Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Supramax dry bulk ships
- Cargo system business model – outperforming market rates
- About 250 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)

Supramax
(<20 years old)

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

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

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

* As at Jan 2017
### Understanding Our Core Market

#### The Dry Bulk Sector

Bulk Carriers for dry bulk commodities

#### Other Mainstream Shipping Sectors

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

<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>26,000-39,999 dwt</td>
<td>10%</td>
<td></td>
</tr>
<tr>
<td>Handymax (incl. Supramax)</td>
<td>40,000-84,999 dwt</td>
<td>24%</td>
<td></td>
</tr>
<tr>
<td>Major bulks without cranes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panamax &amp; Post-Panamax</td>
<td>65,000-199,999 dwt</td>
<td>27%</td>
<td></td>
</tr>
<tr>
<td>Capesize</td>
<td>120,000+ dwt</td>
<td>39%</td>
<td></td>
</tr>
</tbody>
</table>

**Minor Bulks**
- Metals
  - Ores & Concentrates
  - Alumina
  - Bauxite
- Energy
  - Coal/Coke
  - Petrocoke

**Main Commodities Carried**
- Minerals
  - Salt
  - Sand & Gypsum
  - Agricultural Products
  - Grains
  - Fertiliser
  - Sugar
- Construction Materials
  - Lags & Forest Products
  - Cement & Clinker
  - Steel & Scrap
- Other Bulks

#### Key Points

- 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 (1Jan17 – 30Jun17)

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

- **Energy**
  - Coal 5%
  - Pet coke 4%
  - Wood Pellets 1%

- **Metals**
  - Concentrates & Other Metals 7%
  - Ores 4%
  - Alumina 1%

- **Agricultural Products & Related**
  - Grains & Agriculture Products 24%
  - Fertiliser 10%
  - Sugar 4%

- **Construction Materials**
  - Steel & Scrap 12%
  - Logs & Forest Products 12%
  - Cement & Cement Clinkers 10%
### Pacific Basin Dry Bulk Fleet: 261
Average age of core fleet: 7.3 years old

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th>Chartered</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handysize</td>
<td>80</td>
<td>72</td>
<td>152</td>
</tr>
<tr>
<td>Supramax</td>
<td>25</td>
<td>82</td>
<td>107</td>
</tr>
<tr>
<td>Post-Panamax</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>106</td>
<td>155</td>
<td>261</td>
</tr>
</tbody>
</table>

*average number of vessels operated in June 2017
Fleet list including the latest acquisition announced in early Aug
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

With you for the long haul
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

Source: Clarksons Platou, 1 Jan 2017
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
- Handysize segment’s versatile ships and diverse trades

Average PB premium over market indices in last 5 years:

- Handysize TCE: **US$2,000/day**
- Supramax TCE: **US$1,350/day**
2017 Market freight rates well above historic lows one year ago and demand outpacing supply

- Much increased positive EBITDA of US$56.6m from negative $5m in 1H16
- Much reduced 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
Recent Acquisition and Placement

- Secured 5 high quality ships for US$105m, 4 Supramax & 1 Handysize
  - Growth and renewal of our fleet with modern, efficient and best design ships
  - US$46m of share placed to sellers, US$38m placed to institutional investors and US$21m from our existing cash
- Increasing our low proportion of owned Supramax ships at a time we think is attractive
- The Handysize vessel we acquired is currently chartered by us and we are replacing charter cost with significantly lower opex and depreciation
- Enhancing operating cash flow, EBITDA and balance sheet strength
- Equity financing provide greater flexibility to Company in future
  - Dry Bulk market recovering but supply & demand factors remain uncertain
  - Not adding interest costs or repayment obligation
- Reputable Japanese sellers believing in the longer term prospects for PB and its shareholder value
Handysize Market Rates Development YTD 2017

Baltic Handysize Index (BHSI)

* excludes 5% commission
Source: Baltic Exchange, data as at 1 Sep 2017
Supramax Rates Follow Same Pattern

Baltic Handysize Index (BHSI) and Baltic Supramax Index (BSI) *
YTD 2017

* excludes 5% commission
# BSI is now based on a standard 58,000 dwt bulk carrier
Source: Baltic Exchange, data as at 1 Sep 2017
Key Demand Drivers for 1H17 Actual

