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Shareholders and investors are reminded that this trading update for the quarter is based on the Group's internal records and management accounts and has not been reviewed or audited by external auditors. Shareholders and investors are cautioned not to rely unduly on this trading activities update and are advised to exercise caution when dealing in the shares of the Company.

Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

THIRD QUARTER 2025 TRADING UPDATE

The dry bulk freight markets rallied and the Company's vessel time-charter equivalent ("TCE") earnings improved in the third quarter of 2025, as disruptions and inefficiencies combined with otherwise flat demand to drive tighter market conditions.

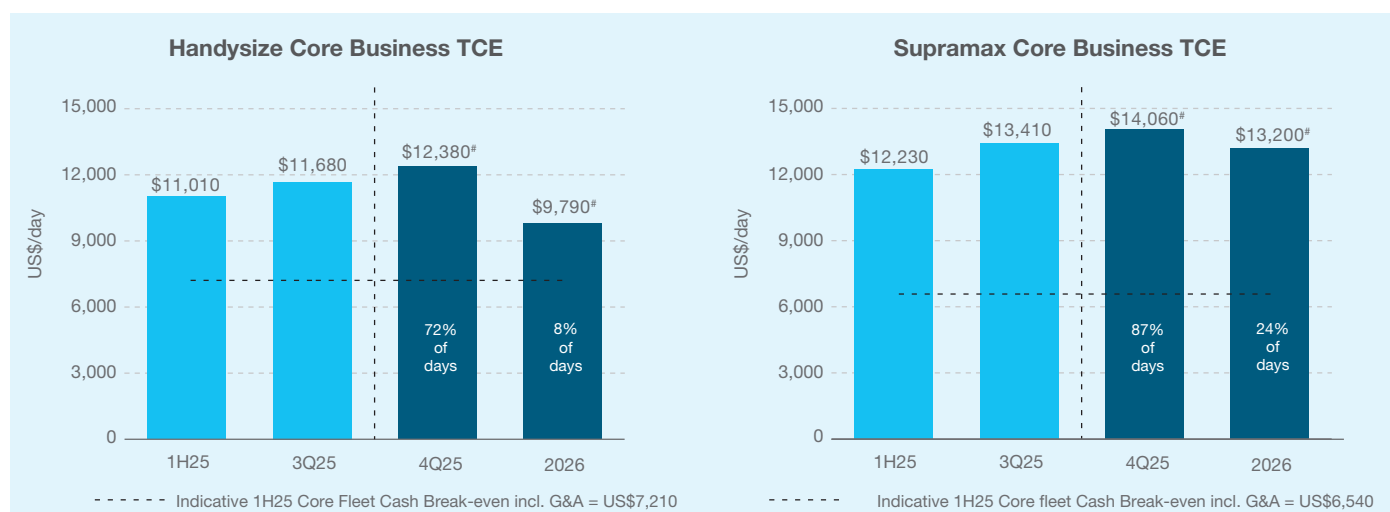
United States Trade Representative (USTR) Section 301 rules imposing additional US port fees on Chinese vessel owners and operators took effect on 14 October 2025. In response, on 10 October 2025, China's Ministry of Transport announced special port fees on US vessel owners and operators to take effect also on 14 October 2025. As addressed on page 4, we have taken proactive steps in all areas within our control seeking to mitigate the applicability to our vessels of USTR 301 rules and, based on public disclosure of interests notices filed with The Stock Exchange of Hong Kong Limited (the "Stock Exchange"), we do not believe that 25% or more of the Company's equity interest is held directly or indirectly by either US or Chinese entities or persons. We believe that the special port fees under both the US and Chinese schemes are not applicable to us. In an abundance of caution, we have sought further clarification from the U.S. Customs and Border Protection Agency and USTR as well as from Chinese authorities on the applicability to our vessels of the provisions of the respective port fee schemes.

The dry bulk market is firm and, in the short term, shipping tariff actions can be expected to add to existing disruption to global shipping supply, likely leading to increased market freight rates and volatility, with complexity and uncertainty generating new opportunities. We are positive about the longer term, and we remain committed to our strategy of disciplined fleet renewal and growth, while maximising our optionality, performance and value creation for our shareholders.

