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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 2014**

**Summary**

This Report for the three months ended 31 March 2014 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**

1.1 This first quarterly report (the “Report”) for the three months ended 31 March 2014 (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 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 2014	As at 31 December 2013	Increase/ Decrease (%)
Total assets (RMB)	60,944,239,751.85	58,842,478,988.15	3.57
Net assets attributable to shareholders of the Company (RMB)	21,326,302,307.73	21,227,371,256.99	0.47
	For the three months ended 31 March 2014	For the three months ended 31 March 2013	Increase/ Decrease (%)
Net cash flow from operating activities (RMB)	508,020,419.38	-187,476,573.56	370.98
	For the three months ended 31 March 2014	For the three months ended 31 March 2013	Increase/ Decrease (%)
Revenue from operation (RMB)	3,193,757,512.09	2,633,077,653.77	21.29
Net profit attributable to shareholders of the Company (RMB)	51,931,458.49	-484,184,254.66	110.73
Net profit attributable to shareholders of the Company after exceptional items (RMB)	48,144,549.86	-441,299,196.18	110.91
Rate of returns on net assets (%) (weighted)	0.24	-2.08	Increase by 2.32 percentage points
Basic earnings per share (RMB)	0.0153	-0.1422	110.73
Diluted earnings per share (RMB)	0.0134	-0.1422	109.45

<b>Exceptional items and amount</b>	<b>For the three months ended 31 March 2014</b>
<b>Items</b>	<b>Amount (RMB)</b>
Profit and Loss on disposal of non-current assets	2,790,089.35
Other net non-operating income and expenses except for the aforesaid items	2,260,002.11
Income tax effect	-1,262,522.87
Minority interests effect (after tax)	-659.96
<b>Total</b>	<b>3,786,908.63</b>

**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		94,910 (including 94,479 holders of A shares and 431 holders of H shares)			
Top 10 shareholders					
Name of shareholders (Full Name)	Type of shareholders	Shareholding (%)	Number of shares	Number of shares with selling restrictions	Number of shares subject to pledge or lock up
China Shipping (Group) Company	Stated-owned entity	46.36	1,578,500,000	0	Nil
HKSCC NOMINEES LIMITED	Foreign entity	37.82	1,287,458,896	0	Unknown
Ha Zengyi	Domestic natural person	0.14	4,771,981	0	Nil
Ding Jinxiang	Domestic natural person	0.14	4,651,570	0	Nil
Peng Jianhui	Domestic natural person	0.10	3,293,429	0	Nil
China Resources SZITIC Trust Co. Ltd. - Feng Ling Phase 1 Securities Investment Trust Fund	Others	0.09	3,164,587	0	Nil
Liu Honghai	Domestic natural person	0.09	3,006,108	0	Nil
Ge Yanzhen	Domestic natural person	0.08	2,695,200	0	Nil
China Bank Co. Ltd. - Harvest Absolute Return Strategies Regularly Open Mixed Launched Type Securities Investment Fund	Others	0.08	2,594,400	0	Nil
Industrial Commercial Bank of China Co. Ltd. - Harvest Cycle Preferred Equity Securities Investment Fund	Others	0.07	2,399,901	0	Nil

<b>Top ten holders of shares in circulation without any selling restrictions</b>		
<b>Name of shareholder (full name)</b>	<b>Number of shares in circulation without any selling restrictions as at the end of the reporting period</b>	<b>Type of shares</b>
China Shipping (Group) Company	1,578,500,000	RMB denominated ordinary shares
HKSCC NOMINEES LIMITED	1,287,458,896	Overseas listed foreign invested shares
Ha Zengyi	4,771,981	RMB denominated ordinary shares
Ding Jinxiang	4,651,570	RMB denominated ordinary shares
Peng Jianhui	3,293,429	RMB denominated ordinary shares
China Resources SZITIC Trust Co. Ltd. - Feng Ling Phase 1 Securities Investment Trust Fund	3,164,587	RMB denominated ordinary shares
Liu Honghai	3,006,108	RMB denominated ordinary shares
Ge Yanzhen	2,695,200	RMB denominated ordinary shares
China Bank Co. Ltd. - Harvest Absolute Return Strategies Regularly Open Mixed Launched Type Securities Investment Fund	2,594,400	RMB denominated ordinary shares
Industrial Commercial Bank of China Co. Ltd. - Harvest Cycle Preferred Equity Securities Investment Fund	2,399,901	RMB denominated ordinary 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*

