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

If you have sold or otherwise transferred all your shares in Pacific Basin Shipping Limited, you should at once hand this circular to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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 **Pacific Basin Shipping Limited**
(incorporated in Bermuda with limited liability)
(Stock Code: 2343)

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF A VESSEL TO BE CONSTRUCTED**

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DEFINITIONS

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

“Board”	means the board of directors of the Company;
“Builder”	Shanghai Jiangnan Changxing Heavy Industry Company Limited;
“Company” or “Pacific Basin”	means Pacific Basin Shipping Limited, a limited company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Contract”	means the legally binding contract entered into between Head Streams and the Sellers for the acquisition of the Newbuilding Vessel by Head Streams whereas the rights and obligations of Head Streams under the Contract were sold and transferred to the Purchaser pursuant to the Novation Agreement;
“CSTC”	China Shipbuilding Trading Company Limited;
“Directors”	means the directors of the Company;
“dwt”	means deadweight tonnes, the unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tonnes) the ship can carry, including cargo, bunkers, water, stores, spares, crew etc. at a specified draft;
“Head Streams”	Head Streams Investment Company Limited;
“Group”	means the Company and its subsidiaries, which are principally engaged in the provision of marine transportation and logistical support services;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK Dollars” or “HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“IHC Pool”	the International Handybulk Carriers Pool, established in October 2001, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members. The IHC Pool is operated by International Handybulk Carriers Limited, a wholly-owned subsidiary of the Company;

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“IHX Pool”	the International Handymax Carriers Pool, established in July 2006, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members. The IHX Pool is operated by International Handymax Carriers Limited, a wholly-owned subsidiary of the Company;
“Latest Practicable Date”	means 3 October 2007, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Long Term Incentive Scheme”	means 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;
“Newbuilding Vessel”	means a newbuilding dry bulk carrier of approximately 115,000dwt to be constructed and equipped at the shipyard of the Builder in China. It is currently expected that the Newbuilding Vessel will be delivered in the third quarter of 2011;
“Novation Agreement”	means the legally binding novation agreement dated 17 September 2007 entered into between the Purchaser, the Sellers and Head Streams pursuant to which the rights and obligations of Head Streams under the Contract were sold and transferred to the Purchaser;
“Payment Guarantee”	means the bank guarantee to be provided by the Purchaser to the Sellers to guarantee the Purchaser’s obligations for the payment of 60% of the consideration, which can be called upon should the Purchaser fails to effect payment of the relevant consideration when it falls due, in a form specified in the Contract;
“Purchaser”	Mega Fame Limited;
“Refund Guarantee”	means the bank guarantee to be provided by the Sellers to the Purchaser to guarantee the repayment of any consideration paid by the Purchaser, which can be called upon should the Contract is cancelled and/or rescinded by the Purchaser in accordance with its terms and conditions, in a form specified in the Contract;

DEFINITIONS

“Sellers”	CSTC and the Builder;
“Shareholders”	means the shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited; and
“US Dollars” or “US\$”	means United States Dollars, the lawful currency of the United States.

LETTER FROM THE BOARD OF DIRECTORS

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:

Robert Charles Nicholson
Patrick Blackwell Paul
The Earl of Cromer
David Muir Turnbull

5 October 2007

To the Shareholders

Dear Sir or Madam

**DISCLOSEABLE TRANSACTION:
ACQUISITION OF A VESSEL TO BE CONSTRUCTED**

INTRODUCTION

On 17 September 2007, the Directors announced that an indirect wholly-owned subsidiary of the Company (as transferee) entered into the Novation Agreement with China Shipbuilding Trading Company Limited and Shanghai Jiangnan Changxing Heavy Industry Company Limited (collectively the “Sellers”) and Head Streams Investment Company Limited (as original buyer and transferor) pursuant to which the rights and obligations of Head Streams Investment Company Limited under the Contract in relation to the acquisition of the Newbuilding Vessel were sold and transferred to the transferee, for a consideration of US\$54,680,000 (approximately HK\$426,504,000). The Newbuilding Vessel, which is a post panamax bulk carrier of approximately 115,000dwt, shall be constructed and equipped at the shipyard of Shanghai Jiangnan Changxing Heavy Industry Company Limited in China and it is currently expected to be delivered in the third quarter of 2011.

