Pacific Basin Shipping Limited

(*incorporated in Bermuda with limited liability*)
(Stock Code: 2343)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The Board of Directors (the "Board") of Pacific Basin Shipping Limited ("Pacific Basin" or the "Company") are pleased to announce the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2013 as follows:

RESULTS HIGHLIGHTS

Respectable dry bulk performance in a weak market, and a pivotal year of investment for growth and value creation to position for cyclical recovery

GROUP

- Respectable results in a weak market were affected by:
  - valuable business model enabling 22% outperformance of the Handysize market
  - good control over our vessel costs
  - weakest half-year dry bulk market since 1986
  - stronger and volatile market in the second half
  - significantly reduced contribution from PB Towage in the second half
  - one-off finance lease break costs
- Balance sheet net gearing of 34% with cash and deposits of US$486 million
- Dry bulk vessel commitments of US$525 million

	Year Ended 31 December	
US$ million	**2013**	2012
Revenue*	**1,708.8**	1,443.1
Underlying Profit	**15.6**	47.8
EBITDA (excluding impairments)*	**130.4**	145.1
Profit/(Loss) Attributable to Shareholders	**1.5**	(158.5)
Basic Earnings per share (HK cents)	**0.6**	(64)
Proposed Final and Full Year Dividend per share (HK cents)	**5**	5

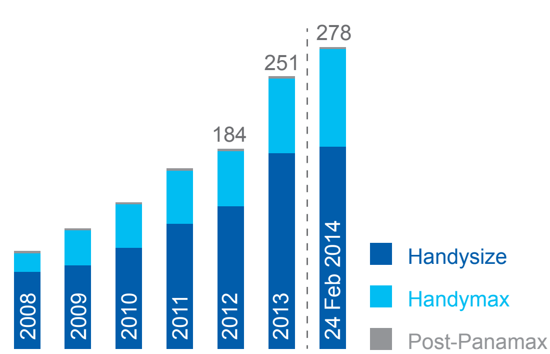
* *relates to continuing operations*

FLEET

- Purchased 43 dry bulk vessels in 2013 for a committed price of US$800 million, and long-term chartered another 18 vessels
- Owned fleet on the water grew from 37 to 73 dry bulk ships during 2013
- Our fleet currently numbers 334 vessels (including newbuildings) comprising 278 dry bulk ships, 52 towage vessels and 4 RoRos
- Covered 53% of our contracted 36,750 Handysize revenue days in 2014 at US$10,090 per day net
- Current commitments for a further 24 ships
- Secondhand Handysize values have increased 35% year on year

Our Dry Bulk Fleet Development

No. of Vessels at Year End (incl. Newbuildings)



OUTLOOK

- Cyclical upturn has started – dry bulk market is expected to be stronger and volatile in 2014
- We remain selectively open to appropriately priced ship acquisitions to further position ourselves for a stronger market
- Towage outlook has become more challenging as offshore towage contracts wind down, but underlying harbour towage demand drivers remain positive

CHAIRMAN'S STATEMENT

Dry bulk shipping in the first half of 2013 experienced its weakest market conditions since 1986, while the second half was characterised by encouraging early signs of a cyclical upturn with increased rate volatility. The weak and challenging market overall continued to test the financial health and performance of bulk carrier owners and operators globally.

DELIVERING VALUE IN A WEAK, VOLATILE MARKET

In this difficult environment, Pacific Basin delivered an underlying profit of US$16 million and an EBITDA of US$130 million. We have again generated respectable results as we have done throughout the down-cycle of the past several years thanks to our cargo and customer-focused business model and our team of talented staff.

It was also a pivotal year for us in terms of growth and value creation.

We fulfilled our goal of significantly expanding our dry bulk fleet with ships of excellent design acquired at historically low prices.

These vessel acquisitions enhance our ability to deliver the best possible service to our customers. They also form the basis of an expanded low-cost owned fleet that will generate increasingly attractive returns for our shareholders as market rates improve with the cyclical recovery.

We achieved this fleet growth by being financially strong, organisationally well prepared, and willing to work very hard towards accomplishing our goals.

As at 31 December 2013, we had total cash and deposits of US$486 million and net gearing of 34%. Our vessel capital expenditure obligations currently amount to US$525 million payable over the next four years in respect of 24 ships which we expect will be mainly funded by Japanese export credit financing, leaving a healthy balance sheet with continued buying power for further opportunities ahead.

DIVIDEND

In view of the Group's operating results, the Board has recommended a final dividend of HK 5 cents per share for 2013 (2012: HK 5 cents final).

We seek to continuously improve our standards of service and conduct in everything we do in an effort to be a shipping industry leader and the partner of choice for our customers and other stakeholders.

Growing our fleet as we did in 2013 is a large part of that effort. So too is the considered manner in which we have expanded our teams around the world – investing more in recruitment and training to ensure our staff all operate with a consistent set of sensible business values and a passion for delivering excellent service.

OUR FOCUS ON SUSTAINABLE, LONG-TERM GROWTH

High on our list of business principles is the value of long-term relationships over short-term gain. That remains as important at the bottom of the market cycle as it is at the top and it applies to our customers, suppliers, shareholders and staff as well as to less obvious stakeholders such as the main communities in which we operate and the environment. We apply sustainable thinking in our decision-making processes and the way we run our business so as to create long-term value through good corporate governance, accountability, and responsible social and environmental practice.

STRENGTHENING OUR BOARD

Our Board currently comprises nine members after CL Wang stepped down as an Executive Director at the April 2013 AGM. We are grateful to CL for his six years of valuable service on the Board. We have engaged a professional search firm to help us identify a new Independent Non-executive Director to complement the experienced team of directors that we already have. Our search is going well and I expect to be able to announce a new appointment soon.

Mats Berglund is well into his second year at Pacific Basin and has proven to be a highly capable and effective Chief Executive Officer who has made good progress in driving the several strategic goals that we had set ourselves in 2012. Set out in the section headed "CEO Review", you will find Mats' summary of the Company's performance and achievements during 2013 and the outlook and our strategy for the year ahead.

A WELL POSITIONED BUSINESS

We expect a stronger, volatile dry bulk market in 2014 as the supply and demand balance continues to improve. I am confident in saying that we are well positioned and equipped to weather any turbulence and benefit from the stronger market that we expect ahead. The Company is in good health, and has a robust and proven business model and a large competitive fleet with a low cost base. It is supported by the excellent people, financial strength, governance structure, strategies, systems and reputation that are key to enhancing our already competitive position in our market.

The Board joins me in thanking our hard-working staff, our loyal customers and suppliers and other stakeholders for their support of Pacific Basin over the past year and in the future.

David M. Turnbull
Chairman

Hong Kong, 27 February 2014

FINANCIAL RESULTS

The Group produced a net profit of US$1.5 million (2012: US$158 million loss) from an underlying profit of US$16 million (2012: US$48 million).

Basic EPS on continuing operations was HK 0.6 cents. Our EBITDA was US$130 million (2012: US$145 million).

Our results were mainly influenced by:

- the value of our business model enabling our outperformance of the market;
- good control of our vessel costs;
- the weakest half-year dry bulk shipping market since 1986;
- a stronger, more volatile dry bulk market in the second half;
- a reduced second-half contribution from harbour towage due to our Newcastle start-up investment;
- a reduced second-half contribution from offshore towage due to project wind-down costs and diminished activity; and
- the one-off cost of breaking finance leases for ten purchase options.

PERFORMANCE OVERVIEW

DRY BULK

In our core dry bulk shipping business, our average Handysize daily earnings fell 9% year on year to US$9,520 due to the weak market environment but still outperformed the market by 22%.

Our Handymax earnings outperformed the market by 11% and our growing fleet of low cost, owned ships resulted in our best – albeit still modest – Handymax contribution since 2010.

Our outperformance of the market is driven by an industrial and customer-focused business model – drawing on our fleet's scale and our team's ability to optimally combine contract and spot cargoes with the right ships – achieving a higher than average laden utilisation of our ships.

STRATEGIC PROGRESS

Our dry bulk business fulfilled its key strategic objectives for 2013:

- We invested in 43 high-quality Handysize and Handymax ships at attractive prices to boost our future earning capacity;
- We have made good progress in expanding our customer relationships and cargo portfolio, most recently through the establishment of a new commercial presence in Dubai to better serve customers in the Middle East and India; and
- We are gradually decentralising our operational support function which is resulting in increased customer satisfaction.

TOWAGE

PB Towage had a mixed year in 2013.

Our harbour towage activity continued to grow steadily and was further expanded in July with our new operation in the bulk port of Newcastle where job numbers have been encouraging. However, the start-up investment in new operations reduced our harbour towage business' second-half contribution.

In the offshore towage sector, we increased our stake in the OMSA joint venture to 50% early in the year. OMSA's contract to supply marine logistics services to the Gorgon project was subsequently extended from April 2014 to December 2015, although we expect a gradual decline in activity as the project approaches its production phase. Our projects in Gladstone completed during the year and, in December, we redeployed four tugs for a new contract in Australia's Northern Territory where start-up costs and unusually heavy rainfall affected our operations.

While PB Towage delivered a robust performance in the first half of the year, its second half contribution was significantly reduced by the wind-down costs and loss of revenue stemming from the completion of our Gladstone projects and a gradual decline in Gorgon activity, and by the start-up costs for our new operations in Newcastle and the Northern Territory.

RORO AND NON-CORE

The PB RoRo wind-down that started in 2012 is progressing as planned. The first two of our RoRo vessels delivered into the buyer Grimaldi's ownership in June and December as contracted, and the remaining four are all on charter until Grimaldi take ownership of at least one vessel in each six-month period until the end of 2015.

Further progress has been made in exiting and simplifying our few remaining non-core activities, allowing us to concentrate more of our resources on our core businesses.

MAJOR INVESTMENT IN 2013

2013 was our busiest year ever for dry bulk acquisitions as we invested for the cyclical upturn. We purchased 26 secondhand ships and we contracted 17 newbuildings at Japanese yards for an aggregate committed price of US$800 million. Additionally, we signed long-term charters for three secondhand ships and 15 newbuilding vessels.

In view of the narrowing gap between secondhand and newbuilding ship prices, we gradually shifted our acquisition focus to newbuildings, including larger 37,000 tonne vessels which are not available in the secondhand market.

Our ship acquisitions were concluded at historically low prices and rates and are all of excellent design for our trades. They will enhance our ability to deliver value to our shareholders and outstanding service to our customers, and further underpin our strong competitive position in the Handysize and Handymax segments.

Our owned fleet on the water grew from 37 to 73 dry bulk ships in 2013.

In 2014, we have so far committed to a further two acquisitions, and our current commitments will expand our owned fleet by a further 24 ships over the next four years.

