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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 BUY BACK SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2019 annual general meeting of Pacific Basin Shipping Limited to be held at Podium Level 6, vip Room II – III, L' hotel Island South, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong on Wednesday, 17 April 2019 at 10:30 a.m. is set out on pages 17 to 20 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.

12 March 2019

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DEFINITIONS

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

“2013 Share Award Scheme”	the share award scheme adopted by the Company on 28 February 2013 (as supplemented by the Company’s announcement in relation thereto dated 28 March 2013)
“AGM”	the 2019 annual general meeting of the Company to be held at Podium Level 6, vip Room II – III, L’ hotel Island South, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong on Wednesday, 17 April 2019 at 10:30 a.m., notice of which is set out on pages 17 to 20 of this circular
“associate”	has the meaning ascribed thereto in the Listing Rules
“Awards”	include restricted share awards and restricted unit awards, which are awards by the Board granted under the 2013 Share Award Scheme, subject to the terms and conditions thereof respectively
“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
“Buy-back Mandate”	the general and unconditional mandate enabling the Company to buy back Shares
“Bye-laws”	the bye-laws of the Company
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company” or “Pacific Basin”	Pacific Basin Shipping Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“core connected person”	has the meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“INEDs”	the independent non-executive directors of the Company
“Issue Mandate”	the general mandate enabling the Company to allot, issue and deal with the Shares
“Latest Practicable Date”	8 March 2019, 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
“Notice”	the notice of the AGM set out on pages 17 to 20 of this circular
“Share(s)”	Share(s) of US\$0.01 each in the Share capital of the Company
“Shareholder(s)”	holders of Share(s) in issue
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Repurchases published by the Securities and Futures Commission

LETTER FROM THE CHAIRMAN

Pacific Basin Shipping Limited

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

Executive Directors:

David Muir Turnbull
Mats Henrik Berglund
Peter Schulz

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Independent Non-Executive Directors:

Patrick Blackwell Paul
Robert Charles Nicholson
Alasdair George Morrison
Daniel Rochfort Bradshaw
Irene Waage Basili
Stanley Hutter Ryan

Hong Kong Principal Office:

31/F One Island South
2 Heung Yip Road
Wong Chuk Hang
Hong Kong

12 March 2019

To Shareholders,

RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND TO BUY BACK SHARES AND NOTICE OF ANNUAL GENERAL MEETING

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with the Notice of the AGM to be convened for the purpose of considering and, if thought fit, passing six ordinary resolutions to approve, among other things, the re-election of Directors and the grant of general mandates to issue and to buy back Shares.

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

The Board has recommended a final dividend for the year ended 31 December 2018 of HK3.7 cents per Share and if such dividend is approved by the Shareholders at the AGM, it is expected to be paid on or about 7 May 2019 to those Shareholders whose names appear on the Register of Shareholders on 25 April 2019.

The register of Shareholders will be closed on 25 April 2019 on which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer forms 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, for registration not later than 4:30 p.m. on 24 April 2019. The ex-dividend date for the final dividend will be on 23 April 2019.

LETTER FROM THE CHAIRMAN

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

In relation to resolution 3 in the Notice regarding re-election of Directors, Messrs. Robert C. Nicholson, Daniel R. Bradshaw and Stanley H. Ryan, all Independent Non-executive Directors and Mr. Peter Schulz, an Executive Director appointed by the Board on 30 July 2018, will retire at the AGM by rotation pursuant to the Company's Bye-laws and being eligible, will offer themselves for re-election. As Mr. Bradshaw has informed the Board that he will retire at the conclusion of the 2020 annual general meeting, it has been agreed that, if re-elected, he will serve the Board until the conclusion of the 2020 annual general meeting. The Nomination Committee has commenced the process of identifying new independent director candidates.

None of the above Directors to be re-elected has any relationship with any of the other Directors, senior management or substantial or controlling Shareholders of the Company. Under resolution 3, the re-election of Directors will be individually voted on by Shareholders.

