World’s Largest Handysize Bulker Owner/Operator

- With a growing Handymax fleet
- Listed in Hong Kong
- US$1.2 billion market cap
- Global geographically
- Diversified customers & cargo
- Focus & growth of core business, exit non-core activities

PB Dry Bulk Fleet Development
Average number of ships on the water
Cargo Contract Business Model

- Large portfolio of cargo contracts – No outward timecharter
- Large fleet of high-quality substitutable ships
- High laden percentage
- Model allows for both/either owning or chartering in ships
- Average premium last 5 years = US$2,665/day
Why Handysize?

- Modest Handysize fleet growth
- Older age profile – higher scrapping
- Robust minor bulk demand
- A segment in which scale & operations make a difference

### Bulk Carrier Fleet Growth Index
deadweight basis, Sep 2003 = 100 pts

- **Capesize 100k+**
- **Panamax 65-100k**
- **Handymax 40-60k**
- **Handy 10-40k**
Why Secondhand Ships?

- More volatility in second hand ships
- A slow steaming strategy
- Well designed secondhand Japanese ships remain operationally competitive

![Handysize Vessel Values Graph]

Source: Clarksons
Dry Bulk Market Situation

The Market is Weak
Handysize 1-year TCE Rate

But Fleet Growth is Reducing
Total drybulk
Year-on-Year net fleet growth (%)

Lowest YoY fleet growth since September 2004

The Optimism is Hesitating
Handysize 5 years Vessel Values

And New Vessel Ordering is Down
Total Bulk Carriers contracting
annualised % of fleet

Source: Clarksons

Handysize 1-year TCE Rate

Jun 14
US$9,500

Handysize 5 years Vessel Values

Jun 14
US$20.5m

The Market is Weak

The Optimism is Hesitating

And New Vessel Ordering is Down

But Fleet Growth is Reducing

Source: Clarksons
Demand Remains Robust

**Chinese Iron Ore Import**
Mt/month 365/12 basis

**Chinese Imports 7 Minor Bulks**
less Bauxite and Nickel ore
mill tonnes 365/12 bss

YTD is 19% higher than Jan-May 2013

When excluding bauxite & nickel ore the YTD is up 28%

Source: Bloomberg
Taking Advantage of Strong Cash Position & Historically Low Prices

- Owned fleet of bulkers is growing from 37 to 73 during 2013 and now 80 YTD
- Ships acquired are Japanese built
- Access to Japanese export credit financing of total US$485 mil
- Balance sheet remains strong with net gearing of 34% and cash of US$486 mil in 2013
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.

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  - Investor/analyst calls and enquiries

**Contact IR – Emily Lau**
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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 and Linkedin!
2014 First Quarter Highlights

Pacific Basin Dry Bulk

- PB Handysize vessel earnings at US$10,390/day
  - Outperformed the weak first quarter spot market (avg. US$9,470/day net)
- Handymax daily earnings reflect our large seasonal programme of low-paying positioning voyages to benefit from higher paying front-haul voyages we anticipate later this year
- Expect minor bulk freight earnings to improve in 2H14 on increasing cargo volumes and low vessel delivery
- 4 new owned ships delivered YTD
- 80 owned ships on the water (vs. 37 in Jan13)

PB Towage

- Harbour towage job numbers increased 18% yoy in 1Q14
- Offshore towage business continues to seek contract renewals and new contracts
- Unusually heavy rainfall and physical location difficulties affected our barging operation in Northern Territory, resulting in contract restructuring

Financing & Corporate

- US$20.4m face value of US$230m 2016 Convertible Bonds put back, repaid on 14 April 14
- In documentation stage of a US$350m, 12-year Japanese export credit agency loan
- Mrs. Irene Basili appointed INED with effect from 1 May 2014
As at 7 Apr 2014

- Uncovered capacity exposed to expected stronger spot market rates ahead

- 19,820 uncovered days excludes capacity chartered in on index-linked basis (2014 - Handysize: 5,370 days; Handymax: 1,650 days)
Dry Bulk Market Information

