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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)

First Quarterly Report of 2013

Summary

This Report for the three months ended 31 March 2013 of the Group has been prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission. This Report is published simultaneously in Shanghai, the PRC and Hong Kong. All financial information set out in this Report is unaudited and prepared in accordance with the PRC GAAP.

This announcement is made pursuant to Rule 13.10B of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT

- 1.1 This first quarterly report (the “Report”) for the three months ended 31 March 2013 (the “Reporting Period”) of China Shipping Development Company Limited (the “Company”, together with its subsidiaries, the “Group”) has been prepared in accordance with the regulations on Disclosure of Information in Quarterly Reports for Listed Companies issued by the China Securities Regulatory Commission. The Report is published simultaneously in Shanghai of the People’s Republic of China (the “PRC”) and Hong Kong. All financial information set out in this first quarterly report is unaudited and prepared in accordance with the accounting principles generally accepted in the PRC (the “PRC GAAP”).

2. PARTICULARS OF THE COMPANY

2.1 Principal financial data and statistics highlights

	As at 31 March 2013	As at 31 December 2012	Increase/ Decrease (%)
Total assets (RMB)	57,700,390,389.16	57,860,522,758.03	-0.28
Equity attributable to shareholders of the Company (RMB)	23,039,270,909.64	23,517,137,327.04	-2.03
Net assets per share attributable to shareholders of the Company (RMB)	6.7672	6.9076	-2.03
	For the three months ended 31 March 2013		Increase/Decrease as compared with the same period of 2012
Net cash flow from operating activities (RMB)		-187,476,573.56	Not applicable
Net cash flow from operating activities per share (RMB)		-0.0551	Not applicable
	For the three months ended 31 March 2013		Increase/ Decrease as compared with the same period of 2012
Net profit attributable to shareholders of the Company (RMB)		-484,184,254.66	Not applicable
Basic earnings per share (RMB)		-0.1422	Not applicable
Basic earnings per share after exceptional items (RMB)		-0.1296	Not applicable
Diluted Earnings per share (RMB)		-0.1422	Not applicable
Rate of returns on net assets (%) (weighted)		-2.08	Down 0.71 percentage points
Rate of returns on net assets after exceptional items (%) (weighted)		-1.90	Down 0.55 percentage points

“Increase/decrease (%)” is not applicable as items relating to net cash flow generated from operating activities and profit of the Group are negative in 2012.

Exceptional items and amount	
Items	Amount (RMB)
Profit and Loss on disposal of non-current assets	-28,126,617.88
Government subsidies credited to current profit or loss (other than those closely related to the normal business operations of the Company in accordance with the requirements of the State's policy and pursuant to a standardized and fixed amount or quantity enjoyed on a continuous basis)	20,000.00
Other net non-operating income and expenses except for the aforesaid items	-6,200,228.21
Income tax effect	-8,576,711.52
Minority interests effect (after tax)	-1,500.87
Total	-42,885,058.48

2.2 Total number of shareholders as at the end of the Reporting Period and the shareholding of the top 10 shareholders of unrestricted shares of the Company

As at the end of the Reporting Period, the Company had a total of 100,707 shareholders, of which 100,267 and 440 were holders of A shares and H shares respectively.

Shareholding details of the top 10 shareholders of unrestricted shares of the Company

Name of shareholders (Full Name)	Number of shares held as at the end of the Reporting Period (unit: share)	Type of shares
China Shipping (Group) Company	1,578,500,000	A shares
HKSCC NOMINEES LIMITED	1,287,530,896	H shares
Ding Jinxiang	11,597,918	A shares
Liu Wenhua	5,302,195	A shares
Bank of China — Hua Bao Growing Industry Dynamic Portfolio Securities Investment Fund	4,500,000	A shares
Peng Jianhui	3,293,429	A shares
China Resources SZITIC Trust Co. Ltd. — Feng Ling Phase 1 Securities Investment Trust Fund	3,164,587	A shares
The Central Bank of Norway	3,082,740	A shares
China Everbright Bank Company Limited — Everbright Bao De Xin Quantified Focus Securities Investment	2,214,134	A shares
Ou Qiongzhi	1,801,500	A shares

3. SIGNIFICANT EVENTS

3.1 Significant changes in the principal items and highlights in the financial statements of the Company during the Reporting Period and the reasons