As announced in April and August, we secured US$136 million of 12-year Japanese export credit agency ("ECA") financing, and we have since secured an additional US$178 million in commercial bank loans. Together these loans were raised to finance 25 of our bulk carriers as part of a continuous search for funding opportunities that we consider beneficial to our shareholders.

As at 31 December 2013, we had total cash and deposits of US$486 million and net borrowings of US$551 million. We had 10 unmortgaged dry bulk ships on the water with a combined net book value of US$202 million. Our vessel capital expenditure obligations currently amount to US$525 million, and we are discussing further Japanese ECA financing for our newbuildings and shall review the need for any additional new loan facilities in 2014.

OUTLOOK

We expect the dry bulk market in 2014 to be stronger overall than it was last year as a marked slow-down in newbuilding deliveries and continued healthy dry bulk trade combine to support an increasingly favourable balance of supply and demand.

Periodic and geographic tightening in the market is likely to result in a volatile freight market. A particularly weak first two months of 2014 – exacerbated by a minerals export ban in Indonesia which commenced in January – and the usual seasonal fluctuations are expected to give rise to a weak first half and a stronger second half.

The fundamentals continue to look better for the Handysize segment than for larger vessel sizes due to continued scrapping and reduced new ship deliveries giving rise to negligible net fleet expansion while growth in demand for minor bulks remains healthy.

We remain selectively open to further ship acquisitions in anticipation of the gradual recovery.

The outlook for PB Towage's offshore logistics and construction support services on the Australian coast has become more challenging as our previous contracts are scaling down and competition for new contracts has increased. We expect further expansion of mines and the minerals sector to support Australian trade growth and, in turn, steady growth in harbour towage job numbers. Our harbour towage performance in the short-term will depend on the rate of growth of our new operation in Newcastle. We expect to generate weak short-term offshore towage results due to start-up costs in the Northern Territory, and future performance will be affected by the speed at which we secure new employment of assets following the wind-down of completed projects.

STRATEGY FOR 2014

For 2014, we will hone our focus on three key strategic objectives which are:

1) to further expand our fleet of owned and chartered Handysize and Handymax ships, although the pace of our ship acquisitions is likely to be slower due to increasing prices and the growing difficulty in finding good value buying opportunities;

2) to continue to grow our dry bulk customer and cargo portfolio in tandem with our core fleet expansion, drawing on our expanding commercial office network which now includes a new office in Dubai; and

3) to increase our offshore towage revenue book with stronger efforts directed toward securing contract renewal opportunities and new projects for our tugs and barges.

In 2013 we commenced a review of third-party acquisition interest in PB Towage to enable the Board to assess the value to our shareholders of a possible sale. This process is coming to a conclusion and we expect to reach our decision shortly.

Having invested very actively in dry bulk ships over the past 18 months, our expanding low-cost fleet on the water will enhance our ability to increase customer satisfaction and maintain a competitive cost base, reinforcing our position in a strengthening market and generating sustainable growth, significant cash flow and attractive shareholder returns.

PACIFIC BASIN DRY BULK

DRY BULK MARKET REVIEW 2013

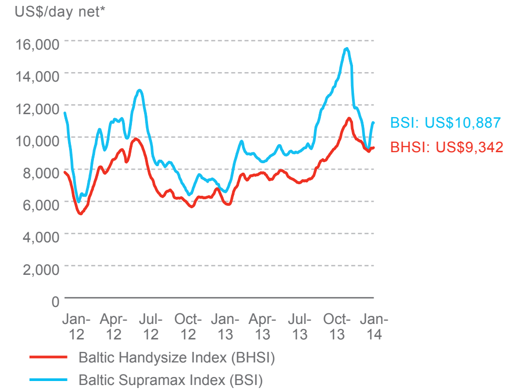
Freight Market Summary

2013 started with the weakest half-year market for dry bulk shipping since 1986. By contrast, freight rates in the second half improved significantly with Handysize rates in the final quarter reaching levels not seen since 2011.

Handysize and Handymax daily spot market rates in the second half of the year were 20% and 36% higher than in the first. In the year overall, they averaged US$7,770 and US$9,760 net representing improvements of 7% and 9% year on year.

The average Baltic Dry Index (BDI) increased 31% year on year – influenced heavily by the even stronger recovery in rates for larger Capesize ships.

Baltic Dry Bulk Earnings Indices



* US$ freight rates are net of 5% commission
Source: The Baltic Exchange, data as at 5 Feb 2014

2013 was characterised also by one of the most volatile freight markets since indices were introduced in 1985 – second only to the extraordinary market of 2008 following the global financial crisis.

The stronger freight rates and increased volatility are indicative of a tighter supply and demand balance than was widely expected following the shipbuilding boom.

Spot rates have declined in the first two months of 2014 which we attribute to the annual post-New Year surge of newbuilding deliveries, compounded by weather-related cargo disruptions in key trade areas, a mineral export ban in Indonesia and an early Lunar New Year holiday in China – reflecting mainly seasonal factors.

Key Supply Developments

Fewer newbuilding deliveries but reduced ship scrapping resulted in a 6% year-on-year net expansion of the dry bulk fleet. This supply growth is significantly lower than the 10%-16% net capacity expansion of the previous three years, and buoyed bulk carrier earnings overall in 2013.

62 million deadweight tonnes of new capacity delivered and 22 million tonnes – 3% of the existing fleet – was sold for scrap. This reduced rate of scrapping was due to the improved freight rate environment and market outlook.

The global fleet of 25,000-40,000 dwt Handysize ships registered only 1% net capacity growth, benefitting from a lower rate of new ship deliveries and continued healthy scrapping.

Overall fleet growth has reduced and widespread slow steaming continues to decrease effective dry bulk shipping capacity. We believe the market is absorbing the over-supply of larger dry bulk ships which in due course should allow for a sustained recovery to take hold.

Key Demand Developments

Dry bulk transportation demand in 2013 is estimated by R.S. Platou to have increased by a healthy 9% year on year – once again heavily influenced by Chinese imports despite somewhat slower economic growth.

Major bulk trade volumes expanded by 6% driven by high-volume trades such as Chinese coal and iron ore imports which grew 11% and 10% respectively and again set new records.

Lending stronger support to global demand for Handysize and Handymax ships, Chinese imports of seven key minor bulks increased 24% year on year in 2013 (13% excluding Bauxite which jumped 79% on lifting of an Indonesian export ban).

Fourth quarter improvement in the Atlantic was mainly driven by the North American grain export season. The heavily ship-supplied Pacific saw only a modest improvement, benefiting in part from Chinese stockpiling prior to an Indonesian ban on mineral exports from January 2014.

These positive demand factors supported the stronger market in the second half of 2013.

Ship Values

Clarksons currently value their benchmark five year old Handysize at US$21 million representing a 35% increase on the value indicated at the start of 2013 when ship prices bottomed out. Values have increased faster than the improvement in freight rates on increased buying interest and a tight supply of modern, high-quality ships for sale.

Handysize newbuilding prices have increased to around US$23.5 million as more buyers are now looking to shipyards for new capacity.

Orderbook

The overall dry bulk orderbook bottomed out in August at 18% and currently stands at 21%. New ship ordering activity predominantly for Capesize and Handymax vessels increased on a growing appetite for more fuel-efficient vessel designs driven by shipyards' efforts to fill their free yard space, and low prices and expectations of a stronger market.

The current published orderbook for Handysize vessels stands at 21% as compared to 17% a year ago. New orders for quality vessels are now generally only possible for 2017 onwards in Japan and 2016 onwards in China.

PACIFIC BASIN DRY BULK – HOW WE PERFORMED IN 2013

Our Pacific Basin Dry Bulk division generated a net profit of US$26.1 million (2012: US$39 million), a 5% return on net assets and a positive EBITDA of US$115 million in a continued challenging market overall.

This weaker performance year on year reflects the weak dry bulk market coming into 2013 and the expiry of higher paying cargo contracts secured in earlier stronger markets, partly offset by our outperformance of the market and by fuel-saving initiatives and the expansion of our chartered-in fleet of lower cost ships.

Segment Operating Performance

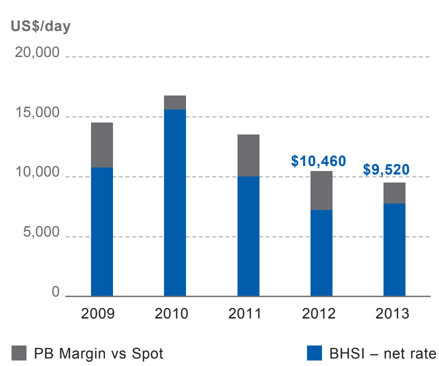
US$ Million	1H13	2H13	2013	2012	Change
Handysize contribution	22.4	29.5	**51.9**	62.0	-16%
Handymax contribution	4.3	4.2	**8.5**	6.7	+27%
Post-Panamax contribution	2.9	2.8	**5.7**	5.9	-3%
Segment operating performance before overheads	29.6	36.5	**66.1**	74.6	-11%
Direct overheads	(18.3)	(21.7)	**(40.0)**	(35.3)	-13%
Segment net profit	11.3	14.8	**26.1**	39.3	-34%
Segment EBITDA	50.7	64.3	**115.0**	114.1	+1%
Segment net assets	885.1	494.5	**494.5**	855.3	-42%

Key Performance Indicators

Performance vs Market

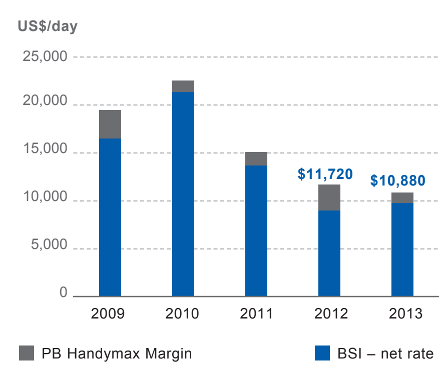
Handysize

22% outperformance compared to market



Handymax

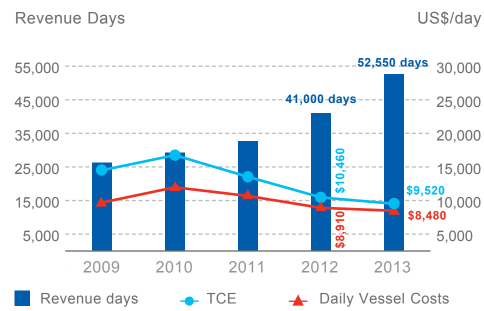
11% outperformance compared to market



- Our average Handysize and Handymax daily earnings outperformed BHSI and BSI spot market indices by 22% and 11%.
- Outperformance reflects the value of our business model, fleet scale and cargo book, and our team's ability to achieve optimal cargo combinations and match the right ships with the right cargoes.
- Consistently outperformed the market over the past six years and met a key objective of remaining profitable despite historically weak market conditions.

