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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 2007 annual general meeting of Pacific Basin Shipping Limited to be held at Victoria Room, 2nd Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 4 April 2007 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.

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DEFINITIONS

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

“AGM”	the 2007 annual general meeting of the Company to be held at Victoria Room, 2nd Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 4 April 2007 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
“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
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the general mandate enabling the Company to allot, issue and deal in Shares
“Latest Practicable Date”	9 March 2007, 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

DEFINITIONS

“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 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
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

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
Paul Charles Over
Wang Chunlin

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:

7/F, 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

13 March 2007

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 8 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 2006 of HK 22.5 cents per Share and if such dividend is approved by the Shareholders at the AGM, it is expected to be paid on or about 17 April 2007 to those Shareholders whose names appear on the register of Shareholders on 4 April 2007.

LETTER FROM THE CHAIRMAN

The register of Shareholders will be closed from 2 April 2007 to 4 April 2007 (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 30 March 2007. The ex-dividend date for the final dividend will be on 29 March 2007.

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

In relation to resolution 3 in the Notice regarding re-election of Directors, Patrick B. Paul and Robert C. Nicholson, both of them independent non-executive Directors, will retire at the AGM by rotation pursuant to the Company's Bye-laws and, being eligible, will offer themselves for re-election. None of them has any relationship with any other Directors, senior management or substantial or controlling shareholders of the Company. In addition, Messrs. Christopher R. Buttery (the Chairman), Klaus Nyborg (the Deputy Executive Officer), Wang Chunlin and Jan Rindbo, all of them executive Directors, and Daniel R. Bradshaw (the Deputy Chairman), a non-executive Director and David M. Turnbull, an independent non-executive Director, will retire and will be subject to re-election. None of them 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 last annual general meeting of the Company held on 7 April 2006, 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 20% of the aggregate nominal amount of the issued share capital of the Company as at 7 April 2006. A further general mandate was also given to the Directors to allot and issue Shares repurchased by the Company pursuant to the Repurchase Mandate. On 15 November 2006, the Company issued 257 million Shares at HK\$4.75 per Share pursuant to a placing agreement dated 6 November 2006, representing approximately 19.8% of the then existing issued share capital of the Company and 16.5% 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 20% 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 4 April 2007.

LETTER FROM THE CHAIRMAN

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 last annual general meeting of the Company held on 7 April 2006, 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 7 April 2006. As noted above, a further general mandate was also given to the Directors to allot and issue Shares repurchased by the Company pursuant to the Repurchase Mandate. 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 renewal of these mandates 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 4 April 2007.

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.

6. RENEWAL OF THE 2% ANNUAL CAP WITHIN THE LTIS ISSUE MANDATE (RESOLUTION 8 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

LETTER FROM THE CHAIRMAN

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 25,654,812 Shares as at 1 January 2006) 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, no 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 31,157,052 Shares as at 1 January 2007) 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 31,157,052 new Shares under the new 2% Cap, the estimated fair value of such new Shares would be approximately HK\$205.6 million, based on a closing price of HK\$6.60 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, 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 mandate is set out in resolution 8 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 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 4 April 2007 and at the AGM.

LETTER FROM THE CHAIRMAN

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 in the local newspapers and on the Company's and the Stock Exchange's websites on the business day following the AGM.

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 above meeting 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.

LETTER FROM THE CHAIRMAN

RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of Directors, the grant of the Issue Mandate, the grant 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 these resolutions to be proposed at the AGM.

Yours faithfully,
By order of the Board
Christopher R. Buttery
Chairman

EXECUTIVE DIRECTORS**Christopher Richard Buttery – age 56, Chairman**

Mr. Buttery has over 30 years of experience in the shipping industry. He graduated from University College, Oxford University in 1971 and holds a Masters Degree in Modern History. He first joined Jardine, Matheson & Company Limited and progressed through various shipping-related corporate assignments in Hong Kong, Taiwan, and Japan, becoming a Director of Jardine Shipping Limited in 1979 after completing the London Business School Executive Programme. He founded the original Pacific Basin business in 1987 and was Chairman and Chief Executive when that business was listed on Nasdaq in New York from 1994 to 1996. The business was acquired by a third party in September 1996 and, after one year as an advisor to the acquirer, he left the group and was instrumental in re-establishing the current Pacific Basin in 1998. Mr. Buttery became Deputy Chairman of the Group in 2001 and Chairman in March 2004. He has also served as a director of Jardine Fleming Japanese Smaller Companies Limited (listed on The London Stock Exchange).

