
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 2015 annual general meeting of Pacific Basin Shipping Limited to be held at the Aberdeen room, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 22 April 2015 at 10:30 a.m. is set out on pages 20 to 23 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting should you so wish.

17 March 2015

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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 2015 annual general meeting of the Company to be held at the Aberdeen room, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 22 April 2015 at 10:30 a.m., notice of which is set out on pages 20 to 23 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 and the Long Term Incentive Scheme and may be granted under the 2013 Share Award Scheme, both 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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“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”	13 March 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Long Term Incentive Scheme”	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, which has been replaced by the 2013 Share Award Scheme adopted and with effect from 28 February 2013
“Notice”	the notice of the AGM set out on pages 20 to 23 of this circular
“Shareholder(s)”	holders of Share(s) in issue
“Share(s)”	Share(s) of US\$0.10 each in the Share capital of the Company
“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
Andrew Thomas Broomhead
Chanakya Kocherla

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

Hong Kong Principal Office:

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

17 March 2015

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 2014 of HK 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 12 May 2015 to those Shareholders whose names appear on the register of Shareholders on 29 April 2015.

LETTER FROM THE CHAIRMAN

The register of Shareholders will be closed on 29 April 2015 when 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 28 April 2015. The ex-dividend date for the final dividend will be 27 April 2015.

For the information of the Shareholders, the approval of the final dividend may lead to an adjustment of the conversion price of the convertible bonds issued by the Group, namely (i) PB Issuer (No.2) Limited in relation to the 1.75% Guaranteed Convertible Bonds due 2016 and (ii) PB Issuer (No.3) Limited in relation to the 1.875% Guaranteed Convertible Bonds due 2018 (the "2018 Convertible Bonds"). The number of Shares convertible into the ordinary shares of the Company may therefore increase and if such situation arises such increase will, in the case of conversion of the 2018 Convertible Bonds, utilise the general mandate that the Shareholders are asked to approve in the Issue Mandate set out in resolution 5 of the Notice and on pages 20 to 23 of the circular. In such a case, the aforementioned utilisation of the general mandate will be disclosed in an announcement relating to the adjustment of conversion price of the 2018 Convertible Bonds to be published by the Company.

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

In relation to resolution 3 in the Notice regarding re-election of Directors, Messrs. Mats H. Berglund and Chanakya Kocherla, both Executive Directors, and Messrs. Patrick B. Paul, Alasdair G. Morrison and Mrs. Irene Waage Basili, all 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 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 below.

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 mind-set that is independent and constructively challenges the Group's views. Independence from executive management is particularly important as the Group has no controlling shareholder, hence continuity of the INEDs provides stability to the Board decision-making process, compensating for any turnover in the executive management team. Accordingly, the Board believes that it is not appropriate to apply an arbitrary period of service beyond which a director is no longer considered independent. However, the Board will periodically seek new INEDs to join the Board so as to sustain its source of independent views. In recognition of the importance in identifying INEDs with relevant experience for the Group, the Chairman and the Nomination Committee engage international search firms to identify suitable candidates when needed. Nomination Committee acknowledges the importance of diversity within the Board in terms of nationality, industry experience, background and gender.

LETTER FROM THE CHAIRMAN

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 16 April 2014, 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 16 April 2014. No Shares have been issued pursuant to the Issue Mandate as at the Latest Practicable Date.

As the existing Issue Mandate 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 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 22 April 2015, 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 20 to 23 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 16 April 2014, an ordinary resolution was passed to grant a general and unconditional mandate to the Directors to buy back the Shares on the Stock Exchange of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at 16 April 2014. 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 22 April 2015.

LETTER FROM THE CHAIRMAN

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 20 to 23 of this circular.

6. PRINCIPAL BUSINESS OF THE GROUP

The Group is one of the world's leading owners and operators of modern Handysize and Handymax dry bulk vessels. The Company is listed and headquartered in Hong Kong, and currently operates in two main maritime sectors under the banners of Pacific Basin Dry Bulk and PB Towage.

