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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)

Clarification Announcement

Change of International Auditors

Reference is made to the Announcement.

The Board announces that UHY Hong Kong has tendered its resignation to the Company as international auditors of the Company with effect from 16 November 2010. The Board will convene a board meeting and a shareholders' general meeting to appoint another international auditor as soon as possible.

Reference is made to the announcement made by China Shipping Development Company Limited (the "**Company**") dated 1 November 2010 (the "**Announcement**"). Unless otherwise stated, capitalised terms in this announcement shall have the same meanings as those defined in the Announcement.

The board of directors (the "**Board**") of the Company announces that UHY Vocation HK CPA Limited ("**UHY Hong Kong**") has tendered its resignation to the Company as international auditors of the Company with effect from 16 November 2010. The Board would like to clarify that as per the Announcement it has been informed by VICPA that VICPA merged with Baker Tilly International and the H-Share audit business of UHY Hong Kong has been transferred from UHY Hong Kong to Baker Tilly Hong Kong Limited ("**Baker Tilly Hong Kong**"). Subsequently it had been clarified to the Company that UHY Hong Kong remained as a separate legal entity and it did not merge with Baker Tilly Hong Kong as one legal entity whilst UHY Hong Kong transferred (amongst other things) its H-Share audit business to Baker Tilly Hong Kong.

As such, the Board will convene a board meeting and a shareholders' general meeting to appoint another international auditor as soon as possible.

UHY Hong Kong confirmed in its letter of resignation dated 16 November 2010 that there is no disagreement between UHY Hong Kong and the Company, nor are there matters connected with its resignation that need to be brought to the attention of the creditors, audit committee or shareholders of the Company. The Board also confirms that there are no other matters in respect of the change of international auditors which should be brought to the attention of the shareholders of the Company.

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

Shanghai, the People's Republic of China
18 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 Fuofa, Mr. Mao Shijia and Mr. Qiu Guoxuan as executive Directors, Mr. Zhu Yongguang, Mr. Gu Gongyum, Mr. Zhang Jun and Mr. Lu Wenbin as independent non-executive Directors.