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Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

PROPOSED ISSUE OF 3.25% GUARANTEED CONVERTIBLE BONDS DUE IN 2021 CONVERTIBLE INTO ORDINARY SHARES OF PACIFIC BASIN SHIPPING LIMITED

- **Issue of 3.25% Convertible Bonds due 2021 in an aggregate principal amount of US\$125 million.**
- **Proceeds currently intended to be used by the Company to maintain the Group's balance sheet strength and liquidity and to continue to proactively manage its upcoming liabilities, including its Existing Convertible Bonds, as well as for general working capital purposes.**
- **The Bond Issue represents attractive funding for the Company with a maturity beyond its Existing Convertible Bonds maturing in 2016 and 2018 respectively.**
- **Shareholders approval to be sought at the SGM to approve the Bond Issue and the issue of the Conversion Shares pursuant to the Specific Mandate.**

The Company announces that on 8 April 2015 the Company as guarantor and the Issuer (a wholly-owned subsidiary of the Company) have entered into the Subscription Agreement with the Lead Managers in connection with the issue by the Issuer of the Convertible Bonds in an aggregate principal amount of US\$125 million (approximately HK\$969 million). The Convertible Bonds are convertible in the circumstances set out therein into ordinary shares of US\$0.10 each in the share capital of the Company at an initial conversion price of HK\$4.08 (subject to adjustment). The payment obligations of the Issuer and the due performance by the Issuer of its obligations under the terms and conditions of the Convertible Bonds and the Trust Deed will be guaranteed by the Company.

The initial Conversion Price is HK\$4.08 per Share, representing a premium of 37.5% over the closing price of the Shares quoted on the Stock Exchange on 8 April 2015 being the date on which the Subscription Agreement was signed. Assuming full conversion of the Convertible Bonds at the initial Conversion Price of HK\$4.08 per Share, the Convertible Bonds will be convertible into approximately 237,484,681 Shares (subject to adjustment), representing approximately 12.26% of the issued share capital of the Company as at the date of this announcement and approximately 10.92% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Bondholders will have the right to convert all or some of their Convertible Bonds into Shares at any time from 19 July 2015 to 23 June 2021. Unless previously purchased and cancelled, redeemed or converted, the Convertible Bonds will be redeemed at 100% of their principal amount on the Maturity Date.

The estimated net proceeds from the Bond Issue, after deduction of commission and expenses, amount to approximately US\$123.7 million (approximately HK\$959 million). The proceeds are currently intended to be used by the Company to maintain balance sheet strength and liquidity and continuing to proactively manage its upcoming liabilities, including its Existing Convertible Bonds as well as for general working capital purposes.

Applications will be made for (i) the listing of the Convertible Bonds on the Stock Exchange as selectively marketed securities; and (ii) the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. The Convertible Bonds will be traded over-the-counter through Euroclear and Clearstream and will not be traded on the Stock Exchange.

The Conversion Shares will be allotted and issued by the Company pursuant to a mandate to be approved by the Shareholders at the SGM, which will be held, to consider and if thought fit, to pass resolutions to approve the Subscription Agreement and the transactions contemplated thereunder, including the Bond Issue and the issue of the Conversion Shares pursuant to the Specific Mandate.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” below for further information.

As the Subscription Agreement may or may not complete, the Convertible Bonds may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

A circular containing, among other things, further details of the Subscription Agreement, the Bond Issue and the Specific Mandate, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable.

THE SUBSCRIPTION AGREEMENT

Date: 8 April 2015

Parties:

1. The Company (as guarantor);
2. The Issuer, being PB Issuer (No. 4) Limited, a wholly-owned subsidiary of the Company; and
3. The Lead Managers, being Goldman Sachs and The Hongkong and Shanghai Banking Corporation Limited, together with their respective listed parent companies, which to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is each not a connected person (as defined by the Listing Rules) of the Company and is each a third party independent of the Company and connected persons (as defined by the Listing Rules) of the Company.