Principal terms of the Contract are set out below in this circular.

LETTER FROM THE BOARD OF DIRECTORS

The Directors consider the transaction will enable the Company to carry coal into China, which the Company sees as an expanding segment of the dry bulk market. In addition, the transaction is considered to be attractive taking into account the contract price achieved for the Newbuilding Vessel, which compares favourably with the availability of similar newbuildings from shipyards elsewhere.

The transaction contemplated under the Novation Agreement and the Contract taken together constitutes a discloseable transaction of the Company under the Listing Rules. This document constitutes the circular which the Company is required to send to you pursuant to the Listing Rules in relation to the transaction.

BACKGROUND

Head Streams as buyer has entered into the Contract with CSTC and the Builder as sellers in a joint capacity, to acquire from them the Newbuilding Vessel for a consideration of US\$54,680,000 (approximately HK\$426,504,000).

On 17 September 2007, an indirect wholly-owned subsidiary of the Company (as transferee) entered into the Novation Agreement with the Sellers and Head Streams (as original buyer and transferor) pursuant to which the rights and obligations of Head Streams under the Contract were sold and transferred to the Purchaser. Upon signing of the Novation Agreement, Head Streams has been released from its rights and obligations under the Contract.

The Newbuilding Vessel, which is a post panamax bulk carrier of 115,000dwt, shall be constructed and equipped at the shipyard of the Builder in China and it is currently expected to be delivered in the third quarter of 2011.

Principal terms of the Contract are set out below.

THE CONTRACT

Date : 17 September 2007 (being the date of the Novation Agreement)

Parties : Purchaser: Mega Fame Limited (taken together with the Novation Agreement), which is an indirect wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD OF DIRECTORS

Sellers: CSTC and the Builder, acting in a joint capacity, and Head Streams as the transferor in the Novation Agreement, each of which, together with their respective ultimate beneficial owners, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. As far as the Directors are aware, having made all reasonable enquiry, the principal business activity of CSTC is the import and export of shipping vessels and related products and the principal business activity of the Builder is the construction of shipping vessels. The principal business activity of Head Streams includes the owning of shipping vessels.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save for the transaction disclosed in this circular, the Company has not entered into any transaction with the Sellers, Head Streams or their respective ultimate beneficial owners or with parties connected or otherwise associated with one another and there are no other relationships amongst the Sellers, Head Streams or their respective ultimate beneficial owners with whom the Company has entered into any transactions to acquire, dispose of, or charter in vessels during the 12 months period prior to the date of the Novation Agreement.

- Asset to be acquired : A newbuilding bulk carrier of approximately 115,000dwt, which will be constructed and equipped at the shipyard of the Builder in China, with an expected delivery in the third quarter of 2011.
- Consideration : US\$54,680,000 (approximately HK\$426,504,000). The consideration is considered by the Directors to be attractive, and was determined by reference to market intelligence the Company had gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of newbuildings of comparable size and year of delivery in the market, and after arm's length negotiation between the parties. However, as is commonly the case in the dry bulk carrier market, there have not been any recently published sales by third party vendors of newbuildings of the exact size and year of scheduled delivery of the Newbuilding Vessel from which to make a direct comparison. In addition, no third party valuation has been performed on the Newbuilding Vessel.

LETTER FROM THE BOARD OF DIRECTORS

The Directors believe that such consideration, which was determined after arm's length negotiation, on normal commercial terms, is fair and reasonable so far as the Company and the Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

It is intended that payment of the consideration of the Newbuilding Vessel will be satisfied entirely in cash, approximately 40% of which is expected to be funded by redrawing loans from prepaid existing bank loan facilities of the Company and approximately 60% from new bank borrowings, which the Company intends to arrange nearer the time for payment of the Newbuilding Vessel. The Company expects such bank borrowings could be long-term in nature and on similar terms as the Company's existing facilities.

