

# Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

## ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2025

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 2025 as follows:

### BUSINESS HIGHLIGHTS

#### Solid Financial Performance and Strong Balance Sheet

- In 2025, we generated an underlying profit of US\$59.2 million, a net profit of US\$58.2 million and EBITDA of US\$263.1 million, yielding basic EPS of HK8.9 cents
- We are debt free on a net basis with cash and deposits of US\$270.6 million and available committed liquidity of US\$756.1 million as at 31 December 2025, with 46 vessels remaining unmortgaged
- The Board recommends a final dividend of HK6.0 cents per share which, combined with the HK1.6 cents per share interim dividend distributed in August 2025, represents 100% of our net profit for the full year, excluding vessel disposal gains

#### Strong Platform for Outperformance

- 2025 was a year in which we put the breadth of our integrated platform and core strengths to work, showing agility and resilience to deliver solid performance amid evolving geopolitical and market challenges
- Our TCE earnings continued to outperform the market, supported by our sector-leading cost structure and proven business model
- Dry bulk supply growth outpaced demand, but our minor bulks segment was resilient and geopolitical turbulence supported stronger freight rates in the second half of 2025
- We took proactive steps within our control to mitigate the applicability to our vessels of special US port fees targeting Chinese-linked ships and reciprocal Chinese port fees on US-linked ships
- We are well prepared for ongoing macroeconomic and industry uncertainty, remaining vigilant, agile and focused on strong customer relationships, operational excellence, prudent capital management and a solid balance sheet

#### Business Performance

- In 2025, our core business achieved Handysize and Supramax daily time-charter equivalent (TCE) earnings of US\$11,490 and US\$12,850 respectively, generating a total contribution of US\$117.2 million before overheads
- Our operating activity achieved a daily margin of US\$820 over 27,850 operating days, generating a contribution of US\$22.9 million before overheads
- Our cash break-even (including OPEX, G&A overheads and finance costs) was US\$6,880 per day for Handysize and US\$6,540 per day for Supramax; our costs remain well controlled and sector-leading
- In 2025, we outperformed the average Handysize (BHSI 38k dwt tonnage adjusted) and Supramax (BSI 58k dwt) indices by US\$910 per day and US\$1,220 per day respectively
- As at 31 December 2025, the estimated market value of our Handysize and Supramax fleet was US\$1,941.3 million, which was significantly above our net book value of US\$1,584.3 million

#### Our Fleet

- We owned 106 Handysize and Supramax/Ultramax vessels and had around 250 owned and chartered vessels on the water overall as at 31 December 2025
- In December 2025, we announced the acquisition of four 40,000 dwt Handysize new building vessels for an aggregate consideration of approximately US\$119.2 million and to be delivered in the first half of 2028
- We value purchase options on long-term chartered ships that enhance our growth optionality and, in 2025 we exercised four attractively priced purchase options on previously long-term chartered vessels including three Handysize vessels and one Ultramax vessel, all Japanese built
- We will continue a disciplined, counter-cyclical fleet growth approach, capturing opportunities at appropriate times and managing our fleet cost-efficiently through our sector-leading in-house fleet management function, all to create long-term sustainable returns

US\$ Million	Year Ended 31 December	
	2025	2024
Revenue	2,081.0	2,581.6
EBITDA #	263.1	333.4
Underlying Profit	59.2	114.1
Profit Attributable to Shareholders	58.2	131.7
Basic Earnings per share (HK cents)	8.9	19.9
Full Year Dividends per share (HK cents)	7.6	9.2

# 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

#### Our Fleet

As at 31 December 2025	Owned	Vessels in Operation		Total	Total Capacity (Million dwt) Owned	Average Age Owned
		Long-term Chartered	Short-term Chartered <sup>1</sup>			
 Handysize	58	9	47	114	2.2	13
 Supramax/ Ultramax <sup>2</sup>	48	4	83	135	3.1	13
 Capesize <sup>3</sup>	1	–	–	1	0.1	15
<b>Total<sup>4</sup></b>	<b>107</b>	<b>13</b>	<b>130</b>	<b>250</b>	<b>5.4</b>	<b>13</b>

<sup>1</sup> Average number of short-term and index-linked vessels operated in December 2025

<sup>2</sup> Supramax vessels in excess of 60,000 dwt are generally referred to as Ultramax

<sup>3</sup> The Company owns one Capesize vessel which is chartered out on a long-term bareboat charter

<sup>4</sup> Excluding eight newbuildings on order and three long-term chartered vessels still to deliver

# CHAIRMAN'S STATEMENT

## Excellent Platform for Delivering Shareholder Value

At Pacific Basin, we keenly consider all our levers for enhancing shareholder value, while mindful of the prudence of low gearing ahead of the counter-cyclical investments and the growth we plan to pursue as pressure builds to renew the global fleet with next-generation vessels.

The Company is focused on protecting and enhancing its unique platform and core strengths which are a significant advantage for Pacific Basin. That platform represents a rare combination of scale, specialisation (in a segment offering diversification across geographies, customers and commodities), operational excellence, data-backed fleet scheduling and voyage optimisation, and an industrial, customer-centric operating model supported by a global network of commercial teams. Taken together, we have created a global cargo-network that creates durable, repeatable advantages. This positioning supports high laden utilisation and consistent earnings outperformance across cycles, which, combined with a sector-leading cost structure, prudent financial policies and a strong focus on safety, risk management and sustainability, underpins Pacific Basin's ability to compound value over time and deliver sustainable returns to shareholders through changing market conditions.

The value of this platform is further reinforced by the quality of our governance and leadership.

## Strong Financial Position

2025 was a challenging year of geopolitical and protectionist headwinds, regulatory disagreement, unexpected market developments and an overall weaker freight market than the year before. Despite all the turbulence, Pacific Basin continued to make meaningful progress against its strategy and delivered solid financial results, with sound cash generation supporting a strong balance sheet and a healthy financial position. As such, the Board recommends a final dividend of HK6.0 cents per share which, combined with the interim dividend of HK1.6 cents per share, amount to approximately US\$50.5 million or 100% of our net profit for the full year, excluding vessel disposal gains.

The Company also delivered approximately US\$40 million in value to shareholders through share buy-backs in 2025 at a discount to the current value of our assets.

The Company has continued to maintain balance sheet strength to support disciplined growth investments, but in the absence of attractive and relevant near term opportunities, we have increased returns to our shareholders while retaining the financial flexibility to pursue large, good value investment opportunities ahead.

## Expanded Dividend Policy

The Board has conducted a review of the Company's long-standing dividend policy of paying out at least 50% of net profit excluding vessel disposal gains. Having considered the needs of the business and best-practice capital allocation, the Board has decided to expand the policy to allow enhanced capital returns to our shareholders when the balance sheet is in a net cash position.

With effect from 2026, the Company's amended dividend policy is to pay dividends of 50% of annual net profit, excluding vessel disposal gains, increasing up to 100% of net profit (also excluding vessel disposal gains) when the Company is in a net cash position at the year end. The Board may decide to make additional distributions in the form of special dividends and/or share buybacks.

## Strong Governance and Leadership

At the beginning of 2025, we welcomed Ms. Kalpana Desai and Ms. Heather Wang to the Board as new Independent Non-executive Directors ("INEDs") and, in October 2025, the Company's Commercial Director, Mr. Kristian Helt, joined the Board as an Executive Director, replacing Mr. Alexander Cheung who resigned from the Board as a Non-executive Director and continues to serve as an external strategic adviser. In November 2025, Mr. Mats Berglund was redesignated from a Non-executive Director to an Independent Non-executive Director.

On 16 February 2026, we also appointed Dr. Harindarpal Singh Banga and Mr. Angad Banga, founder and executive chairman and group chief executive officer, respectively, of The Caravel Group to the Board as Non-executive Directors. This new appointment followed constructive engagement with the Caravel Group and added two accomplished shipping and commodity industry leaders and representatives of our largest shareholder to the Board.

Pacific Basin's success in 2025 is significantly linked to the diverse expertise and backgrounds of its members and to its independence.

In May 2025, we welcomed Mr. Jimmy Ng as the Company's new Chief Financial Officer. The Board is confident that the Pacific Basin business is in good hands, with our Chief Executive Officer Mr. Martin Fruergaard and the rest of the management team delivering on a clear vision and strategies that drive performance and sustainable growth.

## Structural Changes to Comply with New Regulations

As the Company reported in its 2025 Third Quarter Trading Update, we took proactive steps within our control to mitigate the applicability to our vessels of special US port fees targeting Chinese-linked ships and reciprocal Chinese port fees on US-linked ships. Those steps included:

- expanding our Singapore company structure to hold about half of our owned fleet being transferred to Singaporean ownership and flag;

- relocating ultimate responsibility for our strategic leadership and commercial decision-making to Singapore, while day-to-day commercial and operational management continues across our global office network; and
- changing our Board composition, as per the October 2025 changes mentioned above.

We made these changes to protect our business and position Pacific Basin to continue serving our global customers freely and competitively across all safe ports and countries, including China and the United States. We will continue to monitor USTR and other protectionist developments and take necessary actions to mitigate any impact on our competitiveness.

