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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 2016

Summary

This Report for the three months ended 31 March 2016 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 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

This first quarterly report (the “**Report**”) for the three months ended 31 March 2016 (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 the Hong Kong Special Administrative Region. All financial information set out in the Report is unaudited and prepared in accordance with the accounting principles generally accepted in the PRC (the “**PRC GAAP**”).

2. PARTICULARS OF THE COMPANY

Principal financial data and statistics highlights

	As at 31 March 2016	As at 31 December 2015	Increase/ Decrease (%)
Total assets (RMB)	68,208,468,760.02	68,378,653,294.64	-0.25
Net assets attributable to shareholders of the Company (RMB)	25,697,893,398.02	25,697,205,499.22	0.00
	For the three months ended 31 March 2016	For the three months ended 31 March 2015	Increase/ Decrease (%)
Net cash flow from operating activities (RMB)	1,030,537,001.04	828,776,977.48	24.34
	For the three months ended 31 March 2016	For the three months ended 31 March 2015	Increase/ Decrease (%)
Revenue from operation (RMB)	3,036,681,555.90	2,921,154,760.26	3.95
Net profit attributable to shareholders of the Company (RMB)	154,679,652.49	65,946,282.59	134.55
Net profit attributable to shareholders of the Company after exceptional items (RMB)	149,186,452.00	40,078,744.68	272.23
Rate of returns on net assets (%) (weighted)	0.60	0.28	Increase by 0.32 percentage points
Basic earnings per share (RMB)	0.0384	0.0180	113.33
Diluted earnings per share (RMB)	0.0384	0.0164	134.15

Exceptional items and amount	For the three months ended 31 March 2016
Items	Amount (RMB)
Profit and Loss on disposal of non-current assets	-2,926.87
Government grants included in gains or losses for the current period, excluding those closely related to the Company's ordinary business and granted on an on-going basis in fixed amount or volume according to certain standards and adhering to certain principles under national policies	189,119.86
Other profits or losses within the definition of extraordinary profit or loss	7,157,504.11
Minority interests effect (after tax)	-14,572.33
Income tax effect	-1,835,924.28
Total	5,493,200.49

2.2 Total number of shareholders as at the end of the Reporting Period, the shareholding of the top 10 shareholders and shareholding of the top 10 shareholders without any selling restrictions of the Company

Total number of shareholders			145,223		
Top 10 shareholders					
Name of shareholders (Full Name)	Number of shares	Shareholding (%)	Number of shares with selling restrictions	Number of shares subject to pledge or lock up	Type of shareholders
China Shipping (Group) Company ⁽¹⁾ (中國海運(集團)總公司)	1,536,924,595	38.12	0	Nil	Stated-owned entity
HKSCC NOMINEES LIMITED ⁽²⁾	1,286,990,896	31.92	0	Unknown	Offshore entity
Central Huijin Assets Management Company Ltd (中央匯金資產管理有限責任公司)	92,709,700	2.30	0	Nil	Stated-owned entity
National Social Security Fund Portfolio 412 (全國社保基金四零七組合)	31,280,264	0.78	0	Nil	Others
China Securities Finance Co., Ltd. (中國證券金融股份有限公司)	27,849,503	0.69	0	Nil	Stated-owned entity
Harvest Fund - Agricultural Bank of China - Harvest CSI Financial Asset Management Plan (嘉實基金—農業銀行—嘉實中證金融資產管理計劃)	24,879,500	0.62	0	Nil	Others
Zhongou Fund - Agricultural Bank of China - Zhongou CSI Financial Asset Management Plan (中歐基金—農業銀行—中歐中證金融資產管理計劃)	24,879,500	0.62	0	Nil	Others
GF Fund - Agricultural Bank of China - GF CSI Financial Asset Management Plan (廣發基金—農業銀行—廣發中證金融資產管理計劃)	24,879,500	0.62	0	Nil	Others
Agricultural Bank of China Company Limited - Wells Fargo CSI State-owned Enterprises Reform Index Classification Securities Investment Fund (中國農業銀行股份有限公司—富國中證國有企業改革指數分級證券投資基金)	15,777,665	0.39	0	Nil	Others
Southern Fund - Agricultural Bank of China - Southern CSI Financial Asset Management Plan (南方基金—農業銀行—南方中證金融資產管理計劃)	12,596,453	0.31	0	Nil	Others