- 1Q17 dry bulk effective demand 4.9% compared to +0.4% in 1Q16 and -1.7% in 1Q15
- Improved North & South American grain exports
- SE Asia coal imports increased
- Strong increase of imports into China with minor bulk outpacing iron ore & coal
- Soybean, bauxite and logs growing at healthy levels

* excludes 5% commission
Source: Baltic Exchange, data as at 26 Jul 2017
Orderbook Continues to Shrink

**Handysize Orderbook**
170 vessels (6.3 million dwt)

**Total Dry Bulk Orderbook**
637 vessels (60.9 million dwt)

- Shortfall vs scheduled deliveries remains high
- Net fleet growth estimated at 3% this year
- 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

**New Vessel Ordering is Down**

Historically low levels of ordering

- H’max: 0.7%
- H’size: 0.5%

Source: Clarksons Platou, as at 1 Jul 2017

With you for the long haul
Vessel Values Increased

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

Source: Clarksons Platou, as at 3 Sep 2017
Demand is recovering and outpacing supply so far in 2017

For full year 2017:
- Clarksons estimate effective demand growth of 3.9%
- PB estimate net supply growth around 3%
  (5% deliveries – 2% scrapping)

Progressively fewer new ships will deliver from shipyards in 2018 and 2019

Source: Clarksons Platou, Pacific Basin
### 2H 2017 Results?

- **Our Handysize rate guidance:**
  - Owned vessels 1H2017 costs/day: US$7,480/day
  - Overhead spread over all vessel days: US$590/day
  - Owned vessels break-even rate 1H2017: US$8,070/day

  **1H2017 Actual earnings:** US$7,920/day

  **2H2017 Cover Rate (57%)**:
  - **US$8,360/day**

  **Average market index rate so far during 3Q**:
  - US$6,670/day

  **Current market index rate as of 1 Sep**:
  - US$6,760/day

*As at Interim Results 2017

# net rate, excludes 5% commission

*Source: Baltic Exchange, net rate*
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:

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- Supramax TCE: **US$1,350/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 ship acquisition opportunities to grow and renew our fleet.
- 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.

Pacific Basin Benefits:
- Fully Handysize & Supramax focused
- Business Model ➔ Premium
- High-quality predominantly Japanese-built fleet
- Experienced staff, globally
- Strong counterparty

➔ 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
  - 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
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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, Linkedin, YouTube and WeChat!
# Appendix: 1H17 Performance and 2H17 Cover

<table>
<thead>
<tr>
<th>US$/day</th>
<th>Handysize</th>
<th>Supramax</th>
</tr>
</thead>
<tbody>
<tr>
<td>PB daily TCE rate 1H17 ¹</td>
<td>$7,920</td>
<td>$8,920</td>
</tr>
<tr>
<td>Market Index Rate</td>
<td>$6,590</td>
<td>$8,010</td>
</tr>
<tr>
<td>PB Outperformance</td>
<td>$1,330</td>
<td>$910</td>
</tr>
<tr>
<td></td>
<td>20%</td>
<td>11%</td>
</tr>
<tr>
<td>PB daily TCE cover 2H17</td>
<td>$8,360</td>
<td>$9,830</td>
</tr>
<tr>
<td>% of Contracted Days Covered</td>
<td>57%</td>
<td>80%</td>
</tr>
</tbody>
</table>

¹ Excluding short-term vessels days: Handysize daily TCE US$8,010, outperform market 22%
Supramax daily TCE US$9,890, outperform market 24%

As at 26 July 2017
## Appendix:
### 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></td>
<td></td>
</tr>
<tr>
<td></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>
</tbody>
</table>

**Loss attributable to shareholders**

<table>
<thead>
<tr>
<th></th>
<th>1H17</th>
<th>1H16</th>
</tr>
</thead>
</table>
| Revenue and cost of services increased by 44% and 33% respectively, mainly due to improved market conditions

**US$2.6m unrealised derivative accounting loss:**

- M2M of existing and new bunker swap contracts to be completed

**US$0.4m disposal loss:**

- Sales of 2 tugs and 1 Supramax
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></th>
<th>1H17</th>
<th>1H16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<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>
</tbody>
</table>

