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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold** all your shares in Pacific Basin Shipping Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser.

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# Pacific Basin Shipping Limited

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 2343)**

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,  
RENEWAL OF THE 2% ANNUAL CAP WITHIN THE LTIS ISSUE MANDATE,  
AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the 2009 annual general meeting of Pacific Basin Shipping Limited to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 21 April 2009 at 11:00 a.m. is set out on pages 18 to 22 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

17 March 2009

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## DEFINITIONS

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

“AGM”	the 2009 annual general meeting of the Company to be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 21 April 2009 at 11:00 a.m., notice of which is set out on pages 18 to 22 of this circular
“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors or a duly authorised committee thereof
“business day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company” or “Pacific Basin”	Pacific Basin Shipping Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general and unconditional mandate enabling the Company to allot, issue and deal in Shares
“Latest Practicable Date”	12 March 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time

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## DEFINITIONS

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“Long Term Incentive Scheme” or “LTIS”	the share option scheme adopted by the Company on 17 June 2004 and amended and re-named the long term incentive scheme pursuant to a resolution passed by Shareholders at a special general meeting on 8 June 2005
“LTIS Issue Mandate”	the mandate enabling the Company to allot, issue and deal with up to 88,690,742 new Shares that may be issued by the Company to satisfy Options and Share Awards granted or to be granted under the Long Term Incentive Scheme, subject to an annual cap, renewable by Shareholders in general meeting, of no more than 2% of the total issued share capital of the Company as at the beginning of each such financial year that may be issued by the Company to satisfy Share Awards
“Notice”	the notice of the AGM set out on pages 18 to 22 of this circular
“Options”	options to subscribe for newly issued Shares pursuant to the Long Term Incentive Scheme
“Repurchase Mandate”	the general and unconditional mandate enabling the Company to repurchase Shares
“Shareholder(s)”	holders of Share(s) in issue
“Share(s)”	share(s) of US\$0.10 each in the share capital of the Company
“Share Awards”	include restricted share awards and restricted share units, which are awards of Shares to be made by the Board under, and subject to the terms and conditions set out in, the Long Term Incentive Scheme
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission

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LETTER FROM THE CHAIRMAN

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**B Pacific Basin Shipping Limited**

*(incorporated in Bermuda with limited liability)*  
(Stock Code: 2343)

*Executive Directors:*

David Muir Turnbull  
Richard Maurice Hext  
Klaus Nyborg  
Wang Chunlin  
Jan Rindbo

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Non-Executive Directors:*

Daniel Rochfort Bradshaw  
Dr. Lee Kwok Yin, Simon

*Hong Kong Principal Office:*

7th Floor, Hutchison House  
10 Harcourt Road  
Central  
Hong Kong

*Independent Non-Executive Directors:*

Robert Charles Nicholson  
Patrick Blackwell Paul  
Alasdair George Morrison

17 March 2009

To Shareholders,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES,  
RENEWAL OF THE 2% ANNUAL CAP WITHIN THE LTIS ISSUE MANDATE,  
AMENDMENTS TO THE BYE-LAWS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with the Notice of the AGM to be convened for the purpose of considering and, if thought fit, passing six ordinary resolutions and one special resolution to approve, among other things, the re-election of Directors, the grant of general mandates to issue and to repurchase Shares, the proposed renewal of the 2% annual cap within the LTIS Issue Mandate and the amendments to the Bye-laws.

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## LETTER FROM THE CHAIRMAN

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### **2. BOOK CLOSURE**

The register of Shareholders will be closed from 17 April 2009 to 21 April 2009 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for attending the AGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 16 April 2009.

### **3. RE-ELECTION OF DIRECTORS (RESOLUTION 2 AS PER NOTICE)**

In relation to resolution 2 in the Notice regarding re-election of Directors, Mr. Klaus Nyborg and Mr. Jan Rindbo, both of them executive Directors, and Mr. Robert C. Nicholson, an independent non-executive Director, will retire at the AGM by rotation pursuant to the Company's Bye-laws and, being eligible, will offer themselves for re-election. In addition, Mr. Daniel R. Bradshaw, a non-executive Director will retire and will be subject to re-election. None of the above Directors to be re-elected has any relationship with any of the other Directors, senior management or substantial or controlling shareholders of the Company. Under resolution 2, the re-election of Directors will be individually voted on by Shareholders.

