## 2017 First Quarter Trading Update

As at 31 March 2017

<table>
<thead>
<tr>
<th></th>
<th>Handysize</th>
<th>Supramax</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$/day</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1Q PB TCE per day</td>
<td>$7,460</td>
<td>$8,030</td>
</tr>
<tr>
<td>Market Index Rate</td>
<td>$6,300</td>
<td>$7,760</td>
</tr>
<tr>
<td>PB Outperformance YTD</td>
<td>18%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

|                      |           |          |
| 2Q - 4Q PB Cover Rate| $8,520    | $10,090  |
| % Cover for Remaining Contracted Days | 37% of 29,520 days | 65% of 11,210 days |

1 Excluding short-term days: Handysize daily TCE US$7,570; Supramax daily TCE US$8,950, representing 20% and 15% outperformance of BHSI and BSI

- Owned Fleet will increase to 100 ships
  - Took delivery of 6 newbuildings, 1 remaining newbuilding will join in 2Q
  - Took delivery of 1 secondhand Supramax and sold 1 older, smaller Supramax
  - Purchased a 7-year old Handysize vessel
  - Continue to look for opportunities to purchase quality vessels and access attractive fleet renewal opportunities
- Established new commercial office in Rio to grow our cargo volumes in east coast South America
Earnings Cover in 2017

Contracted Revenue Days

**Handysize**
- 2016: 38,220 Days
- 2017: 41,900 Days
- 1Q 2016: 11,950 days, $8,600
- 1Q 2017: 12,380 days, $8,520
- FY17: 29,520 days, $7,950

**Supramax**
- 2016: 15,530 Days
- 2017: 19,500 Days
- 1Q 2016: 6,740 days, $8,200
- 1Q 2017: 8,290 days, $8,030
- FY17: 11,210 days, $10,090

Currency in US$, data as at 31 Mar 2017
*2016 data as announced at April 2016
Market Freight Rates Development

Baltic Handysize Index (BHSI)

US$/day net*

31 Mar 2017: $7,510

$8,080

$3,760

Significant difference in development since Sep 2016

Typical seasonal decline in early 2017 but rates bottomed out well above historic low levels of one year ago and recovered following CNY

* excluded 5% commission

Source: Baltic Exchange, data as at 31 March 2017
**Freight Market Improves From Very Low Base**

Market conditions improved after seasonal dip around CNY
- Pacific rates reached their highest in over two years by end 1Q:
  - Driven by increased Chinese economic and industrial activity
  - Minor bulk imports increased around 24% YOY in Jan-Feb17
  - US agricultural bulk exports grew 21% YOY in Jan-Feb17

*excluded 5% commission

*Source: Baltic Exchange, data as at 31 Mar 2017*
### Global Dry Bulk Seaborne Trade Growth in FY 2016

<table>
<thead>
<tr>
<th>(Volume)</th>
<th>YOY Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Million Tonnes</td>
<td></td>
</tr>
<tr>
<td>Iron Ore</td>
<td>4%</td>
</tr>
<tr>
<td>Coal</td>
<td>0%</td>
</tr>
<tr>
<td>Sub major bulk total</td>
<td>2.0%</td>
</tr>
<tr>
<td>Copper Concentrates</td>
<td>12%</td>
</tr>
<tr>
<td>Sugar</td>
<td>11%</td>
</tr>
<tr>
<td>Cement</td>
<td>6%</td>
</tr>
<tr>
<td>Soybean</td>
<td>4%</td>
</tr>
<tr>
<td>Wheat / Grains</td>
<td>4%</td>
</tr>
<tr>
<td>Forest Products</td>
<td>4%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
<tr>
<td>Agribulks</td>
<td>0%</td>
</tr>
<tr>
<td>Steel Products</td>
<td>-1%</td>
</tr>
<tr>
<td>Scrap Steel</td>
<td>-2%</td>
</tr>
<tr>
<td>Fertiliser</td>
<td>-3%</td>
</tr>
<tr>
<td>Manganese Ore</td>
<td>-4%</td>
</tr>
<tr>
<td>Nickel Ore</td>
<td>-7%</td>
</tr>
<tr>
<td>Bauxite / Alumina</td>
<td>-8%</td>
</tr>
<tr>
<td>PB focus cargoes total*</td>
<td>0.5%</td>
</tr>
<tr>
<td>2016 Total Dry Bulk</td>
<td>1.2%</td>
</tr>
</tbody>
</table>

