Pacific Basin

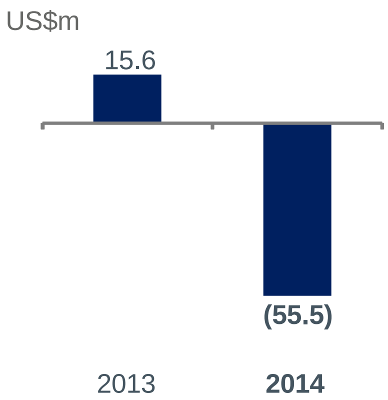
2014
Annual Results

26 Feb 2015

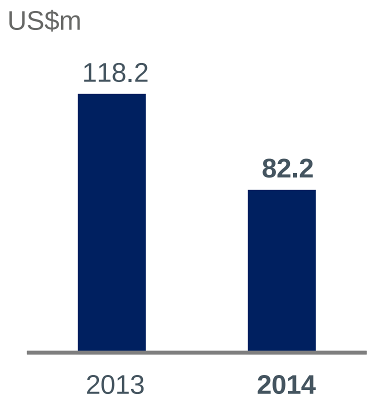
Pacific Basin

2014 Annual Results – Group Highlights

Underlying Profit



EBITDA



	2014	2013
Net (Loss) / Profit	**US$(285.0)m**	US$1.5m
Cash Position	**US$363m**	**US$486m**
Net Gearing	**40%**	34%
Dividend per Share	**HK¢5 (proposed)**	**HK¢5**

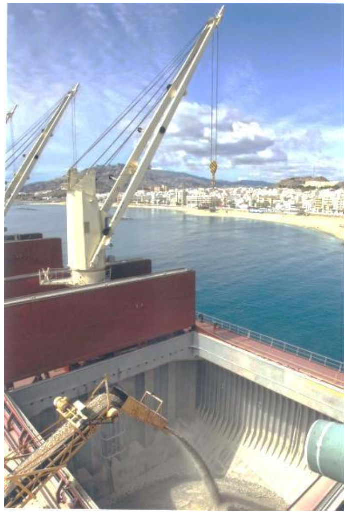
- In a very difficult market, our results were influenced by:
  - the impact on revenues of very low dry bulk market rates
  - US$130 million non-cash impairments and provisions reflecting significant changes in the dry bulk and bunker fuel markets
  - US$91 million towage related impairment and business disposal charges
- Positive EBITDA US$82m
- Robust balance sheet :
  - US$363m total cash and deposits
  - 40% group net gearing
  - US$350m undrawn committed bank facilities
  - US$69m towage sale proceeds (harbour towage + OMSA) received in early 2015
- US$385m Dry Bulk vessel capital commitments

Pacific Basin Dry Bulk – 2014 Performance

Handysize	Outperformed Market by: 28%	
Daily Earnings	US$9,340	↓2% YOY
Daily Costs	US$8,750	↑3% YOY
Handymax	**Outperformed Market by: 12%**	
Daily Earnings	US$10,460	↓4% YOY
Daily Costs	US$11,050	↑6% YOY

US$ million	2014
Dry Bulk net loss	**(30.0)**
▪ Handysize contribution	28.5
▪ Handymax contribution	(14.8)
▪ Direct overheads	(49.2)
EBITDA	**94.0**
Return on net assets	**(6)%**

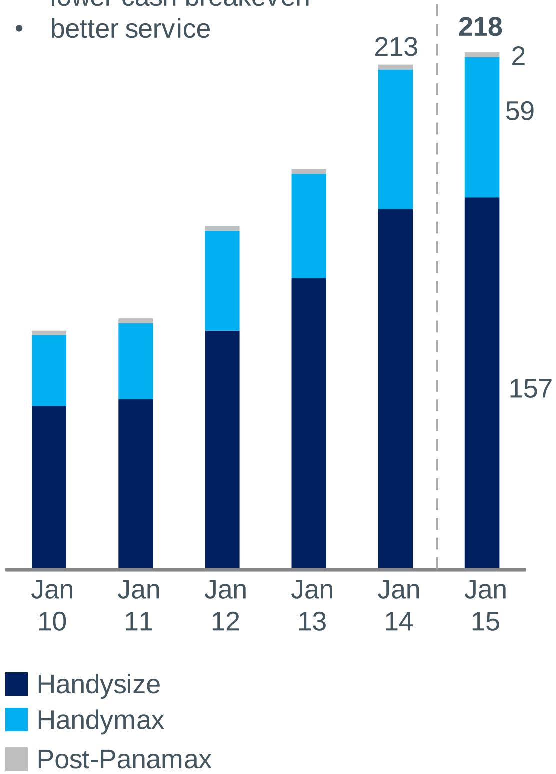
- Group results affected by non-cash accounting charges of $130m:
  - US$101m for inward chartered vessel contracts taken at higher rates primarily in 2010;
  - Unrealised derivative charge of US$29m mainly on bunker fuel hedges following >50% drop in fuel prices
- US$94m positive EBITDA reflects (i) value of our business model enabling market outperformance and; (ii) good opex control
- Taken delivery of all 33 secondhand ships acquired since 2012
- Percentage of owned ships increasing
  ➔ enhanced stability, EBITDA generation and quality service



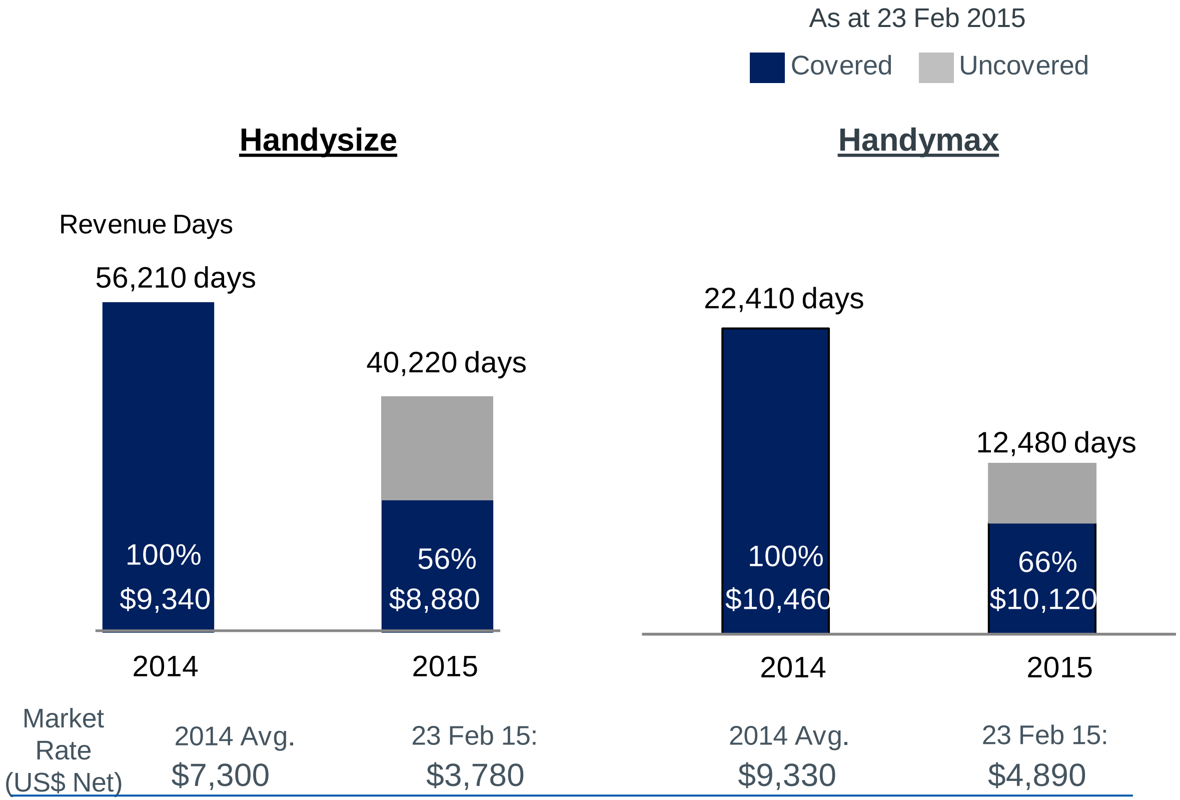
Pacific Basin Dry Bulk – Earnings Coverage

PB Dry Bulk Fleet Development
Average number of vessels operated

2015: proportionally more owned ships:
- better stability
- lower cash breakeven
- better service



As at 31 Jan 2015



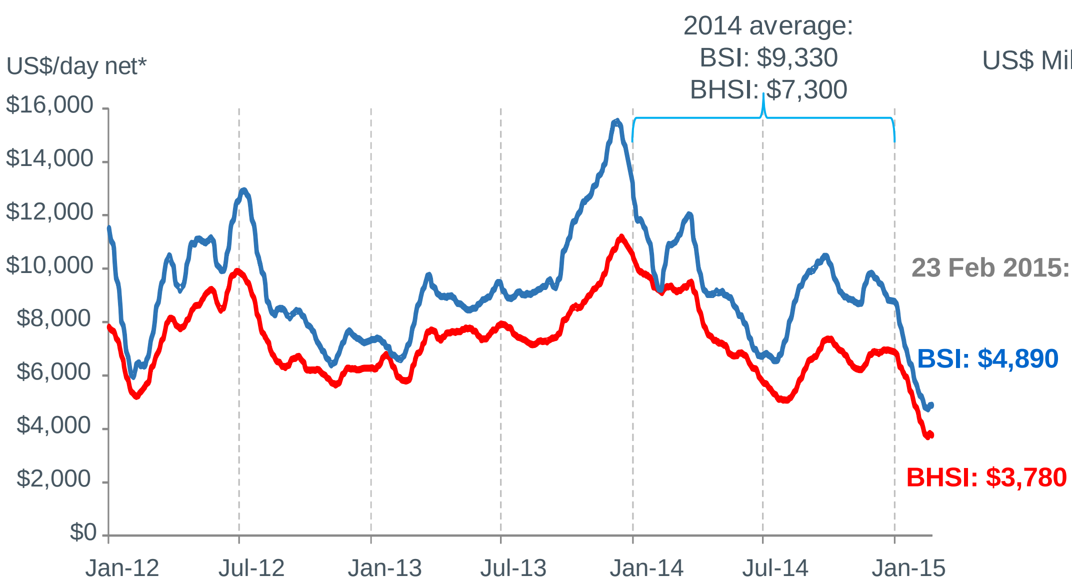
- Ship operators typically face significant exposure to spot market, our long-term cover provides a degree of earnings visibility
- 2015 cover excludes revenue days chartered in on index-linked basis