The biographical details and interests in Shares of the executive Directors, non-executive Director and independent non-executive Director to be re-elected at the AGM are set out in Appendix I below.

### **4. GENERAL MANDATE TO ISSUE SHARES (RESOLUTION 4 AS PER NOTICE)**

At the last annual general meeting of the Company held on 8 April 2008, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with additional Shares of the Company up to a limit of 10% of the aggregate nominal amount of the issued share capital of the Company as at 8 April 2008. On 20 May 2008, the Company issued 158,598,000 Shares at HK\$13.52 per Share pursuant to a share placing agreement dated 8 May 2008, representing approximately 10.0% of the then existing issued share capital of the Company and 9.1% of the then enlarged share capital of the Company.

The Directors believe that the renewal of the Issue Mandate is in the best interests of the Company and Shareholders as a whole as this mandate will expire at the conclusion of the AGM. Accordingly, a renewal of the Issue Mandate will be sought from the Shareholders at the AGM to authorise the Directors to allot, issue and deal with additional Shares of the Company up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution, which if passed shall be 21 April 2009, provided that any Shares to be allotted and issued pursuant to the Issue Mandate shall not be issued at a discount of more than 10% to the Benchmarked Price of the Shares (which shall be a price which is the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of signing of the agreement to which the transaction relates or; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the

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## LETTER FROM THE CHAIRMAN

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earliest of (a) the date of signing of the agreement to which the transaction relates; or (b) the date on which the relevant transaction is announced; or (c) the date on which the price of the Shares to be issued pursuant to the transaction is fixed).

The full text of the ordinary resolution to be proposed at the AGM in relation to the Issue Mandate is set out in resolution 4 in the Notice set out on pages 18 to 22 of this circular.

### **5. GENERAL MANDATE TO REPURCHASE SHARES (RESOLUTION 5 AS PER NOTICE)**

At the annual general meeting of the Company held on 8 April 2008, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to repurchase Shares of the Company on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 8 April 2008. No Shares have been repurchased pursuant to the Repurchase Mandate.

As the existing Repurchase Mandate is going to expire at the conclusion of the AGM, the Directors believe that the renewal of the Repurchase Mandate is in the interests of the Company and Shareholders as a whole. Accordingly, an ordinary resolution will be proposed at the AGM which will give the Directors a general and unconditional mandate to exercise the powers of the Company to repurchase Shares at any time until the earlier of (i) the conclusion of the next annual general meeting of the Company following the passing of such resolution; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Company's Bye-laws to be held; or (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting, as stated in the ordinary resolution up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company at the date of passing of the relevant resolution, which if passed shall be 21 April 2009.

The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide Shareholders with all the information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution approving the Repurchase Mandate is set out in Appendix II to this circular.

The full text of the ordinary resolution to be proposed at the AGM in relation to the Repurchase Mandate is set out in resolution 5 in the Notice set out on pages 18 to 22 of this circular.

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## LETTER FROM THE CHAIRMAN

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### 6. RENEWAL OF THE 2% ANNUAL CAP WITHIN THE LTIS ISSUE MANDATE (RESOLUTION 6 AS PER NOTICE)

Under the Long Term Incentive Scheme, the number of Shares which may be or have been issued or transferred in satisfaction of all Options and Share Awards to be granted under the Long Term Incentive Scheme shall not, in aggregate, exceed 126,701,060 Shares, being no more than 10% of the Shares in issue as at 8 June 2005 (which was 1,267,010,609 Shares). The overall limit of 126,701,060 Shares that may be used to satisfy the Options and the Share Awards to be granted after 8 June 2005 under the Long Term Incentive Scheme includes existing Shares that may be purchased from the market and new Shares that may be issued by the Company. However, under the LTIS Issue Mandate, no more than 88,690,742 (being no more than 7% of the total issued share capital of the Company as at 8 June 2005) can be newly issued Shares, subject to an annual cap, renewable by Shareholders in general meeting, of no more than 2% of the total issued share capital of the Company as at the beginning of each such financial year (being 31,681,602 Shares as at 1 January 2008) that may be issued by the Company to satisfy Share Awards (the “2% Cap”). Also, no new Shares are to be issued to any connected persons of the Company to satisfy Share Awards.