Subscription:

1. Subject to the fulfilment of the conditions set out below in the section headed “Conditions Precedent”, the Lead Managers have agreed to severally, not jointly, subscribe or to procure subscribers to subscribe the Convertible Bonds in an aggregate principal amount of US\$125 million (approximately HK\$969 million). To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the subscribers and their ultimate beneficial owners are not connected persons of the Company and are third parties independent of the Company and its connected persons.
2. The Convertible Bonds will be offered and sold to persons outside the United States in reliance upon Regulation S of the US Securities Act and to “professional investors” as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that Ordinance in Hong Kong and elsewhere (other than the United States).

Stabilisation activities: The Lead Managers may, to the extent permitted by applicable laws, over-allot and effect transactions with a view to supporting the market price of the Convertible Bonds at levels which might otherwise prevail. However, there is no obligation on The Lead Managers to do this. Such stabilising activities, if commenced, may be discontinued at any time. The Lead Managers will conduct any such stabilisation activities in accordance with applicable laws and regulations.

Conditions precedent: The obligations of the Lead Managers to subscribe and pay for the Convertible Bonds are subject to, among others, the following conditions precedent:

1. each of the Lead Managers shall have been satisfied with the results of its due diligence investigations on the Issuer, the Company and its subsidiaries for the purposes of the preparation of the Offering Circular, and the Offering Circular shall have been prepared in form and content satisfactory to the Lead Managers;
2. execution of documents including the Trust Deed by relevant parties on or prior to the Closing Date;
3. the passing of the ordinary resolution by the Shareholders at the SGM approving, among other things, the Bond Issue and authorising the Board to allot and issue new Shares upon the exercise of the conversion rights attaching to the Convertible Bonds pursuant to the Specific Mandate in compliance with the applicable requirements under the Listing Rules;
4. obtaining approval from the Stock Exchange, subject to any conditions reasonably satisfactory to the Lead Managers, to list the Convertible Bonds and the Conversion Shares (or, in each case, the Lead Managers being satisfied that such listing will be granted);
5. delivery on the Publication Date and on the Closing Date to the Lead Managers comfort letters from the Company's auditor;
6. delivery on or prior to the Closing Date to the Lead Managers of legal opinions, each in a form reasonably satisfactory to the Lead Managers, from the legal advisers to the Issuer as to the British Virgin Islands law, the legal advisers to the Company as to Bermudan law; and the legal advisers to the Issuer and the Company as to English and Hong Kong law and the legal advisers to the Lead Managers as to English law;
7. the representations and warranties of the Issuer and the Company set out in the Subscription Agreement shall be true, accurate and correct in all respects at the Publication Date and the Closing Date as if they were made on such dates; and
8. non-occurrence at the Closing Date of any change, or any development or event reasonably likely to involve a change, in the condition (financial or other), operations, business or properties of the Issuer, the Company or the Group, which, in the opinion of the Lead Managers, is material and adverse and which makes it, in the opinion of the Lead Managers, impracticable to market the Convertible Bonds on the terms and in the manner contemplated herein.

If any of the foregoing conditions is not satisfied, the Subscription Agreement shall be terminated and the parties thereto shall (subject to the certain provisions of the Subscription Agreement) be released and discharged from their respective obligations thereunder, provided that the Lead Managers, may at their discretion and upon such terms as they think fit, waive compliance with the whole or any part of the conditions precedent.

As at the date of this announcement, all the above conditions precedent to the completion of the Subscription Agreement were yet to be satisfied and/or (as the case may be) waived.

It is the intention of the Issuer and the Company to satisfy or procure the satisfaction of the above conditions precedent to completion of the Subscription Agreement as soon as practicable.