2016:
- Dry bulk volume growth: 1.2%
- Dry bulk effective demand: 2.0%
- Soybean and wheat/grain trade volumes both grew 4%
- Chinese iron ore & coal imports increased
- Minor bulk is not minor – minor bulks & grain comprises 48% of total dry bulk demand

*Minor bulk trade: 1,851mil tonnes

Source: Clarksons Platou, as at 20 Feb 2017
Secondhand Vessel Values Recovering

Handysize Vessel Values

- Improved freight market conditions supported increased vessel values
- Sale and purchase activity has increased
- Gap between newbuilding and secondhand prices discouraged new ship ordering

Source: Clarksons Platou, as at 31 Mar 2017
Dry Bulk Supply & Demand

Supply:
- 1Q17 net fleet growth: 1.5%
- Positive factors:
  - Fewer ships delivering in 2017-18
  - Higher oil prices reduces sensitivity of ship operating speeds to increasing freight rates
  - Ballast water management convention will encourage scrapping older ships & poor performers

Demand:
- FY2016 overall effective demand grew about 2.0% after contraction in 2015
- Jan-Feb17 YOY:
  - Chinese minor bulk imports increased around 24%
  - US agricultural bulk exports grew 21%

Source: Clarksons Platou, Pacific Basin
Self Correcting Supply Factors

New Vessel Ordering is Down

Total ordering vs existing fleet

Fleet Growth Remains Moderate

Net Fleet Growth

New Deliveries Partly Offset by Scrapping

- Negligible new ship ordering
- In 1Q17:
  - Continued orderbook delivery shortfall:
    - 61% Handysize; 46% overall dry bulk
  - 2.1% new deliveries slightly offset by 0.6% scrapping (1.5% net fleet growth)

Source: Clarksons Platou
Dry Bulk Supply

**Handysize Orderbook**
217 vessels (8.0 million dwt)

<table>
<thead>
<tr>
<th>Orderbook</th>
<th>Existing</th>
<th>Average</th>
<th>Over 20</th>
<th>1Q17 Scrapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>1Q17</td>
<td>10%</td>
<td>9</td>
<td>10%</td>
<td>0.5%</td>
</tr>
<tr>
<td>2017</td>
<td>4.2%</td>
<td>61%</td>
<td>1.6%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2.3%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019+</td>
<td>1.0%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total Dry Bulk Orderbook**
745 vessels (66.9 million dwt)

<table>
<thead>
<tr>
<th>Orderbook</th>
<th>Existing</th>
<th>Average</th>
<th>Over 20</th>
<th>1Q17 Scrapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handysize</td>
<td>10%</td>
<td>9</td>
<td>10%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Handymax</td>
<td>8%</td>
<td>8</td>
<td>8%</td>
<td>0.9%</td>
</tr>
<tr>
<td>Panamax</td>
<td>6%</td>
<td>8</td>
<td>6%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Capesize</td>
<td>11%</td>
<td>8</td>
<td>7%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

Source: Clarksons Platou, as at 1 April 2017
2016 Daily Vessel Costs – Handysize

- Charter-hire costs significantly reduced
- Overheads reduced to US$660/day (2015: US$710/day) - includes all direct & indirect costs
- Reduction of vessel operating expenses (Opex)

