
NOTICE OF THE ANNUAL GENERAL MEETING



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

We refer to the announcement issued by China Shipping Development Company Limited (the “**Company**”) on 29 March 2016, in relation to, among other things, the asset acquisition and disposal agreement dated 29 March 2016 (the “**Asset Transfer Agreement**”) and the revised profit forecast compensation agreement dated 29 March 2016 (the “**Compensation Agreement**”) (the “**Announcement**”). Unless otherwise stated, the capitalized terms used in Resolution 10 to 19 shall have the same meaning as defined in the Announcement.

Notice is hereby given that the annual general meeting (the “**AGM**”) of the Company will be held at 2:00 p.m. on Friday, 20 May 2016 at 3rd Floor, Ocean Hotel, No. 1171 Dong Da Ming Road, Hongkou District, Shanghai, the People's Republic of China to consider and, if thought fit, pass the following resolutions as ordinary or special resolutions of the Company.

Ordinary Resolutions

1. to consider and approve the 2015 audited financial statements of the Company;
2. to consider and approve the recommended 2015 final dividend of RMB10 cents per share (before tax);
3. to consider and approve the 2015 Report of the Board of Directors of the Company;
4. to consider and approve the 2015 Report of the Supervisory Committee of the Company;
5. to consider and approve the Duty Performance Report of the Independent Non-executive Directors in 2015;
6. to consider and approve the 2015 Annual Report of the Company;
- 7A. to consider and approve the reappointment of Baker Tilly China Certified Public Accountants (天職國際會計師事務所(特殊普通合伙)) (“**Baker Tilly China**”) as the domestic auditor of the Company for the financial year ending 31 December 2016;

NOTICE OF THE ANNUAL GENERAL MEETING

- 7B. to consider and approve the reappointment of Baker Tilly Hong Kong Limited Certified Public Accountants (天職香港會計師事務所有限公司) as the international auditor of the Company for the financial year ending 31 December 2016;
- 7C. to consider and approve the reappointment of Baker Tilly China as the internal control auditor of the Company for the financial year ending 31 December 2016;
8. to consider and approve the remuneration of the directors (the “**Directors**”) and supervisors (the “**Supervisors**”) of the Company for 2016;

The board of the Company (the “**Board**”) recommend the remuneration standards for the Directors and Supervisors in 2016 to be:

- a. Directors or Supervisors who are also senior management members of controlling shareholder will not receive any remuneration from the Company.
 - b. Directors, being the senior management of the Company, will receive remuneration based on performance of the senior management, apart from which they will not receive additional allowance as Directors.
 - c. The allowances for each of the domestic independent non-executive Directors will be RMB150,000 per year (before tax); the allowances for each of the independent non-executive Directors to be employed from overseas countries or regions will be RMB300,000 per year (before tax); the allowances for any independent Supervisors that may be employed by the Company will be at the same level as those of the independent non-executive Directors.
 - d. The employee Supervisors will receive remuneration as employees of the Company, the standard of which will be determined in accordance with the internal administrative policies of the Company.
9. To consider and approve the election of Mr. Sun Jiakang as an executive Director and the terms of his appointment, details of which are set out in the announcement of the Company dated 8 March 2016 and will be set out in the circular of the AGM to be dispatched in due course;

NOTICE OF THE ANNUAL GENERAL MEETING

Special Resolutions

10. It be and is hereby confirmed that the Company has complied with the relevant requirements imposed by the applicable PRC laws and regulations to conduct the material asset restructuring;
11. To consider and approve the proposed material assets restructuring plan of the Company with respect to the Proposed Transactions:
 - 11.1. the overall restructuring plan of the Proposed Transactions;
 - 11.2. the counterparty of the CS Bulk Disposal;
 - 11.3. the target asset of the CS Bulk Disposal;
 - 11.4. the payment method of the CS Bulk Consideration;
 - 11.5. the CS Bulk Consideration;
 - 11.6. the arrangement in connection with the increase or decrease in the equity of CS Bulk during the transition period from the Reference Date to the Closing Audit Date;
 - 11.7. the arrangement in connection with the claims or debts of CS Bulk;
 - 11.8. the arrangement with respect to the transfer of shares of CS Bulk and default liability as agreed in the Asset Transfer Agreement
 - 11.9. the counterparty of the Dalian Ocean Acquisition;
 - 11.10. the target asset of the Dalian Ocean Acquisition;
 - 11.11. the payment method of the Dalian Ocean Consideration;
 - 11.12. the Dalian Ocean Consideration;
 - 11.13. the arrangement in connection with the increase or decrease in the equity of Dalian Ocean during the transition period from the Reference Date to the Closing Audit Date;
 - 11.14. the arrangement in connection with the claims or debts of Dalian Ocean;
 - 11.15. the arrangement with respect to the transfer of shares of Dalian Ocean and default liability as agreed in the Asset Transfer Agreement;