The biographical details and interests in Shares of the Directors to be re-elected at the AGM are set out in Appendix I to this circular.

For the information of the Shareholders, the Board selects INEDs based on their ability to contribute to the affairs of the Group, and of overriding importance is that each INED possesses a mindset that is independent and constructively challenges management's views. Although some INEDs do not necessarily have a shipping background, their familiarity with the business over the years has enabled them to contribute to the management of the risks involved as well as to enhance the diversity of the skills and perspectives of the Board. Independence from executive management is particularly important as the Group has no controlling shareholder. Continuity of the INEDs provides stability to the Board decision-making process, compensating for any turnover in the executive management team. The Board believes that the long tenure of some of the INEDs does not compromise their independence but instead brings significant positive qualities as referred above. The Board, however, recognises the importance of succession to balance the mix of deep understanding of the Group's business with fresh ideas and perspectives.

The Board also recognises that INEDs' emoluments should not be tied to the performance of the Group, and hence it has not granted, and currently has no intention to grant, any Awards to INEDs.

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

At the last annual general meeting of the Company held on 17 April 2018, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to allot, issue and deal with Shares with additional Shares up to a limit of 10% of the aggregate nominal amount of the issued Share capital of the Company as at 17 April 2018, which amounted to 444,227,110 Shares.

In April 2018, 21,150,000 shares were issued to fulfil the restricted awards granted in 2018 under the 2013 Share Award Scheme. For the period from June 2018 to February 2019, an aggregate of 170,760,137 shares were issued at HK\$2.036 per share to four ship sellers or their nominees as partial consideration for the acquisition of four vessels upon delivery of the vessels into the Group's ownership according to the respective ship contracts agreed by the Group in May 2018. In March 2019, a further 25,592,000 shares were issued to satisfy restricted awards granted in 2019 pursuant to the 2013 Share Award Scheme.

LETTER FROM THE CHAIRMAN

As the remaining Issue Mandate of 226,724,973 shares is going to expire at the conclusion of the AGM, the Directors believe that it is in the best interests of the Company and the Shareholders as a whole to renew the Issue Mandate. Accordingly, an ordinary resolution will be proposed at the AGM which will give the Directors a general mandate to allot, issue and deal in additional Shares of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the relevant resolution, which if passed shall be 17 April 2019, provided that any Shares to be allotted and issued pursuant to the Issue Mandate shall not be issued at a discount of more than 10% to the Benchmarked Price of the Shares (which shall be a price which is the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the date of signing of the agreement to which the transaction relates; or (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the earliest of (a) the date of signing of the agreement to which a transaction relates; or (b) the date on which such relevant transaction is announced; or (c) the date on which the price of the Shares to be issued pursuant to such relevant transaction is fixed).

The full text of the ordinary resolution to be proposed at the AGM in relation to the Issue Mandate is set out in resolution 5 in the Notice set out on pages 17 to 20 of the circular.

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

At the last annual general meeting of the Company held on 17 April 2018, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to buy back Shares on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 17 April 2018. No Shares have been bought back pursuant to the Buy-back Mandate as at the Latest Practicable Date.

As the existing Buy-back Mandate is going to expire at the conclusion of the AGM, the Directors believe that the renewal of the Buy-back Mandate is in the interests of the Company and the 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 buy back 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 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 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 17 April 2019.

The explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to provide the 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 Buy-back 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 Buy-back Mandate is set out in resolution 6 in the Notice set out on pages 17 to 20 of this circular.

LETTER FROM THE CHAIRMAN

6. PRINCIPAL BUSINESS OF THE GROUP

The Group is one of the world's leading owners and operators of modern handysize and supramax dry bulk vessels. The Company currently operates approximately 217 dry bulk ships of which 111 are owned and about 106 are chartered.

The Company is listed and headquartered in Hong Kong, and provides a quality service to over 500 customers, with approximately 3,800 seafarers and 336 shore-based staff in 12 key locations around the world.

