

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

Third Quarterly Report of 2011

Summary

This Report for the three months ended 30 September 2011 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 13.09(2) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1. IMPORTANT

This third quarterly report (the "Report") for the three months ended 30 September 2011 (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 set out below is published simultaneously in Shanghai of the People's Republic of China (the "PRC") and Hong Kong. All financial information set out in this third 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 30 September 2011	As at 31 December 2010	Increase/ Decrease (%)
Total assets (RMB)	52,003,764,301.84	40,710,176,243.62	27.74
Shareholders' Equity (excluding minority interests) (RMB)	23,491,475,813.32	22,578,545,669.88	4.04
Net assets per share attributable to shareholders of the Company (RMB)	6.9000	6.6319	4.04
		January - September 2011	Increase/ Decrease as compared with the same period of 2010
Net cash flow from operating activities (RMB)		1,494,136,652.28	-22.27
Net cash flow from operating activities per share (RMB)		0.4389	-22.27

	July- September 2011	January - September 2011	Increase/ Decrease during the Reporting Period as compared with the same period of 2010
Net profit attributable to shareholders of the Company (RMB)	130,833,852.89	815,239,818.35	-72.65
Basic earnings per share (RMB)	0.0385	0.2395	-72.63
Basic earnings per share after exceptional items (RMB)	0.0396	0.2094	-70.30
Diluted earnings per share (RMB)	0.0316	0.2326	-77.53
Rate of returns on net assets (%) (weighted)	0.57	3.54	Down 1.59 percentage points
Rate of returns on net assets after exceptional items (%) (weighted)	0.59	3.10	Down 1.46 percentage points

Exceptional items and amount

Items	Amount (RMB) For the nine months ended 30 September 2011
Profit and loss on disposal of non-current assets	115,286,165.20
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)	33,232,200.00
Other net non-operating income except for the aforesaid items	-20,531,507.18
Income tax effect	-25,621,117.92
Minority interests effect (after tax)	-78,526.67
Total	102,287,213.43

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 115,694 shareholders, of which 115,294 and 400 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	1,288,384,896	H shares
China Construction Bank - the Great Wall Brand Preferred Equity Securities Investment Fund	9,233,660	A shares
Industrial and Commercial Bank of China -Lion Equity Value Growth Securities Investment Fund	3,982,960	A shares
Ashmore Investment Management Limited — Ashmore Great China Fund	3,742,719	A shares
Bank of China — Harvest SHSE-SZSE 300 Index Securities Investment Fund	3,434,751	A shares
China Pacific Life Insurance Company Limited —Dividend Payout—Individual Dividend Payout	3,300,226	A shares
Galaxy Securities — China Merchants Bank — Galaxy Gold Star No.1 Asset Management Plan	3,124,002	A shares
Industrial and Commercial Bank of China -Bao Yin China Coastal Area Growth Securities Investment Fund	3,085,327	A shares
Industrial and Commercial Bank of China Limited-Hua Xia SHSE-SZSE 300 Index Securities Investment Fund	2,890,000	A shares

3. SIGNIFICANT EVENTS

3.1 Material changes in the principal items and highlights in the financial statements of the Company and the reasons

Items (Balance Sheet)	As at 30 September 2011 RMB	As at 31 December 2010 RMB	Increase / Decrease %	Reasons for such material changes
1 Cash	5,380,867,800.84	1,061,734,716.74	406.80	As a result of the increase in the cash flow from financing activities
2 Notes receivables	148,849,789.83	109,962,901.23	35.36	The proportion of acceptance bills in the received accounts increased
3 Accounts receivables	1,281,259,710.75	781,100,552.66	64.03	The revenue from operations increased and turnover days of the accounts receivables increased
4 Prepayments	295,456,684.15	157,614,095.59	87.46	The prepayments to shipping agencies increased
5 Other receivables	263,694,808.43	186,005,054.59	41.77	Receivables and advance payments increased
6 Inventories	598,405,438.38	449,284,608.15	33.19	Inventory bunkers for the newly added vessels increased
7 Non-current assets to be mature in less than one year	569,157.84	1,707,473.52	-66.67	Long-term deferred expense to be matured in less than one year decreased

