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)

2003 INTERIM RESULTS ANNOUNCEMENT

The board of directors (the "Board") of China Shipping Development Company Limited (the "Company") is pleased to announce the interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2003 (the "Reporting Period"). The interim results have not been audited but have been reviewed by the Company's auditors, Ernst & Young (certified public accountants in Hong Kong).

I. Particulars of the Company

(1) Legal name of the Company:

(Chinese): 中海發展股份有限公司

(English): CHINA SHIPPING DEVELOPMENT COMPANY LIMITED

(2) Stock exchanges where the Company's shares are listed:

A shares:	Shanghai Stock Exchange
Stock abbreviation:	中海發展
Stock code:	600026
H shares:	The Stock Exchange of Hong Kong Limited (the "Stock Exchange")
Stock abbreviation:	CHINA SHIP DEV
Stock code:	1138

(3)

Registered address of the Company:	168 Yuanshen Road, Pudong New District, Shanghai, the People's Republic of China (the "PRC")
Business address of the Company:	700 Dong Da Ming Road, Shanghai, the PRC
Post code:	200080
Company's website:	www.cnshipping.com
Company's e-mail address:	csd@cnshipping.com

(4) Legal representative of the Company: Mr. Li Kelin

(5) Secretary of the Board: Ms. Yao Qiaohong

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(6) The Company's prescribed newspapers for disclosure of information: "China Securities Journal" and "Shanghai Securities News" in the PRC, and "Hong Kong Economic Times" and "The Standard" in Hong Kong.

Website designated by China Securities Regulatory Commission ("CSRC") for publication of the interim results: http:/www.sse.com.cn

Location where the Company's 2003 interim report is available for inspection: Secretary's Office of the Board, Room 1601, 700 Dong Da Ming Road, Shanghai, the PRC

II. **Major financial data**

The interim results of the Group for the Reporting Period have been reviewed by Ernst & Young in accordance with SAS 700 "Engagement to Review Interim Financial Reports" issued by the Hong Kong Society of Accountants, as compared with those for the six months ended 30 June 2002, and are as follows:

(1) **Condensed Consolidated Income Statement** *(Note 1)*:

Items	*Notes*	**January-June 2003**	**January-June 2002**
			RMB'000
Turnover	2	2,353,494	2,031,512
Operating costs		(1,678,139)	(1,455,229)
Gross profit		675,355	576,283
Other revenue and gains	3	83,570	90,465
Administrative expenses		(113,570)	(98,889)
Other operating expenses		(65,380)	(80,790)
Profit from operating activities		579,975	487,069
Finance costs		(45,946)	(75,551)
Share of profits of jointly-controlled entities		7,046	8,014
Share of loss of an associate		—	(100,101)
Profit before tax		541,075	319,431
Tax	4	(80,830)	(56,993)
Profit before minority interest		460,245	262,438
Minority interest		(204)	(220)
Profit attributable to shareholders		460,041	262,218
Earnings per share	5	RMB0.1383	RMB0.0857
Dividends	6	—	—

Notes:

1. **Basis of presentation**

This condensed consolidated income statement has been prepared in accordance with Hong Kong Statement of Standard Accounting Practice No. 25 "Interim Financial Reporting" issued by the Hong Kong Society of Accountants.

2. **Turnover**

Turnover represents gross revenue arising from shipping operations, net of business taxes and surcharges. Business taxes and surcharges deducted amounted to RMB53,882,000 (six months ended 30 June 2002: RMB52,050,000).

3. **Other revenue and gains**

Other revenue and gains mainly represent rental income from leased vessels and management of vessels during the Reporting Period.

4. **Tax**

Tax includes the tax of the Group and that of its jointly controlled entities.

Effective from 1 January 1998, assessable profits earned by the Company in the PRC have been calculated in accordance with the PRC tax regulations and subject to an income tax rate of 15%.

No Hong Kong profits tax has been provided as no assessable profits were earned in or derived from Hong Kong during the Reporting Period (No provision for Hong Kong profits tax was made in the accounts as the Company had no assessable profits earned in or derived from Hong Kong for six months ended 30 June 2002). Assessable profits earned by the Group in countries other than the PRC are subject to the relevant tax rate of the countries where its business has been operating. No provision for deferred taxation items has been made because there were no material timing differences (six months ended 30 June 2002: Nil).