Top ten holders of shares in circulation without any selling restrictions⁽³⁾		
Name of Shareholders (full name)	Number of shares in circulation without any selling restrictions as at the end of the reporting period	Type of shares
China Shipping (Group) Company ⁽¹⁾	1,536,924,595	RMB ordinary shares
HKSCC NOMINEES LIMITED ⁽²⁾	1,286,990,896	Offshore listed H shares
Central Huijin Assets Management Company Ltd	92,709,700	RMB ordinary shares
National Social Security Fund Portfolio 412	31,280,264	RMB ordinary shares
China Securities Finance Co., Ltd.	27,849,503	RMB ordinary shares
Harvest Fund - Agricultural Bank of China - Harvest CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
Zhongou Fund - Agricultural Bank of China - Zhongou CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
GF Fund - Agricultural Bank of China - GF CSI Financial Asset Management Plan	24,879,500	RMB ordinary shares
Agricultural Bank of China Company Limited - Wells Fargo CSI State-owned Enterprises Reform Index Classification Securities Investment Fund	15,777,665	RMB ordinary shares
Southern Fund - Agricultural Bank of China - Southern CSI Financial Asset Management Plan	12,596,453	RMB ordinary shares

Notes:

- (1) As at the end of the Reporting Period, China Shipping (Group) Company (“China Shipping”) and its subsidiaries held 7,000,000 A Shares of the Company through CICC-CCB-Zhongjin Ruihe collective asset management schemes (中金公司—建設銀行—中金瑞和集合資產管理計劃) , held 2,065,494 A Shares of the Company through Guotai Junan securities asset management-Industrial Bank - Guotai Junan Junxiang Xinli No.6 collective asset management schemes (國泰君安證券資管—興業銀行—國泰君安君享新利六號集合資產管理計劃) and held 8,641,504 A Shares of the Company through AEGON-INDUSTRIAL Fund-Bank of Shanghai-China Shipping (Group) Company (興業全球基金—上海銀行—中國海運 (集團) 總公司). Therefore, China Shipping and its subsidiaries aggregately held 1,554,631,593 A Shares of the Company as at the end of the Reporting Period, representing 38.56% of the total number of shares of the Company.
- (2) HKSCC NOMINEES LIMITED (香港中央結算 (代理人) 有限公司) holds H shares of the Company on behalf of customers of all securities firms in Hong Kong and other CCASS participants.
- (3) The Company has no shareholder of restricted shares, therefore the top 10 shareholders are the same as the top 10 shareholders of unrestricted shares. No connected relationship exists between the 1st shareholder and the 2nd to 10th shareholders, but it is unknown whether connected relationship or concerted action relationship exist among the 2nd to 10th shareholders.

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 Item	2016.03.31	2015.12.31	Change(%)	Reason for Significant Changes
Cash	3,341,519,347.08	2,085,888,552.68	60.20	Notes (1)
Prepayments	617,726,589.88	362,656,212.35	70.33	Notes (2)
Dividends receivables	16,322,874.05	291,322,874.05	-94.40	Notes (3)
Other receivables	146,883,096.22	214,246,724.20	-31.44	Notes (4)
Long-term accounts receivables	967,971,170.11	2,119,286,105.71	-54.33	Notes (5)
Taxes payable	105,395,163.25	163,184,585.04	-35.41	Notes (6)
Interests payable	429,847,711.19	245,843,657.37	74.85	Notes (7)
Other payables	199,362,912.43	143,075,495.36	39.34	Notes (8)
Non-current liabilities to be mature in less than one year	17,000,000.00	2,863,529,983.38	-99.41	Notes (9)
Other non-current liabilities	660,504,207.42	411,385,025.09	60.56	Notes (10)

Notes:

- (1) Cash increased by 60.20% as compared to the beginning of the period, which was primarily attributed to a net operating cash inflow and cash received from investments;
- (2) Prepayments increased by 70.33% as compared to the beginning of the period, which was primarily attributed to an increase in prepaid crew expenses and port charges;
- (3) Dividends receivables decreased by 94.40% as compared to the beginning of the period, which was primarily attributed to dividends amounting to RMB275 million received from Times Shipping;
- (4) Other receivables decreased by 31.44% as compared to the beginning of the period, which was primarily attributed to operating open credit received;
- (5) Long-term accounts receivables decreased by 54.33% as compared to the beginning of the period, which was primarily attributed to shareholder loans received from China Ore Shipping Pte. Ltd.;