Items (Balance Sheet)	As at	As at	Increase / Decrease %	Reasons for such material changes
	30 September 2011 RMB	31 December 2010 RMB		
8 Long-term equity investment	3,495,943,662.79	2,578,517,456.78	35.58	Profits gained by the investee under the equity method of accounting and capital increase of the investee by capital injection
9 Notes payable	1,231,830,738.84	272,850,000.00	351.47	Financing from notes increased as a result of the increase in the construction of new vessels
10 Accounts payable	1,038,795,136.67	640,870,701.44	62.09	As a result of the expansion of the operating scale and the increase in the inventories as at the end of the Reporting Period
11 Advance receipts	399,944,913.04	59,019,786.78	577.65	The advance receipts of freight rates increased
12 Salaries and wages payable	24,894,425.54	123,119,739.92	-79.78	As a result of the payment of the salaries and wages payable to the employees
13 Taxes payable	58,478,125.97	112,455,915.77	-48.00	As a result of the decrease in both the income taxes payable by the Company and the personnel income tax payable of the employee
14 Interests payable	116,066,798.98	72,111,706.41	60.95	Bank loans increased

Items (Balance Sheet)	As at	As at	Increase / Decrease %	Reasons for such material changes
	30 September 2011 RMB	31 December 2010 RMB		
15 Long-term loans	12,788,241,912.44	7,132,346,943.13	79.30	As a result of financing for construction of vessels in 2011
16 Bonds payable	8,034,327,490.48	4,989,872,473.87	61.01	As a result of issue of the convertible bonds of RMB3.95 billion in 2011
17 Anticipated liabilities	4,500,000.00	85,500,000.00	-94.74	Legal proceedings regarding vessel accident fees having been concluded and such fees having been carried forward as estimated liabilities
18 Other non-current liabilities	18,455,618.72	13,218,329.36	39.62	Change in fair value of the interest rate swap agreement entered into by the Company
19 Minority interests	692,661,934.02	512,915,985.26	35.04	The non-wholly owned subsidiaries achieved profits

Items (Income Statement)	January-September	January-September	Increase / Decrease %	Reasons for such material changes
	2011 RMB	2010 RMB		
1 Financial costs	351,135,122.96	139,329,215.43	152.02	With the delivery of new vessels, the increase of interest expenses from related bank borrowings has been conducted as cost
2 Assets depreciation loss	-1,168,335.00	-206,552.54	-465.64	Reversal of provision for bad debts

Items (Income Statement)	January-September 2011 <i>RMB</i>	January-September 2010 <i>RMB</i>	Increase / Decrease %	Reasons for such material changes
3 Investment income	265,155,802.89	172,678,865.54	53.55	The net profit of Shenhua Zhonghai Marine Co., Limited, a joint venture company with China Shenhua Energy Co., Limited increased
4 Non-operating expenditure	21,380,047.81	7,884,798.31	171.16	The Company's public welfare donation expenditure increased
5 Income tax	120,120,113.06	405,703,472.26	-70.39	The profit from operations decreased
6 Net profit attributable to owners of parent company	815,239,818.35	1,457,081,742.22	-44.05	The profit from operations decreased
7 Net profit attributable to minority shareholders	21,028,165.43	6,356,138.03	230.83	The net profit arising from the non-wholly owned subsidiaries increased

Items (Cash Flow Statement)	January-September 2011 <i>RMB</i>	January-September 2010 <i>RMB</i>	Increase / Decrease %	Reasons for such material changes
1 Net cash flow from financing activities	8,861,783,764.28	2,690,852,835.88	229.33	Cash received from the issue of the convertible bonds of RMB3.95 billion and the borrowing of entrusted loan of RMB3.4 billion

3.2 Analysis and discussion on the progress of significant events and their impact and resolutions

A-Share convertible bonds

Approved by the China Securities Regulatory Commission (Zheng Jian Xu Ke 2011 No. 1152), the Company issued the RMB3.95 billion A-Share convertible bonds (the “A-Share convertible bonds”) with a face value of RMB100 each and a term of 6 years on 1 August 2011. Permitted by Shanghai Stock Exchange Limited, the A-Share convertible bonds with bond code “110017” have been listed on Shanghai Stock Exchange since 12 August 2011. The A-Share convertible bonds’ conversion period will be from 2 February 2012 to 1 August 2017, and the initial conversion price of the A-Share convertible bonds is RMB8.70 per share.