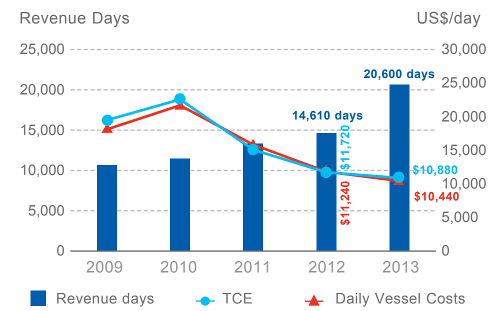
Handysize

US$51.9m contribution ↓16%



Handymax

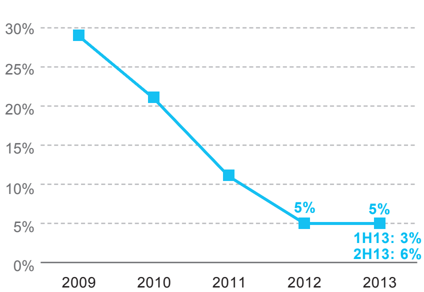
US$8.5m contribution ↑27%



- Respectable result in difficult market environment on Handysize daily earnings of US$9,520 and daily costs of US$8,480 on 52,550 revenue days.
- Reduced vessel operating margins were partly offset by 28% and 41% increases in Handysize and Handymax revenue days.
- Our capacity increased as our vessel purchases started to deliver and due to the continued use of chartered vessels to service our expanding customer base.
- We operated an average of 145 Handysize and 57 Handymax ships.
- Pacific Basin Dry Bulk revenue increased 24% to US$1.6 billion, representing 94% of total Group revenue.

Return on net assets

5% ➡0%

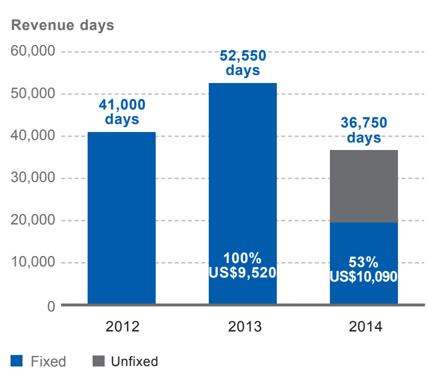


- Return on dry bulk net assets was 5% – unchanged year on year and a sound result in the difficult market environment.
- We aim to achieve solid long-term returns on assets, so we have invested counter-cyclically for enhanced returns in the stronger market ahead.

Future earnings and cargo cover

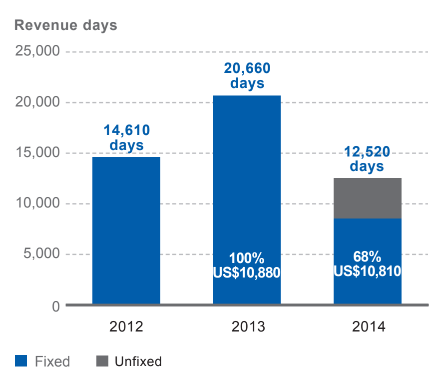
Handysize

53% cover for 2014 at US$10,090 per day



Handymax

68% cover for 2014 at US$10,810 per day



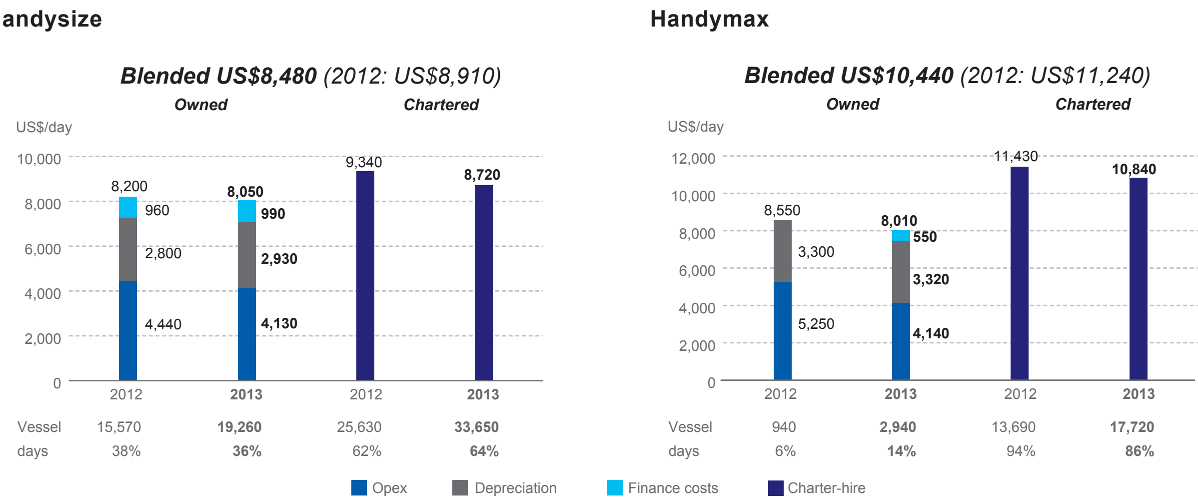
Cargo cover secured for the given year, as at the time of Annual Results Announcement

Cover excludes revenue days chartered in on an index-linked basis

- We have profitably covered 53% and 68% of our 36,750 Handysize and 12,520 Handymax revenue days currently contracted for 2014 (cargo cover excludes revenue days related to vessels chartered-in on variable, index-linked charter rates).
- While our cover provides a degree of earnings visibility, uncovered capacity is largely expected to generate revenue in the strengthening spot market.

Analysis of Daily Vessel Costs

The cost of owning and operating ships is the major component of our Group's total costs, and our ability to maintain good control of our "daily vessel costs" has a significant bearing on our operating margins and our financial performance overall. We provide below a short analysis of our daily vessel costs for a better understanding of what they comprise and how they are developing.



Our dry bulk fleet incurred direct costs (including bunker fuel costs and port disbursements) of US$1.55 billion (2012: US$1.24 billion) representing 94% of total Group direct costs (2012: 91%).

The impact of the depressed market on our dry bulk segment results was partly mitigated by our increased use of chartered-in third-party vessels at low, market-related daily charter rates. As a result, our chartered-in vessel costs decreased 7% for Handysize and 5% for Handymax which, year on year, reduced our Handysize and Handymax blended daily costs. However, our chartered-in vessel costs increased in the second half of 2013, which is expected to continue as dry bulk market conditions strengthen.

Opex – The daily opex element of our vessel costs decreased 7% for Handysize and 21% for Handymax mainly due to the impact of newbuilding vessels joining the fleet and lower maintenance and repair expenses arising from block purchase and volume discounts for our expanded fleet.

Depreciation – Daily depreciation (including capitalisation of dry dock costs) increased 5% for Handysize mainly due to the addition of new vessels with a higher average net book value than our existing vessels.

Finance costs – Daily finance costs increased due to the larger allocation of borrowings and associated interest from treasury to the Pacific Basin Dry Bulk segment consistent with the delivery of more owned vessels, particularly for Handymax.

Direct overheads, comprising chartering, technical and operations staff and office costs related to our dry bulk ships, reduced 13% to US$540 per day (2012: US$620 per day) as the aggregate total overheads increased more slowly than the rate of expansion of our dry bulk fleet.

Our Handysize chartered-in days increased 31% to 33,650 days (2012: 25,630 days) while our Handymax chartered-in days increased 29% to 17,720 days (2012: 13,690 days). Chartered-in days represented 64% and 86% of our total Handysize and Handymax vessel days respectively.

During the year, we secured 10,980 Handysize vessel days (2012: 4,790 days) and 2,190 Handymax vessel days (2012: 2,090 days) via variable-rate, inward charters with rates linked to the Baltic Handysize and Supramax indices. These index-linked vessels represented 33% and 12% of our chartered Handysize and Handymax vessel days respectively, and serve to increase the scale and enhance the performance of our fleet to better service our customers' needs while generating a small contribution to our core dry bulk activity and segment performance.

Our fleet of owned and finance-leased dry bulk vessels experienced an average 2.0 days off-hire per vessel during the year – up from 1.6 days in 2012.

PACIFIC BASIN DRY BULK – BUSINESS HIGHLIGHTS

Fleet Expansion

We fulfilled our strategic priority of expanding further our core fleet in 2013 with high-quality owned and long-term chartered dry bulk ships at costs we consider attractive for the long term. This ensures our continued ability to provide our customers a competitive and reliable service, regardless of market conditions, while generating superior returns for our shareholders.

During the year we purchased 26 secondhand ships at an average price of US$14.8 million and we contracted 17 newbuildings at Japanese yards at an average price of US$24.4 million. Additionally, we signed long-term charters of three years or more for three secondhand ships and 15 newbuilding vessels – some with purchase options.

Our acquisitions are all of the best designed secondhand and newbuilding Handysize and Handymax ships, thus further strengthening our position in the geared (crane-fitted) minor bulk segment, in which we continue to concentrate our efforts and are already a leading global operator.

Our acquisitions have almost doubled our owned fleet on the water from 37 to 73 dry bulk ships during 2013. Including chartered ships, we now operate approximately 240 dry bulk ships – a new record for Pacific Basin.

Strong Relationships

We continue to develop our cargo and customer base in tandem with our fleet expansion, engaging with our customers to develop opportunities that are mutually beneficial. In 2013 this again resulted in several multi-year cargo contracts – extending up to 2021 – at reasonable long-term freight rates for Pacific Basin and our customers alike. We now serve over 400 customers globally.

We continue to challenge ourselves to deliver industry-leading customer service through hands-on local operational support via Pacific Basin Dry Bulk's 11 commercial regional offices – rare in an industry characterised by operators with centralised back-office functions in limited locations and lacking specific awareness of customers' individual needs.

We recently strengthened our position in the Indian Ocean and Middle East with the establishment of a new commercial presence in Dubai. This expansion of our global network enhances our ability to meet our customers' needs on any route, anywhere in the world and at any time.

In 2013 we carried 50 millions tons of cargo globally with Asia and North America representing our two largest markets.

People

We have enlarged our in-house technical management team in Hong Kong in tandem with the expansion of our owned fleet. We now employ around 3,000 seafarers and, both ashore and at sea, we continue to operate to the highest workplace and operating standards to ensure healthy working conditions and a strong safety culture.

Robust Corporate & Financial Profile

In the recent unforgiving market environment, Pacific Basin stands out as a strong, transparent, long-term counterparty for cargo customers and tonnage providers alike. We offer a solid, visible balance sheet and a performance track record to match. We are committed to responsible business practices and a high standard of corporate social responsibility which we consider a necessary obligation to our counterparties and stakeholders.