Pacific Basin

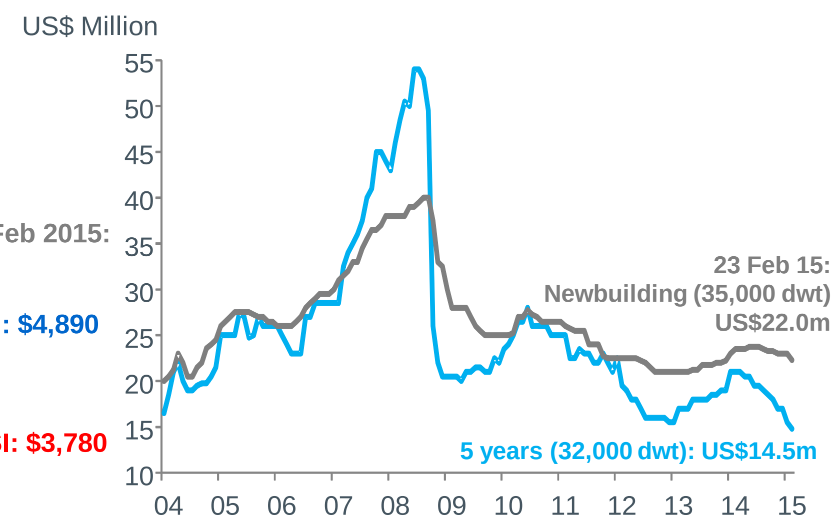
Dry Bulk Market Information

- Freight market trended sharply down in 2014 – 63% fall in BDI over the year
  - Continued global oversupply of vessels
  - Regional demand-side weaknesses, less coal imports to China
  - Collapse in Atlantic rates in 2Q resulting from ships repositioning for S. American grain season
  - Indonesian mineral export ban from Jan 2014 weakened Pacific rates
  - Less pronounced and short-lived improvement in 4Q
- Ship values started strong but declined over the year
  - 5 year old Handysize value: US$14.5m (-34% since start of 2014)

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



Handysize Vessel Values

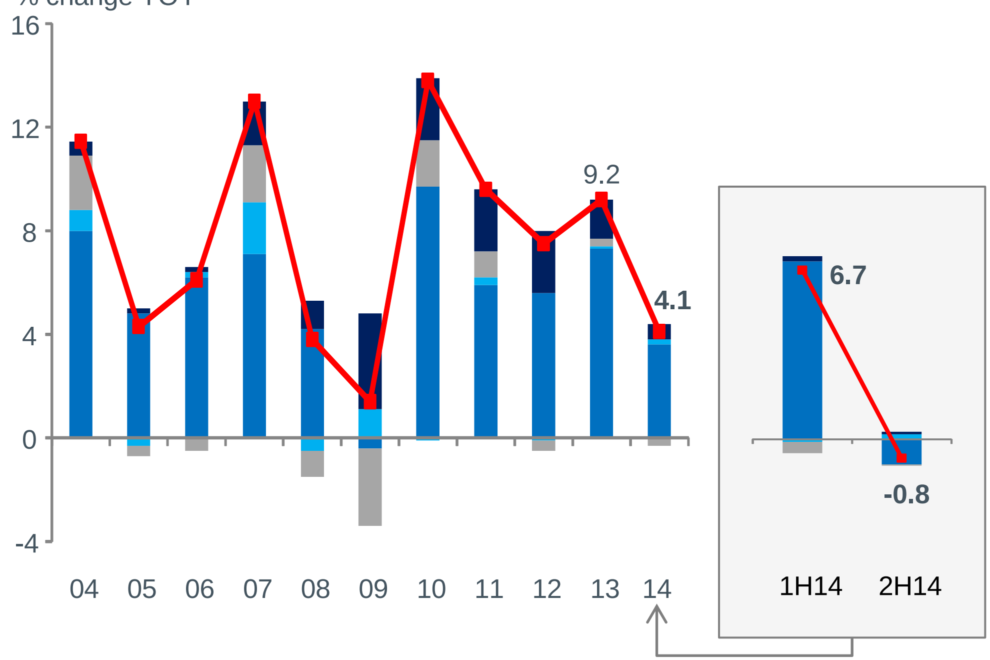


* US$ freight rates are net of 5% commission

Source: Clarksons, The Baltic Exchange

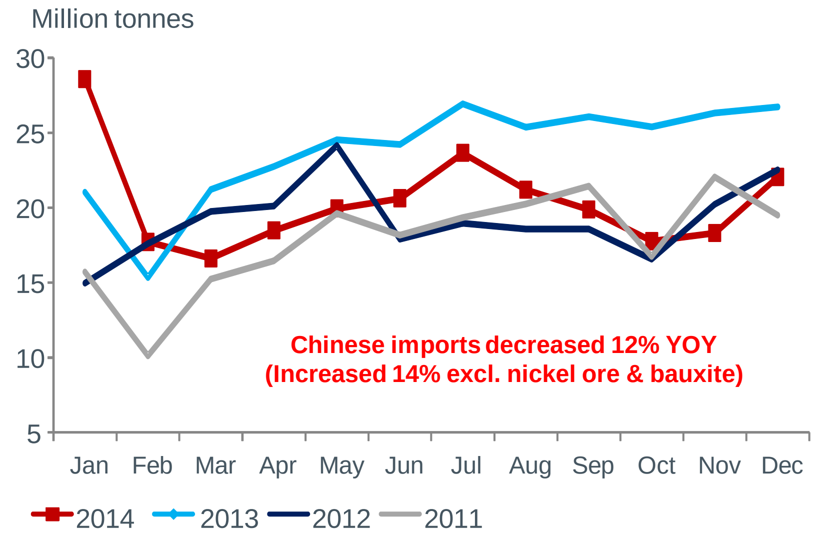
Dry Bulk Demand

Dry Bulk Effective Demand



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

Chinese Minor Bulk Imports



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

- Overall dry bulk demand increased 4.1% YOY – weighed down by disappointing 2H Chinese cargo imports
  - ↑ hydro-electric power and China protecting its domestic coal industry ➔ Coal imports ↓11%
- Minor bulk demand growth impacted by Indonesian ban on bauxite and nickel ore exports:
  - ↓ 12% in Chinese imports of 7 important minor bulks (other minor bulks increased, but not enough to offset)
  - India coal imports grew by 26 million tonnes

Source: R.S. Platou, Bloomberg, Macquarie

Global Dry Bulk Fleet Development

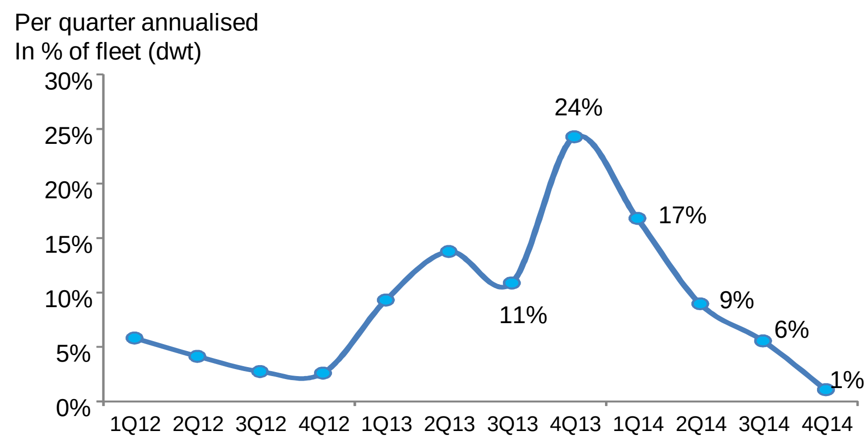
net fleet growth	Handysize	Dry Bulk overall
1H14	+1.9%	+2.7%
2H14	+0.7%	+1.7%
2014	**+2.7%**	**+4.4%**

Dry bulk net fleet growth:

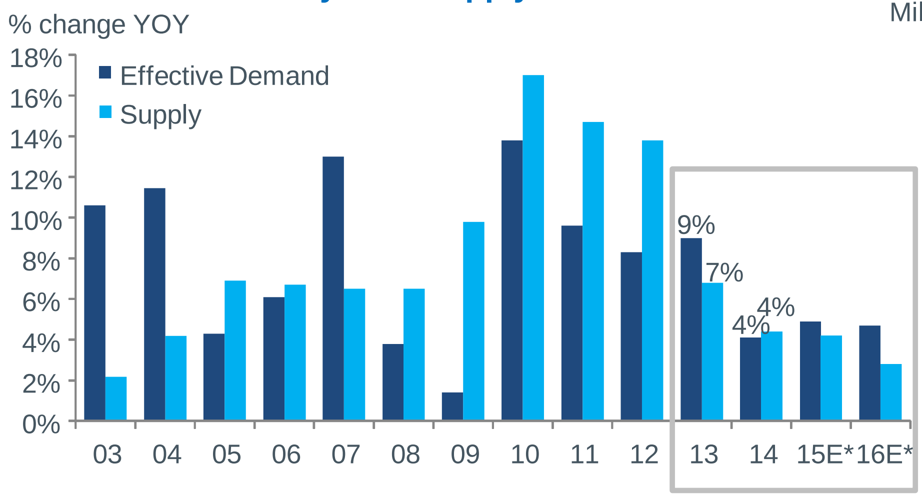
- Driven by 48m tonnes of new capacity
- Partially offset by 16m tonnes of scrapping

Widespread slow steaming continued, but dramatic drop in fuel prices led to early signs of increased vessel speeds