<b>Balance sheet items</b>	<b>31 March 2014</b>	<b>31 December 2013</b>	<b>Change (%)</b>	<b>Reasons for significant changes</b>
Notes receivable	296,120,821.79	151,653,977.10	95.26	Mainly due to substantial increase in bank's acceptance bills received from the bulk cargo's business of the Company for the period.
Prepayment	414,566,542.56	256,319,634.34	61.74	Mainly due to the Company's enhanced efforts to purchase oil at locked in prices as increase in business and made advanced payments for purchasing oil and pre-paid port cost.
Notes payable	299,520,000.00	433,770,000.00	-30.95	Mainly due to part of commercial acceptance bills issued by the bulk cargo's business of the Company in the last period shall be due and payable for the period.
Trade payable	1,545,186,069.02	1,108,963,229.05	39.34	Mainly due to an increase in expenses such as fuel and port cost as a result of an increase in business volume.
Receipts in advance	231,717,075.25	111,150,075.54	108.47	Mainly due to an increase in prepayments as a result of an increase in business volume.
Payable labor cost	36,018,294.27	53,066,425.95	-32.13	Mainly due to the payment for 2013 performance bonus provided in last year.

<b>Income statement items</b>	<b>January-March 2014</b>	<b>January-March 2013</b>	<b>Change (%)</b>	<b>Reasons for significant changes</b>
Operating revenue	3,193,757,512.09	2,633,077,653.77	21.29	Mainly due to an increase in both sales volume and price of dry cargo and oil shipment when compared with the corresponding period of last year.
Gains from investment	56,232,046.73	-27,142,193.39	307.18	Due to an increase in profits from investments in joint ventures and associated companies during the period.
Non-operating income	18,738,697.35	8,544,726.85	119.30	Mainly due to crew health insurance refund received from Ping An Annuity Insurance.
Non-operating cost	13,688,605.89	6,364,108.15	115.09	Mainly due to an increase in retired staff expense.
Income tax expense	7,435,756.34	2,688,953.48	176.53	Mainly due to an increase in profit before tax in the last period.

<b>Cash flow statement items</b>	<b>January-March 2014</b>	<b>January-March 2013</b>	<b>Change (%)</b>	<b>Reasons for significant changes</b>
Net cash flow generated from operating activities	508,020,419.38	-187,476,573.56	370.98	Due to an increase in cash received from sales of goods and provision of services for the period.
Net cash flow generated from investing activities	-1,690,361,787.51	-497,434,223.54	239.82	Due to an increase in cash paid for the purchase and construction of fixed assets during the period.
Net cash flow generated from financing activities	917,713,375.34	-435,403,513.40	310.77	Due to an increase in cash proceeds from borrowings obtained during the period.

### **3.2 Performance of undertakings made by the Company and its shareholders with shareholding over 5%**

#### **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.

### **3.3 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 2014, there has been a certain improvement in the domestic and overseas shipping markets. Based on information currently available to the Company, it is expected that the Group may record accumulated net profit for the first half year ended 30 June 2014, as compared to a net loss of approximately RMB949 million attributable to the equity holders of the Company for the first half year ended 30 June 2013.

## 4 APPENDIX

### 4.1 Consolidated Balance Sheet

Items	31 March 2014 RMB	31 December 2013 RMB
<b>Current assets</b>		
Cash	1,660,367,734.99	1,919,204,136.32
Notes receivables	296,120,821.79	151,653,977.10
Accounts receivables	1,714,167,902.65	1,598,630,832.46
Prepayments	414,566,542.56	256,319,634.34
Dividends receivables	50,000,000.00	50,000,000.00
Other receivables	253,245,344.69	179,853,537.39
Inventories	959,178,171.92	888,287,303.66
<b>Total current assets</b>	<b>5,347,646,518.60</b>	<b>5,043,949,421.27</b>
<b>Non-current assets</b>		
Available-for-sale financial assets	152,137,162.60	151,026,950.49
Long-term accounts receivables	238,778,095.90	219,289,481.94
Long-term equity investment	4,697,439,218.13	4,558,539,284.54
Investment properties	1,076,280,488.00	1,076,280,488.00
Fixed assets	45,233,112,429.43	43,935,437,093.53
Construction in progress	3,832,732,420.67	3,489,044,868.09
Intangible assets	21,002,735.81	21,936,644.68
Long-term deferred expenses	47,520,813.55	49,384,886.45
Deferred tax assets	297,589,869.16	297,589,869.16
<b>Total non-current assets</b>	<b>55,596,593,233.25</b>	<b>53,798,529,566.88</b>
<b>Total assets</b>	<b>60,944,239,751.85</b>	<b>58,842,478,988.15</b>

