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PB ISSUER (NO.4) LIMITED (the “Issuer”)
(incorporated in the British Virgin Islands with limited liability)

US\$125,000,000 3.25% Guaranteed Convertible Bonds due 2021 (the “Bonds”)
(Stock Code: 5525)
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

<p>The Issuer and the Guarantor jointly announce that the Conversion Price of the Bonds will be adjusted from HK\$3.07 per Share to HK\$3.03 per Share with effect from 9 August 2018.</p>

Reference is made to the announcements of the Guarantor dated 8 April 2015 and 8 June 2015 for the issuance of the Bonds, and the subsequent Conversion Price adjustment dated 30 May 2016. Unless otherwise defined here, terms used in this announcement shall have the meanings given to such terms in the Guarantor’s announcement dated 8 April 2015.

The Issuer and the Guarantor jointly announce that the Conversion Price will be adjusted from HK\$3.07 per Share to HK\$3.03 per Share. Such adjustment is the aggregate result of the following events which are regarded as conversion price adjustment events under the terms and conditions of the Bonds :

- (i) The issue of 186,939,553 Shares by the Guarantor at HK\$1.59 per Share to certain places on 10 August 2017 pursuant to a placing agreement as announced by the Guarantor on 10 August 2017.
- (ii) The declaration by the Guarantor of an interim dividend of HK 2.5 cents per Share for the six months ended 30 June 2018 payable on 22 August 2018 with an ex-dividend date on 9 August 2018.

The above adjustment to the Conversion Price shall become effective on 9 August 2018, being the first date on which the Shares are traded ex-dividend in relation to the 2018 interim dividend. 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 (if any), the Guarantor will utilise the specific mandate obtained from Shareholders at the special general meeting of the Guarantor held on 22 May 2015 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, 9 August 2018

As at the date of this announcement, the Directors of the Issuer are Mats Henrik Berglund, Peter Schulz and Mok Kit Ting Kitty.

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

Executive Directors: David Muir Turnbull, Mats Henrik Berglund and Peter Schulz

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