Payment terms : Pursuant to the Contract, the consideration shall be payable as follows:

About 20% of the consideration, being US\$10,860,000 (approximately HK\$84,708,000), will be payable within October 2007. The balance payments will be made according to the stages of construction of the Newbuilding Vessel and it is currently expected that the amount payable by the Company will be approximately US\$21,720,000 (approximately HK\$169,416,000) in year 2010 and US\$22,100,000 (approximately HK\$172,380,000) in year 2011.

Payment Guarantee : The Purchaser shall provide a bank guarantee to the Sellers to guarantee the Purchaser's obligations for the payment of 60% of the consideration (the "Payment Guarantee"). The Payment Guarantee can be called upon should the Purchaser fails to effect payment of the relevant consideration when it falls due.

Further guarantee : In addition to the Payment Guarantee, in connection with the purchase of the Newbuilding Vessel, PB Vessels Holding Limited, a direct wholly-owned subsidiary of the Company, has entered into a guarantee with the Sellers to guarantee the performance of the Purchaser of all its obligations, duties and liabilities under the Contract.

Refund Guarantee : The Sellers shall provide a bank guarantee to the Purchaser to guarantee the repayment of any consideration paid by the Purchaser (the "Refund Guarantee"). The Refund Guarantee can be called upon should the Contract is cancelled and/or rescinded by the Purchaser in accordance with its terms and conditions.

LETTER FROM THE BOARD OF DIRECTORS

Circumstances that the Purchaser will be entitled to cancel and/or rescind the Contract include, inter alia, (i) delay in delivery; (ii) deficiency in speed of the Newbuilding Vessel; (iii) excessive fuel consumption; and (iv) deficiency in actual deadweight, in excess of the allowed limit.

Completion and delivery : The Directors currently expect that, subject to any extensions that may be agreed between the Sellers and the Purchaser under the Contract, the completion and delivery of the Newbuilding Vessel will take place in or around the third quarter of 2011.

Financial Effects of the Acquisition of the Newbuilding Vessel

Following the delivery of the Newbuilding Vessel, the Group's fixed assets (owned vessels) will increase by the amount of the consideration of US\$54,680,000 (approximately HK\$426,504,000). It is intended that approximately 40% of the consideration of the Newbuilding Vessel will be satisfied by redrawing loans from prepaid existing bank loan facilities of the Company and approximately 60% from new bank borrowings. Hence, if the Company successfully obtains such new bank borrowings, the Group's long-term liabilities are expected to increase by US\$49,438,000 (approximately HK\$385,616,400) and current liabilities are expected to increase by US\$5,242,000 (approximately HK\$40,887,600).

The transaction will enable the Company to secure a post panamax bulk carrier for its fleet. The expected benefit following the delivery of the Newbuilding Vessel will be an anticipated increase in revenue days for such type of post panamax vessel of approximately 150 days in 2011 and approximately 360 days per year thereafter. Such increase in revenue days is expected to enhance earnings of the Group accordingly.

REASONS FOR THE TRANSACTION

The Company is one of the world's leading dry bulk shipping companies operating principally in the Asia Pacific region. It has been seeking opportunities to acquire additional handysize and handymax vessels to expand its fleet to meet growing customer demand and to deliver sustainable growth and long-term shareholder value. With a large fleet of modern vessels, Pacific Basin seeks to offer its customers a reliable service with a high degree of scheduling flexibility whilst maintaining the Company's operational efficiency.