- (6) Taxes payable decreased by 35.41% as compared to the beginning of the period, which was primarily attributed to the payment of taxes such as corporate income tax;
- (7) Interests payable increased by 74.85% as compared to the beginning of the period, which was primarily attributed to interests of corporate bonds not yet due for payment;
- (8) Other payables increased by 39.34% as compared to the beginning of the period, which was primarily attributed to an increase in temporary receipts.
- (9) Non-current liabilities to be mature in less than one year decreased by 99.41% as compared to the beginning of the period, which was primarily attributed to the repayment of long-term balance to be mature in less than one year;
- (10) Other non-current liabilities increased by 60.56% as compared to the beginning of the period, which was primarily attributed to losses on interest rate swap contracts.

Income Statement Items	January to March 2016	January to March 2015	Change (%)	Reason for Significant Changes
Marketing expenses	23,130,122.37	14,667,689.66	57.69	Note (1)
Investment gains	28,176,587.53	2,920,045.40	864.94	Note (2)
Non-operating income	16,275,934.50	36,431,703.73	-55.32	Note (3)
Non-operating expenses	1,265,271.50	1,939,466.47	-34.76	Note (4)
Income tax expenses	71,655,524.31	49,667,265.23	44.27	Note (5)

Notes:

- (1) Marketing expenses increased by 57.69% as compared to the same period last year, which was primarily attributed to the new dry bulk cargo trading business of China Shipping Bulk Carrier Co., Limited.
- (2) Investment gains increased by 864.94% as compared to the same period last year, which was primarily attributed to an improvement in the overall results of associates and joint ventures as compared to the same period last year;
- (3) Non-operating income decreased by 55.32% as compared to the same period last year, which was primarily attributed to a smaller amount of government grants;
- (4) Non-operating expenses decreased by 34.76% as compared to the same period last year, which was primarily attributed to reduced losses on the disposal of non-current assets;
- (5) Income tax expenses increased by 44.27% as compared to the same period last year, which was primarily attributed to an improvement in the results of the Group as compared to the same period last year;

Cash Flow Statement Items	January to March 2016	January to March 2015	Change(%)	Reason for Significant Changes
Net cash flow from Operating activities	1,030,537,001.04	828,776,977.48	24.34	Note (1)
Net cash flow from Investing activities	1,033,383,743.58	-708,044,322.37	245.95	Note (2)
Net cash flow from Financing activities	-789,577,632.98	-619,223,369.91	-27.51	Note (3)

Notes:

- (1) Net cash flow from operating activities increased by 24.34% as compared to the same period last year, which was primarily attributed to an increase in cash from operating activities.
- (2) Net cash flow from investing activities increased by 245.95% as compared to the same period last year, which was primarily attributed to the recovery of loans from associates and a decrease in expenses for purchasing and building vessels.
- (3) Net cash flow from financing activities decreased by 27.51% as compared to the same period last year, which was primarily attributed to the repayment of loans for the period.

3.2 Analysis and explanation on the progress of significant events and their impacts and solutions

The Company held its 12th Board meeting of 2015 on 11 December 2015, in which the Board has approved the motion about the material asset restructuring plan of the Company. The Company has also held its 3rd Board meeting of 2016 on 29 March 2016, in which the Board approved the motion about the material asset restructuring plan and the connected transactions. The proposed material assets restructuring plan of the Company includes:

- (1) major transaction: The Company agreed to dispose 100% equity interests in China Shipping Bulk Carrier Co., Limited (“**CS Bulk**”) to China Ocean Shipping (Group) Limited (“**COSCO Company**”, together with its subsidiaries “**COSCO Group**”) (by itself or through China COSCO Bulk Shipping (Group) Co., Ltd (“**COSCO Bulk**”)), and
- (2) very substantial acquisition: The Company has agreed to acquire 100% equity interests in Dalian Ocean Shipping Company Limited (“**Dalian Ocean**”) from COSCO Company.

For detail of the plan, please refer to the announcements of the Company dated 11 December 2015 and 29 March 2016, the notice to annual general meeting dated 1 April 2016 and the circular dated 22 April 2016. The plan has been proposed to the Company’s annual general meeting to be hold on 20 May, 2016.