Since the adoption of the Long Term Incentive Scheme on 8 June 2005 up until the Latest Practicable Date, 10,779,500 new Shares have been issued to satisfy Share Awards. The Company has obtained approval from the Stock Exchange to the listing of, and permission to deal in, up to 88,690,742 new Shares in the capital of the Company which may be issued and credited as fully paid by the Company to satisfy Options and Shares Awards granted and to be granted under the Long Term Incentive Scheme, subject to the 2% Cap.

The Directors believe that the renewal of the 2% Cap is in the interest of the Company and Shareholders as a whole as the 2% Cap will expire at the conclusion of the AGM.

Accordingly, an ordinary resolution will be proposed at the AGM whereby a new annual cap for issue of Shares to satisfy Share Awards, renewable by Shareholders in general meeting, of no more than 2% of the total issued share capital of the Company as at the beginning of this financial year (being 34,946,202 Shares as at 1 January 2009) will be imposed on the LTIS Issue Mandate. This new annual cap shall lapse at the earlier of (i) the conclusion of the Company’s next annual general meeting, (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Company’s Bye-laws to be held; and (iii) the revocation or variation of the authority by ordinary resolution of the Shareholders in general meeting. If the Company were to issue all 34,946,202 new Shares under the new 2% Cap, the estimated fair value of such new Shares would be approximately HK\$120.90 million, based on a closing price of HK\$3.46 per Share on the Latest Practicable Date.

In its annual and interim reports, the Company will make disclosures in respect of Share Awards as if the provisions of Rule 17.07 of the Listing Rules could be applied to Share Awards, as relevant and appropriate in the circumstances. In addition, in its annual reports, the Company will also set out the relevant information regarding the impact of the allotment and issue of Shares pursuant to Share Awards for the following financial year,



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## LETTER FROM THE CHAIRMAN

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including analysis, of or reference to, the fair value of Shares granted, the dilution effect on the Shareholders and the likely impact on the employee costs incurred by the Company when Share Awards have been granted by the Board.

The full text of the ordinary resolution to be proposed at the AGM in relation to the LTIS Issue Mandate is set out in resolution 6 in the Notice set out on pages 18 to 22 of this circular. No Shareholders are required to abstain from voting on the resolution in relation to the LTIS Issue Mandate.

Copies of the documents relating to the LTIS and the relevant circular of the Company dated 23 May 2005 will be available for inspection during normal business hours at the principal office of the Company in Hong Kong up to and including 21 April 2009 and at the AGM.

### **7. AMENDMENTS TO THE BYE-LAWS (RESOLUTION 7 AS PER NOTICE)**

The Directors propose to amend the Bye-laws to the effect that the requirement for the Company to appoint Deputy Chairman or Vice President will be removed.

The proposed amendment to the Bye-laws is set out in resolution 7 of the Notice.

### **8. PRINCIPAL BUSINESS OF THE GROUP**

The Group is one of the world's leading dry bulk shipping companies operating principally in the Asia Pacific region. The Group is building businesses in roll on roll off shipping and in ports services. With a large fleet of modern, uniformly-sized vessels, Pacific Basin seeks to offer its customers a strong, reliable service with a high degree of scheduling flexibility whilst maintaining the company's operational efficiency.

### **9. VOTING BY POLL**

Pursuant to Rule 13.39 of the Listing Rules, any votes of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to Bye-law 66. The Company will appoint scrutineers to handle vote-taking procedures at the AGM. The results of the poll will be published on the HKExnews website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's websites at [www.pacificbasin.com](http://www.pacificbasin.com) on the business day following the AGM.

### **10. NOTICE OF ANNUAL GENERAL MEETING**

The Notice is set out on pages 18 to 22 of this circular.