MARKET OUTLOOK – DRY BULK

Opportunities

- China's continued strong demand for minor bulk commodities despite slower economic and industrial growth
- Increased overseas mining output and lower commodity prices leading to increased Chinese imports in lieu of higher-cost domestic resources
- Continued US economic recovery, reviving industrialisation in North America, continued Chinese activity and a stronger than expected recovery in Europe contributing to global dry bulk demand growth
- A smaller scheduled newbuilding orderbook for 2014 leading to moderate global fleet growth
- Continued scrapping and moderate newbuilding deliveries leading to modest, if any, Handysize net fleet growth

Threats

- Ship owner optimism and easier access to financing driving reduced scrapping, increased new ship ordering and higher newbuilding prices generating oversupply in the longer term
- Credit squeeze in China and other emerging economies leading to slower economic and industrial growth and slower growth in dry bulk trades
- Lower fuel prices causing the world's dry bulk fleet to speed up resulting in an effective increase in capacity
- Increased national protectionism (such as the Indonesian minerals export ban) impacting Chinese imports, although possibly triggering a beneficial increase in tonne-miles through imports from further afield

OUTLOOK FOR OUR DRY BULK BUSINESS

We expect the dry bulk market in 2014 to be stronger overall than it was last year as a marked slow-down in newbuilding deliveries and continued healthy dry bulk trade combine to support a healthier balance of supply and demand.

Consequently, periodic and geographic tightening in the market is likely to result in increased rate volatility as we saw in 2013. However, a particularly weak first two months of 2014 – exacerbated by a minerals export ban in Indonesia which commenced in January – and seasonal fluctuations are expected to give rise to a weak first half and a stronger second half.

We expect the Handysize and Handymax spot markets to demonstrate gradual recovery in 2014, reflecting the healthy supply and demand balance that characterises the minor bulk segments.

The outlook for our own business is positive: we acquired our ships at attractive prices and rates meaning our fleet benefits from a competitive cost base and demonstrates good upside potential both in terms of values but – most importantly – in terms of contribution.

Strategy

Our strategic priority for 2014 is to remain selectively open to the acquisition of Handysize and Handymax ships at appropriate prices. The pace of our ship acquisitions is likely to be slower due to increasing prices and the growing difficulty in finding good value buying opportunities, but we remain well positioned to access both on-market and off-market opportunities as our acquisitions record shows.

We aim to continue to grow our dry bulk customer and cargo portfolio in tandem with our core fleet expansion, drawing on our expanded commercial office network and working closely with our customers to develop long-term cargo contracts that will allow both parties to manage their respective market exposures at reasonable, long-term rates.

We will be judicious in our continued use of index-linked charters which, in isolation, are expected to generate a small contribution to our core dry bulk activity and segment performance. However, leveraging our business model and network, this supplementary index-linked activity increases our fleet scale enabling us to further improve customer satisfaction and generate synergies from better ship and cargo combinations.

Our exposure to the freight market is partly limited by our cargo book which currently provides cover for 57% of our dry bulk revenue days in 2014.

PB TOWAGE

TOWAGE MARKET REVIEW 2013

The Australian towage market in 2013 was characterised by largely sustained levels of activity undermined by an increasingly competitive landscape.

Offshore Towage And Infrastructure Support

Demand for offshore towage services in Australia continued to be mainly driven by the Gorgon and Wheatstone LNG projects in Western Australia and Inpex's Ichthys LNG project in Australia's Northern Territory. While such projects still have need for tugs in Western Australia, some projects are approaching their production phase which has resulted in reduced demand for offshore towage support activity. Demand in Queensland has also reduced as the state's three LNG projects are approaching production.

Iron ore infrastructure projects of both major and junior producers are moving forward, assisted by a weaker Australian Dollar and providing opportunities to offshore tugs and barges.

Harbour Towage

Strong Chinese demand for mineral resources continued to drive Australia's bulk exports, port expansions and, in turn, demand for harbour towage services. This influential demand for raw materials was partly supported by the weaker Australian dollar and triggered smaller new mining projects and renewed activity by the major minerals producers. Container volumes saw modest but steady expansion in line with general economic developments which supported gradual growth in harbour towage activity in Australia's container ports.

Competitive Landscape

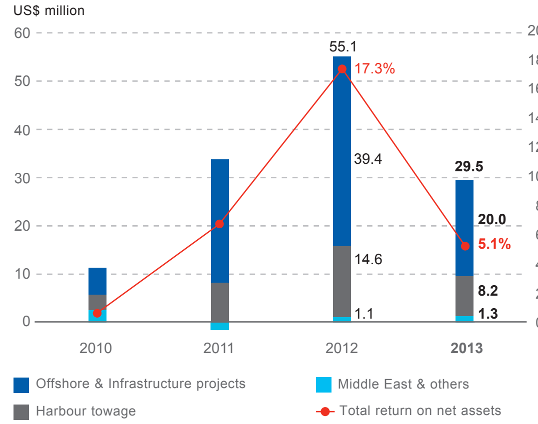
The relatively high cost of operating in Australia and the challenging legislative and workplace environments in Australia continue to represent barriers to entry for new entrants in the Australian domestic market. Moreover, the completion of a number of projects has increased the supply of available Australian-compliant project support vessels which is driving increased competition.

The market for harbour towage services in the ports where we operate is characterised by similar barriers to entry. We have achieved good steady growth in activity and market share, and that activity growth in the context of continued expansion of Australian exports is considered sustainable.

PB TOWAGE – HOW WE PERFORMED IN 2013

Our PB Towage division generated a net profit of US$10.5 million. A solid contribution in the first half of 2013 was followed by a significantly weaker second half due to reduced revenue and increased costs associated with the wind-down of existing projects and a slower start-up of our new operations in the offshore and harbour towage markets in Australia.

Towage Segment Operating Performance before Overheads



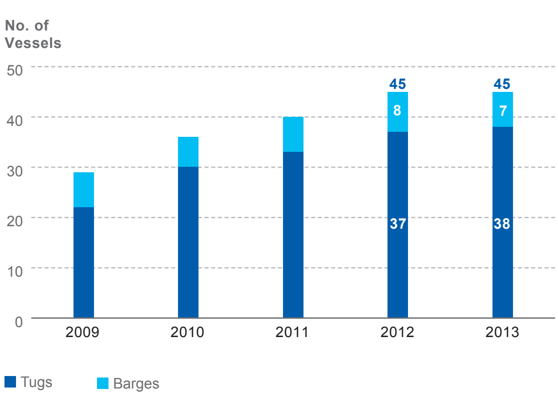
Segment Operating Performance

US$ Million	1H13	2H13	2013	2012	Change
Offshore & Infrastructure projects	15.3	4.7	**20.0**	39.4	-49%
Harbour towage	6.2	2.0	**8.2**	14.6	-44%
Middle East & others	0.8	0.5	**1.3**	1.1	+18%
Segment operating performance before overheads	22.3	7.2	**29.5**	55.1	-46%
Direct overheads	(9.7)	(9.3)	**(19.0)**	(17.6)	-8%
Segment net profit/(loss)	12.6	(2.1)	**10.5**	37.5	-72%
Segment EBITDA	19.8	4.4	**24.2**	51.9	-54%
Segment net assets	210.6	203.9	**203.9**	217.9	-6%

Key Performance Indicators

Number of Vessels Operated

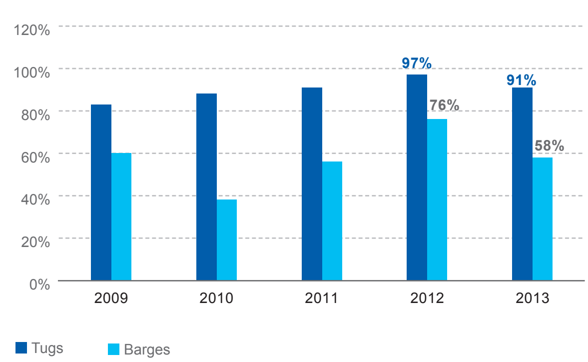
45 vessels (average) 0%



- We again operated an average 45 towage vessels in 2013.
- We now have 52 vessels reflecting the purchase of 4 barges for a new operation in Australia's Northern Territory in second half 2013 and the charter of additional tugs.
- Our fleet currently comprises 31 owned and 9 chartered tugs, 10 owned barges, 1 chartered passenger/supply vessel and 1 owned bunker tanker.

Percentage of Fleet Deployed

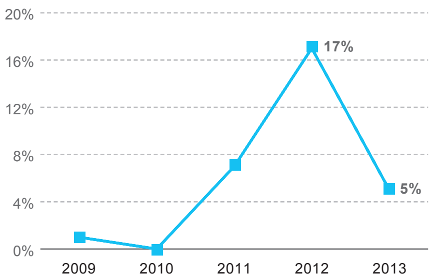
91% utilisation (tug fleet) 6%



- Deployment of our tug fleet averaged 91% in 2013.
- Deployment of our barges averaged 58%.
- Utilisation was supported by steady growth in harbour activity but undermined by declining offshore project work and downtime between charters and for vessel modifications.

Return On Net Assets

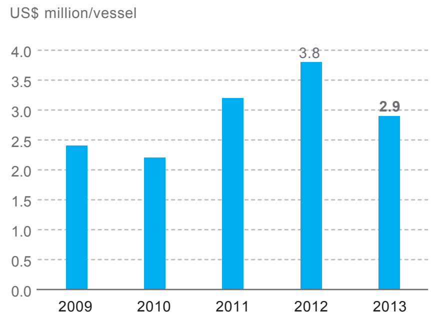
5% ↓12%



- Net profit reduced to US$10.5 million under weaker market conditions and due to project wind-down and start-up costs, generating a return on net assets of 5%.

Vessel Revenue

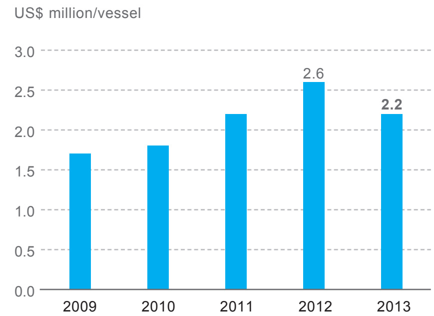
US$2.9m per vessel ↓24%



- Our tugs and barges generated reduced average revenue of US$2.9 million per vessel due to decreased utilisation.

Vessel Costs

US$2.2m per vessel ↓15%



- Our vessel costs averaged US$2.2 million which is down 15% year on year due to reduced crew costs and operating expenses as a higher proportion of our fleet was employed on bareboat charter in 2013.

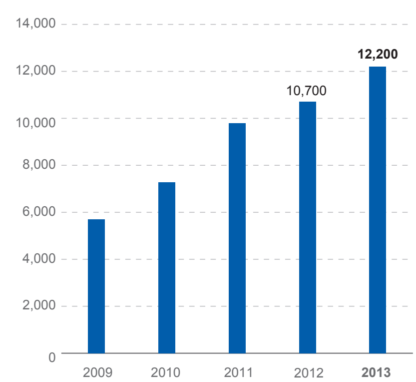
PB TOWAGE – BUSINESS HIGHLIGHTS

Harbour Towage

Our harbour towage business logged an 8% year-on-year increase in job numbers at the main Australian container ports and a 35% increase at our bulk ports reflecting our expanded market share and volume growth.

