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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
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2008 annual general meeting of Pacific Basin Shipping Limited to be held at Library, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Tuesday, 8 April 2008 at 11:00 a.m. is set out on pages 21 to 25 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 2008

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DEFINITIONS

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

“AGM”	the 2008 annual general meeting of the Company to be held at Library, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Hong Kong on Tuesday, 8 April 2008 at 11:00 a.m., notice of which is set out on pages 21 to 25 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
“GBP”	British pounds, the lawful currency of the United Kingdom
“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

DEFINITIONS

“Latest Practicable Date”	11 March 2008, 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
“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 21 to 25 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
“SH Group”	Sun Hing Holdings Limited and its subsidiaries, which are involved in shipping, insurance, warehousing, transportation and real estate investments in Hong Kong and Canada and are companies controlled by discretionary trusts established by Dr. Lee Kwok Yin, Simon, a non-executive Director
“Shareholder(s)”	holders of Share(s) in issue
“Share(s)”	share(s) of US\$0.10 each in the share capital of the Company

DEFINITIONS

“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

LETTER FROM THE CHAIRMAN

B Pacific Basin Shipping Limited

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

Executive Directors:

Christopher Richard Buttery
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:

David Muir Turnbull
Robert Charles Nicholson
Patrick Blackwell Paul
Alasdair George Morrison

17 March 2008

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
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 seven ordinary resolutions to approve, among other things, the re-election of Directors, the grant of general mandates to issue and to repurchase Shares and the proposed renewal of the 2% annual cap within the LTIS Issue Mandate.

2. FINAL DIVIDEND AND BOOK CLOSURE (RESOLUTION 2 AS PER NOTICE)

The Board has recommended a final dividend for the year ended 31 December 2007 of HK 75 cents per Share and if such dividend is approved by the Shareholders at the AGM, it is expected to be paid on or about 16 April 2008 to those Shareholders whose names appear on the register of Shareholders on 8 April 2008.

LETTER FROM THE CHAIRMAN

The register of Shareholders will be closed from 3 April 2008 to 8 April 2008 (both days inclusive) during which period no transfer of Shares will be effected. In order to qualify for the proposed final dividend, 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 2 April 2008. The ex-dividend date for the final dividend will be on 1 April 2008.

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

In relation to resolution 3 in the Notice regarding re-election of Directors, Mr. Wang Chunlin, an executive Director, Dr. Lee Kwok Yin, Simon, a non-executive Director, and Mr. David M. Turnbull, the Chairman and 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. Richard M. Hext, the Chief Executive Officer and an executive Director, and Mr. Alasdair G. Morrison, an independent non-executive Director, will retire and will be subject to re-election. Save for Mr. Morrison's relationship with SH Group as disclosed in Appendix 1 to this circular, 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 3, 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 Directors to be re-elected at the AGM are set out in Appendix I below.

4. GENERAL MANDATE TO ISSUE SHARES (RESOLUTION 5 AS PER NOTICE)

At the special general meeting of the Company held on 29 November 2007, 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 29 November 2007.

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 8 April 2008, 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

LETTER FROM THE CHAIRMAN

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 5 in the Notice set out on pages 21 to 25 of this circular.

5. GENERAL MANDATE TO REPURCHASE SHARES (RESOLUTION 6 AS PER NOTICE)

At the annual general meeting of the Company held on 4 April 2007, 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 4 April 2007. 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 8 April 2008.

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 6 in the Notice set out on pages 21 to 25 of this circular.

LETTER FROM THE CHAIRMAN

6. RENEWAL OF THE 2% ANNUAL CAP WITHIN THE LTIS ISSUE MANDATE (RESOLUTION 7 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 31,157,052 Shares as at 1 January 2007) 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, 8,247,500 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 31,681,602 Shares as at 1 January 2008) 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 31,681,602 new Shares under the new 2% Cap, the estimated fair value of such new Shares would be approximately HK\$372.6 million, based on a closing price of HK\$11.76 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,

LETTER FROM THE CHAIRMAN

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 7 in the Notice set out on pages 21 to 25 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 8 April 2008 and at the AGM.