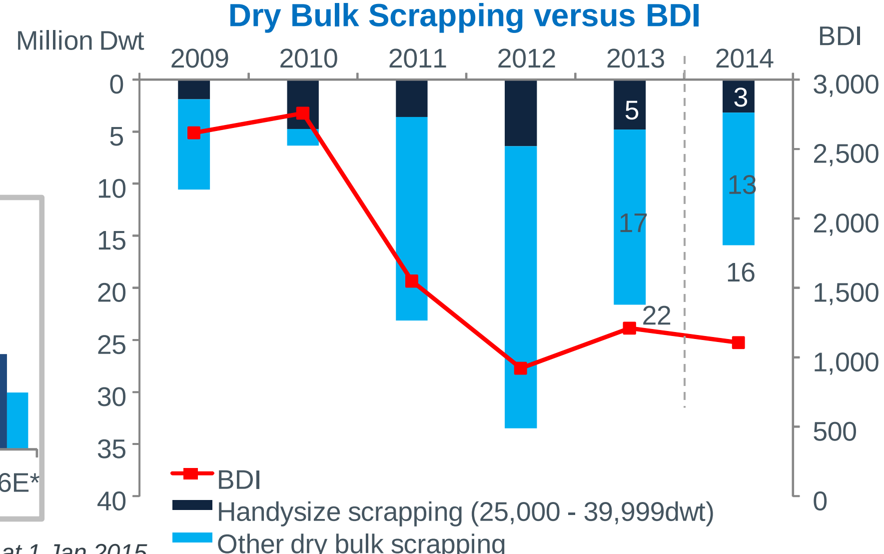
Dry Bulk New Ship Ordering



Dry Bulk Supply & Demand



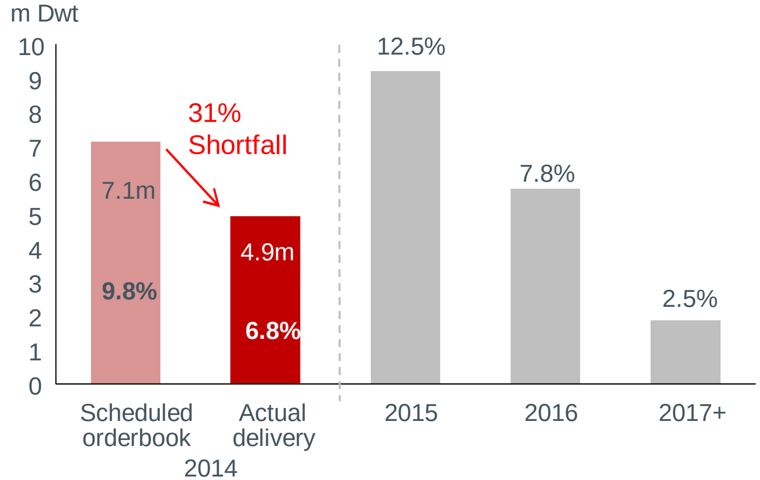
Dry Bulk Scrapping versus BDI



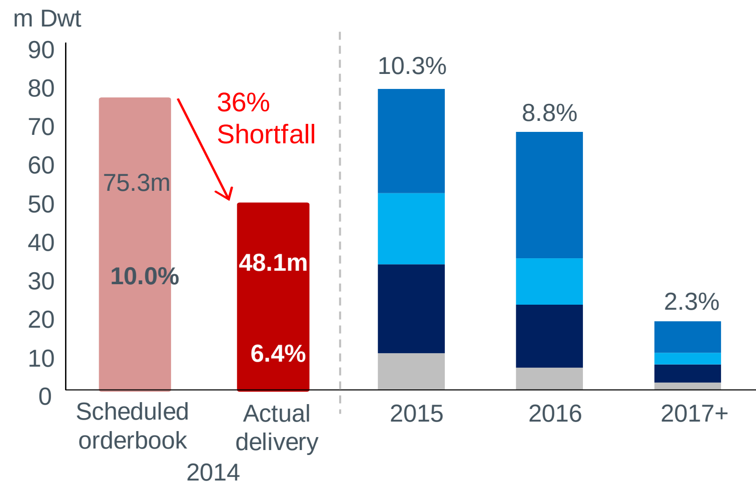
Source: RS Platou, Clarksons, Bloomberg, as at 1 Jan 2015
** Estimated by RS Platou*

Dry Bulk Orderbook

Handysize Orderbook
456 vessels (16.8m dwt)



Total Dry Bulk Orderbook
1,954 vessels (162.7m dwt)



- Current orderbook: 21% (Handysize: 23%)
- Deliveries expected to fall short of schedule
- Cancellations, delays, conversions will have larger effect on 2016
- New ship ordering lowest since 2001

	Orderbook as % of Existing Fleet	Average Age	Over 25 Years	Scrapping as % of Existing Fleet (1 Jan 2015)
Total Dry Bulk >10,000 dwt	21%	9	4%	2%
Handysize (25,000-39,999 dwt)	23%	10	12%	4%
Handymax (40,000-64,999 dwt)	26%	9	4%	2%
Panamax (65,000-119,999 dwt)	16%	8	3%	2%
Capesize (120,000+ dwt)	23%	8	2%	1%

Source: Clarksons, as at 1 Feb 2015

Pacific Basin Dry Bulk – Outlook

Opportunities

- Growth in Chinese imports of minor bulks on re-stocking or economic stimulus
- Solid US economic growth stimulates global economy
- Lower oil and other commodity prices stimulating greater demand and dry bulk exports
- Market pressures causing actual newbuilding deliveries to fall significantly short of scheduled deliveries

Threats

- Low fuel prices causing a general increase in vessel operating speeds → increasing supply
- Further reduction in Chinese economic growth
- Lower commodity prices shutting out smaller producers often using Handy ships
- Declining newbuildling prices → increasing new ship ordering
- Greater national protectionism

PB Outlook:

- Medium term – cautious view on freight earnings outlook
- Freight market becoming dysfunctional in some regions, limited cargo availability
- Larger dry bulk supply surplus now than a year ago due to disappointing demand
- Longer term – positive on our own business – better protection in Handy segment in weak markets; acquired ships at historically attractive prices → competitive cost base

Strategy:

- Firmly focused on Handy segments → managing for weak market scenario
- Reduce costs, grow our customer relationships → enhance access to cargo
- Safeguarding strong cash position and EBITDA generation
- We are currently neither buying nor taking long-term charter
- Difficult market will present acquisition opportunities for companies able to access capital

PB Towage

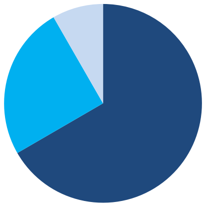
- Group results affected by:
  - US$70.5m non-cash impairments / provisions (incl. US$64m in 1H14)
  - US$7.6m business disposal loss and related US$12.7m exchange loss (sale of harbour towage and our OMSA JV interest)

	2014 US$ million
Towage net loss	**(15.1)**
EBITDA	**(6.0)**

US$million	Net book loss / gain	Exchange loss
Sale of harbour towage	(9.9)	(9.3)
Sale of OMSA JV	2.3	(3.4)

US$3.5m-US$1.2m (reclassified as consultancy fee)

PB Towage Fleet: 23 vessels
(as at 31 Jan 2015)



Offshore Towage

- Sold our interest in OMSA
- Towage customers Western Desert Resources (WDR) entered voluntary administration in September.
  No buyer yet → US$5.7m additional charges was booked

Harbour Towage

- Sold our harbour towage business to Smit Lamnalco → staff / crew transferred as integral part of the transaction and saves us significant vessel dockings costs in 2015

Outlook

- Remaining towage vessel net book value: US$41.5m – 13 offshore tugs and 6 barges
- Our remaining towage presence is mainly in Middle East
- Significantly downsized New Zealand and Australian offshore towage organisation (marketing remaining idle vessels for sale)
- Outlook remains challenging, worsened by the fall in oil prices → impacting oil & gas projects in Middle East

* Based on year-end exchange rates

2014 Annual Financial Highlights

US$m		2014	2013
Segment net (loss)/profit		**(45.9)**	36.0
▪ Treasury		**-**	(4.4)
▪ Discontinued Operations - RoRo		**(0.2)**	(0.5)
▪ Non direct G&A		**(9.4)**	(15.5)
Underlying (loss)/profit		**(55.5)**	15.6
▪ Sale of Harbour Towage and OMSA JV	Towage related including disposal	**(7.6)**	-
▪ Towage Exchange (loss)/gain		**(12.7)**	5.1
▪ Towage impairments and provisions		**(70.5)**	-
▪ Provision for onerous contracts		**(100.9)**	(0.7)
▪ Unrealised derivative (expenses)/income	Mainly bunker fuel	**(28.9)**	1.8
▪ RoRo exchange loss		**(5.0)**	(7.8)
▪ Other impairments and provisions		**(3.9)**	2.8
▪ Expenses on exercising 10 finance lease purchase options		**-**	(15.3)
(Loss)/Profit attributable to shareholders		**(285.0)**	1.5

- Segment and underlying results affected by both weak dry bulk and towage results
- Provision for dry bulk onerous contracts to align inward charters with TC market
- Non direct G&A reduced, total G&A to come down further in 2015

Pacific Basin Dry Bulk

Dry Bulk		1H14	2H14	2014	2013	Change
Handysize contribution	(US$m)	**26.2**	**2.3**	**28.5**	51.9	-45%
Handymax contribution	(US$m)	**(10.7)**	**(4.1)**	**(14.8)**	8.5	-274%
Post-Panamax contribution	(US$m)	**2.7**	**2.8**	**5.5**	5.7	-5%
Segment operating performance before overheads	(US$m)	**18.2**	**1.0**	**19.2**	66.1	-71%
Direct overhead	(US$m)	(24.7)	(24.5)	(49.2)	(40.0)	-23%
Segment net (loss)/profit	**(US$m)**	**(6.5)**	**(23.5)**	**(30.0)**	26.1	-215%
Segment EBITDA	(US$m)	**53.4**	**40.6**	**94.0**	115.0	-18%
Annualised return on net assets	(%)	**-2%**	**-9%**	**-6%**	5%	-11pts