Our dry bulk fleet (including newbuildings on order) comprises over 250 vessels directly servicing blue chip industrial customers. Our towage fleet comprises 20 ocean towing and offshore vessels. The Group provides a shipping service to a wide range of customers.

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 the business day following the AGM.

LETTER FROM THE CHAIRMAN

8. NOTICE OF ANNUAL GENERAL MEETING

The Notice is set out on pages 20 to 23 of this circular.

There is enclosed a form of proxy for use at the AGM. A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company. Whether or not you intend to be present at the AGM, you are requested to complete the form of proxy and return it to Computershare Hong Kong Investor Services Limited, 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

EXECUTIVE DIRECTORS**Mats H. Berglund – age 52, Chief Executive Officer**

Mr. Berglund graduated from the Business School of Gothenburg University in 1986 with a “Civilekonom” degree (equivalent to a Master of Business Administration in Business and Finance). In addition, he attended the Advanced Management Program at Harvard Business School in 2000. After graduating from Gothenburg University he joined Swedish family owned conglomerate Stena in 1986. From 1986 to 2005 he occupied managerial and leadership positions in various Stena group shipping businesses in Sweden and the USA, including group controller of Stena Line, vice president and chief financial officer of both Concordia Maritime and StenTex (a Stena-Texaco joint venture), president of StenTex, and vice president and president of Stena Rederi AB (Stena’s parent company for all shipping activities). From 2005 to 2011, Mr. Berglund served as the senior vice president and head of Crude Transportation, for New York-listed Overseas Shipholding Group. Between March 2011 and May 2012, he served as chief financial officer and chief operating officer at Chemoil Energy, a Singapore-listed global trader of marine fuel products.

Mr. Berglund joined the Company as Group’s Chief Executive Officer and Executive Director on 1 June 2012 and has entered into a service agreement with the Company for a period of three years. The Company intends to extend his term of appointment for a further three years until the conclusion of the 2018 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws). Pursuant to his service agreement with the Company, Mr. Berglund currently receives remuneration at the rate of US\$1,122,629 per annum, which is inclusive of salary and rental allowance. In addition, he is provided with a school fee allowance of US\$26,129 per annum for his child under the age of 18 until completion of secondary education and certain other benefits in kind. Mr. Berglund is also eligible to receive an annual bonus of up to 100% of his salary, which will be paid at the discretion of the Board. In addition, an aggregate of 4,198,000 Shares in the Company in the form of restricted Awards has been granted to Mr. Berglund pursuant to the 2013 Share Award Scheme and the Long Term Incentive Scheme of the Company, of which (i) 1,752,000 Shares have vested; (ii) 876,000 Shares will vest on 14 July 2015; (iii) 855,000 Shares will vest on 14 July 2016; and (iv) 715,000 Shares will vest on 14 July 2017 respectively. Mr. Berglund’s remuneration was agreed between the Company and Mr. Berglund and was determined by reference to the levels of remuneration of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Berglund 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. Berglund 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 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.

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

Chanakya Kocherla – age 57, Chief Technical Officer

Mr. Kocherla graduated from the Directorate of Marine Engineering Training, India in 1978. He also attended an executive development programme at the IMD Business School in 2009. Mr. Kocherla has over 30 years' experience in the shipping industry, including 14 years at sea and experience with several ship types both at sea and ashore. He joined the Company in December 2000 as part of the Company's acquisition of Jardine Ship Management, and since 2010 is Group Managing Director of the Company's PB Towage division. He was previously Managing Director of PB Maritime Services and Director, Fleet, responsible for operations of the Company's owned and technically managed fleet (including technical operations, manning and training, quality, health, safety and the environment, and newbuildings). He has also served as a director of several wholly owned subsidiaries and jointly owned entities of the Company.