In July 2013 we commenced operations in the port of Newcastle where we have deployed four tugs and are one of only two operators. Newcastle is one of Australia's main bulk ports – and the world's largest coal exporting port – which is expected to undergo expansion in the coming years. We signed a major Japanese shipping line as a customer which has generated valuable support for our new operation in Newcastle where, despite the financial impact of initial, one-off start-up costs in the second half of 2013, we expect to generate increasing market share and improved results going forward.

PB Towage Harbour Job Numbers



Offshore Towage and Infrastructure Support

PB Towage increased its shareholding in the OMSA joint venture to 50% early in the year. OMSA's contract to supply marine logistics services to the Gorgon project was subsequently extended from April 2014 to December 2015, although we expect a decline in activity as the project approaches its production phase.

Our two smaller contracts for LNG projects in Gladstone were completed during the year and we are targeting – directly and through the OMSA joint venture – other opportunities in the LNG sector and elsewhere such as a new contract for which, in December, we redeployed four tugs to Australia's Northern Territory where start-up costs and unusually heavy rainfall affected our operations.

We redeployed two harbour tugs from the Middle East to Australia and have maintained good utilisation of our remaining assets in the Middle East despite continued over-supply in the region. We secured a three-year charter for one tug operating in oilfields off the UAE, while two tugs and three barges are deployed in the transportation of aggregate to Qatar and other spot market opportunities.

MARKET OUTLOOK – TOWAGE

Opportunities

- Continued project activity in Australasia providing 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

Threats

- 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

OUTLOOK FOR OUR TOWAGE BUSINESS

PB Towage has established itself as a safe and quality-conscious operator with a strong customer base in both the harbour and offshore project sectors, and we consider our towage business to be well positioned to compete for opportunities in the Australasian market.

Australian seaborne exports and imports continue to support growing port volumes and, in turn, harbour towage job numbers, and so we expect our harbour towage activities to provide more stable earnings while our offshore towage business weathers the volatility of the offshore logistics sector.

Our harbour towage performance in the short-term will primarily depend on the rate of growth of our new operation in Newcastle. We expect to generate weak short-term offshore towage results due to start-up costs in the Northern Territory, and future performance will be affected by the speed at which we secure new employment of assets following the wind-down of completed projects.

Strategy

In 2014, PB Towage will continue to look for new projects and growth opportunities.

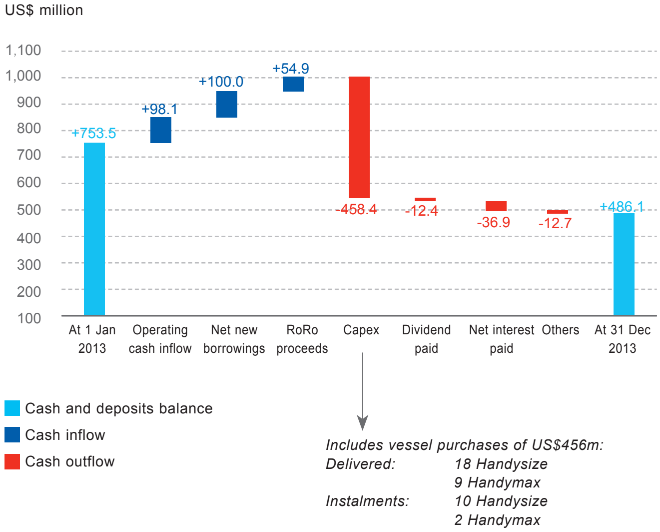
In the harbour sector, we will look to further grow our core customer base and expand into ports where the economics are deemed to add value to our business and provide sustainable returns. In the medium term we will be competing for exclusive ports contracts as tenders arise.

In the offshore sector, we will seek to increase our offshore towage revenue book and vessel utilisation with stronger efforts directed toward securing contract renewal opportunities, new offshore construction developments primarily in Australia, and initiatives to develop project transportation solutions through both direct contacts and the OMSA joint venture.

FUNDING

CASH FLOW AND CASH

2013 Sources and Uses of Group Cash Flow



The Group's four main sources of capital are operating cash flows, bank loans, convertible bonds and equity.

As part of the ordinary activities of the Group, the Treasury function actively manages the cash and borrowings of the Group to ensure sufficient funds are available to meet the Group's commitments and an appropriate level of liquidity is maintained during different stages of the shipping cycle.

Over the long term, the Group aims to maintain a conservative consolidated net gearing of no greater than 50% – defined as the ratio of net borrowings to net book value of property, plant and equipment – which we believe is sustainable over different stages of the shipping cycle.

As at 31 December 2013, the Group had a strong cash position of US$486.1 million resulting in a 34% net gearing ratio.

CASH FLOW

The major factors influencing future cash balances are operating cash flows, purchases of dry bulk vessels, sale of assets, and drawdown and repayment of borrowings. The Group has sufficient cash resources and unmortgaged vessels to fund its capital commitments of US$525 million.

Liquidity	US$486.1 million of total cash and deposits (principally denominated in US$) US$23.8 million of unutilised bank borrowing facilities
Net working capital	US$259.3 million

CASH AND DEPOSITS

Treasury is permitted to invest in a range of cash and investment products subject to limits specified in the Group Treasury Policy. These include overnight and term deposits, money market funds, liquidity funds, structured notes, and currency linked deposits.

Treasury enhances Group income by investing in a mix of financial products, based on the perceived balance of risk, return and liquidity. Cash, deposits and investment products are placed with a range of leading banks, mainly in Hong Kong.

Restricted bank deposits at 31 December 2013 primarily relate to collateral pledged to maintain guarantees issued for offshore and infrastructure projects in the Towage segment. The equivalent in 2012 related to dry bulk loan covenants.

The split of current and long-term cash, deposits and borrowings is analysed as follows:

US$ Million	2013	2012	Change
Restricted bank deposits – non-current	1.3	50.2	
Restricted bank deposits – current	1.6	70.2	
Cash and deposits	483.2	633.1	
Total cash and deposits	**486.1**	753.5	-35%
Current portion of long term borrowings	(328.5)	(77.8)	
Long term borrowings	(708.7)	(853.7)	
Total borrowings	**(1,037.2)**	(931.5)	-11%
Net borrowings	(551.1)	(178.0)	-210%
Net borrowings to Net Book Value of property, plant and equipment	34.0%	14.0%	
Net borrowings to shareholders' equity	42.3%	13.4%	

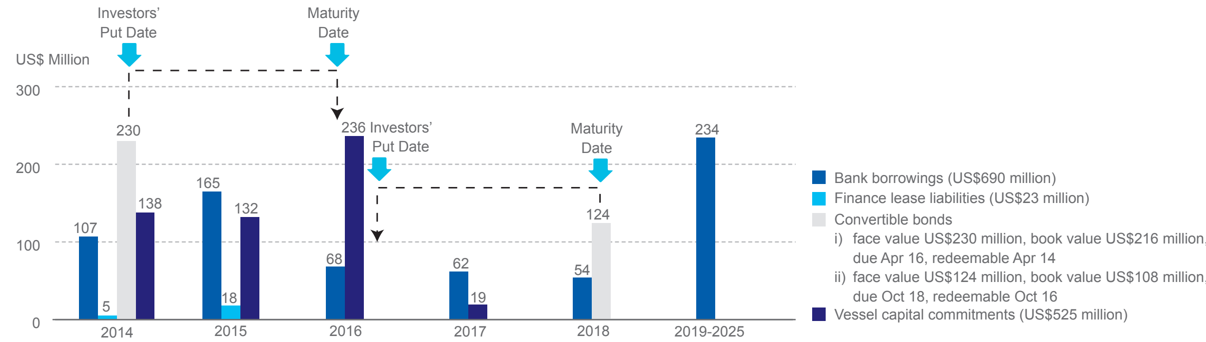
The decrease in cash and deposits mainly represents deployment of US$456 million of cash resources into attractively priced dry bulk vessel purchases.

The Group's cash and deposits at 31 December 2013 comprised US$464.7 million in USD, US$14.9 million in AUD and US$6.5 million in other currencies. They are primarily placed in liquid deposits of 3 months or less and saving accounts, to maintain the liquidity to meet the Group's vessel purchase commitments and working capital needs.

During the year, Treasury achieved a 1.5% return on Group cash. Interest income is benchmarked against a target yield of 50 basis point above 3-month USD LIBOR of 0.8%.

BORROWINGS

Schedule of Repayments and Vessel Capital Commitments



The Group's Treasury function arranges financing by leveraging the Group's balance sheet to optimise the availability of cash resources of the Group. Borrowings comprise:

- bank borrowings;
- the debt element of convertible bonds; and
- finance lease liabilities.

The aggregate borrowings of the Group amounted to US$1,037.2 million (2012: US$931.5 million). They are principally denominated in United States Dollars, except for bank loans equivalent to US$22.2 million (2012: US$31.1 million) which are denominated in Australian Dollars.

BANK BORROWINGS

Bank borrowings (net of deferred loan arrangement fees) were US$690.4 million (2012: US$465.1 million) at 31 December 2013 and are in the functional currency of the business segment to which they relate. During the year, we put in place new bank borrowing facilities totalling US$314 million secured on 25 vessels, including US$136 million from two Japanese export credit facilities secured on 6 vessels.

The Group monitors the loans-to-asset value requirements on its bank borrowings. If the market values of the Group's mortgaged assets fall below the level prescribed by our lenders, the Group pledges additional cash or offers additional unmortgaged vessels as collateral.

As at 31 December 2013:

i. The Group's bank borrowings were secured by mortgages over 76 (2012: 45) vessels with a total net book value of US$1,225.4 million (2012: US$697.1 million) and an assignment of earnings and insurances in respect of these vessels. The Group had 41 (2012: 29) unmortgaged vessels with a total net book value of US$338.4 million (2012: US$227.4 million) split into 10 dry bulk ships with a net book value of US$201.7 million and 31 Towage tugs and barges with a net book value of US$136.7 million.

ii. The Group was in compliance with all its loans-to-asset value requirements.

iii. The Group had unutilised bank borrowing facilities of US$23.8 million (2012: US$6.9 million).

P/L impact: The interest on bank borrowings (after capitalisation of US$3.3 million) amounted to US$11.3 million (2012: US$9.2 million). Certain bank borrowings are subject to floating interest rates but the Group manages these exposures by way of entering into interest rate swap contracts.

FINANCE LEASE LIABILITIES

Finance lease liabilities decreased following scheduled repayments during the year and the exercise in June and July 2013 of purchase options on finance leases for 10 Handysize vessels.

Finance lease liabilities are allocated to the dry bulk segment in which the assets are owned.

