

CORPORATE GOVERNANCE

We conduct our business with high standards of corporate governance to ensure responsible direction and management of the Group and to achieve sustainable value for our shareholders and other stakeholders. In setting our standards, the Board considers the needs and requirements of the business, its stakeholders and the Corporate Governance Code (the “Code”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Throughout the six months ended 30 June 2022, the Group has complied with all code provisions of the Code as set out in Part 2 of Appendix 14 to the Rules Governing the Listing of the Securities on the Stock Exchange (the “Listing Rules”).

Directors' Securities Transactions

The Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers, as set out in Appendix 10 to the Listing Rules (the “Model Code”).

The Board confirms that, having made specific enquiry, the Directors have complied in full with the required standard as set out in the Model Code and its code of conduct regarding Directors' securities transactions during the six months ended 30 June 2022.

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The Company has adopted rules for those senior managers and staff who are more likely to be in possession of unpublished inside information of the Group based on the Model Code (the “Dealing Rules”).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 set out in the Dealing Rules during the six months ended 30 June 2022.

Share Capital

During the six months ended 30 June 2022, an aggregate of 440,399,441 ordinary shares were issued, of which (i) 14,412,000 ordinary shares were issued in March 2022 to fulfil the granting of the Company's restricted awards under the Company's 2013 Share Award Scheme, and (ii) 425,987,441 ordinary shares were issued in May 2022 to two allottees, namely HSBC Nominees (Hong Kong) Limited and Citi (Nominees) Ltd, being the nominees of certain bondholders, holding an aggregate principal amount of US\$104,919,000 of the 3% p.a. coupon guaranteed convertible bonds due 2025 issued by the Group, who accepted the incentivised offer to convert their convertible bonds (representing approximately 59.95% of the aggregate principal amount of the convertible bonds originally issued) at the conversion price of HK\$1.93 per share. The conversion offer was aimed at further optimising the capital structure of the Company, by reducing net borrowings, and strengthening the Company's equity capital, thereby deleveraging the balance sheet, while lowering the finance costs.

Purchase, Sale or Redemption of Securities

During the six months ended 30 June 2022, other than for satisfying restricted awards granted under the Company's 2013 Share Award Scheme, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the share capital or convertible bonds of the Company.

Shareholders' Rights

Shareholders are encouraged to maintain direct communication with the Company and if they have any questions for the Board, they may send an e-mail to companysecretary@pacificbasin.com or a letter to:

Company Secretary
Pacific Basin Shipping Limited
31/F One Island South, 2 Heung Yip Road
Wong Chuk Hang, Hong Kong

Interim Report and Disclosure of Information on Stock Exchange's Website

The announcement of interim results containing all the information required by paragraphs 46(1) to 46(10) of Appendix 16 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.

This Interim Report is printed in English and Chinese languages, and will be available on our website on or around 16 August 2022 when it is sent to those shareholders who have elected to receive a printed copy.

The interim results and this Interim Report have been reviewed by the external auditor and the Audit Committee of the Company.

Interim Dividend and Closure of Register of Members

The Board has declared a total interim dividend of HK52 cents per share – comprising a basic dividend of HK35 cents per share and a special dividend of HK17 cents per share – for the six months ended 30 June 2022 which will be paid on 24 August 2022 to those shareholders whose names appear on the Company's register of members on 12 August 2022.

The register of members will be closed on 12 August 2022 when no transfer of shares will be effected. In order to qualify for the interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11 August 2022. The ex-dividend date for the interim dividend will be on 10 August 2022.

Board members

The Directors who held office as at the date of this Interim Report are set out below:

	Board					
	Date of Appointment	Terms of Appointment	Audit Committee	Remuneration Committee	Nomination Committee	Executive Committee
Executive Directors						
David M. Turnbull, Board Chairman	17-May-06	retiring at 2023 AGM	–	–	–	Member
Martin Fruergaard, CEO	2-Jul-21	3 years until Jul 2024*	–	–	–	Chairman
Peter Schulz, CFO	30-Jul-18	3 years until 2025 AGM*	–	–	–	Member
Independent Non-executive Directors						
John M.M. Williamson	2-Nov-20	3 years until Nov 2023	Chairman	–	–	–
Robert C. Nicholson	25-Mar-04	retiring at 2023 AGM*	Member	Chairman	Chairman	–
Irene Waage Basili	1-May-14	3 years until 2023 AGM	–	Member	–	–
Stanley H. Ryan	5-Jul-16	3 years until 2024 AGM	–	Member	–	–
Kirsi K. Tikka	2-Sep-19	3 years until 2025 AGM*	Member	–	Member	–
Non-executive Director						
Alexander H.Y.K. Cheung	3-Jan-22	3 years until Jan 2025*	Member	Member	Member	–

* Re-elected as Director at the Company's annual general meeting held on 19 April 2022.

Mr. Alexander Cheung was appointed as a Non-executive Director on 3 January 2022.