Unit: RMB

Balance sheet items	31 March 2013	31 December 2012	Change (%)	Reasons for significant changes
Cash	2,155,751,533.02	3,285,744,885.61	-34.39	Due to the Company's normal operating activities
Notes receivable	61,814,250.50	199,817,806.92	-69.06	Due to the Company's enhanced efforts to settle notes
Prepayment	485,517,897.35	316,333,024.87	53.48	Due to the Company's enhanced efforts to purchase oil at locked in prices and made advanced payments for purchasing oil
Other receivables	856,489,337.64	389,827,578.15	119.71	Due to the inclusion of large estimated incoming VAT amount in the closing balance for the period
Long-term receivables	187,433,023.71	110,198,146.36	70.09	Due to an increase in loans to four associated companies
Short-term borrowings	2,535,804,347.63	1,419,908,152.39	78.59	Due to an increase in working capital borrowings for the period
Receipts in advance	112,298,670.34	71,004,821.82	58.16	Due to enhanced efforts to collect receivables during the period
Other payables	1,184,499,158.53	899,155,675.83	31.73	Due to an increase in the payables for ship-building for the period
Non-current liabilities due within one year	1,305,000,000.00	2,774,980,819.51	-52.97	Due to the repayment of the long-term borrowings due within one year during the period
Long-term payables	934,925,628.08	637,526,299.75	46.65	Due to the financial chartering of vessels by Tianjin CR during the period
Special reserve	25,402,178.17	5,157,254.98	392.55	Due to the provision for production safety fees

Income statement items	January-March 2013	January-March 2012	Change (%)	Reasons for significant changes
Business tax and surcharge	1,642,110.68	22,270,500.09	-92.63	Due to a significant decrease in business tax as a result of the change in the imposition of business tax to VAT
Finance costs	260,834,381.18	84,943,590.79	207.07	Due to an increase in interest expenses as a result of the increase in long-term borrowings and new corporate bonds as well as a decrease in capitalized interest as a result of the delivery of vessels during the period
Gains from investment	-27,142,193.39	60,408,439.54	-144.93	Due to a decrease in profits from investments in joint ventures and associated companies during the period
Operating profit	-484,391,865.37	-343,291,363.66	-41.10	Due to the sustained downturn of shipping market during the period
Non-operating income	8,544,726.85	34,903,473.70	-75.52	Due to a decrease in VAT rebates for the period
Total profit	-482,211,246.67	-313,019,488.58	-54.05	Due to an increase of losses for the period
Profit and loss attributable to owners of the parent company	-484,184,254.66	-320,737,381.22	-50.96	Due to an increase of losses for the period
Minority interests	-715,945.49	15,410,178.83	-104.65	Due to the operating losses incurred by non-wholly owned subsidiaries during the period

Cash flow statement items	January-March 2013	January-March 2012	Change (%)	Reasons for significant changes
Net cash flow generated from investing activities	-497,434,223.54	1,252,468,233.57	60.28	Due to a decrease in cash paid for the purchase and construction of fixed assets during the period
Net cash flow generated from financing activities	-435,403,513.40	2,347,586,624.18	-181.45	Due to a decrease in cash proceeds from borrowings obtained during the period

3.2 Progress of significant events and analysis of their impacts and solutions

Applicable

Not Applicable

3.3 Performance of undertakings made by the Company, its shareholders and de facto controllers

Undertakings of controlling shareholders

- (1) On 23 May 2001, China Shipping (Group) Company (“China Shipping”), the controlling shareholder of the Company, made the following non-competition undertakings to the Company:
 - a. not to engage in any business that competes with the Company; and
 - b. not to support any entities under its control to commence any business that competes with the Company.

- (2) In order to avoid any peer competition between China Shipping and its controlled entities (for the purpose of the undertaking, including the wholly-owned, majority-controlled or controlled subsidiaries under China Shipping but excluding the Company and its majority-controlled subsidiaries) with the Company, on 15 June 2011, China Shipping made further non-competition undertakings below in addition to the continuous performance of those previously made:
 - a. China Shipping positioned the Company as the ultimate integrated sole business platform under China Shipping to specialize in oil shipping, bulk cargo and LNG transportation.
 - b. For bulk cargo carriers and oil tankers owned by China Shipping and its controlled non-listed entities, China Shipping undertook to inject such bulk cargo carrier and oil tanker assets into the Company by way of merger and acquisition and restructuring of assets, or to dispose of such assets to external parties when the appropriate opportunities arise within 5 years, thus eliminating the peer competition between China Shipping and the Company to promote the sustainable and stable growth of the Company.
 - c. For bulk cargo carriers and oil tankers chartered by China Shipping (Hong Kong) Holdings Co., Ltd. (“China Shipping (H.K.) Holdings”), a majority-controlled subsidiary of China Shipping, by way of finance leases (the leases of such vessels expired in 2011 and 2012), China Shipping undertook to inject such bulk cargo carrier and oil tanker assets into the Company by way of merger and acquisition and restructuring of assets, or to dispose of such assets to external parties, subject to the completion of procedures for acquiring ownership of such vessels under finance leases by China Shipping (H.K.) Holdings when the appropriate opportunities arise within 5 years.