#### 4.1 Consolidated Balance Sheet (continued)

Items	31 March 2014 RMB	31 December 2013 RMB
<b>Current liabilities</b>		
Short-term loans	4,290,878,012.00	4,402,458,876.43
Notes payable	299,520,000.00	433,770,000.00
Trade payable	1,545,186,069.02	1,108,963,229.05
Advanced receipts	231,717,075.25	111,150,075.54
Salaries and wages payable	36,018,294.27	53,066,425.95
Taxes payable	-749,776,034.24	-642,743,155.67
Interests payable	256,297,347.10	229,467,744.77
Other payables	1,460,494,574.00	1,178,231,235.66
Non-current liabilities to be mature in less than one year	3,966,706,741.51	4,235,889,157.36
<b>Total current liabilities</b>	11,337,042,078.91	11,110,253,589.09
<b>Non-current liabilities</b>		
Long-term loans	17,302,465,379.90	15,412,551,535.53
Bonds payable	8,391,928,057.81	8,391,928,057.81
Long-term payables	1,024,727,304.02	1,162,690,742.06
Estimated liabilities	352,873,106.05	349,694,883.13
Deferred tax liabilities	204,396,280.44	198,794,676.25
Other non-current liabilities	3,912,575.83	4,688,705.01
<b>Total non-current liabilities</b>	27,280,302,704.05	25,520,348,599.79
<b>Total liabilities</b>	38,617,344,782.96	36,630,602,188.88
<b>Shareholders' equity</b>		
Share capital	3,404,555,984.00	3,404,555,984.00
Capital reserve	5,163,263,866.67	5,160,494,694.42
Specific reserve	66,288,103.89	68,169,148.72
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	10,796,371,945.72	10,744,440,487.23
Exchange difference on translation of foreign currency	-981,613,938.99	-1,027,725,403.82
Total equity attributable to owners of the parent company	21,326,302,307.73	21,227,371,256.99
Minority interests	1,000,592,661.16	984,505,542.28
<b>Total shareholders' equity</b>	22,326,894,968.89	22,211,876,799.27
<b>Total liabilities and shareholders' equity</b>	60,944,239,751.85	58,842,478,988.15

## Balance Sheet of the Company

Items	31 March 2014 <i>RMB</i>	31 December 2013 <i>RMB</i>
<b>Current assets</b>		
Cash	377,047,102.46	487,558,148.30
Notes receivables		
Accounts receivables	1,312,939.61	1,312,334.37
Prepayments	4,327,871.40	4,827,686.43
Interests receivables	24,156,849.26	24,084,051.53
Dividends receivables	50,000,000.00	50,000,000.00
Other receivables	5,321,156,645.24	5,161,567,376.88
Inventories	4,512,000.00	4,512,000.00
<b>Total current assets</b>	<b>5,782,513,407.97</b>	<b>5,733,861,597.51</b>
<b>Non-current assets</b>		
Held-to-maturity investment	15,750,926,000.00	15,687,752,000.00
Long-term equity investment	17,702,819,393.79	17,566,283,956.78
Investment properties	1,206,608,819.00	1,206,608,819.00
Fixed assets	68,692,410.61	69,251,129.03
Intangible assets	12,412,149.00	13,070,111.86
<b>Total non-current assets</b>	<b>34,741,458,772.40</b>	<b>34,542,966,016.67</b>
<b>Total assets</b>	<b>40,523,972,180.37</b>	<b>40,276,827,614.18</b>

## Balance Sheet of the Company (continued)

Items	31 March 2014 RMB	31 December 2013 RMB
<b>Current liabilities</b>		
Short-term loans	1,539,712,000.00	1,487,752,000.00
Accounts payable	10,395,551.62	20,154,938.00
Advance receipts	1,240,042.20	4,164,033.19
Salaries and wages payable	3,572,582.82	5,630,283.13
Taxes payable	-248,845,468.59	-254,396,073.52
Interests payable	227,002,795.58	206,466,659.49
Other payables	331,142,427.98	241,770,824.24
Non-current liabilities to be mature in less than one year	2,998,949,299.85	2,998,949,299.85
<b>Total current liabilities</b>	4,863,169,231.46	4,710,491,964.38
<b>Non-current liabilities</b>		
Long-term loans	5,000,000,000.00	5,000,000,000.00
Bonds payable	8,391,928,057.81	8,391,928,057.81
Estimated loans	33,739,582.94	33,436,852.98
Deferred tax liabilities	158,077,407.66	158,077,407.66
<b>Total non-current liabilities</b>	13,583,745,048.41	13,583,442,318.45
<b>Total liabilities</b>	18,446,914,279.87	18,293,934,282.83
<b>Shareholders' equity</b>		
Share capital	3,404,555,984.00	3,404,555,984.00
Capital reserve	5,105,028,569.75	5,105,028,569.75
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	10,690,037,000.31	10,595,872,431.16
<b>Total shareholders' equity</b>	22,077,057,900.50	21,982,893,331.35
<b>Total liabilities and shareholders' equity</b>	40,523,972,180.37	40,276,827,614.18