3.3 Performance of undertakings made by the Company and its shareholders with shareholding over 5%

I. Undertakings of controlling shareholders in relation to maintaining the independence of Company

On 11 December 2015, China Shipping (Group) Company (“**China Shipping**”), as the controlling shareholder of the Company, hereby made the following undertakings:

China Shipping undertakes to maintain separation of the Company’s assets, personnel, finance, entities and businesses, and to comply with the relevant requirements regarding the listed company’s independence as required by the China Securities Regulatory Commission. China Shipping shall not violate the standard operation procedure of listed company by virtue of the capacity as the controlling shareholder, shall not intervene the operating decisions of the Company, and shall not jeopardize the legitimate interests of the Company and

other shareholders. China Shipping and its controlling companies undertake that they won't illegally use the funds of the Company and its controlled entities in any way.

II. Undertakings of controlling shareholders in relation to the Prevention of Peer Competition

(1) On 23 May 2001, 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.
- (3) The Company held its 12th Board meeting of 2015 on 11 December 2015, in which the Board has approved the motion about the material asset restructuring plan of the Company. The Company has also held its 3rd Board meeting of 2016 on 29 March 2016, in which the Board approved the motion about the material asset restructuring plan and the connected transactions. The proposed material assets restructuring plan of the Company includes:
- a. major transaction: The Company agreed to dispose 100% equity interests in CS Bulk to COSCO Company (by itself or through COSCO Bulk), and
 - b. very substantial acquisition: The Company has agreed to acquire 100% equity interests in Dalian Ocean Shipping Company Limited from COSCO Company.

As the controlling shareholder of the Company, China Shipping made the following non-competition undertakings to the Company in relation to the proposed material asset restructuring plan:

- a. Upon completion of the proposed material asset restructuring plan, China Shipping will not directly or indirectly (including but not limited to sole proprietorship, joint venture, cooperation and joint operation,

etc.) participate in or conduct any business activities that constitute or may constitute substantive competition with the principal business in which the Company is engaged.

- b. In respect of competition or potential competition that may arise in future between products produced or businesses engaged by the wholly-owned, holding and equity participation enterprises of China Shipping and the Company, if requested by the Company, China Shipping undertakes that it will assign all contribution or shares in the aforesaid enterprises and undertakes that provided that laws and regulations are complied with, it will grant the right of pre-emption to the Company or its wholly-owned subsidiaries in respect of the aforesaid contribution or shares, and will do its utmost to procure that the price of the relevant transaction is determined on the basis of fairness, reasonableness and normal commercial transactions with independent third parties.
- c. In the event that the interests of the Company and other shareholders are damaged as a result of a breach of the above undertaking by China Shipping or other enterprises controlled by China Shipping, China Shipping will bear the corresponding compensation responsibility according to law.
- d. For the Item (2) of the above Non-competition Undertaking issued by China Shipping on 15 June 2011 (“**Original Undertaking**”), after the implementation of the proposed material assets restructuring plan, the Company is no longer engaged in bulk shipping business and there is uncertainty as to whether the proposed material assets restructuring plan can be completed or can be completed prior to the expiry date of the Original Undertaking (i.e., 15 June 2016), China Shipping has adjusted the part related to bulk shipping business of the Original Undertaking as the following:

Upon completion of the proposed material asset restructuring plan, the Company will agree to exempt the undertaking under item 1 and item 2 of the Original Undertaking (i.e. (2)(a) and (2)(b) above) that bulk shipping assets should be injected into the Company or disposed of; and the undertaking under item 4 (i.e. 2(d) above) regarding lease and entrusted operation of the bulk shipping assets prior to injection or disposal thereof (the “**Exemption**”). In the event that the proposed material asset restructuring plan fails to proceed to completion, the

Original Undertaking shall continue to be performed whereas the term of the undertaking will extend to within one year from the date of announcement of termination of the proposed material asset restructuring plan.

Please refer to the announcement of “Exemption of the Non-competition Undertaking of China Shipping” issued by the Company dated 22 April, 2016 for further details. The Exemption has been proposed to the annual general meeting of the Company to be held on 20 May, 2016.

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.

III. ABOUT THE REDUCTION OF RELATED PARTY TRANSACTIONS

1. China Shipping and other enterprises controlled by it and the Company shall avoid or reduce related party transactions so far as possible. For related party transactions that are unavoidable or indeed necessary, China Shipping undertakes that it will adhere to the market-oriented principles of impartiality, fairness and openness, enter into agreements according to law, perform the legal procedure in accordance with the relevant laws and regulations, regulatory documents and relevant provisions such as the articles of association of the Company, guarantee the fairness and compliance of related party transactions, guarantee not to prejudice the legitimate interests of the Company and other shareholders, and make timely information disclosure in accordance with the relevant laws and regulations and the requirements of regulatory documents.
2. China Shipping will exercise the rights of shareholders in strict accordance with the laws and regulation such as the “Company Law” and the articles of association of the Company; exercise the rights of shareholders in accordance with the relevant provisions at the general meetings of the Company; fulfill the obligation of abstaining from voting on related party transactions of China Shipping and other enterprises controlled by it at the general meetings of the Company.