- Indices were improved compared to 1Q13, but freight rates declined from end 2013 and weakened further into 2Q
- Strong increase in secondhand ship prices with freight earnings lagging asset value appreciation
- Freight market was characterised by:
  - Imbalances in demand ➞ geographic differences in vessel earnings
  - Regional strength in US Gulf ➞ significantly stronger Atlantic market
  - Delayed S. American grain season
- Ship values improved:
  - 5 year old Handysize value: US$21m (+24% YOY / +35% since start of 2013)
  - Renewed interest in dry bulk driven by expectations of freight market recovery

Baltic Handysize Index (BHSI) & Baltic Supramax Index (BSI)

Handysize Vessel Values

* US$ freight rates are net of 5% commission

Source: The Baltic Exchange, Clarksons
Dry Bulk Demand

Dry Bulk Effective Demand

% change YOY

International cargo volumes
Congestion effect
Tonne-mile effect
China coastal cargo, off-hire & ballast effect
Net demand growth

Chinese Minor Bulk Imports

Million tonnes

YTD imports have increased 27% YOY

These 7 commodities make up over one third of the cargo volumes we carry

China imports of a basket of 7 important minor bulks: logs, soyabean, fertiliser, bauxite, nickel, copper concs & manganese ore

- R.S Platou forecasts 8% YOY growth in dry bulk demand in 2014
- First two months of 2014, minor bulk demand growth influenced by:
  - +27% Chinese imports of 7 important minor bulks
  - +33% excluding bauxite and nickel ore imports (unusually low due to Indonesian export ban)

Source: R.S. Platou, Bloomberg
Global Dry Bulk Fleet Development

<table>
<thead>
<tr>
<th>net fleet growth</th>
<th>Handysize</th>
<th>Dry Bulk overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q14</td>
<td>+1.1%</td>
<td>+1.7%</td>
</tr>
<tr>
<td>YOY</td>
<td>+2.1%</td>
<td>+5.5%</td>
</tr>
</tbody>
</table>

Dry bulk net fleet growth:
- Driven by 15.5m tonnes of new capacity in 1Q14 after 42% shortfall
- Partially offset by 3m tonnes of scrapping
- Slower pace of newbuilding deliveries in all four dry bulk segments
- R.S. Platou forecasts 5% overall dry bulk net fleet growth in 2014

Handysize Age Profile (25,000-39,999 dwt)
2,207 vessels (71m dwt)
- 25+ years: 14%
- 16-24 years: 11%
- 0-15 years: 75%

Dry Bulk Scrapping versus BDI

Source: R.S. Platou, Clarksons, Bloomberg, as at 1 Apr 2014
* Estimated by R.S. Platou
Dry Bulk Orderbook

- Dry bulk orderbook reached its lowest of 18% in Aug 2013
- Current orderbook: 22%
- New orders generally not possible for deliveries before:
  - 2017 in Japan
  - 2016 in China

### Handysize Orderbook
418 vessels (15m dwt)

<table>
<thead>
<tr>
<th>Year</th>
<th>Orderbook as % of Existing Fleet</th>
<th>Average Age</th>
<th>Over 25 Years</th>
<th>Annualised Scrapping as % of Existing Fleet</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>4.6%</td>
<td>10</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>2015</td>
<td>9.3%</td>
<td>10</td>
<td>4%</td>
<td>2%</td>
</tr>
<tr>
<td>2016+</td>
<td>7.4%</td>
<td>10</td>
<td>4%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Total Dry Bulk Orderbook
1,924 vessels (158m dwt)

- **Handysize** (25,000-39,999 dwt)
  - 2014: 7.6%
  - 2015: 21%
  - 2016+: 26%
- **Handymax** (40,000-64,999 dwt)
  - 2014: 3.7%
  - 2015: 18%
  - 2016+: 22%
- **Panamax** (65,000-119,999 dwt)
  - 2014: 42%
  - 2015: 26%
  - 2016+: 18%
- **Capesize** (120,000+ dwt)
  - 2014: 43%
  - 2015: 22%
  - 2016+: 22%

Source: Clarksons, as at 1 Apr 2014 DB CB Asian Conference
Pacific Basin Dry Bulk – Outlook

- China’s continued strong demand for minor bulks despite slower economic growth
- Increased overseas mining output and lower commodity prices
- Continued US economic recovery and reviving industrialisation in North America + stronger than expected recovery in Europe
- Moderate newbuilding deliveries in 2014 and continued scrapping

