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)

Resolution Passed at the First Board Meeting of 2006

The board of directors of the Company (the "**Board**") is pleased to announce that the first Board meeting of 2006 was duly convened on 8 March 2006, during which the resolution set out below was duly passed.

The Board of China Shipping Development Company Limited (the "**Company**") is pleased to announce that the first Board meeting (the "**Meeting**") of 2006 was held on 8 March 2006 at Room 1609, 700 Dong Da Ming Road, Shanghai, the People's Republic of China ("**PRC**").

A quorum of directors of the Company was present throughout the Meeting. Members of the supervisory committee and senior management were also present at the Meeting. The Meeting was chaired by Mr. Li Shaode, chairman of the Company. The Meeting was duly convened in accordance with the relevant provisions of the PRC Company Law and the articles of association of the Company. A resolution regarding the proposed purchase of a secondhand very large crude oil carrier (the "**Vessel**") was considered and duly passed at the Meeting. The proposed purchase of the Vessel was considered in light of the overall strategy of the Company to expand its oil transportation fleet. The Company proposes to enter into an agreement with an independent third party in respect of the purchase of the Vessel. The consideration to be paid by the Company for the purchase of the Vessel is expected to be US$105,000,000 (approximately HK$814,800,000), which may, if entered into, constitute a notifiable transaction under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. The Company expects to fund the purchase partly by cash and partly by bank borrowings.

Further announcement will be made as and when appropriate.

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

8 March 2006
Shanghai, the PRC

Note: Unless otherwise specified, conversion of US$ into HK$ is based on the exchange rate of US$1.00=HK$7.76.

* As at the date of this announcement, the Board comprises Mr. Li Shaode, Mr. Wang Daxiong, Mr. Mao Shijia, Mr. Yao Zuozhi and Mr. Wang Kunhe as 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.