STRONG PACIFIC BASIN CASH GENERATION IN IMPROVING MARKET CONDITIONS

In the third quarter of 2025, our **core business** generated average Handysize and Supramax daily TCE earnings of US\$11,680 and US\$13,410 per day, representing a year-on-year change of -15% and +10% respectively, and a +6% and +10% improvement respectively on our TCEs in the first half of the year.

Our average net daily Handysize and Supramax TCE earnings out-performed/under-performed the Handysize BHSI (tonnage-adjusted) and Supramax BSI spot market indices by +US\$90 and -US\$900 per day respectively in the period, and by +US\$1,540 and +US\$1,960 per day respectively in the year to date. Our outperformance was impacted by a strong uptick in market rates in the third quarter, especially in the Supramax segment, which is typical in a fast rising freight market due to the lag between spot market fixtures and execution of voyages.



* As at mid October 2025, indicative TCE rates only as voyages are still in progress
 Current value of Handysize and Supramax scrubber benefit is approximately US\$50 and US\$340 per day respectively. When a vessel with a scrubber is assigned a cargo, its TCE rate may be higher due to the added benefit of the scrubber

Our core fleet, with substantially fixed costs, continues to be the main driver of our profitability. Our cash break-even level (including operating expenses, general and administrative overheads and finance costs) of US\$7,210 and US\$6,540 per day for Handysize and Supramax core fleet respectively in the first half of 2025 continued to support healthy cash flows at prevailing market freight rates.

For the fourth quarter of 2025, we have currently covered 72% and 87% of our committed core vessel days at US\$12,380 and US\$14,060 net per day for Handysize and Supramax respectively (cargo cover excludes operating activity).

We have so far covered 8% and 24% of our committed Handysize and Supramax vessel days in 2026 at around US\$9,790 and US\$13,200 net per day respectively.

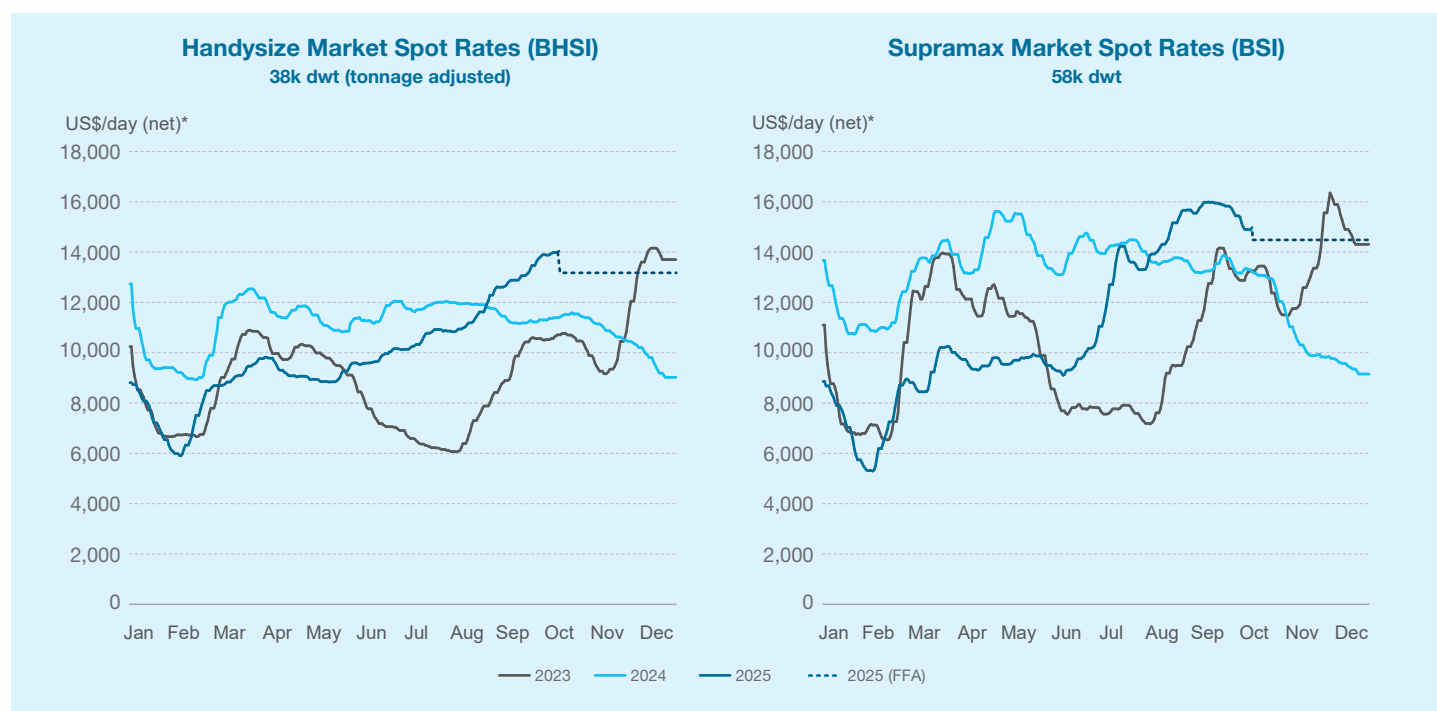
Forward Freight Agreement (FFA) rates as quoted by the Baltic Exchange for the fourth quarter of 2025 are hovering around current spot market levels, at US\$13,090 and US\$14,140 net per day for Handysize and Supramax respectively*.