## On Course for a Sustainable Future

We remain focused on delivering sustainable, disciplined and profitably accretive growth, and our ESG efforts continue to deepen the integration of sustainability into the Company's culture and decision-making.

As part of our strategy going forward, we are transforming our Bunker team into a Sustainable Energy Solutions team, reflecting a shift in how fuel and energy are viewed within our business, not merely as a cost, but as a strategic lever of competitiveness, as we seek to enhance our access to both conventional and green fuels, enhance efficiency and emissions performance across our fleet, and develop new commercial opportunities around alternative fuels, energy management and regulatory-driven solutions for customers.

I am encouraged by the leadership our people continue to show in advocating for seafarer rights, safety and welfare, particularly against the backdrop of ongoing geopolitical instability, piracy and militant attacks, and the persistent threat of illicit drug trafficking that too often results in the unjust criminalisation of innocent seafarers.

Consistent with our further increased ambition around safety and welfare, the Company established a dedicated Security Team in early 2025 to strengthen oversight, preparedness and real-time support for our ships and people worldwide. The benefits of that investment were immediately tangible during the year.

Alongside these critical social priorities, we remain firmly engaged on the latest environmental and climate matters. While the IMO has postponed the formal adoption of its net-zero framework, our commitment to energy-efficiency and decarbonisation is undiminished. Regional and limited global regulations are already shaping the direction of travel, and we remain confident that the IMO will, in time, provide a global framework that will make economic case for investment in green ships undeniable. In the meantime, we continue to act proactively – investing, innovating and partnering – to reduce emissions and build resilience for the long term.

The Company has once again been recognised for its industry-leading ESG performance through awards and strong external ratings, reinforcing our belief that responsible business is integral to enduring success.

## World-Class Industry Reputation

The Pacific Basin name enjoys an excellent reputation across the shipping industry, earned through many years of consistent performance, disciplined execution and a strong commitment to safety, service quality and responsible business practices. Our reputation reflects not only the reliability and competitiveness of the service we provide to customers, but also the trust placed in us by seafarers, staff, regulators, investors and other stakeholders. This standing is underpinned by our customer-focused operating model, high standards of governance and transparency, and the professionalism of our people across the fleet and shore organisation.

The industry and ESG awards we have received during the year are an external validation of these strengths and of the culture and values that continue to differentiate Pacific Basin in a highly competitive global market:

- Bulk Ship Operator of the Year – IBJ Awards (International Bulk Journal)
- Outstanding Performance in Port State Control Inspections – Hong Kong Marine Department Awards
- ESG Leader Gold Award – ESG Shipping Awards International
- Top 8% ESG rating – EcoVadis (used by a number of our customers)
- Ranked 1st or 2nd in dry bulk by key ratings agencies S&P, MSCI, Bloomberg and ISS

## Thank You for Your Support

On behalf of the Board, I would like to express our sincere appreciation to our seafarers and our shore-based staff for their continued dedication, professionalism and loyalty throughout 2025. Their commitment underpins our ability to deliver a class-leading service to our customers, create value for our shareholders and, above all, safeguard the safety and wellbeing of our people. I also thank our shareholders and other stakeholders for their ongoing interest in and support of Pacific Basin.

**Stanley Hutter Ryan**  
Chairman

Hong Kong, 3 March 2026

# CHIEF EXECUTIVE'S REVIEW

## Solid Financial Results Backed by 9% TCE Outperformance

Dry bulk freight markets in the first quarter of 2025 were the weakest in five years, and despite strengthening from Lunar New Year onwards, average Handysize and Supramax index earnings for the full year were 5% and 10% below 2024 levels respectively.

Despite these early headwinds, by focusing on efficiency and optimisation and by leveraging our unique platform and core strengths, we generated an underlying profit of US\$59.2 million, a net profit of US\$58.2 million and EBITDA of US\$263.1 million, delivering basic EPS of HK8.9 cents. We maintained a robust financial position, ending the year debt-free on a net basis with strong liquidity.

Our **core business** contributed US\$117.2 million before overheads, with average Handysize and Supramax daily time-charter equivalent ("TCE") earnings of US\$11,490 and US\$12,850 per day respectively. While down 11% and 6% year on year, our Handysize TCEs continued to outperform the BHSI 38k dwt tonnage-adjusted index by US\$910 per day or 9% and our Supramax TCEs outperformed the BSI 58k dwt index by US\$1,220 per day or 10% – despite the market strengthening over most of the year and the usual lag between market rates at the time of fixing and the period in which revenue is recognised.

Complementing our core business, our **operating activity** contributed US\$22.9 million before overheads – up 32% year on year – corresponding to a margin of US\$820 per operating day. This is equivalent to increasing our core business' outperformance by 11% for Handysize and 16% for Supramax – a valuable extra contribution to our group results generated by providing a service to our customers even if our core ships are unavailable.

Our TCE earnings outperformance, supported by our sector-leading cost structure, continued to generate sound cash flow. Our core fleet – with largely fixed costs – and our resilient business model are the main drivers of our profitability: our cash break-even (including OPEX, G&A overheads and finance costs) was US\$6,880 per day for Handysize and US\$6,540 per day for Supramax.

## Committed to Strong Shareholder Returns

In line with our dividend policy and supported by our strong balance sheet and disciplined capital management, we have committed to distribute a total of US\$90.5 million in value to our shareholders for 2025. This comprises total dividends declared for the year of US\$50.5 million and share buybacks completed during the year of US\$40 million, and is equivalent to about 179% of net profit excluding vessel disposal gains. Total shareholder return was 46%, driven by dividends paid in 2025 and a strong increase in our share price over the year.

The Board recommends a final dividend of HK6.0 cents per share, bringing total dividends for 2025 to 100% of net profit for the full year, excluding vessel disposal gains.

As described on page 2, the Board has decided to expand the Company's dividend policy for enhanced capital returns when our balance sheet is in a net cash position.

We completed our 2025 share buyback programme in December 2025 after repurchasing and cancelling 150.7 million shares for a total consideration of approximately US\$40 million. With strong liquidity and cash flow, buying our shares at a discount to the prevailing market value of our assets served as a good way to enhance returns for our shareholders – more so than acquiring vessels at prevailing market prices.

The Board has for the third consecutive year approved a new share buyback programme of up to US\$40 million in 2026.

## Maintaining a strong balance sheet and positioning us for financial resilience through the cycle

After completing our share buyback programme and US\$116.4 million of capital expenditure in 2025, the Company remained debt free on a net basis with a net cash position of US\$134 million and available committed liquidity of US\$756 million as of 31 December 2025.

In July 2025, we secured a new US\$250 million sustainability-linked 7-year revolving credit facility, with interest margin adjustments linked to our crew safety (LTIF) and carbon intensity (EEOI) performance which we prioritise among our most important ESG topics. This is our second sustainability-linked financing facility, enhancing our liquidity to support our newbuilding programme and future growth.

## Dry Bulk Supply Growth Outpaced Demand, but Our Minor Bulks Segment Was Resilient

In 2025, dry bulk demand faced a mixed landscape shaped by macroeconomic headwinds and geopolitically impacted trade flows. Global dry bulk trade volumes decreased by about 2% year on year, whereas tonne-mile demand remained level due to longer average voyage distances – driven by the growing long-haul bauxite trade from Guinea to China, a surge in China's exports of semi-processed goods to Atlantic emerging markets, and continued disruption in the Red Sea and consequent rerouting around the Cape of Good Hope.

Minor bulks and grains provided support with a 1% increase in volumes and 4% increase in tonne-mile demand, mainly due to China's exports of steel, cement and fertilisers and its imports of minor metal ores and concentrates.

### Moderate net fleet growth

According to data from Clarksons Research, global dry bulk fleet capacity grew by 3% net in 2025, with minor bulk fleet capacity growing by 4.1% net. Driving this capacity expansion were increased newbuilding deliveries, representing 3.5% of total dry bulk supply and 4.7% of minor bulk supply respectively, while scrapping remained low.

Newbuild ordering activity in 2025 was somewhat restrained due to limited available shipyard capacity, continued high newbuilding prices, and uncertainty about global decarbonisation regulations and US special port fees intended to penalise vessels built in China. The dry bulk orderbook overall remains steady at 12.5% – delivering over 2026 to 2029 – and the orderbook for Handysize and Supramax vessels also remains largely unchanged since last year at 10.8%.

## Geopolitics Significantly Impacted the Shipping Markets

The general climate of protectionist actions and policy uncertainty supported stronger freight rates in the second half of 2025.

United States tariff measures and the US-China trade conflict significantly shaped global economic and maritime trade in 2025, disrupting established trade flows and creating inefficiencies in fleet deployment. Further complexity arose when the United States Trade Representative (USTR) Section 301 scheme imposed US special port fees on China-linked vessels with China introducing reciprocal fees on US-linked vessels simultaneously from 14 October 2025. After three weeks in force, both governments agreed to suspend the fees for one year alongside limited tariff rollbacks, offering only a temporary reprieve rather than a cancellation of the measures.

