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The Proposed Conversion Offer (as defined below) is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of or of any facilities of a national securities exchange of, the United States. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone and the internet. The Convertible Bonds (as defined below) may not be converted pursuant to the Proposed Conversion Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act or to U.S. persons as defined in Regulation S of the U.S. Securities Act.

PB ISSUER (NO.5) LIMITED (the “Issuer”)

(incorporated in the British Virgin Islands with limited liability)

US\$175,000,000 3% Guaranteed Convertible Bonds due 2025

(Stock Code: 40097; ISIN: XS2065522398)

convertible into ordinary shares of, and unconditionally and irrevocably guaranteed by

 **Pacific Basin Shipping Limited**

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

**PROPOSED OFFER FOR CONVERSION OF UP TO 60% OF THE OUTSTANDING
CONVERTIBLE BONDS**

Dealer Manager



On 25 April 2022 (after trading hours), the Issuer, the Company and the Dealer Manager entered into a dealer manager agreement in connection with the Proposed Conversion Offer pursuant to which the Issuer and the Company have appointed The Hongkong and Shanghai Banking Corporation Limited as the Dealer Manager to, amongst other things, assist the Issuer and the Company in collecting the acceptances for conversion pursuant to the terms of the Proposed Conversion Offer from the Bondholders.

The Issuer and the Company propose to invite the Bondholders to submit Conversion Notices to convert their holdings of the Convertible Bonds into Shares at any time between 4:30 p.m. (Hong Kong time) on 25 April 2022 and 3:00 p.m. (Hong Kong time) on 28 April 2022 (subject to early closure where the Maximum Acceptance Amount is reached prior to such time) in accordance with the terms and conditions of the Convertible Bonds and the procedures set out in this announcement.

The Maximum Acceptance Amount shall be US\$105,000,000, representing 60% of the outstanding Convertible Bonds, being the maximum principal amount of Convertible Bonds in respect of which the Issuer will pay the Early Cash Incentive or the Cash Incentive. The Issuer will therefore only pay an Early Cash Incentive or a Cash Incentive in respect of up to US\$105,000,000 in principal amount of Convertible Bonds. By way of illustration, if an Early Cash Incentive is paid in respect of the entire Maximum Acceptance Amount, the amount payable by the Issuer in aggregate will be US\$15,225,000.

As at the date of this announcement, the principal amount of the outstanding Convertible Bonds is US\$175,000,000. Assuming full conversion of the Maximum Acceptance Amount at the Conversion Price of HK\$1.93 per Share, 60% of the outstanding Convertible Bonds will be convertible into 426,316,321 Shares, representing approximately 8.83% of the issued share capital as at the date of this announcement and approximately 8.12% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. Assuming full conversion of the outstanding Convertible Bonds at the Conversion Price, the outstanding Convertible Bonds will be convertible into 710,527,202 Shares, representing approximately 14.72% of the issued share capital of the Company as at the date of this announcement and approximately 12.83% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares issued upon conversion of the outstanding Convertible Bonds, will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Conversion Shares on the register of members of the Company.

The Specific Mandate will be utilised to issue the Conversion Shares and therefore no additional approval from Shareholders of the Company is required for the allotment and issue of the Conversion Shares.

The Proposed Conversion Offer is aimed at optimising the capital structure of the Company. The conversion by the Bondholders will reduce net borrowings, strengthen the Company's equity capital and lower finance costs, thereby deleveraging its balance sheet.

As at the time of publication of this announcement, the Company has not received any definitive undertaking to participate in the Proposed Conversion Offer and therefore, the Proposed Conversion Offer may or may not materialise as contemplated or at all. Investors and Shareholders of the Company are reminded to exercise caution when dealing in the securities of the Issuer or the Company.

Further announcement(s) in relation to the Proposed Conversion Offer will be made as and when necessary in accordance with the Listing Rules.

