



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)

Announcement on Positive Profit

Important: Pursuant to the document 1998(250) issued by the Shanghai State Tax Bureau and Shanghai Financial Bureau on 8 October 1998, the Company was subject to Pudong New District Enterprise Income Tax (“EIT”) at a preferential tax rate of 15% commencing from 1 January 1998. For this reason, the Company’s applicable PRC EIT rate in 2007 was 15%. On 16 March 2007, new tax law was passed in the National People’s Congress of the PRC. With effect from 1 January 2008, unless by special requirements and preferential policies, all PRC EIT rates shall be unified and adjusted to 25%. For this reason, based on the principles of prudence, before receipt of the relevant notification regarding confirmation of the Company’s EIT rate for 2008 issued by the relevant taxation authorities of the State, the Company’s EIT rate for the first quarter 2008 shall be calculated at 25%.

(1) Expected results for the first quarter of 2008

1. Results prediction period: 1 January 2008 to 31 March 2008; and
2. Results prediction position: It is predicted that the net profit of the Company for the first quarter of 2008 will increase by more than 50% over the same period in 2007.

Note: The results prediction has not been audited by an accounting firm.

(2) Historical results for the first quarter of 2007

1. Net profit of the Company for the first quarter of 2007: RMB1,048,902,524.50;
2. Earnings per share: RMB0.315.

(3) Major reasons for the improvement of results:

1. The rates in the Group's domestic coastal bulk shipment contracts for 2008 have shown an average increase of 40% over the 2007 rates; and
2. The Group's cost control measures have been effective. It is predicted that the increase in operating costs for the first quarter in 2008 will be less than the increase in shipment revenue.

(4) Details of the financial information will be disclosed in the 2008 first quarterly report of the Company

This announcement is made in compliance with the simultaneous dissemination of information requirement under rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and rule 13.09(1) of the Listing Rules. The Company's A Shares are listed on the Shanghai Stock Exchange, and it has been requested by the Shanghai Stock Exchange to make an announcement similar to this announcement.

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

25 March 2008

* *As at the date of this announcement, the Board of Directors of the Company is comprised of Mr. Li Shaode, Mr. Ma Zehua, 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 Hongga, Mr. Zhu Yongguang and Mr. Zhou Zhanqun as independent non-executive directors.*