7. 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. 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.

8. RIGHT TO DEMAND A POLL

Pursuant to Bye-law 66, at any general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting; or
- (b) at least three members present in person or by a duly authorised corporate representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any member(s) present in person or by a duly authorised corporate representative or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (d) member(s) present in person or by a duly authorised corporate representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Pursuant to Bye-law 66, the chairman will demand a poll on each of the questions submitted for determination at the forthcoming AGM. The results of the poll will be published on the Stock Exchange's and the Company's websites on the business day following the AGM.

LETTER FROM THE CHAIRMAN

9. NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 21 to 25 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 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.

10. 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 and the renewal of the 2% annual cap within the LTIS Issue Mandate 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**Richard Maurice Hext – age 50, Chief Executive Officer**

Mr. Hext has lived in Asia for 30 years and has been in shipping for over 29 years. He graduated from Worcester College, Oxford University in 1978 with a Bachelor of Arts (subsequently Master of Arts) degree in Modern History and Economics. He has since attended executive programmes at INSEAD, Oxford University and Stanford University. He served with John Swire & Sons Limited from 1978 to 2000 during which time he held senior management positions with a number of Swire subsidiaries and joint ventures including P&O Swire Containers in Australia, Steamships Trading in Papua New Guinea, Swire Pacific Offshore in the United Arab Emirates and in Qatar and The China Navigation Company Limited in Hong Kong where he was managing director from 1996. From early 2000 he was a director of John Swire & Sons (HK) Limited which controls a number of Hong Kong companies including Hong Kong-listed Swire Pacific Limited. He also served on the boards of Modern Terminals Limited, Hong Kong Salvage and Towage and Hong Kong United Dockyards. From late 2000 to early 2003, he was chief executive officer of LevelSeas Limited. From 2003 until early 2005 he served as chief executive officer of the Marine Services Division of V Ships.

Mr. Hext was originally appointed 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 on 5 April 2005. He was appointed as Chief Executive Officer of the Company in April 2006. The Company intends to extend his term of appointment until 5 April 2011 or the conclusion of the 2011 annual general meeting, whichever is earlier. Mr. Hext currently receives from the Company an emolument at the rate of HK\$6,618,250 per annum consisting of a Pound Sterling component of GBP287,500 per annum and a Hong Kong Dollar component of HK\$2,208,000 per annum which is inclusive of salary. He is also eligible to receive, at the discretion of the Board, a discretionary bonus. In addition, 3,333,333 Shares in the form of restricted share awards were granted to Mr. Hext pursuant to the Long Term Incentive Scheme on 8 June 2005. Of these restricted share awards, 666,667 Shares have vested on each of 5 April 2006 and 2007 respectively, 666,667 Shares will vest on 5 April 2008 and 666,666 Shares will vest on each of 5 April 2009 and 2010 respectively. A further 1,020,408 Shares in the form of restricted share awards were granted to Mr. Hext on 28 March 2006 in place of the 5 million share options granted to him when he joined the Company in April 2005. Of these restricted share awards, 204,080 Shares have vested on each of 5 April 2006 and 2007 respectively, 204,080 Shares will vest on each of 5 April 2008 and 2009 and 204,088 Shares will vest on 5 April 2010. His emolument will be payable in arrears in monthly instalments in two components at the rate of GBP23,958 per month and HK\$184,000 per month. Such emolument is agreed between the Company and Mr. Hext and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Hext did not hold any other directorship in listed public companies in the last three years. Mr. Hext 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. Hext 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.

