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

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

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 **Pacific Basin Shipping Limited**

(incorporated in Bermuda with limited liability)

(Stock Code: 2343)

**DISCLOSEABLE TRANSACTION:
SALE OF A VESSEL AND
TIME CHARTER BACK OF THAT VESSEL**

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DEFINITIONS

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

“Board”	means the board of directors of the Company;
“Company” or “Pacific Basin”	means Pacific Basin Shipping Limited, a limited company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange;
“Convertible Bonds”	means the US\$390,000,000 3.3% Guaranteed Convertible Bonds due 2013 issued by PB Issuer Limited on 20 December 2007, which are unconditionally and irrevocably guaranteed by the Company and convertible into Shares at the prevailing conversion price of HK\$19.21 per Share and are listed on the Stock Exchange under Stock Code 1606;
“Directors”	means the directors of the Company;
“dwt”	means deadweight tonnes, the unit of measurement of weight capacity of vessels, which is the total weight (usually in metric tonnes) the ship can carry, including cargo, bunkers, water, stores, spares, crew etc. at a specified draft;
“Group”	means the Company and its subsidiaries, which are principally engaged in the provision of marine transportation and logistical support services;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK Dollars” or “HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	means 24 June 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
“Listing Rules”	means The Rules Governing the Listing of Securities on the Stock Exchange;
“Long Term Incentive Scheme”	means the share option scheme adopted by the Company on 17 June 2004 and amended and re-named the long term incentive scheme pursuant to a resolution passed by Shareholders at a special general meeting on 8 June 2005;

DEFINITIONS

“MOA”	means the legally binding unconditional memorandum of agreement dated 10 June 2008 entered into between Summer Flourish Limited and Noto Eagle Partnership for the sale of the Vessel to Noto Eagle Partnership;
“Pacific Basin-IHC Pool”	formerly known as the International Handybulk Carriers Pool, established in October 2001, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members. The Pacific Basin-IHC Pool is operated by Pacific Basin IHC Limited, a wholly-owned subsidiary of the Company;
“Pacific Basin-IHX Pool”	formerly known as the International Handymax Carriers Pool, established in July 2006, which is a contractual arrangement for the sharing of revenue earned by vessels entered into by its members. The Pacific Basin-IHX Pool is operated by Pacific Basin IHX Limited, a wholly-owned subsidiary of the Company;
“Shareholders”	means the shareholders of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“US Dollars” or “US\$”	means United States dollars, the lawful currency of the United States; and
“Vessel” or “Benete Bay”	means a handysize dry bulk carrier of 28,050 dwt named “Benete Bay” which was delivered to the Company in April 2008.

LETTER FROM THE BOARD OF DIRECTORS

B Pacific Basin Shipping Limited

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

Executive Directors:

Christopher Richard Buttery
Richard Maurice Hext
Klaus Nyborg
Wang Chunlin
Jan Rindbo

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-Executive Directors:

Daniel Rochfort Bradshaw
Dr. Lee Kwok Yin, Simon

Hong Kong Principal Office:

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

Independent Non-Executive Directors:

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

27 June 2008

To the Shareholders

Dear Sir or Madam

**DISCLOSEABLE TRANSACTION:
SALE OF A VESSEL AND
TIME CHARTER BACK OF THAT VESSEL**

INTRODUCTION

On 10 June 2008, the Directors announced that an indirect wholly-owned subsidiary of the Company entered into the MOA with Noto Eagle Partnership to sell to it a handysize vessel named “Benete Bay” (the “Vessel”) for a consideration of US\$55,200,000 (approximately HK\$430,560,000).

In addition, simultaneously with the signing of the MOA, an indirect wholly-owned subsidiary of the Company, being the charterer, entered into a time charterparty with Eagle One Shipping S.A. to charter the Vessel back into the Company’s chartered fleet at an agreed charter rate for one year. The charter will commence immediately upon the delivery of the Vessel.

LETTER FROM THE BOARD OF DIRECTORS

The sale of the Vessel will result in a disposal gain estimated to be US\$9,300,000 (approximately HK\$72,540,000).

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

The sale of the Vessel will generate cash which is intended to be used for general working capital and for funding any investment projects that the Company may enter into in the future should suitable opportunities arise. The simultaneous time charter of the Vessel back into the Company's chartered fleet will allow the Company to retain commercial control and hence the revenues over the Vessel during the charter period.