PROPOSED OFFER FOR CONVERSION OF THE OUTSTANDING CONVERTIBLE BONDS

Reference is made to the announcement of the Company dated 31 October 2019 in relation to the issue by the Issuer of the Convertible Bonds. The Convertible Bonds will mature on 10 December 2025. The conversion rights of the Convertible Bonds have been exercisable since 20 January 2020. The principal terms of the Convertible Bonds are set out in the section headed “Principal terms of the Convertible Bonds” in the aforesaid announcement.

Since the issue of the Convertible Bonds and up to the date of this announcement, the Company has not received any notices of conversion (the “**Conversion Notice**”) from any Bondholders in relation to the exercise of the conversion rights attached to the Convertible Bonds. Accordingly, as at the date of this announcement, the principal amount of the outstanding Convertible Bonds remains at US\$175,000,000.

The Issuer and the Company propose to invite (the “**Proposed Conversion Offer**”) the Bondholders to submit Conversion Notices to convert their holdings of the Convertible Bonds into Shares at any time between 4:30 p.m. (Hong Kong time) on 25 April 2022 and 3:00 p.m. (Hong Kong time) on 28 April 2022 (subject to early closure where the Maximum Acceptance Amount is reached prior to such time) (the “**Conversion Offer Period**”) in accordance with the terms and conditions of the Convertible Bonds and the procedures set out in this announcement.

On 25 April 2022 (after trading hours), the Issuer, the Company and the Dealer Manager entered into a dealer manager agreement in connection with the Proposed Conversion Offer pursuant to which the Issuer and the Company have appointed the Dealer Manager to, among other things, assist the Issuer and the Company in collecting the acceptances for conversion pursuant to the terms of the Proposed Conversion Offer from the Bondholders.

Principal Terms of the Dealer Manager Agreement

Date	25 April 2022
Parties	<ol style="list-style-type: none">1. The Company (as Guarantor);2. PB Issuer (No.5) Limited, a wholly-owned subsidiary of the Company (as Issuer); and3. The Dealer Manager.
Conditions to the obligations of the Dealer Manager	<p>The obligations of the Dealer Manager under the Dealer Manager Agreement are subject to, among other things, the following conditions:</p> <ol style="list-style-type: none">1. Consents: prior to the date of the Dealer Manager Agreement, all relevant consents, approvals or authorisations of, or registrations, filings or declarations with, any court, regulatory authority, governmental agency or stock exchange or any other person required in connection with the execution, delivery or performance by the Issuer and the Guarantor of their respective obligations under the Dealer Manager Agreement, or in connection with the conduct and consummation of the Proposed Conversion Offer (including, without limitation, the distribution of the Offer Materials) shall have been obtained by the Issuer and the Guarantor and remain in full force and effect;

	<ol style="list-style-type: none"> 2. Further Information: on or prior to 6 May 2022, the Issuer or, failing which, the Guarantor shall have delivered to the Dealer Manager such further information and documents as the Dealer Manager may reasonably request relating to the Proposed Conversion Offer or otherwise relating to the matters contemplated in the Dealer Manager Agreement which are necessary for the Dealer Manager to perform its obligations under the Dealer Manager Agreement; 3. Legal Opinions: on the date of the Dealer Manager Agreement, the Issuer and the Guarantor shall have delivered (or procured the delivery of) to the Dealer Manager legal opinions in such form and with such content as the Dealer Manager may reasonably require; 4. Internal Authorisations of the Issuer and the Guarantor: the Issuer and the Guarantor shall have delivered to the Dealer Manager their respective internal authorisations to authorise the Proposed Conversion Offer, the distribution of the Offer Materials and the execution of the Dealer Manager Agreement; and 5. Violation of Sanctions: the performance by the Dealer Manager of its obligations under the Dealer Manager Agreement or otherwise in respect of the Proposed Conversion Offer (i) not being in violation of any Sanctions (as defined in the Dealer Manager Agreement) imposed by any jurisdiction where either the Dealer Manager or any of its affiliates are incorporated, constituted, resident or otherwise located; or (ii) not being in violation of (or would not violate) any such Sanctions if the Dealer Manager were, to the extent that it is not, incorporated, constituted, resident or otherwise located in any such jurisdiction.
Termination	<p>The Dealer Manager Agreement shall terminate (i) upon completion of settlement on 6 May 2022; or (ii) (a) upon written notice by the Issuer and the Guarantor to the Dealer Manager to terminate the Dealer Manager Agreement at any time in the event that they decide not to proceed with the Proposed Conversion Offer; or (b) the Issuer publicly announcing the termination of the Proposed Conversion Offer; or (iii) upon withdrawal by the Dealer Manager as a result of the failure of any of the conditions to the obligations of the Dealer Manager set out above in “Conditions to the obligations of the Dealer Manager”; or (iv) (subject to the right of the Dealer Manager in its sole discretion to waive any such breach) upon breach of any of the Issuer’s and/or the Guarantor’s representations, warranties, agreements or covenants in the Dealer Manager Agreement; or (v) if, since the date of the Dealer Manager Agreement, there has been, in the opinion of the Dealer Manager, a change in national, international, financial, political or economic conditions as would in its view be likely to prejudice materially the success of the Proposed Conversion Offer.</p>