- Shipowner optimism resulting in less scrapping and increased vessel ordering
- Credit squeeze in China leading to slower economic and industrial growth and slower growth in dry bulk imports
- Lower fuel prices causing vessels to speed up
- Increased national protectionism

PB Outlook:
- Cyclical upturn has started: strong increase in secondhand ship prices with freight earnings lagging asset value appreciation
- Expect graduate recovery in the remainder of the year
- Healthy trade + marked slow-down in newbuilding deliveries ⇒ healthier supply/demand balance
- Weak first 2 months of 2014 ⇒ weak 1H and a stronger 2H
- Well positioned for season + cyclical recovery expected in 2H14

Strategy:
- We remain selectively open to acquisition of Handysize and Handymax ships at appropriate prices
- Expand our customer and cargo portfolio
**PB Towage – 1Q14 Performance**

**Harbour Towage**
- +18% YOY increase in PB Towage job numbers in Australian ports despite disruptive cyclone season
- Steadily expanding volumes and market share in Newcastle

**Offshore Towage**
- Continue to seek contract renewals and new offshore construction and project transportation contracts
- Barging operation in Australian Northern Territory affected by:
  - unusually heavy rainfall cyclone season
  - physical location difficulties resulting in contract restructuring
  - Mobilisation and related costs and weather-impacted revenue are expected to result in unrecoverable project costs of approx. US$3.5m in 1H14

- Following a review of third-party acquisition interest in PB Towage, we announced on 10 March our decision to:
  - Discontinue this exercise for our offshore towage business
  - Enter into exclusive discussion with PSA Marine regarding possible sale of our harbour towage business

**PB Towage Fleet: 51 vessels (as at 15 April 2014)**
- 39 Tugs (31 Owned + 8 Chartered)
- 10 Barges (10 Owned)
- 1 owned bunker tanker and 1 chartered passenger/supply vessel

<table>
<thead>
<tr>
<th>2013 US$ million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Towage net profit</td>
</tr>
<tr>
<td>EBITDA</td>
</tr>
<tr>
<td>Return on net assets</td>
</tr>
</tbody>
</table>
Towage Segment Operating Performance Before Overheads

As at 31 December 2013

Towage Operating Performance

US$ million

2013

Operating performance 29.5
Direct overheads (19.0)
Segment net profit 10.5
EBITDA 24.2

- One-off Newcastle start-up costs in 2H13
- Declining Gorgon towage activity

| Offshore & Infrastructure projects | 55.1
| Harbour Towage | 39.4
| Middle East & others | 14.6
| Total segment return on net assets (annualised) | 2012

17.3%

2013

20.0

5.1%

8.2

1.3

US$m
PB Towage – Outlook

- Continued project activity in Australasia providing further demand for project and construction cargo logistics
  - Growth in Australian bulk exports, containerised trade and port infrastructure development supporting continued growth of our harbour towage activity
  - Exclusive licences in a number of bulk ports up for tender in 2015 onwards

- Labour market shortages and cost pressures in Australia impacting project economics and timelines
  - Increased competition from other operators
  - Credit squeeze in China, impacting growth in dry bulk trades and Australian port activity

PB Outlook:

- Harbour towage activities expected to provide relatively stable earnings
- Challenging outlook for offshore towage
  - Expect weak short-term results due to restructuring of Northern Territory contract
  - Future performance depends on speed of securing new employment of assets following wind-down of completed projects

Strategy:

- Continue to look for new projects and growth opportunities
  - Offshore towage: i) Secure contract renewal opportunities
    - ii) New offshore construction developments
    - iii) Project transportation solutions
  - Harbour towage: expand into other ports … subject to sale discussion with PSA Marine
**Daily Vessel Costs – Handysize**

As at 31 December 2013

- **Finance cost**: 36%
- **Depreciation**: 38%
- **Opex**: 64%

**Owned**

Including finance lease vessels

**Blended US$8,480 (2012: US$8,910)**

**Chartered**

- **Charter-hire: Short-term (ST)** / **Long-term (LT)**

### Inward Charter Commitments

**Days & rates 2013-2015**

- **ST: 2013**: 13,530 days, $8,490
- **LT: 2013**: 9,140 days, $9,290
- **ST: 2014**: 10,850 days, $9,010
- **LT: 2014**: 4,830 days, $10,520
- **ST: 2015**: 10,980 days, $9,290
- **LT: 2015**: 5,000 days, $10,520