7. VOTING BY POLL

Pursuant to Rule 13.39 of the Listing Rules, any vote of the Shareholders at a general meeting must be taken by poll. Therefore, the chairman of the AGM will demand a poll for each and every resolution put forward at the AGM pursuant to Bye-law 66. The Company will appoint the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, as the scrutineer to handle vote-taking procedures at the AGM. The results of the poll will be published on the HKExnews website at www.hkexnews.hk and the Company's website at www.pacificbasin.com no later than 23:00 on the date of the AGM.

8. NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 17 to 20 of this circular.

There is enclosed a form of proxy for use at the AGM. A Shareholder entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder 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, 17M 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.

9. RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of Directors, the renewal of the Issue Mandate and the Buy-back Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all of the resolutions to be proposed at the AGM.

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

INDEPENDENT NON-EXECUTIVE DIRECTOR**Robert C. Nicholson – age 63**

Mr. Nicholson, a graduate of the University of Kent, qualified as a solicitor in England and Wales and in Hong Kong. He was a senior partner of Reed Smith Richards Butler from 1985 to 2001 where he established the corporate and commercial department, and was a senior advisor to the board of directors of PCCW Limited between August 2001 and September 2003. Mr. Nicholson was an executive director of First Pacific Company Limited from November 2003 to December 2018 and was also an independent non-executive director of Lifestyle Properties Development Limited from August 2013 to May 2017, both HK-listed companies. He is currently a director of Metro Pacific Investments Corporation, Philex Mining Corporation and PXP Energy Corporation (all Philippines-listed companies within the First Pacific group), and serves as a commissioner of PT Indofood Sukses Makmur Tbk.

Mr. Nicholson joined the Company as an Independent Non-executive Director in March 2004 and his term of office is expiring at the conclusion of the 2019 annual general meeting. The Company intends to extend his term of appointment until conclusion of the 2022 annual general meeting (subject to retirement by rotation at least once every three years in accordance with the Bye-laws of the Company). Mr. Nicholson currently receives HK\$650,000 per annum for being an Independent Non-executive Director and he is entitled to receive a fee of HK\$200,000 per annum for being a member of the audit, remuneration and nomination committees and for being Chairman of the remuneration and nomination committees. His total remuneration of HK\$850,000 per annum will be payable quarterly in arrears. Mr. Nicholson's emolument was agreed between the Company and Mr. Nicholson and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Mr. Nicholson has served the Company as an Independent Non-executive Director for more than nine years, however the Board considers that he continues to be independent and is able to carry out his duties as an Independent Non-executive Director of the Company for the following reasons:

- (a) Mr. Nicholson is able to confirm his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Mr. Nicholson has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Mr. Nicholson has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been employed by any member of the Pacific Basin group;
- (d) Mr. Nicholson does not receive any remuneration from the Company apart from Director's fees and does not participate in the Group's staff incentive plan or pension scheme;
- (e) Mr. Nicholson does not receive any remuneration from a third party in relationship to his directorship;

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

- (f) Mr. Nicholson does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mr. Nicholson does not hold any cross directorships or other significant links with other directors through involvement with other companies;
- (h) Mr. Nicholson does not hold any Shares;
- (i) Mr. Nicholson does not serve as a director or employee of a significant competitor of the Group;
- (j) Mr. Nicholson has a long and upstanding professional legal and commercial background which enables him to provide valuable insight and contribute to the diversity of the skills and perspectives of the Board, and the Board believes that he is able to exercise his professional judgement and draw upon his legal, corporate and commercial knowledge for the benefit of the Company and its Shareholders as a whole, in particular, the independent shareholders; and
- (k) After due and careful consideration, the Company's Nomination Committee considers Mr. Nicholson suitably independent to carry out his duties as an Independent Non-executive Director.

