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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)

**Third Quarterly Report of 2014**

**Summary**

This Report for the three months ended 30 September 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, the PRC and Hong Kong. All financial information set out in this Report is unaudited and prepared in accordance with the PRC GAAP.

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

**1. IMPORTANT**

This third quarterly report (the "Report") for the three months ended 30 September 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. This Report as 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 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 2014	As at 31 December 2013	Increase/ Decrease (%)
Total assets (RMB)	65,679,030,865.37	58,842,478,988.15	11.62
Net assets attributable to shareholders of the Company (RMB)	21,220,632,154.35	21,227,371,256.99	-0.03
	For the nine months ended 30 September 2014	For the nine months ended 30 September 2013	Increase/ Decrease (%)
Net cash flow from operating activities (RMB)	1,866,766,576.79	789,636,870.42	136.41
	For the nine months ended 30 September 2014	For the nine months ended 30 September 2013	Increase/ Decrease (%)
Revenue from operation (RMB)	9,470,033,853.30	8,171,987,400.56	15.88
Net profit attributable to shareholders of the Company (RMB)	85,288,268.09	-1,195,218,510.57	107.14
Net profit attributable to shareholders of the Company after exceptional items (RMB)	-30,063,192.23	-1,189,922,360.63	97.47
Rate of returns on net assets (%) (weighted)	0.40	-5.22	Increase by 5.62 percentage points
Basic earnings per share (RMB)	0.0251	-0.3511	107.15
Diluted earnings per share (RMB)	0.0251	-0.3511	107.15

## Exceptional items and amount

Items	Amount (RMB) July-September 2014	Amount (RMB) January-September 2014	Notes
Profit and Loss on disposal of non-current assets	-2,695,210.16	-102,473,502.01	due to disposal of vessels
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)	218,016,498.00	228,066,498.00	Mainly due to the subsidy in respect of the disposal and scrapping of old vessels
Other net non-operating income and expenses except for the aforesaid items	4,754,113.05	13,020,614.01	
Income tax effect	-54,914,065.68	-34,653,402.50	
Minority interests effect (after tax)	7,594,229.54	11,391,252.82	
Total	172,755,564.75	115,351,460.32	

**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**

Total number of shareholders of A shares				88,761		
Top 10 shareholders						
Name of shareholders (Full Name)	Increase/ Decrease during the Reporting Period	Number of Shares as at 30 September 2014	Shareholding (%)	Number of shares with selling restrictions	Number of shares subject to pledge or lock up	Type of shareholders
China Shipping (Group) Company	0	1,578,500,000	46.36	0	Nil	Stated-owned entity
HKSCC NOMINEES LIMITED	-124,000	1,287,320,896	37.81	0	unknown	Foreign entity
ICBC — Jianxin Selected Growth Stock Type Securities Investment Funds	10,599,740	10,599,740	0.31	0	Nil	Others
ICBC - Nohain Value Growth Stock Securities Investment Fund	10,550,391	10,550,391	0.31	0	Nil	Others
Liu Honghai	2,050,000	4,950,000	0.15	0	Nil	Domestic natural person
ICBC Credit Suisse Fund - the Industrial and Commercial Bank of China - Specific Customer Asset Management	4,801,350	4,801,350	0.14	0	Nil	Others
Ha Zengyi	0	4,771,981	0.14	0	Nil	Domestic natural person
Ding Jinxiang	-1,328,982	4,322,588	0.13	0	Nil	Domestic natural person
China Everbright Bank Company Limited- Baode Everbright Securities Investment Quantified Core Securities Investment	3,847,852	3,847,852	0.11	0	Nil	Others
Ge Yanzheng	2,480,000	3,800,000	0.11	0	Nil	Domestic natural person