**Vessel Days**

- **2012**: 15,570
- **2013**: 19,260
- **2014**: 25,630
- **2015**: 33,650

- **38%**
- **36%**
- **62%**
- **64%**

- Overall direct overheads for Handysize and Handymax vessels: US$540 per day
- Currently estimate 23,750 owned vessel days in 2014
### Daily Vessel Costs – Handymax

**As at 31 December 2013**

#### Vessel Days

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owned</td>
<td>940</td>
<td>2,940</td>
<td>13,690</td>
<td>17,720</td>
</tr>
<tr>
<td></td>
<td>6%</td>
<td>14%</td>
<td>94%</td>
<td>86%</td>
</tr>
</tbody>
</table>

- Currently estimate 5,000 owned vessel days in 2014


<table>
<thead>
<tr>
<th></th>
<th>US$/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>8,550</td>
</tr>
<tr>
<td>2013</td>
<td>8,010</td>
</tr>
</tbody>
</table>

- **Chartered**

<table>
<thead>
<tr>
<th></th>
<th>US$/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>11,430</td>
</tr>
<tr>
<td>2013</td>
<td>10,840</td>
</tr>
</tbody>
</table>

#### Inward Charter Commitments

**Days & Rates 2013-2015**

<table>
<thead>
<tr>
<th></th>
<th>Vessel Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>17,720</td>
</tr>
<tr>
<td>2014</td>
<td>6,040</td>
</tr>
<tr>
<td>2015</td>
<td>1,690</td>
</tr>
</tbody>
</table>

- **ST (Short-term)**
  - 2,190 days at US$10,450
- **LT (Long-term)**
  - 2,050 days at US$13,580
  - 150 days Market rate

#### Finance cost

<table>
<thead>
<tr>
<th></th>
<th>US$/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>5,250</td>
</tr>
<tr>
<td>2013</td>
<td>4,140</td>
</tr>
</tbody>
</table>

#### Opex

<table>
<thead>
<tr>
<th></th>
<th>US$/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,300</td>
</tr>
<tr>
<td>2013</td>
<td>3,320</td>
</tr>
</tbody>
</table>

- **Charter-hire**: Short-term (ST) / Long-term (LT)

#### Chart-hire: Index-linked

<table>
<thead>
<tr>
<th></th>
<th>US$/Day</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>3,150</td>
</tr>
<tr>
<td>2013</td>
<td>12,380</td>
</tr>
</tbody>
</table>

- **Market rate**
  - LT: $13,580
  - ST: $13,220

---

With you for the long haul
# Balance Sheet

**Vessels & other fixed assets**

<table>
<thead>
<tr>
<th>US$m</th>
<th>PB Dry Bulk</th>
<th>PB Towage</th>
<th>Treasury</th>
<th>Discontinued RoRo</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,436</td>
<td>1,622</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>183</td>
<td>1,270</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total assets**

<table>
<thead>
<tr>
<th>US$m</th>
<th>PB Dry Bulk</th>
<th>PB Towage</th>
<th>Treasury</th>
<th>Discontinued RoRo</th>
<th>31 Dec 13</th>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,655</td>
<td></td>
<td>244</td>
<td>579</td>
<td>32</td>
<td>2,537</td>
<td>2,470</td>
</tr>
</tbody>
</table>

**Long term borrowings**

<table>
<thead>
<tr>
<th>US$m</th>
<th>PB Dry Bulk</th>
<th>PB Towage</th>
<th>Treasury</th>
<th>Discontinued RoRo</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1,015</td>
<td></td>
<td>22</td>
<td></td>
<td></td>
<td>1,037</td>
<td>931</td>
</tr>
</tbody>
</table>

**Total liabilities**

<table>
<thead>
<tr>
<th>US$m</th>
<th>PB Dry Bulk</th>
<th>PB Towage</th>
<th>Treasury</th>
<th>Discontinued RoRo</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,160</td>
<td></td>
<td>40</td>
<td>12</td>
<td>4</td>
<td>1,233</td>
<td>1,138</td>
</tr>
</tbody>
</table>