- d. Before completion of the injection of such bulk cargo carrier and oil tanker assets into the Company or otherwise disposal to external parties, China Shipping will, pursuant to the business needs of the Company, charter the above vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation based on market-oriented principles, or entrust such vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation and management, so as to avoid peer competition.

China Shipping has proactively performed its undertakings for avoiding peer competition and has taken necessary steps since the listing of A shares of the Company with efforts so as to eliminate and prevent peer competition with the Company.

3.4 The warning and explanation for the forecast of possible accumulated net losses for the period from the beginning of the year to the end of the next reporting period or for significant changes in accumulated net profit as compared to the corresponding period of last year

Since the beginning of 2013, there has been a sustained downturn in the domestic and overseas shipping markets. It is expected that the Group will still record accumulated net losses during the first half of 2013.

3.5 Implementation of cash dividend policy during the Reporting Period

In 2012, while the domestic and overseas shipping markets remained sluggish, the Company, through increasing income and reducing expenses as well as cutting costs and enhancing efficiency, realized net profits attributable to the parent company for the full year of RMB73.74 million with earnings per share at RMB0.0217, representing a decrease of 93.06% as compared to 2011. Considering the overall oversupply condition in the shipping market in 2013, the operating conditions will not be optimistic, while corporate liquidity remains relatively tight, the board of directors of the Company did not recommend the distribution of profit for the year 2012.

The Company's undistributed profit of RMB73.74 million realized in 2012 is planned to be used for replenishing working capital for production and operations, with a projected annual rate of return at around 5%.

As for the Company's recommendation of not making any distribution of profit for 2012, the independent non-executive directors of the Company have issued their independent non-executive directors' opinion which consider that not making any distribution of profit is in line with the actual situation of the Company against the backdrop of difficult operation and tight liquidity. The independent non-executive directors of the Company all consent to this recommendation and hope that it is understood and supported by shareholders of the Company.

In accordance with the requirements set out in the guideline for cash dividends by listed companies on Shanghai Stock Exchange, a cash dividend meeting (conducted online) has been convened by the Company on 22 April 2013.

4 Appendix

4.1 Consolidated Balance Sheet

Items	31 March 2013 <i>RMB</i>	31 December 2012 <i>RMB</i>
Current assets		
Cash	2,155,751,533.02	3,285,744,885.61
Notes receivables	61,814,250.50	199,817,806.92
Accounts receivables	1,556,852,655.19	1,285,048,607.55
Prepayments	485,517,897.35	316,333,024.87
Dividends receivables	50,000,000.00	50,000,000.00
Other receivables	856,489,337.64	389,827,578.15
Inventories	902,887,434.88	934,159,315.39
Non-current assets to be mature in less than one year	478,951.34	478,951.34
Total current assets	6,069,792,059.92	6,461,410,169.83
Non-current assets		
Long-term accounts receivables	187,433,023.71	110,198,146.36
Long-term equity investment	3,999,092,895.26	4,026,241,351.94
Investment properties	1,193,458,437.00	1,193,458,437.00
Fixed assets	40,551,981,657.78	39,830,821,324.21
Construction in progress	5,367,428,752.89	5,902,873,231.20
Intangible assets	16,256,880.76	17,800,060.64
Long-term deferred expenses	73,145,820.57	75,919,175.58
Deferred tax assets	241,800,861.27	241,800,861.27
Total non-current assets	51,630,598,329.24	51,399,112,588.20
Total assets	57,700,390,389.16	57,860,522,758.03