There is enclosed a form of proxy for use at the AGM. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to Computershare Hong Kong Investor Services Limited, Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed

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## LETTER FROM THE CHAIRMAN

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thereon not less than 48 hours before the time fixed for holding the AGM. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM should you so wish.

### 11. RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of Directors, the renewal of the Issue Mandate, the renewal of the Repurchase Mandate, the renewal of the 2% annual cap within the LTIS Issue Mandate and the amendments to the Bye-laws are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

Yours faithfully,  
By order of the Board  
**David M. Turnbull**  
*Chairman*

**EXECUTIVE DIRECTORS****Klaus Nyborg – age 44, Deputy Chief Executive Officer**

Mr. Nyborg has a Diploma (Econ), and Bachelor of Arts and MSc degrees in Business and Business Law – all from Copenhagen Business School and has since attended executive programmes at London Business School and IMD. He started his career in shipping in 1990 with AP Moller-Maersk where he served as General Manager, Corporate Secretariat. He was General Manager & Regional CFO of Maersk Sealand for the Europe/Africa region in 1997/98, then Vice President/Regional CFO and Head of Corporate Affairs for Asia, Oceania and the Middle East from 1998 to 2001. He was CFO and Director of Maersk Logistics International until 2002 when he joined TORM (a Copenhagen and NASDAQ-listed product tanker and dry bulk shipping group in Denmark) where he was the CFO and an executive director until June 2006.

Mr. Nyborg has entered into a service agreement with the Company under which he has agreed to act as Deputy Chief Executive Officer 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) commencing 4 September 2006. The Company intends to extend his term of appointment until 4 September 2012 or the conclusion of the 2012 annual general meeting, whichever is earlier. Mr. Nyborg will receive from the Company an emolument at the rate of US\$623,416 per annum, which is inclusive of salary, housing allowance, medical and life insurance, retirement scheme contribution and company car benefit. He is also eligible to receive a bonus of up to 100% of his emolument, which will be at the discretion of the Board. In addition, Mr. Nyborg was granted 2,500,000 Shares in the form of restricted share awards pursuant to the Long Term Incentive Scheme in September 2006, of which (i) 500,000 Shares have vested on 19 September 2006, (ii) 500,000 Shares have vested on 4 September 2008, and (iii) an equal amount of 500,000 Shares will vest on each of 4 September 2009, 2010 and 2011 respectively. Mr. Nyborg's emolument was agreed between the Company and Mr. Nyborg and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Saved as aforesaid, Mr. Nyborg did not hold any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Nyborg does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and save as disclosed in the paragraph below relating to Directors' and Chief Executives' interests, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Nyborg have 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, and there are no other matters that need to be brought to the attention to the Shareholders.

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## APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

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### **Jan Rindbo – age 34**

Mr. Rindbo graduated from Naestved Business College in Denmark in 1993. In 1994 following his military service, he joined TORM, a major Danish ship owning and operating group listed in Copenhagen and on NASDAQ in New York, where he specialised in handysize chartering activities and pool operations. He was promoted to the position of Chartering Manager with TORM Asia, Hong Kong in 1996. From 1998 to 1999, he served with TORM in Denmark and was promoted as Vice President with TORM Bulk USA in Portland Oregon in 1999. He returned to Hong Kong to manage the activities of the Pacific Basin-IHC Pool (previously known as the International Handybulk Carriers Pool) established by the Group in 2001. He was initially seconded by TORM to the Company and became fully employed by the Group in 2004. He is currently responsible for the chartering and commercial operations of handysize and handymax vessels. He attended the International Executive Development programme at INSEAD in 2007.