**Net assets**

<table>
<thead>
<tr>
<th>US$m</th>
<th>PB Dry Bulk</th>
<th>PB Towage</th>
<th>Treasury</th>
<th>Discontinued RoRo</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>495</td>
<td></td>
<td>204</td>
<td>567</td>
<td>28</td>
<td>1,304</td>
<td>1,332</td>
</tr>
</tbody>
</table>

**Net borrowings (after total cash of US$442m)**

<table>
<thead>
<tr>
<th>US$m</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>551</td>
<td></td>
<td>178</td>
</tr>
</tbody>
</table>

**Net borrowings to net book value of property, plant and equipment (KPI)**

<table>
<thead>
<tr>
<th>KPI</th>
<th>31 Dec 13</th>
<th>31 Dec 12</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td></td>
<td>14%</td>
</tr>
</tbody>
</table>

- Vessel average net book value: Handysize $16.7m, 7.6 years
  Handymax $24.8m, 5.1 years
- US$314m bank borrowing facilities arranged in 2013 and US$24m undrawn
- KPI: net gearing below 50%
- Subsequently $20m of 2016 Convertible Bonds put in April 2013, balance to be re-classified as due 2016

Note: 31 December 2013 total includes other segments and unallocated
Borrowings and Capex

The Group had cash balances of US$486m, borrowings of US$1,037m and a net borrowings ratio of 34% against the Net Book Value of property, plant and equipment.

As at 31 Dec 2013
(17 March 2014 CB Announcement)

- Bank borrowings (US$690m)
- Finance lease liabilities (US$23m)
- Convertible bonds:
  i) remaining face value US$210m due Apr 2016 with a book value of US$198m
- Vessel capital commitments (US$525m)
Our Outlook and Strategy

Dry Bulk

- Cyclical upturn has started – supply and demand balance continues to improve… expect a stronger, volatile dry bulk market in 2014
- We remain selectively open to appropriately priced ship acquisitions to further position ourselves for a expected stronger market
- Strategy: i) Expand our fleet of owned and chartered Handysize and Handymax fleet
  ii) Grow our customer and cargo portfolio in tandem with fleet expansion

Towage

- Challenging and weak results for offshore towage as contracts wind down and we compete for new business
- Underlying harbour towage demand drivers remain positive
- Strategy: Continue to look for new projects and growth opportunities
  - Harbour towage - Expand into other ports
  - Offshore towage - i) Secure contract renewal opportunities
    ii) New offshore construction developments
    ii) Project transportation solutions
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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 and Linkedin!
Appendix: Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Handymax dry bulk ships
- Flexible Pacific Basin Dry Bulk business model
  - Large fleet of uniform, interchangeable, modern ships
  - Mix of owned and long-term, short-term chartered ships
  - Operating mainly on long term cargo contract (COA) and spot basis
  - Diversified customer base of mainly industrial producers and end users
  - Extensive network of offices positions PB close to customers
- Also owning/operating offshore and harbour tugs
- >300 vessels serving major industrial customers around the world
- Hong Kong headquarters, 16 offices worldwide, 380 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

www.pacificbasin.com
Pacific Basin business principles

* As at Jan 2014
Appendix: Strategic Model

**OUR LARGE VERSATILE FLEET**

Fleet scale and interchangeable high-quality dry bulk ships facilitate service flexibility to customers, optimised scheduling and maximised vessel utilisation.

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

**OUR STRONG CORPORATE & FINANCIAL PROFILE**

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

Robust balance sheet through conservative financial structure sets us apart as a preferred counterparty.

Well positioned to deploy capital through selective investment in our core market when conditions are right.

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

**OUR 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.

**OUR COMPREHENSIVE GLOBAL OFFICE NETWORK**

Integrated international service enhanced by commercial and technical offices 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.
Appendix: Pacific Basin Dry Bulk – Diversified Cargo

