



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

DECLARATION OF INTERIM DIVIDEND

The Board of Directors of Pacific Basin Shipping Limited has declared an interim dividend of HK\$0.08 per ordinary share in respect of profits arising in the period since 1 July 2004. This interim dividend will be payable on 6 January 2005 to shareholders on the Company's Register of Members on 30 December 2004.

Further to our Trading Announcement issued on 1 December 2004, the Board of Directors of Pacific Basin Shipping Limited (the "Company") is pleased to announce that, at a Board meeting held today, the Board has declared an interim dividend of HK\$0.08 per ordinary share in respect of profits arising in the period since 1 July 2004. This interim dividend will be payable on 6 January 2005 to shareholders on the Company's Register of Members on 30 December 2004.

The Board has decided to declare this one-off, mid-period interim dividend at this time in light of (a) the Company's strong second half results to date, (b) the level of cash available to the Company from operations and (c) the absence otherwise of a 2004 interim dividend because the Company's listing only occurred on 14 July 2004. The amount of this interim dividend was determined by general reference to the Company's results for the four months ended 31 October 2004 and anticipated results through to the year-end.

As stated in the Prospectus, the Company's policy is to pay dividends equivalent to not less than 50% of the Group's profits in each financial year. For 2004, dividend payments will be based on the results for the period from 1 June to 31 December 2004 because all retained earnings up to 31 May 2004 were paid out to shareholders of the Company prior to the reorganisation of the Group and the Listing. The Company's dividend policy will be met when this interim dividend is aggregated with the proposed 2004 final dividend, which is expected to be announced on or around 1 March 2005 together with the results for the year ended 31 December 2004. The proposed 2004 final dividend shall also be considered at the 2005 Annual General Meeting expected to be held in late April 2005. Henceforth it is anticipated that the normal sequence of dividend declarations will be an interim dividend at the time interim results are announced and a final dividend when the full year results are announced.

The Company's Register of Members will be closed from 29 December to 30 December 2004, both days inclusive, during which period no share transfers can be registered. In order to qualify for the interim dividend, all transfers, accompanied by relevant share certificates, must be received by Computershare Hong Kong Services Limited, the Company's Registrar, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong before 4:00 pm on 28 December 2004.

By Order of the Board
Christopher R. Buttery **Mark M. Harris**
Chairman *Chief Executive Officer*

Hong Kong, 13 December 2004

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)