Mr. Kocherla was appointed as an Executive Director of the Company for a period of three years commencing from 25 June 2012. The Company intends to extend his term of appointment for a further three years until the conclusion of the 2018 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws of the Company). He currently receives a salary at the rate of US\$468,000 per annum. He is also eligible to receive a bonus which will be paid at the discretion of the Board. In addition, an aggregate of 2,199,000 Shares in the Company in the form of restricted Awards have been granted to Mr. Kocherla pursuant to the Company's 2013 Share Award Scheme and the Long Term Incentive Scheme, of which (i) 1,028,000 Shares have vested; (ii) 428,000 Shares will vest on 14 July 2015; (iii) 410,000 Shares will vest on 14 July 2016; and (iv) 333,000 Shares will vest on 14 July 2017 respectively. Mr. Kocherla's remuneration was agreed between the Company and Mr. Kocherla and was determined by reference to the levels of remuneration of other senior executives of the Company and in the market generally.

Save as aforesaid, Mr. Kocherla 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. Kocherla 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 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. Kocherla 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**Patrick B. Paul – age 67**

Mr. Paul graduated from St. John's College, Oxford University in 1969 and is a qualified accountant. In a 33 year career with PricewaterhouseCoopers, he held a number of senior management positions in Hong Kong, including chairman and senior partner of the firm for seven years. He is currently an independent non-executive director of Johnson Electric Holdings and The Hongkong and Shanghai Hotels, both Hong Kong-listed.

Mr. Paul joined the Company as an Independent Non-executive Director in March 2004 and his term of office is expiring at the conclusion of the 2015 annual general meeting. The Company intends to extend his term of appointment for a further three years until the conclusion of the 2018 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws). Mr. Paul currently receives HK\$400,000 per annum for being an Independent Non-executive Director and he is entitled to a fee of HK\$75,000 per annum for being a member of both the remuneration and nomination committees, and a further fee of HK\$275,000 per annum for being a member of and acting as chairman of the audit committee. His total remuneration of HK\$750,000 per annum will be payable in arrears in quarterly installments on 31 March, 30 June, 30 September and 31 December. Mr. Paul's remuneration was agreed between the Company and Mr. Paul and was determined by reference to the levels of remuneration of other senior executives of the Company and in the market generally.

Mr. Paul has served the Company as an Independent Non-executive Director for more than 9 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. Paul is able to confirm his independence to the Stock Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Mr. Paul has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Since the listing of the Company in 2004, Mr. Paul 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. Paul 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. Paul does not receive any remuneration from a third party in relationship to his directorship;
- (f) Mr. Paul does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mr. Paul does not hold any cross directorships or other significant links with other directors through involvement with other companies;

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- (h) Mr. Paul holds less than 1% of the issued Share capital of the Company;
- (i) Mr. Paul does not serve as a director or employee of a significant competitor of the Group;
- (j) Mr. Paul has over 30 years of professional experience from his career with PricewaterhouseCoopers who possesses sufficient knowledge of, but not limited to, finance, accounting, auditing and internal controls. With his long and upstanding professional background, the Board believes that he is able to exercise his professional judgement and draw upon his experience and 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. Paul suitably independent to carry out his duties as an Independent Non-executive Director.

Save as aforesaid, Mr. Paul 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. 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 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. 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, and there are no other matters that need to be brought to the attention of the Shareholders.

Alasdair G. Morrison – age 66

Mr. Morrison obtained a Bachelor of Arts degree in 1971 (subsequently Master of Arts) from Cambridge University. He also attended the Program for Management Development at Harvard Business School in 1983. Mr. Morrison served with the Jardine Matheson Group for 28 years from 1971 to 2000, holding various senior positions including that of group managing director from 1994 to 2000. He then joined Morgan Stanley occupying the following senior positions: a managing director of Morgan Stanley Dean Witter Asia Limited, a member of the bank's global management committee, chairman of Morgan Stanley Asia and, from 2002 to February 2006, concurrently chairman and chief executive officer of Morgan Stanley Asia. Mr. Morrison spent five years as senior advisor to Citigroup Asia Pacific until January 2015 and was a non-executive director of Grosvenor Group Limited in the UK. Currently he is an independent non-executive director of the Hong Kong-listed MTR Corporation.

