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)

First Quarterly Report of 2007

IMPORTANT NOTICE

This first quarterly report has been prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission. This report is published simultaneously in Shanghai and Hong Kong of the People's Republic of China (the "**PRC**"). All financial information set out in the first quarterly report is unaudited and prepared in accordance with the PRC Accounting Standards.

The board (the "**Board**") of directors (the "**Directors**") of China Shipping Development Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") confirms that there is no false representation or misleading statements which are contained in or material omissions from this announcement. The Directors jointly and severally accept responsibility for the truthfulness, accuracy and completeness of the contents of this announcement.

Mr. Li Shaode, chairman, Mr. Wang Kangtian, chief financial officer, and Mr. Ding Zhaojun, deputy manager of the financial department of the Company have declared that they guarantee the truthfulness, accuracy and completeness of the financial statements contained in this announcement.

This announcement is made pursuant to Rule 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. PARTICULARS OF THE COMPANY

1.1 Principal financial data and statistics highlights

	As at 31 March 2007 *(RMB)*	**As at 31 December 2006** *(RMB)*	**Increase/ Decrease** *(%)*
Items			
Total assets	18,333,283,001.61	16,891,324,056.16	8.54
Shareholders' Equity (excluding minority interests)	13,556,126,376.83	12,505,853,956.82	8.40
Net assets per share	4.08	3.76	8.40

	For the three months ended 31 March 2007 *(RMB)*	Increase/ Decrease as compared with the same period of 2006 *(%)*
Net cash flow from operating activities	1,252,500,332..28	44.86
Net cash flow from operating activities per share	0.38	44.86
Net profit	1,048,902,524.50	44.24
Earnings per share	0.315	44.24
Rate of returns on net assets (%)	7.74	Up 1.38 percentage points
Rate of returns on net assets after exceptional items (%)	7.40	Up 1.15 percentage points

	(RMB)
Exceptional items	
Profit and Loss on disposal of non-current assets	45,363,432
Profit and loss arising from other exceptional items	-8,523
Total	45,354,909

1.2 As at 31 March 2007, the Company had a total of 65,620 shareholders, of which 335 were holders of H shares.

The top 10 shareholders of circulation shares of the Company (unit: share)

Name of shareholders	**Number of shares held at 31 March 2007**	**Type of shares**
HKSCC Nominees Limited	1,285,716,897	H shares
China Life Insurance Co., Ltd.— Dividend Payout— Individual Dividend Payout— 005L— FH002Shanghai	12,000,000	A shares
China Merchants Securities Co., Ltd.— Standard Chartered Bank — ING Bank N.V.	8,704,904	A shares
Haitong Securities Co., Ltd-Bank of Communications-Nikko Asset Management Co. ,Ltd-Nikko Asset Management China A-Shares Mother Fund	8,500,488	A shares
UBS AG	6,718,066	A shares
GF Securities – China Merchants Bank – GF Enhanced Fund Premium Collective Asset Management Plan	6,544,503	A shares
Bank of China – Dacheng Wealth Management 2020 Life Cycle Securities Investment Fund	6,233,002	A Shares
China National Social Security Fund-Group 109	6,032,256	A Shares

Name of shareholders	Number of shares held at 31 March 2007	Type of shares
China Construction Bank — First State Cinda Leading Growth Equity Securities Investment Fund	6,000,000	A shares
Agricultural Bank of China — Dacheng Active Growth Equity Securities Investment Fund	5,066,816	A shares

2. MATERIAL CHANGES IN THE NET PROFIT OF THE GROUP DURING THE REPORTING PERIOD AND ITS REASONS.

During the Reporting Period, the Group achieved a net profit of RMB1,048,902,525, representing an increase of 44.24 per cent as compared with the same period of 2006, the reasons of which are as follows:

(1) In 2006, the Company acquired 42 bulk carriers with a total shipping capacity of 1.4 million dead weight tones, from its parent company China Shipping (Group) Company. The 42 bulk carriers have been delivered to the Company at the beginning of 2007. As a result, the total shipping capacity of the bulk fleet of the Group will increase by 1.4 million dead weight tones;

(2) In 2007, the average freight rates for the domestic thermal coal transportation contract will increase by 14% as compared with 2006;

(3) During the Reporting Period, the Group has made further improvement in controlling its operating costs, which increased by approximately 7.3% as compared with the same period of 2006, lower than the growth rates of 24.5% and 19.9% in shipping volume and the revenue from operating activities, respectively; and

(4) During the Reporting Period, the net non-operating income less expenses of the Group was RMB53.36 million, mainly arising from the gain on disposal 7 old vessels by the Company. And the net non-operating income less expenses of the Group was RMB13.54 million during the same period of 2006.

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

Shanghai, the PRC
26 April 2007

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Li Shaode, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Mao Shijia and Mr. Wang Kunhe as executive Directors, Mr. Ma Xun, 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.