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

Save for the information disclosed above, the Board and Mr. Nicholson have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Daniel R. Bradshaw – age 72**

Mr. Bradshaw graduated from Victoria University of Wellington (New Zealand) with a Bachelor of Laws and a Master of Laws and has been admitted as a solicitor in England and Hong Kong. Since 1978 he has worked at Mayer Brown (formerly known as Johnson, Stokes and Master) as a solicitor, a partner, the head of the firm's shipping practice and now as a senior consultant. He was vice chairman of the Hong Kong Shipowners Association, a member of the Hong Kong Port and Maritime Board and the Hong Kong Maritime Industry Council. He is currently on the board of Euronav, a Euronext listed tanker company and of IRC Limited, the Hong Kong listed iron ore unit of Russia's third-biggest gold producer Petropavlovsk Plc. He is also an independent non-executive director of NYSE-listed Glaslog Partners LP and a director of Kadoorie Farm and Botanic Garden Corporation and WWF Hong Kong.

Mr. Bradshaw joined the Company as a Non-executive Director and Deputy Chairman in April 2006. He stood down from the position of Deputy Chairman on 1 January 2008 and continued his position as a Non-executive Director of the Company until he was re-designated as an Independent Non-executive Director on 1 September 2010. Mr Bradshaw has informed the Board that he will retire at the conclusion of the 2020 annual general meeting and has offered himself for re-election at the AGM, and if re-elected, to serve the Board until the conclusion of the 2020 annual general meeting. The Company intends to extend his term of appointment until conclusion of the 2020 annual general meeting. The Nomination Committee has commenced the process of identifying new independent director candidates.

Mr. Bradshaw currently receives HK\$650,000 per annum for being an Independent Non-executive Director and he is entitled to a fee of HK\$150,000 per annum for being a member of the audit, remuneration and nomination committees. His total remuneration of HK\$800,000 per annum will be payable quarterly in arrears. Mr. Bradshaw's emolument was agreed between the Company and Mr. Bradshaw and was determined by reference to the levels of emolument of other senior executives of the Company and in the market generally.

Mr. Bradshaw has served the Company as an Independent Non-executive Director for more than nine years, however the Board considers that he continues to be independent and is able to carry out his duties as an Independent Non-executive Director of the Company for the following reasons:

- (a) Mr. Bradshaw is able to confirm his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Mr. Bradshaw has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Mr. Bradshaw has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been employed by any member of the Pacific Basin group;
- (d) Mr. Bradshaw does not receive any remuneration from the Company apart from Director's fees and does not participate in the Group's staff incentive plan or pension scheme;
- (e) Mr. Bradshaw does not receive any remuneration from a third party in relationship to his directorship;
- (f) Mr. Bradshaw does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mr. Bradshaw does not hold any cross directorships or other significant links with other directors through involvement with other companies;

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

- (h) Mr. Bradshaw holds less than 1% of the total issued share capital of the Company;
- (i) Mr. Bradshaw does not serve as a director or employee of a significant competitor of the Group;
- (j) Mr. Bradshaw has over 40 years of experience and knowledge of the shipping industry. He held senior positions with various maritime related bodies and organisations which enables him to provide valuable insight and contribute to the diversity of the skills and perspectives of the Board. Together with his long and upstanding professional legal background, the Board believes that he is able to exercise his professional judgment and draw upon his extensive shipping and legal knowledge for the benefit of the Company and its Shareholders as a whole, in particular, the independent shareholders; and
- (k) After due and careful consideration, the Company's Nomination Committee considers Mr. Bradshaw suitably independent to carry out his duties as an Independent Non-executive Director.

Save as aforesaid, Mr. Bradshaw did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Bradshaw does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and save as disclosed on page 13 of this circular relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Bradshaw have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