Procedure for Conversion

Each Bondholder who wishes to participate in the Proposed Conversion Offer must during the Conversion Offer Period:

- (i) submit an irrevocable undertaking to participate in the Proposed Conversion Offer (the “**Irrevocable Undertaking**”) via electronic mail to the Dealer Manager at gibprojectpentagon@hsbc.com.hk, the form of which is annexed hereto as Annex 1 or is otherwise obtainable from the Dealer Manager at the same electronic mail address stated above. The Bondholders should insert all relevant details required in the form of the Irrevocable Undertaking and once the Irrevocable Undertaking is delivered to the Dealer Manager, it shall be irrevocable and may not be withdrawn unless the Dealer Manager consents in writing to such withdrawal; and
- (ii) thereafter, and only after receiving confirmation from the Dealer Manager via electronic mail that it is eligible to receive the Early Cash Incentive or the Cash Incentive, as the case may be, complete, execute and deposit the Conversion Notice in accordance with the terms and conditions of the Convertible Bonds within the Conversion Offer Period. The Bondholders should send the Conversion Notice via electronic mail to hkpayingagentctla@hsbc.com.hk and submit or instruct their custodian to submit the same conversion instruction via Euroclear Bank SA/NV or Clearstream Banking S.A. (collectively, the “**Clearing Systems**”), which will constitute a valid deposit of the Conversion Notice under the terms and conditions of the Convertible Bonds. Bondholders are also required to send a copy of such Conversion Notice to the Dealer Manager at gibprojectpentagon@hsbc.com.hk. Bondholders are responsible for inserting accurate and complete bank account details in the manner described below in the form of Conversion Notice in order to facilitate the payment of the Early Cash Incentive or the Cash Incentive (each term as defined below), as the case may be, by the Issuer. Bondholders are reminded that a failure to insert accurate and complete bank account details in the format below may result in a delay in payment of the Early Cash Incentive or the Cash Incentive, as the case may be.

Bondholders will only be eligible to receive the Early Cash Incentive or the Cash Incentive, as the case may be, if they complete the steps set forth in paragraphs (i) and (ii) above during the Conversion Offer Period. In order to receive the Early Cash Incentive or the Cash Incentive, as the case may be, Bondholders must include their bank account details in the exact format below in the Conversion Notice.