4.1 Consolidated Balance Sheet (continued)

Items	31 March 2013 RMB	31 December 2012 RMB
Current liabilities		
Short-term loans	2,535,804,347.63	1,419,908,152.39
Notes payable	1,406,063,293.49	1,207,913,382.69
Advanced receipts	112,298,670.34	71,004,821.82
Salaries and wages payable	30,093,879.73	51,048,505.15
Taxes payable	-297,482,913.58	-311,043,970.48
Interests payable	238,338,560.40	210,005,249.88
Other payables	1,184,499,158.53	899,155,675.83
Non-current liabilities to be mature in less than one year	1,305,000,000.00	2,774,980,819.51
Total current liabilities	6,514,614,996.54	6,322,972,636.79
Non-current liabilities		
Long-term loans	14,889,750,780.32	15,100,104,924.71
Bonds payable	11,273,862,277.85	11,226,428,680.68
Long-term payables	934,925,628.08	637,526,299.75
Deferred tax liabilities	177,119,748.15	175,169,325.02
Other non-current liabilities	10,946,820.78	12,757,676.04
Total non-current liabilities	27,286,605,255.18	27,151,986,906.20
Total liabilities	33,801,220,251.72	33,474,959,542.99
Shareholders' equity		
Share capital	3,404,552,729.00	3,404,552,613.00
Capital reserve	5,092,112,732.64	5,091,999,246.81
Specific reserve	25,402,178.17	5,157,254.98
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	12,558,657,048.54	13,042,841,303.20
Exchange difference on translation of foreign currency	-918,890,125.15	-904,849,437.39
Total equity attributable to owners of the parent company	23,039,270,909.64	23,517,137,327.04
Minority interests	859,899,227.80	868,425,888.00
Total shareholders' equity	23,899,170,137.44	24,385,563,215.04
Total liabilities and shareholders' equity	57,700,390,389.16	57,860,522,758.03

Balance Sheet of the Company

Items	31 March 2013 <i>RMB</i>	31 December 2012 <i>RMB</i>
Current assets		
Cash	281,481,833.30	1,278,981,919.82
Notes receivables	26,528,940.00	49,109,983.50
Accounts receivables	551,570,473.87	432,288,831.60
Prepayments	196,843,614.70	135,537,021.52
Interests receivables	18,156,273.68	10,205,005.56
Dividends receivables	50,000,000.00	50,000,000.00
Other receivables	6,112,839,201.44	6,030,659,740.26
Inventories	329,939,251.87	347,402,826.16
Total current assets	7,567,359,588.86	8,334,185,328.42
Non-current assets		
Held-to-maturity investment	6,305,000,000.00	6,305,000,000.00
Long-term equity investment	11,713,329,909.90	11,735,302,241.60
Investment properties	1,193,458,437.00	1,193,458,437.00
Fixed assets	13,966,962,251.26	13,337,068,017.66
Construction in progress	386,830,933.10	1,062,042,195.53
Intangible assets	12,942,924.37	14,036,631.06
Long-term deferred expenses	14,910,000.00	15,975,000.00
Deferred tax assets	152,852,144.29	152,852,144.29
Total non-current assets	33,746,286,599.92	33,815,734,667.14
Total assets	41,313,646,188.78	42,149,919,995.56

Balance Sheet of the Company (continued)

Items	31 March 2013 <i>RMB</i>	31 December 2012 <i>RMB</i>
Current liabilities		
Short-term loans	739,453,000.00	628,550,000.00
Accounts payable	434,653,299.14	458,236,678.93
Advance receipts	15,978,506.18	16,266,688.19
Salaries and wages payable	19,659,456.03	27,569,633.15
Taxes payable	29,683,756.15	-8,592,207.33
Interests payable	222,463,145.04	187,721,512.24
Other payables	969,716,060.73	523,797,354.70
Non-current liabilities to be mature in less than one year	1,300,000,000.00	1,300,000,000.00
Total current liabilities	3,731,607,223.27	3,133,549,659.88
Non-current liabilities		
Long-term loans	3,699,100,000.00	5,000,000,000.00
Bonds payable	11,273,862,277.85	11,226,428,680.68
Deferred tax liabilities	148,865,805.36	148,865,805.36
Other non-current liabilities	631.84	631.84
Total non-current liabilities	15,121,828,715.05	16,375,295,117.88
Total liabilities	18,853,435,938.32	19,508,844,777.76
Shareholders' equity		
Share capital	3,404,552,729.00	3,404,552,613.00
Capital reserve	5,105,010,079.93	5,105,009,421.48
Specific reserve	13,498,973.32	93.84
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	11,059,712,121.77	11,254,076,743.04
Total shareholders' equity	22,460,210,250.46	22,641,075,217.80
Total liabilities and shareholders' equity	41,313,646,188.78	42,149,919,995.56

