Pacific Basin Shipping Limited

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

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The Board of Directors (the "Board") of Pacific Basin Shipping Limited ("Pacific Basin" or the "Company") is pleased to announce the results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2024 as follows:

BUSINESS HIGHLIGHTS

Stable Financial Performance and Strong Balance Sheet

- In 2024, we generated an underlying profit of US$114.1 million, a net profit of US$131.7 million and EBITDA of US$333.4 million, yielding a return on equity of 7% and basic EPS of HK19.9 cents
- We are debt free on a net basis with cash and deposits of US$282.0 million and available committed liquidity of US$547.6 million as at 31 December 2024, with 59 vessels remaining unmortgaged
- The Board recommends a final dividend of HK5.1 cents per share which, combined with the HK4.1 cents per share interim dividend distributed in August 2024, represents 50% of our net profit for the full year, excluding vessel disposal gains

US$ Million	Year Ended 31 December 2024	2023
Revenue	**2,581.6**	2,296.6
EBITDA #	**333.4**	347.2
Underlying Profit	**114.1**	119.2
Profit Attributable to Shareholders	**131.7**	109.4
Basic Earnings per share *(HK cents)*	**19.9**	16.5
Full Year Dividends per share *(HK cents)*	**9.2**	12.2

EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation and unrealised derivative income and expenses

Positive about Our Sector and Our Business

- The seasonal ups and downs that typically characterise the dry bulk market were largely flattened out by geopolitical and climate-related events, making it challenging to capture the full value of the market
- We remain positive overall about our sector's fundamentals in the longer term, but are alert and prepared for geopolitical uncertainties and dry bulk market challenges in 2025 and are ready to act on opportunities
- We continue to generate a healthy cash flow and remain financially strong and can weather periods of uncertainty and lower earnings while still making disciplined counter-cyclical investments that will underpin our growth and competitiveness for many years to come
- We can be proud of the good progress we have been making in delivering on our strategy and priorities

Our Fleet

As at 31 December 2024	Vessels in Operation: Owned	Long-term Chartered	Short-term Chartered[1]	Total	Total Capacity (Million dwt) Owned	Average Age Owned
Handysize	60	13	54	127	2.1	14
Supramax/ Ultramax[2]	51	4	94	149	3.0	13
Capesize[3]	1	–	–	1	0.1	14
Total	112	17	148	277	5.2	13

[1] Average number of short-term and index-linked vessels operated in December 2024
[2] Supramax vessels in excess of 60,000 dwt are generally referred to as Ultramaxes
[3] The Company owns one Capesize vessel which is chartered out on a long-term bareboat charter

Business Performance

- In 2024, our core business achieved Handysize and Supramax daily time-charter equivalent (TCE) earnings of US$12,840 and US$13,630 respectively, generating a total contribution of US$178.4 million before overheads
- Our operating activity achieved a daily margin of US$630 over 27,610 operating days, generating a contribution of US$17.4 million before overheads
- Our P&L break-even was US$9,820 and US$10,720 per day for Handysize and Supramax vessels respectively in 2024; our costs remain well controlled and sector leading
- In 2024, we outperformed the average Handysize (BHSI 38k dwt tonnage adjusted) and Supramax (BSI 58k dwt) indices by US$1,720 per day and US$710 per day respectively
- As at 31 December 2024, the estimated market value of our Handysize and Supramax fleet was US$2,008.0 million, significantly above our net book value of US$1,676.2 million

Our Fleet

- We owned 111 Handysize and Supramax/Ultramax vessels and had around 277 owned and chartered vessels on the water overall as at 31 December 2024
- In November 2024, we contracted for four dual-fuel Ultramax newbuilding low-emission vessels (LEVs) that are expected to deliver in 2028 and 2029 and will be able to operate on green methanol as well as sustainable biodiesel and conventional fuel oil
- The deal marks Pacific Basin's first newbuilding ordering since 2014 and is a significant milestone in our long-term plan to transition to net zero emissions by 2050 and comply with increasing decarbonisation regulations along the way
- With this newbuilding order, we are enhancing growth optionality for Pacific Basin, enabling fleet renewal and growth through additional LEV newbuilding orders and/or long-term charters of newbuildings with purchase options, and/or acquiring high-quality modern second-hand vessels, while selling older and less efficient vessels

CHAIRMAN'S STATEMENT

Maintaining Good Financial Health

In a year characterised by geopolitical turbulence and an unusually flat freight market, Pacific Basin generated sound cash flow and delivered continued stable results in 2024, and the Company maintains a healthy financial position. As such, the Board recommends a final dividend of HK5.1 cents per share which, combined with the interim dividend, represents 50% of our net profit for the full year, excluding vessel disposal gains.

In view of the continued share discount to the current market value of our assets, the Board has approved a new share buyback programme of up to US$40 million for 2025, and we are keenly considering all our levers for enhancing shareholder value, while mindful of the prudence of low gearing ahead of the counter-cyclical investments and growth we plan to pursue as regulatory pressure builds to renew the global fleet with next-generation green vessels.

The Board and I are confident of the Company's future performance and we remain optimistic about its significant upside potential.

Strong Governance and Leadership

Good corporate governance underpins all components of our business and brings energy and credibility to the Company's decision making, which is central to delivering value for our shareholders. We have a high-quality Board comprising a majority of Independent Non-executive Directors (INEDs) with diverse expertise and backgrounds, enhanced recently with the addition of two new and highly qualified INEDs, Ms. Kalpana Desai and Ms. Heather Wang, who we welcome warmly to the Pacific Basin team.

We welcome also a new Chief Financial Officer, Mr. Jimmy Ng, who joins the management team in May 2025. I am sure he will complement the leadership team well and, knowing the rest of the Company's senior executives as I do, I am confident that the Pacific Basin business is in good hands, armed with a vision, strategy and priorities that will drive performance and growth.

On Course for a Sustainable Future

We aspire to deliver only sustainable and profitably accretive business development and growth, and ESG efforts in recent years have helped to further embed sustainability in the Company's culture. I am heartened to see the leading role the team has continued to take in recent years in advocating for seafarer rights and welfare at a time of increased risk and hardship related to Covid, piracy and militant attacks, and the chronic growth of illicit drug smuggling by traffickers that often culminates in the unfair criminalisation of innocent seafarers. The team is concerned with other relevant social issues too, and with environmental and climate issues, and the Company has again been recognised for its industry-leading ESG efforts and performance with top awards and commendable ratings.

The Company's big news towards the end of 2024 was its contracting for four dual-fuel Ultramax newbuilding vessels that will be able to operate on green methanol, sustainable biodiesel and conventional fuel oil. Among the world's first few such orders in the dry bulk sector, the deal represents a crucial step in our (and our industry's) long-term strategy to achieve net zero emissions by 2050.

On behalf of the Board, I extend my heartfelt thanks to our seafarers and our shore-based staff for their continued hard work and loyalty in 2024, and I thank also our shareholders and other stakeholders for their interest in and continued support of our Company.

Stanley Hutter Ryan
Chairman

Hong Kong, 28 February 2025

CHIEF EXECUTIVE'S REVIEW

Stable Financial Results in an Unusually Flat Freight Market

In 2024, we generated an underlying profit of US$114.1 million, a net profit of US$131.7 million and EBITDA of US$333.4 million, yielding a return on equity of 7% and basic EPS of HK19.9 cents.

The seasonal ups and downs that typically characterise the dry bulk market were largely flattened out by geopolitical and climate-related events, making it challenging to capture the full value of the market.

We are alert and prepared for geopolitical uncertainties and dry bulk market challenges in 2025, we remain positive overall about our sector's fundamentals in the longer term, we continue to generate a healthy cash flow and remain financially strong, and we can be proud of the good progress we have been making in delivering on our strategy and priorities.

Committed to Delivering Sound Shareholder Value

Distributing dividends consistent with our payout policy

In view of our sound cash generation, the Board recommends a final dividend of HK5.1 cents per share which, combined with the HK4.1 cents per share interim dividend distributed in August 2024, represents 50% of our net profit for the full year excluding vessel disposal gains, which is in line with our dividend policy.

New share buyback programme for 2025

In April 2024, we announced a share buyback programme which we completed in December 2024 following our repurchase and cancellation of 138 million shares over seven months for an aggregate consideration of about US$40 million. Repurchasing our own shares at a discount to the current market value of our assets is beneficial to our shareholders – more so than acquiring second-hand vessels at prevailing prices. While funded by our available cash flow and internal resources, we continue to maintain sufficient financial resources for the continued growth of our operations.

Through dividends and the share buyback programme, we have committed to distribute an aggregate amount of US$101 million in value to our shareholders for 2024, equivalent to about 83% of our 2024 net profit, excluding vessel disposal gains.

In view of the continued share discount to the market value of our assets, the Board has approved a new share buyback programme of up to US$40 million in 2025.

Strong balance sheet

After our 2024 share buyback programme and total capital expenditure of US$128.4 million, our financial position remains strong. The Company is debt free on a net basis with a net cash position of US$19.7 million and available committed liquidity of US$547.6 million as at 31 December 2024. Additionally, we have 59 vessels that remain unmortgaged.

Managing for value creation and growth

We have been keenly considering all our levers for enhancing shareholder value, including through dividends, share buybacks, gearing, free cash flow, profitability and growth. A strategic priority for us in 2025 is to enhance our performance culture to improve on our historical outperformance on most metrics, such as TCE earnings, Opex, G&A and finance costs. We are mindful of the effect that low gearing has on shareholder returns, but our very low level of debt with significant committed liquidity positions us well to invest and grow counter-cyclically, in line with our strategy, especially as regulatory pressure builds to renew the global fleet with next-generation green vessels.