This undertaking shall continue to be in force during the period in which China Shipping is the controlling shareholder of the Company.

IV. UNDERTAKINGS ON SETTling THE ISSUE OF CAPITAL OCCUPATION

To protect the interests of minority shareholders in listed company, China Shipping as the controlling shareholder of the Company and COSCO Group as the counterparty of the Company in the material asset restructuring hereby jointly make the following further undertakings in relation to the debts arising from borrowings and payables between CS Bulk and its subsidiaries and the Company and its subsidiaries:

1. The debts of CS Bulk and its subsidiaries arising from the borrowings and payables owing to the Company and its subsidiaries (except for debts arising from the internal consolidation of bulk carriers) shall be settled in full by China Shipping and/or its designated connected parties on or before the completion date of the material asset restructuring of the Company;
2. COSCO Group agrees to take joint and several liabilities for the settlement of the aforesaid debts to ensure that no non-operating capital of the Company and its subsidiaries will be used by CS Bulk and its subsidiaries;
3. China Shipping agrees to provide necessary financial assistance to CS Bulk and its subsidiaries for their capital requirements in daily operation since the date of this letter of undertakings.

V. PROFIT FORECAST AND COMPENSATION UNDERTAKINGS BY SHANGHAI SHIPPING (GROUP) COMPANY, A WHOLLY-OWNED SUBSIDIARY OF CHINA SHIPPING, IN AN EQUITY TRANSFER

China Shipping Tanker Co., Limited, a wholly-owned subsidiary of the Company, acquired 20% equity interest in Shanghai Beihai Shipping Company Limited (“上海北海船務股份有限公司”) from Shanghai Shipping (Group) Company for RMB830 million on 30 July 2014. Shanghai Shipping (Group) Company issued a “Letter of Compensation Undertakings” on 20 August 2014, pursuant to which Shanghai Shipping (Group) Company undertook that after completion of the transaction, when the Company announced its annual reports for the years 2014, 2015 and 2016, if the audited net profit attributable to shareholders of the parent company of Shanghai Beihai Shipping Company Limited in any year for the three years from 2014 to 2016 was unable to meet the profit forecast amount contained in the profit forecast audit report or the net profit amount forecast in the valuation report, whichever the higher (which were RMB370,311,100, RMB380,448,400 and RMB431,627,600 respectively),

Shanghai Shipping (Group) Company will make a cash payment equivalent to 20% of the shortfall in net profit to China Shipping Tanker Co., Limited within 10 working days after announcement of the Company's annual report for that year.

The net profit realized by Shanghai Beihai Shipping Company Limited in 2014 was RMB425,433,800, which was higher than the profit forecast amount.

The net profit realized by Shanghai Beihai Shipping Company Limited in 2015 was RMB486,968,100, which was higher than the profit forecast amount.

4 Appendix

Consolidated Balance Sheet

Items	31 March 2016 RMB	31 December 2015 RMB
Current assets		
Cash and Cash Equivalents	3,341,519,347.08	2,085,888,552.68
Notes Receivable	587,171,411.97	457,141,777.86
Accounts Receivable	1,444,455,845.90	1,816,968,647.86
Funds paid in advance	617,726,589.88	362,656,212.35
Dividends Receivable	16,322,874.05	291,322,874.05
Other Receivables	146,883,096.22	214,246,724.20
Inventory	524,106,054.31	582,427,194.90
Other Current Assets	633,997,468.84	655,249,382.75
Total Current Assets	7,312,182,688.25	6,465,901,366.65
Non-current liabilities		
Financial assets available for sale	41,036,183.79	35,379,106.60
Long-term receivables	967,971,170.11	2,119,286,105.71
Long-term equity investment	6,471,336,665.86	6,443,160,078.33
Investment properties	1,088,658,594.00	1,088,658,594.00
Fixed assets	44,050,426,036.07	44,837,979,020.09
Construction in progress	7,774,931,681.08	6,883,440,753.35
Intangible assets	10,575,514.18	14,487,842.43
Long-term deferred expenses	9,690,296.13	8,700,496.93
Deferred income tax asset	481,659,930.55	481,659,930.55
Total non-current assets	60,896,286,071.77	61,912,751,927.99
Total asset	68,208,468,760.02	68,378,653,294.64