Mr. Morrison joined the Company on 1 January 2008 as an Independent Non-executive Director and his term of office is expiring at the conclusion of the 2015 annual general meeting. The Company intends to extend his term of appointment for a further three years until the conclusion of the 2018 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws). Mr. Morrison currently receives HK\$400,000 per annum for being an Independent Non-executive Director and he is entitled to a fee of HK\$175,000 per annum for being a member of the audit committee, and a further fee of HK\$75,000 per annum for being a member of both the remuneration and nomination committees. His total remuneration of HK\$650,000 per annum will

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be payable in arrears in quarterly installments on 31 March, 30 June, 30 September and 31 December. Mr. Morrison's remuneration was agreed between the Company and Mr. Morrison 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. Morrison 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. Morrison is able to confirm his independence to the Stock Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules;
- (b) Mr. Morrison has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Mr. Morrison 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. Morrison 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. Morrison does not receive any remuneration from a third party in relationship to his directorship;
- (f) Mr. Morrison does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mr. Morrison does not hold any cross directorships or other significant links with other directors through involvement with other companies;
- (h) Mr. Morrison does not hold any Shares;
- (i) Mr. Morrison does not serve as a director or employee of a significant competitor of the Group; and
- (j) After due and careful consideration, the Company's Nomination Committee considers Mr. Morrison suitably independent to carry out his duties as an Independent Non-executive Director.

Save as aforesaid, Mr. Morrison did not hold any other 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. Morrison 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 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.

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

Irene Waage Basili – age 47

Mrs. Basili graduated from the School of Management of Boston University in 1991 with a Bachelor of Business Administration degree. After graduation, she held various managerial positions in a number of shipping companies, including Wihl Wilhelmsen ASA, Western Bulk Carriers Holding ASA and Van Ommereen Shipping Holdings BV. From 1999 to 2007 she occupied managerial and leadership positions in Wallenius Wilhelmsen Logistics, first as a manager of contracting and strategy and was later appointed as Vice President, Global Commercial in 2004. From 2007 to 2011, Mrs. Basili served as Vice President, Marine of Petroleum Geo Services with responsibility for projects related to fleet and marine strategy following its acquisition of Arrow Seismic ASA where she was the Chief Executive Officer. She was also a director of Odfjell SE from 2008 to 2014, a company listed on the Oslo Stock Exchange specialises in transportation and storage of bulk liquid chemicals, acids, edible oils and special products. Since March 2011, Mrs. Basili has been the Chief Executive Officer of GC Rieber Shipping ASA, a Norwegian shipping company listed on the Oslo Stock Exchange which specialises in offshore shipping businesses, ship management and project development. In addition, Mrs. Basili has been a director of Kongsberg Gruppen ASA since May 2011, a company listed on the Oslo Stock Exchange specialising in the provision of technology systems and solutions in the oil and gas, merchant marine and defence and aerospace industries.

Mrs. Basili joined the Company in May 2014 as an Independent Non-executive Director and has entered into a service agreement with the Company for a period of three years until 1 May 2015 subject to re-election at the 2015 AGM. The Company intends to extend her term of appointment for a further three years until the conclusion of the 2018 annual general meeting (subject to retirement by rotation at the annual general meeting of the Company in accordance with the Bye-laws). Mrs. Basili currently receives HK\$400,000 per annum for being an Independent Non-executive Director of the Company. She is also entitled to a fee of HK\$175,000 per annum for being a member of the Company's Audit Committee; and a fee of HK\$75,000 per annum for being a member of the Company's remuneration committee and nomination committee. Her total remuneration of HK\$650,000 per annum will be payable in arrears in quarterly instalments on 31 March, 30 June, 30 September and 31 December. In addition, the Company will reimburse appropriate travel and accommodation expenses incurred by, and provide a per diem allowance of HK\$10,540 per day to Mrs. Basili for attending Board meetings in Hong Kong or at a location outside of Bergen, Norway. Mrs. Basili's remuneration was agreed between the Company and Mrs. Basili 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 Mrs. Basili continues to be independent and is able to carry out her duties as an Independent Non-executive Director of the Company for the following reasons:

