</tr>
</tbody>
</table>

Borrowings increased by US$106m due to:
- Net repayment of US$52m of secured borrowings
- Drew down US$158m:
  - US$140m Japanese export credit facilities
  - US$18m other borrowings on 2 existing vessels

Capex US$119m newbuildings and US$31m three secondhand vessel purchased

We drew down our remaining committed banking facilities
Applying sustainable thinking in our decisions and the way we run our business

Creating long-term value through good corporate governance and CSR

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

<table>
<thead>
<tr>
<th>Issue size</th>
<th>US$125 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Date</td>
<td>3 July 2021 (approx. 6 years)</td>
</tr>
<tr>
<td>Investor Put Date and Price</td>
<td>3 July 2019 (approx. 4 years) at par</td>
</tr>
<tr>
<td>Coupon</td>
<td>3.25% p.a. payable semi-annually in arrears on 3 January and 3 July</td>
</tr>
<tr>
<td>Redemption Price</td>
<td>100%</td>
</tr>
<tr>
<td>Initial Conversion Price</td>
<td>HK$4.08 (current conversion price: HK$3.07 with effect from 30 May 2016)</td>
</tr>
<tr>
<td>Intended Use of Proceeds</td>
<td>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</td>
</tr>
</tbody>
</table>

### Conversion/redemption Timeline

- **PB’s call option to redeem all bonds**
  - Trading price for 30 consecutive days > 130% conversion price in effect

- **Bondholders’ put option to redeem bonds**

<table>
<thead>
<tr>
<th>Closing Date</th>
<th>8 Jun 2015</th>
<th>19 Jul 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity</td>
<td>3 Jul 2021</td>
<td>23 Jun 2021</td>
</tr>
<tr>
<td>Bondholders can convert all or some of their CB into shares</td>
<td>3 Jul 2019</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix: Estimated 4% Growth in Seaborne Dry Bulk Volume in Full Year 2017

### (Volume) Million Tonnes

<table>
<thead>
<tr>
<th>Cargo Type</th>
<th>Million Tonnes</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron Ore</td>
<td>1,478</td>
<td>5%</td>
</tr>
<tr>
<td>Coal</td>
<td>1,193</td>
<td>5%</td>
</tr>
<tr>
<td>Major bulk total</td>
<td>2,671</td>
<td>5%</td>
</tr>
<tr>
<td>Manganese Ore</td>
<td>30</td>
<td>11%</td>
</tr>
<tr>
<td>Bauxite / Alumina</td>
<td>127</td>
<td>9%</td>
</tr>
<tr>
<td>Scrap Steel</td>
<td>110</td>
<td>8%</td>
</tr>
<tr>
<td>Soybean</td>
<td>145</td>
<td>8%</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>162</td>
<td>8%</td>
</tr>
<tr>
<td>Wheat / Grains</td>
<td>360</td>
<td>4%</td>
</tr>
<tr>
<td>Agribulks</td>
<td>170</td>
<td>4%</td>
</tr>
<tr>
<td>Nickel Ore</td>
<td>42</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>315</td>
<td>2%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>358</td>
<td>1%</td>
</tr>
<tr>
<td>Copper Concentrates</td>
<td>29</td>
<td>0%</td>
</tr>
<tr>
<td>Cement</td>
<td>109</td>
<td>-1%</td>
</tr>
<tr>
<td>Steel Products</td>
<td>395</td>
<td>-3%</td>
</tr>
<tr>
<td>Sugar</td>
<td>59</td>
<td>-5%</td>
</tr>
<tr>
<td>PB focus cargoes total</td>
<td>2,411</td>
<td>3%</td>
</tr>
<tr>
<td>2017 Total Dry Bulk Full Year Forecast</td>
<td>5,082</td>
<td>4%</td>
</tr>
</tbody>
</table>

**Clarksons estimate FY2017:**
- >5% Effective Demand Growth

Source: Clarksons Platou, as at 1 Oct 2017
Appendix: Supramax Vessel Values

Source: Clarksons Platou, as at 20 Oct 2017

- Newbuilding (61,000 dwt): US$23.5m
- 5 years (56,000 dwt): US$17m
### Appendix: Dry Bulk Supply

<table>
<thead>
<tr>
<th></th>
<th>Orderbook as % of Existing Fleet</th>
<th>Average Age</th>
<th>Over 20 Years</th>
<th>Over 15 Years</th>
<th>YTD Scrapping as % of Existing Fleet as at 1 Oct 2017 (annualised)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Handysize</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(25,000-39,999 dwt)</td>
<td>7%</td>
<td>9</td>
<td>9%</td>
<td>16%</td>
<td>1.6%</td>
</tr>
<tr>
<td><strong>Handymax (incl. Supramax)</strong></td>
<td>5%</td>
<td>8</td>
<td>7%</td>
<td>14%</td>
<td>2.0%</td>
</tr>
<tr>
<td>(40,000-64,999 dwt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Panamax</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(65,000-119,999 dwt)</td>
<td>6%</td>
<td>8</td>
<td>5%</td>
<td>16%</td>
<td>1.8%</td>
</tr>
<tr>
<td><strong>Capesize</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(120,000+ dwt)</td>
<td>11%</td>
<td>8</td>
<td>7%</td>
<td>11%</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Total Dry Bulk &gt;10,000 dwt</strong></td>
<td>8%</td>
<td>9</td>
<td>7%</td>
<td>14%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

*Source: Clarksons Platou, as at 1 Oct 2017*
Appendix:
China Major and Minor Bulk Trade

**China Coal Trade**

- **Import**
- **Export**
- **Net Import**

**China Iron Ore Sourcing for Steel Production**

- **Total requirement for steel production**
- **Domestic**

**2017 Chinese Minor Bulk Imports**

- Increased 18% YOY

**China Steel Export**

**Source:** Bloomberg, Clarkson's Platou