

Interim Report 2003

11. 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.

12. 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.

13. 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.

VII. Interim financial report (unaudited)

Appendix I. Interim financial report prepared under PRC Accounting Standards

Appendix II. Interim financial report prepared under HKGAAP

VIII. 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