The Directors consider the acquisition of this Newbuilding Vessel will enable the Company to carry coal into China, which the Company sees as an expanding segment of the dry bulk market. In addition, the Directors consider the transaction to be attractive taking into account the contract price achieved, which compares favourably with the availability of similar newbuildings from shipyards elsewhere. They believe that the terms of the Novation Agreement and the Contract, which were determined after arm's length negotiation, on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders are concerned, and the acquisition of the Newbuilding Vessel is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD OF DIRECTORS

THE FLEET

Post Panamax Vessels on Order

Following the signing of the Novation Agreement and the Contract, the Company shall own the Newbuilding Vessel which is a post panamax newbuilding bulk carrier of approximately 115,000dwt. The Newbuilding Vessel is expected to be delivered in the third quarter of 2011. In addition, the Company has a 50% interest in another post panamax newbuilding bulk carrier of approximately 115,000dwt with an expected delivery in the first quarter of 2011 through a joint venture.

Handysize Fleet

Following the completion and delivery from the owned fleet to the chartered fleet in respect of (i) the "Mount Cook" and "Amazonia" as announced on 3 October 2007, (ii) the "Lake Joy" as announced on 14 August 2007, and (iii) the delivery of three vessels in the fourth quarter of 2007 which we have agreed to charter-in on a long-term basis, the Company's core handysize fleet will comprise 62 vessels (1,824,351dwt), including 15 owned vessels (455,522dwt) and 47 chartered-in vessels (1,368,829dwt). All handysize vessels, with the exception of one vessel, are employed in a mixture of voyage charters and time charters through the IHC Pool. Outside the core handysize fleet, the IHC Pool also operates a number of short-term chartered-in vessels, amounting to five vessels as at the Latest Practicable Date.

In addition, the Company has 13 newbuilding vessels on order (approximately 407,050dwt in aggregate), one of which is scheduled to be delivered in 2007, six in 2008 and six in 2009. 11 of these vessels will enter into the Company's owned fleet and the other two vessels will enter into the Company's chartered fleet upon their respective deliveries.

Handymax Fleet

Following the delivery of two vessels within 2007 and a vessel in the second quarter of 2008 which we have agreed to charter-in on a long-term basis, the Company's core handymax fleet will comprise 14 vessels (699,857dwt), including two owned vessels (97,972dwt) and 12 long-term chartered-in vessels (601,885dwt). All handymax vessels, with the exception of two vessels which are employed on long-term time charters, are employed in a mixture of time charters and voyage charters through the IHX Pool. Outside the core handymax fleet, the IHX Pool also operates a number of short-term chartered-in vessels, amounting to 19 vessels as at the Latest Practicable Date.

In addition, the Company has a newbuilding vessel on order (approximately 54,000dwt) which will enter into the Company's owned fleet in 2008 upon delivery.

The transaction contemplated under the Novation Agreement and the Contract taken together constitutes a discloseable transaction of the Company under the Listing Rules. This document constitutes the circular which the Company is required to send to you pursuant to the Listing Rules in relation to the transaction.

LETTER FROM THE BOARD OF DIRECTORS

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendix to this circular.

Yours faithfully,
By Order of the Board
Andrew T. Broomhead
Company Secretary

Note: An exchange rate of US\$1.00 to HK\$7.80 has been used for the conversion of US Dollars into HK Dollars for the purpose of this circular.

1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in this circular have been arrived at after due and careful consideration and there are no other facts the omission of which would make any statement herein misleading.

2. SHARE CAPITAL

Authorised and issued share capital

The authorised and issued share capital of the Company as at the Latest Practicable Date:

<i>Authorised:</i>	<i>US\$</i>
3,600,000,000 shares (Shares of US\$0.10 each)	360,000,000
<i>Issued:</i>	
1,583,480,109 shares (Shares of US\$0.10 each)	158,348,010

All the existing issued Shares rank *pari passu* in all respects including all rights as to dividends, voting and interests in capital.