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

Pacific Basin Handysize and Handymax Cargo Volume 1Q 2014

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

### Energy
- Coal: 2%
- Petcoke: 8%

### Metals
- Alumina: 4%
- Ores: 4%
- Concentrates & Other Metals: 6%

### Minerals
- Salt: 5%
- Sand & Gypsum: 3%
- Soda Ash: 1%

### Agricultural Products
- Grains & Agriculture Products: 20%
- Fertiliser: 9%
- Sugar: 4%

### Construction Materials
- Logs & Forest Products: 19%
- Steel & Scrap: 7%
- Cement & Cement Clinkers: 8%

12.2 Million Tonnes
### Pacific Basin Dry Bulk Fleet: 230 vessels operated in Mar 2014

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Chartered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivered</td>
<td>Newbuilding</td>
<td>Delivered</td>
</tr>
<tr>
<td><strong>Handysize</strong></td>
<td>64</td>
<td>13</td>
<td>91</td>
</tr>
<tr>
<td><strong>Handymax</strong></td>
<td>15</td>
<td>6</td>
<td>58</td>
</tr>
<tr>
<td><strong>Post-Panamax</strong></td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>80</td>
<td>19</td>
<td>150</td>
</tr>
</tbody>
</table>

### PB Towage: 52

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Chartered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivered</td>
<td>Newbuilding</td>
<td>Delivered</td>
</tr>
<tr>
<td><strong>Tugs</strong></td>
<td>31</td>
<td>0</td>
<td>8</td>
</tr>
<tr>
<td><strong>Barges</strong></td>
<td>10</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Others</strong></td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>42</td>
<td>0</td>
<td>9</td>
</tr>
</tbody>
</table>

* Excluding 4 RoRo ships
# Average number of vessels operated in Mar 2014
Dry Bulk average age of core fleet: 6.6 years old
Appendix: 2013 Annual Results – Group Highlights

- Group results were affected by:
  + valuable business model → 22% outperformance
  + Good control over our vessel costs
  + Stronger, volatile market in 2H
    - weakest 1H dry bulk market since 1986
    - significantly reduced 2H contribution from PB Towage
    - one-off finance lease break costs

- Balance sheet remains healthy:
  - US$486m total cash and deposits
  - 34% group net gearing
Appendix: Pacific Basin Dry Bulk – 2013 Performance

- Reduced vessel operating margins were partly offset by increased revenue days
- Outperformance reflects value of our industrial and customer-focused business model

### 2013 Investment in Dry Bulk

- Purchased 43 high-quality vessels:
  - 26 secondhand ships
  - 17 Japanese newbuildings
- Long-term chartered vessels:
  - 3 secondhand ships
  - 15 newbuildings

- Started to deliver over 2013 larger earning capacity gradually kicking in

<table>
<thead>
<tr>
<th>Handysize</th>
<th>Outperformed Market by: 22%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Earnings</td>
<td>US$9,520</td>
</tr>
<tr>
<td></td>
<td>-9% YOY</td>
</tr>
<tr>
<td>Daily Costs</td>
<td>US$8,480</td>
</tr>
<tr>
<td></td>
<td>-5% YOY</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Handymax</th>
<th>Outperformed Market by: 11%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daily Earnings</td>
<td>US$10,880</td>
</tr>
<tr>
<td></td>
<td>-7% YOY</td>
</tr>
<tr>
<td>Daily Costs</td>
<td>US$10,440</td>
</tr>
<tr>
<td></td>
<td>-7% YOY</td>
</tr>
</tbody>
</table>

### US$ million

<table>
<thead>
<tr>
<th>Dry Bulk net profit</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handysize contribution</td>
<td>51.9</td>
</tr>
<tr>
<td>Handymax contribution</td>
<td>8.5</td>
</tr>
<tr>
<td>Direct overheads</td>
<td>(40.0)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EBITDA</th>
<th>115.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>1H: 51.0</td>
<td></td>
</tr>
<tr>
<td>2H: 64.0</td>
<td></td>
</tr>
</tbody>
</table>

| Return on net assets | 5%    |

Handysize

- Outperformed Market by: 22%
- Daily Earnings: US$9,520, -9% YOY
- Daily Costs: US$8,480, -5% YOY

Handymax

- Outperformed Market by: 11%
- Daily Earnings: US$10,880, -7% YOY
- Daily Costs: US$10,440, -7% YOY
# Appendix: 2013 Financial Highlights

