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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 TRANSACTIONS:
ACQUISITION OF OPTIONS TO PURCHASE
TWO ROLL ON ROLL OFF NEWBUILDING CARGO VESSELS**

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DEFINITIONS

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

“Agreements”	means two legally binding agreements dated 10 July 2008 entered into between PBVH and INARME, pursuant to which PBVH secured the Purchase Options, and an “Agreement” shall mean each and any one of them as the context so requires;
“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 dry bulk 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;
“INARME”	Industria Armamento Meridionale SpA, a company within the Grimaldi Group, being the seller under each of the Agreements;

DEFINITIONS

“lane metres”	means the unit of measurement of capacity of RoRo vessels, which is calculated by multiplying the cargo deck length in metres by the cargo deck width in lanes;
“Latest Practicable Date”	means 28 July 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;
“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;
“PBVH”	PB Vessels Holding Limited, which is a direct wholly-owned subsidiary of the Company and the buyer under each of the Agreements;
“Purchase Options”	means two options each for a deposit of US\$20.0 million (approximately HK\$156.0 million), secured by PBVH under the Agreements for the rights to acquire the Vessels each for a consideration of US\$66.8 million (approximately HK\$521.0 million), both of which are exercisable within 30 days after the respective delivery of the Vessels, and a “Purchase Option” shall mean each and any one of them as the context so requires;

DEFINITIONS

“RoRo”	means roll on roll off transportation which involves the carriage of wheeled cargoes and freight on wheeled trailers which can be loaded and discharged over a ramp, rather than lifted on and off the vessels using cranes;
“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 of America; and
“Vessels”	means two 3,810 lane metre RoRo vessels to be constructed at a Korean shipyard, which are currently expected to be delivered between the second quarter and the fourth quarter of 2010, and a “Vessel” shall mean each and any one of them as the context so requires.

LETTER FROM THE BOARD OF DIRECTORS

B Pacific Basin Shipping Limited

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

Executive Directors:

David Muir Turnbull
Richard Maurice Hext
Klaus Nyborg
Wang Chunlin
Jan Rindbo

Registered Office:

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Non-Executive Directors:

Daniel Rochfort Bradshaw
Dr. Lee Kwok Yin, Simon

Hong Kong Principal Office:

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

Independent Non-Executive Directors:

Robert Charles Nicholson
Patrick Blackwell Paul
Alasdair George Morrison

31 July 2008

To the Shareholders

Dear Sir or Madam

**DISCLOSEABLE TRANSACTIONS:
ACQUISITION OF OPTIONS TO PURCHASE
TWO ROLL ON ROLL OFF NEWBUILDING CARGO VESSELS**

INTRODUCTION

On 10 July 2008, the Directors announced that a wholly-owned subsidiary of the Company entered into two Agreements with INARME to secure from it two respective Purchase Options, each for a deposit of US\$20.0 million (approximately HK\$156.0 million). Pursuant to the terms of each Agreement, the Company will have the discretion to exercise the associated Purchase Option within 30 days after delivery from the yard at an exercise price of US\$66.8 million (approximately HK\$521.0 million) to acquire from INARME a RoRo vessel. The Vessels are currently under construction at a Korean shipyard and are expected to be delivered between the second quarter and the fourth quarter of 2010.

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

LETTER FROM THE BOARD OF DIRECTORS

The Directors consider that the acquisition of these two RoRo Vessels (upon exercise of the Purchase Options) will enable the Company to significantly expand its presence in what Pacific Basin believes to be a promising shipping sector characterised by good demand prospects, an ageing existing fleet, a small orderbook and few yards building these vessels.

Acquisitions of the two Purchase Options contemplated under the Agreements, on an aggregated basis, constitute discloseable transactions 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 transactions under the Agreements.

The Company will comply with Rule 14.75(2) of the Listing Rules if it exercises any of the Purchase Options, and will also comply with Rule 14.77 of the Listing Rules to announce upon the earlier of (1) the expiry of any of the Purchase Options; or (2) PBVH notifying INARME that any of the Purchase Options will not be exercised; or (3) the transfer by PBVH of the Purchase Options to a third party.

THE AGREEMENTS

Each of the Agreements is legally binding, of broadly similar terms and conditions which are described below:

Date : 10 July 2008

Parties : Buyer: PBVH for both Agreements, which is a direct wholly-owned subsidiary of the Company.

Seller: INARME, 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 INARME and its ultimate beneficial owner are owning and operating of shipping vessels.