As outlined in our Third Quarter Trading Update, we took proactive steps to shield our business from these special port fee measures, ensuring that we can continue serving our global customers freely and competitively across all safe ports and countries, including China and the United States. With the measures now paused, we will continue to monitor developments and stand ready to respond to ensure our ships can continue to service our customers globally.

Despite the Gaza ceasefire agreement, safety is still not guaranteed in the Red Sea and most shipping traffic remains diverted around the Cape of Good Hope, adding to tonne-mile demand.

## Renewed Uncertainty about Maritime Decarbonisation

In April 2025, the International Maritime Organization (IMO) agreed on a Net-Zero Framework (NZF) – including a carbon pricing mechanism – to drive the shipping industry's transitioning to green fuels. However, political differences emerged between IMO member states and, in October 2025, they adjourned a decision on NZF adoption by one year. We foresee protracted renegotiations, with the details and timing of an eventual global measure still very unclear.

In the meantime, IMO's Carbon Intensity Indicator (CII) and the European Union's FuelEU and EU ETS continue to incentivise early, gradual emission reduction steps, and further regional GHG regulations are likely to emerge in the absence of an effective IMO global measure. Against this backdrop, Pacific Basin continues to invest in energy efficiency and fuel savings, while positioning ourselves for priority access to alternative fuels in readiness for tightening and new GHG reduction regulations to come. Our proactive approach positions us to navigate regulatory uncertainty and capture opportunities in the transition to green shipping.

## Navigating Cyclicity Through Strategic Management

### Our disciplined fleet growth strategy

Growing our business and fleet is a continuous priority, especially as 30 of our owned ships will reach 20 years of age over the next five years. However, our largest growth challenge is persistently high second-hand and newbuilding vessel prices which make growth costly and threaten competitiveness, and uncertainty around future greenhouse gas reduction rules adds pressure, so disciplined investment is all the more essential.

With a strong balance sheet and an appetite for disciplined growth, we're ready to act on the right deals at the right time and continue pursuing opportunities – including modern second-hand acquisitions, newbuilding orders, long-term charters with purchase options, and accretive M&A where synergies and cultural fit are strong.

In December 2025, we agreed to acquire four 40,000 dwt Handysize newbuildings for an aggregate consideration of US\$119.2 million with delivery in the first half of 2028. The vessel specifications (with enhanced design for parcelling trades), the timing and the agreed price are considered attractive in the current market for newbuildings with early delivery dates. These more versatile vessels will enable scope for an enhanced service for our customers, as well as more triangulated trading and, in turn, increased TCE earnings outperformance and returns.

We value purchase options on long-term chartered ships that enhance our growth optionality. In 2025, we exercised four attractively priced purchase options on previously long-term chartered vessels – three Handysize and one Ultramax, all Japanese built. We also took delivery of two 64,000 dwt long-term chartered Japanese-built Ultramax newbuildings during the year, which come with both charter-extension and purchase options at fixed rates and prices. In 2026, we will have the right to exercise purchase options on four Handysize vessels, of which three also have attractive charter extension options.

We sold 8 vessels during 2025, taking advantage of historically healthy prices for older vessels.

As of 31 December 2025, our core fleet consists of 106 owned and 13 long-term chartered Handysize and Supramax vessels, with an additional eight newbuilding purchase commitments and three long-term charter commitments still to join our fleet. Including short-term chartered vessels engaged in both our core business and operating activity, we currently have 250 vessels on the water overall.

We will continue to maintain a disciplined, counter-cyclical fleet growth approach, capturing growth opportunities at appropriate times. In addition, we will continue to manage our fleet in a cost-efficient manner – through our sector-leading in-house fleet management function – all to create long-term sustainable returns for shareholders through the cycle.

## Operational excellence and digital transformation

The TCE premium we generate over index earnings is driven by harnessing our experienced commercial and technical teams, global office network, strong cargo support and large fleet of modern interchangeable ships in ways that optimise ship and cargo combinations for maximum utilisation. Our cost competitiveness comes primarily from scale benefits and efficiencies we generate through robust systems and strict cost control.

We strive for operational excellence, with safety and customer service our highest priorities. This means continually enhancing our processes, decision making, business model and service offering to protect our leadership position and deliver consistent value to our customers and shareholders. In this respect, 2025 was a transformative year for us.

Our investments in digitalisation and optimisation in recent years led to several piloting and early-adoption projects, which evolved in 2025 into mature digital optimisation capabilities that we have scaled across our fleet. In a sector widely considered difficult to further optimise, we are embedding advanced technologies into everyday operations. This is delivering enhanced data availability and accuracy, improved insights and decision making and, in turn, measurable improvements in efficiency, voyage economics, operational confidence and sustainability.

## Our strong foundation for long-term performance

Our long-term performance is underpinned by the integrated platform we have built over many years – our people and culture, business model, commercial capabilities, customer relationships, operational excellence, financial strength, as well as fleet scale. Together, these strengths drive our consistent market outperformance, increase the returns we generate from our assets, and provide resilience through shipping cycles. They are difficult to replicate and form the foundation for disciplined long-term growth.

Supported by a strong balance sheet, low cash break-even, sector-leading cost-competitiveness and good capital management, we are well positioned to navigate cyclicalities while remaining ready to act on opportunities. With disciplined fleet growth as a priority, our focus remains on protecting and strengthening our platform and outperforming through the market cycle.

## Strategic Priorities for 2026

We have set priorities for 2026 that are centred on growth, efficiency and cost optimisation at a time of high asset prices and upward cost pressures in our sector:

1. **Growing our business** – We are ready to pursue opportunities to renew and grow our fleet in a disciplined way, such as through the acquisition of modern second-hand vessels, placing newbuilding orders, taking newbuildings on long-term charter with purchase options, and by continuously looking for accretive acquisitions where the synergies and strategic and cultural fit are compelling.
2. **Refining our cost structure** – We are reviewing our cost structure and leveraging our productivity tools and initiatives to protect our cost-competitiveness while maintaining our organisation's capacity to manage a growing fleet.
3. **Transforming our fuel strategy** – As the decarbonisation rules will drive the gradual transition to green fuels, we are undertaking a transformation of our Bunker team into a new Sustainable Energy Solutions team to strengthen our access to conventional and green fuels, leverage fuel-related cost-saving and monetisation opportunities, and enhance our leadership position in maritime decarbonisation compliance.
4. **Optimising voyages through digitalisation** – We will build on recent excellent progress and our AI-enabled advanced technologies to further ramp up our fuel and voyage optimisation drive for improved efficiency, cost savings, TCE outperformance and sustainability.
5. **Enhancing performance and shareholder return** – We will leverage our integrated platform and strong balance sheet to grow our business, improve customer service, and maximise total shareholder return.

We will also continue to deepen our customer partnerships, invest in our people, refine our capital allocation, further our digital transformation, and safeguard safety and wellbeing to ensure we deliver sustainable outcomes for all our stakeholders.

## Safety

In 2025, our fleet recorded 11 lost-time injuries over 19.2 million working hours. This corresponds to a lost-time injury frequency (LTIF) of 0.57 which is low by industry standards and among our best ever LTIF results, but we aspire to eliminate personal injuries entirely across our fleet. Our marine safety, training and crewing teams – in collaboration with our seafarers – will continue to identify opportunities to further strengthen our already well-established safety culture and risk awareness on board.

## Challenging Market Conditions and Geopolitical Uncertainty to Persist in 2026

Several challenges and much of the turbulence of 2025 are expected to persist, with some likely to provide support to market freight rates in 2026.

Dry bulk demand will again be constrained by historically subdued global economic growth, and, according to Clarksons Research forecast data, dry bulk supply growth is expected to outpace demand growth in 2026 due to continued high levels of new ship deliveries and limited scrapping.

Importantly, however, several inefficiencies are again expected to narrow the gap between supply and demand and tighten the market. These may include continued disruption to Suez Canal transits, slowing vessel speeds, port congestion, a heavy dry bulk dry-docking schedule, and, later in the year, self-sanctioning of Chinese-linked vessels in the US if or when US special port fees are expected to take effect again. There is also uncertainty about if and when the United States government will enact the proposed US Ships Act, planned since 2024, and now also the Maritime Action Plan released on 20 February 2026, which respectively would impose fees on Chinese-linked ships and any foreign-built ships that call at US ports.

Based on the pace and tone of political developments in early 2026 – including the military conflict in the Middle East which has just broken out as we prepare to announce our results – we currently expect more disruption rather than less. This could support market freight rates, and the Company is well positioned to navigate the challenges and opportunities arising from such disruption.

As at early February 2026, we have so far covered 41% and 56% of our Handysize and Supramax vessel days for 2026 at US\$11,370 per day and US\$14,050 per day respectively. Such contract cover provides a degree of earnings visibility for ship operators such as ourselves in a predominantly spot-exposed market. Our Handysize cover for the year is backhaul heavy, so, when combined with better earning fronthaul voyages, the overall TCE rates will typically be higher, assuming no significant weakening of the market.