<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	1,287,320,896	Overseas listed foreign invested shares
ICBC — Jianxin Selected Growth Stock Type Securities Investment Funds	10,599,740	RMB denominated ordinary shares
ICBC - Nohain Value Growth Stock Securities Investment Fund	10,550,391	RMB denominated ordinary shares
Liu Honghai	4,950,000	RMB denominated ordinary shares
ICBC Credit Suisse Fund - the Industrial and Commercial Bank of China - Specific Customer Asset Management	4,801,350	RMB denominated ordinary shares
Ha Zengyi	4,771,981	RMB denominated ordinary shares
Ding Jinxiang	4,322,588	RMB denominated ordinary shares
China Everbright Bank Company Limited- Baode Everbright Securities Investment Quantified Core Securities Investment	3,847,852	RMB denominated ordinary shares
Ge Yanzheng	3,800,000	RMB denominated ordinary shares

### 3. SIGNIFICANT EVENTS

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

Applicable                       Not Applicable

*Unit: RMB*

Balance sheet items	30 September 2014	31 December 2013	Change (%)
Cash	2,657,589,033.78	1,919,204,136.32	38.47
Notes receivables	346,560,180.41	151,653,977.10	128.52
Prepayments	736,464,596.88	256,319,634.34	187.32
Interests receivables	15,033,010.89	—	—
Dividends receivables	105,112,645.40	50,000,000.00	110.23
Other current assets	9,660,964.66	28,140,000.00	-65.67
Financial assets available for sale	35,293,787.11	156,851,454.60	-77.50
Long-term accounts receivables	780,386,483.49	219,289,481.94	255.87
Long-term equity investment	6,395,997,460.90	4,552,714,780.43	40.49
Construction in progress	4,818,331,279.62	3,489,044,868.09	38.10
Short-term loans	6,675,189,696.06	4,402,458,876.43	51.62
Notes payables	0.00	433,770,000.00	-100.00
Accounts payables	1,515,742,338.43	1,108,963,229.05	36.68
Advanced receipts	347,198,791.80	111,150,075.54	212.37
Salaries and wages payable	33,542,854.59	53,066,425.95	-36.79
Taxes payable	-435,651,560.48	-642,743,155.67	32.22
Non-current liabilities to be mature in less than one year	54,039,334.00	4,235,889,157.36	-98.72
Long-term loans	22,692,529,064.41	15,412,551,535.53	47.23
Long-term payables	1,854,554,083.10	1,162,690,742.06	59.51
Other non-current liabilities	161,006,177.22	4,688,705.01	3,333.92

- (1) Cash position at the end of the relevant period has increased by RMB 738 million as compared to the beginning of the year 2014, mainly due to the combined effect of operating net recoverable cash of RMB 1.866 billion, net payment in investing activities of RMB 5.92 billion and net increase in cash acquired from loans of RMB 4.778 billion during the nine months ended 30 September 2014.
- (2) Notes receivables at the end of the relevant period has increased by RMB 195 million as compared to the beginning of the year 2014, mainly due to increase in business settled by bills and not yet matured for acceptance during the nine months ended 30 September 2014.

- (3) Prepayments at the end of the relevant period has increased by RMB 480 million as compared to the beginning of the year 2014, mainly due to increase in prepaid agency fee, repair expenses and outsourced crew services fee at the end of 30 September 2014.
- (4) Interest receivables at the end of 30 September 2014 has increased as compared to the beginning of the year 2014, mainly due to interests from external loans and term deposits were not yet to the interest receiving date.
- (5) Interest receivables at the end of 30 September 2014 has increased by RMB 55.1126 million or 110.23% as compared to the beginning of the year 2014, mainly due to RMB 48.00 million of declared but not yet paid dividend was included in the consideration arising from the acquisition of 40% equity interests in Shanghai Beihai Shipping Company Limited during the nine months ended 30 September 2014.
- (6) Other current assets at the end of 30 September 2014 has decreased by RMB 18.479 million as compared to the beginning of the year 2014, mainly due to decrease in vessels pending disposal.
- (7) Available-for-sale financial assets at the end of 30 September 2014 has decreased by RMB 122 million as compared to the beginning of the year 2014, mainly due to decrease in fair value of interest swap contract of financial derivative instrument and long-term equity investment transferred from available-for-sale financial assets originally computed by cost accounting method according to the new accounting principle.
- (8) Long-term accounts receivables at the end of 30 September 2014 has increased by RMB 561 million as compared to the beginning of the year 2014, mainly due to increase in loans provided by overseas subsidiary to its four associates during the nine months ended 30 September 2014.
- (9) Long-term equity investment at the end of 30 September 2014 has increased by RMB 1.843 billion as compared to the beginning of the year 2014, mainly due to the acquisition of 40% equity interests of Shanghai Beihai Shipping Company Limited.
- (10) Construction in progress at the end of 30 September 2014 has increased by RMB 1.329 billion as compared to the beginning of the year 2014, mainly due to the continuous construction of vessels on progress.