NOTICE OF THE ANNUAL GENERAL MEETING

- 11.16. the shareholders' approval for Resolution 11 shall be effective for 12 months from the date its approval by the general meeting, provided that if the Company obtains all approval for the Proposed Transactions during the period the approval remains effective, the effective period of the approval shall automatically be extended until the completion date of the Proposed Transactions.
12. It be and is hereby confirmed that the Proposed Transactions constitute connected transactions pursuant to laws and regulations such as the Administrative Measures for the Material Asset reorganization of Listed Companies and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange.
13. To consider and approve the Report (Draft) in Relation to Major Asset Disposal and Acquisition and Connected Transactions of China Shipping Development Company Limited (《中海發展股份有限公司重大資產出售和購買暨關聯交易報告書(草案)》) and its summary.
14. To consider and approve the Asset Transfer Agreement.
15. To consider and approve the Compensation Agreement.
16. It be and is hereby confirmed that the Proposed Transactions comply with Rule 4 of the Provisions on Issues Concerning Regulating the Material Asset Reorganizations of Listed Companies (《關於規範上市公司重大資產重組若干問題的規定》)
17. It be and is hereby confirmed that the earnings per share of the Company has not been diluted as a result of the Proposed Transactions.
18. a. The Board be and is hereby authorized for and on behalf of the Company to do all such things and exercise all powers which it considers necessary, desirable or expedient in connection with the Asset Transfer Agreement, the Compensation Agreement and otherwise in connection with the implementation of the Proposed Transactions contemplated therein including without limitation to (i) the execution, amendment, supplement, delivery, waiver, submission and implementation of any further documents or agreements, and all such things needed to be signed and consented by the Company; (ii) the appointment of independent financial advisor, legal counsels, auditors, assets valuers, etc., (iii) the handling of all relevant governmental approvals and administrative procedures; (iv) the adjustment and amendment of the restructuring plan and reports in accordance with the requirements of the securities regulatory institutions; (v) the preparation of relevant materials and submissions to Shanghai Stock Exchange and the Stock Exchange; and (vi) all other necessary acts in relation to the Proposed Transactions.
- b. The abovementioned authorization shall be effective for 12 months from the date of its approval by the general meeting, provided that if the Company obtains all approval for the Proposed Transactions during the period the authorization remains effective, the effective period of the authorization shall automatically be extended until the completion date of the Proposed Transactions.

NOTICE OF THE ANNUAL GENERAL MEETING

19. To consider and approve the waiver of the non-competing undertaking from China Shipping dated 15 Jun 2011 in respect of injecting bulk shipping business into the Company.

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

1 April 2016

Shanghai
The People's Republic of China

Notes:

- (A) The H share register of the Company will be closed from Thursday, 21 April 2016, to Friday, 20 May 2016 (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 Friday, 20 May 2016 are entitled to attend and vote at the AGM after completing the registration procedures for attending the meeting. In order to be entitled to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's H share registrar not later than 4:30 p.m. on Wednesday, 20 April 2016.
- (B) To ascertain shareholders' entitlement to the proposed final dividend, the H share register of the Company will be closed from Friday, 3 June 2016 to Monday, 13 June 2016 (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 Monday, 13 June 2016 will be qualified for the proposed final dividend. In order to qualify for the proposed final dividend, shareholders must lodge all duly completed transfer forms accompanied by the relevant share certificates with the share registrar of the Company's H shares not later than 4:30 p.m. on Thursday, 2 June 2016. The proposed final dividend (the payment of which is subject to the shareholders' approval at the AGM) is to be payable on or before Friday, 29 July 2016 to shareholders whose names appear on the H share register of members of the Company on Monday, 13 June 2016.
- (C) The address of the share registrar (for share transfer) for the Company's H shares is as follows:
- Hong Kong Registrars Limited
Shops 1712-1716
17th Floor
Hopewell Centre
183 Queen's Road East Wanchai
Hong Kong
- (D) 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, 29 April 2016.

NOTICE OF THE ANNUAL GENERAL MEETING

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

- (E) 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.
- (F) 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.
- (G) 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 at 17M/F, 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.
- (H) 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 (E) to (F) 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 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.
- (I) 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 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.
- (J) The AGM is expected to last for an hour. Shareholders attending the AGM are responsible for their own transportation and accommodation expenses.
- (K) As at the date of this notice, the Board comprises Mr. Xu Lirong, Mr. Huang Xiaowen, Mr. Ding Nong, Mr. Yu Zenggang, Mr. Yang Jigui, Mr. Han Jun and Mr. Qiu Guoxuan as executive Directors, Mr. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.