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)

DISCLOSEABLE TRANSACTION
CONSTRUCTION OF NEW VESSELS

On 22 November 2010, CS Development Hong Kong entered into the Agreements with the Vendors for the construction of four Bulk Vessels each of 180,000 dead weight tons. The total consideration for the construction of the Bulk Vessels is approximately US$212,320,000 (equivalent to approximately HK$1,656,096,000.00).

The entering into of the Agreements (which, for the purpose of the Listing Rules, will be aggregated with the agreements for the construction of two bulk vessels of 53,000 dead weight tons each between the Company's subsidiary, Shanghai Jiahe and CSSC and Chengxi Shipyard signed in August 2010) constitutes a discloseable transaction of the Company under the Listing Rules.

The Agreements

On 22 November 2010, CS Development Hong Kong entered into the Agreements with the Vendors for the construction of four Bulk Vessels each of 180,000 dead weight tons. The total consideration for the construction of the Bulk Vessels is approximately US$212,320,000 (equivalent to approximately HK$1,656,096,000.00). The consideration is determined by reference to the market price of bulk vessels ranging in sizes from 120,000 to 200,000 dead weight tons during the past 3 months.

The entering into of the Agreements (which, for the purpose of the Listing Rules, will be aggregated with the agreements for the construction of two bulk vessels of 53,000 dead weight tons each between the Company's subsidiary, Shanghai Jiahe, and CSSC and Chengxi Shipyard signed in August 2010) constitutes a discloseable transaction of the Company under the Listing Rules. Prior to entering into the Agreement, the relevant ratios of the transaction pursuant to the agreement signed in August 2010 were below 5%, and hence such transaction was not a notifiable transaction under the Listing Rules. Save as aforesaid, in the 12 months prior to the date of this announcement there were no other transactions between the Company and the Vendors and its associates which require aggregation under Rule 14.22 of the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and their ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules).

The Directors (including the Independent non-executive Directors) consider that the terms of the Agreement are determined on an arm's length basis, on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Terms of the Agreements

The prices of the Bulk Vessels will be payable in US$. Relevant payments under each of the Agreements will be payable in 5 instalments at various stages of the construction of the relevant vessel:

(i) for the first instalment, to pay 20% of the price within 5 business days after the Agreements become effective;

(ii) for each of the second, third and fourth instalments, to pay 20% of the price within 5 business days of the receipt of the relevant invoice issued by the Vendors; and

(iii) for the final instalment, to pay 20% of the price on the day following the receipt of all documentation in relation to completion of the relevant vessel by the Vendors.

The expected delivery date for each of the Bulk Vessels is on or before 15 November 2012, 30 November 2012, 16 December 2012 and 31 December 2012, respectively.

Each of the four Agreements provides that there will be no adjustment in the price of the relevant Bulk Vessels if the delivery is delayed for a period not exceeding 30 days. If the delay exceeds such period of time but does not exceed 180 days respectively, there will be a reduction in the price of the relevant Bulk Vessels determined on the basis of the extent of the delay. The reduction in the price will be calculated based on a daily reduction of US$8,0000 per day. Under the four Agreements, delay will be permitted on account of force majeure events.

If the delay exceeds 180 days, unless the parties agree otherwise, CS Development Hong Kong has the right to accept delivery of the relevant vessel with the daily accrued reduction in price or refuse to accept delivery of the relevant vessel in which case all payments paid under the relevant Agreement together with interests will be refunded to CS Development Hong Kong.

There will be other downward adjustments in price of the relevant Vessel if its performance (such as speed, fuel consumption rate, tonnage) exceeds or falls below certain agreed criteria (as the case may be). However should the relevant performance exceeds or falls below certain agreed benchmark, CS Development Hong Kong has the right to refuse delivery of the relevant Vessel and accept a refund with interest from the Vendors, or negotiate a new price for the relevant Vessel.

Financing Terms

The construction of the Bulk Vessels will be funded by the CS Development Hong Kong as to approximately 80% of the price by bank borrowings and approximately 20% of the price by internal financial resources.