Mr. Rindbo has entered into a service agreement with the Company dated 2 March 2007 under which he has agreed to act as an 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) commencing 1 April 2007. The Company intends to extend his term of appointment until the conclusion of the 2012 annual general meeting. Mr. Rindbo will receive from the Company an emolument at the rate of US\$379,656 per annum, which is inclusive of salary, housing allowance, medical and life insurance, retirement scheme contribution and company car benefit. He is also eligible to receive a bonus of up to 100% of his emolument, which will be pro-rated for the number of months he acted as a senior manager and a Director for the year of 2007 and at the discretion of the Board. In addition, Mr. Rindbo was granted 1,030,000 Shares in the form of restricted share awards pursuant to the Long Term Incentive Scheme on 11 May 2007. Of these restricted share awards, (i) 340,000 Shares have vested on 14 July 2008, (ii) 340,000 Shares will vest on 14 July 2009, and (iii) 350,000 Shares will vest on 14 July 2010. A further 149,000 Shares in the form of restricted share awards were granted to Mr. Rindbo on 5 August 2008 and these restricted share awards will vest on 14 July 2011. Mr. Rindbo's emolument was agreed between the Company and Mr. Rindbo and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Saved as aforesaid, Mr. Rindbo did not hold any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Rindbo does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and save as disclosed in the paragraph below relating to Directors' and Chief Executives' interests, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Rindbo have 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, and there are no other matters that need to be brought to the attention to the Shareholders.

**NON-EXECUTIVE DIRECTOR****Daniel Rochfort Bradshaw – age 62**

Mr. Bradshaw graduated from Victoria University of Wellington (New Zealand) with a Bachelor of Laws (1969) and a Master of Laws (1971) and has been admitted as a solicitor in New Zealand, England and Hong Kong. Since 1978 he has worked at Johnson, Stokes and Master (now Mayer Brown JSM), from 1983 to 2003 as a partner and from 1996 to 2003 as head of the firm's shipping practice and since 2003 as a consultant. He was Vice Chairman of the Hong Kong Shipowners' Association from 1993 to 2001 and he was a member of the Hong Kong Port and Maritime Board until 2003 and the Hong Kong Maritime Industries Council until 2008. He is currently on the board of Euronav, a Euronext listed tanker company.

Mr. Bradshaw was appointed as the Deputy Chairman and a non-executive Director of the Company for a term of three years until April 2009 or the conclusion of the 2009 annual general meeting, whichever is earlier (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company). He stood down from the position of Deputy Chairman on 1 January 2008 and continues his position as a non-executive Director of the Company. The Company intends to extend his term of appointment until the conclusion of the 2012 annual general meeting. Mr. Bradshaw currently receives HK\$250,000 per annum for being a non-executive Director and he is entitled to 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 installments on 31 March, 30 June, 30 September, 31 December. Mr. Bradshaw's emolument was agreed between the Company and Mr. Bradshaw and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Saved as aforesaid, Mr. Bradshaw did not hold any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Bradshaw does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and save as disclosed in the paragraph below relating to Directors' and Chief Executives' interests, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Bradshaw have 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 and there are no other matters that need to be brought to the attention to the Shareholders.

**INDEPENDENT NON-EXECUTIVE DIRECTOR****Robert Charles Nicholson – age 53**

Mr. Nicholson, a graduate of the University of Kent, qualified as a solicitor in England and Wales in 1980 and in Hong Kong in 1982. He was a senior partner of Richards Butler from 1985 to 2001 where he established the corporate and commercial department. He has had wide experience in corporate finance and cross-border transactions, including mergers and acquisitions, regional telecommunications, debt and equity capital markets, corporate reorganisations and the privatisation of state-owned enterprises in the People's Republic of China. Mr. Nicholson was a senior advisor to the Board of Directors of PCCW Limited between August 2001 and September 2003. He is an independent non-executive Director of QPL International Holdings Limited. In November 2005, he became a non-executive Director of India Capital Growth Fund Limited which is listed on the AIM market of the London Stock Exchange. Mr. Nicholson serves as a Commissioner of PT Indofood Sukses Makmur Tbk and is a Director of Philex Mining Corporation and Level Up! International Holdings Pte Ltd. He joined the board of First Pacific Company Limited in June 2003 and was named an executive Director in November 2003.

