# 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)**

## RESULTS OF THE 2005 ANNUAL GENERAL MEETING

The Board announces the results of the 2005 Annual General Meeting.

The board (the "Board") of directors (the "Directors") of China Shipping Development Company Limited (the "Company") is pleased to announce the voting result of the 2005 Annual General Meeting ("AGM") of the Company held on Friday, 26 May 2006 at 700 Dong Da Ming Road, Shanghai, The People's Republic of China:

| Ordinary Resolutions | | Number of Votes (%) | | Number of Shares Carrying Voting Rights Represented by the Shareholders Attending the AGM |
|---|---|---|---|---|
| | | For | Against | |
| 1. | the 2005 Report of the Board of Directors of the Company; | 1,940,831,259 (100%) | 0 (0%) | 1,940,831,259 |
| 2. | the 2005 Report of the Supervisory Committee of the Company; | 1,940,811,259 (100%) | 0 (0%) | 1,940,811,259 |
| 3. | the 2005 consolidated audited financial statements of the Company; | 1,947,455,259 (100%) | 0 (0%) | 1,947,455,259 |
| 4. | the proposed profit distribution plan of the Company for 2005; | 1,964,304,514 (100%) | 129 (0%) | 1,964,304,643 |
| 5. | the remuneration of the Directors and Supervisors of the Company for 2006; | 1,936,728,514 (99.9881%) | 230,129 (0.0119%) | 1,936,958,643 |
| 6. | the reappointment of Shanghai Zhonghua Huying C.P.A. and Ernst & Young as the domestic and international auditors of the Company for 2006, respectively, and the grant of the authorisation to the Board of Directors of the Company to determine their remuneration; | 1,960,574,643 (100%) | 0 (0%) | 1,960,574,643 |

| Ordinary Resolutions | Number of Votes (%) | | Number of Shares Carrying Voting Rights Represented by the Shareholders Attending the AGM |
|---|---|---|---|
| | For | Against | |
| 7. A. the re-election of Mr. Li Shaode as executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| B. the re-election of Mr. Wang Daxiong as executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| C. the re-election of Mr. Mao Shijia as executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| D. the re-election of Mr. Wang Kunhe as executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| E. the re-election of Mr. Yao Zuozhi as non-executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| F. the re-election of Mr. Hu Honggao as independent non executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| G. the re-election of Mr. Xie Rong as independent non executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| H. the re-election of Mr. Zhou Zhanqun as independent non executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| I. the election of Mr. Zhang Guofa as executive director of the Company | 1,946,154,643 (99.5691%) | 8,422,000 (0.4309%) | 1,954,576,643 |
| J. the re-election of Mr. Kou Laiqi as supervisor of the Company | 1,951,662,643 (99.8509%) | 2,914,000 (0.1491%) | 1,954,576,643 |
| K. the election of Mr. Xu Hui as supervisor of the Company | 1,951,662,643 (99.8509%) | 2,914,000 (0.1491%) | 1,954,576,643 |
| L. the election of Ms Chen Xiuling as supervisor of the Company | 1,951,662,643 (99.8509%) | 2,914,000 (0.1491%) | 1,954,576,643 |
| As more than 50% of the votes were cast in favour of the above resolutions, all the resolutions were duly passed as ordinary resolutions. | | | |

| Special Resolution | Number of Votes (%) | | Number of Shares Carrying Voting Rights Represented by the Shareholders Attending the AGM |
|---|---|---|---|
| | For | Against | |
| 8. THAT amendments be made to the articles of association of the Company in order to reflect the change in share capital structure following the accomplishment of the Revised State Share Reform in December 2005. | 1,960,574,643 (100%) | 0 (0%) | 1,960,574,643 |
| As more than two-thirds of the votes were cast in favour of the resolution, the above resolution was duly passed as a special resolution. | | | |

Details regarding the above items 7 and 8 were set out in the notice of 2005 AGM of the Company dated 11 April 2006.

*Notes:*

(1) The total number of shares of the Company entitling the holders to attend and vote for or against any resolution at the AGM: 1,964,304,643.

Every member present in person or by proxy has one vote for every share of which he is the holder.

(2) The total number of shares entitling the shareholder of the Company to attend and vote only against any resolution at the AGM: Nil

(3) Hong Kong Registrars Limited, the H Share Registrar and Transfer Office of the Company acted as the scrutineer who, based on the H share poll voting forms collected by the Company, performed calculation on the H share poll voting results.

In addition, the Company's PRC legal advisers have advised that the AGM was convened and conducted in accordance with the laws, regulations and articles of association of the Company.

**Payment of Final Dividend**

The Board also wishes to notify shareholders that details of the payment of the final dividend are as follows:

The Company will pay a final dividend of RMB0.30 per share for the year ended 31 December 2005. The payment shall be made to H shareholders whose names appeared on the register of members of the Company at the close of business on 26 April 2006, and A shareholders whose names appeared on the register of members of the Company at the close of business on 9 June 2006. Dividends payable to holders of the Company's H shares will be paid in Hong Kong dollars based on the following formula:

$$\text{Final dividend per H share in Hong Kong dollars} = \frac{\text{Final dividend per H share in RMB}}{\text{The exchange rate for RMB to Hong Kong dollars as quoted by the People's Bank of China on the date of the AGM was held (i.e. 26 May 2006)}}$$

The exchange rate for RMB to Hong Kong dollars as quoted by the People's Bank of China on the date when the AGM was held is HK$1.00 to RMB1.0342. Accordingly, the amount of final dividend payable per H share is HK$0.2901.

The Company will pay the Bank of China (Hong Kong) Trustees Limited (the "Receiving Agent") the final dividend declared for payment to H shareholders. Such final dividend will be paid by the Receiving Agent and will be mailed by Hong Kong Registrars Limited to the holders of H shares who are entitled to receive the same by ordinary post at their own risk, on 26 June 2006.

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

Shanghai, the PRC
26 May 2006

* *As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Li Shaode, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Mao Shijia and Mr. Wang Kunhe as executive directors, Mr. Yao Zuozhi as non-executive directors, Mr. Xie Rong, Mr. Hu Honggao and Mr. Zhou Zhanqun as independent non-executive directors.*

Please also refer to the published version of this announcement in The Standard.