Wang Chunlin – age 44

Mr. Wang graduated from the University of International Business & Economics in Beijing in 1986 and has attained a MBA degree from Murdoch University in Australia and an MSc degree in International Shipping & Transport Logistics from the Hong Kong Polytechnic University. Mr. Wang has been in shipping since joining the Sinotrans Group in Beijing in 1986. From 1993 to 1995, he served as managing director of Sinotrans' joint venture International Container Leasing Company Ltd.. In 2002, he was promoted to assistant president of Sinotrans Group and managing director of Sinotrans Shipping Limited. In 2005, he joined IMC Group where he was a director of IMC Pan Asia Alliance Pte. Ltd. and managing director of IMC Shipyard and Engineering Ltd. Mr. Wang joined Pacific Basin on 1 March 2006 with responsibility for group business development and is currently responsible for Asia Pacific Maritime and Infrastructure Group (APMIG), a wholly owned subsidiary specialising in maritime infrastructure projects in China. Effective from 18 January 2008, Mr. Wang was appointed as an independent non-executive director of Honghua Group Limited, a company listed on the Stock Exchange since March 2008.

Mr. Wang was appointed 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 September 2006. The Company intends to extend his term of appointment until 1 September 2011 or the conclusion of the 2011 annual general meeting, whichever is earlier. Mr. Wang currently receives from the Company an emolument at the rate of HK\$3,047,520 per annum, which is inclusive of salary. He is also eligible to receive, at the discretion of the Board, a discretionary bonus. In addition, 550,000 Shares in the form of restricted shares were granted to Mr. Wang on 24 March 2006 pursuant to the Long Term Incentive Scheme. These restricted share awards, of which 110,000 Shares have vested on 1 March 2007, and an equal amount of 110,000 Shares will vest on each of 1 March 2008, 2009, 2010 and 2011 respectively. A further 730,000 Shares in the form of restricted share awards were granted to Mr. Wang under a Restricted Share Award Agreement dated 11 May 2007, of which 240,000 Shares will vest on each of 14 July 2008 and 2009 respectively, and 250,000 Shares will vest on 14 July 2010. His emolument will be payable in arrears in monthly instalments at the rate of HK\$253,960 per month. Such emolument is agreed between the Company and Mr. Wang and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Wang did not hold any other directorship in listed public companies in the last three years. Mr. Wang 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. Wang 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

Dr. Lee Kwok Yin, Simon, M.B.E., J.P. – age 80

Dr. Lee is chairman of the Sun Hing Group of Companies (“SH Group”), which was established in 1945 and is involved in shipping, insurance, warehousing, transportation and real estate investments in Hong Kong and Canada. He has served extensively on marine-related government committees, including a term as chairman of the Shipping Committee of the Hong Kong General Chamber of Commerce. He has been a Director of the Company since 1998 and a director of Wing Hang Bank, Ltd. listed on the Stock Exchange since 1991. Dr. Lee was awarded an Honorary Doctorate Degree in Social Sciences by the University of Hong Kong in March 2006.

Dr. Lee was appointed as non-executive Director of the Company on 15 March 2004 and his appointment was extended for a year by the board in June 2005 and was further extended at the 2006 annual general meeting for three years until June 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). The Company intends to extend his term of appointment until June 2011 or the conclusion of the 2011 annual general meeting, whichever is earlier. Dr. Lee currently receives HK\$250,000 per annum for being a non-executive Director and he is entitled to a fee of HK\$100,000 per annum for being a member of the Company's remuneration and nomination committees. His total remuneration of HK\$350,000 per annum will be payable in arrears in quarterly instalments on 31 March, 30 June, 30 September and 31 December. Dr. Lee's emolument was agreed between the Company and Dr. Lee and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Dr. Lee did not hold any other directorship in listed public companies in the last three years. Save for Mr. Morrison's relationship with SH Group as disclosed below, Dr. Lee 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 Dr. Lee 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 DIRECTORS**David Muir Turnbull – age 53, Chairman**

Mr. Turnbull graduated from Cambridge University with an honours degree in Economics. He has held the following positions in Hong Kong publicly listed companies: chairman of Swire Pacific Ltd., Cathay Pacific Airways Ltd., and Hong Kong Aircraft Engineering Company Ltd. from January 2005 until January 2006, a non-executive director of the Hongkong and Shanghai Banking Corporation from January 2005 until December 2005, and a non-executive director of Hysan Development Co. Ltd. and Air China Ltd. from May 2005 until December 2005. In July 2006 he was appointed as an independent non-executive director of Green Dragon Gas Limited, a company listed on the AIM market of the London Stock Exchange. He was a director of Allco Finance Group Limited, which is listed on the Australian Stock Exchange, from March 2006 until March 2008.