- Segment results affected by weak second-half dry bulk market
- Direct overhead up due to full-year effect of increase headcount (linked to fleet expansion), but lower total G&A

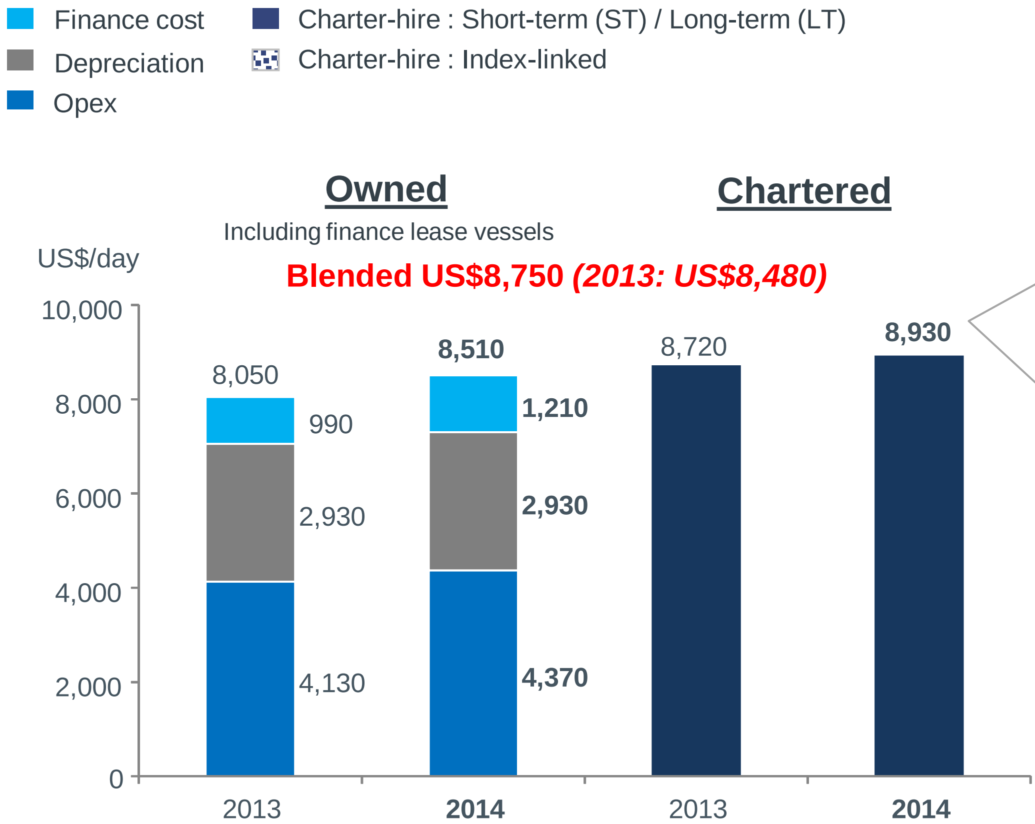
Pacific Basin Dry Bulk

Handysize		1H14	2H14	2014	2013	Change
Revenue days	(days)	**27,200**	**29,010**	**56,210**	52,550	+7%
TCE earnings	(US$/day)	**10,210**	**8,520**	**9,340**	9,520	-2%
Owned + chartered costs	(US$/day)	**9,120**	**8,400**	**8,750**	8,480	-3%
Handysize contribution	(US$m)	**26.2**	**2.3**	**28.5**	51.9	-45%
Handymax						
Revenue days	(days)	**11,640**	**10,770**	**22,410**	20,660	+8%
TCE earnings	(US$/day)	**11,100**	**9,770**	**10,460**	10,880	-4%
Owned + chartered costs	(US$/day)	**11,890**	**10,130**	**11,050**	10,440	-6%
Handymax contribution	(US$m)	**(10.7)**	**(4.1)**	**(14.8)**	8.5	-274%

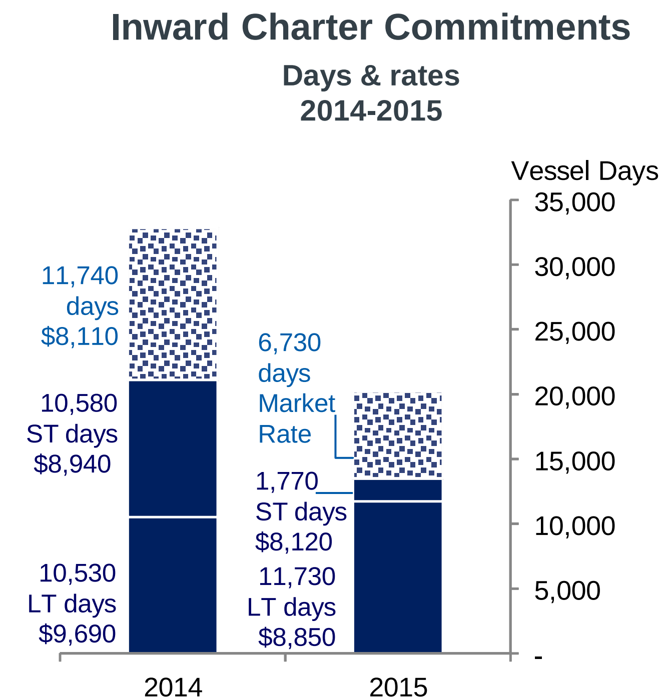
- Increased revenue days reflects new vessel deliveries:
  - Owned: 5 Handysize, 2 Handymax
  - Long-term inward charter: 4 Handysize, 2 Handymax
- Weak second half impacted both Handysize and Handymax
- Higher cost short-term Handymax charters of 2013 expired in 1H, benefiting results in 2H

Daily Vessel Costs – Handysize

As at 31 December 2014



Vessel Days	19,260	**23,880**	33,650	**32,850**
	36%	**42%**	64%	**58%**



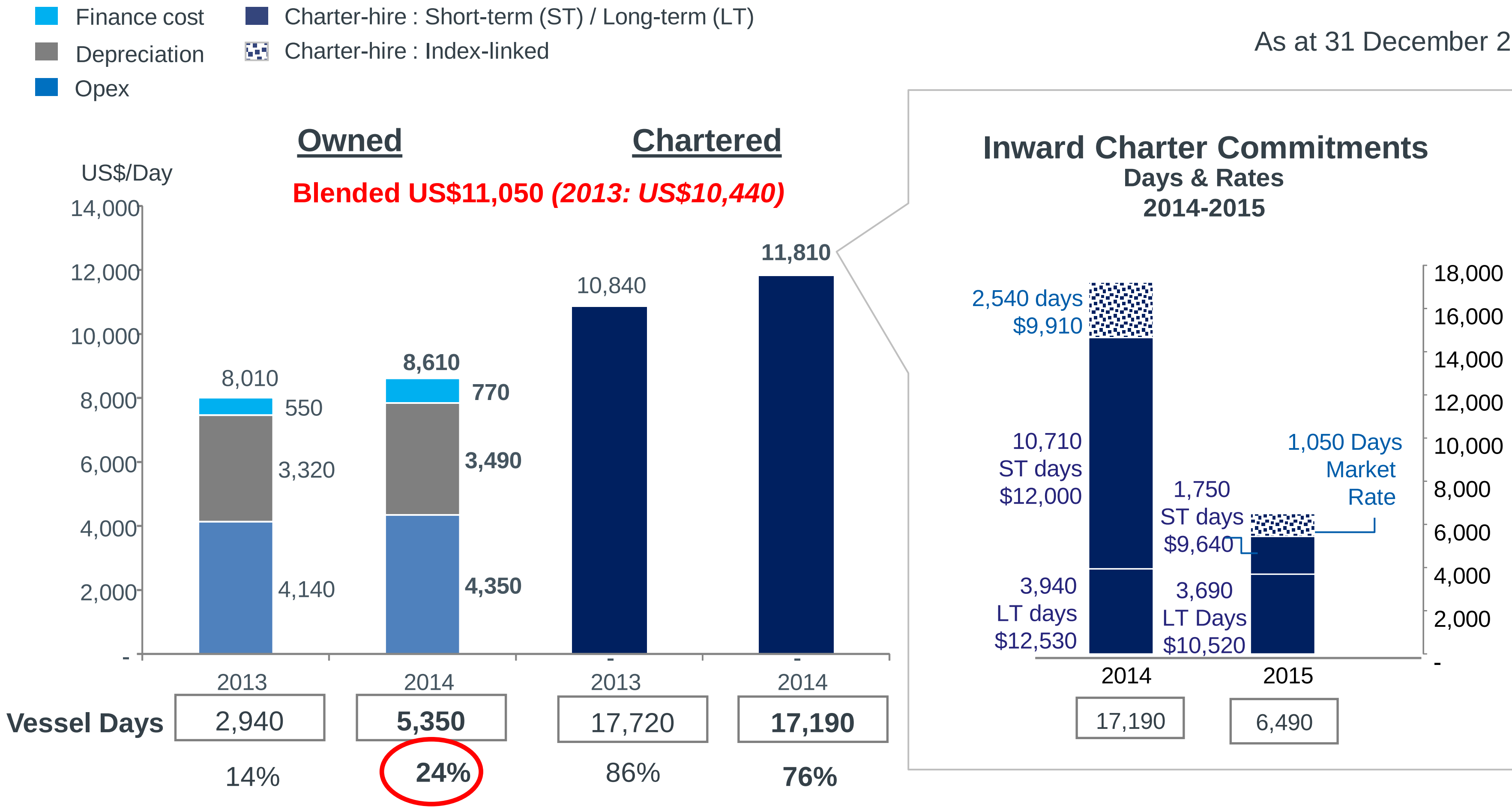
	2014	2015
Vessel Days	32,850	20,230

- In addition, direct overheads of US$620/day (2013: US$540/day)
- 2014 average owned and chartered daily cash cost: US$7,520 (2013: US$7,410) → 2015 indicative average daily cash cost: US$7,020*
- 2015 expected owned days: 24,970