4.2 Consolidated Income Statement

Items	January - March 2013 RMB	January - March 2012 RMB
1. Gross revenue from operations	2,633,077,653.77	2,738,723,628.97
Including: revenue from operation	2,633,077,653.77	2,738,723,628.97
2. Gross cost from operations	3,090,327,325.75	3,142,423,432.17
Including: cost from operation	2,730,912,600.31	2,941,361,416.57
Business taxes and other surcharges	1,642,110.68	22,270,500.09
Sales expenses	11,011,631.29	14,764,722.79
Administrative expenses	85,926,602.29	79,083,201.93
Financial expenses	260,834,381.18	84,943,590.79
Investment income (“-” for investment loss)	-27,142,193.39	60,408,439.54
Including: investment income from associates and joint ventures	-27,142,193.39	59,626,875.92
3. Operating profit (“-” for operating loss)	-484,391,865.37	-343,291,363.66
Add: Non-operating revenue	8,544,726.85	34,903,473.70
Less: Non-operating expenditure	6,364,108.15	4,631,598.62
Including: Loss arising from disposal of non-current assets	163,464.94	
4. Gross profit (“-” for gross loss)	-482,211,246.67	-313,019,488.58
Less: Income tax	2,688,953.48	-7,692,286.19
5. Net profit (“-” for net loss)	-484,900,200.15	-305,327,202.39
Net profit attributable to owners of parent company	-484,184,254.66	-320,737,381.22
Net profit attributable to minority shareholders	-715,945.49	15,410,178.83
6. Earnings per share		
(1) Basic	-0.1422	-0.0942
(2) Diluted	-0.1422	-0.0942
7. Other comprehensive income	-21,887,779.55	-3,509,944.19
8. Total comprehensive income	-506,787,979.70	-308,837,146.58
Total comprehensive income attributable to owners of parent company	-498,112,114.77	-324,191,758.07
Total comprehensive income attributable to minority shareholders	-8,675,864.93	15,354,611.49

Income Statement of the Company

Items	January - March 2013 RMB	January - March 2012 RMB
1. Revenue from operations	994,197,878.00	1,796,944,432.57
Less: cost from operation	971,954,304.93	1,963,523,501.29
Business taxes and other surcharges	898,083.37	20,677,013.13
Sales expenses	1,899,821.39	14,714,933.57
Administrative expenses	44,126,812.41	63,794,507.18
Financial expenses	236,936,237.31	85,230,447.15
Investment income (“-” for investment loss)	61,523,168.30	59,626,875.92
Including: investment income from associates and joint ventures	-21,972,331.70	59,626,875.92
2. Operating profit (“-” for operating loss)	-200,094,213.11	-291,369,093.83
Add: Non-operating revenue	8,544,311.85	34,903,473.70
Less: Non-operating expenditure	2,814,720.01	4,626,993.00
Including: Loss arising from disposal of non-current assets	162,880.94	
3. Gross profit (“-” for gross loss)	-194,364,621.27	-261,092,613.13
4. Net profit (“-” for net loss)	-194,364,621.27	-261,092,613.13
5. Earnings per share		
(1) Basic	-0.0571	-0.0767
(2) Diluted	-0.0571	-0.0767
6. Total comprehensive income	-194,364,621.27	-261,092,613.13

4.3 Consolidated Cash Flow Statement

Items	January - March 2013 RMB	January - March 2012 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	2,942,231,859.05	2,721,916,672.15
Cash received from other related operating activities	190,999,309.59	121,244,494.01
Subtotal of cash inflow from operating activities	3,133,231,168.64	2,843,161,166.16
Cash paid for goods and services	2,262,560,775.00	2,390,904,994.59
Cash paid to or on behalf of employees	426,562,732.69	430,081,913.06
Taxes paid	22,023,608.83	102,389,178.38
Other cash paid relating to operating activities	609,560,625.68	87,845,536.43
Subtotal of cash outflow from operating activities	3,320,707,742.20	3,011,221,622.46
Net cash flows from operating activities	-187,476,573.56	-168,060,456.30
2. Cash flows from investing activities		
Cash inflow from return on investment		12,847,060.42
Net cash inflow from disposal of fixed, intangible and other long-term assets	87,988,570.86	716.63
Subtotal of cash inflow from investing activities	87,988,570.86	12,847,777.05
Cash paid for purchase of fixed, intangible and other long-term assets	563,708,308.01	1,261,539,533.43
Cash paid for investment	21,714,486.39	3,776,477.19
Subtotal of cash outflow from investing activities	585,422,794.40	1,265,316,010.62
Net cash flows from investing activities	-497,434,223.54	-1,252,468,233.57