Mr. Nicholson was appointed as an independent non-executive Director of the Company on 25 March 2004 and his appointment was extended at the 2007 annual general meeting for three years until 25 March 2010 or the conclusion of the 2010 annual general meeting, whichever is earlier (subject to retirement by rotation at the general meeting of the Company in accordance with the Bye-laws of the Company). The Company intends to extend his term of appointment until the conclusion of the 2012 annual general meeting. Mr. Nicholson currently receives HK\$250,000 per annum for being an independent non-executive Director and he is entitled to receive a fee of HK\$300,000 per annum for being a member of the audit, remuneration and nomination committees and for being Chairman of the remuneration and nomination committees. His total remuneration of HK\$550,000 per annum will be payable in arrears in quarterly installments on 31 March, 30 June, 30 September, 31 December. Mr. Nicholson's emolument was agreed between the Company and Mr. Nicholson and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Saved as aforesaid, Mr. Nicholson did not hold any other directorship in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Nicholson does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Nicholson have 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, and there are no other matters that need to be brought to the attention to the Shareholders.

## APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

### INTERESTS AND LONG POSITION IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The interests of the Directors to be re-elected in the Shares, underlying Shares and debentures of the Company and its associated corporations, as recorded in the register maintained by the Company under Section 352 of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) or as notified to the Company were as follows:

Name of Director		Personal interests	Family interests	Corporate interests	Trust & similar interests	Total Share interests	Approximate percentage of issued share capital of the Company
Klaus Nyborg	Long Positions	1,500,000 <sup>1</sup>	–	–	–	1,500,000	0.09%
Jan Rindbo	Long Positions	2,370,370 <sup>2</sup>	–	–	–	2,370,370	0.14%
Daniel R. Bradshaw	Long Positions	–	–	386,417 <sup>3</sup>	–	386,417	0.02%

*Notes:*

- (1) 2,500,000 Shares in the form of restricted shares awards were granted to Mr. Nyborg on 14 September 2006 pursuant to the Long Term Incentive Scheme, of which (i) 500,000 Shares have vested on 19 September 2006, (ii) 500,000 Shares have vested on 4 September 2008, and (iii) an equal amount of 500,000 Shares will vest on each of 4 September 2009, 2010 and 2011 respectively.

As at the Latest Practicable Date, the balance of Shares held by Mr. Nyborg was 1,500,000 Shares.

- (2) The personal interests of Mr. Rindbo constitute 1,191,370 shares and 1,179,000 Shares in the form of restricted share awards granted to him pursuant to the Long Term Incentive Scheme.

1,030,000 Shares were granted to Mr. Rindbo on 11 May 2007, of which (i) 340,000 Shares have vested on 14 July 2008, (ii) 340,000 Shares will vest on 14 July 2009, and (iii) 350,000 Shares will vest on 14 July 2010. A further 149,000 Shares were granted to Mr. Rindbo on 5 August 2008 which will vest on 14 July 2011.

As at the Latest Practicable Date, the balance of Shares held by Mr. Rindbo was 2,370,370 Shares.

- (3) Mr. Bradshaw is a shareholder holding 100% and 50% of the issued share capital, respectively, in Cormorant Shipping Limited and Goldeneye Shipping Limited. He beneficially owns 353,241 Shares via Cormorant Shipping Limited and is taken to be interested in the 33,176 Shares held by Goldeneye Shipping Limited.

As at the Latest Practicable Date, the balance of Shares in which Mr. Bradshaw had an interest was 386,417 Shares.

At no time during the year was the Company, its subsidiaries, or its associated companies a party to any arrangement to enable the Directors and chief executive of the Company to hold any interests or short positions in the Shares or underlying Shares in, or debentures of, the Company or its associated corporations.

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to accompany the Notice at which a resolution is to be proposed in relation to the Repurchase Mandate.

### **REPURCHASE MANDATE**

The relevant sections of the Listing Rules which permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange, subject to certain restrictions, are summarised below:

#### **(a) Shareholders' approval**

The Listing Rules provide that all proposed repurchases of shares by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a particular transaction. The Listing Rules require an explanatory statement such as is contained herein to be sent to shareholders to give shareholders adequate information to enable them to decide whether to approve the grant of such a mandate.

#### **(b) Source of funds**

In repurchasing its Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be funds legally available for such purpose in accordance with its memorandum of association and Bye-laws and laws of Bermuda.

Under Bermuda law, purchases may only be effected out of the capital paid up on the purchased Shares or out of funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of Shares made for the purpose.

