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**PB ISSUER (NO.3) LIMITED (the “Issuer”)**  
*(incorporated in the British Virgin Islands with limited liability)*

**US\$123,800,000**  
**1.875% Guaranteed Convertible Bonds due 2018**  
**(the “Bonds”)**  
**(Stock Code: 4573)**  
**convertible into ordinary shares of, and**  
**unconditionally and irrevocably guaranteed by**

 **Pacific Basin Shipping Limited**

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

**(the “Guarantor”)**

#### **ADJUSTMENT TO CONVERSION PRICE**

**The Issuer and the Guarantor jointly announce that the Conversion Price of the Bonds will be adjusted from HK\$4.75 per Share to HK\$3.58 per Share with effect from 30 May 2016.**

Reference is made to the announcements of the Guarantor dated 20 September 2012 and 22 October 2012 for the issuance of the Bonds, and the subsequent Conversion Price adjustments dated 24 April 2013, 23 April 2014 and 27 April 2015. Unless otherwise defined here, terms used in this announcement shall have the meaning given to such terms in the Guarantor’s announcement dated 20 September 2012.

The Issuer and the Guarantor jointly announce that the Conversion Price of the Bonds will be adjusted from HK\$4.75 per Share to HK\$3.58 per Share with effect from 30 May 2016. Such adjustment is the result of the issue of Shares by way of rights as approved at the adjourned special general meeting (the “**Adjourned SGM**”) of the Guarantor held on 27 May 2016 which is regarded as a conversion price adjustment event under the terms and conditions of the Bonds.

The above adjustment to the Conversion Price shall become effective on the first date on which the Shares are traded ex-right. The above adjustment has been computed in accordance with the terms and conditions of the Bonds. Apart from the above adjustment, all other terms of the Bonds remain unchanged.

In the case of conversion of the Bonds, the Guarantor will utilise the specific mandate obtained from Shareholders at the Adjourned SGM to satisfy the issue of the Conversion Shares.

This announcement also serves as a notification to the Bondholders in respect of the adjustment to the Conversion Price as per the terms and conditions of the Bonds.

By order of the Board of  
**Pacific Basin Shipping Limited**  
**MOK Kit Ting, Kitty**  
*Company Secretary*

Hong Kong, 30 May 2016

*As at the date of this announcement, the Directors of the Issuer are Mats Henrik Berglund, Andrew Thomas Broomhead, Mok Kit Ting Kitty and Kong Hoi Yan Karen.*

*As at the date of this announcement, the Directors of the Guarantor are:*

*Executive Directors: David Muir Turnbull, Mats Henrik Berglund, Andrew Thomas Broomhead and Chanakya Kocherla*

*Independent Non-executive Directors: Robert Charles Nicholson, Patrick Blackwell Paul, Alasdair George Morrison, Daniel Rochfort Bradshaw and Irene Waage Basili*