Aggregate current and long term finance lease liabilities at 31 December 2013 were US$23.0 million (2012: US$151.4 million) relating to three Handysize vessels with a total net book value of US$25.0 million (2012: 13 with a total net book value of US$156.0 million) whose bareboat charters expire in 2015. The fixed, equal, quarterly charter-hire payments are accounted for as a combination of repayments of finance lease liabilities on the balance sheet and finance charges in the income statement. Finance charges can be expressed as interest rates, fixed for the period of the leases.

P/L impact: Finance charges of US$5.8 million (2012: US$11.0 million) represent interest payments on Handysize vessels under finance leases.

CONVERTIBLE BONDS

The debt components of the 1.75% p.a. coupon April 2016 convertible bonds and 1.875% p.a. coupon October 2018 convertible bonds were US$323.8 million (2012: US$315.0 million) at 31 December 2013.

As the holders of the 2016 convertible bonds have the right to require the Group to redeem all or some of the bonds at 100% of the principal amount on 12 April 2014, the Group is required to classify the US$216.4 million debt component of such convertible bonds as current liabilities.

P/L impact: The US$15.2 million (2012: US$10.6 million) interest expense of the convertible bonds is calculated at an effective interest rate of 4.9%.

FINANCE COSTS

FINANCE COSTS BY NATURE

(US$ Million)	Average interest rate P/L	Cash	Balance at 2013 year end	Finance costs 2013	2012	Change
Bank borrowings including realised interest rate swap contracts	3.4%	3.4%	690.4	17.1	14.6	-17%
Finance lease liabilities	6.8%	6.8%	23.0	5.8	11.0	+47%
Convertible bonds	4.9%	1.8%	323.8	15.2	10.6	-43%
	4.5%	3.5%	1,037.2	38.1	36.2	-5%
Finance lease purchase option termination expenses				15.3	–	
Unrealised interest rate swap income				(2.0)	(0.4)	
Other finance charges				0.7	0.2	
Total finance costs				52.1	36.0	-45%

The KPIs on which management focuses to assess the cost of borrowings are:

• Average interest rates for the sources of borrowings (see table above)

	2013	2012
• Group Interest Coverage	**2.4x**	3.6x

Group Interest Coverage is calculated as EBITDA divided by total gross finance costs

Our dry bulk and towage operations resulted in finance costs of US$52.1 million. Total finance costs in 2012 of US$40.1 million comprised US$36.0 million from dry bulk and towage operations and US$4.1 million from the discontinued RoRo operations. Included in the 2013 finance costs were US$15.3 million termination costs of the embedded fixed interest rate swap contracts associated with exercising the 10 purchase options on finance leased vessels.

Following the Group's acquisition of dry bulk vessels and securing new loans, additional finance costs and borrowings were allocated from Treasury to the Pacific Basin Dry Bulk segment, reducing the segment net assets.

From 2014, all financing and associated costs for existing vessel commitments and future vessel acquisitions, net of interest income, will be allocated to the appropriate business segment. For Handysize, this is expected to marginally increase the 2014 daily finance cost per vessel, and for Handymax result in an increased allocation of borrowings to these vessels which will raise the 2014 daily finance cost towards that experienced by Handysize in 2013. This will also result in the Treasury segment having a nil net finance cost.

The Group aims to achieve a balance between floating and fixed interest rates on its long term borrowings. This is adjusted from time to time, depending on the shipping and interest rate cycles, using interest rate swap contracts where appropriate. US$5.8 million of interest rate swap contract costs were realised and US$2.0 million of unrealised gains arose resulting in a net US$3.8 million swap contract charge. As at 31 December 2013, 10% of the Group's long term borrowings were subject to floating rates.

DELIVERED VESSELS

As at 31 December 2013, the Group had delivered vessels with a net book value of US$1,589 million as follows:

		Number	Average age (years)	Average net book value (US$ Million)	Total net book value (US$ Million)
Dry Bulk	Handysize	62	7.6	16.7	1,034
Dry Bulk	Handymax	13	5.1	24.8	322
Dry Bulk	Post-Panamax	1	2.0	51.3	51
Towage	Tugs & Barges	41	8.7	4.4	182

Tugs and barges are denominated in their functional currency of the Australian Dollar, and hence their US Dollar carrying values and commitments are subject to exchange rate fluctuations.

VESSEL COMMITMENTS

As at 31 December 2013, the Group had vessel commitments of US$479.1 million. These vessels are scheduled to deliver to the Group between February 2014 and March 2017.

	Number of vessels	US$ Million 2014	2015	2016	2017	Total
Contracted and authorised commitments						
Handysize vessels	15	75.6	107.8	122.2	-	305.6
Handymax vessels	7	39.0	23.3	92.7	18.5	173.5
	22	114.6	131.1	214.9	18.5	479.1
Commitments after the year end						
Handysize vessels	1	1.1	1.2	21.1	–	23.4
Handymax vessels	1	22.0	–	–	–	22.0
Total commitments	**24**	**137.7**	**132.3**	**236.0**	**18.5**	**524.5**

These commitments, along with future potential vessel acquisitions, will be financed by a combination of cash generated by the Group's operations, existing cash and additional long term borrowings to be arranged as required. Where commitments are in currencies other than the functional currencies of the underlying assets, the Group has entered into forward foreign exchange contracts to purchase the currencies at predetermined rates.

Coupled with existing vessels, these commitments are expect to increase the number of 2014 vessel days to around 23,750 for Handysize and around 5,000 for Handymax, depending on actual delivery dates. The current 2014 proforma daily depreciation for owned vessels including these commitments is expected to be around US$3,000 per day for Handysize and around US$3,600 per day for Handymax. However, this will change with future potential vessel acquisitions and the capitalisation of dry dock costs incurred during the year.

VESSEL PURCHASE OPTIONS

Certain lease agreements provide the Group with options to purchase the related vessels at predetermined times and prices during the lease periods. The average price of the Group's existing purchase options in the earliest years in which these options may be exercised, along with the number of vessels and the average age of such vessels in those years, are as follows:

Earliest year in which options may be exercised	**Vessel type**	**Number of vessels at 31 December 2013**	**Average age of vessels** (years)	**Average purchase option exercise price[1]** (US$ Million)
2014	Handysize	1	6	20.1
	Tug & barge	7	2	9.6
2016	Handysize	2	5	29.4
	Handymax	1	5	30.0
	Post-Panamax	1	5	50.9
2017	Handysize	2	9	19.0
2020	Handysize	3	5	23.0
2021	Handysize	3	6	24.9
	Handymax	1	5	34.9
2022	Handysize	1	7	30.8
	Handymax	1	7	27.0
Total		23		

Note 1: Includes certain purchase options priced in Japanese Yen.
Note 2: Three finance lease vessels with an average age of 16 years contain purchase options which are currently exercisable at an average price of US$9.2 million.

Estimated fair market values published by Clarksons are US$21.0 million and US$26.0 million for 5 year old 32,000 dwt Handysize and 56,000 dwt Handymax vessels respectively.

VESSEL OPERATING LEASE COMMITMENTS

Vessel operating lease commitments stood at US$854.1 million (2012: US$573.2 million), comprising: US$605.3 million for Handysize; US$192.0 million for Handymax; US$49.1 million for Post-Panamax vessels; and US$7.7 million for tugs.

As a result of the increase in volume of cargoes carried by the Group, our Handysize operating lease committed days increased 55.8% to 57,600 days (2012: 36,980 days) while our Handymax operating lease committed days increased 55.4% to 14,470 days (2012: 9,310 days).

The following table shows the average contracted daily charter rates and the annual total number of vessel days of our chartered-in Handysize and Handymax vessels during their remaining operating lease terms by year, assuming the purchase options will not be exercised until the expiry of the charter-hire agreements.

Commitments Excluding Index-linked Vessels

	Handysize		Handymax	
Year	Vessel days	Average daily rate (US$)	Vessel days	Average daily rate (US$)
2014	10,560	9,730	3,990	12,960
2015	9,210	10,520	1,690	13,580
2016	8,850	10,410	1,830	13,500
2017+	28,980	10,820	6,960	13,320
Total	57,600		14,470	
Aggregate operating lease commitments		US$605.3 m		US$192.0 m

2014 Commitments Including Index-linked Vessels

Our fixed rate and variable rate index-linked lease commitments showing 2013 completed and 2014 outstanding lease periods can be analysed as follows:

Handysize

	2013		**1H2014**		**2H2014**	
Classification at inception	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)
Long term (>1 year)	9,140	9,290	4,680	9,630	4,350	10,100
Short term	13,530	8,490	1,530	9,010	–	–
Index-linked	10,980	8,530	6,070	Market rate	4,780	Market rate
Total	33,650	8,720	12,280		9,130	

Handymax

	2013		**1H2014**		**2H2014**	
Classification at inception	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)	Vessel Days	Average daily rate (US$)
Long term (>1 year)	3,150	11,680	1,290	12,250	970	13,450
Short term	12,380	10,700	1,730	13,220	–	–
Index-linked	2,190	10,450	1,180	Market rate	870	Market rate
Total	17,720	10,840	4,200		1,840	

The number of Handysize and Handymax contracted index-linked lease days in 2015 currently stand at 4,830 days and 150 days respectively.

Our average contracted daily charter rates are rising partly reflecting a shift in our forward commitments towards chartering larger 37,000 dwt Handysize ships as opposed to the traditional 28,000 to 32,000 dwt designs.

Index-linked vessel operating lease commitments refer to leases with market-linked variable charter rates. The variable charter rates are linked to the Baltic Handysize Index or Baltic Supramax Index (as applicable), and adjusted – usually upwards – to reflect differences in the vessels' characteristics compared to Baltic indices reference vessels. Vessels we charter are typically larger and more fuel efficient than index reference vessels.