The transaction under the MOA itself is not discloseable. As the ultimate beneficial owner of Noto Eagle Partnership is the same as that of Iyo Eagle Partnership and Satsuma Eagle Partnership to whom the Company sold two vessels, namely "Matariki Forest" and "Crescent Harbour" respectively in the past 12 months period as announced on 24 July 2007, the transaction contemplated under the MOA, when aggregated with these two previously announced transactions, constitutes a discloseable transaction of the Company under the Listing Rules. The transaction under the time charterparty does not constitute a discloseable transaction of the Company under the Listing Rules.

This document constitutes the circular which the Company is required to send to you pursuant to the Listing Rules in relation to the transaction under the MOA.

BACKGROUND FOR THE TRANSACTION

On 10 June 2008, an indirect wholly-owned subsidiary of the Company entered into the MOA with Noto Eagle Partnership to sell to it the Vessel for a consideration of US\$55,200,000 (approximately HK\$430,560,000).

In addition, simultaneously with the signing of the MOA, an indirect wholly-owned subsidiary of the Company, being the charterer, entered into a time charterparty with Eagle One Shipping S.A. to charter the Vessel back into the Company's chartered fleet at an agreed charter rate for one year. The charter will commence immediately upon the delivery of the Vessel.

Principal terms of the MOA and the time charterparty are set out below.

LETTER FROM THE BOARD OF DIRECTORS

THE MOA

The MOA is legally binding and its terms and conditions are described below:

Date : 10 June 2008

Parties : Purchaser: Noto Eagle Partnership, which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, together with its ultimate beneficial owner, are not connected persons (as defined in the Listing Rules) of the Company and are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. As far as the Directors are aware, having made all reasonable enquiry, the principal business activity of Noto Eagle Partnership and its ultimate beneficial owner is the owning, operating and managing of shipping vessels.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, save for the transactions disclosed in this circular and in the announcement dated 24 July 2007 in relation to the sale and time charter back of "Matariki Forest" and "Crescent Harbour", during the 12 months prior to the date of the MOA, the Company has not entered into any transaction with Noto Eagle Partnership or its ultimate beneficial owner or with parties connected or otherwise associated with one another and there are no other relationships amongst Noto Eagle Partnership or its ultimate beneficial owner with whom the Company has entered into transactions to acquire, dispose of, or charter in vessels.

Seller: Summer Flourish Limited, an indirect wholly-owned subsidiary of the Company.

Asset to be sold : A handysize dry bulk carrier of 28,050 dwt named "Benete Bay", which was delivered to the Company in April 2008.

Carrying value of the Vessel : The carrying value of the Vessel was approximately US\$45,900,000 (approximately HK\$358,020,000) in the Company's unaudited accounts as at 10 June 2008.

LETTER FROM THE BOARD OF DIRECTORS

Consideration : The consideration for the Vessel is US\$55,200,000 (approximately HK\$430,560,000), entirely in cash. Such consideration was determined by reference to market intelligence the Company has gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of vessels of comparable size and year of build in the market, and after arm's length negotiation between the parties. However, as is commonly the case in the dry bulk carrier market, there have not been any recently published sales by third party vendors of vessels of the exact size and year of build of the Vessel from which to make a direct comparison. In addition, no third party valuation has been performed on the Vessel.

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

Payment terms : Under the MOA, 10% of the consideration (being the deposit) for the sale of the Vessel was received upon signing the MOA and the balance of the consideration shall be received in full upon the delivery of the Vessel.

Guarantees : PB Vessels Holding Limited, a direct wholly-owned subsidiary of the Company, has entered into guarantees with Noto Eagle Partnership and Eagle One Shipping S.A. to guarantee the performance of Summer Flourish Limited and the charterer of all their respective obligations, duties and liabilities under the MOA and the time charterparty.

Completion and delivery : Pursuant to the MOA, the latest date for completion is 31 August 2008 unless the parties otherwise agree. The Directors currently expect that the completion and delivery of the Vessel will take place in August 2008.