Mr. Turnbull was appointed as an independent non-executive Director of the Company on 17 May 2006 for a term of three years until 17 May 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 was also appointed Chairman of the Company on 1 January 2008. On 3 March 2008, the Company announced that Mr. Turnbull shall continue in his role as Chairman but shall be appointed as executive Director of the Company with effect from 1 July 2008. The Company intends to extend his term of appointment until 17 May 2011 or the conclusion of the 2011 annual general meeting, whichever is earlier. Mr. Turnbull currently receives HK\$250,000 per annum for being an independent non-executive Director and he is entitled to a fee of HK\$200,000 per annum for acting as Chairman 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\$750,000 per annum will be payable in arrears in quarterly instalments on 31 March and 30 June 2008. Starting from 1 July 2008 when he becomes executive Director in addition to his role as Chairman of the Company, Mr. Turnbull shall receive from the Company an emolument at the rate of US\$250,000 per annum, which is inclusive of salary and retirement scheme contribution, and will be payable in arrears in equal monthly instalments. He is also eligible to receive a bonus at the discretion of the Board. Mr. Turnbull's emolument was agreed between the Company and Mr. Turnbull and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Turnbull did not hold any other directorship in listed public companies in the last three years. Mr. Turnbull 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 and Future Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Turnbull 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.

Alasdair George Morrison – age 59

Mr. Morrison 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. 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 Limited, Hongkong Land Holdings Limited, Dairy Farm International Holdings Limited, Mandarin Oriental International Limited and Jardine Strategic Holdings Limited.

Mr. Morrison joined the Company on 1 January 2008 as an independent non-executive Director for a period of three years until 31 December 2010 or the conclusion of the 2010 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). Mr. Morrison currently receives HK\$250,000 per annum for being an independent non-executive Director and he is entitled to a fee of HK\$300,000 per annum for being a member of the 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 SH Group. 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 appointment to the Board commencing 1 January 2008, the Company considers 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 reason: (a) other than Rule 3.13(3) of the Listing Rules, Mr. Morrison is able to confirm his independence to the Stock 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 the 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 appointment provided services to the Company, its holding company or any of their respectively 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 aforesaid, Mr. Morrison did not hold any other directorship in listed public companies in the last three years. 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 Pacific Basin and he does not have any interest (within the meaning of Part XV of the Securities and Future Ordinance) in the Shares of the Company.

Save for the information disclosed above, the Board and Mr. Morrison 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.

DIRECTORS' AND CHIEF EXECUTIVE'S 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
Richard M. Hext	Long Positions	2,612,994 ¹	–	–	–	2,612,994	0.16%
Wang Chunlin	Long Positions	1,170,000 ²	–	–	–	1,170,000	0.07%
Dr. Lee Kwok Yin, Simon	Long Positions	–	–	–	100,860,847 ³	100,860,847	6.37%

Notes:

- (1) On 8 June 2005, 3,333,333 Shares in the form of restricted share awards were granted to Mr. Hext pursuant to the Long Term Incentive Scheme. In relation to the 3,333,333 restricted share awards, (i) 666,667 Shares have vested on 5 April 2006, (ii) 666,667 Shares have vested on 5 April 2007, (iii) 666,667 Shares will vest on 5 April 2008, (iv) 666,666 Shares will vest on 5 April 2009 and (v) 666,666 Shares will vest on 5 April 2010.

By a Restricted Share Award Agreement dated 20 March 2006, the 5 million share options granted to Mr. Hext when he joined the Company as an executive Director on 5 April 2005 were cancelled and in their place he was granted 1,020,408 Shares on 28 March 2006 in the form of restricted share awards, of which (i) 204,080 Shares have vested on 5 April 2006, (ii) 204,080 Shares have vested on 5 April 2007, (iii) 204,080 Shares will vest on 5 April 2008, (iv) 204,080 Shares will vest on 5 April 2009 and (v) 204,088 Shares will vest on 5 April 2010.