Looking beyond 2026, the geared bulk carrier segments are expected to benefit from faster growing demand for minor bulks and grains, with the global green energy infrastructure buildout and ongoing urbanisation in developing economies supporting trade in steels, cement and other construction materials. On the supply side, newbuilding deliveries peaked in 2025 and the ageing profile of the minor bulk fleet and more disciplined ordering suggest more favourable supply-demand fundamentals for minor bulk shipping in the long term.

Pacific Basin is well prepared for ongoing macroeconomic and industry uncertainty, remaining vigilant and agile as we navigate emerging challenges and pursue opportunities. Our focus on the geared bulk carrier segments, customer relationships, operational efficiency and sustainability – underpinned by prudent capital management, a strong balance sheet, capable leadership, and an excellent global, customer-centric operating platform – positions the Company to manage volatility and continue creating long-term returns.

## Acknowledging the Contribution of Our Staff and Partners

I extend my sincere thanks to our employees, customers, suppliers, shareholders and other stakeholders for your support in what was a challenging year. Our success reflects the professionalism, resilience, innovation and dedication of our colleagues at sea and ashore, and the trust placed in us by our customers and other partners. I look forward to continuing our work together in 2026.

**Martin Fruergaard**  
*Chief Executive Officer*

Hong Kong, 3 March 2026

# MARKET REVIEW

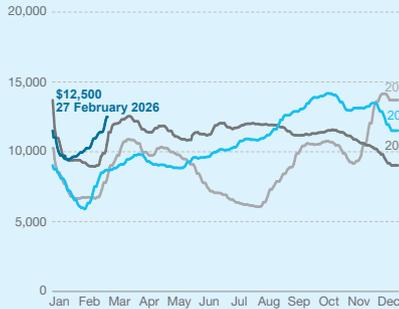
## Freight rates dropped as supply outpaced demand

**US\$10,580 net** ↓ **5% YoY**

BHSI 38K (tonnage adjusted)  
Handysize 2025 avg. market spot rate

### Handysize Market Spot Rates in 2023-2026

US\$/day net\*



\* Excludes 5% commission  
Source: Baltic Exchange (BHSI 38,000 dwt (tonnage adjusted) and BSI 58,000 dwt)

**US\$11,630 net** ↓ **10% YoY**

BSI 58K Supramax  
2025 avg. market spot rate

### Supramax Market Spot Rates in 2023-2026

US\$/day net\*



There were three key developments in the dry bulk shipping industry in 2025. Firstly, supply outpaced demand, but the gap was bridged by several new and pre-existing inefficiencies that continue to disrupt the usual smooth functioning of the market. Secondly, China continued its transition from a voracious importer of raw materials on larger vessels into a leading exporter of semi-processed commodities on smaller vessels. And thirdly, geared segments absorbed the highest newbuilding deliveries since the critically weak markets of 2015-16 without any distress.

Nevertheless, dry bulk market freight rates averaged lower year on year in 2025. The usual seasonal downturn in the run up to Lunar New Year in the first quarter was exacerbated by an unusual confluence of events. Iron ore cargo volumes were lower because Australian iron ore exports were disrupted by a series of typhoons. Coal cargo volumes were lower because China's policy-driven stockpiling demand for coal imports came to an end. And grain cargo volumes were lower because war devastated grain volumes from major suppliers Ukraine and Russia.

Average market spot rates for Handysize and Supramax decreased by 5% and 10% year on year to US\$10,580 (tonnage-adjusted) net per day and US\$11,630 net per day, respectively.

## Vessel values rose through second half of 2025

**US\$32m** ↑ **+3.2%**

Second-hand Ultramax values YOY

Second-hand vessel values generally trended sideways in the first half of 2025 and then rose through the second half, in a lagged reaction to the strengthening freight market. Clarkson's Research currently values a benchmark five-year-old Ultramax vessel at US\$32 million, up by 3.2% compared to January 2025. Elevated newbuilding prices due to fully booked shipyard capacity for the next 2.5 years continue to support asset values for modern second-hand units in our sectors.

Source: Clarkson's Research, data as at January 2026

## DEMAND: Overall dry bulk demand fell, but minor bulks proved resilient

Oceanbolt data shows global seaborne dry bulk trade volumes decreased by about 2% year on year in 2025. However, tonne-mile demand remained level with 2024, as shown in the chart on the right, due to a continuing lengthening in average hauls. The positive distance multiplier was due partly to a steep, multi-year ramp up in the long haul bauxite trade from Guinea to China, partly due to a surge in China's exports of semi-processed commodities to emerging market economies in the Atlantic, and to continued disruption in the Red Sea and consequent rerouting around the Cape of Good Hope.

Minor bulk volumes (excluding bauxite) were up by about 1% in 2025, with tonne-mile demand growing 4%, supported most notably by China's exports of cement and fertilisers and its imports of minor metal ores and concentrates.

Major bulk tonne-mile demand (including bauxite) fell by 2%, due to:

- grain volumes decreased by 6%, as war almost completely halted exports from Ukraine (-97%) and greatly impacted exports from Russia (-45%)
- iron ore volumes decreasing 2%, as Australian iron ore ports were battered by a series of cyclones in the first quarter
- coal volumes decreased by 6%, as China met its policy target (announced during the rolling power blackouts of summer 2021) of building stocks to 15% of annual consumption, and stockpiling demand for imports (-15%) came to an end

This was partly offset by bauxite volumes increased by 14%, which had an outsized impact on Capesizes, not only because of the long distance from Guinea to China, but also because the former is shallow water and requires transhipment from smaller to larger vessels, causing considerable congestion.

### 2025 Global Cargo Loading Volumes#

Selected Minor Bulks*	Change	YoY
Grain	↓	-6%
Iron Ore	↓	-2%
Coal	↓	-6%
Bauxite	↑	+14%

\* 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

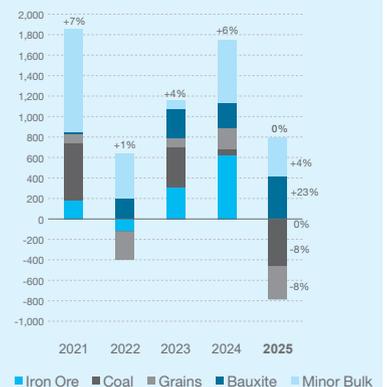
Source: Oceanbolt, data as at February 2026, subject to revision

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 2026, subject to revision

## SUPPLY: Net fleet growth remained steady

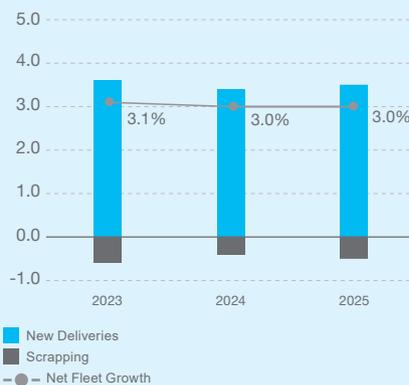
Global dry bulk net fleet growth remained steady at 3% in 2025, unchanged from 2024, while the combined net fleet growth of the Handysize and Supramax segments in which we specialise also remained steady at 4.1% in 2025. This was mainly due to:

- newbuilding deliveries increasing to 3.5% of total dry bulk supply and 4.7% of minor bulk supply; and
- total dry bulk scrapping remaining low (albeit 32% higher year on year), as niche trading opportunities for older vessels remained plentiful and IMO decarbonisation legislation was delayed.

### Overall Dry Bulk Supply Development

↑ 3.0%

Overall dry bulk capacity 2025



Source: Clarksons Research data as at January 2026

### Handysize/Supramax Supply Development

↑ 4.1%

Global Handysize/Supramax capacity 2025



## ORDERBOOK: Restrained ordering due to regulatory uncertainty and limited shipyard capacity

The total dry bulk orderbook currently stands at 12.5% of the existing fleet, slightly up from 12.3% at the start of 2025, with the combined Handysize and Supramax orderbook also steady at 10.8%. Both remain historically moderate, especially when compared to the tanker and containership sectors.

Total dry bulk newbuild contracting activity in 2025 slowed by 31% year on year to 43.5 million dwt, with Handysize and Supramax ordering down by 46% and 64% respectively, while ordering of Capesize and Panamax vessels fell 23% and 44% respectively.

This reduction in ordering activity was due to:

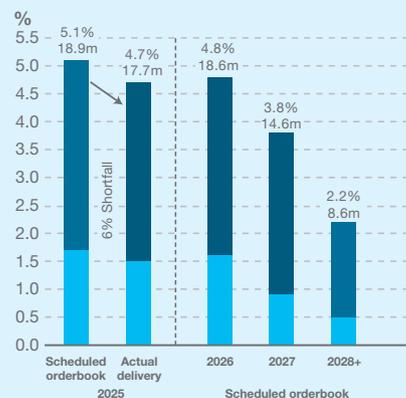
- uncertainty about new port fees in the US, including those intended to penalise vessels built in China, where the majority of dry bulk vessels are built;
- uncertainty about the timing and details of IMO's decarbonisation regulations and the technologies and availability of future fuels required to 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 tight yard capacity.

