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 **Pacific Basin Shipping Limited**  
(incorporated in Bermuda with limited liability)  
(Stock Code: 2343)

**PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE  
IN RELATION TO AWARDS GRANTED  
PURSUANT TO THE 2013 SHARE AWARD SCHEME**

Reference is made to the announcements of the Company dated 28 February 2013 and 28 March 2013, both in respect of the Scheme.

On 3 March 2020, the Board announces that it has agreed that 23,186,000 new Shares will be allotted and issued to the Trustee at HK\$1.20 per Share (being the closing price per Share as at 3 March 2020) under the General Mandate in order to satisfy the Awards granted to the Selected Employees pursuant to the Scheme Rules as incentives for the Selected Employees' contribution to the Group. The aggregate consideration of HK\$27,823,200 has been determined by reference to the prevailing market price per Share.

The New Shares will be allotted and issued under the General Mandate, pursuant to which up to 360,065,290 Shares can be allotted and issued by the Directors. Upon completion of the allotment and issue of the New Shares, the remaining portion of the General Mandate will amount to 336,879,290 Shares.

Pursuant to the Scheme Rules, in order for the Trustee to subscribe for the New Shares from the Company, the Board shall pay or cause to be paid an aggregate amount of HK\$27,823,200 to the Trustee from the Company's internal cash resources. Upon allotment and issue of the New Shares, the Trustee will hold the New Shares on trust for the Selected Employees, which shall be transferred to the Selected Employees at no cost upon satisfaction of the relevant vesting conditions and pursuant to the relevant vesting schedule as determined by the Board at the time of making the Awards. Accordingly, no funds will be raised from the issue of the New Shares.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Trustee (or its nominee) and its parent company are not connected persons (as defined by the Listing Rules) of the Company and are third party independent of the Company and its connected persons (as defined by the Listing Rules).

All of the Selected Employees are full time employees of the Group and none of them is a director, substantial shareholder or connected person (as defined by the Listing Rules) of the Company, and comprise more than six individuals.

The New Shares to be allotted and issued by the Company to the Trustee represent (i) approximately 0.492% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 0.489% of the total issued share capital of the Company as enlarged by such allotment and issue.

The New Shares, when issued and allotted, shall rank pari passu among themselves and with the fully paid Shares in issue. Pursuant to the Scheme Rules, (i) the Selected Employees shall not be entitled to vote, to receive dividends or to have any other rights of a Shareholder in respect of the New Shares until vesting of the relevant Awards, though the Board may at its discretion confer a right to the Selected Employees to receive an amount equal in value to the dividends which were payable on the number of the shares subject to the relevant Awards prior to the time of vesting; and (ii) the Trustee will not exercise any voting rights in the general meetings of the Company as to the Shares held by it on trust for the Selected Employees.

Application has been made by the Company to the Stock Exchange for approval of the listing of, and permission to deal in, the New Shares. Other than the Listing Approval being granted by the Stock Exchange, the allotment and issue of the New Shares is not subject to any approval of the Shareholders.

In the 12 months immediately preceding this announcement, a total of 79,710,271 Shares have been issued as follows: (1) 25,592,000 Shares were issued in March 2019 to the Trustee to satisfy the Company's Awards in 2019 under the Scheme; and (2) an aggregate of 54,118,271 Shares were issued to two ship sellers or their nominees in November 2019 as partial consideration upon delivery of their respective two vessels into the Company's ownership pursuant to the contracts entered into by the Company for the acquisition of four vessels and as disclosed on 17 September 2019.

In December 2019, the Group issued the Convertible Bonds which are convertible into Shares at a current conversion price of HK\$2.4. The net proceeds (approximately US\$173.4 million) are intended to be used primarily to fund the expansion and renewal of the Group's fleet of Handysize and Supramax vessels in the medium to longer term by investing in ships of excellent build quality and the best designs for its trades as well as for general corporate purposes.

Currently US\$22.2 million has been used to replenish the cash used as the cash consideration for the purchase of the abovementioned two vessels which were delivered to the Group, US\$27.2 million will be used as the cash consideration for the purchase of the other two vessels of the said transaction and US\$16.8 million has been used to purchase a secondhand Supramax delivered to the Group in early 2020. Additionally, it is expected that approximately US\$83.2 million will be used for further potential vessel acquisitions and the balance for general corporate purposes including but not limited to vessel operating expenses, vessel charter hire, the service of the Group's financial obligations, office administrative expenses and vessel and non-vessel equipment expenditures. Accordingly, there is currently no change in the intended use of proceeds from the issue of the Convertible Bonds.

Save as disclosed above, there was no equity fundraising activity by the Group through the issue of equity securities in the 12 months immediately preceding this announcement.

## **DEFINITIONS**

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

“Award(s)”	the restricted share awards or the restricted unit awards (or a combination of these) granted by the Board to the Selected Employees pursuant to the Scheme Rules;
“Board”	the board of directors of the Company;
“Company”	Pacific Basin Shipping Limited, an exempted company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange;
“Convertible Bonds”	the 3% Guaranteed Convertible Bonds due in 2025 in an aggregate principal amount of US\$175 million;

“General Mandate”	the general mandate granted by the Shareholders at the annual general meeting of the Company held on 17 April 2019, under which up to a total of 465,977,323 Shares (being up to 10% of the total issued share capital of the Company as at the date of the passing of the relevant resolution, which was 17 April 2019) can be allotted, issued and dealt in by the Directors;
“Group”	the Company and its subsidiaries and “members of the Group” shall be construed accordingly;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time;
“New Shares”	the 23,186,000 new Shares that will be allotted and issued to the Trustee under the General Mandate for satisfying the Awards;
“Scheme”	the Company’s 2013 Share Award Scheme adopted on 28 February 2013 and further supplemented by the Company’s announcement in relation thereto dated 28 March 2013 in its present form or as amended, modified or supplemented from time to time in accordance with the provisions thereof;
“Scheme Rules”	the rules relating to the Scheme;
“Selected Employees”	employees of or any person who has accepted an employment offer by any member of the Group whom the Board has selected for participation in the Scheme;
“Shareholders”	the holders of Shares;
“Shares”	ordinary shares of US\$0.01 each in the share capital of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Trustee”	Acheson Limited, being the trustee appointed by the Company for the administration of the Scheme, which will hold the New Shares on trust for the Selected Employees

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

Hong Kong, 3 March 2020

*As at the date of this announcement, the Directors of the Company 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, Stanley Hutter Ryan and Kirsi Kyllikki Tikka*