INDEPENDENT NON-EXECUTIVE DIRECTOR

Stanley H. Ryan – age 57

Mr. Ryan earned a bachelor's degree in Economics and Computer Applications from the University of Notre Dame in 1984, and a Master of Arts in International Relations and an MBA from the University of Chicago in 1989. Mr. Ryan served with Cargill, Inc. for 25 years in a number of executive and general management roles worldwide, starting as an analyst in the strategy and business development department in Cargill's global headquarters in Minneapolis, general manager of Cargill's oilseed operations in Ohio, general manager of Cargill's Venezuela refined oils business stationed in Caracas, general manager of Cargill's Brazil refined oils business in Sao Paulo, president of Cargill's North American dressings, sauces and oils business in Minneapolis, managing director and president of Cargill Refined Oils Europe based in the Netherlands, and managing director and president of Cargill Food Ingredients Australia/New Zealand based in Sydney. Mr. Ryan was a global co-leader of Cargill's agricultural supply chain businesses and a member of its global corporate center. He served as an independent director at Eagle Bulk Shipping Inc. from October 2014 to June 2016 and as Eagle Bulk's interim chief executive officer from March 2014 to September 2015. Mr. Ryan has been the chief executive officer and president of Seattle-based Darigold Inc. since February 2016 and has been a senior advisor of McKinsey & Company since October 2015.

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Mr. Ryan joined the Company in July 2016 as an Independent Non-executive Director and his term of office is expiring at the conclusion of the 2019 annual general meeting. The Company intends to extend his term of appointment until conclusion of the 2022 annual general meeting (subject to retirement by rotation at least once every three years in accordance with the Bye-laws of the Company). Mr. Ryan currently receives HK\$650,000 per annum for being an Independent Non-executive Director and he is entitled to a fee of HK\$150,000 per annum for being a member of the audit, remuneration and nomination committees. His total remuneration of HK\$800,000 per annum will be payable quarterly in arrears. Mr. Ryan's remuneration was agreed between the Company and Mr. Ryan and was determined by reference to the levels of remuneration of other senior executives of the Company and in the market generally.

The Board considers that Mr. Ryan continues to be independent and is able to carry out his duties as an Independent Non-executive Director of the Company for the following reasons:

- (a) Mr. Ryan is able to confirm his independence in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Mr. Ryan has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Mr. Ryan has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has he been employed by any member of the Pacific Basin group;
- (d) Mr. Ryan does not receive any remuneration from the Company apart from Director's fees and does not participate in the Group's staff incentive plan or pension scheme;
- (e) Mr. Ryan does not receive any remuneration from a third party in relationship to his directorship;
- (f) Mr. Ryan does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mr. Ryan does not hold any cross directorships or other significant links with other directors through involvement with other companies;
- (h) Mr. Ryan does not hold any Shares;
- (i) Mr. Ryan does not serve as a director or employee of a significant competitor of the Group;
- (j) Mr. Ryan has held a number of executive and general management roles worldwide and has significant commodities-related commercial, strategic and operational experience, which enables him to provide valuable insight and contribute to the diversity of the skills and perspectives of the Board; and
- (k) After due and careful consideration, the Company's Nomination Committee considers Mr. Ryan suitably independent to carry out his duties as an Independent Non-executive Director.

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

Save for the information disclosed above, the Board and Mr. Ryan have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

EXECUTIVE DIRECTOR

Peter Schulz – age 46, Chief Financial Officer

Mr. Schulz graduated from the Stockholm School of Economics in 1996 with a Master of Science in Economics and Business Administration, having also attended an exchange program in International Marketing and International Business at the Erasmus University Rotterdam School of Management in 1993. He started his career with Enskilda Securities, Stockholm from 1996 to 1998 before spending six years with Dresdner Kleinwort in London in various M&A and corporate finance roles. From 2004 until 2006 he served as corporate finance partner with financial advisory firm Vencom based in Stockholm and London. He then joined ABN AMRO/The Royal Bank of Scotland, initially as director of telecom, media and technology banking in London from 2006 to 2008 and then as executive director and head of energy based in Hong Kong from 2008 to 2011. He subsequently joined Royal Bank of Canada Capital markets as managing director and co-head of natural resources based in Hong Kong. He served as chief financial officer of Kuala Lumpur-based exploration and production startup Matrix Capacity Petroleum from 2012 to 2015, and BW Pacific Limited, a product tanker company based in Singapore, from August 2015 to July 2017.

