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## **Pacific Basin Shipping Limited**

**太平洋航運集團有限公司\***

*(incorporated in Bermuda with limited liability)*

**Stock Code: 2343**

**www.pacbasin.com**

### **PLACING OF EXISTING SHARES BY CERTAIN MEMBERS OF THE CONTROLLING GROUP**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Company has been informed by each of IDB Carriers (BVI) Limited and Dry Bulk Shipping (BVI) Limited, two members of the Company's Controlling Group, that they have each entered into a Placing Agreement with Goldman Sachs (Asia) L.L.C. (as Placing Agent) pursuant to which the Placing Agent will purchase or procure purchasers to acquire, and IDB and DBS will sell, 145,549,437 Shares and 174,658,997 Shares, respectively, to investors at a price of HK\$3.215 per Placing Share. The Placing Shares sold by IDB and DBS represent approximately 11.5% and 13.8%, respectively, of the issued share capital of the Company.

Immediately before the placing, the Company's Controlling Group in aggregate holds approximately 768 million Shares, representing 60.7% of the existing issued share capital of the Company. Immediately following the placing, the Company's Controlling Group will in aggregate holds approximately 448 million Shares, representing 35% of the existing issued share capital of the Company.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

### **PLACING**

The Company has been informed by each of IDB Carriers (BVI) Limited and Dry Bulk Shipping (BVI) Limited, two members of the Company's Controlling Group (as such term is defined and used in the Company's Prospectus), that they have each entered into a Placing Agreement dated 26 January 2005 with the Placing Agent on the terms summarised below. Save for the number of Shares placed, the terms of each of the Placing Agreements are identical.

The placing is not underwritten by the Placing Agent or any other party and the Placing Agent has informed the Company that the placing will not result in the introduction of a new substantial shareholder (as such term is defined in the Listing Rules) of the Company.

### **PARTIES**

- (1) IDB and Goldman Sachs (Asia) L.L.C; and
- (2) DBS and Goldman Sachs (Asia) L.L.C.

IDB and DBS are two members of the Company's Controlling Group and hold 241,195,194 Shares and 289,433,689 Shares, respectively, representing approximately 19.0% and 22.8%, respectively of the existing issued share capital of the Company. The other members of the Company's Controlling Group hold approximately 238 million Shares, representing 18.8% of the existing issued share capital of the Company and as far as the Directors are aware, other than the partial exercise of the Over-allotment Option (as defined in the Prospectus), there has been no change in shareholdings of the Company's Controlling Group in the six month period from the Company's listing date on 14 July 2004 to 14 January 2005.

## **NUMBER OF PLACING SHARES**

IDB: 145,549,437 Shares (representing approximately 11.5% of the existing issued share capital of the Company);

DBS: 174,658,997 Shares (representing approximately 13.8% of the existing issued share capital of the Company),

together in aggregate, representing approximately 25.3% of the issued share capital of the Company (the "**Placing Shares**").

Immediately before the placing, the Company's Controlling Group in aggregate holds approximately 768 million Shares, representing 60.7% of the existing issued share capital of the Company. Immediately following the placing, (i) IDB and DBS will hold 95,645,757 Shares and 114,774,692 Shares, respectively, representing approximately 7.5% and 9.1% of the existing issued share capital of the Company and (ii) the other members of the Company's Controlling Group will continue to hold approximately 238 million Shares, representing 18.8% of the existing issued share capital of the Company. Accordingly, immediately following the placing, the Company's Controlling Group will in aggregate holds approximately 448 million Shares representing 35% of the existing issued share capital of the Company.

## **PLACING PRICE**

HK\$3.215 per Placing Share, representing a discount of approximately 4.0% to the closing price of HK\$3.35 per Share as quoted on the Stock Exchange on 26 January 2005 and a discount of approximately 5.7% to the average closing price of HK\$3.41 for the last five trading days immediately prior to this announcement and a discount of approximately 5.4% to the average closing price of HK\$3.40 for the last 10 days immediately prior to this announcement.

## **CONDITIONS OF THE PLACING**

The placing of the Shares is conditional upon, inter alia, there having been no material breach of any of the representations and warranties given by IDB and DBS in the Placing Agreement, no material adverse change in the management business and financial condition of the Company and its subsidiaries taken as a whole and no occurrence of an event of force majeure.