CONSOLIDATED INCOME STATEMENT

	Note	For the year ended 31 December 2013 US$'000	2012 US$'000
Continuing operations			
Revenue		1,708,792	1,443,086
Direct costs		(1,653,695)	(1,357,771)
Gross profit		55,097	85,315
General and administrative expenses		(17,558)	(14,286)
Other income and gains		8,735	2,644
Other expenses		(4,375)	(4,095)
Finance costs, net		(37,443)	(18,474)
Share of profits less losses of joint ventures		5,028	5,508
Share of profits less losses of associates		1,542	(2,767)
Profit before taxation	4	11,026	53,845
Taxation	5	(1,168)	(1,624)
Profit for the year		9,858	52,221
Discontinued operations			
Loss for the year		(8,335)	(210,693)
Profit/(loss) attributable to shareholders		1,523	(158,472)
Dividends	6	12,490	12,397
Earnings per share for profit/(loss) attributable to shareholders (in US cents)			
Basic earnings per share	7(A)		
From continuing operations		0.51	2.70
From discontinued operations		(0.43)	(10.90)
From profit/(loss) attributable to shareholders		0.08	(8.20)
Diluted earnings per share	7(B)		
From continuing operations		0.51	2.70
From discontinued operations		(0.43)	(10.69)
From profit/(loss) attributable to shareholders		0.08	(7.99)

Please see Note 3(A) for income statement segment information.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the year ended 31 December 2013 US$'000	2012 US$'000
Profit/(loss) attributable to shareholders	1,523	(158,472)
Other comprehensive income – items that may be reclassified to profit or loss:		
Currency translation differences	(31,113)	(402)
Release of exchange (gain)/loss from reserve for foreign operations upon:		
– disposal of property, plant and equipment	8,331	8,183
– repayment of shareholder loans by subsidiaries	(5,146)	–
– disposal of a joint venture	–	(3,131)
Cash flow hedges:		
– fair value gains/(losses)	7,126	(3,231)
– transferred to finance costs in income statement	4,569	5,608
Fair value gains/(losses) on available-for-sale financial assets	165	(5,587)
Total comprehensive income attributable to shareholders	(14,545)	(157,032)

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2013 US$'000	2012 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		1,622,297	1,270,202
Investment properties		2,675	2,675
Land use rights		2,971	3,767
Goodwill		25,256	25,256
Interests in joint ventures		26,650	22,118
Investments in associates		1,332	1,332
Available-for-sale financial assets		4,894	4,729
Derivative assets		13,175	5,075
Trade and other receivables	8	65,975	58,039
Restricted bank deposits		1,269	50,192
Other non-current assets		5,917	5,322
		1,772,411	1,448,707
Current assets			
Inventories		104,006	79,102
Derivative assets		2,238	1,747
Trade and other receivables	8	142,374	106,044
Restricted bank deposits		1,593	70,148
Cash and deposits		483,200	633,118
		733,411	890,159
Assets of discontinued operations classified as held for sale		31,624	131,409
		765,035	1,021,568
Total assets		2,537,446	2,470,275
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		193,237	193,605
Retained profits		526,582	537,456
Other reserves		584,475	600,960
Total equity		1,304,294	1,332,021
LIABILITIES			
Non-current liabilities			
Derivative liabilities		18,779	22,684
Long term borrowings		708,660	853,651
		727,439	876,335
Current liabilities			
Derivative liabilities		4,580	2,449
Trade and other payables	9	166,475	174,884
Current portion of long term borrowings		328,565	77,820
Taxation payable		1,985	2,509
Provision for onerous contracts		656	–
		502,261	257,662
Liabilities of discontinued operations classified as held for sale		3,452	4,257
		505,713	261,919
Total liabilities		1,233,152	1,138,254
Net current assets		259,322	759,649
Total assets less current liabilities		2,031,733	2,208,356

Please see Note 3(B) for balance sheet segment information.

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company was incorporated in Bermuda on 10 March 2004 as an exempted company with limited liability under the Companies Act 1981 of Bermuda.

The Company is listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

2. ADOPTION OF NEW/REVISED HKFRS

Certain new standards, amendments and improvements to standard are mandatory for the accounting period beginning 1 January 2013. However, the adoption of these new standards, amendments and improvements to standard does not result in any substantial change to the Group's accounting policies.

3. SEGMENT INFORMATION

The Group manages its businesses by divisions. Reports are presented to the heads of divisions as well as the Board for the purpose of making strategic decisions, allocation of resources and assessing performance. The reportable operating segments in this note are consistent with how information is presented to the heads of divisions and the Board.

The Group's revenue is primarily derived from the provision of dry bulk shipping services internationally, and towage services to the harbour and offshore sectors in Australia and New Zealand.

"Treasury" manages the Group's cash and borrowings.

Geographical segment information is not presented as the Directors consider that the nature of the provision of shipping services, which are carried out internationally, preclude a meaningful allocation of operating profit to specific geographical segments.

3. SEGMENT INFORMATION (CONTINUED)

(A) INCOME STATEMENT SEGMENT INFORMATION

For the year ended 31 December 2013 US$'000	Pacific Basin Dry bulk	PB Towage	All Other Segments	Total Segments	Unallocated			Total	Reclass-ification	Per Financial Statements
					Treasury	PB RoRo	Others			
Continuing operations										
Revenue	1,599,373	107,988	593	1,707,954	–	–	(370)	1,707,584	1,208	1,708,792
Freight and charter-hire	1,599,373[1]	100,423	–	1,699,796	–	–	(370)[1]	1,699,426	1,208[1]	1,700,634
Maritime management services	–	7,565	593	8,158	–	–	–	8,158	–	8,158
Bunker & port disbursements	(863,858)[2]	(4,128)	–	(867,986)	–	–	192 [2]	(867,794)	867,794[2]	–
Time charter equivalent earnings	735,515									
Direct costs	(688,635)	(97,266)	–	(785,901)	–	–	–	(785,901)	(867,794)	(1,653,695)
Bunker & port disbursements	–	–	–	–	–	–	–	–	(867,794)[2]	(867,794)
Charter-hire expenses for vessels	(488,781)	(11,199)	–	(499,980)	–	–	–	(499,980)	–	(499,980)
Vessel operating costs	(91,712)	(54,284)	–	(145,996)	–	–	–	(145,996)	–	(145,996)
Depreciation of vessels	(68,139)	(12,737)	–	(80,876)	–	–	–	(80,876)	–	(80,876)
Direct overheads	(40,003)	(19,046)	–	(59,049)	–	–	–	(59,049)	–	(59,049)
Gross profit	46,880	6,594	593	54,067	–	–	(178)	53,889	1,208	55,097
General and administrative expenses	–	–	–	–	(2,059)	–	(15,499)[3]	(17,558)	–	(17,558)
Other income and expenses	–	(132)	–	(132)	–	–	5,700 [4]	5,568	(1,208)[1]	4,360
Finance costs, net	(20,825)	(931)	–	(21,756)	(2,337)	–	(13,350)[5]	(37,443)	–	(37,443)
Share of profits of joint ventures	–	5,028	–	5,028	–	–	–	5,028	–	5,028
Share of profits less losses of associates	–	–	–	–	–	–	1,542[7]	1,542	–	1,542
Profit/(loss) before taxation	26,055	10,559	593	37,207	(4,396)	–	(21,785)	11,026	–	11,026
Taxation	–	(97)	(1,071)	(1,168)	–	–	–	(1,168)	–	(1,168)
Profit/(loss) for the year	26,055	10,462	(478)	36,039	(4,396)	–	(21,785)	9,858	–	9,858
Discontinued operations										
Loss for the year	–	–	–	–	496	(500)	(8,331)[6]	(8,335)	–	(8,335)
Profit/(loss) attributable to shareholders	26,055	10,462	(478)	36,039	(3,900)	(500)	(30,116)	1,523	–	1,523

Note 1: Net unrealised forward freight agreement benefits and expenses are under "Unallocated Others". Net realised benefits and expenses are under "Pacific Basin Dry Bulk". For the presentation of the financial statements, realised and unrealised benefits and expenses are reclassified to other income and expenses. The related derivative assets and liabilities are under "Unallocated Others".

Note 2: Net unrealised bunker swap contract benefits and expenses are under "Unallocated Others". Net realised benefits and expenses are under "Pacific Basin Dry Bulk". For the presentation of the financial statements, bunkers & port disbursements are reclassified to direct costs. The related derivative assets and liabilities are under "Unallocated Others".

Note 3: "Unallocated Others" represents mainly corporate overheads. Direct overheads in "All Other Segments" were reclassified to general and administrative expenses under "Unallocated Others" following the wind-down of certain non-core operations.

Note 4: "Unallocated Others" mainly represents the exchange gain released from reserve arising from the repayment of equity shareholder loans by PB Towage amounting to US$5.1 million (2012: Nil).

Note 5: "Unallocated Others" represents net unrealised interest rate swap contract benefits of US$2.0 million (2012: US$0.4 million) which was offset by a break cost relating to the repayment of the finance lease liabilities upon the exercise of ten purchase options under finance leases amounting to US$15.3 million (2012: Nil).

Note 6: "Unallocated Others" in 2013 represents the release from foreign exchange reserve amounting to US$8.3 million (2012: US$8.2 million) in relation to three (2012: two) RoRo vessels whose bareboat charters to the purchaser commenced in 2013. The amount for 2012 also included the impairment charge of US$190.0 million of the RoRo vessels.

Note 7: "Unallocated Others" in 2013 mainly represents the write-back of impairment charge (2012: impairment charge of US$3.0 million) on the Gold River Marine Terminal project.

3. SEGMENT INFORMATION (CONTINUED)

(A) INCOME STATEMENT SEGMENT INFORMATION (CONTINUED)

For the year ended 31 December 2012 US$'000	Pacific Basin Dry Bulk	PB Towage	All Other Segments	Total Segments	Unallocated Treasury	Unallocated PB RoRo	Unallocated Others	Total	Reclass-ification	Per Financial Statements
Continuing operations										
Revenue	1,292,417	149,516	805	1,442,738	–	–	214	1,442,952	134	1,443,086
Freight and charter-hire	1,292,417 [1]	140,409	–	1,432,826	–	–	214 [1]	1,433,040	134 [1]	1,433,174
Maritime management services	–	9,107	805	9,912	–	–	–	9,912	–	9,912
Bunkers & port disbursements	(679,285)[2]	(3,582)	–	(682,867)	–	–	(3,969)[2]	(686,836)	686,836 [2]	–
Time charter equivalent earnings	613,132									
Direct costs	(558,927)	(112,008)	–	(670,935)	–	–	–	(670,935)	(686,836)	(1,357,771)
Bunkers & port disbursements	–	–	–	–	–	–	–	–	(686,836)[2]	(686,836)
Charter-hire expenses for vessels	(400,152)	(12,150)	–	(412,302)	–	–	–	(412,302)	–	(412,302)
Vessel operating costs	(74,580)	(68,372)	–	(142,952)	–	–	–	(142,952)	–	(142,952)
Depreciation of vessels	(48,910)	(13,864)	–	(62,774)	–	–	–	(62,774)	–	(62,774)
Direct overheads	(35,285)	(17,622)	– [3]	(52,907)	–	–	–	(52,907)	–	(52,907)
Gross profit	54,205	33,926	805	88,936	–	–	(3,755)	85,181	134	85,315
General and administrative expenses	–	–	–	–	(2,289)	–	(11,997)[3]	(14,286)	–	(14,286)
Other income and expenses	–	–	51	51	32	–	(1,400)	(1,317)	(134)[1]	(1,451)
Finance costs, net	(14,930)	(953)	741	(15,142)	(3,781)	–	449 [5]	(18,474)	–	(18,474)
Share of profits less losses of joint ventures	–	5,384	124	5,508	–	–	–	5,508	–	5,508
Share of profits less losses of associates	–	–	233	233	–	–	(3,000)[7]	(2,767)	–	(2,767)
Profit/(loss) before taxation	39,275	38,357	1,954	79,586	(6,038)	–	(19,703)	53,845	–	53,845
Taxation	–	(880)	(744)	(1,624)	–	–	–	(1,624)	–	(1,624)
Profit/(loss) for the year	39,275	37,477	1,210	77,962	(6,038)	–	(19,703)	52,221	–	52,221
Discontinued operations										
Loss for the year	–	–	–	–	–	(12,112)	(198,581)[6]	(210,693)	–	(210,693)
Profit/(loss) attributable to shareholders	39,275	37,477	1,210	77,962	(6,038)	(12,112)	(218,284)	(158,472)	–	(158,472)