In terms of the details of the issue and listing of the A-Share convertible bonds, please refer to the series of announcements published in China Securities Journal, Shanghai Securities News and the website of Shanghai Stock Exchange Limited, i.e. www.sse.com.cn, published between 28 July 2011 and 10 August 2011.

The potential dilution impact on the share capital arising from the issue of the A-Share convertible bonds has been reflected in the diluted earnings per share in paragraph 2.1 in the Report.

3.3 Status of performance of undertaking given by the Company, shareholders and the controller

Not applicable

3.4 Warning in respect of forecast of possible accumulated net loss for the period from the beginning of the financial year of 2011 to the end of 2011 or warning in respect of forecast of possible significant changes in accumulated net profit as compared with that of the 2010 and reasons therefore

Not applicable

3.5 Implementation of the profit distribution plan during the Reporting Period

The 2010 profit distribution plan of the Company has been finalized in June 2011.

4. Appendix

4.1 Consolidated Balance Sheet

Items	30 September 2011	31 December 2010
	RMB	RMB
Current assets		
Cash	5,380,867,800.84	1,061,734,716.74
Notes receivables	148,849,789.83	109,962,901.23
Accounts receivables	1,281,259,710.75	781,100,552.66
Prepayments	295,456,684.15	157,614,095.59
Interests receivables	85,886.11	
Other receivables	263,694,808.43	186,005,054.59
Inventories	598,405,438.38	449,284,608.15
Non-current assets to be mature in less than one year	<u>569,157.84</u>	<u>1,707,473.52</u>
Total current assets	<u><u>7,969,189,276.33</u></u>	<u><u>2,747,409,402.48</u></u>
Non-current assets		
Held-to-maturity investment	49,000,000.00	
Long-term equity investment	3,495,943,662.79	2,578,517,456.78
Investment properties	188,424,564.01	
Fixed assets	31,632,388,046.60	27,144,264,765.07
Construction in progress	8,577,307,427.39	8,136,826,353.36
Intangible assets	23,993,712.32	29,417,273.66
Long-term deferred expenses	<u>67,517,612.40</u>	<u>73,740,992.27</u>
Total non-current assets	<u><u>44,034,575,025.51</u></u>	<u><u>37,962,766,841.14</u></u>
Total assets	<u><u>52,003,764,301.84</u></u>	<u><u>40,710,176,243.62</u></u>

Consolidated Balance Sheet (Continued)

Items	30 September 2011	31 December 2010
	<i>RMB</i>	<i>RMB</i>
Current liabilities		
Short-term loans	1,509,201,720.03	1,662,809,871.00
Notes payable	1,231,830,738.84	272,850,000.00
Accounts payable	1,038,795,136.67	640,870,701.44
Advance receipts	399,944,913.04	59,019,786.78
Salaries and wages payable	24,894,425.54	123,119,739.92
Taxes payable	58,478,125.97	112,455,915.77
Interests payable	116,066,798.98	72,111,706.41
Other payables	959,353,883.86	858,104,689.51
Non-current liabilities to be mature in less than one year	<u>780,401,107.21</u>	<u>761,040,283.21</u>
Total current liabilities	<u><u>6,118,966,850.14</u></u>	<u><u>4,562,382,694.04</u></u>
Non-current liabilities		
Long-term loans	12,788,241,912.44	7,132,346,943.13
Bonds payable	8,034,327,490.48	4,989,872,473.87
Long-term payables	512,412,995.49	429,934,028.43
Anticipated liabilities	4,500,000.00	85,500,000.00
Deferred tax liabilities	342,721,687.23	405,460,119.65
Other non-current liabilities	<u>18,455,618.72</u>	<u>13,218,329.36</u>
Total non-current liabilities	<u><u>21,700,659,704.36</u></u>	<u><u>13,056,331,894.44</u></u>
Total liabilities	<u><u>27,819,626,554.50</u></u>	<u><u>17,618,714,588.48</u></u>
Shareholders' equity		
Share capital	3,404,552,270.00	3,404,552,270.00
Capital reserve	4,981,817,170.88	4,114,669,115.46
Surplus reserve	2,755,909,941.97	2,755,909,941.97
Undistributed profit	13,184,106,632.88	12,947,640,700.43
Exchange difference on translation of foreign currency	-834,910,202.41	-644,226,357.98
Total equity attributable to owners of the parent company	<u>23,491,475,813.32</u>	<u>22,578,545,669.88</u>
Minority interests	<u>692,661,934.02</u>	<u>512,915,985.26</u>
Total shareholders' equity	<u><u>24,184,137,747.34</u></u>	<u><u>23,091,461,655.14</u></u>
Total liabilities and shareholders' equity	<u><u>52,003,764,301.84</u></u>	<u><u>40,710,176,243.62</u></u>