Items	31 March 2016 RMB	31 December 2015 RMB
Current liabilities		
Short-term borrowings	5,758,763,031.19	5,389,593,406.22
Derivative financial liabilities	524,017.12	508,348.30
Accounts payable	1,007,064,307.77	904,437,611.48
Receipts in advance	191,200,384.76	269,052,486.46
Salaries and wages payable	44,639,678.55	42,245,076.39
Taxes payable	105,395,163.25	163,184,585.04
Interests payable	429,847,711.19	245,843,657.37
Other payables	199,362,912.43	143,075,495.36
Non-current liabilities to be mature within one year	17,000,000.00	2,863,529,983.38
Total current liabilities	7,753,797,206.26	10,021,470,650.00
Non-current liabilities		
Long-term borrowings	27,276,603,760.66	25,453,380,650.36
Bonds payable	3,979,361,217.68	3,978,488,211.00
Long-term payables	1,703,865,125.02	1,553,542,641.99
Long-term Salaries and wages payable	98,319.33	98,319.33
Estimated liabilities	285,679,277.49	266,762,059.30
Deferred income	631.84	631.84
Deferred income tax liabilities	170,322,724.97	170,322,724.97
Other non-current liabilities	660,504,207.42	411,385,025.09
Total non-current liabilities	34,076,435,264.41	31,833,980,263.88
Total liabilities	41,830,232,470.67	41,855,450,913.88
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,922,119,727.43	7,922,119,727.43
Other comprehensive income	-680,395,431.56	-541,139,459.47
Specific reserve	67,889,506.28	82,625,287.88
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	11,478,810,388.43	11,324,130,735.94
Total equity attributable to owners of the parent company	25,697,893,398.02	25,697,205,499.22
Minority interests	680,342,891.33	825,996,881.54
Total shareholders' equity	26,378,236,289.35	26,523,202,380.76
Total liabilities and shareholders' equity	68,208,468,760.02	68,378,653,294.64

Balance Sheet of the Company

Items	31 March 2016 RMB	31 December 2015 RMB
Current assets		
Cash and Cash Equivalents	672,919,684.82	375,220,780.02
Interests receivable	184,167,316.15	88,067,339.12
Dividends Receivable		275,000,000.00
Other Receivables	9,788,305,265.28	10,093,145,327.93
Other Current Assets	12,833,103.17	12,801,345.16
Total Current Assets	10,658,225,369.42	10,844,234,792.23
Non-current liabilities		
Financial assets available for sale	29,454,546.00	29,454,546.00
Held-to-maturity investments	10,064,612,000.00	10,064,936,000.00
Long-term equity investment	16,939,860,301.67	17,017,161,932.37
Investment properties	1,226,464,130.99	1,226,464,131.00
Fixed assets	64,879,660.73	65,441,435.65
Intangible assets	4,432,931.34	5,090,947.08
Total non-current assets	28,329,703,570.73	28,408,548,992.10
Total asset	38,987,928,940.15	39,252,783,784.33
Current liabilities		
Short-term borrowings	323,060,000.00	824,680,000.00
Salaries and wages payable	1,586,364.33	1,318,878.09
Taxes payable	9,157,563.96	9,244,707.98
Interests payable	231,323,435.04	131,409,729.47
Other payables	2,169,916,984.40	2,078,702,087.16
Total current liabilities	2,735,044,347.73	3,045,355,402.70
Non-current liabilities		
Long-term borrowings	5,800,000,000.00	5,800,000,000.00
Bonds payable	3,979,361,217.68	3,978,488,211.00
Deferred income tax liabilities	169,250,983.65	169,250,983.65
Total non-current liabilities	9,948,612,201.33	9,947,739,194.65
Total liabilities	12,683,656,549.06	12,993,094,597.35
Shareholders' equity		
Share capital	4,032,032,861.00	4,032,032,861.00
Capital reserve	7,765,430,636.94	7,765,430,636.94
Other comprehensive income	274,283,785.31	274,283,785.31
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	11,355,088,761.40	11,310,505,557.29
Total shareholders' equity	26,304,272,391.09	26,259,689,186.98
Total liabilities and shareholders' equity	38,987,928,940.15	39,252,783,784.33