### Supramax

<table>
<thead>
<tr>
<th></th>
<th>1H17</th>
<th>1H16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<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>
## 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)</td>
<td>705</td>
<td>570</td>
</tr>
<tr>
<td>KPI</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:
1H17 Daily Vessel Costs – Handysize

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

- 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*
Appendix: 1H17 Daily Vessel Costs – Supramax

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

<table>
<thead>
<tr>
<th>Vessel Days</th>
<th>20%</th>
<th>21%</th>
<th>80%</th>
<th>79%</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2016</td>
<td>6,060</td>
<td>8,590</td>
<td>3,390</td>
<td>4,080</td>
</tr>
<tr>
<td>1H2017</td>
<td>3,600</td>
<td>8,220</td>
<td>3,270</td>
<td>3,770</td>
</tr>
</tbody>
</table>

**Chartered**
- **US$/day**
- **Finance cost**
- **Depreciation**
- **Oppex**
- **Charter-hire: Short-term (ST) / Long-term (LT)**
- **Charter-hire: Index-linked**

**Inward Charter Commitments**

**Days & Rates 2017-2018**

- **300 days**
  - **ST days $7,960**
  - **LT days $11,710**
- **12,100**
  - **ST days $8,020**
  - **LT days $11,350**
- **550 days**
  - **Market Rate ST days $8,480**
  - **LT days $10,610**
- **610 days**
  - **Market Rate ST days $9,520**

- **1,400**
  - **LT days $10,610**
- **1,630**
  - **LT days $10,610**
- **2,640**
  - **ST days $8,480**

**2017-2018**

- **2017**
  - **Vessel Days**
  - **1H17**
  - **13,800**
  - **2H17**
  - **5,190**
  - **2018**
  - **3,400**

- **Market Rate**
  - **550 days**
  - **1,630**
  - **15 days**

**Blended**

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

- **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*
## Appendix:
Five Vessel Acquisitions announced on 2 Aug 17

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipbuilder</td>
<td>Tsuneishi</td>
<td>Tsuneishi</td>
<td>Imabari</td>
<td>Imabari</td>
<td>Tsuneishi</td>
<td></td>
</tr>
<tr>
<td>Dwt</td>
<td>57,964</td>
<td>57,964</td>
<td>37,503</td>
<td>61,244</td>
<td>63,700</td>
<td></td>
</tr>
<tr>
<td>Total consideration US$m</td>
<td>17.0</td>
<td>17.0</td>
<td>21.1 *</td>
<td>23.5</td>
<td>26.0</td>
<td>104.6</td>
</tr>
<tr>
<td>Expected Delivery</td>
<td>Mid-Aug17 – end Sep17</td>
<td>Mid-Aug17 – end Sep17</td>
<td>Early Nov17 – end Dec17</td>
<td>Mid-Aug17 – end Sep17</td>
<td>Jan18</td>
<td></td>
</tr>
</tbody>
</table>

* Including termination of existing long-term time charter in contract
Appendix: Earnings Cover in 2017

### Handysize

<table>
<thead>
<tr>
<th>Year</th>
<th>Contracted Days</th>
<th>Revenue Days</th>
<th>Covered Revenue</th>
<th>Uncovered Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>23,070</td>
<td>25,660</td>
<td>100% $7,920</td>
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### Supramax

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<tr>
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<td></td>
<td>10% $6,770</td>
<td></td>
</tr>
</tbody>
</table>

Currency in US$, data as at 26 Jul 2017
*2016 data as announced in Jul 2016
**Appendix: Borrowings and Capex**

As at 30 June 2017

- Secured borrowings (US$835.9m)
- Convertible bonds (face value US$125.0m, book value US$116.5m, maturity July 2021)

- 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>Sources and Uses of Group Cash in 1H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
</tr>
<tr>
<td>EBITDA</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
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

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
- **Closing Date**
  - 8 Jun 2015
  - 19 Jul 2015
- **Bondholders’ put option to redeem bonds**
- **Maturity**
  - 3 Jul 2019
  - 23 Jun 2021
  - 3 Jul 2021