Any premium payable on a purchase over the par value of the Shares to be purchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

#### **(c) Maximum number of shares to be repurchased**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,747,310,109 Shares. Subject to the passing of resolution 5 approving the Repurchase Mandate as set out in the Notice appearing on pages 18 to 22 of this circular and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 174,731,010 Shares until (i) the conclusion of the next annual general meeting; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act or the Company's Bye-laws to be held; or (iii) the revocation or variation of the authority given under resolution 5 by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.



**REASONS FOR REPURCHASE**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to seek a general authority from Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases, depending on market conditions and funding arrangements at the time, may lead to an enhancement of the net asset value of the Company and/or its earnings per Share and will be made only when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

**FUNDING OF REPURCHASES**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association and Bye-laws and the laws of Bermuda.

The Directors have no present intention to repurchase any Shares of the Company and they would exercise the power to repurchase in circumstances only where they consider that the repurchase would be in the best interests of the Company and its Shareholders as a whole and in circumstances where they consider that the Shares of the Company can be repurchased on terms favourable to the Company. As compared with the position as disclosed in the Company's most recent published audited accounts for the year ended 31 December 2008, and taking into account the current working capital position of the Company, the Directors consider that if the general mandate to repurchase Shares were to be exercised in full at the currently prevailing market value, it could have a material adverse impact on the working capital position of the Company.

**DISCLOSURE OF INTERESTS**

None of the Directors or (to the best of the knowledge of the Directors, having made all reasonable enquiries) any associates of Directors has a present intention, in the event that the proposed Repurchase Mandate is approved by Shareholders, to sell Shares to the Company.

No connected persons of the Company have notified the Company of a present intention to sell Shares to the Company and no such persons have undertaken not to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

**DIRECTORS' UNDERTAKING**

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

**SHARE PRICE**

During each of the previous twelve months preceding the Latest Practicable Date, the highest and lowest prices at which Shares were traded on the Stock Exchange were as follows:

	<b>Highest</b> <i>(HK\$)</i>	<b>Lowest</b> <i>(HK\$)</i>
<b>2008</b>		
March	13.78	9.37
April	14.88	11.12
May	14.94	12.02
June	13.48	10.56
July	12.62	10.52
August	11.44	9.22
September	10.58	5.42
October	6.31	2.72
November	4.80	2.81
December	4.75	3.08
<b>2009</b>		
January	4.74	3.42
February	5.05	3.50
March (up to the Latest Practicable Date)	3.73	3.01

**TAKEOVERS CODE**

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory general offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, the largest Shareholder of the Company, Compagnie de Navigation Canadian Forest Ltee. Canadian Forest Navigation Co. Ltd., is interested in 164,038,000 Shares (representing approximately 9.39% of the Company's issued share capital of 1,747,310,109). Based on the said interests of Compagnie de Navigation Canadian Forest Ltee. Canadian Forest Navigation Co. Ltd. in the issued share capital of the Company as at the Latest Practicable Date, in the event that the Directors exercise in full the power to repurchase Shares of the Company in accordance with the terms of the resolution to be proposed at the AGM, the interests of Compagnie de Navigation Canadian Forest Ltee. Canadian Forest Navigation Co. Ltd. in the issued share capital of the Company will be increased from approximately 9.39% to approximately 10.43% which is below the 30% threshold prescribed under the Takeovers Code and Compagnie de Navigation Canadian Forest Ltee. Canadian Forest Navigation Co. Ltd. would not be obliged to make a mandatory general offer under Rule 26 of the Takeover Code as a result of such increase.

The Directors have no intention to exercise the Repurchase Mandate in such a way and to such extent that would give rise to an obligation on the part of Compagnie de Navigation Canadian Forest Ltee. Canadian Forest Navigation Co. Ltd. or any other Shareholder to make a mandatory general offer under Rule 26 of the Takeover Code.

**SHARE REPURCHASE MADE BY THE COMPANY**

No purchase has been made by the Company of its Shares (on the Stock Exchange or otherwise) in the six months prior to the date of this document.