In addition, our **operating activity** generated a margin of US\$750 net per day over 6,830 operating days in the third quarter and US\$720 net per day over 21,020 operating days in the year to date. Our operating activity complements our core business by matching our customers' spot cargoes with short-term chartered vessels, making a margin and contributing to our results regardless of whether the market is weak or strong.

STRONG SEASONAL FREIGHT MARKET IMPROVEMENT

Following a stronger first half and a weaker second half in 2024, the minor bulk freight markets have reverted to a more typical seasonal pattern in 2025, albeit with a stronger than usual improvement since mid-year, especially in the Supramax segment which rallied more quickly. Handysize market rates improved more gradually, but are currently on par with Supramax rates.

In the third quarter of 2025, market spot rates for Handysize (BHSI 38k dwt tonnage-adjusted) and Supramax (BSI 58k dwt) vessels averaged US\$11,590 and US\$14,310 net per day respectively. These third quarter average market rates represent a change of -1% and +4% compared to the same period in 2024, and a more compelling improvement of +33% and +64% compared to the first half of 2025.



* Excludes 5% commission

Source: Baltic Exchange

DISRUPTIONS AND INEFFICIENCIES SUPPORTIVE OF TIGHTER MARKET CONDITIONS

Global minor bulk volumes rose +4.3% year on year in the third quarter, driven by minor ores and concentrates (up +9.9%) and fertilisers (up +8.8%), with China again recording record high imports of minor bulks. While considered a minor bulk but transported mainly in Capesize bulk carriers, bauxite volumes rose +19.5% year on year, with the important Guinea to China trade (which grew from nothing to 15 million tons per month in the last ten years) expanding +31.5% year on year in the third quarter. These increases in minor bulk trades were partly offset by reductions in petcoke (down -10.4% year on year) and scrap steel (down -6.6%). Excluding bauxite, global minor bulk volumes rose +2.8% year on year in the quarter.

The major bulks fared less well in terms of volume growth year on year. Indian iron ore exports were constrained by strong domestic demand from India's fast-growing steel industry, and Australian iron ore exports were hampered by severe weather. Global coal volumes were down -3.8% year on year in the third quarter, mainly due to particularly strong volumes in the same period last year when China, the world's biggest coal consumer, was stockpiling for energy security. Global grain volumes were down -0.5% year on year, in part due to a record-high Chinese domestic harvest and due to the impact of war on grain production in Ukraine and Russia.

Disruptions and inefficiencies continue to undermine the efficient functioning of the dry bulk shipping market, thereby tightening effective supply and lending additional support to freight rates.

Port congestion re-emerged this year and has persisted through the third quarter, tying up especially larger ships in long queues, particularly in the Guinea bauxite trade. Guinea's new iron ore export activity is due to start in the fourth quarter, which will likely add to congestion in Guinean ports.