BANK DETAILS:

*BENEFICIARY FULL NAME: _____

*BENEFICIARY FULL ADDRESS: _____

*BANK NAME: _____

*ACCOUNT NUMBER: _____ *IBAN NUMBER: (if applicable) _____

*ACCOUNT CURRENCY: _____ BRANCH: _____

ADDRESS _____

*COUNTRY: _____ *SWIFT CODE: _____

* Mandatory field

BANK DETAILS – CORRESPONDENT BANK (if applicable)

BANK NAME: _____ BRANCH: _____

COUNTRY: _____ SWIFT CODE: _____

ADDRESS: _____

Bondholders are advised to submit an Irrevocable Undertaking and confirm with the Dealer Manager that it is eligible to receive the Early Cash Incentive or the Cash Incentive, as the case may be, before submitting a Conversion Notice, as the payment thereof is subject to the Maximum Acceptance Amount. The Early Cash Incentive or the Cash Incentive is paid only in respect of a principal amount of Convertible Bonds up to the Maximum Acceptance Amount and is paid in the order of priority specified below, subject to valid submission of Conversion Notice within the Conversion Offer Period.

Conversion Shares and Cash Incentive

Bondholders who validly submit a Conversion Notice in respect of their Convertible Bonds within the Conversion Offer Period in accordance with the terms and conditions of the Convertible Bonds and this announcement shall, subject to the paragraph below on the Maximum Acceptance Amount, receive:

- (i) the number of Shares that they are entitled to receive under the terms and conditions of the Convertible Bonds, calculated by dividing the principal amount of the Convertible Bond to be converted (translated into Hong Kong dollars at the fixed exchange rate of HK\$7.8361 = US\$1.00) by the applicable Conversion Price which is currently HK\$1.93 per Share; and
- (ii) provided that an Irrevocable Undertaking is submitted in accordance with paragraph (i) under the section headed “Procedure for Conversion” of this announcement prior to 3:00 p.m. (Hong Kong time) on 26 April 2022 and the Conversion Notice is validly submitted within the Conversion Offer Period in accordance with the terms and conditions of the Convertible Bonds and this announcement, the Early Cash Incentive; or
- (iii) if an Irrevocable Undertaking is submitted in accordance with paragraph (i) under the section headed “Procedure for Conversion” of this announcement after 3:00 p.m. (Hong Kong time) on 26 April 2022 and a Conversion Notice is validly submitted within the Conversion Offer Period in accordance with the terms and conditions of the Convertible Bonds and this announcement, the Cash Incentive.

The payment of the Early Cash Incentive and the Cash Incentive is subject to the Maximum Acceptance Amount and in no event shall the Issuer make any payment pursuant to the Proposed Conversion Offer in respect of Convertible Bonds in a principal amount in excess of the Maximum Acceptance Amount.

Where Bondholders submit Conversion Notices during the Conversion Offer Period in respect of the Convertible Bonds in a principal amount in excess of the Maximum Acceptance Amount, the Issuer shall only pay the Early Cash Incentive or the Cash Incentive, as the case may be, in respect of the Convertible Bonds in a principal amount up to the Maximum Acceptance Amount, in the order in which each Bondholder submits its Irrevocable Undertaking to the Dealer Manager (provided that such Bondholder subsequently submits a Conversion Notice during the Conversion Offer Period).

Where payment of an Early Cash Incentive or Cash Incentive, as the case may be, to a Bondholder would result in the Convertible Bonds in respect of which the Early Cash Incentive or Cash Incentive is being paid exceeding the Maximum Acceptance Amount, such Bondholder would only be paid in respect of its holding of the Convertible Bonds up to but not exceeding the Maximum Acceptance Amount.

Where the Issuer (through the Dealer Manager) receives Irrevocable Undertakings in respect of the Convertible Bonds in a principal amount equal to or exceeding the Maximum Acceptance Amount, the Issuer shall make an announcement regarding the early closure of the Conversion Offer Period as soon as practicable, provided however, that for the purposes of any Bondholder who had already validly submitted an Irrevocable Undertaking prior to the Maximum Acceptance Amount being reached, the “Conversion Offer Period” for the purposes of submission of the corresponding Conversion Notice shall be the original Conversion Offer Period as set forth herein.

For the avoidance of doubt, the payment or non-payment of the Early Cash Incentive or the Cash Incentive as a result of application of the above paragraphs will not affect the right of each Bondholder who has submitted a valid Conversion Notice to receive Shares in accordance with the terms and conditions of the Convertible Bonds.