The financing by way of bank borrowings is expected to increase the Company's level of borrowings. Taking into account the Company's capital and shareholders' base, the Company considers that bank borrowing is the best means of financing for the construction of the Bulk Vessels. The Directors believe that in light of the Company's fleet expansion plan, it is fair and reasonable and in the interest of the Company and the Shareholders as a whole to finance the transaction with such bank borrowings.

Information about the Group

The business scope of the Group includes: coastal, ocean and Yangtze River cargo transportation, chartering, cargo agency and cargo transportation agency.

Reasons for entering into the Agreements

The Directors are optimistic of the demand in the import iron ores and coal transportation market and its persistent growth in the coming years. The Directors are of the view that the construction and ownership of the Bulk Vessels will enable the Group to take advantage of the business opportunities in the shipping market, enjoy economies of scale, optimize its overall route arrangements and improve its operating efficiency and profitability.

The entering into of the Agreements (which, for the purpose of the Listing Rules, will be aggregated with the agreements for the construction of two bulk vessels of 53,000 dead weight tons each between the Company's subsidiary, Shanghai Jiahe and CSSC and Chengxi Shipyard signed in August 2010) constitutes a discloseable transaction of the Company under the Listing Rules. Prior to entering into the Agreements, the relevant ratios of the transaction pursuant to the agreement signed in August 2010 were below 5%, and hence such transaction was not a notifiable transaction under the Listing Rules. Save as aforesaid, in the 12 months prior to the date of this announcement there were no other transactions between the Company and the Vendors and its associates which require aggregation under Rule 14.22 of the Listing Rules.

Definitions

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:-

"Agreements"	four agreements all dated 22 November 2010, each of which is entered into between the Vendors and CS Development Hong Kong for the construction of one Bulk Vessels (for a total of four Bulk Vessels)
"Bulk Vessel(s)"	bulk vessel(s) of 180,000 dead weight tons each
"Chengxi Shipyard"	Chengxi Shipyard Co., Ltd.* (中船澄西船舶修造有限公司), a shipyard in China and a subsidiary of CSSC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Chengxi Shipyard and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules)

"Company"	China Shipping Development Company Limited (中海發展股份有限公司), a joint stock limited company established in the PRC, the H shares of which are listed on The Stock Exchange of Hong Kong Limited
"CS Development Hong Kong"	China Shipping Development (Hong Kong) Marine Co., Limited (中海發展(香港)航運有限公司), a wholly-owned subsidiary of the Company
"CSSC"	China State Shipbuilding Corporation* (中國船舶工業集團公司), is a conglomerate and state-authorized investment institution directly administered by the central government of China owning shipbuilding and shiprepairing yards, research and design institutes, marine-related equipment manufacturers and trading firms in China, the parent company of CSTC, Jiangnan Changxing Heavy Industry and Chengxi Shipyard
"CSTC"	China Shipbuilding Trading Company Limited* (中國船舶工業貿易公司), a Chinese company engaging in the trading, import, export and agency of ships and shipping related technology and services and a subsidiary of CSSC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CSTC and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules)
"Directors"	directors of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the PRC

"Jiangnan Changxing Heavy Industry "	Shanghai Jiangnan Changxing Heavy Industry Company Limited* (上海江南長興重工有限責任公司), a shipyard in China and a subsidiary of CSSC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Jiangnan Changxing Heavy Industry and its ultimate beneficial owners are independent third parties not connected with the Company and its connected persons (as defined in the Listing Rules)
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	The People's Republic of China
"Shanghai Jiahe"	Shanghai Jiahe Marine Co., Limited (上海嘉禾航運有限公司), a non-wholly owned subsidiary of the Company
"Shareholder(s)"	holders of share(s) of the Company
"US$"	United States dollars, the lawful currency of the United States of America
"Vendors"	CSTC and Jiangnan Changxing Heavy Industry

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

Shanghai, the People's Republic of China
22 November 2010

As at the date of this announcement, the Board of Directors of the Company comprises of Mr. Li Shaode, Mr. Ma Zehua, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Mao Shijia and Mr.Qiu Guoxuan as executive Directors, Mr. Zhu Yongguang, Mr.Gu Gongyun, Mr. Zhang Jun and Mr. Lu Wenbin as independent non-executive Directors.

The exchange rate adopted in this announcement for illustration purpose only is US$1.00 = HK$7.80

* *For identification purpose only*