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## COMPANY PROFILE

China Shipping Development Co. Ltd. (“the Company”) is a large shipping company which develops its business cross-regionally and multi-nationally. The main scope of business of the Company includes: coastal sea, ocean and Yangtse River cargo transportation, ship leasing, cargo forwarding and cargo transportation agency, purchase and sale of ships, container repair and construction, ship spare parts purchase and sale agency, consultancy and transfer of ship technology. As at the end of 2000, the company owns the total assets of RMB 8.38 billion yuan, and a fleet of 145 vessels with an aggregate deadweight of 3.645 million tons. Pursuant to the vessel management agreements and the joint operation agreements, the Company presently manages and operates all oil tankers, dry bulk cargo vessels and container vessels owned by all subsidiaries of China Shipping (Group) Company. The Company now operates one of the largest fleets of oil tankers, dry bulk cargo carriers and container vessels in the Far East region. The Company presently operates 300 vessels with an aggregate deadweight of approximately 8 million tons.



*Headquarters of the Company*

After the Company was listed in 1994, especially after the Asian Financial Crisis took place, the financial development in the Asia-Pacific region was adversely affected. Both the growth speed of PRC's economy and the export decreased, and the demand for coal and oil in the domestic market is severely insufficient. The domestic shipping market mainly composed of coal transportation and oil transportation remained sluggish. Facing with such difficult conditions, the Company has adopted a series of effective measures to make adjustments to the fleet composition so as to meet the demand of the market. As a result, the Company has made great improvement in its business operation. In the past two years, despite the enormous rise in the price of fuel oil, the Company has made great improvement in its operating result. The Company has got rid of the difficult operating conditions and stepped onto the way to rapid development.

Following reform and adjustments to the existing management system, the Company has accumulated abundant experiences in operating so as to meet the demand in the shipping market. Excellent international and domestic operating environments are helpful to promote the further development of the Company. According to the drafted first five-year plan of the new century, the Company has decided to focus on shipping business and develop the related industries. For shipping business, the Company has decided to develop a more professional fleet with large scale of larger vessels.