5. **Earnings per share**

The calculation of basic earnings per share is based on net profit attributable to shareholders for the Reporting Period of RMB460,041,000 (net profit attributable to shareholders for the corresponding period in 2002: RMB262,218,000) and the weighted average number of shares in issue during the Reporting Period of 3,326,000,000 shares (six months ended 30 June 2002: weighted average number of 3,061,083,000 shares in issue).

6. **Interim dividend**

The Board does not recommend the distribution of any interim dividend for the Reporting Period (six months ended 30 June 2002: Nil).

(2) Differences in financial statements prepared under the PRC accounting standards ("PRC Accounting Standards") and the accounting principles generally accepted in Hong Kong ("HKGAAP"):

		RMB'000
	January-June 2003	**January-June 2002**
Net profit attributable to shareholders prepared under the PRC Accounting Standards	458,089	250,242
Adjustments for depreciation, gain on disposal of vessels, deferred staff expenditure and others	1,952	11,976
Net profit attributable to shareholders prepared under the HKGAAP	460,041	262,218

		RMB'000
	30 June 2003	**31 December 2002**
Shareholders' equity prepared under the PRC Accounting Standards	6,607,178	6,149,094
Dividend distribution	—	332,600
Adjustments for revaluation surplus, depreciation, gain on disposal of vessels, deferred staff expenditure and others	142,756	140,799
Shareholders' equity prepared under HKGAAP	6,749,934	6,622,493

III. **Changes of share capital structure and major shareholder**

(1) **Changes of share capital structure**

During the Reporting Period, there is no change in either the total amount of the shares of the Company or the share capital structure of the Company.

(2) **Information of shareholders**

As at 30 June 2003, the total number of shareholders of the Company is 125,460, of which 1,419 are holders of H shares.

The top 10 shareholders of the Company:

Name of shareholders	Increase/ Decrease during the Reporting Period	Number of shares held as at the end of the Reporting Period	Percentage (%)	Class	Number of Shares pledged or locked up	Type of shareholders
China Shipping (Group) Company	0	1,680,000,000	50.51	unlisted	0	State legal person shares
HKSCC Nominees Limited	+5,974,000	1,253,750,298	37.70	listed	unknown	H shares
Jing Bo Securities Investment Fund	+2,528,825	2,528,825	0.08	listed	unknown	A shares
HSBC Nominees (Hong Kong) Limited (A/C2)	0	2,054,000	0.06	listed	unknown	H shares
Chik Sau Kaw	-500,000	1,900,000	0.06	listed	unknown	H shares
Chuk Ling Pang	0	1,550,000	0.05	listed	unknown	H shares
Tai He Securities Investment Fund	+1,150,828	1,150,828	0.03	listed	unknown	A shares
China Bank-Tian Tong 180 Index Securities Investment Fund	+1,004,224	1,004,224	0.03	listed	unknown	A shares
Xu Chunying	+1,000,000	1,000,000	0.03	listed	unknown	A shares
Hua An SSE180 Index Promoting Securities Investment Fund	+255,620	994,557	0.03	listed	unknown	A shares

Description of the relationship amongst the top ten shareholders:

There are no relationships between the first largest shareholder and the second to tenth largest shareholders. However, it cannot be confirmed as to whether there are any such relationships or whether they are acting in concert amongst the second to tenth largest shareholders.

IV. Information of directors, supervisors and senior management of the Company

(1) Changes in directors, supervisors and senior management of the Company during the Reporting Period

a. The Company held its third meeting of the 2003 board of directors on 25 March 2003, where the resignation of Mr. Xu Zuyuan as the general manager of the Company, the appointment of Mr. Yan Mingyi as the general manager of the Company and Mr. Wang Kunhe as the deputy general manager of the Company were approved. The resignation of Mr.Ye Yumang and the appointment of Ms. Yao Qiaohong as the company secretary of the Company were approved.

b. The Company held its 2002 annual general meeting on 28 May 2003, where the fourth session of board of directors and supervisory Committee of the Company was elected. The new board was comprised of Mr. Li Kelin, Mr. Li Shaode, Mr. Xu Zuyuan, Mr. Wang Daxiong, Mr. Yan Mingyi, Mr.Yao Zuozhi, Mr. Hu Honggao, Mr. Xie Rong and Mr. Zhou Zhanqun, amongst whom, Mr. Hu Honggao, Mr. Xie Rong and Mr. Zhou Zhanqun were elected as independent non-executive directors of the Company. Mr. Li Kelin and Mr. Li Shaode were elected as Chairman and Deputy Chairman of the board of directors of the Company at the board meeting held on 11 June 2003, respectively. The fourth session of the supervisory committee of the Company was comprised of Mr. Kou Laiqi, Mr. Wang Xiangyun and Mr. Zhang Yunbiao. Mr. Kou Laiqi was elected as Chairman of the supervisory committee at the committee meeting held on 10 June 2003. The former directors, Mr. Wang Kangtian, Mr. Yan Zhichong, Mr. Xue Qingxiang, Mr. Shen Kangcheng and Mr. Zhangqi and the former Chairman of the supervisory committee, Mr. Dai Jinxiang resigned from their post on 28 May 2003.