Balance Sheet of Parent Company

Items	30 September 2011	31 December 2010
	<i>RMB</i>	<i>RMB</i>
Current assets		
Cash	3,504,029,642.08	402,136,982.66
Notes receivables	121,599,789.83	73,342,901.23
Accounts receivables	1,048,541,396.93	599,197,179.39
Prepayments	153,440,487.27	91,608,959.03
Other receivables	4,073,120,757.54	3,993,690,767.38
Inventories	443,074,722.93	331,541,258.93
Non-current assets to be mature in less than one year	<u>569,157.84</u>	<u>1,707,473.52</u>
Total current assets	<u><u>9,344,375,954.42</u></u>	<u><u>5,493,225,522.14</u></u>
Non-current assets		
Long-term accounts receivables	427,811,868.00	445,840,164.00
Long-term equity investment	4,906,619,726.53	3,150,905,670.52
Investment properties	188,424,564.01	
Fixed assets	21,621,331,723.87	18,478,544,372.54
Construction in progress	3,235,729,452.46	4,506,714,801.44
Intangible assets	22,934,797.97	28,121,893.85
Long-term deferred expenses	<u>63,885,196.47</u>	<u>67,943,490.29</u>
Total non-current assets	<u><u>30,466,737,329.31</u></u>	<u><u>26,678,070,392.64</u></u>
Total assets	<u><u>39,811,113,283.73</u></u>	<u><u>32,171,295,914.78</u></u>

Balance Sheet of Parent Company (Continued)

Items	30 September 2011	31 December 2010
	<i>RMB</i>	<i>RMB</i>
Current liabilities		
Short-term loans	601,000,000.00	1,231,794,500.00
Notes payable	1,231,830,738.84	272,850,000.00
Accounts payable	844,111,803.40	434,807,268.75
Advance receipts	220,405,297.24	35,085,334.18
Salaries and wages payable	23,454,020.88	117,495,575.18
Taxes payable	56,173,200.74	106,317,717.17
Interests payable	99,561,066.40	62,122,222.08
Other payables	286,535,480.24	371,105,000.72
Non-current liabilities to be mature in less than one year	<u>235,538,759.60</u>	<u>235,538,759.60</u>
Total current liabilities	<u><u>3,598,610,367.34</u></u>	<u><u>2,867,116,377.68</u></u>
Non-current liabilities		
Long-term loans	5,661,400,166.20	2,861,400,166.20
Bonds payable	8,034,327,490.48	4,989,872,473.87
Anticipated liabilities	<u>4,500,000.00</u>	<u>85,500,000.00</u>
Total non-current liabilities	<u><u>13,700,227,656.68</u></u>	<u><u>7,936,772,640.07</u></u>
Total liabilities	<u><u>17,298,838,024.02</u></u>	<u><u>10,803,889,017.75</u></u>
Shareholders' equity		
Share capital	3,404,552,270.00	3,404,552,270.00
Capital reserve	5,000,418,690.78	4,127,376,435.19
Surplus reserve	2,755,909,941.97	2,755,909,941.97
Undistributed profit	<u>11,351,394,356.96</u>	<u>11,079,568,249.87</u>
Total shareholders' equity	<u><u>22,512,275,259.71</u></u>	<u><u>21,367,406,897.03</u></u>
Total liabilities and shareholders' equity	<u><u>39,811,113,283.73</u></u>	<u><u>32,171,295,914.78</u></u>