## **LOCK UP**

Pursuant to the Placing Agreements, each of IDB and DBS has undertaken to the Placing Agent that during the period ending 90 days after the date of the Placing Agreement neither IDB, DBS nor any of their respective affiliates will, or will cause any other person to, offer, sell, contract to

sell, grant any option to purchase or otherwise dispose of, directly or indirectly, any Shares or depositary receipts representing Shares or any other securities of the Company which are substantially similar to Shares or any securities convertible into, exchangeable for or representing the right to receive any of the foregoing securities or enter into any options or derivatives, cash settled or otherwise, or other transactions relating to the foregoing or having similar economic effect.

In addition to the above lock-up, pursuant to Rule 10.07(1) of the Listing Rules, the Company's Controlling Group shall not, in the six month period from 14 January 2005 to 14 July 2005 dispose of, nor enter into any agreement to dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of the Controlling Group's Shares, if immediately following such transaction the Company's Controlling Group would cease to be our controlling shareholder (as such term is defined in the Listing Rules). Accordingly, IDB's remaining holding of 95,645,757 Shares, DBS's remaining holding of 114,774,692 Shares and 170.7 million Shares out of 238 million Shares currently held by the other members of the Company's Controlling Group are subject to this obligation until 14 July 2005. As mentioned in the paragraph headed "Number of Placing Shares" above, immediately after the placing, the Company's Controlling Group will in aggregate hold approximately 448 million Shares representing 35% of the existing issued share capital of the Company.

## **TERMINATION EVENTS**

The Placing Agreements contain provisions granting the Placing Agent the right to terminate its placing obligations on the occurrence of certain events including force majeure, any material adverse change in the management, business and financial condition of the Company or its subsidiaries taken as a whole, or any event which would have rendered the representations and warranties in the Placing Agreements untrue or inaccurate in any material respect, in each case occurring prior to 9:00 a.m. on the date of completion of the placing.

If the Placing Agent exercises such right to so terminate the placing, the placing will not proceed. **Shareholders and investors are advised to exercise caution in dealing in the shares of the Company.**

## **COMPLETION OF THE PLACING**

Completion of the placing of the Shares is expected to take place on or around 31 January 2005, or such other date as may be agreed by each of IDB, DBS and the Placing Agent. Further announcements shall be made by the Company if the placing is terminated or does not complete on or around 31 January 2005.

## **GENERAL INFORMATION**

The Directors believe that the placing will not have any impact on the business, management or operations of the Group. No changes in the composition of the Board of Directors have occurred as a result of the placing and the Directors appointed by IDB and DBS, James John Dowling and Brian Paul Friedman, intend to remain as Directors at this time.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“ <b>Controlling Group</b> ”	IDB, DBS, Plymouth Shipping Investments Limited and Pembroke Shipping Limited and their respective shareholders, and certain companies controlled by or in common control with such shareholders;
“ <b>Company</b> ” or “ <b>Pacific Basin</b> ”	Pacific Basin Shipping Limited, a limited company incorporated in Bermuda with limited liability, whose Shares are listed on the Main board of the Stock Exchange;
“ <b>Directors</b> ”	means the directors of the Company;
“ <b>DBS</b> ”	Dry Bulk Shipping (BVI) Limited;
“ <b>IDB</b> ”	IDB Carriers (BVI) Limited;
“ <b>Listing Rules</b> ”	The Rules Governing the Listing of Securities on the Stock Exchange;
“ <b>Prospectus</b> ”	means the Company’s prospectus dated 30 June 2004;
“ <b>Placing Agent</b> ”	Goldman Sachs (Asia) L.L.C.;
“ <b>Placing Shares</b> ”	174,658,997 Shares to be sold by DBS and 145,549,437 Shares to be sold by IDB, together in aggregate, representing approximately 25.3% of the issued share capital of the Company;
“ <b>Placing Agreements</b> ”	a placing agreement dated 26 January 2005 between (1) IDB and the Placing Agent and (2) DBS and the Placing Agent, and “Placing Agreement” shall, where the context so requires, mean any one of such agreements;
“ <b>Shares</b> ”	ordinary shares of US\$0.10 each in the share capital of the Company;
“ <b>Stock Exchange</b> ”	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
**Andrew T. Broomhead**  
*Company Secretary*

Hong Kong, 26 January 2005

*As at the date of this announcement, the executive directors of the Company are Christopher Richard Buttery, Mark Malcolm Harris and Paul Charles Over, the non-executive directors of the Company are Lee Kwok Yin, Simon, James John Dowling and Brian Paul Friedman, and the independent non-executive directors of the Company are Robert Charles Nicholson, Patrick Blackwell Paul and The Rt. Hon. The Earl of Cromer.*

\* For identification purposes only

*Please also refer to the published version of this announcement in the (South China Morning Post)*