V. Management discussion and analysis

(1) Scope of the principal businesses of the Group and its operating conditions

The principal activities of the Group include cargo shipping, which mainly consists of the shipment of oil and dry bulk cargoes (primarily coal) along the coast the PRC and international shipment. During the six months ended 30 June 2003, despite the temporary adverse effect of the outburst of the Severely Acute Respiratory Syndrome ("SARS") on the domestic economic growth, the Group took advantage of the favourable opportunity of the steady improvement in PRC domestic economy. By making readjustment to its operating strategies and shipping capacity, and by spending much efforts in controlling its operating costs, the Group made further improvement in its operating profit and fulfilled the target set by the board of directors for the first half year of 2003. The growth of the operating results of the Group continued to be strong.

(2) **Analysis of the principal operations**

An analysis of the principal operations in terms of products transported (Unit: RMB'000):

Description	**Turnover**	**Operating costs**	**Gross profit margin**	**Increase/ (decrease) in turnover as compared with the same period of last year**	**Increase/ (decrease) in operating costs as compared with the same period of last year**	**Increase/ (decrease) in gross profit margin as compared with the same period of last year**
			(%)	*(%)*	*(%)*	*(%)*
Oil transportation	1,579,787	1,072,400	32.1	17.1	18.5	(2.6)
Coal transportation	493,949	385,307	22.0	0.1	2.3	(6.9)
Others	279,758	220,432	21.2	48.3	27.0	165.3

An analysis of the principal operations in terms of geographical regions (RMB'000):

Regions	**Turnover from principal operations**	**Increase/ (decrease) in turnover from principal operations as compared with the same period last year**
		(%)
Domestic transportation	1,446,124	1.5
International transportation	907,370	49.6

Oil Transportation

Oil transportation has been one of the Company's core businesses and will be the focus for further development. During the first half of 2003, there has been intensive competition for its oil transportation business in the PRC. The price on shipping of foreign trade oil fluctuated greatly due to the effect of the war in Iraq and SARS. The Group carefully organised its shipping and production capacity based on the market conditions.

For shipping oil products in the PRC, first, the Company expanded its business through obtaining more contracts and improved coordination in transportation activities so as to reduce loss in time as a result of waiting for loading and unloading. Second, the Company made use of increasing opportunities arising from transshipment of import oil and technology enhancement, and modified domestic refined oil tankers to become crude oil tankers. In addition, by fully leveraging on the advantages of cross-shipment within and outside the PRC, various foreign trade vessels are arranged to serve in the PRC during different assignment intervals to enhance oil transportation capacity. Third, the Company communicated with oil refinery plants along the Yangtze River to improve harbour traffic so as to improve costly crude oil river transportation. For the first half of the year, the Group achieved a shipping volume of 18,930,200 tonnes of domestic trade oil during the first half of 2003, representing an increase of 9.9 per cent over the same period of 2002. The Group also achieved shipping revenue of RMB913 million, representing an increase of 2.3 per cent as compared with the same period of 2002.

The Group's revenue from the shipping of foreign trade oil increased steadily due to improved market information analysis and corresponding measures taken by the Group. During the first half of 2003, the trade volume of crude and refined oil in the Far East increased, and the Group promptly adjusted its shipping capacity and actively explored the market of import and export oil shipping and third country shipping. At the same time, the Group has properly scheduled its vessels to minimise war risks. These efforts achieved better return for the Group. During the first half of 2003, the Group achieved a total shipping volume of foreign trade oil of 8,978,000 tonnes, representing an increase of 40.8 per cent over the same period of 2002. The Group's shipping revenue derived from foreign trade oil was RMB667 million, representing an increase of 45.7 per cent as compared with the same period of 2002.

Dry Bulk Cargo Transportation

The dry bulk cargoes shipped by the Group mainly consists of coal, as well as ores, fertilisers, grain and other large volume bulk cargoes. Since the beginning of 2003, the PRC economy continued to grow healthily and rapidly, the coastal bulk cargo shipping market has been in comparatively high demand. The foreign trade transportation market has been growing steadily. The Group took the opportunity and adjusted its operating strategies in order to explore the dry bulk cargo transportation market.