Mixed Earnings Performance Supported by Sector-leading Cost Base

Our large **core business** generated a contribution of US$178.4 million before overheads. Our average Handysize and Supramax daily TCE earnings of US$12,840 and US$13,630 per day were 5% up and 1% down respectively compared to 2023 and outperformed average Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) indices by US$1,720 per day and US$710 per day respectively, illustrating the challenges we had in 2024 to optimally position our Supramax fleet and maintain a high Supramax outperformance.

Our core business with substantially fixed costs is the main driver of our profitability, with a P&L break-even level for Handysize and Supramax vessels of US$9,820 and US$10,720 per day respectively.

Our **operating activity** contributed US$17.4 million before overheads, generating a margin of US$630 per day over 27,610 operating days, with Supramax particularly undermined by the impact of geopolitical events on the freight market. Our operating activity continued to grow with operating days increasing 18% year on year.

Our overheads and vessel operating expenses remain well controlled and sector leading – and are back to pre-Covid levels. Reducing our debt and utilising interest rate swaps to limit our exposure to variable interest rate debt has helped us to mitigate increases in finance costs in a higher interest rate environment.

Firmer Dry Bulk Demand Growth

Oceanbolt data shows global seaborne tonne-mile trade in dry bulk commodities grew by approximately 6% year on year in 2024, supported by robust Chinese demand for iron ore, coal and minor bulks, as well as global demand for Chinese steel. China sourcing from further distances, coupled with disruptions in the Panama and Suez canals, also contributed to the increase in overall tonne-mile demand.

Global minor bulk demand increased by about 9% in 2024, supported most notably by robust Chinese imports of bauxite and forest products, as well as Chinese exports of steel products.

Major bulk demand increased by about 5%, supported partly by:

- a 4% increase in grain loadings due to a recovery in the US and Argentinian harvest following reduced rainfall in 2023, and due to a recovery in loadings from Ukraine despite the ongoing conflict;
- a 4% increase in iron ore loadings due to strong demand from China and increased production in Australia and Brazil; and
- a 1% decrease in coal loadings but longer distance coal voyages, as declining coal demand in Europe and some East Asian countries was offset by strong coal demand from China and Southeast Asian countries amidst energy security concerns and unstable hydroelectric output.

Steady Dry Bulk Supply Growth

Global dry bulk net fleet growth remained steady at 3% in 2024. Net fleet growth in the minor bulk vessel segments accelerated to 4.1%, driven by an 18% increase year on year in Handysize and Supramax newbuilding deliveries, whereas Capesize and Panamax deliveries decreased.

Scrapping of the total dry bulk fleet decreased by almost a third year on year on the back of improved and steady freight rates, with deletions (mainly in the Supramax and Panamax segments) totalling only 3.8 million dwt or 0.4% of the existing global dry bulk fleet.

Clarksons Research forecasts total dry bulk net fleet growth of 3.0% in 2025, with the combined Handysize and Supramax fleet expected to grow 4.4% net due to orders placed in the strong markets of 2021 and 2022.

The ageing global fleet, particularly in the Handysize segment, coupled with the anticipated announcement of global decarbonisation regulations, should encourage increased scrapping in coming years.

In fact, 2025 is expected to be a crucial year for finalising IMO's global measures to drive decarbonisation in shipping, including an economic measure that imposes a price on carbon emissions and a technical measure that forces the gradual uptake of green fuels. Undercompliance can be expected to incur increasingly significant penalties, making it more costly to continue operating older, less efficient, conventional ships in the years ahead.

Investing in our Future Fleet

In November 2024, we contracted for four dual-fuel Ultramax newbuilding low-emission vessels (LEVs) that are expected to deliver in 2028 and 2029 and will be able to operate on green methanol as well as sustainable biodiesel and conventional fuel oil, offering the fuel flexibility to comply, optimise and compete in what will be an increasingly challenging regulatory environment and market. They are also of the most fuel-efficient design, which will be a critical benefit given the higher fuel costs ahead.

Designing and building these dual-fuel ships in collaboration with Japanese partners Nihon Shipyard Co and Mitsui & Co positions us at the forefront of innovation in our sector and affords us several strategic early-mover benefits and enhanced operating margin opportunities that will be important in the years ahead.

The deal marks Pacific Basin's first newbuilding ordering since 2014 and is a significant milestone in our long-term plan to transition to net zero emissions by 2050 and comply with increasing decarbonisation regulations along the way.

First and foremost, our investment in such LEVs is driven by our view – backed by regulatory developments – that a market will soon emerge for such vessels, driving attractive economics in the long term, and that delivery in 2028 represents good timing considering the current fleet age profile and the expected further implementation of climate regulations that will benefit fuel-efficient vessels and of course green ships able to sail on sustainable low-carbon or carbon-neutral fuels.

In addition, with this newbuilding order, we are enhancing growth optionality for Pacific Basin, enabling fleet renewal and growth through additional LEV newbuilding orders and/or long-term charters of newbuildings with purchase options, and/or acquiring high-quality modern second-hand vessels, while selling older and less efficient vessels.

Meanwhile, we continue to analyse and implement new ways to improve the energy efficiency of our existing conventionally-fuelled ships and to optimise our voyages. Building on the dozens of such initiatives that we have implemented over many years, our focus in 2024 was the application of super-low-friction silicone hull coating – now benefiting over a third of our owned fleet – which results in less drag for longer periods between dry dockings and a significant fuel saving of about 8% when sailing in good weather.

The importance and prevalence of data and AI continues to increase as we and our industry look for an ever more granular understanding of the performance of our ships and the gains from technical and operational and other optimisation initiatives.

Our Commercial Voyage Optimisation team is working hard to extract more value from fuel-efficient operational measures and other voyage-related efficiency improvements. Leveraging digitalisation, we made good progress in 2024 on systems for more accurate data measurement, collection and analysis, including:

- implementing AI-driven processes for daily verification of our time-chartered (TC) fleet voyage data (for emission reporting compliance and fuel consumption optimisation);
- advanced data models for precise information on the fuel efficiency of our owned and TC fleet (for improving fuel efficiency);
- systems and models for choosing optimal methods of compliance with EU ETS and EU Fuel Maritime; and
- rolling out Remotely Operated Vehicles (ROVs) across our owned ships to monitor hull fouling.

Investing in Our People

Despite decarbonisation, growth, investment decisions, shareholder returns and other opportunities dominating the agenda, we continue to be keenly focused on the security, safety, wellbeing, development and engagement of our employees. Sadly, none of these are guaranteed in our industry.

Over the past three years we have spoken passionately about the plight of several of our seafarer colleagues and fought hard for their release after they were unfairly criminalised and imprisoned when drug traffickers managed to stash their contraband in less-accessible parts of two of our ships in 2021 and 2023 respectively. We were very happy to report in December 2024 that ten colleagues detained in Nigeria since July 2023 were released and returned home to be with their families just in time for Christmas. And you may remember that our Captain Yu Yihai was released in 2023 after two years in a Honduran prison.

Our crews' eventual release was the result of a good team effort within Pacific Basin and in collaboration with allies ranging from local lawyers and P&I correspondents all the way up to leadership at the International Chamber of Shipping, BIMCO, ILO and the IMO, as well as departments of the Hong Kong Government and representatives of the People's Republic of China. We have advocated for security, fair treatment and due process for our colleagues and for seafarers generally in a number of forums – including in maritime and security conferences in Lagos, Geneva and Houston – in which coast guard, law enforcement, drug enforcement and other security agencies sought to collaborate with the industry to tackle the issue.

In 2024, our Sustainability team coordinated a review of two of our priority sustainability issues, namely Safety, Security, Health and Wellbeing and Diversity, Equity and Inclusion to reconsider why they are important for business, how we are progressing, what's our approach, and what are our related goals and targets. We take a practical approach to both of these issues, firmly believing that Safety & Wellbeing and workplace DEI done right lead to a healthy, engaged, effective and thriving workforce and bring out and leverage the best in everyone and drive performance. These strategy reviews provided a valuable opportunity for deeper engagement with all our colleagues on these subjects, which is an important part of our efforts to embed and enhance our sustainability culture throughout the Pacific Basin organisation.

In 2024, our crews registered 11 lost-time injuries in over 20 million man hours, translating to a lost-time injury frequency (LTIF) of 0.54, which is among the best in our sector and close to our best ever LTIF performance (excluding two outlier Covid years).

We continue to challenge ourselves on what it means and takes to cultivate an optimally supported, competent, diverse, engaged and high-performing workforce. At sea and on shore, we continue to uphold the highest health and safety standards and train our colleagues for high-performance teamwork and to enable them to tackle evolving business challenges while looking after each other's overall wellbeing.

I encourage you to read our 2024 Sustainability Report for more discussion on our approach to and performance in relation to environmental, social, governance and other sustainability issues that are material to our business.

Board and Leadership Changes

Responsibility for Pacific Basin's sustainability rests with our Board which in January 2024 elevated its delegated board-level oversight of sustainability from the Audit Committee to a dedicated new Sustainability Committee. In line with best practice, this is facilitating greater board-level bandwidth to ESG matters, while also freeing up time in board and audit committee meetings for other business.

The Company recently announced two new appointments at the Board level. Ms. Kalpana Desai and Ms. Heather Wang joined our Board on 1 February 2025 as Independent Non-executive Directors. Ms. Desai will also serve on our sustainability and audit committees, and Ms. Wang will also serve on our sustainability and remuneration committees. Please see our announcement of 17 January 2025 for a summary of their strong professional backgrounds and significant qualifications that will help to strengthen our Board with a broader range of valuable expertise.