# **B** Pacific Basin Shipping Limited

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 2343)**

**NOTICE IS HEREBY GIVEN** that the 2009 Annual General Meeting of Pacific Basin Shipping Limited (the “Company”) will be held at Bowen Room, Level 7, Conrad Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Tuesday, 21 April 2009 at 11:00 a.m. for the following purposes:

## **ORDINARY RESOLUTIONS**

1. To receive and adopt the audited financial statements and the reports of the Directors and auditors for the year ended 31 December 2008;
2. To re-elect Directors and to authorise the Board of Directors of the Company to fix their remuneration;
3. To re-appoint Messrs. PricewaterhouseCoopers, Certified Public Accountants, as the auditors of the Company and to authorise the Board of Directors of the Company to fix their remuneration;

As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:

4. **“GRANT OF A GENERAL MANDATE TO ISSUE SHARES**

### **THAT:**

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to allot, issue or otherwise deal with new shares of US\$0.10 each in the capital of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements, options and warrants which would or might require the exercise of such powers be generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements, options and warrants which would or might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to Shares issued as a result of a Rights Issue (as defined below), the exercise of the subscription

or conversion rights attaching to any warrants issued by the Company or the exercise of options granted under the long term incentive scheme of the Company or any scrip dividend providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares, shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, provided that any Shares to be allotted and issued pursuant to the approval in paragraph (a) above shall not be issued at a discount of more than 10% to the Benchmarked Price of the Shares, and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

“Benchmarked Price” shall be a price which is the higher of:

- (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of signing of the agreement to which the transaction relates; or
- (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the earliest of:
  - (A) the date of signing of the agreement to which the transaction relates; or
  - (B) the date on which the relevant transaction is announced; or
  - (C) the date on which the price of the Shares to be issued pursuant to the transaction is fixed.

“Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company’s Bye-laws to be held; and
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the Directors of the Company to holders of Shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors of

the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

**5. “GRANT OF A GENERAL MANDATE TO REPURCHASE SHARES**

**THAT**

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all the powers of the Company to purchase or repurchase shares of US\$0.10 each in the capital of the Company (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange be generally and unconditionally approved;
- (b) the aggregate nominal amount of the Shares which may be purchased or repurchased by the Company pursuant to the approval in paragraph (a) of this resolution during that Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company’s Bye-laws to be held; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.”

**6. “RENEWAL OF THE 2% ANNUAL CAP WITHIN THE ISSUE MANDATE UNDER THE LONG TERM INCENTIVE SCHEME**

**THAT**

- (a) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors of the Company pursuant to paragraph (b) of the ordinary resolution passed by Shareholders at a special general meeting of the Company held on 8 June 2005 to satisfy Share Awards, shall during the Relevant Period not exceed

2% of the aggregate nominal amount of the share capital of the Company in issue as at the beginning of each such financial year (being 34,946,202 Shares as at 1 January 2009); and

- (b) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company’s Bye-laws to be held; and
  - (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.”

As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

**7. “AMENDMENTS TO THE BYE-LAWS**

**THAT** the Bye-laws of the Company be amended by deleting the existing Bye-law 127.(1) in its entirety and replacing it with the following new Bye-law 127.(1):

127.(1) The officers of the Company shall consist of a president or chairman, the Directors and Secretary and such additional officers (who may or may not be Directors) as the Board may from time to time determine, all of whom shall be deemed to be officers for the purposes of the Act and these Bye-laws.”

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

Hong Kong,  
17 March 2009

*Notes:*

1. Every member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons as their proxy to attend and vote on behalf of themselves. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other document of authority, if any, under which the form is signed, or a certified copy thereof, must be deposited with the Company’s Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1806-1807, 18th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof (as the case may be).

3. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if Shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
4. The register of members of the Company will be closed from 17 April 2009 to 21 April 2009 (both days inclusive), during which period no transfer of Shares in the Company will be effected. In order to qualify for attending the Annual General Meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 16 April 2009.
5. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue Shares, the general mandate to repurchase Shares of the Company, the renewal of the 2% annual cap within the issue mandate under the Long Term Incentive Scheme and the amendments to the Bye-laws will be sent to Shareholders of the Company together with the Company's 2008 Annual Report.