

# Pacific Basin Shipping Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2343)**

## **BOARD CHANGES**

On 4 December 2007, the Board of the Company announces that with effect from 1 January 2008, Mr. Allister George Morrison (also known as Alasdair Morrison) will become an independent non-executive director of the Company and The Earl of Cromer will stand down from the position of independent non-executive director of the Company.

In addition, reference is made to the announcement of the Company dated 7 August 2007 relating to Board changes and in particular that with effect from 1 January 2008 Mr. Christopher Richard Buttery, currently an executive director and chairman of the Company, would stand down from such positions and instead assume the positions of non-executive director and deputy chairman of the Company.

The Board wishes to clarify that Mr. Buttery shall still stand down from the position of chairman of the Company and assume the position of deputy chairman of the Company with effect from 1 January 2008 but instead of assuming the position of non-executive director shall continue in his position as an executive director of the Company.

### **Appointment of Mr. Allister George Morrison (also known as Alasdair Morrison) as an independent non-executive director**

The board of directors (the “Board”) of Pacific Basin Shipping Limited (the “Company” or “Pacific Basin”) is pleased to announce the appointment of Mr. Allister George Morrison (also known as Alasdair Morrison) as an independent non-executive director of the Company with effect from 1 January 2008.

Mr. Morrison, aged 59, obtained a Bachelor of Arts (subsequently Master of Arts) from Cambridge University in 1971. He also attended the Program for Management Development at Harvard Business School in 1983.

Mr. Morrison was a managing director of Morgan Stanley Dean Witter Asia Limited and a member of the investment bank’s global management committee. From 2000 to 2007, he was chairman of Morgan Stanley Asia, based in Hong Kong. From 2002 to February 2006, he was concurrently chairman and chief executive officer of Morgan Stanley Asia.

Prior to joining Morgan Stanley, Mr. Morrison worked for the Jardine Matheson Group from 1971 to 2000, a multinational enterprise which then had employed 160,000 people with a portfolio of businesses in over thirty countries. In 1994, Mr. Morrison became Group Managing Director for the Jardine Matheson Group. He had the following positions in the following companies which were listed on the London, Singapore and Bermuda stock exchanges: Managing Director of Jardine Matheson Holdings Ltd., Hongkong Land Holdings Ltd., Dairy Farm International Holdings Ltd., Mandarin Oriental International Ltd. and Jardine Strategic Holdings Ltd.

Mr. Morrison will enter into a service agreement with the Company under which he will agree to act as an independent non-executive director of the Company for a period of three years (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company) until 31 December 2010 or the conclusion of the 2010 annual general meeting, whichever is earlier. Mr. Morrison will receive from the Company an emolument at the rate of HK\$250,000 per annum for being an independent non-executive director of the Company and a fee of HK\$300,000 per annum for being a member of the Company's audit, remuneration and nomination committees. His total remuneration of HK\$550,000 per annum will be payable in arrears in quarterly instalments on 31 March, 30 June, 30 September and 31 December. Mr. Morrison's emolument was agreed between the Company and Mr. Morrison and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Mr. Morrison was a member of the global management committee of Morgan Stanley, as well as a director of a number of Morgan Stanley's subsidiaries operating in Asia (the "MS Group") until April 2007. The MS Group provides asset management and securities trading services to Sun Hing Holdings Limited and its subsidiaries (the "SH Group"), which are companies controlled by discretionary trusts established by Dr. Lee Kwok Yin, Simon, a non-executive director of the Company ("Dr. Lee"). Although Mr. Morrison does not meet the factor of independence set out in Rule 3.13(3) of the Listing Rules as a result of his prior relationship with the MS Group within one year immediately prior to the date of his proposed appointment to the Board, the Company has demonstrated to the satisfaction of the Exchange that Mr. Morrison is independent and is able to carry out his duties as an independent non-executive director of the Company for the following reasons: (a) Other than Rule 3.13(3) of the Listing Rules, Mr. Morrison is able to confirm his independence to the Exchange in respect of each of the other factors set out in Rule 3.13 of the Listing Rules; (b) Mr. Morrison no longer has any employment or other existing relationship with the MS Group, nor is he a director of any company within the MS Group; (c) Mr. Morrison was not involved in the asset management, wealth management and securities trading services provided to the SH Group when he was at MS Group; (d) Dr. Lee does not himself have any direct contractual or other relationship with the MS Group and no service is directly provided to Dr. Lee by the MS Group. The MS Group only provides services to the SH Group, which are controlled by discretionary trusts established by Dr. Lee, the discretionary objects of which include his family members. Accordingly, there is only a very indirect connection between the MS Group and Dr. Lee. Furthermore, Dr. Lee is a non-executive director and one member of a 11-member board, who is not in a position to influence the choice of MS Group as a professional adviser to the Company; (e) The professional services provided to the SH Group, the amount of assets under management and the fees payable are not significant or material to either Dr. Lee or the SH Group or the MS Group; (f) Other than its asset management, wealth management and securities trading services provided to the SH Group, the MS Group does not currently provide nor has it within one year immediately prior to the date of Mr.