Following a search that presented us with a number of excellent candidates, we today announced that Mr. Jimmy Ng will join us on 12 May 2025 as our new Chief Financial Officer. Please see our announcement dated today for a summary of his professional experience with US and European investment banks and, since 2008, with Hutchison Port Holdings.

We are excited to welcome Ms. Desai and Ms. Wang to the Board and Mr. Ng to the management team, and we are confident that they will make valuable contributions to the continued growth and success of Pacific Basin.

Meanwhile, our former Chief Financial Officer Mr. Michael Jorgensen left us in October 2024 and Mr. Alexandre Emery stepped down from our Board as an Independent Non-executive Director on 2 January 2025 due to the needs of a full-time executive role that he is taking up elsewhere. We thank both gentlemen sincerely for their contributions during their tenures at Pacific Basin, and we wish them well for their future endeavours.

Shipping Market Volatility Expected to Return in 2025

Global economic growth is expected to remain at a stable yet underwhelming 3.3% in 2025 and 2026 amid divergent growth paths and elevated policy uncertainty, according to the International Monetary Fund. Inflation, interest rates and tariffs are also all likely to continue to undermine dry bulk trade growth, which Clarkson's forecasts at 1.3% for the year. The geopolitical turbulence of last year will continue in 2025, amplified by the uncertainty of what may come out of the new US administration. But while more tariffs and protectionist policies may undermine trade, unforeseen shocks, disruption and other changes in the geopolitical landscape can equally support tonne-mile demand for shipping. We expect to see some volatility return to the dry bulk shipping market in 2025.

We are prepared for the unexpected, are watching closely for evolving geopolitical and shipping market developments, and will leverage the agility of our business model to react accordingly. We will continue to take a disciplined approach to our fleet renewal investments and disposals, and hope that increased volatility in 2025 will create opportunities for us to invest in our business.

In the longer term, we remain positive about our dry bulk sector due to a steady demand outlook for dry bulk commodities, the age profile of the global Handysize/Supramax fleet, the increasing pressure (and cost) of decarbonisation regulations on conventionally-fuelled vessels and the tight availability of newbuilding shipyard capacity.

Strategic Priorities for 2025

We wish to continue to renew and grow our owned fleet in a disciplined way that prepares us for a low-carbon future. Turbulent global developments will likely drive volatility in our market and, in turn, present opportunities for us to grow through the disciplined acquisition of high-quality modern second-hand vessels, while also selling older and less efficient vessels. We intend also to renew our fleet through additional LEV newbuilding orders and/or long-term charters of newbuildings with purchase options. We are also continuously looking for accretive M&A opportunities where the strategic and cultural fit is compelling. The growth optionality we enjoy is a valuable advantage.

Other strategic priorities in 2025 are:

- to increase our focus on fuel procurement including developing our priority access to green fuels (green methanol and sustainable biodiesel)
- to accelerate our optimisation drive, and
- to enhance our performance management approach and culture.

Other long-standing aspects of our strategy include:

- leveraging our proven differentiators, including our cargo and customer focus, our asset heavy (owner) and asset light (operator) business model, our engaged people and our engaging culture
- protecting our license to operate with sustainability becoming embedded in our culture, enhanced stakeholder engagement through effective communication, and continued best practice governance and risk management, and
- constantly improving our competitiveness by staying specialised in minor bulk, maintaining industry leading margins, staying competitive on cost-per-day, continually improving our fully-integrated ownership model, and keeping our liquidity and balance sheet strong.

Through these strategic priorities, we will strive to enhance our platform for sustainable growth and delivery of attractive and market-leading total shareholder returns.

Well Positioned for Uncertainty in 2025 and a more Promising Dry Bulk Market Longer Term

We are alert and prepared for uncertainties, challenges and opportunities in 2025. Fortunately, we remain financially strong and can weather periods of uncertainty and lower earnings while still making disciplined counter-cyclical investments that will underpin our growth and competitiveness for many years to come.

Our future success will therefore also depend on the continued good access we have to capital – financial, manufactured, human, social, relationship, intellectual and natural capital – all of which we cultivate to propel us towards our vision to be the leading ship owner/operator in dry bulk shipping, and the first-choice partner for all stakeholders.

I thank my Pacific Basin colleagues at sea and ashore for their diligent and innovative work, determination and loyalty – always and in particular during these more trying market conditions. Their contributions resulted in several strategic successes in 2024 with more in the pipeline. And I also acknowledge the valuable support of our cargo customers, tonnage providers, service providers, shareholders and other stakeholders for whose partnership and support we are very grateful.

Martin Fruergaard
Chief Executive Officer

Hong Kong, 28 February 2025

Freight rates remained firm and steady due to robust demand and limited seasonality

US$11,120 net ⬆ 24% YOY

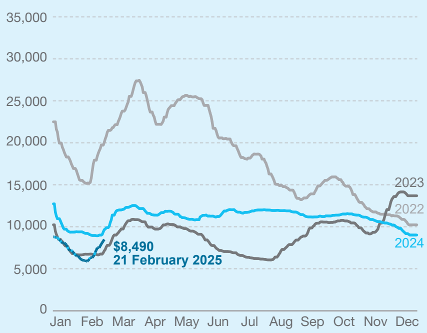
BHSI 38K (tonnage adjusted) Handysize 2024 avg. market spot rate

US$12,920 net ⬆ 21% YOY

BSI 58K Supramax 2024 avg. market spot rate

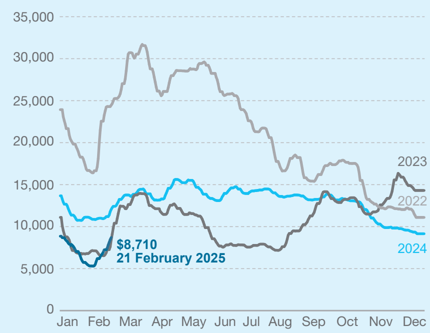
Handysize Market Spot Rates in 2022-2025

US$/day net*



Supramax Market Spot Rates in 2022-2025

US$/day net*



* Excludes 5% commission

Source: Baltic Exchange (BHSI 38,200 dwt (tonnage adjusted) and BSI 58,328 dwt)

2024 average dry bulk market freight rates increased year on year due to firmer demand growth, while disruptions in the major Suez and Panama Canals chokepoints flattened the usual seasonal ups and downs throughout the year, which traditionally sees peaks after Lunar New Year and during northern hemisphere grain season in the third quarter. These disruptions also caused vessels to reroute resulting in longer voyages and adding to tonne-mile demand.

Average market spot freight rates for Handysize and Supramax increased 24% and 21% year on year to US$11,120 (tonnage-adjusted) net per day and US$12,920 net per day, respectively.

As freight rates weakened in the fourth quarter on lower-than-expected grains exports, we anticipated a weaker start to 2025 and built our cargo cover for the first quarter. Dry bulk demand and market activity has picked up with a commensurate uptick in market freight rates since the early Lunar New Year holidays at the end of January 2025.

Vessel values softened after surge

US$30.5m ⬇ 2%

Second-hand Ultramax Values YOY

Second-hand vessel values surged in February 2024 and continued to rise until August, at which point they started to soften, as freight market trended down in the second half of 2024. Clarksons Research currently values a benchmark five-year-old Ultramax vessel at US$30.5 million, down by 2% compared to January 2024. Elevated newbuilding prices due to cost inflation, fuel type uncertainty and limited shipyard capacity continue to limit scope for material new vessel ordering in our sector, dry bulk vessel ordering will likely remain constrained in 2025.

Source: Clarksons Research, data as at January 2025

DEMAND: Dry bulk demand growth streak continued, supported partly by robust Chinese demand

Oceanbolt data shows global seaborne dry bulk trade volumes increased by about 2% year on year in 2024 with tonne-mile demand growing a more significant 6%, supported partly by robust Chinese demand for commodities sourced from further afield (despite concerns about economic slowdown and a weak property market), coupled with disruptions in the Panama and Suez Canals.

Minor bulk loading volumes were up by about 3% in 2024 with tonne-mile demand growing 9%, supported most notably by robust Chinese imports of forest products and bauxite (for China's growing aluminium production), as well as Chinese exports of steel products.

Major bulk tonne-mile demand increased by about 5%, supported partly by:

- a 4% increase in grain loadings due to a 37% and 15% recovery in Argentinian and US harvests following reduced rainfall in 2023, and due to an 84% recovery in loadings from Ukraine despite the ongoing conflict; Brazil's robust soybean exports in the first half of 2024 were offset by delayed corn exports and the effects of drought in the second half;
- a 4% increase in iron ore loadings due to increased production in Australia and Brazil and strong demand from China which, benefitting from attractive iron ore prices, continued to produce and export steel on strong demand from Southeast Asia; and
- a 1% decrease in coal loadings but longer distance coal voyages, as declining coal demand in Europe and some East Asian countries (under their green agendas) was offset by strong coal demand from China and Southeast Asian countries amidst energy security concerns and unstable hydroelectric output.

2024 Global Cargo Loading Volumes#

Selected Minor Bulks*	⬆	+3%
Grain	⬆	+4%
Iron Ore	⬆	+4%
Coal	⬇	-1%

* Minerals, non-coal energy, metals and minor ores, fertiliser, sugar and non-grain agricultural products, cement and clinker, logs and forest products, steel and scrap

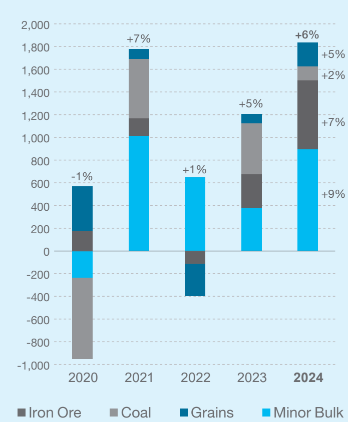
Source: Oceanbolt, data as at February 2025, subject to revision

Minor bulk demand is broad based and diverse, both geographically and in terms of commodities and customers, and normally tracks growth in GDP.