## 4.2 Consolidated Income Statement

Items	January-March 2014 RMB	January-March 2013 RMB
1. Gross revenue from operations	3,193,757,512.09	2,633,077,653.77
Including: revenue from operation	3,193,757,512.09	2,633,077,653.77
2. Gross cost from operations	3,182,208,580.39	3,090,327,325.75
Including: cost from operation	2,799,204,166.56	2,730,912,600.31
Business taxes and other surcharges	2,638,150.47	1,642,110.68
Sales expenses	11,332,474.47	11,011,631.29
Administrative expenses	91,934,666.20	85,926,602.29
Financial expenses	277,099,122.69	260,834,381.18
Investment income (“-” for investment loss)	56,232,046.73	-27,142,193.39
Including: investment income from associates and joint ventures	43,332,121.60	-27,142,193.39
3. Operating profit (“-” for operating loss)	67,780,978.43	-484,391,865.37
Add: Non-operating revenue	18,738,697.35	8,544,726.85
Less: Non-operating expenditure	13,688,605.89	6,364,108.15
Including: Loss arising from disposal of non-current assets	2,771,527.23	163,464.94
4. Gross profit (“-” for gross loss)	72,831,069.89	-482,211,246.67
Less: Income tax	7,435,756.34	2,688,953.48
5. Net profit (“-” for net loss)	65,395,313.55	-484,900,200.15
Net profit attributable to owners of parent company	51,931,458.49	-484,184,254.66
Net profit attributable to minority shareholders	13,463,855.06	-715,945.49
6. Earnings per share		
(1) Basic	0.0153	-0.1422
(2) Diluted	0.0134	-0.1422
7. Other comprehensive income	51,440,884.54	-21,887,779.55
8. Total comprehensive income	116,836,198.09	-506,787,979.70
Total comprehensive income attributable to owners of parent company	100,812,095.57	-498,112,114.77
Total comprehensive income attributable to minority shareholders	16,024,102.52	-8,675,864.93

## Income Statement of the Company

Items	January-March 2014 RMB	January-March 2013 RMB
1. Revenue from operations	14,955,248.03	994,197,878.00
Less: cost from operation	14,993,645.69	971,954,304.93
Business taxes and other surcharges	365,917.70	898,083.37
Sales expenses		1,899,821.39
Administrative expenses	7,543,223.31	44,126,812.41
Financial expenses	149,043,259.48	236,936,237.31
Investment income (“-” for investment loss)	251,139,167.30	61,523,168.30
Including: investment income from associates and joint ventures	40,980,965.88	-21,972,331.70
2. Operating profit (“-” for operating loss)	94,148,369.15	-200,094,213.11
Add: Non-operating revenue	20,000.00	8,544,311.85
Less: Non-operating expenditure	3,800.00	2,814,720.01
Including: Loss arising from disposal of non-current assets		162,880.94
3. Gross profit (“-” for gross loss)	94,164,569.15	-194,364,621.27
4. Net profit (“-” for net loss)	94,164,569.15	-194,364,621.27
5. Earnings per share		
(1) Basic	0.0277	-0.0571
(2) Diluted	0.0244	-0.0571
6. Other comprehensive income	-10,819,748.20	
7. Total comprehensive income	83,344,820.95	-194,364,621.27

### 4.3 Consolidated Cash Flow Statement

Items	January-March 2014 RMB	January-March 2013 RMB
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods and provision of services	3,188,260,144.24	2,942,231,859.05
Cash received from tax rebates	20,354,640.32	—
Cash received from other related operating activities	187,035,963.06	190,999,309.59
Subtotal of cash inflow from operating activities	3,395,650,747.62	3,133,231,168.64
Cash paid for goods and services	1,803,164,124.21	2,262,560,775.00
Cash paid to or on behalf of employees	445,305,102.16	426,562,732.69
Taxes paid	60,235,489.13	22,023,608.83
Other cash paid relating to operating activities	578,925,612.74	609,560,625.68
Subtotal of cash outflow from operating activities	2,887,630,328.24	3,320,707,742.20
Net cash flows from operating activities	508,020,419.38	-187,476,573.56
<b>2. Cash flows from investing activities</b>		
Net cash inflow from disposal of fixed, intangible and other long-term assets	162,300,990.82	87,988,570.86
Subtotal of cash inflow from investing activities	162,300,990.82	87,988,570.86
Cash paid for purchase of fixed, intangible and other long-term assets	1,752,100,016.27	563,708,308.01
Cash paid for investment	100,562,762.06	21,714,486.39
Subtotal of cash outflow from investing activities	1,852,662,778.33	585,422,794.40
Net cash flows from investing activities	-1,690,361,787.51	-497,434,223.54