4.2 Consolidated Income Statement

Items	July-September	July-September	January-September	January-September
	2011	2010	2011	2010
	RMB	RMB	RMB	RMB
1. Gross revenue from operations	3,099,755,790.65	2,886,772,435.23	9,305,254,149.78	8,480,334,353.79
Including: revenue from operation	3,099,755,790.65	2,886,772,435.23	9,305,254,149.78	8,480,334,353.79
2. Gross cost from operations	3,070,266,746.22	2,414,919,870.26	8,742,008,713.85	6,976,197,572.53
Including: cost from operation	2,774,684,616.15	2,253,633,960.36	8,037,115,957.32	6,505,929,262.88
Business taxes and other surcharges	31,785,682.55	29,077,897.84	92,208,303.16	93,367,168.12
Sales expenses	15,670,962.12	12,552,210.54	38,853,590.65	32,825,857.03
Administrative expenses	88,901,921.59	79,591,472.39	223,864,074.76	204,952,621.61
Financial expenses	160,691,898.81	40,064,329.13	351,135,122.96	139,329,215.43
Assets depreciation loss	-1,468,335.00		-1,168,335.00	-206,552.54
Add: Income from fair value change				
Investment income	100,931,929.86	63,057,391.86	265,155,802.89	172,678,865.54
Including: investment income from associates and joint ventures	98,672,596.28	61,714,020.73	262,896,469.31	171,335,494.41
Gains form exchanges				
3. Operating profit	130,420,974.29	534,909,956.83	828,401,238.82	1,676,815,646.80
Add: Non-operating revenue	8,262,545.63	35,469,570.25	149,366,905.83	200,210,504.02
Less: Non-operating expenditure	12,979,957.21	4,252,247.45	21,380,047.81	7,884,798.31
Including: Loss arising from disposal of non-current assets	81,846.58	11,210.38	218,571.71	55,774.76
4. Gross profit	125,703,562.71	566,127,279.63	956,388,096.84	1,869,141,352.51
Less: Income tax	-9,362,408.71	74,759,912.77	120,120,113.06	405,703,472.26
5. Net profit	135,065,971.42	491,367,366.86	836,267,983.78	1,463,437,880.25
Net profit attributable to owners of parent company	130,833,852.89	478,315,094.82	815,239,818.35	1,457,081,742.22
Net profit attributable to minority shareholders	4,232,118.53	13,052,272.04	21,028,165.43	6,356,138.03
6. Earnings per share				
(1) Basic	0.0385	0.1405	0.2395	0.4280
(2) Diluted	0.0316	0.1405	0.2326	0.4280
7. Other comprehensive income	-57,845,919.10	-79,940,370.00	-197,855,261.27	-134,645,123.14

Consolidated Income Statement (Continued)

Items	July-September	July-September	January-September	January-September
	2011	2010	2011	2010
	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>	<i>RMB</i>
8. Total comprehensive income	<u>77,220,052.32</u>	<u>411,426,996.86</u>	<u>638,412,722.51</u>	<u>1,328,792,757.11</u>
Total comprehensive income attributable to owners of parent company	<u>73,788,702.43</u>	<u>402,733,536.15</u>	<u>618,661,773.75</u>	<u>1,326,866,857.48</u>
Total comprehensive income attributable to minority shareholders	<u>3,431,349.89</u>	<u>8,693,460.71</u>	<u>19,750,948.76</u>	<u>1,925,899.63</u>