<table>
<thead>
<tr>
<th>Segment net profit</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury</td>
<td>36.0</td>
<td>78.0</td>
</tr>
<tr>
<td>Discontinued Operations - RoRo</td>
<td>(4.4)</td>
<td>(6.1)</td>
</tr>
<tr>
<td>Non direct G&amp;A</td>
<td>(0.5)</td>
<td>(12.1)</td>
</tr>
<tr>
<td></td>
<td>(15.5)</td>
<td>(12.0)</td>
</tr>
</tbody>
</table>

## Underlying profit

<table>
<thead>
<tr>
<th>Underlying profit</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unrealised derivative income/(expenses)</td>
<td>15.6</td>
<td>47.8</td>
</tr>
<tr>
<td>RoRo exchange loss &amp; vessel impairment</td>
<td>1.8</td>
<td>(3.3)</td>
</tr>
<tr>
<td>Expenses relating exercising 10 finance lease purchase options</td>
<td>(7.8)</td>
<td>(198.6)</td>
</tr>
<tr>
<td>Towage exchange gain &amp; others</td>
<td>(15.3)</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td>7.2</td>
<td>(4.4)</td>
</tr>
</tbody>
</table>

| Profit/(Loss) attributable to shareholders | 1.5  | (158.5) |

- Underlying profit affected by significantly weaker second half towage results
- 3 RoRo bareboats commenced resulting in FX reserve transfer
- Secured ownership of 10 vessels by exercised options but associated break costs.
### Appendix:
#### Pacific Basin Dry Bulk

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Handysize</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue days (days)</td>
<td>52,550</td>
<td>41,000</td>
<td>+28%</td>
</tr>
<tr>
<td>TCE earnings (US$/day)</td>
<td>9,520</td>
<td>10,460</td>
<td>-9%</td>
</tr>
<tr>
<td>Owned + chartered costs (US$/day)</td>
<td>8,480</td>
<td>8,910</td>
<td>-5%</td>
</tr>
<tr>
<td>Handysize contribution (US$m)</td>
<td>51.8</td>
<td>62.0</td>
<td>-16%</td>
</tr>
<tr>
<td>Handymax contribution (US$m)</td>
<td>8.5</td>
<td>6.7</td>
<td>+27%</td>
</tr>
<tr>
<td>Post Panamax contribution (US$m)</td>
<td>5.7</td>
<td>5.9</td>
<td>-3%</td>
</tr>
<tr>
<td>Direct overhead (US$m)</td>
<td>(40.0)</td>
<td>(35.3)</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Dry Bulk Net profit (US$m)</strong></td>
<td>26.1</td>
<td>39.3</td>
<td>-34%</td>
</tr>
<tr>
<td>Annualised return on net assets (%)</td>
<td>5%</td>
<td>5%</td>
<td>-</td>
</tr>
</tbody>
</table>

- Revenue days reflects delivery of cyclically low priced vessel purchases starting to deliver
- Daily costs reduction reflects lower market rates for chartered-in vessels
Appendix: Cash Flow – 2013 Sources and Uses of Group Cash Flow

<table>
<thead>
<tr>
<th>Cash inflow</th>
<th>Cash outflow</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>US$98m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>US$130m</td>
</tr>
<tr>
<td>2014 cash levels expected to be affected by:</td>
<td></td>
</tr>
<tr>
<td>• Pace of capital expansion</td>
<td></td>
</tr>
<tr>
<td>• New loan facilities to be secured using our existing unmortgaged vessels and committed new vessels</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opening Cash (1Jan13)</th>
<th>Operating cash inflow</th>
<th>Net new borrowings</th>
<th>RoRo proceeds</th>
<th>Capex</th>
<th>Dividend paid</th>
<th>Net Interest paid</th>
<th>Others</th>
<th>Closing Cash (31Dec13)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+753</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+55</td>
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<td></td>
<td>+98</td>
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<td></td>
<td>-458</td>
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<tr>
<td></td>
<td>+100</td>
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<td></td>
<td></td>
<td></td>
<td>-12</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>+486</td>
</tr>
</tbody>
</table>
Appendix: Vessels Commitments