The Suez and Panama canals have not seen any significant recovery in their transit numbers. Deadly Houthi strikes on bulk carriers over the summer continue to deter transits, resulting in more ships rerouting around the Cape of Good Hope. We will monitor the effect of this week's Gaza ceasefire agreement on Houthi activity in the Red Sea. Meanwhile, the Panama Canal's recovery from low water levels remains stalled since early this year, with transits hovering at around 80% of pre-disruption levels.

Average vessel speeds have continued to slow this year, as ship owners and operators further limit their Greenhouse Gas emissions to comply with expanding environmental regulations. More ships are also emerging from their five-year special surveys with derated engines (following installation of engine power limiters) to comply with IMO's EEXI energy-efficiency rules, which lowers their optimal operating speed despite higher prevailing freight rates and historically moderate fuel costs. The carbon-intensity challenge for all older and less efficient ships will become significantly greater in coming years, especially with the adoption of IMO's net zero framework and global fuel standard expected in the coming days with planned enforcement beginning in January 2027.

A new disrupting factor has begun to take effect in the form of the United States Trade Representative (USTR) Section 301 scheme to impose significant additional US port fees on Chinese owned or operated vessels from 14 October 2025. In the third quarter, market participants appeared to have started self-sanctioning in connection with the USTR Section 301 scheme, with some ship owners keeping their vessels away from the United States and some charterers preferring non-Chinese vessels, with a knock-on effect of reducing supply on both coasts and increasing freight rates for shipments out of the United States. In response, China recently announced special port fees on US owned and operated vessels that also took effect on 14 October 2025. The market is starting to react to the new countermeasures, but it is likely that trade disagreements will generate significant additional disruption to global shipping supply, likely leading to increased complexity, uncertainty and volatility in the industry, and lending positive support to dry bulk market freight rates.

POSITIVE SUPPLY SIDE FUNDAMENTALS

According to Clarksons Research, global dry bulk net fleet growth was +2.3% net in the first nine months of 2025. This was driven by a +0.2% year-on-year increase in newbuilding deliveries (amounting to 27.2 million dwt) in the year to date, partially offset by a +40.9% year-on-year rise in scrapping (amounting to 3.6 million dwt or 0.03% of fleet capacity).

Global Handysize capacity increased +2.8% net and Supramax capacity increased +3.6% net in the first nine months.

Dry bulk newbuild ordering activity in the year to date is -70.9% lower than in the same period last year, due to limited yard availability and uncertainties surrounding decarbonisation rules, green fuels and the USTR's Section 301 scheme. The orderbook for global dry bulk and minor bulk vessels currently stands at 10.8% and 10.3% respectively, which is historically relatively constrained.

Meanwhile, the Handysize and Supramax fleet continues to age, with vessels over 20 years old representing 14.8% and 12.9% of the existing fleet respectively, and vessels over 15 years old representing a much more significant 36.8% and 31.2% of the fleet, which will have real significance to the supply picture in the 2030s when carbon reduction and efficiency requirements add to the challenges of older vessels.

Overall, supply growth appears to be manageable for the foreseeable future, and supply fundamentals bode well for the dry bulk freight market in the longer term.

DISCIPLINED FLEET RENEWAL AND GROWTH

We remain committed to our strategy of disciplined fleet renewal and growth, while maximising our optionality.

In the third quarter of 2025, we exercised attractively priced purchase options on two long-term chartered existing Handysize vessels and on one long-term Ultramax vessel that is yet to be delivered. We also took delivery of two 64,000 dwt long-term chartered Supramax Japanese-built newbuildings during the quarter. These vessels are all Japanese built and come with both charter-extension and purchase options at fixed rates and prices. In 2026, we have the optionality to exercise purchase options on four Handysize vessels, which at current market values would contribute to the renewal of our owned fleet at attractive prices.

During the period, we also sold and delivered one 20-year-old Supramax vessel.

Including all current sale and purchase and charter commitments, our core fleet consists of 120 Handysize and Supramax vessels and, including short-term chartered vessels engaged in our operating activity business, we currently have 259 vessels on the water overall.

We are financially strong and will continue to make disciplined counter-cyclical investments to grow and renew our fleet while selling older and less efficient vessels.