\# Cargo volume is different to tonne-mile demand. Tonne-miles is the primary measure of transport demand. A tonne-mile is defined as one tonne of freight shipped one mile, and therefore reflects both the volume shipped (tonnes) and distance shipped (miles).

Changes in Global Dry Bulk Demand

YOY change in billion tonne-miles



Source: Oceanbolt, data as at February 2025, subject to revision

SUPPLY: Net fleet growth remained steady due to limited scrapping

Global dry bulk net fleet growth slowed marginally from 3.1% in 2023 to 3.0% in 2024, while net fleet growth of the combined Handysize and Supramax segment in which we specialise increased from 3.4% in 2023 to 4.1% in 2024, driven by:

- an 18% increase in Handysize and Supramax newbuilding deliveries, whereas Capesize and Panamax deliveries decreased by 28% and 8% respectively; total dry bulk newbuilding deliveries declined 4% year on year; and
- a 30% decrease in the total dry bulk fleet scrapping due to improved and steady freight rates, with deletions (mainly in the Supramax and Panamax segments) totalling only 3.8 million dwt or 0.4% of the existing global dry bulk fleet.

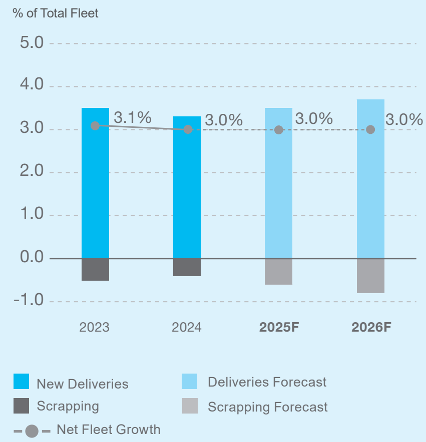
Clarksons Research data points to forecast total dry bulk net fleet growth of 3.0% in 2025, with the combined Handysize and Supramax fleet expected to grow 4.4% net due to orders placed in the strong markets of 2021 and 2022.

The ageing global fleet, particularly in the Handysize segment, coupled with the anticipated announcement of details of IMO's global decarbonisation regulations, should help encourage increased scrapping in coming years.

Overall Dry Bulk Supply Development

3.0%

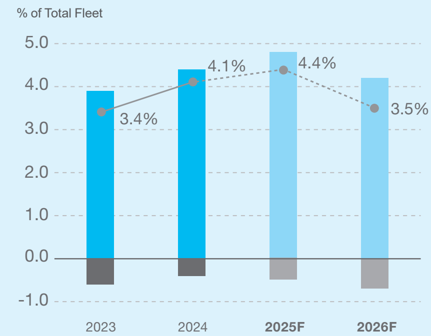
Overall dry bulk capacity 2024



Handysize/Supramax Supply Development

4.1%

Global Handysize/Supramax capacity 2024



Source: Clarksons Research, data as at February 2025

Net fleet growth is expected to moderate in the next few years due to reducing new vessel ordering and potentially increased scrapping as the fleet ages and decarbonisation regulations tighten. In time, decarbonisation regulations from IMO and EU are likely to start forcing slower vessel speeds which will also reduce supply, boding well for the market in the longer term.

ORDERBOOK: Restrained ordering due to regulatory uncertainty and limited yard capacity

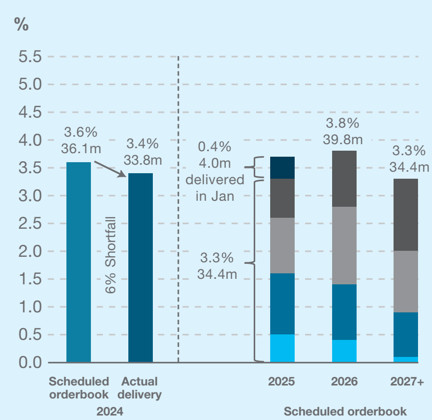
The total dry bulk orderbook currently stands at 10.4% of the existing fleet, with the combined Handysize and Supramax orderbook at 10.9% – both up slightly year on year, but historically moderate, especially when compared to the tanker and containership sectors.

Total dry bulk newbuild contracting activity in 2024 slowed by 10% year on year to 47.3 million dwt, with Handysize and Supramax ordering down 29% and 3% respectively, while ordering of Capesize vessels increased 24%.

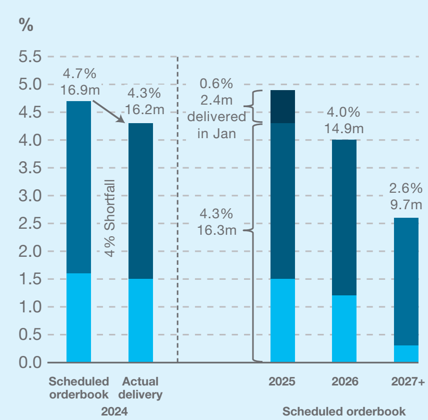
This reduction in ordering activity was due to:

- uncertainty about the details of IMO's coming global decarbonisation regulations and the technologies and availability of future fuels required to meet them;
- limited yard capacity for newbuilding orders until 2028, with limited new yard capacity coming online; and
- newbuilding prices remaining historically elevated due to cost inflation and limited yard capacity.

Overall Dry Bulk Orderbook



Handysize & Supramax Combined Orderbook



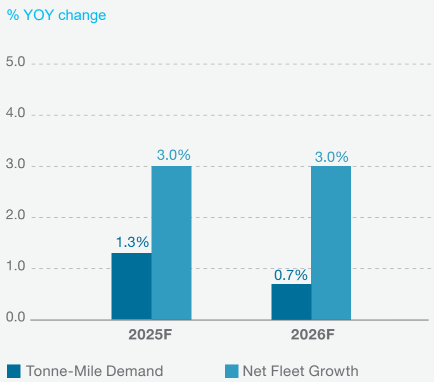
Source: Clarksons Research, data as at February 2025

	Orderbook as % of Existing Fleet	Average Age	Over 20 Years Old	2024 Scrapping as % of 1 January 2024 Existing Fleet
Handysize (10,000–40,000 dwt)	8.8%	14	14%	0.4%
Supramax & Ultramax (40,000–70,000 dwt)	12.0%	12	12%	0.3%
Panamax & Post-Panamax (70,000–100,000 dwt)	13.7%	12	13%	0.6%
Capesize (100,000+ dwt)	7.8%	11	5%	0.2%
Total	10.4%	13	10%	0.4%

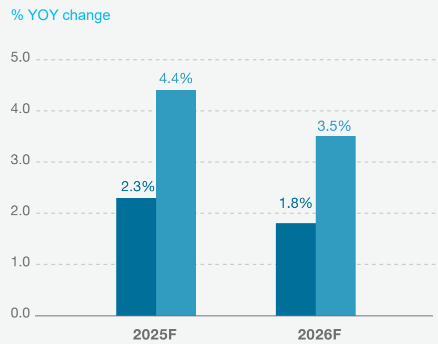
Source: Clarksons Research, data as at February 2025

MARKET BALANCE: Supply growth is expected to outpace demand in 2025

Total Dry Bulk Demand and Supply



Minor Bulk Demand and Handysize/Supramax Supply



Source: Clarksons Research, data as at February 2025

According to Clarksons Research forecast data, both total dry bulk and minor bulk supply growth are expected to outpace demand growth in 2025, due to expected high levels of new ship deliveries and limited scrapping.

However, geopolitical turbulence of last year is expected to continue in 2025 amplified by the uncertainty of what may still come from the new US administration, disruption in the Red Sea will likely continue, and further economic stimulus is expected in China, which together are likely to generate increased market volatility and may add support to freight rates.

POSSIBLE MARKET DRIVERS IN THE MEDIUM TERM

OPPORTUNITIES

- Chinese stimulus focusing on consumption with increased investment in infrastructure and urban renewal driving demand for dry bulk commodities
- Steady global economic growth supporting global commodity demand, particularly development in the ASEAN countries
- Geopolitical disruption and turbulence supporting commodities sourcing from further afield and increased freight market volatility
- Slower vessel operating speeds due to emissions regulations and increased fuel cost
- Limited new vessel ordering due to uncertainty over decarbonisation regulations and future vessel designs and alternative fuels, leading to tighter supply
- Increased scrapping of older and less optimally designed tonnage facing onerous environmental regulations and expensive maintenance and upgrade

THREATS

- Tariffs and protectionism disrupting trades and driving local production at the expense of global trade
- Trade conflicts negatively impacting global economic growth which reduces demand for dry bulk commodities
- Persistent high interest rates negatively impact global economic activities and demand in dry bulk commodities
- Increased deliveries and potential excessive new vessel ordering driving increased net fleet growth, outpacing demand growth
- Adverse weather conditions hampering grain production
- Chinese economic growth slower than expected despite stimulus
- Limited scrapping of vessels due to lack of clarity on decarbonisation regulations from IMO

OUR PERFORMANCE

Our business generated an underlying profit of US$114.1 million, representing a decrease of 4% compared to 2023 mainly due to increased G&A overheads from increased staff costs and IT-related expenses. Our performance before overheads increased by 1% to US$197.5 million on stronger freight rate and our increased cargo volume. We outperformed the Handysize and Supramax indices by 15% and 5% respectively, though our Supramax contribution was impacted by market developments driven by geopolitical and climate-related events, making it challenging to capture the full value of the market. Our Operating Activity also contributed to our performance, albeit less than in 2023 due to a lower operating activity margin per day, and despite continuing to grow our operating activity days.