As at the Latest Practicable Date, the balance of Shares held by Mr. Hext was 2,612,994 Shares.

- (2) By a Restricted Share Award Agreement dated 9 March 2006, 550,000 Shares in the form of restricted share awards were granted to Mr. Wang on 24 March 2006 pursuant to the Long Term Incentive Scheme. 110,000 Shares have vested on each of 1 March 2007 and 2008, and an equal amount of 110,000 Shares will vest on each of 1 March 2009, 2010 and 2011.

A further 730,000 Shares in the form of restricted share awards were granted to Mr. Wang under a Restricted Share Award Agreement dated 11 May 2007, of which (i) 240,000 Shares will vest on 14 July 2008, (ii) 240,000 Shares will vest on 14 July 2009, and (iii) 250,000 Shares will vest on 14 July 2010.

As at the Latest Practicable Date, the balance of Shares held by Mr. Wang was 1,170,000 Shares.

- (3) Out of the 100,860,847 Shares, 4,430,311 Shares, 21,973,536 Shares, 58,431,500 Shares and 16,025,500 Shares are beneficially owned by Asia Distribution Limited, Wellex Investment Limited, Fortress Eagle Investment Limited and Invest Paradise International Limited, respectively. These companies are controlled by discretionary trusts established by Dr. Lee, the discretionary objects of which include his family members.

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 1,584,180,109 Shares. Subject to the passing of resolution 6 approving the Repurchase Mandate as set out in the Notice appearing on pages 21 to 25 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 158,418,010 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 6 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 2007, 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:

	Highest <i>(HK\$)</i>	Lowest <i>(HK\$)</i>
2007		
March	6.95	5.48
April	8.02	6.93
May	9.14	7.73
June	8.93	7.67
July	12.50	9.24
August	13.94	9.99
September	16.32	12.48
October	18.40	15.16
November	18.40	13.50
December	15.18	11.88
2008		
January	12.48	9.20
February	13.30	11.40
March (up to the Latest Practicable Date)	13.08	11.76

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, JP Morgan Chase & Co. is interested in 142,037,163 Shares (representing approximately 8.97% of the Company's issued share capital of 1,584,180,109). Based on the said interests of JP Morgan Chase & Co. 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 JP Morgan Chase & Co. in the issued share capital of the Company will be increased from approximately 8.97% to approximately 9.98% which is below the 30% threshold prescribed under the Takeovers Code and JP Morgan Chase & Co. 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 JP Morgan Chase & Co. 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 2008 Annual General Meeting of Pacific Basin Shipping Limited (the 'Company') will be held at Library, Mezzanine Floor, Grand Hyatt Hong Kong, 1 Harbour Road, Wanchai, Hong Kong on Tuesday, 8 April 2008 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 2007;
2. To declare a final dividend for the year ended 31 December 2007;
3. To re-elect Directors and to authorise the Board of Directors of the Company to fix their remuneration;
4. 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:

5. "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;
- (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;
- (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; and

“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).”

6. “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;
- (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.”

7. “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 31,681,602 Shares as at 1 January 2008); 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.”

By Order of the Board
Andrew T. Broomhead
Company Secretary

Hong Kong,
17 March 2008

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, 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 Board of Directors has recommended a final dividend for the year ended 31 December 2007 of HK 75 cents per Share and, if such dividend is declared by the Shareholders passing Resolution 2, it is expected to be paid on or about 16 April 2008 to those Shareholders whose names appear on the Company's register of members on 8 April 2008.
5. The register of members of the Company will be closed from 3 April 2008 to 8 April 2008 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, 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, Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 2 April 2008. The ex-dividend date for the final dividend will be on 1 April 2008.
6. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue shares, the mandate to repurchase shares of the Company and the renewal of the 2% annual cap within the issue mandate under the Long Term Incentive Scheme will be sent to Shareholders of the Company together with the Company's 2007 Annual Report.

As at the date hereof, 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, David Muir Turnbull and Alasdair George Morrison.