No part of the share capital or debt securities of the Company are listed on or dealt in any stock exchange other than the Stock Exchange and no application is being made or is currently proposed to be sought for the Shares or debt securities of the Company to be listed on or dealt in any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Interests of Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions of each Director and the Chief Executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

Long positions in the Shares, underlying Shares and debentures of the Company

Name of Director	Corporate interests	Personal interests	Family interests	Trust & similar interests	Number of underlying Shares under equity derivatives	Total Share interests	Approximate percentage of issued share capital of the Company
Christopher R. Buttery	–	–	–	6,000,000 ¹	–	6,000,000	0.38%
Richard M. Hext	–	2,612,994 ²	–	–	–	2,612,994	0.17%
Dr. Lee Kwok Yin, Simon	–	–	–	92,704,847 ³	–	92,704,847	5.85%
Patrick B. Paul	–	20,000	–	–	–	20,000	<0.01%
Daniel R. Bradshaw	386,417 ⁴	–	–	–	–	386,417	0.02%
Wang Chunlin	–	1,170,000 ⁵	–	–	–	1,170,000	0.07%
Klaus Nyborg	–	2,900,000 ⁶	–	–	–	2,900,000	0.18%
Jan Rindbo	–	4,756,370 ⁷	–	–	–	4,756,370	0.30%

Notes:

- (1) 6,000,000 Shares are owned by Turnwell Limited. Mr. Buttery is deemed to be interested in the entire share capital of Turnwell Limited under the SFO as its shares are held by a discretionary trust set up by him and the discretionary objects of which include himself and his family members.
- (2) 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.

- (3) Out of the 92,704,847 Shares, 11,395,311 Shares, 24,838,536 Shares, 49,438,500 Shares and 7,032,500 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.
- (4) 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.
- (5) 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 1 March 2007, and an equal amount of 110,000 Shares will vest on each of 1 March 2008, 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.

- (6) Out of the 2,900,000 Shares held by Mr. Nyborg as personal interests, 2,500,000 Shares are in the form of restricted share awards granted to him on 19 September 2006 pursuant to the Long Term Incentive Scheme. 500,000 Shares have vested on 19 September 2006, and an equal amount of 500,000 Shares will vest on each of 4 September 2008, 2009, 2010 and 2011.
- (7) The personal interests of Mr. Rindbo constitute 3,726,370 Shares and 1,030,000 Shares in the form of restricted share awards granted to him pursuant to the Long Term Incentive Scheme under a Restricted Share Award Agreement dated 11 May 2007, of which (i) 340,000 Shares will vest 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.

Saved as disclosed, none of the Directors or the Chief Executive of the Company, as at the Latest Practicable Date, had an interest and short position in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which: (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or (b) were required to be entered in the register kept by the Company pursuant to Section 352 of the SFO, or (c) were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(ii) Interests of Shareholders discloseable pursuant to the SFO

As at the Latest Practicable Date, so far as is known to the Directors or the Chief Executive of the Company, each of the following parties, other than a Director or Chief Executive of the Company, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity/ Nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company
Dr. Lee Kwok Yin, Simon	Founder of a discretionary trust	92,704,847	5.85%
BNP Paribas Jersey Trust Corporation Limited ¹	Trustee	92,704,847	5.85%
JP Morgan Chase & Co.	Beneficial owner, investment manager and approved lending agent	142,570,728	9.00%

Note:

- (1) The shares held by BNP Paribas Jersey Trust Corporation Limited are held in the capacity of a trustee for discretionary trusts established by Dr. Lee Kwok Yin, Simon.

Saved as disclosed, the Directors and the Chief Executive of the Company are not aware that there is any party who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any service contract with the Company or any of its subsidiaries which is not expiring or determinable by the Group within one year without payment of compensation, other than statutory compensation.

5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

6. COMPETING INTERESTS

None of the Directors or their respective associates has an interest in a business which competes either directly or indirectly with the business of the Company.

7. MISCELLANEOUS

- (i) The company secretary and the qualified accountant of the Company is Andrew Thomas Broomhead. He is a Fellow of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Accountants in England and Wales.
- (ii) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company is at 7th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.
- (iii) The principal share registrar and transfer office is Butterfield Fund Services (Bermuda) Limited, Rosebank Centre, 11 Bermudiana Road, Pembroke, HM08, Bermuda.
- (iv) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.