The Maximum Acceptance Amount shall be US\$105,000,000, representing 60% of the outstanding Convertible Bonds, being the maximum principal amount of Convertible Bonds in respect of which the Issuer will pay the Early Cash Incentive or the Cash Incentive. The Issuer will therefore only pay an Early Cash Incentive or a Cash Incentive in respect of up to US\$105,000,000 in principal amount of Convertible Bonds. By way of illustration, if an Early Cash Incentive is paid in respect of the entire Maximum Acceptance Amount, the amount payable by the Issuer in aggregate will be US\$15,225,000.

The Shares which the Convertible Bonds are being converted into (the “**Conversion Shares**”) will be delivered to the Bondholders in accordance with the terms and conditions of the Convertible Bonds, and are expected to be delivered, depending on the conversion date in respect of the relevant Convertible Bonds (as defined under Condition 6.2.1(ii) of the terms and conditions of the Convertible Bonds) (the “**Conversion Date**”), on or before 6 May 2022. The Issuer will make the payment of the Early Cash Incentive or the Cash Incentive, as the case may be, on 6 May 2022, subject to the Maximum Acceptance Amount. Bondholders who do not submit valid Conversion Notices in accordance with the terms and conditions of the Convertible Bonds during the Conversion Offer Period will not be able to participate in the Proposed Conversion Offer.

Bondholders who choose not to participate in the Proposed Conversion Offer will continue with all the original terms and conditions of the Convertible Bonds. Under the terms and conditions of the Convertible Bonds, the Issuer has under Condition 8.2.1 the option to redeem the outstanding Convertible Bonds if less than 10% in aggregate principal amount of the Convertible Bonds originally issued is outstanding.

As at the date of this announcement, the outstanding principal amount of the Convertible Bonds is US\$175,000,000. Assuming full conversion of the Maximum Acceptance Amount at the Conversion Price of HK\$1.93 per Share, 60% of the outstanding Convertible Bonds will be convertible into 426,316,321 Shares, representing approximately 8.83% of the issued share capital as at the date of this announcement and approximately 8.12% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. Assuming full conversion of the outstanding Convertible Bonds at the Conversion Price of HK\$1.93 per Share, the outstanding Convertible Bonds will be convertible into 710,527,202 Shares, representing approximately 14.72% of the issued share capital of the Company as at the date of this announcement and approximately 12.83% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares, if issued upon conversion of the outstanding Convertible Bonds, will rank *pari passu* in all respects with the Shares then in issue on the relevant date of registration of holders of such Conversion Shares on the register of members of the Company.

Any enquiries relating to the terms of the Proposed Conversion Offer should be directed to the Dealer Manager at gibprojectpentagon@hsbc.com.hk.

SPECIFIC MANDATE

By resolutions of the Shareholders passed at the special general meeting held on 2 December 2019, a specific mandate was granted to the Directors to allot and issue such number of Shares as may fall to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds at the Conversion Price on and subject to the terms and conditions of the Convertible Bonds. As at the date of this announcement, no Shares have been issued or committed to be issued pursuant thereto.

The Specific Mandate will be utilised to issue the Conversion Shares (if required) and therefore no additional approval from Shareholders of the Company is required for the allotment and issue of the Conversion Shares.

EFFECT ON THE SHARE CAPITAL OF THE COMPANY

The following table illustrates (i) the existing shareholding structure of the Company as at the date of this announcement; (ii) the shareholding structure of the Company immediately after the full conversion of the Maximum Acceptance Amount at the Conversion Price; and (iii) the shareholding structure of the Company immediately after the outstanding Convertible Bonds are fully converted into Shares at the Conversion Price; on the assumptions that (a) there will be no other change to the share capital of the Company save as disclosed herein, and (b) the Bondholders do not and will not hold any Shares other than the Conversion Shares (as the case may be).