### Overall Dry Bulk Orderbook



Source: Clarkson Research, data as at January 2026

### Handysize & Supramax Combined Orderbook



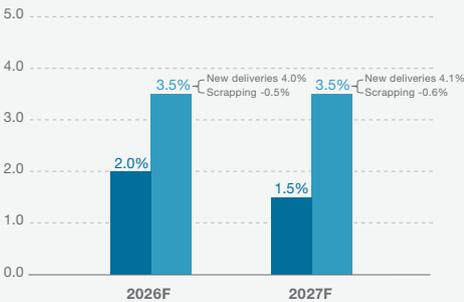
	Orderbook as % of Existing Fleet	Average Age	Over 20 Years Old	2025 Scrapping as % of 1 January 2025 Existing Fleet
Handysize (10,000–44,999 dwt)	8.9%	13.7	14.5%	0.6%
Supramax & Ultramax (45,000–69,999 dwt)	11.8%	12.6	12.6%	0.6%
Panamax & Post-Panamax (70,000–99,999 dwt)	15.2%	12.6	15.1%	0.6%
Capesize (100,000+ dwt)	12.4%	12.0	6.3%	0.4%
<b>Total</b>	<b>12.5%</b>	<b>12.9</b>	<b>11.1%</b>	<b>0.5%</b>

\*Source: Clarksons Research, data as at January 2026

## MARKET OUTLOOK: Supply outpacing demand, but inefficiencies bridge the gap

### Total Dry Bulk Demand and Supply

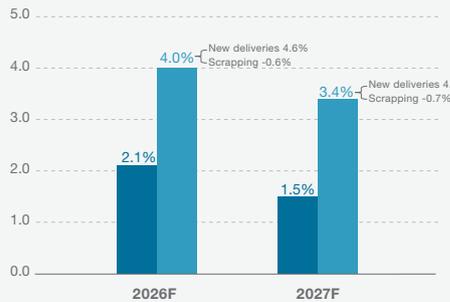
% YOY change



■ Tonne-Mile Demand ■ Net Fleet Growth  
Source: Clarksons Research data as at January 2026

### Minor Bulk Demand and Handysize/Supramax Supply

% YOY change



According to Clarksons Research's forecast data, both total dry bulk and minor bulk supply growth are expected to outpace demand growth in 2026, due to expected high levels of new ship deliveries and limited scrapping.

However, the balance remains broadly similar to 2025, during which several inefficiencies bridged the gap between supply and demand and tightened the market. Inter alia, these included disruption to Suez Canal transits, slowing vessel speeds, and port congestion. And while these inefficiencies persisted from previous years, new inefficiencies emerged in the form of self-sanctioning of Chinese-linked vessels in the US and a heavy drydocking schedule. All these factors require more vessels to transport any given volume of cargo and, while some may ease in 2026, new ones may also continue to emerge.

## POSSIBLE MARKET DRIVERS IN THE MEDIUM TERM

### OPPORTUNITIES

- Steep ramp up of iron ore shipments from Simandou in Guinea and associated congestion ties up Capesize vessels and has a trickle-down effect on smaller size segments
- Geopolitics and the weaponisation of trade support longer trade distances
- New applications for AI in global commodity trade and finance stimulate total volumes
- Strong growth in minor bulks trade from China to emerging market economies persists and broadens, particularly those in the Belt and Road Initiative (BRI)
- Slower vessel operating speeds due to regional maritime authorities' emissions regulations, in the absence of an IMO timetable
- Limited new vessel ordering due to IMO uncertainty, tight shipyard capacity, and high newbuilding prices
- Increased scrapping of older and less optimally designed tonnage facing onerous environmental regulations and expensive maintenance and upgrade

### THREATS

- Recovery of Suez Canal transits
- A populist shift against decarbonisation in shipping encourages a return to cheap, conventional fuels and higher vessel speeds
- Limited scrapping of vessels due to lack of clarity on decarbonisation regulations from IMO
- Persistent high long-term interest rates negatively impact fixed asset investment and demand for dry bulk commodities
- Adverse weather conditions hampering grains production
- Chinese economic growth slower than expected, if policies aimed at stimulating domestic consumption prove ineffective
- Negative wealth effects from bursting of AI bubble

## OUR PERFORMANCE

Our business generated an underlying profit of US\$59.2 million driven mainly by a core business contribution of US\$117.2 million in 2025. The decrease was mainly due to an overall weaker freight market because of ongoing macroeconomic headwinds. Despite industry wide challenges, we continued to outperform the Handysize and Supramax indices by 9% and 10%, respectively, demonstrating the strength of our business strategy and operational execution.

Our operating activity contribution increased by 32% to US\$22.9 million, reflecting the continued effectiveness of this segment in supporting customer requirements when our core fleet is fully deployed and in providing a stable earnings stream across varying market conditions.

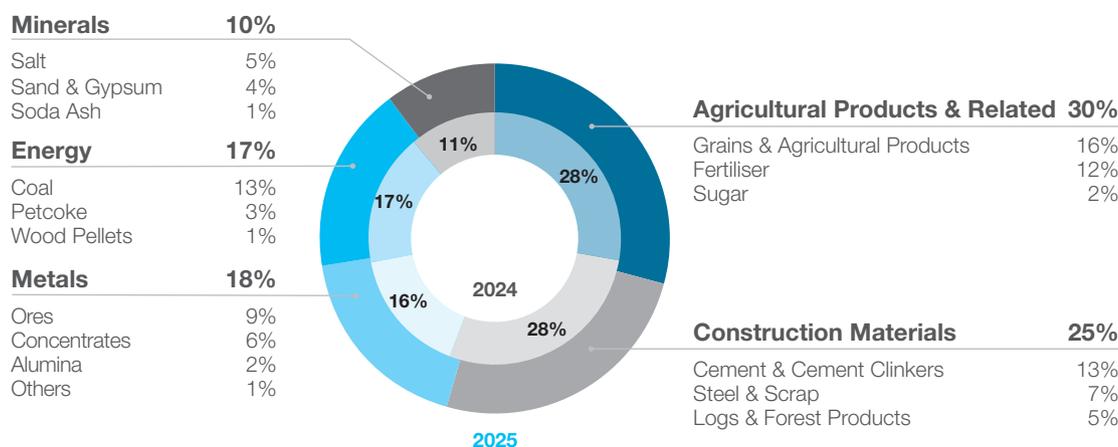
### Operating Performance

US\$ Million	1H25	2H25	2025	2024	Change
Core business Handysize contribution	24.2	33.4	<b>57.6</b>	107.2	-46%
Core business Supramax contribution	26.5	33.1	<b>59.6</b>	71.2	-16%
Operating activity contribution	10.1	12.8	<b>22.9</b>	17.4	+32%
Capesize contribution	0.8	0.9	<b>1.7</b>	1.7	-
Operating performance before overheads	61.6	80.2	<b>141.8</b>	197.5	-28%
Adjusted total G&A overhead	(39.4)	(42.6)	<b>(82.0)</b>	(82.7)	-1%
Taxation and others	(0.3)	(0.3)	<b>(0.6)</b>	(0.7)	-14%
<b>Underlying profit</b>	21.9	37.3	<b>59.2</b>	114.1	-48%
Vessel net book value (incl. assets held for sale)	1,623.1	1,600.5	<b>1,600.5</b>	1,697.2	-6%

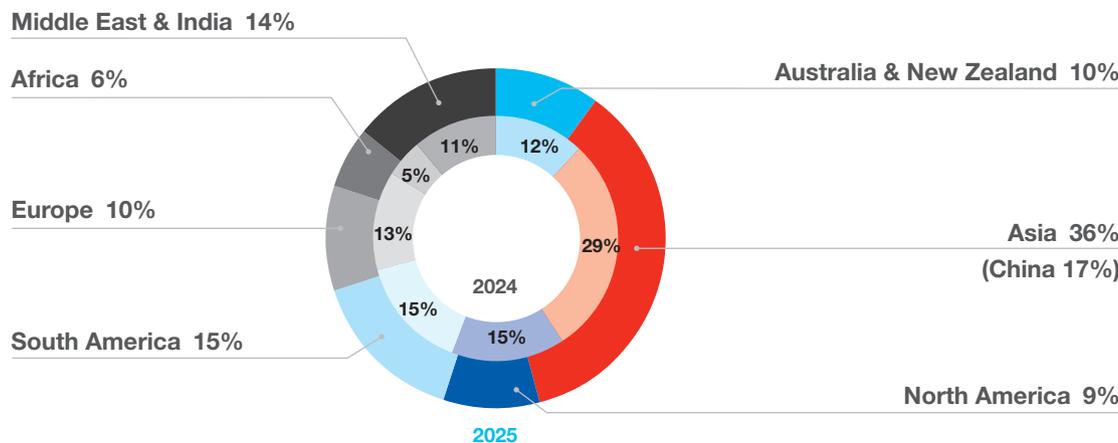
## OUR CARGO VOLUMES

### We Transported 79.8 Million Tonnes in 2025 (90.2 Million Tonnes in 2024)

Our cargo mix comprises mainly non-fossil fuel commodities



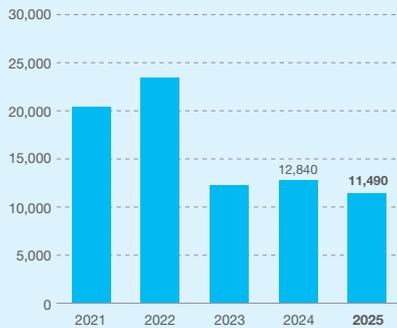
### Our Cargo Loading & Discharging Activity (by Volume) in 2025 (2024)