Mr. Buttery has entered into a service agreement with the Company dated 1 April 2004 under which he has agreed to hold office 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 2004. He was re-elected at the 2006 annual general meeting of the Company and the Company is intending to extend his appointment for three years until 1 April 2010 or the conclusion of the 2010 annual general meeting whichever is earlier or subject to three months' notice from Mr. Buttery. Mr. Buttery will receive from the Company an emolument at the rate of US\$400,000 per annum, which is inclusive of salary, rental reimbursement and retirement scheme contribution. He is also eligible to receive a bonus of up to 100% of his emolument (the "Target Bonus"). The Target Bonus will be at the discretion of the Board. In addition, Mr. Buttery is interested in Options granted to him under the Long Term Incentive Scheme pursuant to which he is entitled to subscribe for 4.8 million Shares of the Company exercisable at HK\$2.50 per Share and they are exercisable in equal tranches from each of the first, second and third anniversary of the date of grant on 14 July 2004 to 14 July 2014. Mr. Buttery exercised the first two tranches of his Options in September 2005 and August 2006 which were sold to the market in November 2005 and September 2006 respectively.

Mr. Buttery 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. Buttery 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.

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

Klaus Nyborg – age 43, 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) 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. Mr. Nyborg will receive from the Company an emolument at the rate of US\$450,000 per annum, which is inclusive of salary, retirement scheme contribution, rental reimbursement and company car benefit. He is also eligible to receive a bonus of up to 100% of his emolument (the “Target Bonus”). The Target Bonus will be at the discretion of the Board. In addition, Mr. Nyborg was granted 2.5 million Shares in the form of restricted shares awards pursuant to the Long Term Incentive Scheme, of which 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 respectively.

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.

There are no other matters that need to be brought to the attention to the Shareholders.

Wang Chunlin – age 43

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 as Assistant President of Sinotrans Group and Managing Director of Sinotrans Shipping Limited. In April 2005, he joined the 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

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

joined Pacific Basin on 1 March 2006 with responsibility for group business development and is currently responsible for Asia Pacific Maritime and Infrastructure Group, a wholly owned subsidiary of the Company specialising in maritime infrastructure projects in China.

Mr. Wang 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 September 2006. Mr. Wang will receive from the Company an emolument at the rate of HK\$2,650,000 per annum, which is inclusive of salary. He is also eligible to receive a bonus of up to 100% of his emolument (the "Target Bonus"). The Target Bonus will be at the discretion of the Board. In addition, 550,000 Shares in the form of restricted shares were granted to Mr. Wang 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. His emolument will be payable in arrears in monthly instalments at the rate of HK\$220,834 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.

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.

There are no other matters that need to be brought to the attention to the Shareholders.

Jan Rindbo – age 32

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 where he specialised in handysize chartering activities and pool operations and was promoted to the position of Chartering Manager. He served with TORM in Denmark, Hong Kong and USA before returning to Hong Kong to manage the activities of the IHC Pool established by Pacific Basin in 2001. He is responsible for the chartering and commercial operations of handysize and handymax vessels through the IHC and IHX Pools.

Mr. Rindbo has entered into a new 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. Mr. Rindbo will receive from the Company an emolument at the rate of US\$330,000 per annum, which is inclusive of salary and retirement scheme contribution, rental reimbursement 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 acts as a senior manager and a

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Director for the year of 2007 (the “Target Bonus”). The Target Bonus will be at the discretion of the Board. In addition, Mr. Rindbo is interested in 1.2 million Options which were granted to him under the Long Term Incentive Scheme on 14 July 2004, pursuant to which he is entitled to subscribe for 1.2 million Shares of the Company at the exercise price of HK\$2.50 per Share. Such Options are exercisable from 14 July 2007 to 14 July 2014.

Mr. Rindbo does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin. As at the Latest Practicable Date, Mr. Rindbo is a beneficial owner of 3,026,370 shares in the Company and is interested in 1.2 million Options (as disclosed above) of the Company. Other than these shares and Options, Mr. Rindbo does not have any other interest (within the meaning of Part XV of the Securities and 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.

There are no other matters that need to be brought to the attention to the Shareholders.

NON-EXECUTIVE DIRECTOR

Daniel Rochfort Bradshaw – age 60, Deputy Chairman

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, 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. Mr. Bradshaw 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. He is currently a member of the Maritime Industry Council of Hong Kong and is 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 7 April 2009 or the conclusion of the 2009 annual general meeting whichever is earlier. He will be subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company. His remuneration during the initial term of appointment as a non-executive Director shall be at the rate of HK\$200,000 per annum. In addition, Mr. Bradshaw is entitled to a fee of HK\$150,000 per annum for being a member of the Company’s audit, remuneration and nomination committees. His total remuneration of HK\$350,000 per annum will be payable in arrears in quarterly instalments at the rate of HK\$87,500 on 31 March, 30 June, 30 September, 31 December.