- (a) Mrs. Basili is able to confirm her independence to the Stock Exchange in respect of each of the factors set out in Rule 3.13 of the Listing Rules;

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

- (b) Mrs. Basili has demonstrated continued independent judgement which contributes positively to the development of the Company's strategy and policies;
- (c) Mrs. Basili has not had and does not have any executive or management role or functions in the Company and its subsidiaries, nor has she been employed by any member of the Pacific Basin group;
- (d) Mrs. Basili 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) Mrs. Basili does not receive any remuneration from a third party in relationship to her directorship;
- (f) Mrs. Basili does not have any financial, business, family or other material relationships with the Group, its management, advisers and business;
- (g) Mrs. Basili does not hold any cross directorships or other significant links with other directors through involvement with other companies;
- (h) Mrs. Basili does not hold any Shares;
- (i) Mrs. Basili does not serve as a director or employee of a significant competitor of the Group; and
- (j) After due and careful consideration, the Company's Nomination Committee considers Mrs. Basili suitably independent to carry out her duties as an Independent Non-executive Director.

Save as aforesaid, Mrs. Basili 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. Mrs. Basili does not have any relationship with any other Directors or senior management or any substantial or controlling shareholders of Pacific Basin and she 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 Mrs. Basili 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.

APPENDIX I PARTICULARS CONCERNING DIRECTORS TO BE RE-ELECTED

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

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	Family interests	Corporate interests	Trust & similar interests	Total Share interests	Approximate percentage of issued Share capital of the Company
Mats H. Berglund	Long	4,198,000	-	-	-	4,198,000	0.22%
Chanakya Kocherla	Long	2,721,667	-	-	-	2,721,667	0.14%
Patrick B. Paul	Long	120,000	-	-	-	120,000	Less than 0.01%

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, buybacks may only be effected out of the capital paid up on the Shares to be brought 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 brought 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 brought back

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,936,977,119 Shares. Subject to the passing of resolution 6 approving the Buy-back Mandate as set out in the Notice appearing on pages 20 to 23 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 193,697,711 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.

FUNDING OF BUY-BACKS

Buy-backs 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 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 brought back 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 2014, and taking into account the current working capital position of the Company, the Directors consider that if the general mandate to buy back 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 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 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>
2014		
March	5.19	4.59
April	4.98	4.44
May	4.98	4.44
June	4.99	4.55
July	4.89	4.39
August	4.85	4.26
September	4.89	4.18
October	4.18	3.31
November	3.97	3.37
December	3.71	3.30
2015		
January	3.35	2.69
February	2.96	2.60
March (up to the Latest Practicable Date)	2.89	2.57

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, Aberdeen Asset Management Plc and its Associates ("Aberdeen Group") is interested in 348,899,000 Shares (representing approximately 18.01% of the Company's issued share capital of 1,936,977,119). Based on the said interests of Aberdeen Group 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 Aberdeen Group in the issued share capital of the Company will be increased from approximately 18.01% to approximately 20.01% which is below the 30% threshold prescribed under the Takeovers Code and Aberdeen Group 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 Aberdeen Group or any other Shareholder to make a mandatory general offer under Rule 26 of the Takeovers Code.

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.

 **Pacific Basin Shipping Limited**

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

NOTICE IS HEREBY GIVEN that the 2015 Annual General Meeting of Pacific Basin Shipping Limited (the “Company”) will be held at the Aberdeen room, JW Marriott Hotel, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 22 April 2015 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 2014;
2. To declare a final dividend for the year ended 31 December 2014;
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 an Ordinary Resolution:

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

THAT:

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

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

- (d) for the purposes of this resolution:

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

- (i) the closing price of the Shares as stated in the daily quotations sheet of The Stock Exchange 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 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 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 recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

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

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 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 brought 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 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 in general meeting.”

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

Hong Kong, 17 March 2015

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. 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.
4. The register of members of the Company will be closed on 29 April 2015 when 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 28 April 2015. The ex-dividend date for the final dividend will be on 27 April 2015.
5. 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 2014 Annual Report.