Mr. Schulz joined the Company as Group's Chief Financial Officer in August 2017 and was appointed an Executive Director on 30 July 2018 for a period of three years (subject to retirement by rotation at least one every three years in accordance with the Bye-laws of the Company). The Company intends to extend his term of appointment until the conclusion of the 2022 annual general meeting (subject to retirement by rotation at least once every three years in accordance with the Bye-laws of the Company). Pursuant to his service agreement with the Company, Mr. Schulz currently receives remuneration at the rate of US\$520,000 per annum, which is inclusive of salary, rental reimbursement and retirement scheme contribution. Mr. Schulz is also eligible to receive a bonus which will be paid at the discretion of the Board and is entitled to receive equity incentives in the forms of restricted awards which will be granted at the discretion of the Remuneration Committee in accordance with the Company's 2013 Share Award Scheme ("SAS"). An aggregated of 6,299,000 shares in the Company in the form of restricted share awards have previously been granted to Mr. Schulz pursuant to the SAS since 2017, of which (i) 1,147,000 shares have vested; (ii) 1,147,000 shares will vest on 14 July 2019; (iii) 1,149,000 shares will vest on 14 July 2020; (iv) 1,168,000 shares will vest on 14 July 2021; and (v) 1,688,000 shares will vest on 14 July 2022. Mr. Schulz's remuneration will be payable in arrears in monthly instalments at the rate of US\$43,333 per month. Such remuneration was agreed between the Company and Mr. Schulz and was determined by reference to the levels of remuneration of other senior executives of the Company and in the market generally.

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

Save as aforesaid, Mr. Schulz did not hold any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas. Mr. Schulz 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 section below relating to interests of the Directors to be re-elected at the AGM, he does not have any interest (within the meaning of Part XV of the Securities Futures Ordinance) in the Shares.

Save for the information disclosed above, the Board and Mr. Schulz have indicated that there is no other information to be disclosed pursuant to any of the requirements under Rule 13.51(2)(h) to (v) of the Listing Rules, and there are no other matters that need to be brought to the attention of the Shareholders.

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

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

Name of Director	Long/Short Position	Personal interests	Corporate or Family Interest/Trust & similar interests	Total Share interests	Approximate percentage of issued share capital of the Company
Peter Schulz ¹	Long	6,299,000	129,000	6,428,000	0.13%
Daniel R. Bradshaw ²	Long	–	772,834	772,834	0.01%

Notes:

- (1) 129,000 shares are held by Mr. Schulz in the capacity of beneficiary of the trust.
- (2) 772,823 shares are held by Cormorant Shipping Limited and Goldeneye Shipping Limited of which Mr. Bradshaw is the sole shareholder.

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

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

BUY-BACK MANDATE

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

(a) Shareholders' approval

The Listing Rules provide that all proposed buy-backs 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 buying back 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, buy-backs may only be effected out of the capital paid up on the Shares to be bought back 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 buy-back over the par value of the Shares to be bought back 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 bought back

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,659,773,239 Shares. Subject to the passing of resolution 6 approving the Buy-back Mandate as set out in the Notice appearing on pages 17 to 20 of this circular and on the basis that no further Shares are issued or bought back prior to the AGM, the Company would be allowed under the Buy-back Mandate to buy back a maximum of 465,977,323 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 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 earliest.

REASONS FOR BUY-BACK

The Directors believe that it is in the best interests of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to buy back Shares on the Stock Exchange. Such buy-backs, 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 buy-back will benefit the Company and the Shareholders.

If the Buy-back Mandate is exercised in full, there might be a material adverse impact on the working capital of the Company as compared with the position disclosed in the Company's most recently published audited accounts for the year 2018. However, the Directors have no present intention to buy back any Shares and they would exercise the power to buy back in circumstances only where they consider that the buy-back would be in the best interests of the Company and the Shareholders as a whole and in circumstances where they consider that the Shares can be bought back on terms favourable to 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 the Directors has a present intention, in the event that the proposed Buy-back Mandate is approved by the Shareholders, to sell Shares to the Company.

