

**中國註冊會計師
審計報告**

**THE FINANCIAL STATEMENTS
IN ACCORDANCE WITH CHINESE
ACCOUNTING STANDARDS**

**To the shareholders
of China Shipping Development Company Limited:**

We have audited the accompanying financial statements of China Shipping Development Company Limited (“The Company”), which comprise the consolidated and parent company balance sheet as at 31 December 2007, the consolidated and parent company income statement and the consolidated and parent company cash flow statement for the year then ended, and the notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with China Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Auditing Standards of Chinese Certified Public Accountants. Those standards require us to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material statement.

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審計報告(續)**

**THE FINANCIAL STATEMENTS
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ACCOUNTING STANDARDS (Continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonable accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of China Shipping Development Company Limited and of its Group as at 31 December 2007 and of the financial performance and cash flows for the year then ended in accordance with China Accounting Standards.

Vocation International Certified
Public Accountants Co., Ltd

Beijing, People Republic of China

March 25, 2008