Morrison's proposed appointment provided services to the Company, its holding company or any of their respective subsidiaries or connected persons; and (g) After due and careful consideration, the Company's Nomination Committee considers Mr. Morrison suitably independent to carry out his duties as an independent non-executive director.

Save as disclosed above, Mr. Morrison does not have any relationship with any other directors or senior management or any substantial or controlling shareholders of the Company, does not hold any other position with the Company or any of its subsidiaries, and has not been a director in any other publicly listed company in the past three years. As at the date of this announcement, Mr. Morrison does not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Morrison has indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

The Board and Mr. Morrison are not aware of any other matters that need to be brought to the attention of holders of securities of the Company in relation to his appointment as director of the Company.

The Company would like to welcome Mr. Morrison in joining the Board and believes that his extensive experience will be beneficial to the Company.

### **Resignation of The Earl of Cromer as an independent non-executive director**

The Earl of Cromer has resigned as an independent non-executive director of the Company with effect from 1 January 2008.

The Earl of Cromer has tendered his resignation as he wishes to pursue his other personal and business objectives. He confirmed that he has no disagreement with the Board and there are no matters with respect to his resignation that need to be brought to the attention of holders of securities of the Company.

The Board would like to take this opportunity to express its sincere gratitude to The Earl of Cromer for his valuable contribution and efforts to the Company over the years.

### **Mr. Christopher Richard Buttery to become deputy chairman but continue in his position as executive director**

Reference is made to the announcement of the Company dated 7 August 2007 relating to Board changes and in particular that with effect from 1 January 2008 Mr. Christopher Richard Buttery, currently an executive director and chairman of the Company, would stand down from such positions and instead assume the positions of non-executive director and deputy chairman of the Company (the "August Announcement").

The Board wishes to clarify that Mr. Buttery shall still stand down from the position of chairman of the Company and assume the position of deputy chairman of the Company with effect from 1 January 2008 but instead of assuming the position of non-executive director shall continue in his position as an executive director of the Company.

Mr. Buttery has therefore not entered into a new service agreement with the Company in relation to acting as a non-executive director of the Company and has not entered into a consultancy agreement with the Company as described in the August Announcement.

Mr. Buttery's current executive director service agreement was entered into with the Company on 1 April 2004 and was extended on 31 March 2007 for a further three years until 1 April 2010 or the conclusion of the 2010 annual general meeting whichever is earlier or subject to three months' notice from Mr. Buttery and shall remain unchanged upon him assuming the position of executive deputy chairman. Mr. Buttery receives from the Company an emolument at the rate of US\$400,000 per annum, which is inclusive of salary, rental reimbursement and retirement scheme contribution. He is also eligible to receive a bonus of up to 100% of his emolument (the "Target Bonus"). The Target Bonus will be at the discretion of the Board.

Mr. Buttery, aged 57, has over 30 years of experience in the shipping industry. He graduated from University College, Oxford University in 1971 and holds a Masters degree in Modern History. He first joined Jardine, Matheson & Company Limited and progressed through various shipping-related corporate assignments in Hong Kong, Taiwan, and Japan, becoming a director of Jardine Shipping Limited in 1979 after completing the London Business School Executive Programme. He founded the original Pacific Basin business in 1987 and was chairman and chief executive when that business was listed on Nasdaq in New York from 1994 to 1996. The business was acquired by a Malaysian group in September 1996 and, after one year as an advisor to the acquiror, he resigned and was instrumental in re-establishing the current Pacific Basin in 1998. Mr. Buttery became a deputy chairman of the Company in 2001 and chairman in March 2004. He has served as a director of Jardine Fleming Japanese Smaller Companies Limited (listed on The London Stock Exchange) and is also a director of The Ton Poh Emerging Thailand Fund which is a private company.

Save as disclosed above, Mr. Buttery does not have any relationship with any other directors or senior management or any substantial or controlling shareholders of the Company, does not hold any other position with the Company or any of its subsidiaries, and has not been a director in any other publicly listed company in the past three years. As at the date of this announcement, Mr. Buttery is a beneficial owner of 4,000,000 shares in the Company. Other than these shares, Mr. Buttery does not have any other interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance.

Save for the information disclosed above, Mr. Buttery has indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules.

Mr. Buttery confirms that there is no disagreement with the Board and there are no matters with respect to his re-designation as an executive director and deputy chairman of the Company that need to be brought to the attention of holders of securities of the Company.

By Order of the Board  
**Andrew T. Broomhead**  
*Company Secretary*

Hong Kong, 4 December 2007

*As at the date of this announcement, the executive Directors of the Company are Christopher Richard Buttery, Richard Maurice Hext, Klaus Nyborg, Wang Chunlin and Jan Rindbo, the non-executive Directors of the Company are Daniel Rochfort Bradshaw and Dr. Lee Kwok Yin, Simon, and the independent non-executive Directors of the Company are Robert Charles Nicholson, Patrick Blackwell Paul, The Earl of Cromer and David Muir Turnbull.*