	As at the date of this announcement		Immediately after the full conversion of the Maximum Acceptance Amount at the Conversion Price		Immediately after the full conversion of the outstanding Convertible Bonds at the Conversion Price	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
HSBC Holdings plc ⁽¹⁾	676,836,998	14.02%	676,836,998	12.88%	676,836,998	12.22%
Aggregate of Aberdeen plc affiliated investment management entities	339,762,500	7.04%	339,762,500	6.47%	339,762,500	6.14%
Morgan Stanley	327,840,082	6.79%	327,840,082	6.24%	327,840,082	5.92%
Pzena Investment Management, LLC ⁽²⁾	322,879,435	6.69%	322,879,435	6.15%	322,879,435	5.83%
Citigroup Inc. ⁽³⁾	316,359,065	6.55%	316,359,065	6.02%	316,359,065	5.71%
M&G Plc	285,862,000	5.92%	285,862,000	5.44%	285,862,000	5.16%
Brown Brothers Harriman & Co.	264,346,019	5.48%	264,346,019	5.03%	264,346,019	4.77%
UBS Group AG	263,848,407	5.47%	263,848,407	5.02%	263,848,407	4.77%
Bondholders	0	0.00%	426,316,321	8.12%	710,527,202	12.83%
Other Shareholders	2,029,368,766	42.04%	2,029,368,766	38.63%	2,029,368,766	36.65%
Total:	4,827,103,272	100.00%	5,253,419,593	100.00%	5,537,630,474	100.00%

Notes:

- (1) These interests comprise (i) 612,195,312 Shares held in the capacity as the trustee; (ii) 1,693,422 Shares held by its controlled corporations; and (iii) 62,948,264 Shares held by a custodian (other than an exempt custodian interest).
- (2) These interests include 513,000 Shares held in dual capacities as investment manager and beneficial owner.
- (3) These interests comprise (i) 37,016,404 Shares held by its controlled corporation; and (ii) 279,342,661 Shares held by an approved lending agent.

REASONS FOR AND BENEFITS OF THE PROPOSED CONVERSION OFFER

The Proposed Conversion Offer is aimed at further optimising the capital structure of the Company. The conversion by the Bondholders will reduce net borrowings, strengthen the Company's equity capital and lower the finance costs, thereby deleveraging its balance sheet.

EXPECTED TIMETABLE OF EVENTS

The times and dates below are indicative only (all times are Hong Kong time unless otherwise specified). In particular, where the Maximum Acceptance Amount is reached on or prior to the end of the Conversion Offer Period, the Issuer will make an announcement announcing such fact and the early closure of the Proposed Conversion Offer Period at such time.

Events	Time and Dates
Launch of the Proposed Conversion Offer	4:30 p.m. on 25 April 2022
Launch of the Proposed Conversion Offer on the website of the Hong Kong Stock Exchange and through the Clearing Systems	
Early Cash Incentive deadline	3:00 p.m. on 26 April 2022
Deadline for the Bondholders to submit Irrevocable Undertakings to the Dealer Manager to be eligible to receive the Early Cash Incentive	
Announcement of Early Cash Incentive results	26 April 2022
Announcement of the principal amount of the Convertible Bonds in respect of which Irrevocable Undertakings are received prior to 3:00 p.m. on 26 April 2022, on the website of the Hong Kong Stock Exchange and through the Clearing Systems	
Close of the Proposed Conversion Offer	3:00 p.m. on 28 April 2022
Announcement of Cash Incentive results	28 April 2022
Announcement of the principal amount of the Convertible Bonds in respect of which Irrevocable Undertakings are received after 3:00 p.m. on 26 April 2022 but before 3:00 p.m. on 28 April 2022 on the website of the Hong Kong Stock Exchange and through the Clearing Systems	

Delivery of the Conversion Shares

On or before 6 May 2022

Delivery of the Conversion Shares to the Bondholders according to the relevant Conversion Date

Announcement of Settlement

6 May 2022

Publication of an announcement through the website of the Hong Kong Stock Exchange and the Clearing Systems notifying the Bondholders of the completion of the delivery of the Conversion Shares and the payment of the Early Cash Incentive and the Cash Incentive

