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## **CHINA SHIPPING DEVELOPMENT COMPANY LIMITED**

### **中海發展股份有限公司**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 1138)**

### **NOTICE OF THE ANNUAL GENERAL MEETING**

**Notice is hereby given** that the annual general meeting (the “**AGM**”) of China Shipping Development Company Limited (the “**Company**”) will be held at 10:30 a.m. on Thursday, 17 May 2012 at Building 3, 79 Pu Xiang Road, Qingpu District, Shanghai, the PRC to consider and, if thought fit, pass the following ordinary and special resolutions:

#### **Ordinary Resolutions**

1. to consider and approve the 2011 audited financial statements of the Company;
2. to consider and approve the 2011 Report of the Board of Directors of the Company;
3. to consider and approve the 2011 Report of the Supervisory Committee of the Company;
4. to consider and approve the recommended 2011 final dividend of RMB0.10 (before tax) per share;
5. to consider and approve the 2011 Annual Report of the Company;
6. to consider and approve the remuneration of the directors, supervisors and senior management of the Company for 2011;

The total remuneration of the Company’s directors (the “**Director(s)**”), supervisors (the “**Supervisor(s)**”) and senior management (the “**Senior Management**”) amounted to RMB5,383,000 (including tax) for the year 2011. The Board and the Remuneration Committee of the Company recommend the remuneration standards for the senior management in 2012 to be: the annual remuneration for the general manager of the Company be RMB1 million per year (including tax). It is proposed that the allowances for each of the four independent non-executive Directors and one independent Supervisor to remain at RMB100,000 per year (including tax), i.e. the same level as those in 2011.

7. to consider and approve the reappointment of Baker Tilly China (天職國際會計師事務所有限公司) and Baker Tilly Hong Kong Limited (天職香港會計師事務所有限公司) as the domestic and international auditors of the Company for 2012, respectively, and authorise the board (the “Board”) of Directors to determine their remuneration;

### **Special Resolutions**

8. to consider and approve the proposed amendments to the articles of association of the Company for the change of the Company’s registered address;
9. to approve the issuance of corporate bonds by the Company with an aggregate principal amount not exceeding RMB5 billion (inclusive of RMB5 billion) (the “Corporate Bonds”); and
10. to authorise the Board or such persons authorised by the Board to handle all matters in connection with the issuance of Corporate Bonds within the scope of this resolution.

The Board of Directors of the Company or such persons authorised by the Board are hereby authorised to, within 24 months from the date of approval of the offering of the Corporate Bonds by China Securities Regulatory Commission, determine matters in relation to the issuance and listing of the Corporate Bonds having regard to the market conditions and the needs of the Company, including but not limited to, the final amount of issue, term of maturity, offering method and interest rate (further details of which are set out in the Company’s circular dated 2 April 2012), and to take all necessary actions for the purpose of implementing the issuance and listing of the Corporate Bonds.

By Order of the Board  
**China Shipping Development Company Limited**  
**Yao Qiaohong**  
*Company Secretary*

2 April 2012  
Shanghai  
The People’s Republic of China

*Notes:*

- (A) According to the Law on Corporate Income Tax of the People’s Republic of China and the relevant implementation rules which came into effect on 1 January 2008, the Company is required to withhold corporate income tax at the rate of 10% before distributing the 2011 final dividend to non-resident enterprise shareholders as appearing on the H share register of members of the Company. Any shares not registered in the name of an individual person, including HKSCC Nominees Limited, other nominees, trustees or other groups and organisations will be treated as being held by non-resident enterprise shareholders and therefore will be subject to the withholding of the corporate income tax.

- (B) The H Share register of the Company will be closed from Tuesday, 17 April 2012 to Thursday, 17 May 2012 (both days inclusive), during which no transfer of H Shares will be effected. Any holders of H Shares of the Company, whose names appear on the Company's register of members at the close of business on Thursday, 17 May 2012 are entitled to attend and vote at the AGM after completing the registration procedures for attending the meeting. For the holders of H Shares, in order to be entitled to attend and vote at the AGM, their share transfer documents must be lodged with the Company's H share registrar not later than 4:30 p.m. on Monday, 16 April 2012.
- (C) The H Share register of the Company will be closed from Thursday, 24 May 2012 to Tuesday, 29 May 2012 (both days inclusive), during which no transfer of H Shares will be effected for the purpose of ascertaining Shareholders' entitlement to the proposed final dividend. Any holders of H Shares of the Company, whose names appear on the Company's register of members at the close of business on Tuesday, 29 May 2012 will qualify for the final proposed dividend. In order to qualify for the proposed final dividend, the share transfer documents must be lodged with the Company's H share registrar not later than 4:30 p.m. on Wednesday, 23 May 2012. The proposed final dividend (the payment of which is subject to the Shareholders' approval at the AGM) is to be payable on or about Friday, 29 June 2012 to Shareholders whose name appear on the register of members of the Company on Tuesday, 29 May 2012. The Shares will trade ex-dividend on Tuesday, 22 May 2012.
- (D) The address of the share registrar (for share transfer) for the Company's H Shares is as follows:
- Hong Kong Registrars Limited  
Rooms 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong
- (E) Holders of H Shares, who intend to attend the AGM, must complete the reply slips for attending the AGM and return them to the Office of the Secretary to the Board of Directors of the Company not later than 20 days before the date of the AGM, i.e. no later than Friday, 27 April 2012.

Details of the Office of the Secretary to the Board of Directors of the Company are as follows:

7th Floor, 670 Dong Da Ming Road, Shanghai,  
The People's Republic of China  
Postal Code: 200080  
Tel: 86(21) 6596 6666  
Fax: 86(21) 6596 6160

- (F) Each holder of H Shares who has the right to attend and vote at the AGM is entitled to appoint in writing one or more proxies, whether that proxy is a shareholder or not, to attend and vote on his behalf at the AGM.
- (G) 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.
- (H) For holders of H Shares, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authority on behalf of the appointor, a notarially certified copy of that power of attorney or other authority, must be delivered to the Company's H share registrar, Hong Kong Registrars Limited, 17M Floor, Hopewell Centre 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the AGM (or any adjournment thereof) in order for such documents to be valid.
- (I) Each holder of A Shares is entitled to appoint in writing one or more proxies, whether a shareholder or not, to attend and vote on its behalf at the AGM. Notes (F) to (G) also apply to holders of A Shares, except that the proxy form or other documents of authority must be delivered to the Office of the Secretary to the Board of Directors, the address of which is set out in Note (E) above, not less than 24 hours before the time appointed for holding the AGM (or any adjournment thereof) in order for such documents to be valid.
- (J) If a proxy attends the AGM on behalf of a shareholder, he should produce his identity card and the instrument signed by the proxy or his legal representative, which specifies the date of its issuance. If the legal representative of a shareholder which shareholder is a legal person attends the AGM, such legal representative should produce his identity card and valid documents evidencing his capacity as such legal representative. If a shareholder which is a legal person appoints a company representative other than its legal representative to attend the AGM, such representative should produce his identity card and an authorisation instrument affixed with the seal of that shareholder (which is a legal person) and duly signed by its legal representative.
- (K) The AGM is expected to last for an hour. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.
- (L) As at the date of this notice, the board of directors of the Company is comprised of Mr. Li Shaode, Mr. Xu Lirong, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Yan Zhichong and Mr. Qiu Guoxuan as executive Directors, and Mr. Zhu Yongguang, Mr. Zhang Jun, Mr. Lu Wenbin and Mr. Wang Wusheng as independent non-executive Directors.