* Chartered rates are shown net of provision
2016 Daily Vessel Costs – Supramax

As at 31 December 2016

Owned
Chartered
Blended US$6,830 (2015: US$8,190)

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

- Charter-hire costs significantly reduced
- Overheads reduced to US$660/day (2015: US$710/day) - includes all direct & indirect costs

*Chartered rates are shown net of provision
Our Ability to Outperform

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

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

Average premium last 5 years:

- Handysize TCE: **US$2,010/day**
- Supramax TCE: **US$1,340/day**
Cash Flow in 2016

As at 31 December 2016

<table>
<thead>
<tr>
<th>Operating cash flow</th>
<th>US$49.5m</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDA</td>
<td>US$22.8m</td>
</tr>
</tbody>
</table>

Borrowings decreased by US$94m due to:
- 2016CB repayment of US$106m
- 2018CB repayment of US$124m
- Net repayment of US$70m of secured borrowings
- Drew down US$205m of new secured borrowings
Borrowings and Capex

Schedule of Repayments and Vessel Capital Commitments

As at 31 December 2016

- Secured borrowings (US$723.8 million)
- Convertible bonds (face value US$125 million, book value US$115.4 million, maturity July 2021)
- Vessel capital commitments (US$119.1 million)

- US$158 million of undrawn committed borrowing including:
  - US$140 million of Japanese export credit facilities
  - US$18 million of other secured borrowings
### 2016 Balance Sheet

<table>
<thead>
<tr>
<th>US$m</th>
<th>31 Dec 16</th>
<th>31 Dec 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels &amp; other fixed assets</td>
<td>1,653</td>
<td>1,611</td>
</tr>
<tr>
<td>Total assets</td>
<td>2,107</td>
<td>2,146</td>
</tr>
<tr>
<td>Total borrowings</td>
<td>839</td>
<td>926</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>1,066</td>
<td>1,175</td>
</tr>
<tr>
<td>Net assets</td>
<td>1,041</td>
<td>971</td>
</tr>
<tr>
<td>Net borrowings (total cash: US$269m)</td>
<td>570</td>
<td>568</td>
</tr>
<tr>
<td>Net borrowings to net book value of property, plant and equipment</td>
<td>34%</td>
<td>35%</td>
</tr>
</tbody>
</table>

- Vessel average net book value: Handysize $15.8m (9.0 years); Supramax $22.0m (6.6 years)
- KPI: maintain net gearing below 50%
- Group in compliance with all loan covenants
Our Outlook and Strategy

Dry Bulk Outlook
- Demand is growing for agricultural products & construction material, our two largest cargo groups
- Infrastructure investment spending from China and US bodes well for dry bulk shipping
- Increasing fuel prices are positive for freight market, discouraging shipowners from increasing vessel speeds when freight rates increase
- Past the worst, but more patience, scrapping & lack of ordering is required
- We expect continued uncertain markets in 2017
  - Orderbook is shrinking but oversupply lingers and the fleet is still growing
  - Risk of new ordering, potential for increased ship operating speeds…

Strategy
- Make the most of our robust business model, experienced staff, quality fleet & strong balance sheet – enhanced by positive actions taken to stay strong, lean and competitive
- Continue to conduct our business efficiently and safely while combining ships and cargoes to maximise our margins
- Well positioned for continued challenging market conditions and recovery
Effective from 4 May 2017, our headquarters will be at the following new address:

31/F One Island South,  
2 Heung Yip Road,  
Wong Chuk Hang  
Hong Kong

All other contact details will remain unchanged.
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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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: Pacific Basin Overview

- A leading dry bulk owner/operator of Handysize & Supramax dry bulk ships
- Cargo system business model – outperforming market rates
- About 200 dry bulk ships on the water serving major industrial customers around the world
- Hong Kong headquarters, 12 offices worldwide, 330 shore-based staff, 3,000 seafarers*
- Our vision: To be a shipping industry leader and the partner of choice for customers, staff, shareholders and other stakeholders