Listing Rule 37.48 Announcement (where applicable)

as soon as practicable after cancellation of the relevant Convertible Bonds

Publication of an announcement through the website of the Hong Kong Stock Exchange and the Clearing Systems notifying the Bondholders of the principal amount of the Convertible Bonds cancelled as a result of the conversion if the cancellation exceeds 10% of the principal amount of the Convertible Bonds pursuant to Rule 37.48 of the Listing Rules

INFORMATION REGARDING THE GROUP

The Group is one of the world's leading owners and operators of modern Handysize and Supramax dry bulk vessels. Enhanced by a world-class in-house fleet management team, the Company is committed to sustainable shipping with a keen focus on seafarer safety, health and wellbeing, responsible environmental practice, performance optimisation for best fuel and carbon efficiency, and best-in-class service delivery. The Company currently operates around 260 dry bulk vessels of which 121 are owned and the rest are chartered. The Company is listed and headquartered in Hong Kong, and provides a quality service to over 550 customers, with about 4,600 seafarers and 365 shore-based staff in 13 offices in key locations around the world.

GENERAL

As at the time of publication of this announcement, the Company has not received any definitive undertakings to participate in the Proposed Conversion Offer and therefore, the Proposed Conversion Offer may or may not materialise as contemplated or at all. Investors and Shareholders of the Company are reminded to exercise caution when dealing in the securities of the Issuer or the Company.

Further announcement(s) in relation to the Proposed Conversion Offer will be made as and when necessary in accordance with the Listing Rules.

DEFINITION

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

“Board”	means the board of Directors;
“Bondholder(s)”	means holders of the Convertible Bonds from time to time;
“Cash Incentive”	means a cash incentive of US\$140 for each US\$1,000 principal amount of Convertible Bonds converted to be received by the Bondholders in accordance with, among other things, paragraph (iii) under the section headed “Conversion Shares and Cash Incentive” of this announcement;
“Company”	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 (Stock Code: 2343);
“Conversion Price”	means the price per Share at which the Convertible Bonds may be converted into Shares and the current conversion price being HK\$1.93 per Share;
“Convertible Bonds”	means the 3% guaranteed convertible bonds due 2025 in an aggregate principal amount of US\$175 million (Bond stock code: 40097, ISIN: XS2065522398) convertible into the Shares;
“Dealer Manager”	means The Hongkong and Shanghai Banking Corporation Limited, the dealer manager appointed by the Issuer and the Company under the Dealer Manager Agreement;
“Director(s)”	means the director(s) of the Company;
“Early Cash Incentive”	means a cash incentive of US\$145 for each US\$1,000 principal amount of Convertible Bonds converted to be received by the Bondholders in accordance with, among other things, paragraph (ii) under the section headed “Conversion Shares and Cash Incentive” of this announcement;
“Group”	means the Company and its subsidiaries;
“Issuer”	means PB Issuer (No.5) Limited, a company incorporated in the British Virgin Islands, which is a wholly-owned subsidiary of the Company;
“HK\$”	means Hong Kong dollars and cents, respectively, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the PRC;
“Hong Kong Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time;
“Maximum Acceptance Amount”	means US\$105,000,000, being the maximum principal amount of Convertible Bonds in respect of which the Issuer will pay the Early Cash Incentive or the Cash Incentive;

“Offer Materials”	means the documentation which the Issuer, or the Guarantor, as the case may be, has caused to be prepared or approved in writing for use in connection with the Proposed Conversion Offer;
“PRC” or “China”	means the People’s Republic of China. For the purposes of this announcement only and except where the context requires otherwise, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Shareholder(s)”	means the holder(s) of the Shares;
“Share(s)”	means the ordinary shares of US\$0.01 each in the share capital of the Company;
“Specific Mandate”	means the 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 granted to the Directors by way of resolution of the Shareholders passed at the special general meeting held on 2 December 2019;
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“U.S.” or “United States”	means the United States of America, its territories, its possessions and all areas subject to its jurisdiction;
“U.S. Securities Act”	means the United States Securities Act of 1933, as amended;
“US\$”	means United States dollars, the lawful currency of the United States;
“%”	means per cent.

