

## SIGNIFICANT EVENTS

### (1) Changes in directors and supervisors

On 25 May 2007, the Group convened the Tenth Meeting of the Board of Directors of 2007, and agreed to recommend Mr. Zhu Yongguang as an independent non-executive director of the Company. The matter has been approved in the Company's 2008 first extraordinary general meeting held on 18 January 2008.

On 22 October 2007, the Company convened the Sixth Meeting of the Supervisory Committee of 2007, and agreed to recommend Mr. Yu Shicheng as an independent supervisor of the Company. The matter has been approved in the Company's 2008 first extraordinary general meeting held on 18 January 2008.

Mr. Ma Xun, the Company's independent non-executive director, has resigned on 15 July 2008. His resignation was approved in the 2008 Thirteenth Meeting of the Board of Directors held on 18 July 2008.

### (2) Substantial shareholders

As at 30 June 2008, the interests or short positions of substantial shareholders in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to Section 336 of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("the SFO") are as follows:

Name of substantial shareholder	Class of shares	Number of shares interested	Percentage of the total number of shares of the relevant class	Percentage of the total number of issued shares
China Shipping (Group) Company	A	1,578,500,000(L)	74.86%	46.36%
Davis Selected Advisers, L.P. (d/b/a: Davis Advisors)	H	93,256,000(L)	7.20%	2.74%
Morgan Stanley International Incorporated	H	68,047,176(L)	5.25%	2.00%
		499,400(S)	0.04%	0.01%
Halbis Capital Management (Hong Kong) Limited	H	66,836,000(L)	5.16%	1.96%
Morgan Stanley Asia Pacific (Holdings) Limited	H	65,992,776(L)	5.09%	1.94%
		424,000(S)	0.03%	0.01%
Morgan Stanley Asia Regional (Holdings) III LLC	H	65,399,000(L)	5.05%	1.92%
Morgan Stanley Dean Witter (Singapore) Holdings Pte Ltd	H	65,399,000(L)	5.05%	1.92%
Morgan Stanley Investment Management Company	H	65,399,000(L)	5.05%	1.92%
Cheah Capital Management Limited	H	65,642,000(L)	5.06%	1.93%
Cheah Company Limited	H	65,642,000(L)	5.06%	1.93%
Hang Seng Bank Trustee International Limited	H	65,642,000(L)	5.06%	1.93%
Value Partners Group Limited	H	65,642,000(L)	5.06%	1.93%
Value Partners Limited	H	65,642,000(L)	5.06%	1.93%
To Hau Yin	H	65,642,000(L)	5.06%	1.93%
Cheah Cheng Hye	H	65,642,000(L)	5.06%	1.93%

Note: A - A shares      H - H shares      L - represents long position      S - means short position

Save as disclosed above, as at 30 June 2008, no person had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to Section 336 of the SFO.

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**(3) Directors', chief executives' and supervisors' interests and short position in shares, underlying shares and debentures of the Company or any associated corporations**

As at 30 June 2008, none of the directors, chief executives or supervisors had registered an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code").

**(4) Directors' and supervisors' rights to acquire shares or debentures**

At no time during the Reporting Period were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any director or supervisor or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, its holding company, subsidiaries or fellow subsidiaries a party to any arrangement to enable the directors or supervisors to acquire such rights in any other body corporate.

**(5) Purchase, sale or redemption of the Company's listed securities**

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its listed securities during the Reporting Period.

**(6) Compliance with the code of Corporate Governance Practice**

The Company has complied throughout the six months ended 30 June 2008 with the Code Provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

**(7) Audit Committee**

In compliance with Rule 3.21 of the Listing Rules, the Company has established an audit committee to review the financial reporting procedures and internal control and to provide guidance thereto. The audit committee of the Company comprises 4 independent non-executive directors of the Company. The audit committee has reviewed the interim results of the Company for the Reporting Period.

**(8) Remuneration Committee**

The remuneration committee is headed by Mr. Hu Honggao, an independent non-executive director of the Company. The other three members of the remuneration committee are all independent non-executive directors of the Company. The remuneration committee of the Company has adopted terms of reference which are in line with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules.

**(9) Compliance with the model code for securities transactions by Directors and Staff (the "Model Code") as set out in appendix 10 to the Listing Rules**

Following specific enquiries made with the directors, supervisors and chief executive of the Company, the Company confirmed that all of its directors supervisors and chief executives have complied with the Model Code during the six months ended 30 June 2008.

**(10) Employees**

Adjustment of employee remuneration are calculated in accordance with the Company's turnover and profitability and is determined by assessing the correlation between the total salary paid and the economic efficiency of the enterprise. Under this mechanism, management of employees remuneration will be more efficient while employees will be motivated to work harder to achieve encouraging results for the Company. Save for the remuneration policy disclosed above, the Company does not maintain any share option scheme for its employees and the employees do not enjoy any bonus. The Company regularly provides for its administrative personnel training on various subjects, including operation management, foreign languages, computer skills, industry know-how and policies and laws. These training may be in various forms, such as seminars, site visits and study tours.

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**(11) Supplementary information to be published on the website of the Stock Exchange**

All details on the financial and related information of the Company containing all information as required by paragraph 46(1) to 46(9) of Appendix 16 to the Listing Rules is published on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)).

**(12) Directors of the Company**

As at the date of this report, the Board of Directors of the Company is comprised of Mr. Li Shaode, Mr. Ma Zehua, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Mao Shijia and Mr. Wang Kunhe as executive directors, Mr. Xie Rong, Mr. Hu Honggao, Mr. Zhu Yongguang and Mr. Zhou Zhanqun as independent non-executive directors.

By order of the Board  
China Shipping Development Company Limited  
Li Shaode  
Chairman



Shanghai, the PRC  
12 August 2008