Termination:

The Lead Managers may, at any time prior to payment of the net subscription monies for the Convertible Bonds to the Issuer, terminate the Subscription Agreement upon the occurrence of certain circumstances which include, amongst other things, in the opinion of the Lead Managers there shall have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange, the NASDAQ Stock Market, Inc., the London Stock Exchange plc and/or the Stock Exchange; (ii) a suspension or material limitation in trading in the Company's securities or the Shares on the Stock Exchange; (iii) a general moratorium on commercial banking activities in New York, London or Hong Kong declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in the United States, the United Kingdom or Hong Kong; (iv) a change or development involving a prospective change in taxation in the British Virgin Islands, Bermuda or Hong Kong affecting the Issuer, the Company, the Shares or the Convertible Bonds or the transfer thereof; (v) the outbreak or escalation of hostilities involving the United States, the United Kingdom or Hong Kong or the declaration by the United States, the United Kingdom or Hong Kong of a national emergency or war; or (vi) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions or currency exchange rates or controls, if the effect of any such event specified in part (v) or (vi) above in the judgment of the Lead Managers makes it impracticable or inadvisable to proceed with the offering or the delivery of the Convertible Bonds being delivered at such time on the terms and in the manner to be contemplated in the Offering Circular.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

The principal terms of the Convertible Bonds, which will be constituted by the Trust Deed to be entered into between the Issuer, the Company and the Trustee, are summarised as follows:

Issuer: PB Issuer (No.4) Limited, a company incorporated with limited liability in the British Virgin Islands, which is a wholly-owned subsidiary of the Company.

Guarantor: The Company.

Principal amount: The aggregate principal amount of the Convertible Bonds will be US\$125 million (approximately HK\$969 million).

Issue and Redemption Price: 100% of the principal amount of the Convertible Bonds.

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| Interest: | The Convertible Bonds bear interest from the Closing Date at the rate of 3.25% per annum of the principal amount of the Convertible Bonds. Interest is payable semi-annually in equal instalments in arrear on 3 July and 3 January in each year. |
| Conversion period: | Subject to the relevant Bondholder complying with the procedures relating to conversion, Bondholder(s) may exercise conversion rights at any time from 19 July 2015 to 23 June 2021 (the “ Conversion Period ”). |
| Conversion Price: | <p>The Convertible Bonds will be convertible into Shares at an initial Conversion price of HK\$4.08 per Share. The initial Conversion Price at HK\$4.08 per Share represents (i) a premium of 37.5% to the closing price of HK\$2.97 per Share as quoted on the Stock Exchange on 8 April 2015, being the date of the Subscription Agreement; (ii) a premium of 48.4% to the 5-day average closing price of the Shares as quoted on the Stock Exchange for the five Trading Days ended on 8 April 2015 of HK\$2.75; and (iii) a premium of 55.1% to the 10-day average closing price of the Shares as quoted on the Stock Exchange for the ten Trading Days ended on 8 April 2015 of HK\$2.63.</p> <p>The Conversion Price will be subject to adjustment for, amongst other things, subdivision, reclassification or consolidation of Shares, capitalisation of profits or reserves, distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price, modification of rights of conversion and other offers to the Shareholders.</p> |
| Ranking of Conversion Shares: | Conversion Shares will rank <i>pari passu</i> in all respects with the Shares in issue on the relevant date of registration of holders of such Shares on the register of members of the Company. |
| Redemption at the option of the Bondholder: | On 3 July 2019, each Bondholder will have the right, at such Bondholder’s option, to require the Issuer to redeem all or some of the Convertible Bonds at 100% of the principal amount. |
| Redemption at the option of the Issuer: | <p>The Issuer may redeem the Convertible Bonds in whole, but not in part, at a redemption price equal to 100% of their principal amount together with accrued but unpaid interest:</p> <ul style="list-style-type: none"> (i) at any time after 3 July 2019, if the closing price of the Shares (as quoted on the Stock Exchange) for the 30 consecutive Trading Days immediately prior to the date upon which notice of such redemption is given, was at least 130% of the Conversion Price then in effect; or (ii) if at any time the aggregate principal amount of the convertible Bonds outstanding is less than 10% of the aggregate principal amount originally issued. |
| Redemption for taxation reasons: | <p>The Issuer may redeem all, but not some only, of the Convertible Bonds at 100% of their principal amount together with accrued but unpaid interest at the date fixed for redemption in the event of changes in or amendment to the laws and regulations regarding taxation in the British Virgin Islands, Bermuda or Hong Kong.</p> <p>If the Issuer exercises such tax redemption right, each Bondholder shall have the right to elect that all or a portion of its Convertible Bonds shall not be redeemed. Upon a Bondholder electing not to have its Convertible Bonds redeemed in such circumstances, any payments due after the relevant date shall be made subject to any deduction or withholding required under the laws of the British Virgin Islands, Bermuda or Hong Kong (as applicable).</p> |