Expected disposal gain : The expected disposal gain of the Vessel, being US\$9,300,000 (approximately HK\$72,540,000), is calculated as the difference between the sales consideration of the Vessel and its approximate carrying value in the Company's unaudited accounts as at 10 June 2008. Such disposal gain is expected to accrue to the consolidated income statement of the Company in the financial year ending 31 December 2008.

LETTER FROM THE BOARD OF DIRECTORS

Application of sale proceeds : The Company intends to retain the sale proceeds of the Vessel for general working capital and for funding investment projects that the Company may enter into in the future should suitable opportunities arise.

As of the Latest Practicable Date, the Company has not concluded any negotiations or agreements in relation to the above investment initiatives which is required to be announced under the Listing Rules.

THE CHARTERPARTY

Simultaneously with the signing of the MOA, an indirect wholly-owned subsidiary of the Company, being the charterer, entered into a time charterparty with Eagle One Shipping S.A. to charter the Vessel back into the Company's chartered fleet at an agreed charter rate for one year. The charter will commence immediately upon the delivery of the Vessel. The Company does not have the option to re-purchase the Vessel during or at the end of the charter period.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Eagle One Shipping S.A., which has the same ultimate beneficial owner as Noto Eagle Partnership, is not a connected person (as defined in the Listing Rules) of the Company and is a third party independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

The time charter rate of the Vessel was determined after arm's length negotiation, on normal commercial terms and by reference to the type of the Vessel. The time charter rate is considered to be competitive as compared with the current market time charter rates.

The time charterparty is a separate agreement to the MOA and they are not interconditional. The transaction to time charter the Vessel back will be classified as an operating lease in accordance with the Hong Kong Accounting Standard No. 17 "Leases". As the entering into of such operating lease does not represent a 200% or more increase in the scale of the Company's existing operations conducted through lease arrangements of such kind, the transaction under the time charterparty does not constitute a discloseable transaction of the Company under Rule 14.04(1)(d) of the Listing Rules.

Financial Effects of the Sale and Time Charter Back of the Vessel

Upon completion of the disposal and delivery of the Vessel, the Group's fixed assets (owned vessels) will decrease by the carrying value of the Vessel of approximately US\$45,900,000 (approximately HK\$358,020,000). Current assets are expected to increase by US\$55,200,000 (approximately HK\$430,560,000), representing the sale proceeds receivable by the Company. There will be no impact on the Group's liabilities as a result of the disposal and delivery of the Vessel. The sale of the Vessel will result in a disposal gain of approximately US\$9,300,000 (approximately HK\$72,540,000) which is expected to accrue to the consolidated income statement of the Company in the financial year ending 31 December

LETTER FROM THE BOARD OF DIRECTORS

2008. The transaction to time charter the Vessel back will be classified as an operating lease with the charter-hire payments to be accounted for as operating lease expenses during the charter period in accordance with the Hong Kong Accounting Standard No. 17 "Leases".

The sale and time charter back of the Vessel will not have any effect upon the number of handysize revenue days nor have a significant effect upon the earnings of the Group during the charter period of the Vessel.

REASONS FOR THE TRANSACTION

The Company is one of the world's leading dry bulk shipping companies operating principally in the Asia Pacific region. With a large fleet of modern vessels, Pacific Basin seeks to offer its customers a reliable service with a high degree of scheduling flexibility whilst maintaining the Company's operational efficiency.

The sale of the Vessel will generate cash which is intended to be used for general working capital and for funding any investment projects that the Company may enter into in the future should suitable opportunities arise. The simultaneous time charter of the Vessel back into the Company's chartered fleet will allow the Company to retain commercial control and hence the revenues over the Vessel during the charter period.

The Directors believe that the terms of the MOA and the time charterparty, which were determined after arm's length negotiation, on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders are concerned, and the transactions to sell and time charter back the Vessel are in the interests of the Company and the Shareholders as a whole.

THE FLEET

Handysize Fleet

Following the completion and delivery of (i) the Vessel and (ii) the "Pitt Island" pursuant to the sale and charter back transactions as announced on 20 March 2008, the Company's core handysize fleet will comprise 65 vessels (approximately 1.93 million dwt), including 19 owned vessels and 46 chartered-in vessels. All handysize vessels, with the exception of one vessel, are employed in a mixture of voyage charters and time charters through the Pacific Basin-IHC Pool. Outside the core handysize fleet, the Pacific Basin-IHC Pool also operates a number of short-term chartered-in vessels, amounting to six vessels as at the Latest Practicable Date.