** Based on using the same 2014 daily opex and fin costs and existing committed 13,500 chartered-in days*

Daily Vessel Costs – Handymax

As at 31 December 2014



- In addition, direct overheads of US$620/day (2013: US$540/day)
- Chartered in costs increased 9% mainly due to significantly higher short term chartered-in fixtures at the end of 2013
- 2014 average owned and chartered daily cash cost: US$10,220 (2013: US$9,970) → 2015 indicative average daily cash cost: US$8,440*
- 2015 expected owned days: 5,650

** Based on using the same 2014 daily opex and fin costs and existing committed 5,440 chartered-in days*

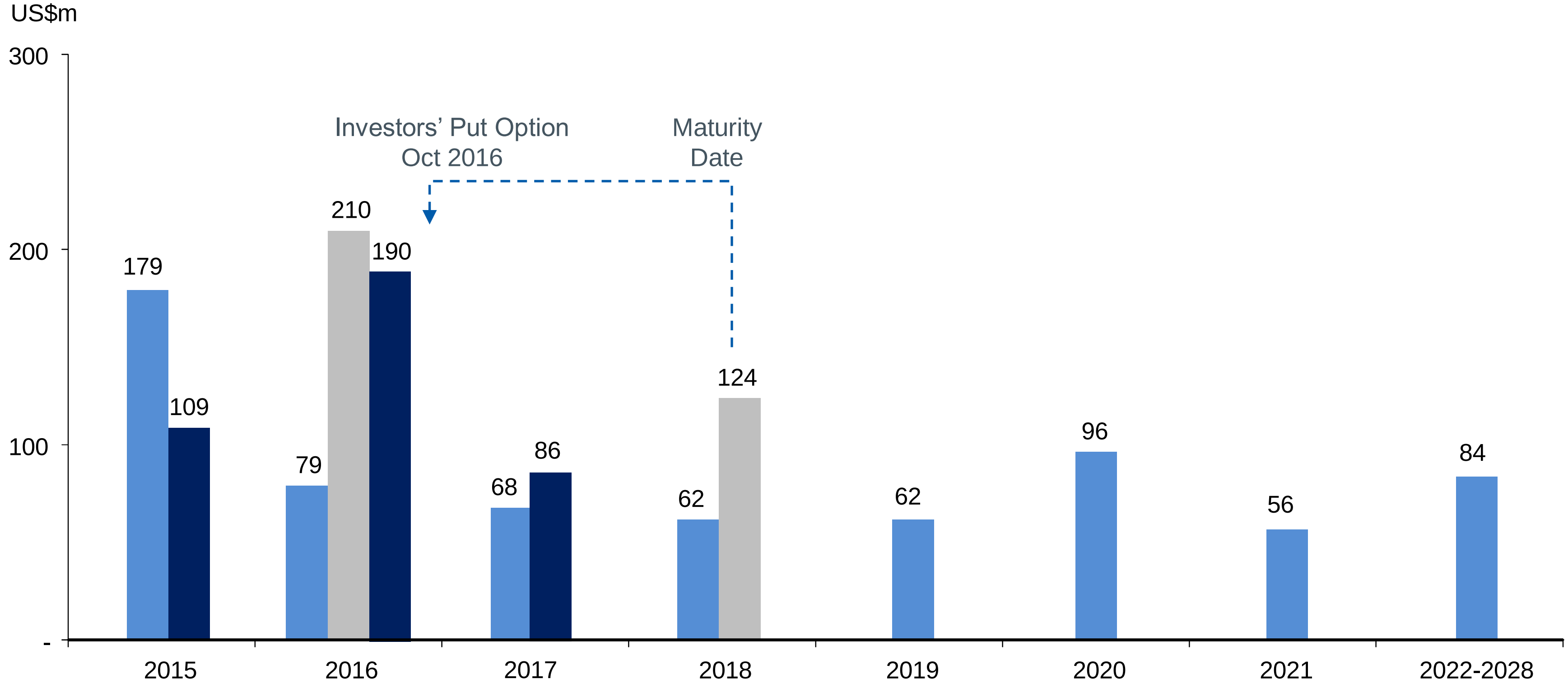
Balance Sheet

US$m	PB Dry Bulk	PB Towage	Treasury	31 Dec 14	31 Dec 13
Vessels & other fixed assets	1,539	42	-	**1,585**	1,622
Total assets	1,754	119	425	**2,308**	2,537
Total borrowings	1,000	-	-	**1,000**	1,037
Total liabilities	1,237	13	9	**1,306**	1,233
Net assets	517	106	416	**1,002**	1,304
Net borrowings after total cash of US$363m				**636**	551
Net borrowings to net book value of property, plant and equipment KPI				**40%**	34%

- Vessel average net book value: Handysize $16.1m, 8.9 years
  Handymax $23.7m, 5.9 years
- KPI: net gearing below 50%

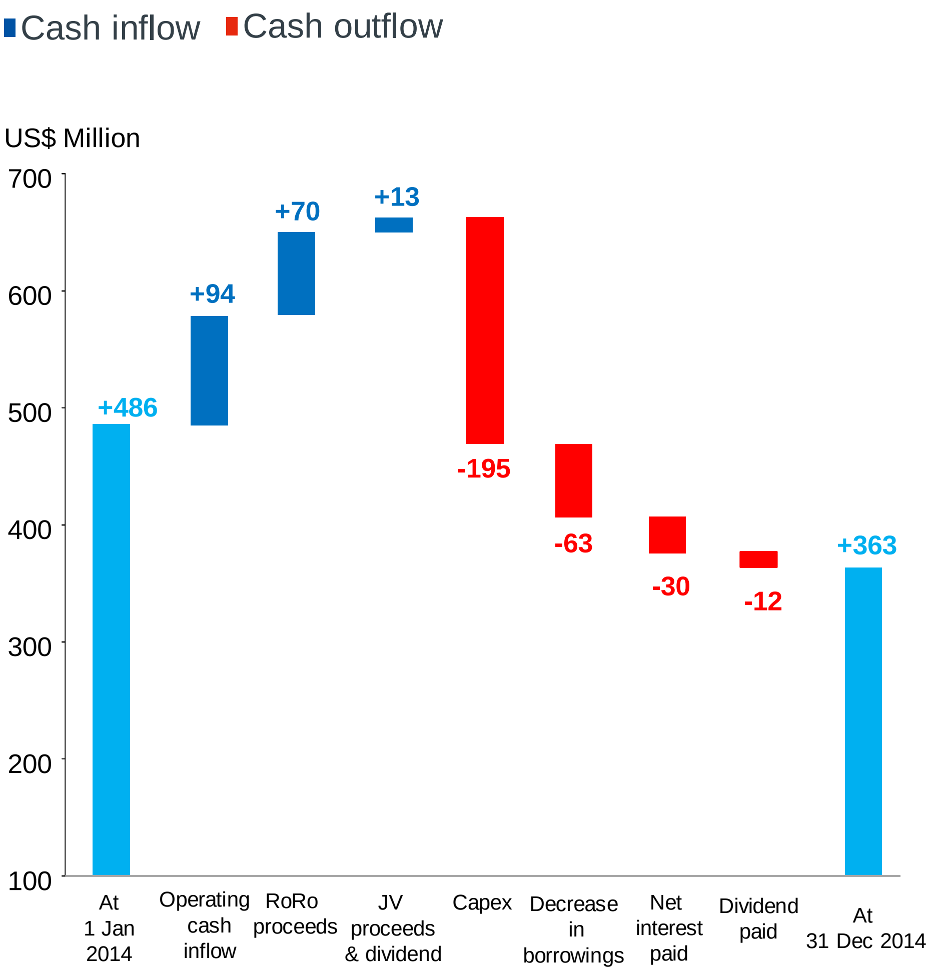
Note: Total includes other segments and unallocated

Borrowings and Capex



- Bank borrowings (US$668 million) & finance lease liabilities (US$18 million due 2015)
- Convertible bonds
  i) face value US$210 million, book value US$203 million, conversion price: HK$7.10, maturity April 2016
  ii) face value US$124 million, book value US$111 million, conversion price: HK$4.84, maturity October 2018, investor put option October 2016
- Vessel capital commitments (US$385 million)

Cash Flow –
2014 Sources and Uses of Group Cash Flow



Operating cash flow	**US$94m**
EBITDA	**US$82m**

2015 & 2016 cash flows	
US$179m borrowings due during 2015	Funded by: • US$122m new bank borrowings drawn in late 2014 • US$60m RoRo sale proceeds expected in 2015
US$109m of capex in 2015	• Draw down US$94m from US$350m Japanese ECA
US$190m of capex in 2016	• Draw down US$154m of Japanese ECA
US$210m Convertible Bond due 2016	Can be funded by: • New bank borrowing – being arranged in 2015 with unmortgaged dry bulk vessels • US$69m towage sale proceeds received in early 2015

Our Outlook and Strategy

Dry Bulk Outlook

- Poor start to 2015 - BDI fell to lowest since 1986, dysfunctional freight market in some regions
- Expect weak market to continue in 2015 – taking a cautious view on freight earnings outlook
- Reduced net fleet growth, but excessive dry bulk supply not yet fully absorbed
- Low fuel prices → faster ship speeds → potential additional increase in supply
- Demand growth continues to be threatened by softer growth outlook

Strategy

- Firmly focused on Handysize and Handymax segment ← will receive even more attention after towage business scales down
- Well placed to capitalise on improved trading condition when return
- Strive to deliver profitable contributions in weak market, safeguarding our continued strong cash position and EBITDA generation
- Currently neither buying nor taking long-term charter, but will consider pursuing opportunities difficult market will present

Pacific Basin

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

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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**
  - 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 tugs
- >250 vessels serving major industrial customers around the world
- Hong Kong headquarters, 13 offices worldwide, 340 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