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| Redemption for Delisting: | Each Bondholder shall have the right, at such Bondholder's option, to require the Company to redeem in whole, but not in part, of such Bondholder's Convertible Bonds at 100% of their principal amount together with accrued but unpaid interest upon the Shares ceasing to be listed or admitted to trading on the Stock Exchange or an Alternative Stock Exchange (as defined in the terms and conditions of the Convertible Bonds). |
| Redemption for Change of Control: | Following the occurrence of a Change of Control and subject to the relevant Bondholder complying with the procedures relating to such redemption, each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem in whole, but not in part, of such Bondholder's Convertible Bonds at 100% of their principal amount, together with accrued but unpaid interest. |
| Maturity: | Unless previously redeemed, converted or purchased and cancelled in the circumstances referred to in the conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at 100% of its principal amount on the Maturity Date. |
| Voting Rights: | Bondholders will not have any right to attend or vote at any meeting of the Company by virtue of them being Bondholders, and until and unless they have converted their Convertible Bonds into Shares. |
| Negative Pledge: | So long as any Convertible Bond remains outstanding, neither the Issuer nor the Company will, and will ensure that none of its subsidiaries will, create or have outstanding, any form of encumbrance, upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness or any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Convertible Bonds the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or such other security as either (i) the Trustee shall at its absolute discretion deem not materially less beneficial to the interests of the Bondholders or (ii) shall be approved by the Bondholders by an Extraordinary Resolution (as defined in the Trust Deed). |
| Listing: | Application will be made for (i) the listing of the Convertible Bonds on the Stock Exchange as selectively marketed securities; and (ii) the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. The Convertible Bonds will be traded over-the-counter through Euroclear and Clearstream and will not be traded on the Stock Exchange. |
| Offering Circular: | The Convertible Bonds will be offered to professional investors (as defined under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the Securities and Futures (Professional Investor) Rules) or otherwise pursuant to another exemption set out in Schedule 17 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and is therefore exempt from the prospectus requirements thereunder. |

EFFECT ON THE SHARE CAPITAL OF THE COMPANY AS A RESULT OF CONVERSION

Based on the initial Conversion Price of HK\$4.08 per Share and assuming full conversion of the Convertible Bonds, the Convertible Bonds will be convertible into 237,484,681 Shares (subject to adjustment), representing approximately 12.26% of the issued share capital of the Company as at the date of this announcement and approximately 10.92% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The following table summarises the potential effects on the shareholding structure of the Company as a result of the Bond Issue (by reference to the shareholdings as at the date of this announcement and assuming full conversion of the Convertible Bonds):