In respect of market strategies, the Group continued to adhere to its policy of "focusing on coastal transportation and expanding ocean transportation", and firmly focused on its core business, power coal transportation, as well as the three other major business areas, namely, ocean transportation, ore transportation and large-volume bulk cargo transportation. With a view to develop long term cooperation and stabilise its market share, the Group worked actively to enter into contracts of affreightment ("COAs") with major customers. During 2003, the total volume of COAs accounted for 87.8 per cent of the total annual shipping volume. In order to expand its market share, the Group made great efforts in securing mid-term or long-term cooperation contracts with major cargo owners.

During the first half of 2003, the international trade of dry bulk cargo was comparatively active, and the international dry bulk cargo transportation market continued to grow, as demonstrated by the BDI index which climbed steadily from 1,700 points at the beginning of the year to 2,100 points by the end of June. Based on the changes in the domestic and foreign trade markets and the periodic fluctuation of the domestic trade market, the operating department arranged the composition of the shipping capacity in a scientific manner, with a view to achieve the highest efficiency of the shipping capacity. During the Reporting Period, the Group achieved a revenue of RMB241 million from the shipping of foreign trade dry bulk cargoes, representing an increase of 61.5 per cent as compared with the same period of 2002.

During the Reporting Period, the Group achieved a total volume of dry bulk cargo shipping of 39.21 billion tonne nautical miles, representing an increase of 4.2 per cent as compared with the same period of 2002. The Group achieved total revenue of RMB774 million, representing an increase of 13.5 per cent as compared with the same period of 2002.

(3) **Financial analysis**

During the first quarter of 2003, the price index of international fuel oil continued to rise due to the impact of the war in Iraq. Although the price index dropped during the second quarter, the price of fuel consumption during the first half of 2003 was still higher by 37 per cent as compared with that of the same period of 2002. The rise of oil prices resulted in the increase of costs by RMB150 million, which was a heavy cost burden for the Group. As part of the countermeasures against the significant increase in fuel prices, the Group strengthened its evaluation of the vessels in respect of their fuel-saving performance. On the other hand, more efforts were put into the renovation and application of energy-saving technologies to its vessels. The Group also carefully restricted the proportion of fuel oil used, and would choose ports with lower fuel prices for filling (as appropriate) based on the routes of the vessels. In the mean time, the Group successfully controlled the maintenance costs at a reasonable level through restructuring of the fleet and successive replacement of old vessels.

During the Reporting Period, both the revenue and profit from main operating activities of the Group witnessed substantial increase over the same period of 2002, as a result of joint efforts by all the employees. In addition, the transfer of its shares in China Shipping Container Lines Company Limited in September 2002 reduced the Group's losses accordingly. Therefore, the Group's total profit grew significantly as compared with the same period last year.

a. **Net cash inflow**

During the Reporting Period, the net cash inflow from operating activities of the Group was RMB757,157,000 (six months ended 30 June 2002: RMB804,185,000).

b. **Commitments on capital expenditures**

As at 30 June 2003, the commitments on capital expenditures for the Group amounted to RMB2,723,902,000 (31 December 2002: RMB2,076,237,000).

c. **Capital structure**

As at 30 June 2003, the shareholders' equity, bank loans, other interest-bearing borrowings and finance leases payable amounted to RMB6,749,934,000, RMB1,758,277,000 and RMB167,364,000 respectively. The debt-to-equity ratio was 35.6% (31 December 2002: 36.9%).

d. **Borrowings**

As at 30 June 2003, the Group's total borrowing (excluding finance leases payable) was RMB1,758,277,000. Borrowings repayable within one year amounted to RMB58,590,000. Among the borrowings, RMB942,840,000 were guaranteed by China Shipping (Group) Company, the controlling shareholder of the Company. Other bank loans amounting RMB800,997,000 were pledged by 33 vessels owned by the Company. As at 30 June 2003, the total net book value of such vessels were RMB2,146,091,000. The remaining bank borrowings amounted to RMB14,440,000, and were secured by ships under construction. Interests of the above loans were calculated at the annual rate of 5.76% or 5.184%.

e. **Risk on foreign currency**

As at 30 June 2003, the Group's foreign exchange liabilities mainly comprised of finance lease rental payable in US dollars with equivalent amount of RMB 11,450,000 and in DEM with equivalent amount of RMB 155,910,000. In addition, the Company shall pay dividend of H shares in Hong Kong dollars. The Group's revenue from foreign shipment is denominated and translated into US dollars. Currently, the currency level of RMB remains stable. The Group expected that there is no significant exposure on foreign currency, but it cannot be assured operating results in future will not be affected.