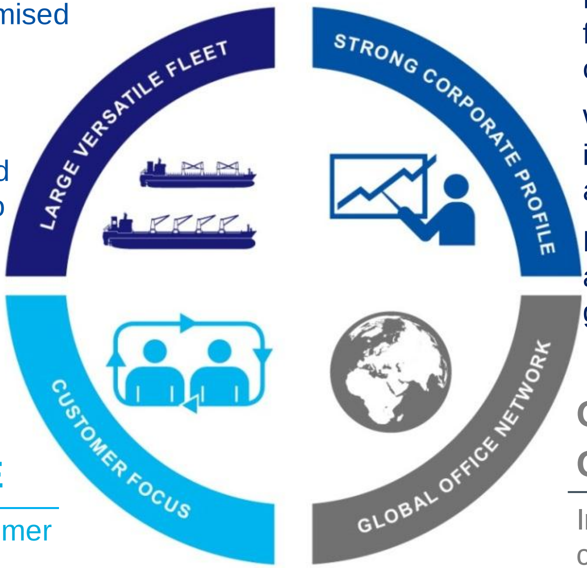
* As at Jan 2015

Appendix: Strategic Model

OUR LARGE VERSITILE 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

Pacific Basin

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

www.pacificbasin.com
CSR report

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 inve
- Risk management committee interaction with management and business units
- Integrated Reporting following International <IR> Framework of IIRC

www.pacificbasin.com
Corporate Governance

Pacific Basin

Appendix:
Pacific Basin Dry Bulk – Diversified Cargo

Pacific Basin Cargo Volume 2014

Energy

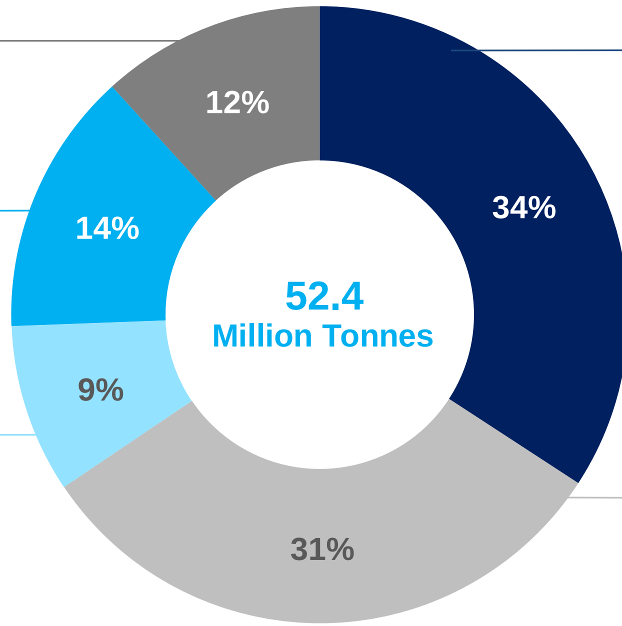
Coal	5%
Petcoke	6%
Wood Pellets	1%

Metals

Alumina	3%
Ores	5%
Concentrates & Other Metals	6%

Minerals

Salt	5%
Sand & Gypsum	3%
Soda Ash	1%



Agricultural Products and Related

Grains & Agriculture Products	20%
Fertiliser	11%
Sugar	3%

Construction Materials

Logs & Forest Products	15%
Steel & Scrap	9%
Cement & Cement Clinkers	7%

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

Appendix:
Fleet List – Jan 2015*

Pacific Basin Dry Bulk Fleet: 250

average age of core fleet: 7.3 years old

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered[1]	Newbuilding	
Handysize	64	12	93	12	181
Handymax	15	6	44	2	67
Post-Panamax	1	0	1	0	2
Total	80	18	138	14	250

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Fleet Details

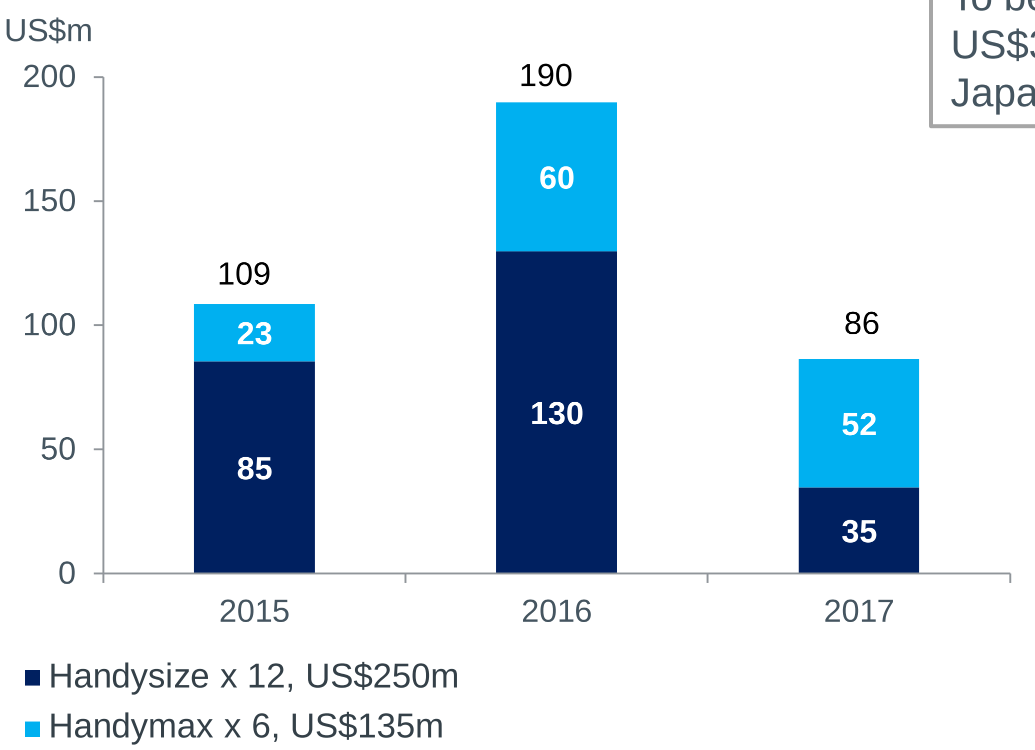
PB Towage : 23

	Owned		Chartered		Total
	Delivered	Newbuilding	Delivered	Newbuilding	
Tugs	13	0	2	0	15
Barges	6	0	0	0	6
Others	1	0	1	0	2
Total	20	0	3	0	23

* Excluding 2 RoRo ships
[1] Average number of vessels operated on 31 Jan 2015

Appendix: Vessels Commitments

Total US$385m



To be largely funded by US$350m committed Japanese export credit facility

Appendix:
Vessel Operating Lease Commitments

As at 31 December 2014

Commitments Excluding Index-linked Vessels

		Handysize			Handymax		
			Average daily rate			Average daily rate	
Year	Provision Write-back (US$m)	Vessel days	Before provision write-back (US$)	After provision write-back (US$)	Vessel days	Before provision write-back (US$)	After provision write-back (US$)
2015	21.3	13,500	9,670	8,760	5,440	11,880	10,230
2016	24.5	8,920	10,310	8,850	3,490	12,900	9,600
2017	20.0	8,470	10,310	9,060	2,920	12,950	9,730
2018	18.9	7,340	10,830	9,390	2,730	12,940	9,900
2019	16.2	6,620	10,970	9,520	2,190	12,950	9,940
2020+		11,710	10,950		2,640	12,810	
Total	100.9	56,560			19,410		
Aggregate operating lease commitments			US$590.2m			US$244.9m	

Pacific Basin

Appendix: Vessel Operating Lease Commitments

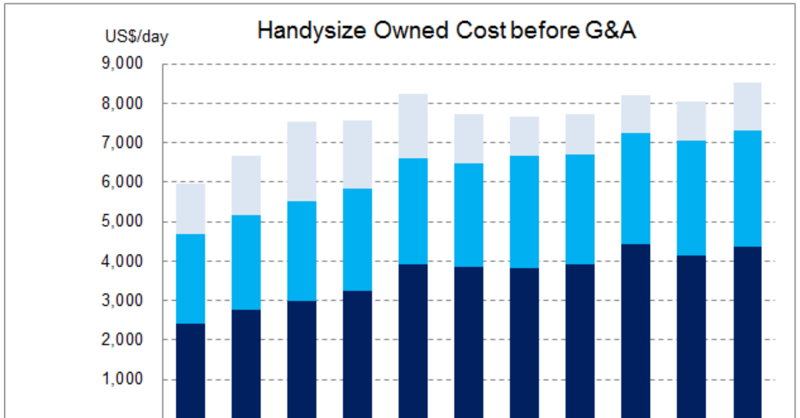
As at 31 December 2014

2015 Commitments Including Index-linked Vessels

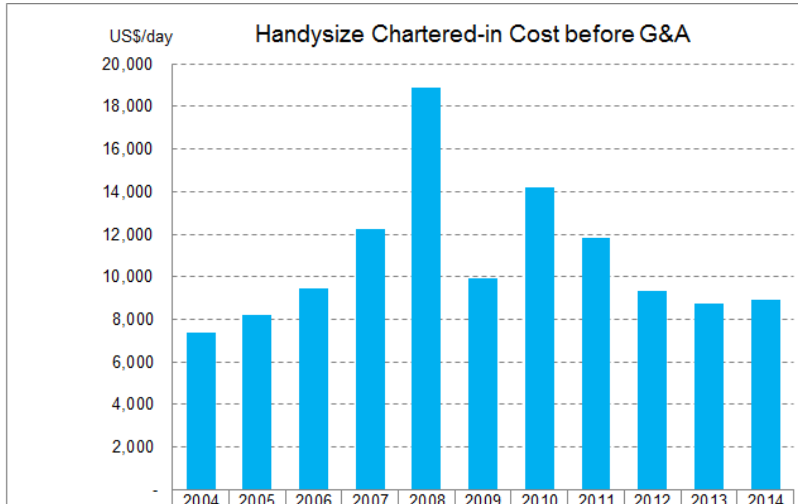
Our fixed, after provision, rate and variable rate index-linked lease commitments showing 2014 completed and 2015 outstanding lease periods can be analysed as follows:

	2014		1H2015		2H2015	
Handysize	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)
Long-term (> 1 year)	10,530	9,690	6,040	8,770	5,690	8,940
Short-term	10,580	8,940	1,770	8,120	–	–
Index-linked	11,740	8,110	4,200	Market rate	2,530	Market rate
Total	32,850	8,930	12,010		8,220	
Handymax						
Long-term (> 1 year)	3,940	12,530	1,850	10,340	1,840	10,710
Short-term	10,710	12,000	1,750	9,640	–	–
Index-linked	2,540	9,910	670	Market rate	380	Market rate
Total	17,190	11,810	4,270		2,220	

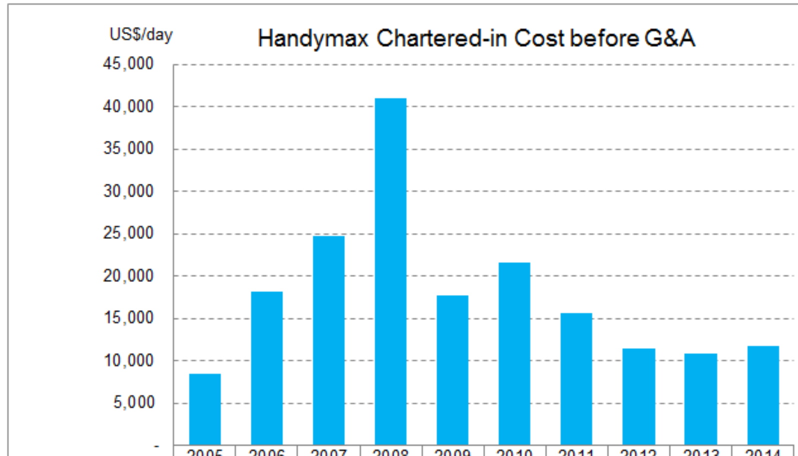
Appendix:
Historical Owned and Chartered-in Cost



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Finance Costs	1,270	1,500	2,000	1,720	1,660	1,260	990	1,000	960	990	1,210
Depreciations	2,260	2,420	2,530	2,590	2,670	2,630	2,830	2,810	2,800	2,930	2,930
Opex	2,420	2,750	2,990	3,250	3,920	3,840	3,830	3,900	4,440	4,130	4,370



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Chartered	7,370	8,190	9,470	12,230	18,890	9,900	14,200	11,810	9,340	8,720	8,930

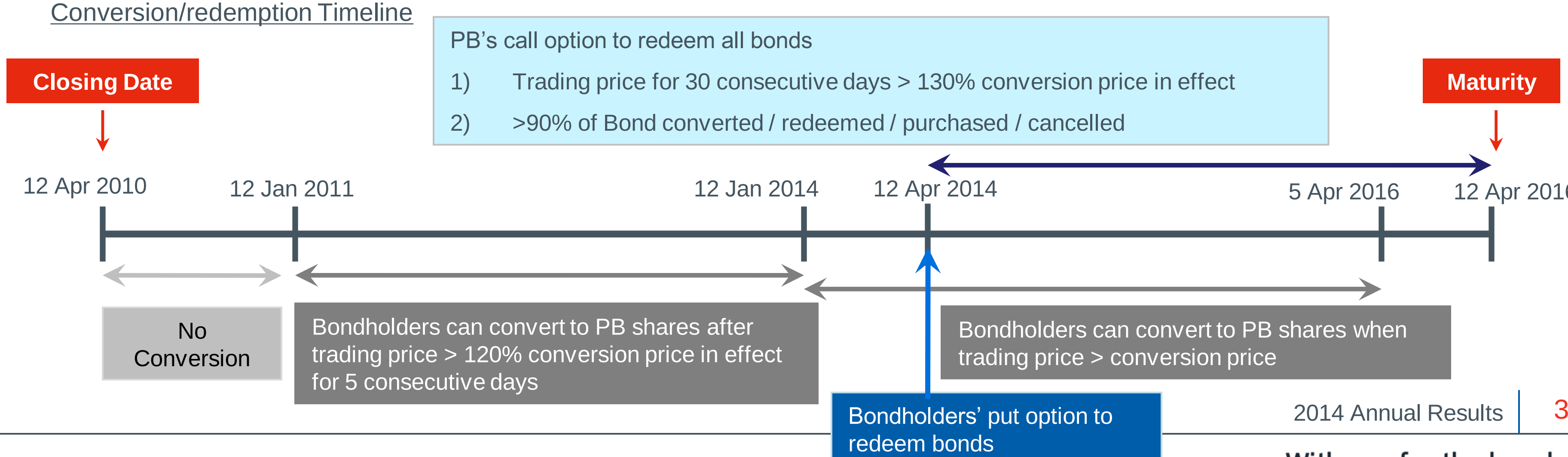


	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Chartered	8,540	18,170	24,750	41,060	17,690	21,580	15,590	11,430	10,840	11,810

Appendix: Convertible Bonds Due 2016

Issue size	US$230 million (US$20.5m face value put back and repaid on 14 April 2014; Remaining: US$210m)
Maturity Date	12 April 2016 (6 years)
Investor Put Date and Price	12 April 2014 (4 years) at par
Coupon	1.75% p.a. payable semi-annually in arrears on 12 April and 12 October
Redemption Price	100%
Initial Conversion Price	HK$7.98 (Current conversion price: HK$ 7.1 with effect from 23 April 2014)
Conversion Condition	Before 11 Jan 2011: No Conversion is allowed 12 Jan 2011 – 11 Jan 2014: Share price for 5 consecutive days > 120% conversion price 12 Jan 2014 – 5 Apr 2016: Share price > conversion price
Intended Use of Proceeds	To purchase the 3.3% Existing Convertible Bonds due 2013, then redeem the 2013 Convertible Bonds (now all redeemed & cancelled)
Conditions	▪ Shareholders' approval at SGM to approve the issue of the New Convertible Bonds and the specific mandate to issue associated shares. ▪ 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

Conversion/redemption Timeline



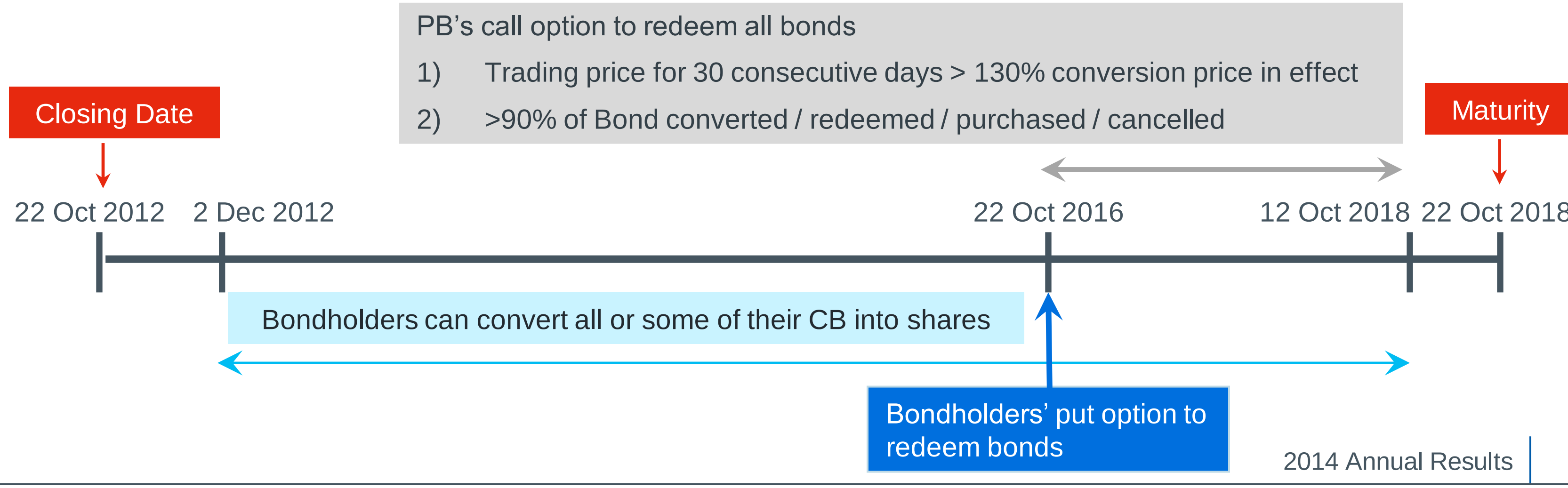
With you for the long haul

Appendix: Convertible Bonds Due 2018

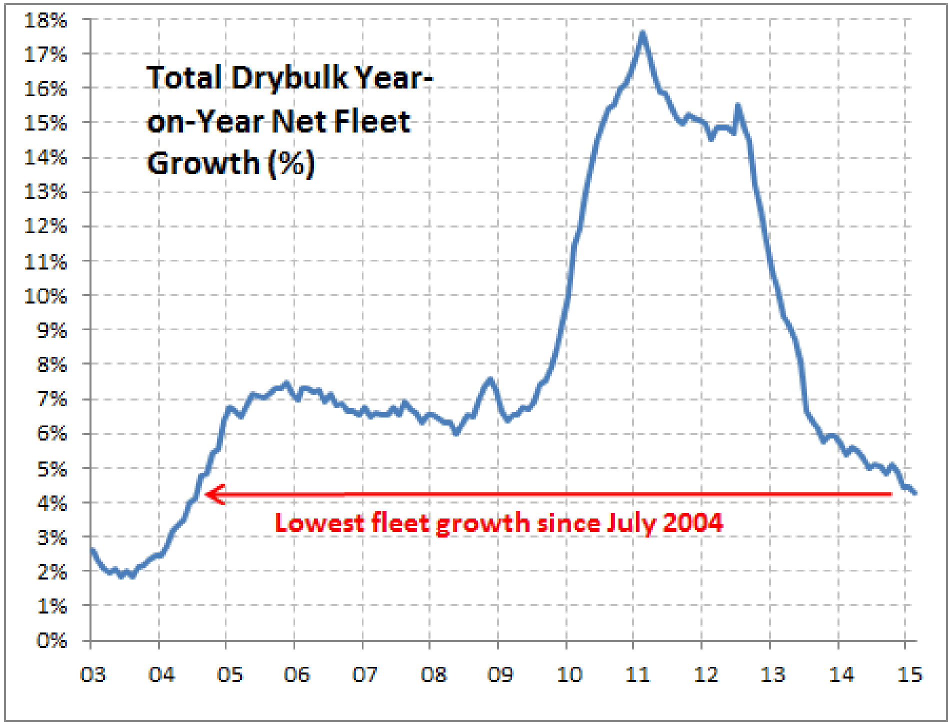
Pacific Basin

Issue size	US$123.8 million
Maturity Date	22 October 2018 (6 years)
Investor Put Date and Price	22 October 2016 (4 years) at par
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