| Shareholder | Existing (as at the date of this Announcement) | | Assuming the Convertible Bonds are fully converted into Shares at the initial Conversion Price of HK\$4.08 each | |
|--|--|--|---|--|
| | No. of Shares | % of issued share capital of the Company | No. of Shares | % of enlarged share capital of the Company |
| Aberdeen Asset Management plc and its Associates (together "The Group") on behalf of Accounts managed by the Group | 348,899,000 | 18.01% | 348,899,000 | 16.05% |
| Michael HAGN | 252,703,500 | 13.05% | 252,703,500 | 11.62% |
| Mondrian Investment Partners Limited | 116,171,000 | 6.00% | 116,171,000 | 5.34% |
| Wellington Management Group LLP | 98,717,032 | 5.10% | 98,717,032 | 4.54% |
| Public Shareholders | 1,120,486,587 | 57.85% | 1,120,486,587 | 51.53% |
| Bondholders | — | — | 237,484,681 | 10.92% |
| Total | <u>1,936,977,119</u> | <u>100%</u> | <u>2,174,461,800</u> | <u>100%</u> |

USE OF PROCEEDS AND REASONS FOR THE BOND ISSUE

The gross proceeds from the Bond Issue are estimated to be US\$125 million (approximately HK\$969 million). The net proceeds from the Bond Issue, after deduction of commission and expenses, are estimated to be approximately US\$123.7 million (approximately HK\$959 million). The Bond Issue represents attractive funding for the Company with a maturity beyond its Existing Convertible Bonds maturing in 2016 and 2018 respectively. The Company intends to use the proceeds primarily to maintain the Group's balance sheet strength and liquidity and to continue to proactively manage its upcoming liabilities, including its Existing Convertible Bonds, as well as for general working capital purposes.

SPECIFIC MANDATE FOR THE BOND ISSUE

The Board proposes to seek the approval of the Shareholders to grant the Specific Mandate at the SGM to cover the allotment and issue of the Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds. The Bond Issue and the allotment and issue of the Conversion Shares upon conversion of the Bonds are also subject to approval of the Shareholders at the SGM.

A circular containing, among other things, further details of the Subscription Agreement, the Bond Issue and the Specific Mandate, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable.

EQUITY FUND RAISING ACTIVITY BY THE COMPANY IN THE LAST 12 MONTHS

There was no equity fund raising activity by the Company through the issue of equity securities in the 12 months immediately preceding this announcement.

PRINCIPAL BUSINESS OF THE GROUP

The Group is one of the world's leading owners and operators of modern Handysize and Handymax dry bulk vessels. The Company is listed and headquartered in Hong Kong, and currently operates in two main maritime sectors under the banners of Pacific Basin Dry Bulk and PB Towage. Its dry bulk fleet (including newbuildings on order) comprises about 240 vessels directly servicing blue chip industrial customers globally. Its towage fleet comprises 20 ocean towing and offshore vessels.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "THE SUBSCRIPTION AGREEMENT" above for further information.

As the Subscription Agreement may or may not complete, the Convertible Bonds may or may not be issued and/or the Conversion Shares may or may not be listed on the Stock Exchange, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

APPLICATION FOR LISTING

Applications will be made to the Stock Exchange for (i) the listing of the Convertible Bonds on the Stock Exchange as selectively marketed securities (or on an appropriate alternative stock exchange) and (ii) the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

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| "Board" | means the board of directors of the Company; |
| "Bondholder(s)" | means holders of the Convertible Bonds from time to time; |
| "Bond Issue" | means the subscription and issue of the Convertible Bonds; |
| "business day" | means any day on which banks are open for business in Hong Kong; |