3. SEGMENT INFORMATION (CONTINUED)

(B) BALANCE SHEET SEGMENT INFORMATION

- Vessels delivered & under construction
- Goodwill

- Properties

- Group unallocated cash
- RoRo receivables

- Derivative assets

At 31 December 2013 US$'000	Pacific Basin Dry Bulk	PB Towage	All Other Segments	Total Segments	Unallocated Treasury	Unallocated PB RoRo	Unallocated Others	Per Financial Statements
Total assets	1,654,865	243,693	12,542	1,911,100	579,309	31,624	15,413 [1,2]	2,537,446
Including:								
Property, plant and equipment	1,436,312	183,035	2,950	1,622,297	–	–	–	1,622,297
– Include additions to PP&E	442,147	14,350	1,863	458,360	–	–	–	458,360
Interests in joint ventures	–	26,650	–	26,650	–	–	–	26,650
– Include additions to interest in joint venture	–	17,999	–	17,999	–	–	–	17,999
Investments in associates	–	–	1,332	1,332	–	–	–	1,332
Total cash and deposits	–	15,361	120	15,481	470,581	–	–	486,062
Total liabilities	1,160,396	39,788	882	1,201,066	12,065	3,452	16,569 [1,2]	1,233,152
Including:								
Long term borrowings	1,015,012	22,213	–	1,037,225	–	–	–	1,037,225

- Gold River Marine Terminal, Canada

- OMSA
- Bunker tanker, N.Z.

- Bank loans
- Convertible bonds
- Finance lease liabilities

- Bank loans

- Derivative liabilities

At 31 December 2012 US$'000	Pacific Basin Dry Bulk	PB Towage	All Other Segments	Total Segments	Unallocated Treasury	Unallocated PB RoRo	Unallocated Others	Per Financial Statements
Total assets	1,292,280	271,829	20,009	1,584,118	744,584	131,409	10,164 [1,2]	2,470,275
Including:								
Property, plant and equipment	1,056,981	207,777	5,444	1,270,202	–	–	–	1,270,202
– Include additions to PP&E	170,677	3,574	1,733	175,984	–	19,366	–	195,350
Interests in joint ventures	–	18,777	–	18,777	–	–	3,341	22,118
Investments in associates	–	–	1,332	1,332	–	–	–	1,332
Total cash and deposits	50,088	23,500	64	73,652	679,761	–	45	753,458
Total liabilities	437,013	55,276	1,597	493,886	617,827	4,257	22,284 [1,2]	1,138,254
Including:								
Long term borrowings	301,272	31,079	–	332,351	599,120	–	–	931,471

4. PROFIT BEFORE TAXATION

Profit before taxation is stated after charging/(crediting) the following:

US$'000	2013	2012
Bunkers consumed	540,210	445,275
Depreciation		
– owned vessels	69,966	50,845
– leased vessels	10,910	11,929
– other owned property, plant and equipment	1,737	1,612
– investment properties	67	65
Amortisation of land use rights	113	115
Gain on disposal of property, plant and equipment	525	–
Interest on borrowings		
– bank loan	14,643	12,817
– finance leases	5,830	11,034
– convertible bonds	15,227	10,626
Net losses on interest rate swap contracts	3,793	4,977
Other finance charges (Note)	15,934	142
Finance income		
– Bank interest income	(7,109)	(16,045)
– Finance lease interest income	(217)	(1,435)
– Other interest income	(7,353)	–
Lubricating oil consumed	6,697	5,931
Net losses/(gains) on bunker swap contracts	279	(4,566)
Net (gains)/losses on forward foreign exchange contracts	(481)	482
Net losses on forward freight agreements	1,208	134

Note: Other finance charges included the break costs relating to the repayment of the finance lease liabilities upon the exercise of ten purchase options under finance leases amounting to US$15.3 million (2012: Nil)

5. TAXATION

The amount of taxation charged/(credited) to the consolidated income statement represents:

US$'000	2013	2012
Current taxation		
Hong Kong profits tax, provided at the rate of 16.5% (2012: 16.5%)	641	476
Overseas tax, provided at the rates of taxation prevailing in the countries	720	1,389
Overprovision of prior year	(193)	(241)
	1,168	1,624

6. DIVIDENDS

	2013 HK cents per share	2013 US cents per share	2013 US$'000	2012 HK cents per share	2012 US cents per share	2012 US$'000
Proposed final dividend	5.0	0.6	12,490	5.0	0.6	12,397
Dividend paid during the year	5.0	0.6	12,397	5.0	0.6	12,479

The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting on 16 April 2014.

7. EARNINGS PER SHARE

(A) BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the shares held by the trustee of the Company's Long Term Incentive Scheme ("LTIS") and 2013 Share Award Scheme ("SAS").

		2013	2012
Profit from continuing operations	(US$'000)	9,858	52,221
Loss from discontinued operations	(US$'000)	(8,335)	(210,693)
Profit/(loss) attributable to shareholders	(US$'000)	1,523	(158,472)
Weighted average number of ordinary shares in issue	('000)	1,935,299	1,932,750
Basic earnings per share			
– continuing operations	(US cents)	0.51	2.70
– discontinued operations	(US cents)	(0.43)	(10.90)
	(US cents)	0.08	(8.20)
Equivalent to			
– continuing operations	(HK cents)	3.95	20.96
– discontinued operations	(HK cents)	(3.34)	(84.57)
	(HK cents)	0.61	(63.61)

(B) DILUTED EARNINGS PER SHARE

Diluted earnings per share are calculated by dividing the Group's profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year after adjusting for the number of potential dilutive ordinary shares granted under the Company's LTIS and SAS but excluding the shares held by the trustee of the Company's LTIS and SAS.

		2013	2012
Profit from continuing operations	(US$'000)	9,858	52,221
Interest expense on convertible bonds	(US$'000)	–	1,003
Profit used to determine diluted earnings per share	(US$'000)	9,858	53,224
Loss from discontinued operations	(US$'000)	(8,335)	(210,693)
Profit/(loss) attributable to shareholders	(US$'000)	1,523	(157,469)
Weighted average number of ordinary shares in issue	('000)	1,935,299	1,932,750
Adjustment for:			
– assumed conversion of convertible bonds	('000)	–	37,538
– share options	('000)	191	137
Weighted average number of ordinary shares for diluted earnings per share	('000)	1,935,490	1,970,425
Diluted earnings per share			
– continuing operations	(US cents)	0.51	2.70
– discontinued operations	(US cents)	(0.43)	(10.69)
	(US cents)	0.08	(7.99)
Equivalent to			
– continuing operations	(HK cents)	3.95	20.96
– discontinued operations	(HK cents)	(3.34)	(82.96)
	(HK cents)	0.61	(62.00)

8. TRADE AND OTHER RECEIVABLES

Included in trade and other receivables are net trade receivables and their ageing is as follows:

US$'000	2013	2012
< 30 days	27,500	27,468
31-60 days	6,029	5,257
61-90 days	3,888	1,547
> 90 days	7,246	5,162
	44,663	39,434

Trade receivables consist principally of voyage-related trade receivables. It is industry practice that 95% to 100% of freight is paid upon completion of loading, with any balance paid after completion of discharge and the finalisation of port disbursements, demurrage claims or other voyage-related charges. The Group will not normally grant any credit terms to its customers.

Other receivables include US$100,907,000 in relation to the disposal of RoRo vessels in 2013 and represent the net sale proceeds for the three RoRo vessels that have commenced their bareboat charters to the purchaser. These other receivables are expected to be repaid by December 2015. The fair value of the other receivables is based on discounted cash flows based on a borrowing rate of 6%. The discount rate represents the Euro borrowing rate at inception including the appropriate credit spread.

9. TRADE AND OTHER PAYABLES

Included in trade and other payables are trade payables and their ageing is as follows:

US$'000	2013	2012
< 30 days	70,982	61,970
31-60 days	1,072	213
61-90 days	157	829
> 90 days	3,883	4,185
	76,094	67,197

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Other than for satisfying restricted awards granted under the Company's 2013 Share Award Scheme, neither the Company nor any of its subsidiaries has, during the year, purchased, sold or redeemed any of the share capital or convertible bonds of the Company.

COMPLIANCE WITH THE CODE OF CONDUCT REGARDING DIRECTORS' SECURITIES TRANSACTIONS

The Board of Directors has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix 10 of the Rules Governing the Listing of the Securities on the Stock Exchange (the "Listing Rules").

The Board confirms that, having made specific enquiry, the Directors have complied in full with the required standards set out in the Model Code and its code of conduct regarding Directors' securities transactions during the year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the year, the Company has been fully compliant with all code provisions of the Corporate Governance Code as contained in Appendix 14 of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The audit committee of the Company has reviewed this annual results announcement and the Annual Report of the Company for the year ended 31 December 2013.

FINAL DIVIDEND AND BOOK CLOSURE

The Board has proposed a final dividend for the year ended 31 December 2013 of HK 5 cents per share and, if such dividend is approved by the shareholders at the 2014 Annual General Meeting of the Company, it is expected be paid on or about 9 May 2014 to those shareholders whose names appear on the Company's register of members on 25 April 2014.

The register of members of the Company will be closed on 25 April 2014 when no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 24 April 2014. The ex-dividend date for the final dividend will be on 23 April 2014.

ANNUAL REPORT AND DISCLOSURE OF INFORMATION ON STOCK EXCHANGE'S WEBSITE

This announcement of annual results containing all the information required by paragraphs 45(1) to 45(8) of Appendix 16 of the Listing Rules has been published on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at www.pacificbasin.com.

The Company's 2013 Annual Report will be available on the Company's website at www.pacificbasin.com no later than the date on which it is sent to those shareholders who have elected to receive a printed copy on or around 14 March 2014.

DIRECTORS

As at the date of this announcement, the executive Directors of the Company are David Muir Turnbull, Mats Henrik Berglund, Jan Rindbo, Andrew Thomas Broomhead and Chanakya Kocherla, and the Independent Non-executive Directors of the Company are Patrick Blackwell Paul, Robert Charles Nicholson, Alasdair George Morrison and Daniel Rochfort Bradshaw.

Note: The English text of this announcement shall prevail over the Chinese text in case of any inconsistency.