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

Hong Kong, 25 April 2022

As at the date of this announcement, the Directors of the Issuer are Martin Fruergaard, 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, Martin Fruergaard and Peter Schulz

Independent Non-executive Directors:

Robert Charles Nicholson, Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka and John Mackay McCulloch Williamson

Non-executive Director:

Alexander Howarth Yat Kay Cheung

ANNEX 1
FORM OF IRREVOCABLE UNDERTAKING

To: The Hongkong and Shanghai Banking Corporation Limited (as Dealer Manager)
By Email (gibprojectpentagon@hsbc.com.hk)

Dear Dealer Manager,

Re: Proposed Conversion Offer of PB Issuer (No.5) Limited's (the "Issuer") outstanding U.S.\$175,000,000 3% guaranteed convertible bonds due 2025 (ISIN: XS2065522398) (the "Convertible Bonds") convertible into ordinary shares of Pacific Basin Shipping Limited (the "Company")

Name of legal holder of Convertible Bonds: _____¹

Reference is made to the announcement (the "**Announcement**") issued by the Company on The Stock Exchange of Hong Kong Limited dated 25 April 2022 offering to invite holders of the Convertible Bonds to convert the Convertible Bonds into fully-paid ordinary shares of the Company (the "**Proposed Conversion Offer**") in accordance with the terms and conditions of the Convertible Bonds and the procedure for conversion stated in the Announcement. Terms defined in the Announcement and not otherwise defined herein have the same meanings in this email.

I/We, being the holders of the Convertible Bonds specified below, hereby irrevocably accept the offer by the Company to convert such Convertible Bonds into fully-paid ordinary shares of the Company. I/We undertake to complete, execute and deposit at my own expense the Conversion Notice in accordance with the terms and conditions of the Convertible Bonds within the Conversion Offer Period.

Total principal amount of Convertible Bonds: _____²

Total number of Convertible Bonds: _____³

I/We hereby undertake that I/we will send or procure to be sent the Conversion Notice via electronic mail to hkpayingagentctla@hsbc.com.hk, copying gibprojectpentagon@hsbc.com.hk, and submit or instruct my/our custodian to submit the same conversion instruction via the Clearing Systems within the Conversion Offer Period (i.e., by 3:00 p.m. (Hong Kong time) on 28 April 2022) in accordance with the terms and conditions of the Convertible Bonds and the Announcement. In addition I/We hereby undertake that I/we will, when filling out the Conversion Notice, fill in my/our bank account details in the format set forth below and I/we acknowledge that failure to insert accurate and complete bank account details in the format below may result in a delay in payment of the Early Cash Incentive or the Cash Incentive, as the case may be.

BANK DETAILS:

*BENEFICIARY FULL NAME: _____

*BENEFICIARY FULL ADDRESS: _____

*BANK NAME: _____

*ACCOUNT NUMBER: _____ *IBAN NUMBER: *(if applicable)* _____

*ACCOUNT CURRENCY: _____ BRANCH: _____

ADDRESS _____

*COUNTRY: _____ *SWIFT CODE: _____

* Mandatory field

BANK DETAILS – CORRESPONDENT BANK *(if applicable)*

BANK NAME: _____ BRANCH: _____

COUNTRY: _____ SWIFT CODE: _____

ADDRESS: _____

I/We hereby acknowledge that the payment of the Early Cash Incentive or the Cash Incentive is subject to the Maximum Acceptance Amount and the Issuer may close the Conversion Offer Period if it receives Irrevocable Undertakings in respect of the Convertible Bonds in a principal amount reaching the Maximum Acceptance Amount.

Notes:

- 1 specify the name of legal holder of Convertible Bonds.
- 2 specify the total principal amount of Convertible Bonds held.
- 3 specify the total number of Convertible Bonds held.