## CORE BUSINESS Handysize

### TCE EARNINGS **KPI**

US\$/day



Our core business generated:

- Handysize daily earnings of US\$11,490 on 24,660 revenue days
- Supramax daily earnings of US\$12,850 on 18,940 revenue days
- Our Handysize vessels outperformed the index (BHSHI 38k dwt tonnage adjusted) by US\$910 per day or 9%

## Handysize

### FORWARD CARGO COVER

US\$/day



--- Indicative 2025 core fleet cash break-even incl. G&A: US\$6,880

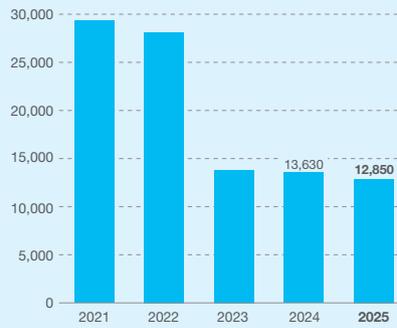
\* As at early-February 2026; these TCE rates are indicative only as voyages are still in progress and our Handysize cover for the rest of the year is backhaul heavy. When combined with better earning fronthaul voyages, the overall TCE rates will typically be higher

- We actively took cover for the first quarter of 2026 in view of the downward trend in freight rates towards the end of 2025, while maintaining a higher degree of spot market exposure for the remainder of 2026
- We have covered 88% and 100% of our Handysize and Supramax vessel days currently contracted for the first quarter of 2026 at US\$11,890 and US\$14,450 per day respectively

## Supramax

### TCE EARNINGS **KPI**

US\$/day



- Our Supramax vessels outperformed the index (BSI 58k dwt) by US\$1,220 per day or 10%. Scrubbers fitted to our 35 core Supramax vessels contributed US\$230 per day to our outperformance
- Despite a relatively weak dry bulk freight market in 2025, our TCE earnings remained resilient

## Supramax

### FORWARD CARGO COVER

US\$/day



--- Indicative 2025 core fleet cash break-even incl. G&A: US\$6,540

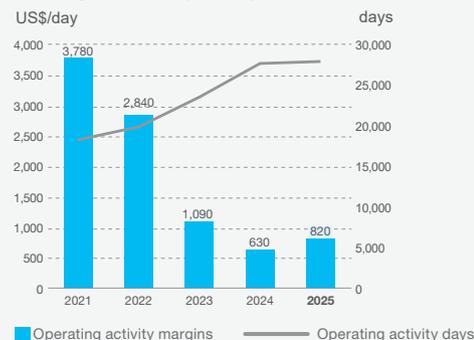
\* As at early-February 2026; these TCE rates are indicative only as voyages are still in progress; When a Supramax vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber

- We have covered 41% and 56% of our Handysize and Supramax vessel days currently contracted for the full year of 2026 at US\$11,370 and US\$14,050 per day respectively
- Our cash break-even (including OPEX, G&A overheads and finance costs) was US\$6,880 per day for Handysize and US\$6,540 per day for Supramax; our costs remain well controlled and sector leading

## OPERATING ACTIVITY

### MARGIN **KPI**

US\$820 per day



- In 2025, our operating activity contributed US\$22.9 million or 16% of our Group's performance before overheads, corresponding to a margin of US\$820 per day over 27,850 operating activity days
- In 2025, Our operating activity margin increased by 30%, while our operating activity days remained relatively stable
- Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels whenever our core fleet vessels are unavailable. This enables us to capture margins and contribute to the Group's overall performance irrespective of prevailing market conditions.

## 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

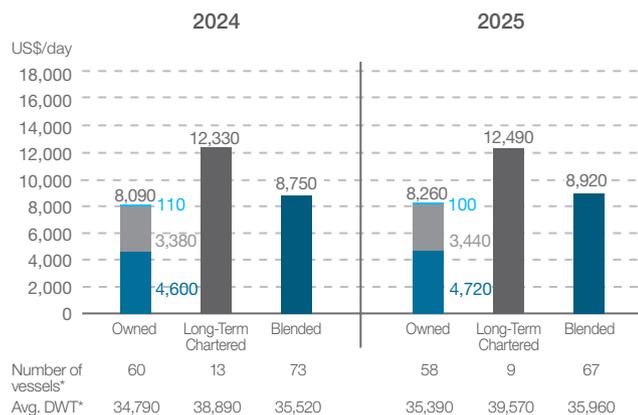
Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels, making a margin and contributing to our Group results regardless of whether the market is weak or strong. Through our operating activity, we provide a service to our customers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

## CORE BUSINESS VESSEL COSTS

### Daily Vessel Costs

#### Handysize

Blended **US\$8,920**

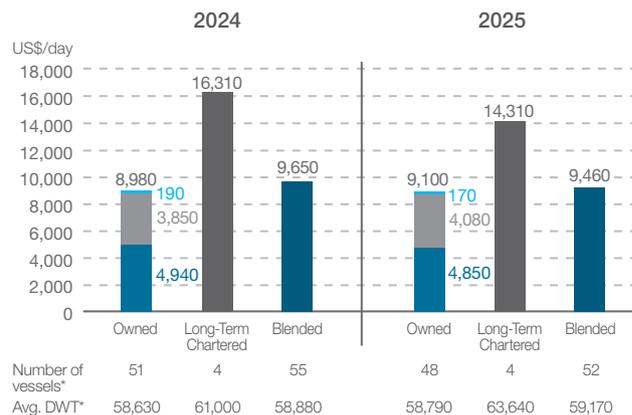


\* Fleet as at 31 December 2024 and 2025

■ Opex ■ Depreciation ■ Finance Cost

#### Supramax

Blended **US\$9,460**



### Owned Vessel Costs

#### ■ Operating expenses

Our average Handysize and Supramax daily operating expenses (“Opex”) were largely stable at US\$4,780 (2024: US\$4,750). Our Opex remained at competitive industry levels, reflecting effective cost management, scale benefits and procurement.

During the year, our owned fleet recorded an average of 1.6 days (2024: 2.4 days) of unplanned technical off-hire per vessel.

#### ■ Depreciation

Our Handysize and Supramax daily depreciation costs increased by 2% and 6% respectively, primarily attributable to higher drydocking costs and investments in fuel-efficiency enhancements.

#### ■ Finance costs

The 13% decrease in our average Handysize and Supramax daily finance costs to US\$130 (2024: US\$150) was mainly due to lower average borrowings.

### 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 were substantially unchanged. Our Supramax long-term chartered vessel daily costs reduced by 12% to US\$14,310, mainly attributable to the redelivery of vessels that had been chartered at higher charter rates.

### Blended Costs

Our daily blended costs for owned and long-term chartered vessels increased to US\$8,920 for Handysize vessels (2024: US\$8,750) and decreased to US\$9,460 for Supramax vessels (2024: US\$9,650).

## General and Administrative (“G&A”) Overheads

Our adjusted total G&A overheads decreased to US\$82.0 million (2024: US\$82.7 million). Our daily G&A overheads remain competitive at US\$870 (2024: US\$780), comprising US\$1,180 and US\$650 (2024: US\$1,070 and US\$600) for owned and chartered vessels respectively.

### Vessel Days

The following table shows an analysis of our vessel days in 2025 and 2024:

Days	Handysize		Supramax	
	2024	2025	2024	2025
Core business revenue days	27,010	<b>24,660</b>	19,560	<b>18,940</b>
– Owned revenue days	22,750	<b>20,730</b>	17,700	<b>17,590</b>
– Long-term chartered days	4,260	<b>3,930</b>	1,860	<b>1,350</b>
Short-term core days <sup>1</sup>	11,640	<b>8,890</b>	19,090	<b>12,940</b>
Operating activity days	11,240	<b>9,840</b>	16,370	<b>18,010</b>
Owned off-hire days	370	<b>650</b>	680	<b>470</b>
<b>Total vessel days</b>	<b>50,260</b>	<b>44,040</b>	<b>55,700</b>	<b>50,360</b>