(4) **Business prospects**

Following the improvement in the macroeconomic environment in the PRC, a number of government policies are expected to be issued, which will gradually remove the temporary adverse effect brought by SARS. The domestic cargo transportation by sea is expected to continue to sustain a fast growth momentum. During the second half of 2003, there is expected to be a high demand for oil, and the coal transportation market is expected to remain stable with possible growth, and sources of cargo for sea transportation is expected to remain sufficient. These should provide a favourable environment for the Group to realise its operating target for the year.

In particular, the steady high-speed growth of the economy of the PRC over the years has significantly stimulated growth in crude oil imports into the country. The Chinese government has officially commenced construction of the first group of oil reserve bases and 90 per cent of the imported oil in the PRC is transported by ocean shipping. However, Chinese shipping enterprises only account for approximately 10 per cent of the shipping volume of imported crude oil. The Chinese government has started to place greater importance on the issue of expanding the share of Chinese shipping enterprises in imported oil transportation and ensuring security in oil transportation. All these would provide broader scope for the further development of Chinese shipping enterprises. Oil transportation has always been a key development focus of the Group. Revenue from oil transportation accounts has accounted for 67.1 per cent of the total shipping revenue of the Group. As at 30 June 2003, the Group is the owner of 79 oil tankers with a total capacity of 2,120,000 tonnes. The Group has entered into and will enter into contracts to construct 9 oil tankers with a total capacity of 1,100,000 tonnes.

The Group is closely following the strategic plans of certain countries in respect of oil security systems, and will take full advantage of the major opportunities brought by the renewed rapid development of the Chinese oil shipping industry. In addition, the Group plans to build a world-class fleet of oil tankers in the coming years.

(5) **Investment**

a. **Use of proceeds from issuance**

During the Reporting Period, the Company has not made any issuance or used any proceeds from previous issuance.

b. **Other investment**

During the Reporting Period, a total of RMB480 million has been paid for the construction of vessels based on the construction progress. Amongst these vessels, two 42,000 tonnes tanks were delivered for use during the Reporting Period, and achieved a shipping profit of RMB15,750,000.

During the Reporting Period, new contracts have been signed for the acquisition and construction of vessels, including four 57,300 tonnes cargo vessel and one 298,000 tonnes oil tanker, with a total investment of RMB1,130 million.

(6) **Alert on significant change in net profit**

It is expected that the accumulated net profit of the Group for January to September 2003 will increase substantially by over 50 per cent as compared with the same period of 2002. The increase was primarily attributable to the following:

a. the domestic cargo transportation continued to grow rapidly, whilst the international shipping market also improved. Both of which will be favourable to the overall operation of the Group;

b. efforts were devoted to increase the revenue and tighten the expenditure for the Group, which have obtained significant achievements;

c. factors attributable to losses from container transportation were eliminated; and

d. policies on the depreciation of vessel had undergone readjustment, which became effective on 1 January 2003, so as to conform with international standards. Under the new policies, the depreciation period is longer and the depreciation expenses are reduced correspondingly.

VI. Significant events

(1) Corporate governance

The Company has been actively improving the governance of the Company pursuant to the requirements as set out in the PRC Company Law, the PRC Securities Law and Governance Rules of Listing Companies and other relevant regulations. It established and improved the check and balance governance system composed of shareholders' meeting, board of directors, supervisory committee and senior management of the Company. The Company also made much efforts to standardise its operation, enhance information disclosure and investors relationship management.

Three independent directors were elected at the 2002 annual general meeting held on 28 May 2003. As a result, the Board currently has three independent directors, accounting for one-third of the total number of directors of the Company.

(2) Implementation of profit distribution plan

The Company held the 2002 AGM on 28 May 2003. The AGM approved the resolution of the Company: the proposed profit distributions plan of the Company for 2002. The dividend was proposed to be distributed at RMB0.10 per share on the basis of the share capital of 3,326,000,000 shares as at 31 December 2002 and the aggregate amount of dividend to be distributed was RMB332.6 million. The above said dividend has been distributed to holders of H shares whose names appeared on the register of members of the Company at the close of business on 24 April 2003, and to holders of domestic corporate shares and A shares of the Company whose names appeared on the register of members of the Company at the close of business on 17 June 2003.