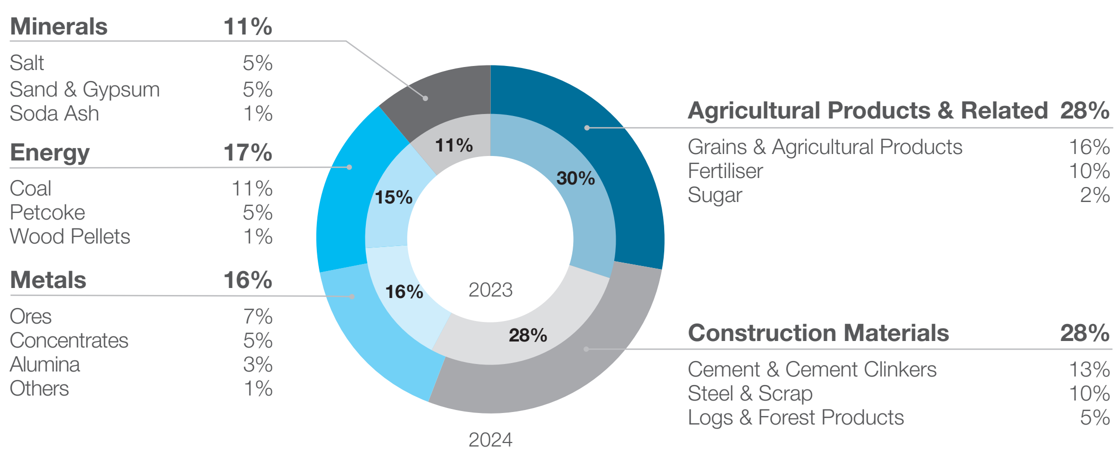
Operating Performance

US$ Million	1H24	2H24	2024	2023	Change
Core business Handysize contribution	41.1	66.1	**107.2**	97.4	+10%
Core business Supramax contribution	35.7	35.5	**71.2**	70.0	+2%
Operating activity contribution	7.8	9.6	**17.4**	25.6	-32%
Capesize contribution	0.8	0.9	**1.7**	1.7	–
Performance before overheads	85.4	112.1	**197.5**	194.7	+1%
Adjusted total G&A overheads	(41.2)	(41.5)	**(82.7)**	(76.0)	-9%
Taxation and others	(0.3)	(0.4)	**(0.7)**	0.5	>-100%
Underlying profit	43.9	70.2	**114.1**	119.2	-4%
Vessel net book value (incl. assets held for sale)	1,761.7	1,697.2	**1,697.2**	1,795.2	-5%

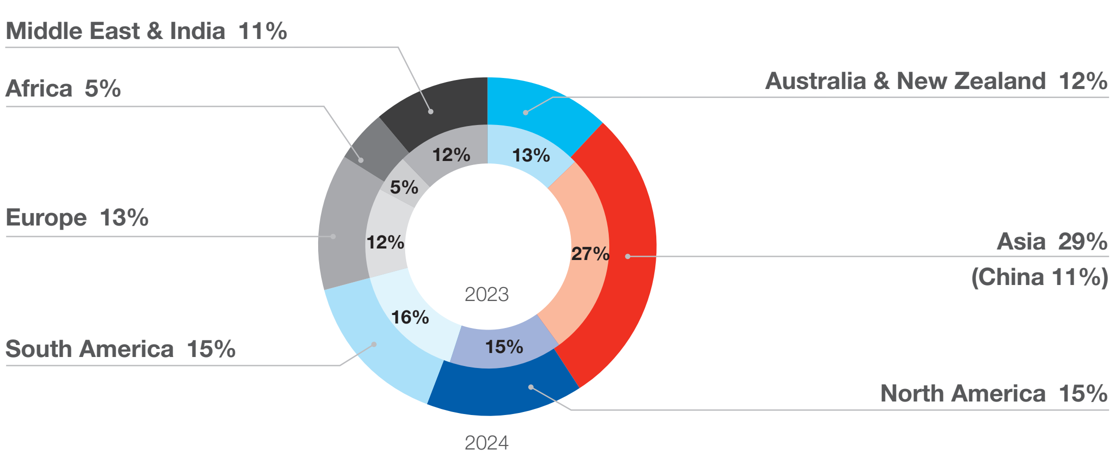
+/- Note: In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result

OUR CARGO VOLUMES

90.2 million tonnes in 2024 (84.7 million tonnes in 2023)



Our Cargo Loading & Discharging Activity (by volume) in 2024 & 2023

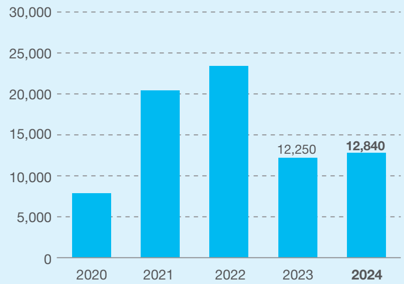


CORE BUSINESS

Handysize

TCE EARNINGS KPI

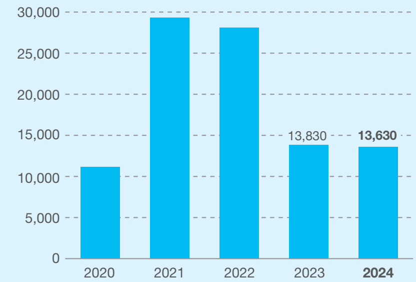
US$/day



Supramax

TCE EARNINGS KPI

US$/day



Our core business generated:

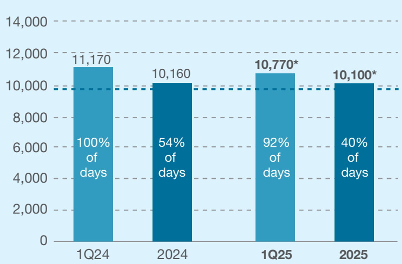
- Handysize daily earnings of US$12,840 on 27,010 revenue days
- Supramax daily earnings of US$13,630 on 19,560 revenue days
- In the period, our Handysize outperformed the index (BHSI 38k dwt tonnage-adjusted) by US$1,720 or 15% per day. Scrubbers fitted to our five core Handysize vessels contributed US$30 per day to outperformance
- In the period, our Supramax outperformed the index (BSI 58k dwt) by US$710 or 5% per day. Scrubbers fitted to our 34 core Supramax vessels contributed US$610 per day to outperformance

- Note that Handysize and Supramax 4Q24 TCE earnings were positively impacted by reversals of prior-period freight tax provisions. The reversal of Handysize freight tax provisions of US$8.6 million resulted in a TCE increase of US$1,280 per day in 4Q24. The reversal of Supramax freight tax provisions of US$9.2 million resulted in a TCE increase of US$1,920 per day in 4Q24. This resulted in a 2024 full year increase to Handysize and Supramax TCE earnings of US$320 per day and US$470 per day respectively

Handysize

FORWARD CARGO COVER

US$/day



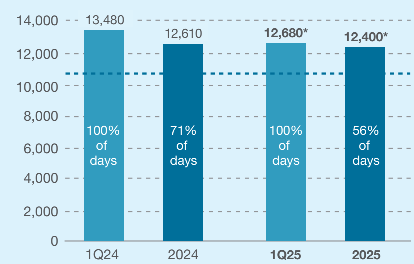
Indicative 2024 core fleet P&L break-even incl. G&A: US$9,820

* As at late-January 2025; these TCE rates are indicative only as voyages are still in progress and our Handysize cover for the rest of the year is backhaul heavy. When combined with better earning fronthaul voyages, the overall TCE rates will typically be higher; Current value of Handysize scrubber benefits is approximately US$50 per day

Supramax

FORWARD CARGO COVER

US$/day



Indicative 2024 core fleet P&L break-even incl. G&A: US$10,720

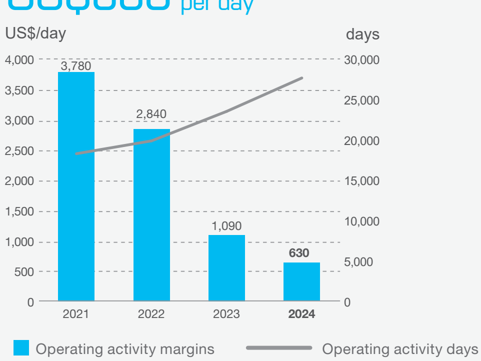
* As at late-January 2025; these TCE rates are indicative only as voyages are still in progress; Current value of Supramax scrubber benefits is approximately US$290 per day. When a Supramax vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber

- We actively took cover for the first quarter of 2025 in view of the downward trend in freight rates towards the end of 2024, while maintaining a higher degree of spot market exposure for the remainder of 2025
- We have covered 92% and 100% of our Handysize and Supramax vessel days currently contracted for the first quarter of 2025 at US$10,770 and US$12,680 per day respectively
- We have covered 40% and 56% of our Handysize and Supramax vessel days currently contracted for the full year of 2025 at US$10,100 and US$12,400 per day respectively
- Our P&L break-even was US$9,820 and US$10,720 per day for Handysize and Supramax vessels respectively in 2024; our costs remain well controlled and sector leading

OPERATING ACTIVITY

MARGIN KPI

US$630 per day



- In 2024, our operating activity contributed US$17.4 million or 9% of our Group's performance before overheads, having generated a margin of US$630 per day over 27,610 operating activity days
- While our margin per day reduced, we increased our operating activity days by 18% year on year
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels (when our core vessels are unavailable), thereby making a margin and contributing to our Group's results regardless of whether the market is weak or strong

Our Commercial Activities

Core Business

Our core business is to optimally combine our owned and long-term chartered vessels with multi-shipment contract cargoes and spot cargoes to achieve the highest daily TCE earnings. Our core business also uses short-term chartered vessels to carry contract cargoes to maximise the utilisation and TCE of our owned and long-term chartered vessels.