STRUCTURAL CHANGES TO COMPLY WITH US AND CHINESE PORT FEE REGULATIONS

We have been working with the assistance of external advisers to review the United States Trade Representative (USTR) Section 301 scheme, including Annex I provisions to impose additional US port fees on Chinese owned or operated ships as formulated and published in April 2025, and we have taken proactive steps within our control to protect our business and position Pacific Basin to continue serving our global customers freely and competitively across all safe ports and countries, including China and the United States.

As a result of this review, we have implemented structural changes in all areas within our control seeking to mitigate the applicability of the Annex I rules to our vessels, including:

- **Our expanded Singaporean company structure will hold our Singapore flagged vessels and serve as counterparty for all cargo and time-charter contracts.** We have already transferred several vessels under a plan to transfer about half of our owned fleet to Singaporean ownership and flag. Only owned and chartered vessels held and/or contracted via this Singapore structure will be deployed on voyages calling at US ports while Section 301 remains in force. Our parent company, Pacific Basin Shipping Limited, which is incorporated and registered in Bermuda, remains unchanged.
- **Our strategic leadership is located in Singapore.** Overall and ultimate responsibility for Pacific Basin's strategic leadership and commercial decision-making along with responsibility for technical management of our Singapore-owned fleet are located in Singapore. Meanwhile, the rest of our global organisation is largely unaffected, and our day-to-day commercial and operational management remains spread across 11 global chartering and operations offices, including our Singapore office, to maintain close proximity to our cargo customers worldwide.
- **Our Board composition has changed.** Please refer to the Company's announcement dated 13 October 2025 regarding one Board appointment and one retirement, effective on the same day, for the purpose of mitigating the applicability of USTR 301 Annex I provisions to the Company.

The potential applicability of USTR 301 Annex I fees to the Company's vessels depends also on other factors, including the share ownership of Pacific Basin Shipping Limited, which is outside of the Company's control. Specifically, we have been advised that Annex I also applies if 25% or more of an entity's equity interest is held directly or indirectly by entities or persons connected with China, Hong Kong or Macau (the 25% Rule).

Pacific Basin is an independent, publicly-listed company with approximately 99% free-floating (publicly traded) shares with no controlling shareholder. As a publicly-listed company, the Company's shares are traded freely every day and are broadly held by investors across the world. The majority of Pacific Basin's shares are traded and held through custodians, funds and other investment vehicles that typically trade and hold shares on behalf of their ultimate beneficial owners who are not required to disclose their identity, citizenship or tax residence to the Company. As a result, Pacific Basin is not able to independently verify the ultimate beneficial ownership of most of its shares or whether those ultimate beneficial owners are entities or persons connected with China, Hong Kong or Macau.

Under the Stock Exchange rules, Pacific Basin is informed of the identity of some of its beneficial owners through public disclosure of interests notices, which are required for any entities or persons that own 5% or more of the Company's outstanding shares. Based on such public notices filed with the Stock Exchange as of 15 October 2025, Pacific Basin is not able to verify that 25% or more of its equity interest is held directly or indirectly by entities or persons connected with China, Hong Kong or Macau.

How the U.S. Customs and Border Protection Agency and USTR ultimately interpret and apply the 25% Rule is uncertain and the applicability of the 25% Rule can also fluctuate based on changes to Pacific Basin's share ownership. Given the current uncertainty of the 25% Rule, we have sought further clarification from the U.S. Customs and Border Protection Agency and USTR on the applicability of Annex I to Pacific Basin and are waiting for a response. If we are later deemed by the U.S. Customs and Border Protection Agency and USTR to have more than 25% of our shareholding held by entities or persons connected with China, Hong Kong or Macau, the financial performance of our voyages calling US ports would be negatively affected by Annex I fees, in which case we would pursue further measures seeking to mitigate applicability of Annex I to our vessels.

In response to USTR 301, China's State Council amended its Regulations on International Maritime Transport at the end of September to include new provisions to enhance regulation, impose penalties and implement countermeasures against discriminatory practices by other countries in respect to international maritime transport activities. Shortly thereafter, on 10 October 2025, China's Ministry of Transport announced special Chinese port fees on US vessel owners and operators which also took effect on 14 October 2025.