In addition, the Company has eight newbuilding vessels on order (approximately 0.25 million dwt in aggregate), two of which are scheduled to be delivered in 2008 and six in 2009. Seven of these newbuilding vessels will enter into the Company's owned fleet and the other vessel will enter into the Company's chartered fleet upon their respective deliveries.

LETTER FROM THE BOARD OF DIRECTORS

Handymax Fleet

Following the delivery of a vessel in July 2008 which the Company has agreed to charter-in on a long-term basis, the Company's core handymax fleet will comprise 16 vessels (approximately 0.80 million dwt), including three owned vessels and 13 chartered-in vessels. All handymax vessels, with the exception of two vessels which are employed on long-term time charters, are employed in a mixture of voyage charters and time charters through the Pacific Basin-IHX Pool. Outside the core handymax fleet, the Pacific Basin-IHX Pool also operates a number of short-term chartered-in vessels, amounting to 15 vessels as at the Latest Practicable Date.

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

Post Panamax Vessels on Order

The Company has placed an order for a 115,000 dwt newbuilding bulk carrier with an expected delivery in the third quarter of 2011. In addition, the Company has a 50% interest in another 115,000 dwt newbuilding bulk carrier and in a long-term charter of a 95,000 dwt newbuilding bulk carrier, both with an expected delivery in the first quarter of 2011 through a joint venture.

Roll on Roll off Vessels on Order

The Company has placed orders for four roll on roll off newbuilding vessels with deliveries currently scheduled between the third quarter of 2009 and the first quarter of 2011.

Tug and Barge Fleet

The Company currently owns three tugs and one barge and charters in six tugs. Eight of such tugs are operated by the Company's 90.1% owned subsidiary for the provision of harbour towage services in Australia. The remaining tug and the barge are long-term chartered to the Company's joint venture in the Middle East for transporting aggregates and rock.

In addition, the Company has placed orders for 6 newbuilding tugs, which are expected to enter into the Company's owned tug fleet upon their deliveries between 2008 and 2010.

REASON FOR THE CIRCULAR

The transaction under the MOA itself is not discloseable. As the ultimate beneficial owner of Noto Eagle Partnership is the same as that of Iyo Eagle Partnership and Satsuma Eagle Partnership to whom the Company sold two vessels, namely "Matariki Forest" and "Crescent Harbour" respectively in the past 12 months period as announced on 24 July 2007, the transaction contemplated under the MOA, when aggregated with these two previously announced transactions, constitutes a discloseable transaction of the Company

LETTER FROM THE BOARD OF DIRECTORS

under the Listing Rules. This document constitutes the circular which the Company is required to send to you pursuant to the Listing Rules in relation to the transaction under the MOA.

FURTHER INFORMATION

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

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

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

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

Authorised and issued share capital

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

Authorised: US\$

3,600,000,000 shares (Shares of US\$0.10 each) 360,000,000

Issued:

1,744,778,109 shares (Shares of US\$0.10 each) 174,477,810

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

As at the Latest Practicable Date, save as the existing issued Shares and the Convertible Bonds, no part of the share capital or debt securities of the Company are listed on or dealt in any stock exchange other than the Stock Exchange and no application is being made or is currently proposed to be sought for the Shares or debt securities of the Company to be listed on or dealt in any other stock exchange.

3. DISCLOSURE OF INTERESTS

(i) Interests of Directors and Chief Executive

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

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

Name of Director	Corporate interests	Personal interests	Family interests	Trust & similar interests	Number of underlying Shares under equity derivatives	Total Share interests	Approximate percentage of issued share capital of the Company
Christopher R. Buttery	-	-	-	950,000 ¹	-	950,000	0.05%
Richard M. Hext	-	1,962,994 ²	-	-	-	1,962,994	0.11%
Dr. Lee Kwok Yin, Simon	-	-	-	72,153,847 ³	-	72,153,847	4.14%
Daniel R. Bradshaw	386,417 ⁴	-	-	-	-	386,417	0.02%
Wang Chunlin	-	1,090,000 ⁵	-	-	-	1,090,000	0.06%
Klaus Nyborg	-	2,000,000 ⁶	-	-	-	2,000,000	0.11%
Jan Rindbo	-	2,421,370 ⁷	-	-	-	2,421,370	0.14%