Consolidated Income Statement

Items	January-March 2016	January-March 2015
	RMB	RMB
1. Total operating revenue	3,036,681,555.90	2,921,154,760.26
Including: Revenue from operations	3,036,681,555.90	2,921,154,760.26
2. Total cost of sales	2,851,871,508.35	2,830,282,330.98
Including: Operating cost	2,505,940,715.88	2,452,438,702.07
Business taxes and other surcharges	4,059,749.60	3,758,366.65
Sales expenses	23,130,122.37	14,667,689.66
Administrative expenses	96,731,391.90	87,888,125.64
Financial expenses	222,009,528.60	271,529,446.96
Add: Investment income (“-” for investment loss)	28,176,587.53	2,920,045.40
Including: investment income from associates and joint ventures	69,236,862.73	17,208,746.75
3. Operating profit (“-” for operating loss)	212,986,635.08	93,792,474.68
Add: Non-operating revenue	16,275,934.50	36,431,703.73
Less: Non-operating expenditure	1,265,271.50	1,939,466.47
Including: Loss arising from disposal of non-current assets	2,926.87	133,755.52
4. Gross profit (“-” for gross loss)	227,997,298.08	128,284,711.94
Less: Income tax	71,655,524.31	49,667,265.23
5. Net profit (“-” for net loss)	156,341,773.77	78,617,446.71
Net profit attributable to owners of parent company	154,679,652.49	65,946,282.59
Net profit attributable to minority shareholders	1,662,121.28	12,671,164.12
6. Other comprehensive net income after tax	-286,572,083.58	-49,197,448.29
Other comprehensive net income after tax attributable to owners of parent company	-139,255,972.09	-35,167,140.03

Items	January-March 2016 <i>RMB</i>	January-March 2015 <i>RMB</i>
Other comprehensive income to be re-classified to profit or loss	-139,255,972.09	-35,167,140.03
(1) effective parts of profit or loss on cash flow hedges	-102,753,292.99	-58,895,829.30
(2) The difference between the translation of foreign currency financial statements	-36,502,679.10	23,728,689.27
Other comprehensive net income after tax attributable to minority shareholders	-147,316,111.49	-14,030,308.26
7. Total comprehensive income	-130,230,309.81	29,419,998.42
Total comprehensive income attributable to owners of parent company	15,423,680.40	30,779,142.56
Total of comprehensive income attributable to minority shareholders	-145,653,990.21	-1,359,144.14
8. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0384	0.0180
(2) Diluted earnings per share (RMB per share)	0.0384	0.0164

Income Statement of the Company

Items	January-March 2016 RMB	January-March 2015 RMB
1. Total operating revenue	4,849,476.92	16,776,310.61
Less: Operating cost		24,462,166.25
Business taxes and other surcharges	274,612.92	380,990.00
Administrative expenses	7,307,764.05	5,312,882.61
Financial expenses	100,659,804.31	104,232,152.33
Add: Investment income (“-” for investment loss)	147,944,090.34	76,688,548.21
Including: investment income from associates and joint ventures		-4,769,042.26
2. Operating profit (“-” for operating loss)	44,551,385.98	-40,923,332.37
Add: Non-operating revenue	40,000.00	
Less: Non-operating expenditure	8,181.87	37,080.00
Including: Loss arising from disposal of non-current assets	2,926.87	
3. Gross profit (“-” for gross loss)	44,583,204.11	-40,960,412.37
4. Net profit (“-” for net loss)	44,583,204.11	-40,960,412.37
5. Total comprehensive income	44,583,204.11	-40,960,412.37
6. Earnings per share		
(1) Basic earnings per share (RMB per share)	0.0111	-0.0102
(2) Diluted earnings per share (RMB per share)	0.0111	-0.0102