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

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 and Future 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.

There are no other matters that need to be brought to the attention to the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Robert Charles Nicholson – age 51

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 reorganizations and the privatization 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 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 independent non-executive Director of the Company on 25 March 2004 and he has agreed to hold office for a period of three years (subject to retirement by rotation at the general meeting of the Company in accordance with the Bye-laws of the Company) commencing on 25 March 2004. He was re-elected at the 2005 annual general meeting of the Company and it is the Company's intention to extend his term of appointment for three years until 25 March 2010 or the conclusion of the 2010 annual general meeting whichever is earlier. Mr. Nicholson's remuneration shall be at the rate of HK\$200,000 per annum, payable in arrears in quarterly instalments at the rate of HK\$50,000 on 31 March, 30 June, 30 September and 31 December. In addition, Mr. Nicholson is entitled to a fee of HK\$50,000 per annum, for being a member of the Company's audit committee, and a further HK\$200,000 per annum for being appointed a Chairman of the remuneration and nomination committees.

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 and Future Ordinance) in the Shares of the Company.

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

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.

There are no other matters that need to be brought to the attention to the Shareholders.

Patrick Blackwell Paul – age 59

Mr. Paul graduated from St. John's College, Oxford University in 1969 and is a qualified accountant. In a 33 year career with PricewaterhouseCoopers (PwC), he held a number of senior management positions in Hong Kong, including Chairman and Senior Partner of the firm for seven years. Since retiring from PwC in 2002, he has taken up a number of independent non-executive directorships, including with Johnson Electric Holdings Limited, The Hongkong and Shanghai Hotels Limited and Kingsway International Holdings Limited. He is also a member of the Managing Board of Kowloon-Canton Railway Corporation.

Mr. Paul was appointed as independent non-executive Director of the Company on 25 March 2004 and he has agreed to hold office 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) commencing on 25 March 2004. He was re-elected at the 2005 annual general meeting of the Company and it is the Company's intention to extend his term of appointment for three years until 25 March 2010 or the conclusion of the 2010 annual general meeting whichever is earlier. Mr. Paul's remuneration shall be at the rate of HK\$200,000 per annum, payable in arrears in quarterly instalments at the rate of HK\$50,000 on 31 March, 30 June, 30 September and 31 December. In addition, Mr. Paul is entitled to a fee of HK\$100,000 per annum for being a member of the Company's remuneration and nomination committees, and a further fee of HK\$100,000 per annum for being appointed as Chairman of the audit committee.

Mr. Paul 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 and Future Ordinance) in the Shares of the Company.

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

There are no other matters that need to be brought to the attention to the Shareholders.

David Muir Turnbull – age 52

Mr. Turnbull graduated from Cambridge University with an honours degree in Economics and has been Executive Chairman of Allco Finance (Asia) Limited, the Hong Kong subsidiary of Allco Finance Group Limited, since March 2006. Allco is a financial group specialising in originating and structuring transactions and funding and managing

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

assets and specialised managed fund vehicles. He is a Director of Allco Finance Group Limited, a public listed Australian investment bank. He is an independent non-executive Director of Green Dragon Gas Limited since July 2006. Prior to joining Allco Finance Group, Mr. Turnbull was Chairman of Swire Pacific Ltd., Cathay Pacific Airways Ltd. and John Swire & Sons (HK) Ltd., a Director of Swire Properties, a non-executive Director of the Hongkong and Shanghai Banking Corporation, Hysan Development Co Ltd. and Air China. He was Chairman of Hong Kong Aircraft Engineering Company Ltd. (HAECO) from March 1995 to 8 August 2006. HAECO is an aircraft maintenance firm he led for four years as Managing Director before becoming Deputy Managing Director of Cathay Pacific in 1994. He was Managing Director of Cathay Pacific in 1996 and was Deputy Chairman and Chief Executive of Cathay Pacific from July 1998 before his appointment as Chairman in January 2005.

Mr. Turnbull was appointed as an independent non-executive Director of the Company for a term of three years until 17 May 2009 or the conclusion of the 2009 annual general meeting whichever is earlier. He will be subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Turnbull's remuneration during the initial term of appointment shall be at the rate of HK\$200,000 per annum. In addition, Mr. Turnbull is entitled to a fee of HK\$150,000 per annum for being a member of the Company's audit, remuneration and nomination committees. His total remuneration of HK\$350,000 per annum will be payable in arrears in quarterly instalments at the rate of HK\$87,500 on 31 March, 30 June, 30 September, 31 December.