<sup>1</sup> Short-term chartered vessels used to support our core business

### Future Long-term Chartered Vessel Costs

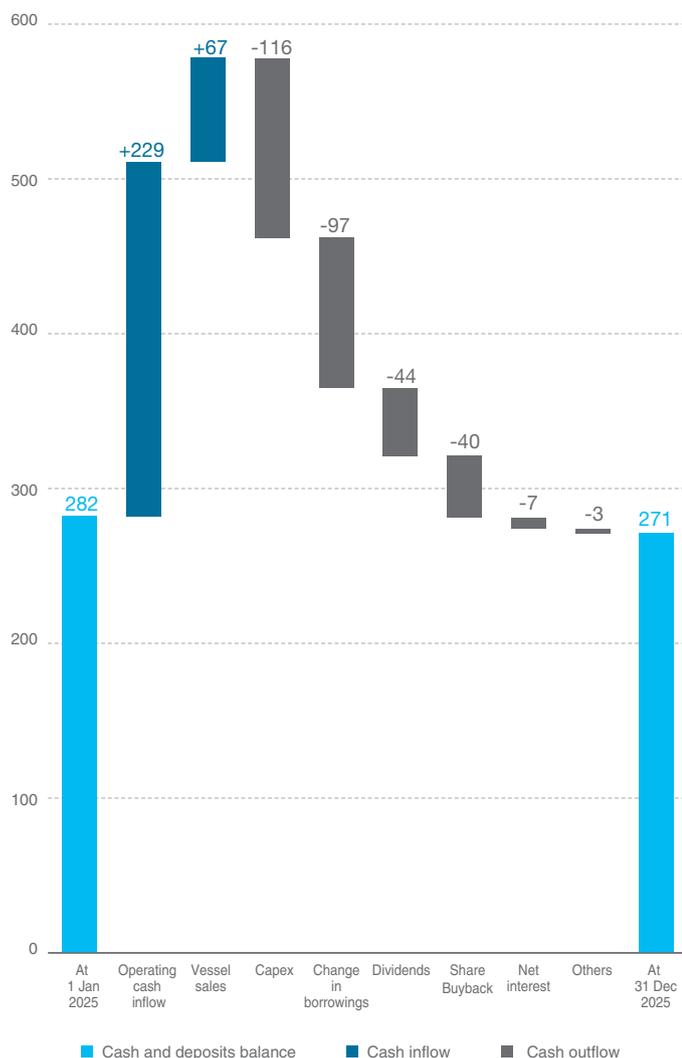
The following table shows the average daily charter costs for our long-term chartered vessels during their remaining charter period by year:

Year	Handysize		Supramax	
	Vessel days	Average cost (US\$)	Vessel days	Average cost (US\$)
2026	2,970	12,930	1,410	14,970
2027	2,500	13,230	1,460	14,660
2028	2,510	12,840	1,460	14,250
2029	1,660	12,680	1,420	13,850
2030+	1,510	12,770	1,180	13,740
<b>Total</b>	<b>11,150</b>		<b>6,930</b>	

## CASH AND BORROWINGS

### Cash Flow

US\$ Million



To provide readers with a better understanding of our cash flows, our presentation in this section considers charter-hire payments as operating cash flow, before applying accounting treatment under HKFRS 16 – “Leases”

### Borrowings and Undrawn Committed Facilities

#### Aggregate Borrowings and Undrawn Committed Facilities – US\$622.0 million (31 December 2024: US\$527.9 million)

Borrowings and undrawn committed facilities increased during the year primarily attributable to the closing of a new US\$250.0 million facility, partly netted off by repayments and scheduled loan amortisation.

A decrease in interest to US\$13.8 million (2024: US\$17.8 million) was mainly due to a decrease in average borrowings to US\$229.1 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.

The aggregate borrowings and undrawn committed facilities are denominated in United States Dollars.

As at 31 December 2025:

- The Group’s secured borrowings were secured by 61 vessels with a total net book value of US\$1,003.4 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
- There were no outstanding convertible bonds in issue (31 December 2024: US\$27.7 million) following the exercise of conversion rights by convertible bondholders and the redemption of the remaining convertible bonds by the Company in August 2025.

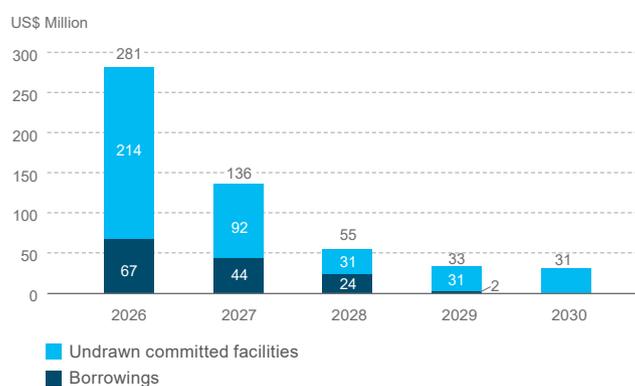
### Key Developments in 2025

- In July, we concluded a new US\$250 million syndicated sustainability-linked 7-year revolving credit facility secured against 20 vessels which further extends our funding profile, increases our available committed liquidity and strengthens our financial capacity
- During the year we realised US\$66.8 million from the sale of 5 Handysize and 3 Supramax vessels
- Our net cash outflow from borrowings was US\$96.5 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\$116.4 million, including:
  - US\$59.2 million for 3 Handysize vessels which delivered into our fleet in 2025; and 1 Ultramax vessel which delivered in January 2026
  - US\$57.2 million for dry dockings and other additions
- As at 31 December 2025, we had 46 unmortgaged vessels

### Liquidity and Borrowings

US\$ Million	31 Dec 2025	31 Dec 2024	Change
Cash and deposits (a)	270.6	282.0	-4%
Available undrawn committed facilities	485.5	265.6	+83%
Available committed liquidity	756.1	547.6	+38%
Current portion of borrowings	(66.6)	(76.5)	
Non-current portion of borrowings	(69.9)	(185.8)	
Total borrowings (b)	(136.5)	(262.3)	+48%
Net cash (a) + (b)	134.0	19.7	+≥100%
Net cash to shareholders’ equity	7%	1%	
Net cash to net book value of owned vessels <b>KPI</b>	8%	1%	

## Schedule of Reduction in Borrowings and Undrawn Committed Facilities



## Finance Costs

US\$ Million	Average interest rate		Balance at 31 December 2025	Finance costs		Change
	P/L	Cash		2025	2024	
Borrowings (including realised interest rate swap contracts)	6.0%	6.0%	<b>136.5</b>	<b>13.1</b>	16.4	+20%
Convertible bonds (Note)	4.7%	3.0%	<b>—</b>	<b>0.7</b>	1.4	+52%
	5.9%	<b>KPI</b> 5.9%	<b>136.5</b>	<b>13.8</b>	17.8	+22%
Other finance charges				<b>2.6</b>	2.0	
Total finance costs				<b>16.4</b>	19.8	+17%
Interest coverage (calculated as EBITDA divided by total finance costs)				<b>KPI 16.0x</b>	16.8x	

Note: The convertible bonds have a P/L cost of US\$0.7 million and a cash cost of US\$0.4 million in 2025.

We arrange financing by leveraging the Group's balance sheet to optimise the availability of cash resources of the Group.

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 2025, 59% (31 December 2024: 69%) 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	2025	2024	Change*
Revenue		<b>2,081.0</b>	2,581.6	-19%
Bunker, port disbursement & other voyage costs		<b>(892.6)</b>	(1,099.6)	+19%
Time-charter equivalent ("TCE") earnings	1	<b>1,188.4</b>	1,482.0	-20%
Owned vessel costs				
Operating expenses	2	<b>(188.5)</b>	(197.0)	+4%
Depreciation	2	<b>(152.1)</b>	(153.7)	+1%
Net finance costs	3	<b>(5.4)</b>	(6.2)	+13%
Chartered vessel costs				
Non-capitalised charter costs	4	<b>(659.8)</b>	(880.0)	+25%
Capitalised charter costs	4	<b>(40.8)</b>	(47.6)	+14%
Operating performance before overheads		<b>141.8</b>	197.5	-28%
Adjusted total G&A overheads	5	<b>(82.0)</b>	(82.7)	+1%
Taxation and others		<b>(0.6)</b>	(0.7)	+14%
Underlying profit		<b>59.2</b>	114.1	-48%
Disposal gain of vessels	6	<b>7.6</b>	9.6	
Project expenses	7	<b>(4.7)</b>	–	
Unrealised derivative (expenses)/ income	8	<b>(3.9)</b>	4.0	
Write-back of provisions		<b>–</b>	4.0	
Profit attributable to shareholders		<b>58.2</b>	131.7	-56%
EBITDA <sup>#</sup>		<b>263.1</b>	333.4	-21%
Net profit margin		<b>3%</b>	5%	-2%
Return on average equity		<b>3%</b>	7%	-4%

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

<sup>#</sup> 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.

### Notes

1. Total time-charter equivalent ("TCE") earnings decreased due to overall weaker freight market during the year.
2. Total operating expenses and depreciation of our owned vessels decreased by 4% and 1% respectively, mainly due to the disposal of eight older vessels.
3. The 13% decrease in net finance costs was mainly due to lower average borrowings.
4. 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 decrease in overall charter costs was in line with the weaker freight market during the year.
5. Adjusted total G&A overheads comprise the total G&A overheads and the interest on lease liabilities of other PP&E.
6. The disposal gain relates to the disposal of eight older vessels.
7. Project expenses mainly relate to the professional advice on the Group's structural change and other strategic corporate initiatives.
8. Unrealised derivative expenses mainly represent the negative mark-to-market on our bunker swap contracts.