Income Statement of Parent Company

Items	July-September	July-September	January- September	January- September
	2011	2010	2011	2010
	RMB	RMB	RMB	RMB
1. Revenue from operations	2,355,629,220.41	2,296,742,205.18	7,230,337,784.97	6,811,664,670.63
Less: cost from operation	1,955,523,864.57	1,690,862,551.63	5,871,287,600.03	5,015,992,034.63
Business taxes and other surcharges	29,573,478.36	26,518,044.67	85,907,720.53	88,350,933.80
Sales expenses	15,512,388.88	12,231,199.93	38,479,157.47	32,504,846.42
Administrative expenses	73,327,538.56	64,058,187.61	181,187,186.91	172,178,110.36
Financial expenses	173,258,700.31	87,902,289.27	414,205,711.89	150,006,144.68
Assets depreciation loss				
Add: Income from fair value change				
Investment income	100,184,720.69	63,057,391.86	264,408,593.72	172,678,865.54
Including: investment income from associates and joint ventures	98,672,596.28	61,714,020.73	262,896,469.31	171,335,494.41
2. Operating profit	208,617,970.42	478,227,323.93	903,679,001.86	1,525,311,466.28
Add: Non-operating revenue	8,221,545.63	-243,069.30	149,112,227.83	254,638,601.51
Less: Non-operating expenditure	14,633,058.45	4,248,115.29	21,375,365.86	7,878,086.15
Including: Loss arising from disposal of non-current assets	81,846.58	9,179.20	218,571.71	52,163.58
3. Gross profit	202,206,457.60	473,736,139.34	1,031,415,863.83	1,772,071,981.64
Less: Income tax	35,199,438.94	46,644,698.87	180,815,870.84	308,162,067.91
4. Net profit	167,007,018.66	427,091,440.47	850,599,992.99	1,463,909,913.73
5. Earnings per share				
(1) Basic	0.0490	0.1254	0.2498	0.4300
(2) Diluted	0.0419	0.1254	0.2427	0.4300
6. Other comprehensive income				
7. Total comprehensive income	167,007,018.66	427,091,440.47	850,599,992.99	1,463,909,913.73

4.3 Consolidated Cash Flow Statement

Items	January - September 2011 <i>RMB</i>	January - September 2010 <i>RMB</i>
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	9,215,673,612.14	8,486,532,657.53
Refunds of taxes	571,600.00	
Cash received from other related operating activities	447,451,357.33	388,021,497.13
Subtotal of cash inflow from operating activities	9,663,124,969.47	8,875,125,754.66
Cash paid for goods and services	6,299,384,662.06	5,191,805,018.29
Cash paid to or on behalf of employees	1,277,507,550.66	1,112,829,360.41
Taxes paid	331,880,051.76	441,099,593.31
Other cash paid relating to operating activities	260,216,052.71	207,111,960.87
Subtotal of cash outflow from operating activities	8,168,988,317.19	6,952,845,932.88
Net cash flows from operating activities	1,494,136,652.28	1,922,279,821.78
2. Cash flows from investing activities		
Cash inflow from return on investment		
Cash inflow from investment	9,982,387.71	1,343,371.13
Net cash inflow from disposal of fixed, intangible and other long-term assets	145,403,360.39	271,750,146.68
Net cash inflow from disposal of subsidiaries and other operating entities	238,785.53	
Other cash received relating to investing activities		
Subtotal of cash inflow from investing activities	155,385,748.10	273,332,303.34
Cash paid for purchase of fixed, intangible and other long-term assets	5,503,746,666.37	5,152,970,940.91
Cash paid for investment	414,864,254.80	
Net cash paid for acquisition of subsidiaries and other operating entities	663,000,000.00	327,903,200.00
Other cash paid relating to investing activities		

Consolidated Cash Flow Statement (Continued)

