

NOTICE OF 2000 ANNUAL GENERAL MEETING

NOTICE is hereby given that the 2001 Annual General Meeting of China Shipping Development Company Limited (the "Company") will be held at 9:30 a.m. on 28 May 2002 at Room 1016, 700 Dong Da Ming Road, Shanghai, The People's Republic of China for the purpose of considering and, if thought fit, approving the following resolutions:

As ordinary resolutions:

1. to consider and approve the 2001 report of the board of directors of the Company;
2. to consider and approve the 2001 report of the supervisory committee of the Company;
3. to consider and approve the 2001 audited financial report of the Company;
4. to consider and approve the proposed profit distribution plan of the Company for 2001;
5. to consider and approve the resignation of Zhang Denghui (who has already rendered his resignation) as a director of the Company, and the appointment of Yan Zhichong as a director of the Company. Mr. Yan's term of office shall be the same as the term of office of directors of the current board of directors of the Company;
6. to consider and approve the resignation of Liu Guoxiong (who has already rendered his resignation) as a supervisor of the Company, and the appointment of Wang Xiangyun as a supervisor of the Company. Mr. Wang's term of office shall be the same as the term of office of the current supervisors of the Company;

7. to determine the remuneration of the directors and supervisors of the Company for 2002;
8. to consider and approve the reappointment of Shanghai Zhonghua Huaying C.P.A. and Ernst & Young as the domestic and international auditors of the Company for 2002 respectively, and to authorise the board of directors of the Company to determine their remuneration;
9. to consider and approve the proposal in respect of the adjustment on remaining housing allowance and provident fund reserve;

As special resolution:

10. to consider, if thought fit, and pass with or without amendments the following resolution as a Special Resolution:

THAT:

- (a) subject (i) to paragraphs (c) and (d) below; and (ii) to and in accordance with The Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and all applicable laws, rules and regulations of the People's Republic of China (the "PRC") (in each case as amended from time to time), a general unconditional mandate be and it is hereby granted to the directors of the Company (the "Directors") to exercise once or more than once during the Relevant Period (as defined below) all the powers of the Company to allot issue and deal with additional H shares of RMB1.00 each in the capital of the Company ("H Shares") on such terms and conditions as the Directors may determine and that, in the exercise of their power to allot and issue such H Shares, the authority of the Directors shall include:

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- (i) the determination of the number of H Shares to be issued;
 - (ii) the determination of the issue price of the new H Shares;
 - (iii) the determination of the opening and closing dates of the new issue;
 - (iv) the determination of the number of H Shares (if any) to be issued to the existing shareholders;
 - (v) the making and granting of offers, agreements and options (including bonds, warrants and debentures convertible into H Shares) as may be necessary in the exercise of such powers; and
 - (vi) in the case of an offer or allotment of H Shares to the shareholders of the Company, the exclusion of the shareholders who are resident outside the PRC or the Hong Kong Special Administrative Region of the PRC on account of prohibitions or requirements under overseas laws or regulations or for some other reason which the Directors consider expedient;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make and grant offers, agreements and options (including bonds, warrants and debentures convertible into H Shares) which would or might require the H Shares relating to the exercise of such power being allotted and issued after the expiry of the Relevant Period;

- (c) the aggregate amount of H Shares to be allotted or conditionally or unconditionally agreed to be allotted (whether pursuant to the exercise of options, convertible bonds, warrants or debentures, or otherwise) by the Directors pursuant to the authority granted under paragraph (a) above (excluding any H Shares allotted due to the conversion of the capital reserve fund into capital in accordance with the PRC Company Law and the articles of association of the Company) shall not exceed 20% of the aggregate nominal amount of the H Shares in issue as at the date of the passing of this resolution and the said authority shall be limited accordingly;
- (d) the Directors shall exercise the authority granted under paragraph (a) above (i) in accordance with all applicable PRC laws, rules and regulations and the Listing Rules (in each case as amended from time to time) and (ii) subject to the approval of the China Securities Regulatory Commission and all other relevant authorities of the PRC;
- (e) for the purposes of this resolution:
 - "Relevant Period" means the period from the date of the passing of the resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of this Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
 - (iii) the date on which the authority granted by this resolution is revoked or varied by a special resolution of the shareholders of the Company in general meeting;

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- (f) the Directors, subject to the approval of the relevant authority and in accordance with the PRC Company Law, be authorised to increase the registered share capital of the Company to the respective amount upon the exercise of the powers pursuant to paragraph (a) above;
- (g) subject to the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the H Shares proposed to be issued by the Company and the approval of the China Securities Regulatory Commission for the issue of such H Shares being granted, the Directors be and they are hereby authorised to
 - (i) amend, as they may deem appropriate and necessary, Articles 19 and 20 of the articles of association of the Company to reflect the change in the share capital structure of the Company in the event of an exercise of the power authorised under paragraph (a) above to allot and issue H Shares; and
 - (ii) file the amended articles of association of the Company with the relevant governmental authorities of the PRC.

By Order of the Board

Ye Yumang

Company Secretary

Shanghai, The PRC

25 March 2002

Notes:

1. Holders of H Shares whose names appear on the register of members of the Company at the close of business on 26 April 2002 are entitled to attend the Annual General Meeting.
2. The register of members of the Company will be closed from 27 April 2002 to 27 May 2002 (both days inclusive), during which time no share transfers will be effected.
3. Each shareholder who has the right to attend and vote at the Annual General Meeting is entitled to appoint one or more proxies, whether they are shareholders or not, to attend and vote on his behalf at the Annual General Meeting.
4. The instrument appointing a proxy must be in writing under the hand of the appointor or his attorney duly authorised in writing. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other documents of authorisation, must be notarially certified. To be valid, the notarially certified power of attorney, or other document of authorisation, and the form of proxy must be delivered to the Company's registrar, HKSCC Registrars Limited, of 2nd Floor, Vicwood Plaza, 199 Des Voeux Road Central, Hong Kong, not less than 24 hours before the time appointed for the holding of the Annual General Meeting.
5. Shareholders intending to attend the Annual General Meeting should return the reply slip to the Secretary's office of the board of directors of the Company on or before 7 May 2002 personally or by mail, cable or facsimile. Failure to return the reply slip will not affect shareholders' rights to attend the Annual General Meeting in person.
6. The Annual General Meeting is expected to last half a day. Shareholders attending the Annual General Meeting are responsible for their own transportation and accommodation expenses.
7. The details of the Secretary's Office of the Company are as follows:
Room 1716, 700 Dong Da Ming Road, Shanghai, The PRC
Postal Code: 200080
Tel: 86 (21) 6596 6666
Fax: 86 (21) 6596 6160