### 4.3 Consolidated Cash Flow Statement (continued)

Items	January-March 2014 RMB	January-March 2013 RMB
<b>3. Cash flows from financing activities</b>		
Cash received from borrowings	3,546,313,288.67	2,205,478,792.84
Subtotal of cash inflow from financing activities	3,546,313,288.67	2,205,478,792.84
Cash paid for payment of debts	2,397,740,874.84	2,427,298,847.75
Cash paid for distribution of dividends or profits and for interest expenses	230,859,038.49	213,583,458.49
Subtotal of cash outflow from financing activities	2,628,599,913.33	2,640,882,306.24
Net cash flows from financing activities	917,713,375.34	-435,403,513.40
<b>4. Effect on cash and cash equivalents from change of exchange rates</b>	5,791,591.46	-9,679,042.09
<b>5. Net increase in cash and cash equivalents</b>	-258,836,401.33	-1,129,993,352.59
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	1,919,204,136.32	3,285,744,885.61
<b>6. Balance of cash and cash equivalents at the end of the Reporting Period</b>	1,660,367,734.99	2,155,751,533.02

## Cash Flow Statement of the Company

Items	January-March 2014 RMB	January-March 2013 RMB
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods and provision of services		751,561,511.65
Cash received from other related operating activities	414,254,327.70	547,360,448.52
Subtotal of cash inflow from operating activities	414,254,327.70	1,298,921,960.17
Cash paid for goods and services	3,654,728.22	583,170,771.19
Cash paid to or on behalf of employees	4,587,438.13	220,325,325.97
Taxes paid	458,279.45	14,322,381.11
Other cash paid relating to operating activities	462,532,159.47	135,705,192.14
Subtotal of cash outflow from operating activities	471,232,605.27	953,523,670.41
Net cash flows from operating activities	-56,978,277.57	345,398,289.76
<b>2. Cash flows from investing activities</b>		
Cash inflow from return on investment	300,000,000.00	
Cash inflow from investment income	197,185,478.56	83,495,500.00
Net cash inflow from disposal of fixed, intangible and other long-term assets		87,969,750.39
Subtotal of cash inflow from investing activities	497,185,478.56	171,465,250.39
Cash paid for purchase of fixed, intangible and other long-term assets		172,780,405.15
Cash paid for investment	443,689,546.00	
Subtotal of cash outflow from investing activities	443,689,546.00	172,780,405.15
Net cash flows from investing activities	53,495,932.56	-1,315,154.76

### Cash Flow Statement of the Company (continued)

Items	January-March 2014 RMB	January-March 2013 RMB
<b>3. Cash flows from financing activities</b>		
Cash received from borrowings	50,000,000.00	739,565,000.00
Subtotal of cash inflow from financing activities	50,000,000.00	739,565,000.00
Cash paid for payment of debts		1,927,950,000.00
Cash paid for distribution of dividends or profits and for interest expenses	157,280,166.67	148,620,827.72
Subtotal of cash outflow from financing activities	157,280,166.67	2,076,570,827.72
Net cash flows from financing activities	-107,280,166.67	-1,337,005,827.72
<b>4. Effect on cash and cash equivalents from change of exchange rates</b>	251,465.84	-4,577,393.80
<b>5. Net increase in cash and cash equivalents</b>	-110,511,045.84	-997,500,086.52
Add: Balance of cash and cash equivalents at the beginning of the Reporting Period	487,558,148.30	1,278,981,919.82
<b>6. Balance of cash and cash equivalents at the end of the Reporting Period</b>	377,047,102.46	281,481,833.30

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  
29 April 2014

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Xu Lirong, Mr. Zhang Guofa, Ms. Su Min, Mr. Huang Xiaowen, Mr. Ding Nong, Mr. Han Jun and Mr. Qiu Guoxuan as executive Directors, Mr. Zhang Jun, Mr. Wang Wusheng, Mr. Lin Junlai and Mr. Ruan Yongping as independent non-executive Directors.*