Based on public disclosure of interests notices filed with the Stock Exchange as of 15 October 2025, Pacific Basin does not believe that 25% or more of its equity interest is held directly or indirectly by either US or Chinese entities or persons. We believe the special port fees under both the US and Chinese schemes are not applicable to us. In an abundance of caution and as with USTR 301, we continue to work with our external advisers to analyse the rules and their revisions, while also engaging with authorities to clarify and mitigate any applicability or impact they may have on our Company, our vessels and our operations.

We appreciate all the hard work our team has contributed to preparing for and implementing the above changes.

CAPITAL ALLOCATION FOR SHAREHOLDER VALUE

We are continuing to execute a prudent capital allocation strategy that focuses on investments in strategic fleet renewal, returning capital to shareholders and positioning the Company to capitalise on sensible acquisition and growth opportunities. The Company's financial position remains strong with healthy cash flows and a strong balance sheet. We have a positive cash position of US\$66.4 million and available committed liquidity of US\$549.9 million as of 30 June 2025.

Per our interim results announcement for the six months ended 30 June 2025, the Company distributed an interim dividend of HK1.6 cents per share on 4 September 2025, representing 50% of our net profit for the first half of the year, excluding vessel disposal gains.

To date, we have spent an aggregate consideration of about US\$26 million buying back and cancelling about 109 million shares under our previously announced 2025 US\$40 million share buyback programme, corresponding to an average price of approximately HK\$1.861 per share. We continue to believe that repurchasing our own shares at a discount relative to the market value of our assets is value accretive to our shareholders.

As previously announced, in July 2025, we successfully concluded a new US\$250 million syndicated sustainability-linked 7-year secured reducing revolving credit facility with interest margin adjustments linked to our carbon intensity (EEOI) and crew safety (LTIF) performance which we prioritise among our most important ESG issues. This is our second sustainability-linked financing facility, which is well timed to cover the remaining pre-delivery instalments in our newbuilding programme and to be ready for any counter-cyclical growth opportunities, thus supporting our growth ambitions.

PREPARED FOR CHALLENGES AND OPPORTUNITIES AHEAD

The dry bulk market is firm and, while seasonality as well as volatility and uncertainty due to shipping tariff actions are to be expected, near-term market conditions are expected to benefit from steady minor bulk demand growth and likely increasing supply disruption which would support tighter freight market conditions and stronger freight rates.

Longer term, the geared bulk carrier segments in which we are engaged stand to benefit from faster growing minor bulk and grain demand, with the global green energy infrastructure buildout as well as continuing rapid urbanisation in developing economies boosting trade in steels, cement and construction materials. Supply fundamentals are also favourable and, overall, the age profile of the global minor bulk fleet, combined with limited newbuilding orders driven by industry uncertainties, suggest a potential structural undersupply in minor bulk shipping in the future.

We believe we are prepared for continuing general macroeconomic and industry uncertainty and volatility, remaining vigilant and nimble to safely navigate the challenges that arise and continue to capture opportunities along the way.

In addition to reinforcing our resilience, growing our business remains a priority, and we will continue to renew, grow and optimise our fleet in a disciplined way that prepares us for a low carbon future and considers the cyclical nature of dry bulk shipping. That means: acquiring modern second-hand vessels, while also selling older and less efficient vessels; placing additional low-emission vessel (LEV) newbuilding orders; taking newbuilding vessels on long-term charter with purchase options; and/or continuously looking for accretive M&A opportunities where the synergies and the strategic and cultural fit are compelling.

Our financial strength, low cash breakeven level, agile business model, enhanced growth optionality and the experience of our global team position us very well for the changing market conditions.

By Order of the Board
Mok Kit Ting, Kitty
Company Secretary

Hong Kong, 16 October 2025

As at the date of this announcement, the executive Directors of the Company are Martin Fruergaard and Kristian Helt, and the Independent Non-executive Directors of the Company are Irene Waage Basili, Stanley Hutter Ryan, Kirsi Kyllikki Tikka, John Mackay McCulloch Williamson, Kalpana Desai and Wang Xiaojun Heather, and the Non-executive Director of the Company is Mats Henrik Berglund.