(3) Material litigation or arbitration

The Company was not involved in any material litigation or arbitration during the Reporting Period.

(4) Purchase, sale or disposal of major assets

a. *Acquisition of assets (Unit: Rmb'000)*

Parties and required assets	Date of acquisition	Consideration	Net profit contribution for the listed company from purchase date to 30 June 2003	Connected transaction (Yes/No)	Pricing policy
Construction of two 42,000 tonnes oil vessels	6 December 2000	435,197	15,750 (gross profit)	No	Market price

b. *Disposal of assets (Unit: Rmb'000)*

Assets sold	**Time of disposal**	**Net profit**	**Constribution for the listed company from 1 January 2003 to disposal date**	**Loss arising from disposal of assets**	**Connected transaction (Yes/No)**	**Pricing policy**
M/V Daqing 47	April 2003	6,924	2,017	6,717	Yes	Market price
M/V Daqing 48	April 2003	6,924	862	2,533	Yes	Market price
M/V Daqing 216	January 2003	6,650	1,277	784	No	Market price

(5) **Material contracts and the implementation of the contracts**

a. The Company did not have any trusts, contracts or lease with other entities during the Reporting Period or those which occurred in the previous years but subsisting during the Reporting Period.

b. During the Reporting Period, the Company had no significant entrusted financial matters.

(6) **Undertakings involving the Company or any of its shareholders owning 5 per cent or more of the share capital of the Company during the Reporting Period or those which occurred in the previous years but subsisting during the Reporting Period, that may have material effect on the operating results or financial conditions of the Company during the Reporting Period**

The Group Company made the following non-competition undertaking to the Company on 23 May 2001:

a. not to carry out competitive business with the Company; and

b. not to support the jointly-control companies to initiate any business that will compete with the Company.

The Group Company has not breached any of the above commitment during the Reporting Period.

(7) **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 Reporting Period.

(8) **Compliance with the code of best practice**

The directors have not established an audit committee (the “Audit Committee”) to review and supervise the Company’s financial reporting process and internal controls pursuant to paragraph 14 of the Code of Best Practice as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Code of Best Practice”). However, the Company’s organisational structure has, in lieu, a supervisory committee (the “Supervisory Committee”) which carries out functions similar to that of an Audit Committee, the differences being that the Company’s Supervisory Committee comprises three representatives (one of which shall be an employee of the Company) who are elected and removed in the general meeting of shareholders, and report to the general meeting of shareholders instead of to the board of directors, whereas an Audit Committee is appointed amongst the non-executive directors of a company. Except for the above, in the opinion of the directors, the Company complied with the Code of Best Practice throughout the Reporting Period.

(9) **Interests of directors and supervisors in the share capital of the Company**

During the Reporting Period, none of the directors, supervisors or their associates had any personal, family, corporate or other interests in the equity or debt securities of the Company as defined in the Securities and Futures Ordinance, that is required to be registered pursuant to Part XV of the Securities and Futures Ordinance.

(10) **Employee housing**

According to the relevant local laws and regulations, the Group and its employees are required to contribute their respective contributions to an accommodation fund according to a certain percentage of the salaries and wages of the employees. There are no other significant obligations beyond the contributions to the said fund. The Company provided staff quarters to selected employees and according to a housing reform scheme in Shanghai, arrangements were made to transfer the staff quarters to employees who agreed to remain in service for a period of 10 years. For year 2002, nearly all of the staff quarters have been transferred to employees on the above basis. The net book value of staff quarters has been reclassified as deferred staff expenditure and is amortised on a straight-line basis over 10 years, which approximates the expected service period of the relevant employees.

(11) **Other significant events**

During the Reporting Period, neither the Company nor its board of directors nor any of the directors had been subject to investigations, administrative sanctions or circulated notice of criticism by the CSRC, or sanctions by other administrative authorities, or public censure by the Stock Exchange.

(12) **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(6) of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange (www.hkex.com.hk) as soon as practicable.

VII. **Documents for inspection**

(1) the original interim report for the first half of 2003 signed by hand by the chairman;

(2) the original interim financial statements for the first half of 2003 signed and sealed by the Company's legal representative, chief accountant and head of the accounting department;

(3) all copies of the documents which have been disclosed in "China Securities Journal" and "Shanghai Securities News" in the PRC, and "Hong Kong Economic Times" and "The Standard" in Hong Kong; and

(4) the article of association of the Company.

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

Shanghai, the PRC
25 August 2003

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