As at 31 December 2013

Total US$525m

- Handysize x 16, US$329m
- Handymax x 8, US$196m

Further commitments expected in Dry Bulk
Appendix: Convertible Bonds Due 2016

<table>
<thead>
<tr>
<th>Issue size</th>
<th>US$230 million (US$20.5m face value put back and repaid on 14 April 2014; Remaining: US$210m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Date</td>
<td>12 April 2016 (6 years)</td>
</tr>
<tr>
<td>Investor Put Date and Price</td>
<td>12 April 2014 (4 years) at par</td>
</tr>
<tr>
<td>Coupon</td>
<td>1.75% p.a. payable semi-annually in arrears on 12 April and 12 October</td>
</tr>
<tr>
<td>Redemption Price</td>
<td>100%</td>
</tr>
<tr>
<td>Initial Conversion Price</td>
<td>HK$7.98 (Current conversion price: HK$ 7.1 with effect from 23 April 2014)</td>
</tr>
<tr>
<td>Conversion Condition</td>
<td>Before 11 Jan 2011: No Conversion is allowed</td>
</tr>
<tr>
<td></td>
<td>12 Jan 2011 – 11 Jan 2014: Share price for 5 consecutive days &gt; 120% conversion price</td>
</tr>
<tr>
<td></td>
<td>12 Jan 2014 – 5 Apr 2016: Share price &gt; conversion price</td>
</tr>
<tr>
<td>Intended Use of Proceeds</td>
<td>To purchase the 3.3% Existing Convertible Bonds due 2013, then redeem the 2013 Convertible Bonds (now all redeemed &amp; cancelled)</td>
</tr>
<tr>
<td>Conditions</td>
<td>▪ Shareholders’ approval at SGM to approve the issue of the New Convertible Bonds and the specific mandate to issue associated shares.</td>
</tr>
<tr>
<td></td>
<td>▪ If the specific mandate is approved by the shareholders at the SGM, the Company would not pursue a new general share issue mandate at the forthcoming AGM on 22 April 2010</td>
</tr>
</tbody>
</table>

Conversion/redemption Timeline

PB’s call option to redeem all bonds
1) Trading price for 30 consecutive days > 130% conversion price in effect
2) >90% of Bond converted / redeemed / purchased / cancelled

Bondholders’ put option to redeem bonds
Bondholders can convert to PB shares when trading price > conversion price
Bondholders can convert to PB shares after trading price > 120% conversion price in effect for 5 consecutive days

Closing Date: 12 Apr 2010
Maturity: 12 Apr 2016
Appendix:
Convertible Bonds Due 2018

<table>
<thead>
<tr>
<th>Issue size</th>
<th>US$123.8 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Date</td>
<td>22 October 2018 (6 years)</td>
</tr>
<tr>
<td>Investor Put Date and Price</td>
<td>22 October 2016 (4 years) at par</td>
</tr>
</tbody>
</table>
| PB’s Call Option | 1) Trading price for 30 consecutive days > 130% conversion price in effect  
                           2) >90% of Bond converted / redeemed / purchased / cancelled |
| Coupon           | 1.875% p.a. payable semi-annually in arrears on 22 April and 22 October |
| Redemption Price | 100%              |
| Initial Conversion Price | HK$4.96 (current conversion price: HK$4.84 with effect from 23 April 2014) |
| Intended Use of Proceeds | To acquire additional Handysize and Handymax vessels, as well as for general working capital |

Conversion/redemption Timeline

PB’s call option to redeem all bonds
1) Trading price for 30 consecutive days > 130% conversion price in effect  
                           2) >90% of Bond converted / redeemed / purchased / cancelled

Closing Date: 22 Oct 2012  2 Dec 2012
Maturity: 22 Oct 2018
Bondholders’ put option to redeem bonds
Bondholders can convert all or some of their CB into shares
Appendix: China at late-Industrialisation Stage

- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

Steel Consumption Per Capita

<table>
<thead>
<tr>
<th>Years from Start Date</th>
<th>Tons per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>China (from 1990)</td>
</tr>
<tr>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>5</td>
<td>0.1</td>
</tr>
<tr>
<td>10</td>
<td>0.2</td>
</tr>
<tr>
<td>15</td>
<td>0.3</td>
</tr>
<tr>
<td>20</td>
<td>0.4</td>
</tr>
<tr>
<td>25</td>
<td>0.5</td>
</tr>
<tr>
<td>30</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Steel Consumption Per Capita
Appendix:
China Dry Bulk Trade, Iron Ore & Coal Demand

China is a significant net importer of coal

Source: Clarksons, Bloomberg