LETTER FROM THE BOARD OF DIRECTORS

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

Assets to be acquired under the Purchase Options : Two 3,810 lane metre RoRo vessels to be constructed at a Korean shipyard. The Vessels are currently expected to be delivered between the second quarter and the fourth quarter of 2010.

When the Company exercises any of the Purchase Options, the associated Vessel will be operated by the Company upon its delivery to the Company's RoRo fleet.

Deposits for the Purchase Options : US\$20.0 million (approximately HK\$156.0 million) for each Purchase Option, entirely in cash.

The deposits for the Purchase Options were paid using the Company's cash reserves upon signing of the Agreements.

Exercise price of the Purchase Options : US\$66.8 million (approximately HK\$521.0 million) for each Purchase Option, entirely in cash. The Company intends to exercise both Purchase Options.

Aggregate of the deposit and the exercise price of the Purchase Option payable by the Company to acquire each Vessel amounts to US\$86.8 million (approximately HK\$677.0 million), or US\$173.6 million (approximately HK\$1,354.0 million) to acquire both Vessels.

For each Purchase Option, it is intended that approximately US\$14.8 million (approximately HK\$115.4 million) of the exercise price of the Purchase Option will be funded by the cash reserves of the Company and approximately US\$52.0 million (approximately HK\$405.6 million) will be from new bank borrowings, which the Company intends to arrange nearer the time for payment of such exercise price. The Company expects that such bank borrowings could be long-term in nature and on similar terms as the Company's existing facilities.

LETTER FROM THE BOARD OF DIRECTORS

The deposits and the exercise price of the Purchase Options in aggregate, were determined after arm's length negotiation between the parties and by reference to market intelligence the Company had gathered from shipbrokers and its own analysis of recently concluded sale and purchase transactions of RoRo vessels of comparable size and year of delivery in the market. However, as is commonly the case in the RoRo shipping market, there have not been any recently published sales by third party vendors of RoRo newbuildings of the exact specification and year of scheduled delivery of the Vessels from which to make a direct comparison. In addition, no third party valuation has been performed on the Vessels.

The Directors believe that the deposits and the exercise price of the Purchase Options in aggregate, 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 are in the interests of the Company and the Shareholders as a whole.

Payment terms : The deposits for the Purchase Options were paid in full upon signing of the Agreements.

When PBVH or its nominee declares to exercise any of the Purchase Options in accordance with the Agreements, the exercise price of such Purchase Option shall be payable upon delivery of the Vessel to the Company.

LETTER FROM THE BOARD OF DIRECTORS

- Refund guarantee : A company within the INARME group has provided a guarantee to PBVH to guarantee the refund of the deposits paid for the Purchase Options in the event of the non-delivery of any of the Vessels from the shipbuilder or otherwise the rejection of the Vessels by the Company as a result of delay in delivery, deficiency in speed, excessive fuel consumption or other deficiencies in excess of the agreed limits.
- Delivery : The Company current expects that, subject to any extensions that may be agreed between PBVH and INARME, the delivery of the Vessels will take place between the second quarter and the fourth quarter of 2010.
- Expiry of the Purchase Options : Pursuant to the Agreements, if the Purchase Options are not exercised within 30 days after the respective delivery of the Vessels, the Purchase Options shall expire and the deposits paid shall be forfeited to INARME.

Financial effects of the acquisition of the Purchase Options and the exercise of the Purchase Options

The payment of the deposits for the Purchase Options, which were settled by the cash reserves of the Company, has increased the Group's non-current assets by US\$40.0 million (approximately HK\$312.0 million) whilst decreased the Group's current assets by the same amount accordingly.

The Company intends to exercise both Purchase Options. Following the delivery of the Vessels to the Company, the Group's fixed assets (owned vessels) will increase by approximately US\$173.6 million (approximately HK\$1,354.0 million), representing the sum of the deposits and the exercise price of the Purchase Options. The Company expects to fund US\$29.6 million (approximately HK\$230.8 million) of the exercise price of the Purchase Options using its cash reserves and US\$104.0 million (approximately HK\$811.2 million) from new bank borrowings. Hence, upon exercising the Purchase Options and if the Company successfully obtains such new bank borrowings, the Group's current assets are expected to further decrease by US\$29.6 million (approximately HK\$230.8 million) whilst long-term liabilities and current liabilities are expected to increase by US\$94.9 million (approximately HK\$740.2 million) and US\$9.1 million (approximately HK\$71.0 million), respectively.