Notes:

- (1) 950,000 Shares are owned by Turnwell Limited. Mr. Buttery is deemed to be interested in the entire share capital of Turnwell Limited under the SFO as its shares are held by a discretionary trust set up by him and the discretionary objects of which include himself and his family members.
- (2) An aggregate of 4,353,741 Shares were granted to Mr. Hext in the form of restricted share awards pursuant to the Long Term Incentive Scheme (3,333,333 Shares were granted on 8 June 2005 and 1,020,408 Shares were granted on 20 March 2006), of which (i) 870,747 Shares have vested on 5 April 2006, (ii) 870,747 Shares have vested on 5 April 2007, (iii) 870,747 Shares have vested on 5 April 2008, (iv) 870,746 Shares will vest on 5 April 2009 and (v) 870,754 Shares will vest on 5 April 2010.

As at the Latest Practicable Date, the balance of Shares held by Mr. Hext was 1,962,994 Shares.

- (3) Out of the 72,153,847 Shares, 21,973,536 Shares, 43,867,811 Shares and 6,312,500 Shares are beneficially owned by Wellex Investment Limited, Fortress Eagle Investment Limited and Invest Paradise International Limited respectively. These companies are controlled by discretionary trusts established by Dr. Lee, the discretionary objects of which include his family members.
- (4) Mr. Bradshaw is a shareholder holding 100% and 50% of the issued share capital, respectively, in Cormorant Shipping Limited and Goldeneye Shipping Limited. He beneficially owns 353,241 Shares via Cormorant Shipping Limited and is taken to be interested in the 33,176 Shares held by Goldeneye Shipping Limited.
- (5) By a Restricted Share Award Agreement dated 9 March 2006, 550,000 Shares in the form of restricted share awards were granted to Mr. Wang on 24 March 2006 pursuant to the Long Term Incentive Scheme. 110,000 Shares have vested on each of 1 March 2007 and 2008, and an equal amount of 110,000 Shares will vest on each of 1 March 2009, 2010 and 2011.

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

As at the Latest Practicable Date, the balance of Shares held by Mr. Wang was 1,090,000 Shares.

- (6) Pursuant to the Long Term Incentive Scheme, 2,500,000 Shares in the form of restricted share awards were granted to Mr. Nyborg on 19 September 2006. 500,000 Shares have vested on 19 September 2006, and an equal amount of 500,000 Shares will vest on each of 4 September 2008, 2009, 2010 and 2011.

As at the Latest Practicable Date, the balance of Shares held by Mr. Nyborg was 2,000,000 Shares.

- (7) The personal interests of Mr. Rindbo constitute 1,391,370 Shares and 1,030,000 Shares in the form of restricted share awards granted to him pursuant to the Long Term Incentive Scheme under a Restricted Share Award Agreement dated 11 May 2007, of which (i) 340,000 Shares will vest on 14 July 2008, (ii) 340,000 Shares will vest on 14 July 2009, and (iii) 350,000 Shares will vest on 14 July 2010.

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

Name of Director	Corporate interests	Personal interests	Family interests	Trust & similar interests	Number of underlying Shares under equity derivatives	Total Share interests	Approximate percentage of issued share capital of the Company
Dr. Lee Kwok Yin, Simon	-	-	-	-	5,500,000	5,500,000	0.32%

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

(ii) Interests of Shareholders discloseable pursuant to the SFO

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

Name	Capacity/Nature of interest	Number of Shares	Approximate percentage of issued share capital of the Company
JP Morgan Chase & Co.	Beneficial owner, investment manager and approved lending agent	138,815,004 ¹	7.96% ¹
		5,397,000 ²	0.31% ²
		55,031,803 ³	3.15% ³
Morgan Stanley	Interest of corporation controlled	108,347,632 ¹	6.21% ¹
		57,121,721 ²	3.27% ²

Note:

- (1) The interests stated represent long positions.
- (2) The interests stated represent short positions.
- (3) The interests stated represent lending pool.

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

4. SERVICE CONTRACTS

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

5. LITIGATION

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

6. COMPETING INTERESTS

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

7. MISCELLANEOUS

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