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.

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

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 (except Mr. Jan Rindbo whose directorship has not yet take effect as at the Latest Practicable Date) 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 SFO 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
Christopher R. Buttery	Long Positions	4,413,308 ¹	–	–	10,786,905 ²	15,200,213	0.976%
Klaus Nyborg	Long Positions	2,900,000 ³	–	–	–	2,900,000	0.186%
Wang Chunlin	Long Positions	550,000 ⁴	–	–	–	550,000	0.035%
Daniel R. Bradshaw	Long Positions	–	–	869,417 ⁵	–	869,417	0.056%
Patrick B. Paul	Long Positions	20,000	–	–	–	20,000	0.001%

Notes:

- (1) Personal interests held by Christopher R. Buttery constitute interests in 2,813,308 Shares and 1,600,000 Options of the Company.
- (2) Trust interests held by Christopher R. Buttery constitute 10,786,905 Shares owned by Turnwell Limited in which Mr. Buttery is deemed to be interested in the entire share capital 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.
- (3) Personal interests held by Klaus Nyborg constitute 400,000 Shares and 2.5 million Shares in the form of restricted share awards granted to Mr. Nyborg pursuant to the Long Term Incentive Scheme.
- (4) Personal interests held by Wang Chunlin constitute 550,000 Shares in the form of restricted share awards granted to Mr. Wang pursuant to the Long Term Incentive Scheme.
- (5) Corporate interests held by Daniel R. Bradshaw constitute 353,241 Shares owned via Cormorant Shipping Limited and 516,176 Shares held by Goldeneye Shipping Limited in which Mr. Bradshaw is a shareholder holding 100% and 50% of the issued share capital, respectively.

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 corporation.

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 1,558,182,609 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 155,818,260 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 2006, 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>
2006		
March	4.025	3.425
April	3.650	3.400
May	3.550	3.075
June	3.550	3.150
July	4.000	3.475
August	4.220	3.750
September	4.900	4.060
October	5.470	4.350
November	5.190	4.600
December	4.980	4.660
2007		
January	5.700	4.900
February	6.600	5.200
March (up to the Latest Practicable Date)	6.700	5.380

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, Dr. Lee Kwok Yin, Simon (via his trustee BNP Paribas Jersey Trust Corporation Limited) is interested in 136,983,094 Shares (representing approximately 8.79% of the Company's issued share capital of 1,558,182,609). Based on the said interests of Dr. Lee 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 Dr. Lee in the issued share capital of the Company will be increased from approximately 8.79% to approximately 9.77% which is below the 30% threshold prescribed under the Takeovers Code and Dr. Lee Kwok Yin, Simon 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 Dr. Lee 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 2007 Annual General Meeting of Pacific Basin Shipping Limited (the “Company”) will be held at Victoria Room, 2nd Floor, Mandarin Oriental, Hong Kong, 5 Connaught Road, Central, Hong Kong on Wednesday, 4 April 2007 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 2006;
2. To declare a final dividend for the year ended 31 December 2006;
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 20% 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
- (d) 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 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. “TO ADD THE NOMINAL AMOUNT OF THE SHARES REPURCHASED UNDER RESOLUTION NO. 6 TO THE MANDATE UNDER RESOLUTION NO. 5

THAT subject to the passing of Ordinary Resolutions No. 5 and 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares of the Company which may be purchased or repurchased by the Company pursuant to the authority granted to the Directors of the Company by Ordinary Resolution No.6 set out in the notice convening this meeting shall be added to the aggregate nominal amount of share capital of the Company that may be allotted or issued or agreed conditionally or unconditionally to be allotted or issued by the Directors of the Company pursuant to Ordinary Resolution No.5 set out in the notice convening this meeting, provided that such shares shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of this resolution.”

8. “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 31,157,052 Shares as at 1 January 2007); 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:
 - (j) 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,
13 March 2007

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 2006 of HK 22.5 cents per share and, if such dividend is declared by the Shareholders passing Resolution 2, it is expected to be paid on or about 17 April 2007 to those Shareholders whose names appear on the Company's register of members on 4 April 2007.
5. The register of members of the Company will be closed from 2 April 2007 to 4 April 2007 (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 30 March 2007. The ex-dividend date for the final dividend will be on 29 March 2007.
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 2006 Annual Report.