Operating Activity

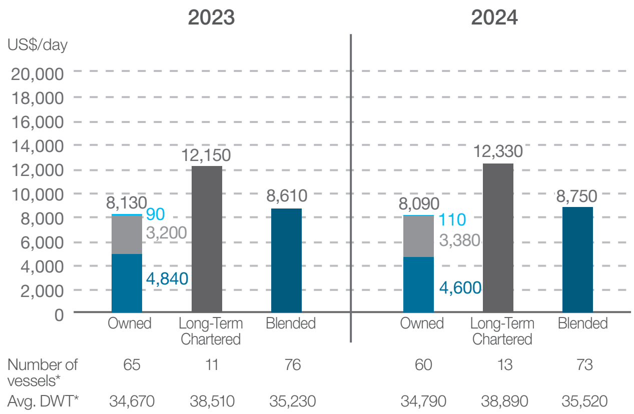
Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels, making a margin and contributing to our Group results regardless of whether the market is weak or strong. Through our operating activity, we provide a service to our customers even if our core vessels are unavailable.

CORE BUSINESS VESSEL COSTS

Daily Vessel Costs

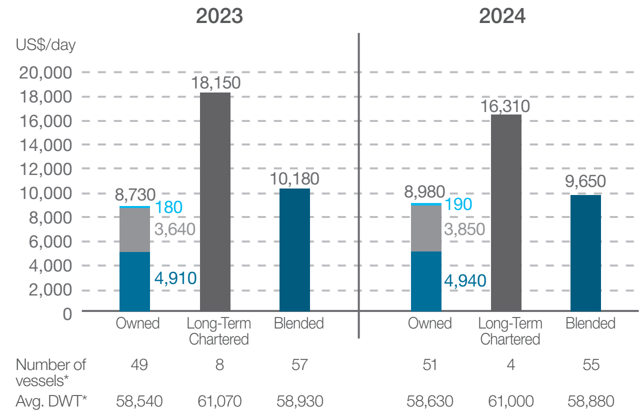
Handysize

Blended US$8,750



Supramax

Blended US$9,650



Opex Depreciation Finance Cost

* Fleet as at 31 December 2023 and 2024

Owned Vessel Costs

■ Operating expenses

Our average Handysize and Supramax daily operating expenses ("Opex") decreased by 2% to US$4,750 (2023: US$4,870), mainly due to the normalisation of crew costs. Our Opex remained at competitive levels in the industry through good cost control and scale benefits as well as efficient procurement.

During the year, our fleet of owned vessels experienced on average 2.4 days (2023: 0.8 days) of unplanned technical off-hire per vessel, impacted by the significant downtime of one vessel that experienced main engine bearing damage requiring lengthy repair.

■ Depreciation

Our Handysize and Supramax daily depreciation costs both increased by 6% respectively, mainly due to higher drydocking costs and investments in fuel-efficiency enhancements.

■ Finance costs

The increase of our average Handysize and Supramax daily finance costs by 25% to US$150 (2023: US$120) was primarily due to lower interest income as a result of decreased interest rates.

Long-term Chartered Vessel Costs

Long-term chartered vessel costs mainly comprise depreciation of right-of-use assets, interest expenses of lease liabilities and technical management service costs for leases over 12 months. Our Handysize long-term chartered vessel daily costs increased by 1% to US$12,330 primarily due to the stronger freight market. Our Supramax long-term chartered vessel daily costs reduced by 10% to US$16,130 primarily due to the redelivery of more expensive vessels.

Blended Costs

Our daily blended costs for owned and long-term chartered vessels increased to US$8,750 for Handysize vessels (2023: US$8,610) and decreased to US$9,650 for Supramax vessels (2023: US$10,180).

General and Administrative ("G&A") Overheads

Our adjusted total G&A overheads increased to US$82.7 million (2023: US$76.0 million) mainly due to the increased staff costs and IT-related expenses during the year. Spread across our total vessel days, our daily G&A overheads remain competitive at US$780 (2023: US$760), comprising US$1,070 and US$600 (2023: US$1,030 and US$560) for owned and chartered vessels respectively.

Vessel Days

The following table shows an analysis of our vessel days in 2024 and 2023:

	Handysize		Supramax	
Days	2023	**2024**	2023	**2024**
Core business revenue days	28,420	**27,010**	20,230	**19,560**
– Owned revenue days	24,960	**22,750**	17,070	**17,700**
– Long-term chartered days	3,460	**4,260**	3,160	**1,860**
Short-term core days[1]	7,730	**11,640**	18,660	**19,090**
Operating activity days	9,190	**11,240**	14,290	**16,370**
Owned off-hire days	710	**370**	400	**680**
Total vessel days	46,050	**50,260**	53,580	**55,700**

[1] Short-term chartered vessels used to support our core business

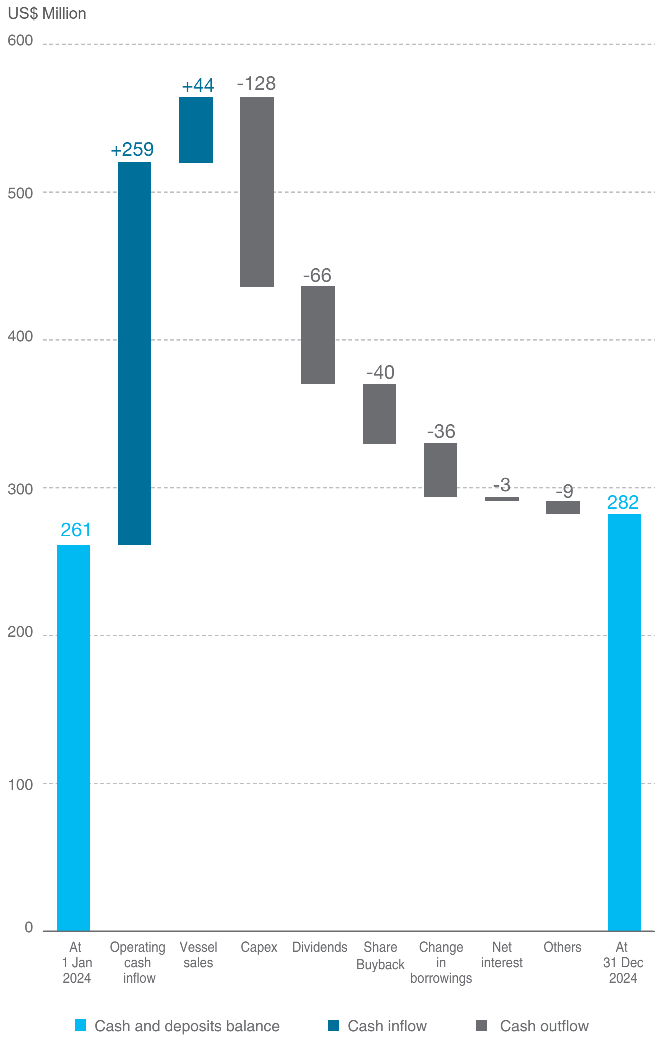
Future Long-term Chartered Vessel Costs

The following table shows the average daily charter costs for our long-term chartered Handysize and Supramax vessels during their remaining charter period by year:

	Handysize		Supramax	
Year	Vessel days	Average cost (US$)	Vessel days	Average cost (US$)
2025	3,410	12,670	1,290	14,430
2026	2,530	13,340	1,400	15,050
2027	2,190	13,190	1,460	14,680
2028	2,140	12,780	1,460	14,250
2029+	2,060	12,820	2,660	13,780
Total	**12,330**		**8,270**	

CASH AND BORROWINGS

Cash Flow



To provide readers with a better understanding of our cash flow position, the presentation in this section considers charter-hire payment as operating cash flow, before applying the treatment under HKFRS 16 – "Leases"

Key Developments in 2024

- In April, we extended and increased an existing term loan by an additional US$28.6 million secured by the same 6 vessels under the original facility
- During the year we realised US$43.7 million from the sale of 5 Handysize vessels
- Our net cash outflow from borrowings was US$35.9 million in the year
- During the year we spent US$40.0 million to repurchase shares under our announced share buyback programme
- During the year we incurred capital expenditure of US$128.4 million, including:
  - (a) US$42.8 million for 1 Ultramax and 1 Supramax vessels which delivered into our fleet in 2024
  - (b) US$46.0 million for dry dockings and other additions
  - (c) In November, we contracted for four dual-fuel Ultramax newbuilding low-emission vessels (LEVs) which we expect to be delivered in 2028 and 2029. We paid an initial US$39.6 million out of a total consideration of US$186.0 million and we currently plan for these vessels to be paid for in cash
- As at 31 December 2024, we had 59 unmortgaged vessels

Liquidity and Borrowings

US$ Million	31 Dec 2024	31 Dec 2023	Change
Cash and deposits (a)	**282.0**	261.5	+8%
Available undrawn committed facilities	**265.6**	287.7	-8%
Available committed liquidity	**547.6**	549.2	0%
Current portion of borrowings	**(76.5)**	(46.3)	
Non-current portion of borrowings	**(185.8)**	(254.1)	
Total borrowings (b)	**(262.3)**	(300.4)	+13%
Net cash/(borrowings) (a) + (b)	**19.7**	(38.9)	>+100%
Net cash/(borrowings) to shareholders' equity	**1%**	(2)%	
Net cash/(borrowings) to net book value of owned vessels KPI	**1%**	(2)%	

Borrowings and Undrawn Committed Facilities

Borrowings and Undrawn Committed Facilities – US$500.2 million (31 December 2023: US$555.4 million)

Borrowings and undrawn committed facilities decreased during the year mainly due to repayments and scheduled loan amortisation, partly net off by additional drawdown of US$28.6 million on an existing facility.