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| “Change of Control” | means (i) when any person or persons, acting together, acquires control; or (ii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company’s assets to any other person, unless the consolidation, merger, sale or transfer will not result in the other person or persons acquiring control over the Company or the successor entity; |
| “Closing Date” | means the date (expected to be on or around 8 June 2015 or such other date as the Issuer, the Company and the Lead Managers may agree) on which the Convertible Bonds are issued; |
| “Company” or “Pacific Basin” | means Pacific Basin Shipping Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange; |
| “connected person” | has the meaning ascribed to that term in the Listing Rules and “connected persons” shall be construed accordingly; |
| “control” | means the acquisition and control of at least 50% of the voting rights of the issued share capital of the Company or the right to appoint and/or remove all or the majority of the members of the Board or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; |
| “Conversion Date” | means the conversion date in respect of the Convertible Bonds; |
| “Conversion Price” | means the price per Share at which the Convertible Bonds may be converted into Shares and the initial conversion price being HK\$4.08 per Share (subject to adjustment); |
| “Conversion Shares” | means Shares to be allotted and issued by the Company upon conversion of the Convertible Bonds; |
| “Convertible Bonds” | means the 3.25% Guaranteed Convertible Bonds due 2021 in an aggregate principal amount of US\$125 million; |
| “Directors” | means the directors of the Company; |
| “Existing Convertible Bonds” | means the 1.75% Guaranteed Convertible Bonds due 2016 issued by PB Issuer (No. 2) Limited on 12 April 2010, and the 1.875% Guaranteed Convertible Bonds due 2018 issued by PB Issuer (No. 3) Limited on 22 October 2012, both of which are unconditionally and irrevocably guaranteed by the Company and convertible into Shares at the prevailing conversion price of HK\$7.10 per Share and HK\$4.84 per Share respectively, and both are listed on the Stock Exchange under Stock Code 4319 and 4573 respectively; |
| “Goldman Sachs” | means Goldman Sachs (Asia) L.L.C.; |
| “Group” | means the Company and its subsidiaries; |
| “HK\$” | means Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Issuer” | means PB Issuer (No.4) Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company; |

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| “Lead Managers” | means collectively Goldman Sachs and The Hongkong and Shanghai Banking Corporation Limited; |
| “Listing Rules” | means the Rules Governing the Listing of Securities on the Stock Exchange; |
| “Maturity Date” | means the date on which the Convertible Bonds mature, namely 3 July 2021; |
| “Offering Circular” | means the circular which the Issuer is required to provide to prospective Bondholder(s) or investors in relation to the Bond Issue; |
| “Publication Date” | means the date of the Offering Circular, which is expected to be three business days prior to the Closing Date or such other date as may be agreed between the Issuer, the Company and the Lead Managers; |
| “Relevant Indebtedness” | means any future and present indebtedness in the form of or represented by debentures, loan stock, bonds, notes, bearer participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are, or are capable of being, quoted, listed, ordinarily dealt in or traded on any stock exchange or over the counter or on any other securities market (which for the avoidance of doubt does not include bi-lateral loans, syndicated loans or club deal loans); |
| “SGM” | means the special general meeting of the Company to be held to approve (i) the Subscription Agreement and the transactions contemplated thereunder including the Bond Issue and the issue of the Conversion Shares and (ii) the Specific Mandate; |
| “Shares” | means ordinary share(s) of US\$0.10 each in the share capital of the Company; |
| “Shareholders” | means the holders of Shares; |
| “Specific Mandate” | means the proposed specific mandate enabling the Company to allot, issue and deal with the Conversion Shares which will fall to be allotted and issued upon conversion of the Convertible Bonds; |
| “Stock Exchange” | means The Stock Exchange of Hong Kong Limited; |
| “Subscription Agreement” | means the conditional subscription agreement entered into between the Issuer, the Company and the Lead Managers on 8 April 2015 in relation to the Bond Issue; |
| “Trading Days” | means a day on which the Stock Exchange is open for dealing business; |
| “Trust Deed” | means the deed constituting the Convertible Bonds; |
| “Trustee” | The Hongkong and Shanghai Banking Corporation Limited; |
| “United States” or “US” | means the United States of America, its territories and possessions, any State of the United States; |
| “US Dollars” or “US\$” | means United States dollars, the lawful currency of the United States; and |

“%”

means per cent.

By order of the Board of
Pacific Basin Shipping Limited
Mok Kit Ting Kitty
Company Secretary

Hong Kong, 8 April 2015

Note: An exchange rate of US\$1.00 to HK\$7.7515 has been used for the conversion of US dollars into HK dollars for the purpose of this announcement.

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

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

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