No core 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 Buy-back 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 buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules, the Bye-laws and the applicable laws of Bermuda.

SHARE BUY-BACK MADE BY THE COMPANY

No buy-back 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.

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 (HK\$)	Lowest (HK\$)
2018		
March	2.43	2.00
April	2.23	1.96
May	2.17	1.93
June	2.35	2.03
July	2.30	1.99
August	2.16	1.79
September	1.99	1.59
October	1.98	1.65
November	1.95	1.62
December	1.93	1.43
2019		
January	1.67	1.38
February	1.83	1.48
March (up to the Latest Practicable Date)	1.84	1.60

TAKEOVERS CODE

If as a result of a Share buy-back 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 (pursuant to the register of substantial shareholders maintained under Section 336 of the Securities and Futures Ordinance) Aggregate of Standard Life Aberdeen plc affiliated investment management entities ("SLA"), is interested in 323,852,000 Shares (representing approximately 6.94% of the Company's issued share capital of 4,659,773,239). Based on the said interests of SLA in the issued share capital of the Company as at the Latest Practicable Date, and on the basis that no further Shares are issued or bought back prior to the AGM, in the event that the Directors exercise in full the power to buy back Shares in accordance with the terms of the resolution to be proposed at the AGM, the interests of SLA in the issued share capital of the Company will be increased from approximately 6.94% to approximately 7.72% which is below the 30% threshold prescribed under the Takeovers Code and SLA would not be obliged to make a mandatory general offer under Rule 26 of the Takeovers Code as a result of such increase.

The Directors have no intention to exercise the Buy-back Mandate in such a way and to such extent that would give rise to an obligation on the part of SLA or any other Shareholder to make a mandatory general offer under Rule 26 of the Takeovers Code.

 **Pacific Basin Shipping Limited**

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

NOTICE IS HEREBY GIVEN that the 2019 Annual General Meeting of Pacific Basin Shipping Limited (the “Company”) will be held at the Podium Level 6, vip Room II – III, L’ hotel Island South, 55 Wong Chuk Hang Road, Aberdeen, Hong Kong on Wednesday, 17 April 2019 at 10:30 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 2018;
2. To declare final dividend for the year ended 31 December 2018;
3. 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 in new shares of US\$0.01 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 Shares

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

- (d) for the purposes of this resolution:

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

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

“Relevant Period” means the period from the passing of this resolution until 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 in general meeting.

“Rights Issue” means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the Directors of the Company to holders of the Shares 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 BUY BACK 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 buy back the Shares on 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 bought back by the Company pursuant to the approval in paragraph (a) of this resolution during that Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until 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 By-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 in general meeting.”

By Order of the Board
Mok Kit Ting, Kitty
Company Secretary

Hong Kong, 12 March 2019

Notes:

1. Every member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or more persons as their proxy to attend and vote on behalf of themselves. A proxy need not be a member of the Company.
2. To be valid, a form of proxy, together with the power of attorney or other document of authority, if any, under which the form is signed, or a certified copy thereof, must be deposited with the Company’s Hong Kong branch registrar, Computershare Hong Kong Investor Services Limited, at 17M 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. In order to determine the entitlement to attend and vote at the meeting, the register of members of the Company will be closed from 12 April to 17 April 2019, both days inclusive, during which period the registration of Shares will be suspended. All completed transfer forms 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 for registration not later than 4:30 p.m. on 11 April 2019.

4. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the meeting or any adjourned meeting or upon the poll concerned if the Shareholders so wish. In such event, the instrument appointing the proxy shall be deemed to be revoked.
5. The register of members of the Company will be closed on 25 April 2019 on which no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfer forms 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, for registration not later than 4:30 p.m. on 24 April 2019. The ex-dividend date for the final dividend will be on 23 April 2019.
6. A circular containing the information regarding, inter alia, the Directors proposed to be re-elected, the general mandate to issue Shares and the general mandate to buy back Shares will be sent to the Shareholders together with the Company's 2018 Annual Report.