Bondholders can convert all or some of their CB into shares
Appendix:
Atlantic Rates Stronger than Pacific

Handysize (BHSI)

Supramax (BSI) *

* excludes 5% commission
# BSI is now based on a standard 58,000 dwt bulk carrier
Source: Baltic Exchange, data as at 1 Sep 2017
Appendix: Supramax Rates Follow Same Pattern

Baltic Supramax Index (BSI) #

* excludes 5% commission

BSI is based on a standard 52,000 dwt bulk carrier in this slide only

Source: Baltic Exchange, data as at 1 Sep 2017

* US$/day net*

Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec

1 Sep 2017

$9,280
### Appendix: Estimated 3.9% Growth in Seaborne Dry Bulk Demand in Full Year 2017

<table>
<thead>
<tr>
<th>(Volume) Million Tonnes</th>
<th>PB Focus</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iron Ore</td>
<td>1,488</td>
<td>5%</td>
</tr>
<tr>
<td>Coal</td>
<td>1,173</td>
<td>3%</td>
</tr>
<tr>
<td>Major bulk total</td>
<td>2,661</td>
<td>4.3%</td>
</tr>
<tr>
<td>Manganese Ore</td>
<td>30</td>
<td>20%</td>
</tr>
<tr>
<td>Soybean</td>
<td>144</td>
<td>7%</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>161</td>
<td>7%</td>
</tr>
<tr>
<td>Scrap Steel</td>
<td>107</td>
<td>6%</td>
</tr>
<tr>
<td>Bauxite / Alumina</td>
<td>120</td>
<td>5%</td>
</tr>
<tr>
<td>Wheat / Grains</td>
<td>361</td>
<td>4%</td>
</tr>
<tr>
<td>Agribulks</td>
<td>169</td>
<td>4%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>360</td>
<td>2%</td>
</tr>
<tr>
<td>Nickel Ore</td>
<td>42</td>
<td>2%</td>
</tr>
<tr>
<td>Cement</td>
<td>112</td>
<td>2%</td>
</tr>
<tr>
<td>Others</td>
<td>315</td>
<td>2%</td>
</tr>
<tr>
<td>Copper Concentrates</td>
<td>29</td>
<td>0%</td>
</tr>
<tr>
<td>Steel Products</td>
<td>395</td>
<td>-3%</td>
</tr>
<tr>
<td>Sugar</td>
<td>58</td>
<td>-6%</td>
</tr>
<tr>
<td>PB focus cargoes total</td>
<td>2,403</td>
<td>2.5%</td>
</tr>
<tr>
<td>2017 Total Dry Bulk Full Year Forecast</td>
<td>5,065</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Clarksons estimate FY2017:
- **3.9% Effective Demand Growth**
- **3.5% Volume Growth**

Source: Clarksons Platou, as at 1 July 2017
Appendix:
Vessel Values Increased

Supramax Vessel Values

Source: Clarksons Platou, as at 3 Sep 2017
# 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>1H17 Scrapping as % of Existing Fleet as at 1 Jul 2017 (annualised)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Handysize</strong></td>
<td>8%</td>
<td>8.6</td>
<td>10%</td>
<td>16%</td>
<td>1.9%</td>
</tr>
<tr>
<td>(25,000-39,999 dwt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Handymax (incl. Supramax)</strong></td>
<td>6%</td>
<td>8.3</td>
<td>7%</td>
<td></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>5%</td>
<td>8.4</td>
<td>6%</td>
<td></td>
<td>1.2%</td>
</tr>
<tr>
<td>(65,000-119,999 dwt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capesize</strong></td>
<td>10%</td>
<td>7.6</td>
<td>7%</td>
<td></td>
<td>2.4%</td>
</tr>
<tr>
<td>(120,000+ dwt)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Dry Bulk &gt;10,000 dwt</strong></td>
<td>8%</td>
<td>8.8</td>
<td>7%</td>
<td>15%</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

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

China Coal Trade

China Iron Ore Sourcing for Steel Production

2017 Chinese Minor Bulk Imports

Increased 15% YOY

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

China Steel Export

Source: Bloomberg, Clarksons Platou