4.3 Consolidated Cash Flow Statement (continued)

Items	January - March 2013 RMB	January - March 2012 RMB
3. Cash flows from financing activities		
Cash received from borrowings	2,205,478,792.84	4,471,057,912.60
Cash inflow from raising capital	2,205,478,792.84	4,471,057,912.60
Cash paid for payment of debts	2,427,298,847.75	1,986,010,615.84
Cash paid for distribution of dividends or profits and for interest expenses	213,583,458.49	137,460,672.58
Subtotal of cash outflow from financing activities	2,640,882,306.24	2,123,471,288.42
Net cash flows from financing activities	-435,403,513.40	2,347,586,624.18
4. Effect on cash and cash equivalents from change of exchange rates	-9,679,042.09	3,308,755.01
5. Net increase in cash and cash equivalents	-1,129,993,352.59	930,366,689.32
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	3,285,744,885.61	3,376,692,007.19
6. Balance of cash and cash equivalents at the end of the Reporting Period	2,155,751,533.02	4,307,058,696.51

Cash Flow Statement of the Company

Items	January - March 2013 RMB	January - March 2012 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	751,561,511.65	1,108,554,335.71
Cash received from other related operating activities	547,360,448.52	27,420,270.29
Subtotal of cash inflow from operating activities	1,298,921,960.17	1,135,974,606.00
Cash paid for goods and services	583,170,771.19	1,145,423,005.34
Cash paid to or on behalf of employees	220,325,325.97	410,780,920.35
Taxes paid	14,322,381.11	95,950,006.68
Other cash paid relating to operating activities	135,705,192.14	36,458,907.59
Subtotal of cash outflow from operating activities	953,523,670.41	1,688,612,839.96
Net cash flows from operating activities	345,398,289.76	-552,638,233.96
2. Cash flows from investing activities		
Cash inflow from return on investment	83,495,500.00	11,250,000.00
Net cash inflow from disposal of fixed, intangible and other long-term assets	87,969,750.39	
Subtotal of cash inflow from investing activities	171,465,250.39	11,250,000.00
Cash paid for purchase of fixed, intangible and other long-term assets	172,780,405.15	740,158,401.83
Subtotal of cash outflow from investing activities	172,780,405.15	740,158,401.83
Net cash flows from investing activities	-1,315,154.76	-728,908,401.83

Cash Flow Statement of the Company (continued)

Items	January - March 2013 RMB	January - March 2012 RMB
3. Cash flows from financing activities		
Cash received from borrowings	739,565,000.00	3,489,190,000.00
Cash inflow from raising capital	739,565,000.00	3,489,190,000.00
Cash paid for payment of debts	1,927,950,000.00	1,350,000,000.00
Cash paid for distribution of dividends or profits and for interest expenses	148,620,827.72	102,561,396.10
Subtotal of cash outflow from financing activities	2,076,570,827.72	1,452,561,396.10
Net cash flows from financing activities	-1,337,005,827.72	2,036,628,603.90
4. Effect on cash and cash equivalents from change of exchange rates	-4,577,393.80	226,576.16
5. Net increase in cash and cash equivalents	-997,500,086.52	755,308,544.27
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	1,278,981,919.82	1,795,816,557.48
6. Balance of cash and cash equivalents at the end of the Reporting Period	281,481,833.30	2,551,125,101.75

This announcement is made in compliance with Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company's A Shares are listed on the Shanghai Stock Exchange, and the Shanghai Stock Exchange has required the Company to make an announcement similar to this announcement in Shanghai.

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

Shanghai, the PRC
26 April 2013

As at the date of this announcement, the board of directors of the Company is comprised of Mr. Li Shaode, Mr. Xu Lirong, Mr. Zhang Guofa, Mr. Wang Daxiong, Mr. Ding Nong and Mr. Qiu Guoxuan as executive directors, and Mr. Zhu Yongguang, Mr. Zhang Jun, Mr. Lu Wenbin and Mr. Wang Wusheng as independent non-executive directors.