## Consolidated Income Statement

	Note	For the year ended 31 December	
		2025 US\$'000	2024 US\$'000
Revenue	3	2,081,039	2,581,552
Cost of services		(2,005,200)	(2,446,312)
Gross profit		75,839	135,240
Indirect general and administrative overheads		(6,982)	(6,009)
Other income and gains		7,603	13,763
Other expenses		(7,207)	(803)
Finance income		11,108	13,693
Finance costs		(21,536)	(23,503)
Profit before taxation	4	58,825	132,381
Tax charges	5	(653)	(684)
Profit attributable to shareholders		58,172	131,697
Earnings per share for profit attributable to shareholders (in US cents)			
Basic earnings per share	7(a)	1.14	2.54
Diluted earnings per share	7(b)	1.13	2.47

## Consolidated Statement of Comprehensive Income

	For the year ended 31 December	
	2025 US\$'000	2024 US\$'000
Profit attributable to shareholders	58,172	131,697
<b>Other comprehensive income</b>		
Items that are and may be reclassified subsequently to income statement		
Cash flow hedges		
– fair value gains	93	1,159
– fair value gains transferred to income statement	(1,708)	(2,909)
Currency translation differences	929	(811)
Total comprehensive income attributable to shareholders	57,486	129,136

## Consolidated Balance Sheet

		As at 31 December	
		2025	2024
		US\$'000	US\$'000
	Note		
<b>ASSETS</b>			
Non-current assets			
Property, plant and equipment		1,642,124	1,698,666
Right-of-use assets		91,028	80,060
Goodwill		25,256	25,256
Derivative assets		–	1,995
Trade and other receivables	8	3,206	42,250
		<b>1,761,614</b>	<b>1,848,227</b>
Current assets			
Inventories		96,527	126,391
Derivative assets		1,550	2,281
Trade and other receivables	8	148,103	155,017
Cash and deposits		270,559	282,037
Tax recoverable		74	82
		<b>516,813</b>	<b>565,808</b>
<b>Total assets</b>		<b>2,278,427</b>	<b>2,414,035</b>
<b>EQUITY</b>			
Capital and reserves attributable to shareholders			
Share capital		50,546	50,710
Retained profits		676,703	662,986
Other reserves		1,097,733	1,112,948
<b>Total equity</b>		<b>1,824,982</b>	<b>1,826,644</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Borrowings		69,938	185,776
Lease liabilities		64,963	52,149
Derivative liabilities		775	499
		<b>135,676</b>	<b>238,424</b>
Current liabilities			
Borrowings		66,583	76,542
Lease liabilities		28,937	29,891
Derivative liabilities		5,533	3,014
Trade payables and other liabilities	9	216,716	239,520
		<b>317,769</b>	<b>348,967</b>
<b>Total liabilities</b>		<b>453,445</b>	<b>587,391</b>

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 HKFRS Accounting 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 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 2024, 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.

## 3. Revenue and segment information

US\$'000	2025	2024
Freight	1,775,884	2,235,897
Charter-hire		
– lease component	188,304	230,125
– non-lease component	116,851	115,530
	2,081,039	2,581,552

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	2025	2024
Vessel charter costs	659,848	879,964
Bunkers consumed	458,675	624,307
Port disbursements and other voyage costs	427,548	475,568
Depreciation	190,833	200,698
Employee benefit expenses	187,675	189,380
Vessel operating expenses	56,032	59,201
Lubricating oil consumed	10,786	11,292
Net losses/(gains) on bunker swap contracts	8,569	(4,940)
Net gains on disposal of vessels	(7,603)	(9,607)

## 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 to the income statement represents:

US\$'000	2025	2024
Overseas tax, provided at the rates of taxation prevailing in the jurisdictions	707	657
Adjustments in respect of prior year	(54)	27
Tax charges	653	684

## 6. Dividends

	2025			2024		
	HK cents per share	US cents per share	US\$'000	HK cents per share	US cents per share	US\$'000
Interim dividend	1.6	0.2	10,717	4.1	0.5	27,573
Proposed final dividend (a)	6.0	0.8	39,759	5.1	0.7	33,424
Total dividends for the year	7.6	1.0	50,476	9.2	1.2	60,997
Dividends paid during the year (b)	6.7	0.9	44,141	9.8	1.3	65,797

(a) The proposed final dividend is subject to the approval of the shareholders at the Annual General Meeting on 22 April 2026 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, 2023 Share Award Scheme and 2025 Share Award Scheme (collectively "SASs") and unvested restricted shares.

		2025	2024
Profit attributable to shareholders	(US\$'000)	58,172	131,697
Weighted average number of shares in issue	('000)	5,105,507	5,176,618
Basic earnings per share	(US cents)	1.14	2.54
Equivalent to	(HK cents)	8.88	19.86

### (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.

		2025	2024
Profit attributable to shareholders	(US\$'000)	58,172	131,697
Effect of interest on convertible bonds	(US\$'000)	664	1,377
Adjusted profit attributable to shareholders	(US\$'000)	58,836	133,074
Weighted average number of shares in issue	('000)	5,105,507	5,176,618
Effect of convertible bonds	('000)	83,176	168,844
Effect of unvested restricted shares	('000)	25,936	33,755
Diluted weighted average number of shares	('000)	5,214,619	5,379,217
Diluted earnings per share	(US cents)	1.13	2.47
Equivalent to	(HK cents)	8.79	19.31

## 8. Trade and other receivables

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

US\$'000	2025	2024
≤ 30 days	72,843	86,360
31-60 days	5,630	4,165
61-90 days	3,446	2,463
> 90 days	12,079	13,312
	<b>93,998</b>	106,300

## 9. Trade payables and other liabilities

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

US\$'000	2025	2024
≤ 30 days	74,755	93,407
31-60 days	254	1,313
61-90 days	130	733
> 90 days	7,043	4,858
	<b>82,182</b>	100,311

## Purchase, Sale or Redemption of Securities

During the year ended 31 December 2025, the Company repurchased a total of 150,651,000 shares on the Stock Exchange under the Company's share buyback programme as announced on 28 February 2025. 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 during the year amounted to approximately HK\$311 million (equivalent to approximately US\$40 million). All shares bought back were cancelled. As at 31 December 2025, the total number of shares in issue was 5,166,725,803. Details of the shares bought back are as follows:

Month	Number of shares bought back	Purchase price paid per share (HK\$)			Aggregate consideration paid before expenses (HK\$)
		Average	Highest	Lowest	
March 2025	29,161,000	1.68	1.70	1.60	48,851,769.80
April 2025	38,846,000	1.64	1.72	1.52	63,607,897.20
June 2025	25,062,000	2.04	2.07	1.91	51,057,932.00
September 2025	15,944,000	2.47	2.52	2.35	39,350,640.40
October 2025	95,000	2.51	2.53	2.50	238,440.00
November 2025	41,543,000	2.61	2.64	2.52	108,368,615.10
	<u>150,651,000</u>				<u>311,475,294.50</u>

In June 2025, the trustee of the share award schemes of the Company purchased a total of 25,915,000 shares on the Stock Exchange in relation to awards granted to certain awardees under the Company's 2025 Share Award Scheme. The aggregate consideration paid (before expenses) amounted to approximately HK\$54 million (equivalent to approximately US\$6.9 million).

This share purchase by the trustee constituted a transaction in the securities of the Company for the purpose of the Listing Rules.

The Group exercised its redemption option on 11 July 2025 in respect of the remaining outstanding bonds. Subsequently, US\$11.1 million of the convertible bonds were converted. All bonds that were not converted were redeemed and cancelled on 14 August 2025.

Saved 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 except that one senior manager traded in the Company's securities during an eligible period prior to the receipt of the written approval from the Company. The senior manager was given a letter explaining the gravity of such a breach of the Dealing Rules and was reminded that prior written approval must be received before such transactions can be proceeded.

## 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 2025.

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 2025 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.

## **Final Dividend**

The Board has recommended the payment of a final dividend of HK6.0 cents per share for the year ended 31 December 2025. The recommended final dividend of HK6.0 cents per share will be payable on 12 May 2026, subject to approval by the shareholders of the Company at the forthcoming annual general meeting to be held on 22 April 2026, to those shareholders whose names appear on the Company's register of members on 30 April 2026.

## **Closure of Register of Members**

If the proposed final dividend is approved at the 2026 AGM, the register of members will be closed on 30 April 2026 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 Services 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 29 April 2026. The ex-dividend date for the 2025 final dividend will be on 28 April 2026.

## **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](http://www.hkexnews.hk) and on the Company's website at [www.pacificbasin.com](http://www.pacificbasin.com).

The Company's 2025 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 19 March 2026.

## **Directors**

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

Executive Directors:

Martin Fruergaard and Kristian Helt

Independent Non-executive Directors:

Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka, John Mackay McCulloch Williamson, Kalpana Desai, Wang Xiaojun Heather and Mats Henrik Berglund

Non-executive Directors:

Harindarpal Singh Banga and Angad Banga

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