Consolidated Cash Flow Statement

Items	January-March 2016 RMB	January-March 2015 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	3,150,062,762.21	2,580,906,026.45
Cash received from tax rebates	39,599,717.52	16,879,104.77
Cash received from other related operating activities	252,940,321.09	284,090,543.34
Subtotal of cash inflow from operating activities	3,442,602,800.82	2,881,875,674.56
Cash paid for goods and services	1,538,409,667.16	1,226,364,115.02
Cash paid to or on behalf of employees	370,012,785.59	391,899,011.40
Taxes paid	174,908,896.88	50,446,762.49
Other cash paid relating to operating activities	328,734,450.15	384,388,808.17
Subtotal of cash outflow from operating activities	2,412,065,799.78	2,053,098,697.08
Net cash flows from operating activities	1,030,537,001.04	828,776,977.48
2. Cash flows from investing activities		
Cash received from disposal of investments	1,133,903,261.73	
Cash received from gains in investments	362,278,615.53	
Net cash inflow from disposal of fixed, intangible and other long-term assets	5,030.00	310,288,396.47
Subtotal of cash inflow from investing activities	1,496,186,907.26	310,288,396.47
Cash paid for purchase of fixed, intangible and other long-term assets	417,098,548.12	951,680,429.88
Cash paid for investment	45,704,615.56	66,652,288.96

Items	January-March 2016 RMB	January-March 2015 RMB
Subtotal of cash outflow from investing activities	462,803,163.68	1,018,332,718.84
Net cash flows from investing activities	1,033,383,743.58	-708,044,322.37
3. Cash flows from financing activities		
Cash received from borrowings	1,042,612,409.57	3,076,223,766.33
Cash received relating to other financing activities		100,247,927.02
Subtotal of cash inflow from financing activities	1,042,612,409.57	3,176,471,693.35
Cash paid for payment of debts	1,696,749,657.68	3,622,408,711.91
Cash paid for distribution of dividends or profits and for interest expenses	132,921,130.71	171,498,731.89
Cash paid for other related financing activities	2,519,254.16	1,787,619.46
Subtotal of cash outflow from financing activities	1,832,190,042.55	3,795,695,063.26
Net cash flows from financing activities	-789,577,632.98	-619,223,369.91
4. Effect on cash and cash equivalents from change of exchange rates	-18,712,317.24	2,937,261.97
5. Net increase in cash and cash equivalents	1,255,630,794.40	-495,553,452.83
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	2,085,888,552.68	3,061,140,277.90
6. Balance of cash and cash equivalents at the end of the Reporting Period	3,341,519,347.08	2,565,586,825.07

Cash Flow Statement of the Company

Items	January-March 2016 RMB	January-March 2015 RMB
1. Cash flows from operating activities		
Cash received from other related operating activities	12,410,781.36	3,015,380,252.77
Subtotal of cash inflow from operating activities	12,410,781.36	3,015,380,252.77
Cash paid for goods and services	32,010.44	16,849.92
Cash paid to or on behalf of employees	3,467,136.56	3,889,674.05
Taxes paid	389,970.57	2,261,307.42
Other cash paid relating to operating activities	112,941,522.86	520,642,387.66
Subtotal of cash outflow from operating activities	116,830,640.43	526,810,219.05
Net cash flows from operating activities	-104,419,859.07	2,488,570,033.72
2. Cash flows from investing activities		
Cash received from gains in investments	430,851,716.22	99,754,444.44
Subtotal of cash inflow from investing activities	430,851,716.22	99,754,444.44
Cash paid for investment		2,500,000,000.00
Subtotal of cash outflow from investing activities		2,500,000,000.00
Net cash flows from investing activities	430,851,716.22	-2,400,245,555.56
3. Cash flows from financing activities		
Cash received from borrowings		401,906,333.33
Cash received relating to other financing activities		298,128,116.44
Subtotal of cash inflow from financing activities		700,034,449.77

Items	January-March 2016 RMB	January-March 2015 RMB
Cash paid for payment of debts		534,715,437.82
Cash paid for distribution of dividends or profits and for interest expenses	28,720,011.68	39,900,408.32
Cash paid for other related financing activities		292,958,196.92
Subtotal of cash outflow from financing activities	28,720,011.68	867,574,043.06
Net cash flows from financing activities	-28,720,011.68	-167,539,593.29
4. Effect on cash and cash equivalents from change of exchange rates	-12,940.67	2,236,169.30
5. Net increase in cash and cash equivalents	297,698,904.80	-76,978,945.83
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	375,220,780.02	1,129,655,058.98
6. Balance of cash and cash equivalents at the end of the Reporting Period	672,919,684.82	1,052,676,113.15

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.

Shanghai, the PRC
28 April 2016

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

As at the date of this announcement, the board of directors of the Company comprises Mr. Xu Lirong, Mr. Huang Xiaowen, Mr. Ding Nong, Mr. Yu Zenggang, Mr. Yang Jigui, Mr. Han Jun and Mr. Qiu Guoxuan as executive Directors, Mr. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.