A decrease in interest to US$16.4 million (2023: US$16.5 million) was mainly due to a decrease in average borrowings to US$283.0 million.

The Group monitors the loan-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 may pledge additional cash or offer other additional collateral unless the banks offer waivers for technical breaches.

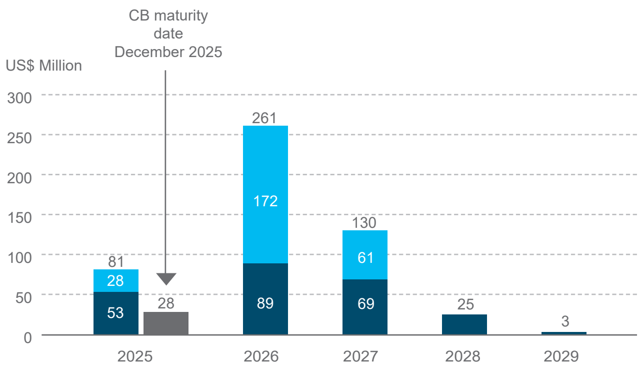
As at 31 December 2024:

- The Group's secured borrowings were secured by 53 vessels with a total net book value of US$896.7 million and by an assignment of earnings and insurances in respect of these vessels
- The Group was in compliance with all its loan-to-asset value requirements

Convertible Bonds Liability Component – US$27.7 million (31 December 2023: US$32.7 million)

Following the conversion offer completed in May 2022, a subsequent bondholder conversion in July 2022, the open market repurchase of convertible bonds in December 2022 and further bondholder conversions in May 2023 and June 2024, as at 31 December 2024, there remained the 3% coupon guaranteed convertible bonds due in 2025 with an outstanding principal amount of US$28.1 million and a prevailing conversion price of HK$1.39 per share.

Schedule of Reduction in Borrowings and Undrawn Committed Facilities



We arrange financing by leveraging the Group's balance sheet to optimise the availability of cash resources of the Group. The aggregate borrowings and undrawn committed facilities of the Group at 31 December 2024, including the liability component of the convertible bonds, amounted to US$527.9 million (31 December 2023: US$588.1 million) and are denominated in United States Dollars.

- Undrawn committed facilities (US$265.6 million)
- Borrowings (US$234.6 million)
- Convertible bonds (face value US$28.1 million, book value US$27.7 million)

Finance Costs

US$ Million	Average interest rate P/L	Average interest rate Cash	Balance at 31 December 2024	Finance costs 2024	Finance costs 2023	Change
Borrowings (including realised interest rate swap contracts)	5.7%	5.7%	**234.6**	**16.4**	16.5	+1%
Convertible bonds (Note)	4.7%	3.0%	**27.7**	**1.4**	1.5	+8%
	5.6%	KPI 5.5%	**262.3**	**17.8**	18.0	+1%
Other finance charges				**2.0**	1.5	
Total finance costs				**19.8**	19.5	-2%
Interest coverage (calculated as EBITDA divided by total finance costs)				KPI **16.8x**	17.8x	

Note: The convertible bonds have a P/L cost of US$1.4 million and a cash cost of US$0.9 million.

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

- average interest rates for different types of borrowings; and
- the Group's interest coverage.

The Group aims to achieve a balance between floating and fixed interest rates on its borrowings. As at 31 December 2024, 69% (31 December 2023: 75%) of the Group's borrowings were on fixed interest rates.

FINANCIAL RESULTS

Group Performance Review

This Group Performance Review comprises a presentation of our income statement adjusted to provide readers with a better understanding of the key dynamics of a shipping business, more consistent with the way we review our performance in our internal management reporting.

US$ Million	Note	2024	2023	Change*
Revenue		**2,581.6**	2,296.6	+12%
Bunker, port disbursement & other voyage costs		**(1,099.6)**	(1,015.1)	-8%
Time-charter equivalent ("TCE") earnings	1	**1,482.0**	1,281.5	+16%
Owned vessel costs				
Operating expenses	2	**(197.0)**	(210.1)	+6%
Depreciation	3	**(153.7)**	(150.5)	-2%
Net finance costs	4	**(6.2)**	(5.4)	-15%
Chartered vessel costs				
Non-capitalised charter costs	5	**(880.0)**	(656.5)	-34%
Capitalised charter costs	5	**(47.6)**	(64.3)	+26%
Operating performance before overheads		**197.5**	194.7	+1%
Adjusted total G&A overheads	6	**(82.7)**	(76.0)	-9%
Taxation and others		**(0.7)**	0.5	>-100%
Underlying profit		**114.1**	119.2	-4%
Net disposal gain of vessels	7	**9.6**	10.8	
Unrealised derivative income/ (expenses)	8	**4.0**	(4.6)	
Write-back of provisions	9	**4.0**	–	
Vessel impairment		**–**	(16.0)	
Profit attributable to shareholders		**131.7**	109.4	+20%
EBITDA		**333.4**	347.2	-4%
Net profit margin		**5%**	5%	0%
Return on average equity		**7%**	6%	+1%

* In our tabulated figures, positive changes represent an improving result and negative changes represent a worsening result.

Notes

1. Total time-charter equivalent ("TCE") earnings increased due to stronger market freight rates and our increased cargo volume.
2. Total operating expenses of our owned vessels decreased by 6% due to the normalisation of crew costs.
3. Depreciation of our owned vessels increased by 2% mainly due to higher docking costs and investments in fuel-efficiency enhancements.
4. The 15% increase in net finance costs was primarily due to lower interest income as a result of decreased interest rates.
5. Non-capitalised charter costs comprise the cost of short-term charters with a term of 12 months or less and the non-lease portion of long-term charters with a term of over 12 months. Capitalised charter costs comprise depreciation of right-of-use assets and interest expenses on lease liabilities relating to the lease portion of long-term charters with a term of over 12 months. The increase in overall charter costs is in line with the higher market freight rates during the year.
6. Adjusted total G&A overheads comprise the total G&A overheads and the interest on lease liabilities of other PP&E. The amount increased by 9% mainly due to increased staff costs and IT-related expenses.
7. The net disposal gain relates to the disposal of our older and less efficient Handysize vessels.
8. Unrealised derivative income mainly represents the positive mark-to-market on our forward freight agreements.
9. Write-back of provisions relates to settlement in operational costs and claims.

EBITDA (earnings before interest, tax, depreciation and amortisation) is gross profit less indirect general and administrative overheads, excluding: depreciation and amortisation; exchange differences; share-based compensation and unrealised derivative income and expenses.

Consolidated Income Statement

	Note	For the year ended 31 December 2024 US$'000	 2023 US$'000
Revenue	3	**2,581,552**	2,296,622
Cost of services		**(2,446,312)**	(2,165,671)
Gross profit		**135,240**	130,951
Indirect general and administrative overheads		**(6,009)**	(6,745)
Other income and gains		**13,763**	10,846
Other expenses		**(803)**	(17,489)
Finance income		**13,693**	14,187
Finance costs		**(23,503)**	(22,650)
Profit before taxation	4	**132,381**	109,100
Tax (charges)/credits	5	**(684)**	279
Profit attributable to shareholders		**131,697**	109,379
Earnings per share for profit attributable to shareholders (in US cents)			
Basic earnings per share	7(a)	**2.54**	2.10
Diluted earnings per share	7(b)	**2.47**	2.05

Consolidated Statement of Comprehensive Income

	For the year ended 31 December 2024 US$'000	 2023 US$'000
Profit attributable to shareholders	**131,697**	109,379
Other comprehensive income Items that are and may be reclassified subsequently to income statement		
Cash flow hedges		
– fair value gains	**1,159**	1,222
– fair value gains transferred to income statement	**(2,909)**	(3,777)
Currency translation differences	**(811)**	28
Total comprehensive income attributable to shareholders	**129,136**	106,852

Consolidated Balance Sheet

	Note	As at 31 December 2024 US$'000	2023 US$'000
ASSETS			
Non-current assets			
Property, plant and equipment		**1,698,666**	1,796,678
Right-of-use assets		**80,060**	63,190
Goodwill		**25,256**	25,256
Derivative assets		**1,995**	3,831
Trade and other receivables	8	**42,250**	4,292
Restricted cash		**–**	54
		1,848,227	1,893,301
Current assets			
Inventories		**126,391**	134,729
Derivative assets		**2,281**	2,043
Trade and other receivables	8	**155,017**	140,044
Cash and deposits		**282,037**	261,399
Tax recoverable		**82**	946
		565,808	539,161
Total assets		**2,414,035**	2,432,462
EQUITY			
Capital and reserves attributable to shareholders			
Share capital		**50,710**	52,638
Retained profits		**662,986**	597,075
Other reserves		**1,112,948**	1,148,216
Total equity		**1,826,644**	1,797,929
LIABILITIES			
Non-current liabilities			
Borrowings		**185,776**	254,139
Lease liabilities		**52,149**	26,603
Derivative liabilities		**499**	791
		238,424	281,533
Current liabilities			
Borrowings		**76,542**	46,261
Lease liabilities		**29,891**	39,249
Derivative liabilities		**3,014**	6,559
Trade and other payables	9	**239,520**	260,931
		348,967	353,000
Total liabilities		**587,391**	634,533

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 all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements have been prepared under the historical cost basis, except for certain financial assets and liabilities (including derivative instruments) which are carried at fair value.