OUR MARKET SHARE

**Handysize**

- (<20 years old)
- We operate approximately 6% of global 25,400,000 dwt Handysize ships of less than 20 years old
- Source: Pacific Basin, Clarksons Platou

**Supramax**

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

* As at Jan 2017
1Q17 Trading Update

- Record low dry bulk market conditions significantly undermined our results in 2016
- Net loss of US$87m
- Our Handysize daily TCE earnings outperformed market index by 34%
- Our G&A and Handysize operating costs further reduced to US$52.9m and <US$4,000/day respectively
- Positive US$50m operating cash flow and US$23m EBITDA
- Rights Issue of new shares raised US$143m net & repaid US$230m Convertible Bonds
- US$158m of undrawn committed loan facilities at year end exceeding US$119m of dry bulk capex
- Sale of towage and other non-core assets generated US$22m cash and our exit from towage is substantially complete
- Well positioned for recovery in dry bulk market

Appendix: 2016 Annual Results – Highlights

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Cash Flow</td>
<td>US$50m</td>
<td>US$99m</td>
</tr>
<tr>
<td>EBITDA</td>
<td>US$23m</td>
<td>US$93m</td>
</tr>
<tr>
<td>Cash Position</td>
<td>US$269m</td>
<td>US$358m</td>
</tr>
<tr>
<td>Net Gearing</td>
<td>34%</td>
<td>35%</td>
</tr>
</tbody>
</table>

- Record low dry bulk market conditions significantly undermined our results in 2016
- Net loss of US$87m
- Our Handysize daily TCE earnings outperformed market index by 34%
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- Well positioned for recovery in dry bulk market
Appendix: Strategic Model

MARKET-LEADING CUSTOMER FOCUS & SERVICE
Priority to build and sustain long-term customer relationships
Solution-driven approach ensures accessibility, responsiveness and flexibility towards customers
Close partnership with customers generates enhanced access to spot cargoes and long-term cargo contract opportunities of mutual benefit

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
# Appendix: Understanding Our Core Market

## The Dry Bulk Sector

Bulk Carriers for dry bulk commodities

<table>
<thead>
<tr>
<th>Bulk Carrier Ship Types</th>
<th>Percentage of Global Dry Bulk Capacity</th>
<th>Versatility</th>
<th>Main Commodities Carried</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Minor bulks with cranes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Handysize</td>
<td>25,000-39,999 dwt</td>
<td>10%</td>
<td>Less Versatile</td>
</tr>
<tr>
<td>Handymax (incl. Supramax)</td>
<td>40,000-84,999 dwt</td>
<td>24%</td>
<td>More Versatile</td>
</tr>
<tr>
<td><strong>Major bulks without cranes</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Panamax &amp; Post-Panamax</td>
<td>65,000-119,999 dwt</td>
<td>27%</td>
<td>Less Versatile</td>
</tr>
<tr>
<td>Capesize</td>
<td>120,000+ dwt</td>
<td>39%</td>
<td>More Versatile</td>
</tr>
</tbody>
</table>

Other Mainstream Shipping Sectors

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

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

Many ports, many customers, many cargo types, high scope for triangulation
Appendix: 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
Appendix: Pacific Basin Dry Bulk – Diversified Cargo

Our Dry Bulk Cargo Volumes (1Jan17 - 28Mar2017)