The acquisition of the Vessels (upon exercise of the Purchase Options) will enable the Company to secure two RoRo newbuilding vessels which to the Directors consider will enhance the earnings of the Group following their deliveries to the Company's RoRo fleet.

LETTER FROM THE BOARD OF DIRECTORS

REASONS FOR THE TRANSACTIONS

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

The Directors consider that the acquisition of these two RoRo Vessels (upon exercise of the Purchase Options) will enable the Company to significantly expand its presence in what Pacific Basin believes to be a promising shipping sector characterised by good demand prospects, an ageing existing fleet, a small orderbook and few yards building these vessels.

The Directors believe that the terms of the Agreements, 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 transactions contemplated under the Agreements are in the interests of the Company and the Shareholders as a whole.

THE FLEET

RoRo Vessels on Order

As announced by the Company on 13 February 2008, the Company has placed orders for 4 RoRo newbuilding vessels with deliveries currently scheduled between the third quarter of 2009 and the first quarter of 2011. Following the delivery of the Vessels under the Agreements and the existing 4 newbuildings on order, the RoRo fleet will consist of 6 vessels of between 3,600 and 3,900 lane metres.

LETTER FROM THE BOARD OF DIRECTORS

The Pacific Basin Fleet

The Company's core business is its dry bulk carrier operation. The tables below summarise the Company's projected fleet size as at 31 July 2008, taking into account the transactions disclosed in this circular and other announcements of the Company:

(A) *Dry Bulk Vessels*

	<u>Delivered vessels</u>		<u>Newbuildings on order</u>			Total dry bulk fleet
	Handysize	Handymax	Handysize	Handymax	Post panamax	
Owned fleet	17	2	7	1	2	29
Chartered fleet ¹	46	15	1	1	1	64
Managed fleet	<u>2</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>2</u>
Total	65	17	8	2	3	95
Short-term chartered-in vessels ²	<u>5</u>	<u>16</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>21</u>
Grand total	<u>70</u>	<u>33</u>	<u>8</u>	<u>2</u>	<u>3</u>	<u>116</u>

Notes:

1. Chartered fleet comprises 13 vessels under finance leases and 51 vessels under operating leases.
2. Short-term charters are generally those with charter periods not exceeding 6 months.

(B) *Other Vessel Types*

	<u>Delivered vessels</u>			<u>Newbuildings on order</u>		Total other vessel types
	Tugs	Barge	RoRo	Tugs	Barges	
Owned fleet	<u>11</u>	<u>1</u>	<u>6</u>	<u>6</u>	<u>2</u>	<u>26</u>

LETTER FROM THE BOARD OF DIRECTORS

REASON FOR THE CIRCULAR

Acquisition of the two Purchase Options contemplated under the Agreements, on an aggregated basis, constitute discloseable transactions 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 transactions under the Agreements.

The Company will comply with Rule 14.75(2) of the Listing Rules if it exercises any of the Purchase Options, and will also comply with Rule 14.77 of the Listing Rules to announce upon the earlier of (1) the expiry of any of the Purchase Options; or (2) PBVH notifying INARME that any of the Purchase Options will not be exercised; or (3) the transfer by PBVH of the Purchase Options to a third party.

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
Richard M. Hext	-	1,962,994 ¹	-	-	-	1,962,994	0.11%
Dr. Lee Kwok Yin, Simon	-	-	-	71,922,847 ²	-	71,922,847	4.12%
Daniel R. Bradshaw	386,417 ³	-	-	-	-	386,417	0.02%
Wang Chunlin	-	1,090,000 ⁴	-	-	-	1,090,000	0.06%
Klaus Nyborg	-	2,000,000 ⁵	-	-	-	2,000,000	0.11%
Jan Rindbo	-	2,421,370 ⁶	-	-	-	2,421,370	0.14%

Notes:

- (1) 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.

- (2) Out of the 71,922,847 Shares, 21,973,536 Shares, 43,752,311 Shares and 6,197,000 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.
- (3) 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.
- (4) 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 have vested 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.

- (5) 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.

- (6) 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 have vested 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 position 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	-	-	-	-	5,038,000	5,038,000	0.29%

Save 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,	140,246,750 ¹	8.04%
	investment manager and	8,897,000 ²	0.51%
	approved lending agent	56,778,282 ³	3.25%
Morgan Stanley	Interest of	88,135,157 ¹	5.05%
	corporation controlled	36,307,093 ²	2.08%

Note:

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

Save 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.