2. Adoption of new or revised HKFRS

The accounting policies adopted are consistent with those of the annual financial statements for the year ended 31 December 2023, except for the new or revised standards and amendments that became effective in this accounting period. These new or revised standards and amendments do not have any significant impact on the Group's accounting policies and do not require any adjustments. The new or revised standards and amendments that have been issued but are not yet effective will have no significant impact on the Group's results and financial position in the foreseeable future.

3. Revenue and segment information

US$'000	**2024**	2023
Freight	**2,235,897**	1,964,167
Charter-hire		
– lease component	**230,125**	217,241
– non-lease component	**115,530**	115,214
	2,581,552	2,296,622

The Group's revenue is substantially derived from the provision of dry bulk shipping services internationally and, accordingly, information is not presented by business segment.

Geographical segment information is not presented as the management considers our shipping services are international in nature, precluding a meaningful allocation of operating profit to specific geographical segments.

4. Profit before taxation

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

US$'000	**2024**	2023
Vessel charter costs	**879,964**	656,498
Bunkers consumed	**624,307**	591,008
Port disbursements and other voyage costs	**475,568**	429,733
Depreciation	**200,698**	215,012
Employee benefit expenses	**189,380**	195,246
Provision for vessel impairment	**–**	15,997
Net gains on disposal of vessels	**(9,607)**	(10,786)
Net gains on bunker swap contracts	**(4,940)**	(3,478)
Interest on borrowings		
– bank loans and other borrowings	**19,313**	19,715
– convertible bonds	**1,377**	1,499
Interest on lease liabilities	**3,659**	3,194

5. Taxation

Shipping income from international trade is either not subject to or exempt from income tax according to the tax regulations prevailing in the jurisdictions in which the Group operates. Income from non-shipping activities is subject to tax at prevailing rates in the jurisdictions in which these businesses operate.

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

US$'000	**2024**	2023
Overseas tax, provided at the rates of taxation prevailing in the jurisdictions	**657**	866
Adjustments in respect of prior year	**27**	(1,145)
Tax charges/(credits)	**684**	(279)

6. Dividends

	2024			2023		
	HK cents per share	**US cents per share**	**US$'000**	HK cents per share	US cents per share	US$'000
Interim dividend	**4.1**	**0.5**	**27,573**	6.5	0.8	43,636
Proposed final dividend (a)	**5.1**	**0.7**	**33,374**	5.7	0.8	38,224
Total dividends for the year	**9.2**	**1.2**	**60,947**	12.2	1.6	81,860
Dividends paid during the year (b)	**9.8**	**1.3**	**65,797**	32.5	4.2	217,861

(a) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting on 25 April 2025 and not reflected in the financial statements.

(b) Dividends paid during the year represent final dividend of the prior year and interim dividend of the reporting year.

7. Earnings per share ("EPS")

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year, excluding the shares held by the trustee of the Company's 2013 Share Award Scheme and 2023 Share Award Scheme (collectively "SASs") and unvested restricted shares.

		2024	2023
Profit attributable to shareholders	(US$'000)	**131,697**	109,379
Weighted average number of shares in issue	('000)	**5,176,618**	5,202,704
Basic earnings per share	(US cents)	**2.54**	2.10
Equivalent to	(HK cents)	**19.86**	16.46

(b) Diluted earnings per share

Diluted earnings per share are calculated by dividing the basic earnings, after adjusting for effect of convertible bonds by the weighted average number of shares in issue during the year, excluding the shares held by the trustee of the Company's SASs and after adjusting for the dilutive effect of convertible bonds and unvested restricted shares.

		2024	2023
Profit attributable to shareholders	(US$'000)	**131,697**	109,379
Effect of interest on convertible bonds	(US$'000)	**1,377**	1,499
Adjusted profit attributable to shareholders	(US$'000)	**133,074**	110,878
Weighted average number of shares in issue	('000)	**5,176,618**	5,202,704
Effect of convertible bonds	('000)	**168,844**	174,530
Effect of unvested restricted shares	('000)	**33,755**	36,319
Diluted weighted average number of shares	('000)	**5,379,217**	5,413,553
Diluted earnings per share	(US cents)	**2.47**	2.05
Equivalent to	(HK cents)	**19.31**	16.03

8. Trade and other receivables

Trade receivables are included in this item and their ageing based on invoice date is as follows:

US$'000	**2024**	2023
≤ 30 days	**86,360**	64,148
31-60 days	**4,165**	7,607
61-90 days	**2,463**	4,307
> 90 days	**13,312**	16,024
	106,300	92,086

9. Trade and other payables

Trade payables are included in this item and their ageing based on due date is as follows:

US$'000	**2024**	2023
≤ 30 days	**93,407**	83,710
31-60 days	**1,313**	7,255
61-90 days	**733**	2,985
> 90 days	**4,858**	10,719
	100,311	104,669

Purchase, Sale or Redemption of Securities

During the year ended 31 December 2024, the Company repurchased a total of 138,221,000 shares on the Stock Exchange under the Company's share buyback programme as announced on 18 April 2024. The Company had observed that the prevailing share price was below the market value of its assets and may not have fully reflected the business prospects of the Group, presenting a good opportunity for the Company to buy back its shares. The financial position of the Company was solid and healthy. The share buyback programme reflected the Company's confidence in its long-term business prospects and potential growth. In addition, the Company believed that actively optimising the capital structure through implementing the share buyback programme would enhance its earnings per share, net asset value per share and shareholder return. The aggregate consideration paid (before expenses) for the share repurchases amounted to approximately HK$312 million (equivalent to approximately US$40 million). All shares bought back were cancelled. As at 31 December 2024, the total number of shares in issue was 5,155,953,146. Particulars of the shares bought back are as follows:

Month	Number of shares bought back	Purchase price paid per share (HK$) Average	Highest	Lowest	Aggregate consideration paid before expenses (HK$)
May 2024	15,381,000	2.80	2.87	2.73	43,002,786
Jun 2024	27,335,000	2.59	2.77	2.41	70,799,060
Aug 2024	8,064,000	2.16	2.22	2.05	17,396,559
Sep 2024	46,842,000	2.04	2.21	1.93	95,500,731
Oct 2024	19,402,000	2.36	2.60	2.10	45,715,917
Nov 2024	8,000,000	1.84	1.87	1.83	14,733,350
Dec 2024	13,197,000	1.89	1.94	1.84	24,927,087
	138,221,000				312,075,490

In March 2024, the trustee of the share award schemes of the Company purchased a total of 17,874,000 shares on the Stock Exchange in relation to awards granted to certain awardees under the Company's 2023 Share Award Scheme. The aggregate consideration paid (before expenses) amounted to approximately HK$43 million (equivalent to approximately US$5.5 million).

Save as disclosed above, neither the Company nor any of its subsidiaries has during the year purchased, sold or redeemed any of the issued shares or convertible bonds of the Company.

Directors' Securities Transactions

The Board has adopted a Code of Conduct regarding Directors' securities transactions on terms no less exacting than the required standard under the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix C3 to the Listing Rules (the "Model Code").

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

Senior Management and Staff's Securities Transactions

The Company has adopted rules for those senior managers and staff who are more likely to be in possession of unpublished inside information or other relevant Group's information based on the Model Code (the "Dealing Rules"). These senior managers and staff have been individually notified and provided with a copy of the Dealing Rules.

The Board confirms that, having made specific enquiry, all senior managers and staff who have been notified and provided with the Dealing Rules have fully complied with the required standards as set out in the Dealing Rules during the year.

Compliance with the Corporate Governance Code

Throughout the year, the Group has complied with all code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

Review by Audit Committee and Auditors

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 2024.

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in this preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on this preliminary announcement.

Dividend

The Board has recommended the payment of a final dividend of HK5.1 cents per share for the year ended 31 December 2024. When this proposed final dividend is aggregated with the interim dividend of HK4.1 cents per share declared on 8 August 2024, the total of HK9.2 cents per share represents approximately 50% of the Group's net profits for the year ended 31 December 2024 excluding vessel disposal gains, which is in line with our dividend policy of paying out dividends of at least 50% of our annual net profits (excluding vessel disposal gains), and any additional distribution can be in the form of special dividends and/or share buyback, after taking into consideration factors such as the Group's financial position, business plans and strategies, future capital requirements and general economic and business conditions etc.

The recommended final dividend of HK5.1 cents per share will be payable on 16 May 2025, subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held on 25 April 2025, to those shareholders whose names appear on the Company's register of members on 7 May 2025.

Closure of Register of Members

If the proposed final dividend is approved at the 2025 AGM, the register of members will be closed on 7 May 2025 when no transfer of shares will be effected. In order to qualify for the final dividend, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Service Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 6 May 2025. The ex-dividend date for the 2024 final dividend will be on 2 May 2025.

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(9) of Appendix D2 to 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 2024 Annual Report will be available on the Company's website 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 2025.

Directors

As at the date of this announcement, the Directors of the Company are:

Executive Director:
Martin Fruergaard

Independent Non-executive Directors:
Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka, John Mackay McCulloch Williamson, Kalpana Desai and Wang Xiaojun Heather

Non-executive Directors:
Alexander Howarth Yat Kay Cheung and Mats Henrik Berglund

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