- 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: 2016 Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dry Bulk</strong></td>
<td>(87.6)</td>
<td>(34.7)</td>
</tr>
<tr>
<td><strong>Towage &amp; Others</strong></td>
<td>(0.1)</td>
<td>6.9</td>
</tr>
<tr>
<td><strong>Underlying loss</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Unrealised derivative income</td>
<td>23.6</td>
<td>8.8</td>
</tr>
<tr>
<td>• Sale of properties</td>
<td>1.7</td>
<td>-</td>
</tr>
<tr>
<td>• Vessel impairments</td>
<td>(15.2)</td>
<td>-</td>
</tr>
<tr>
<td>• Sale of towage assets</td>
<td>(4.9)</td>
<td>2.8</td>
</tr>
<tr>
<td>• Towage exchange charge</td>
<td>(2.8)</td>
<td>(1.5)</td>
</tr>
<tr>
<td>• Other impairments</td>
<td>(1.2)</td>
<td>(0.8)</td>
</tr>
<tr>
<td><strong>Loss attributable to shareholders</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(86.5)</td>
<td>(18.5)</td>
</tr>
</tbody>
</table>

- **Underlying loss**
  - US$23.6m unrealised derivative accounting gain mainly from completed prior year bunker swap contracts
  - US$15.2 impairment charge related to:
    - US$8m remaining towage vessels
    - One Supramax vessel sold after the year end
### Appendix: 2016 Pacific Basin Dry Bulk

#### Handysize

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days</td>
<td>(days)</td>
<td>47,590</td>
<td>51,600</td>
</tr>
<tr>
<td>TCE earnings</td>
<td>(US$/day)</td>
<td>6,630</td>
<td>7,870</td>
</tr>
<tr>
<td>Owned + chartered costs</td>
<td>(US$/day)</td>
<td>7,320</td>
<td>7,930</td>
</tr>
</tbody>
</table>

Handysize contribution (US$m) | (37.1) | (8.4) | >-100%

#### Supramax

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue days</td>
<td>(days)</td>
<td>29,590</td>
<td>23,300</td>
</tr>
<tr>
<td>TCE earnings</td>
<td>(US$/day)</td>
<td>6,740</td>
<td>9,170</td>
</tr>
<tr>
<td>Owned + chartered costs</td>
<td>(US$/day)</td>
<td>6,830</td>
<td>8,190</td>
</tr>
</tbody>
</table>

Supramax contribution (US$m) | (3.3) | 22.6  | >-100%

- Weak market condition impacted both our Handysize and Supramax TCE.
- Supramax generated a smaller loss, benefitting from the larger proportion of short-term inward chartered ships in the weak market.
- Excluding short-term days:
  - Handysize daily TCE US$6,720 on 41,220 days
  - Supramax daily TCE US$7,940 on 14,230 days
Appendix: China Major and Minor Bulk Trade

China Coal Trade

- Import
- Export
- Net Import

2017 Chinese Minor Bulk Imports

- Increased 24% YOY

China Iron Ore Sourcing for Steel Production

- Import
- Domestic
- Total requirement for steel production

China Steel Export

Source: Bloomberg, Clarksons Platou
# Appendix:
## Fleet List – 31 Mar 2017*

Pacific Basin Dry Bulk Fleet: 253  
Average age of core fleet: 7.3 years old

<table>
<thead>
<tr>
<th></th>
<th>Owned</th>
<th></th>
<th>Chartered</th>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Delivered</td>
<td>Newbuilding</td>
<td>Delivered*</td>
<td>Newbuilding</td>
<td></td>
</tr>
<tr>
<td>Handysize</td>
<td>78</td>
<td>-</td>
<td>72</td>
<td>3</td>
<td>153</td>
</tr>
<tr>
<td>Supramax</td>
<td>20</td>
<td>1</td>
<td>77</td>
<td>-</td>
<td>98</td>
</tr>
<tr>
<td>Post-Panamax</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>99</strong></td>
<td><strong>1</strong></td>
<td><strong>150</strong></td>
<td><strong>3</strong></td>
<td><strong>253</strong></td>
</tr>
</tbody>
</table>

*Average number of vessels operated in March 2017
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>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue size</td>
<td>US$125 million</td>
</tr>
<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

- **Maturity**
  - 3 Jul 2019
  - 23 Jun 2021
  - 3 Jul 2021

- **Bondholders can convert all or some of their CB into shares**

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