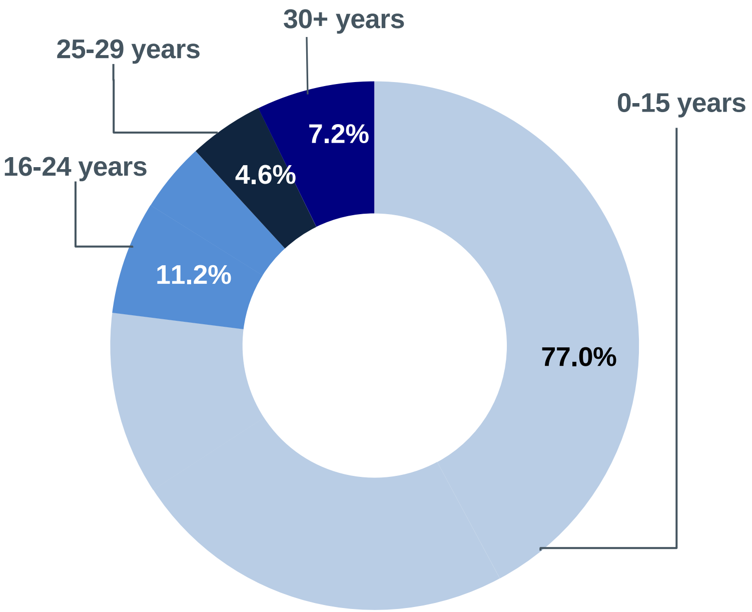
Conversion/redemption Timeline



Appendix:
Dry Bulk Fleet Profile



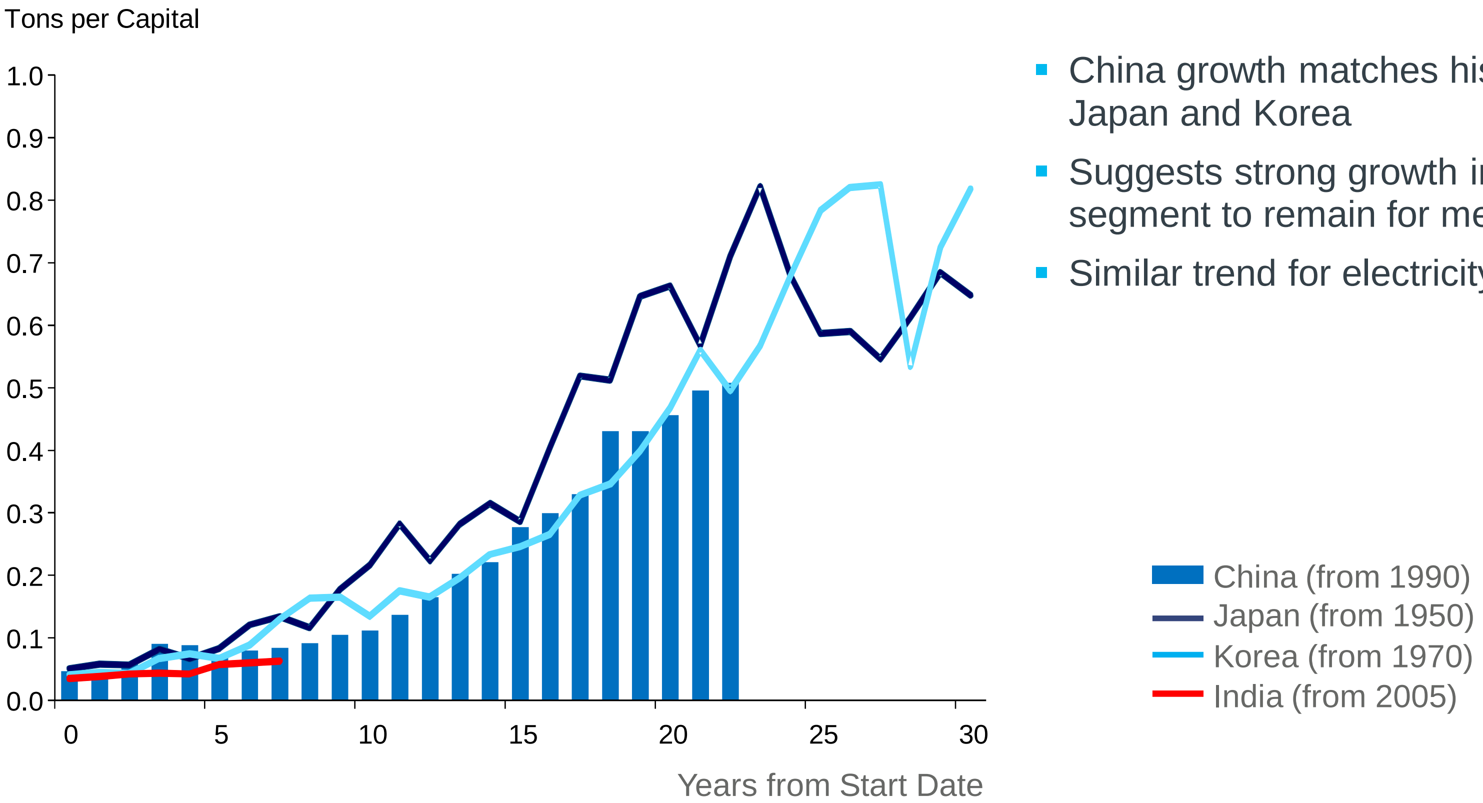
Age Profile of Handysize Vessel (25,000-39,999 Dwt)
2,256 vessels (73.4mil dwt)



Source: Clarksons, as at 1 Feb 2015

Appendix:
China at late-Industrialisation Stage

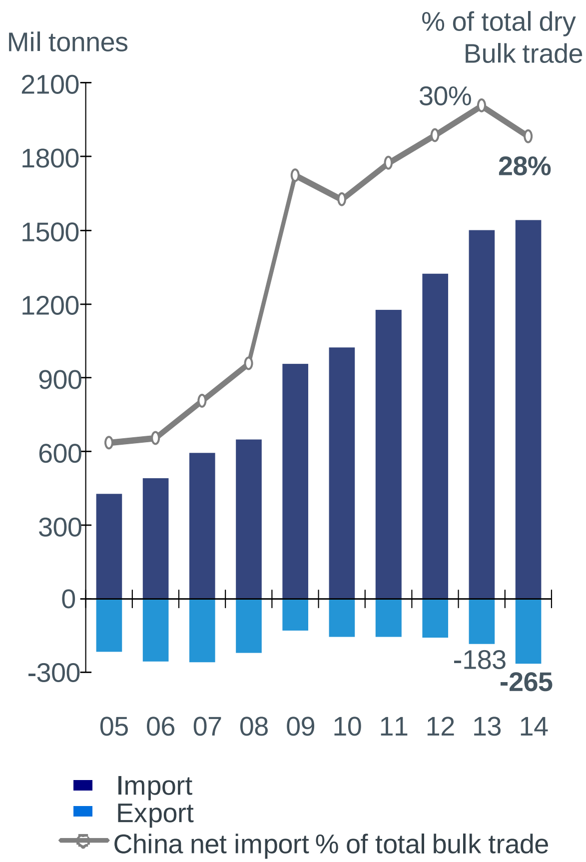
Steel Consumption Per Capita



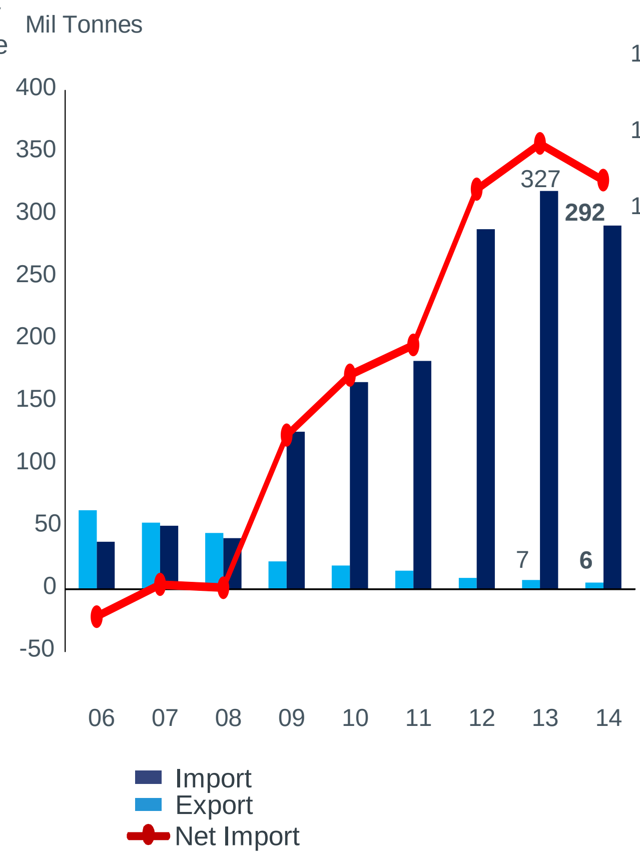
- China growth matches historical trend in Japan and Korea
- Suggests strong growth in dry bulk segment to remain for medium term
- Similar trend for electricity and cement

Appendix:
China Dry Bulk Trade, Iron Ore & Coal Demand

Chinese Dry Bulk Trade Volume



China is a significant net importer of coal



China Iron Ore Sourcing for Steel Production

Source: Clarksons, Bloomberg