Items	January - September 2011 <i>RMB</i>	January - September 2010 <i>RMB</i>
Subtotal of cash outflow from investing activities	6,166,746,666.37	5,895,738,395.71
Net cash flows from investing activities	-6,011,360,918.27	-5,622,406,092.37
3. Cash flows from financing activities		
Cash inflow from raising capital	159,995,000.00	117,600,000.00
Including: cash inflow from investment by minority shareholders for subsidiaries	159,995,000.00	117,600,000.00
Cash received from borrowings	10,440,819,223.05	4,604,712,269.96
Cash received from bond issue	3,916,000,000.00	
Other cash received relating to financing activities		
Subtotal of cash inflow from financing activities	14,516,814,223.05	4,722,312,269.96
Cash paid for payment of debts	4,655,570,853.29	1,489,614,525.26
Cash paid for distribution of dividends or profits and for interest expenses	982,651,255.23	524,277,238.27
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid relating to financing activities	16,808,350.25	17,567,670.55
Subtotal of cash outflow from financing activities	5,655,030,458.77	2,031,459,434.08
Net cash flows from financing activities	8,861,783,764.28	2,690,852,835.88
4. Effect on cash flow from change of exchange rates	-25,426,414.19	-50,753,072.75
5. Net increase in cash and cash equivalents	4,319,133,084.10	-1,060,026,507.46
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	1,061,734,716.74	2,222,147,128.18
6. Balance of cash and cash equivalents at the end of the Reporting Period	5,380,867,800.84	1,162,120,620.72

Cash Flow Statement of Parent Company

Items	January - September 2011 RMB	January - September 2010 RMB
1. Cash flows from operating activities		
Cash received from sales of goods and provision of services	5,976,478,988.12	5,492,191,616.57
Tax refund received		
Cash received from other related operating activities	176,046,290.49	315,390,293.89
Subtotal of cash inflow from operating activities	6,152,525,278.61	5,807,581,910.46
Cash paid for goods and services	3,261,544,035.50	2,943,553,116.66
Cash paid to or on behalf of employees	1,098,472,073.13	990,652,431.38
Taxes paid	318,785,077.10	435,767,339.45
Other cash paid relating to operating activities	183,526,344.76	194,717,330.80
Subtotal of cash outflow from operating activities	4,862,327,530.49	4,564,690,218.29
Net cash flows from operating activities	1,290,197,748.12	1,242,891,692.17
2. Cash flows from investing activities		
Cash inflow from return on investment		
Cash inflow from investment	9,982,387.71	1,343,371.13
Net cash inflow from disposal of fixed, intangible and other long-term assets	143,492,722.22	189,408,138.90
Net cash inflow from disposal of subsidiaries and other operating entities		
Other cash received relating to investing activities		
Subtotal of cash inflow from investing activities	153,475,109.93	190,751,510.03
Cash paid for purchase of fixed, intangible and other long-term assets	1,996,470,881.88	3,427,724,580.68
Cash paid for investment	550,814,254.80	
Net cash paid for acquisition of subsidiaries and other operating entities	1,501,287,850.00	377,323,560.00
Other cash paid relating to investing activities		

Cash Flow Statement of Parent Company (Continued)

Items	January - September 2011 RMB	January - September 2010 RMB
Subtotal of cash outflow from investing activities	3,497,758,731.88	4,355,862,395.48
Net cash flows from investing activities	-3,344,283,621.95	-4,165,110,885.45
3. Cash flows from financing activities		
Cash inflow from raising capital		
Cash received from borrowings	5,701,000,000.00	3,109,693,290.40
Cash received from bond issue	3,916,000,000.00	
Other cash received relating to financing activities		
Subtotal of cash inflow from financing activities	9,617,000,000.00	3,109,693,290.40
Cash paid for payment of debts	3,530,132,000.00	741,449,000.00
Cash paid for distribution of dividends or profits and for interest expenses	926,153,683.15	487,263,974.82
Other cash paid relating to financing activities	909,000.00	13,605,850.00
Subtotal of cash outflow from financing activities	4,457,194,683.15	1,242,318,824.82
Net cash flows from financing activities	5,159,805,316.85	1,867,374,465.58
4. Effect on cash flow from change of exchange rates	-3,826,783.60	-2,532,382.02
5. Net increase in cash and cash equivalents	3,101,892,659.42	-1,057,377,109.72
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	402,136,982.66	1,534,421,090.44
6. Balance of cash and cash equivalents at the end of the Reporting Period	3,504,029,642.08	477,043,980.72

This announcement is made in compliance with Rule 13.09(2) 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
27 October 2011

As at the date of this announcement, the board of directors of the Company comprises Mr. Li Shaode, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Yan Zhichong and Mr. Qiu Guoxuan as executive directors, Mr. Zhu Yongguang, Mr. Zhang Jun and Mr. Lu Wenbin as independent non-executive directors.