- (11) Short-term loans at the end of 30 September 2014 has increased by RMB 2.272 billion as compared to the beginning of the year 2014, mainly due to newly borrowed short-term loans.
- (12) Full amount of notes payable at the end of 30 September 2014 has decreased as compared to the beginning of the year 2014, due to the maturity of acceptance bills.
- (13) Trade payable at the end of 30 September 2014 has increased by RMB 407 million as compared to the beginning of the year 2014, mainly due to increase in business volumes.
- (14) Advanced receipts at the end of 30 September 2014 has increased by RMB 236 million as compared to the beginning of the year 2014, mainly due to increase in the prepaid freights from customers which was affected by the improvement of industry condition during the nine months ended 30 September 2014.
- (15) Salaries and wages payable at the end of 30 September 2014 has decreased by RMB 19.5236 million as compared to the beginning of the year 2014, due to wages and bonuses were paid normally.
- (16) Taxes payable at the end of 30 September 2014 has increased by RMB 207 million as compared to the beginning of the year 2014, mainly due to ordinary sales.
- (17) Non-current liabilities to be mature in less than one year at the end of 30 September 2014 has decreased by RMB 4.182 billion as compared to the beginning of the year 2014, mainly due to RMB 3 billion of the first tranche medium term note publicly issued by the Company on 3 August 2009 was due on 3 August 2014, thus the non-current liabilities to be mature in less than one year were dropped dramatically after repayment.
- (18) Long-term loans at the end of 30 September 2014 has increased by RMB 7.28 billion as compared to the beginning of the year 2014, mainly due to newly acquired long-term loans for the payment of progress fee for vessels construction.
- (19) Long-term payables at the end of 30 September 2014 has increased by RMB 692 million as compared to the beginning of the year 2014, mainly due to the loan-term payables newly paid by the Company to Kantons International Investment Limited, a joint-venture shareholder of our LNG business.



(20) Other non-current liabilities at the end of 30 September 2014 has increased by RMB 156 million as compared to the beginning of the year 2014, mainly due to decrease in fair value of interest swap contract of financial derivative instrument.

*Unit: RMB*

<b>Income Statement Items</b>	<b>January-September 2014</b>	<b>January-September 2013</b>	<b>Change (%)</b>
Business taxes and other surcharges	7,299,039.10	4,058,256.10	79.86
Investment income	197,015,841.49	-3,466,328.22	5,783.70
Non-operating revenue	268,958,158.65	19,698,274.40	1,265.39
Non-operating expenditure	130,344,548.65	26,659,098.64	388.93
Gross profit	167,187,916.85	-1,164,058,822.12	114.36
Income tax	24,922,129.35	13,576,698.77	83.57
Net profit	142,265,787.50	-1,177,635,520.89	112.08
Net profit attributable to minority shareholders	56,977,519.41	17,582,989.68	224.05

- (1) Business taxes and other surcharges during the nine months ended 30 September 2014 increased by RMB 3.2407 million as compared to the same period of last year, due to increase in business taxes and education fee surcharges of the Group.
- (2) Investment income during the nine months ended 30 September 2014 increased by RMB 200 million as compared to the same period of last year, due to increase in profits from investments in joint ventures of the Group during the period.
- (3) Non-operating revenue during the nine months ended 30 September 2014 increased by RMB 249 million as compared to the same period of last year, due to increase in disposal gains of fixed assets during the period.
- (4) Non-operating expenditure during the nine months ended 30 September 2014 increased by RMB 104 million as compared to the same period of last year, due to increase in obsolete losses of vessels during the period.
- (5) Gross profit during the nine months ended 30 September 2014 increased by RMB1,331 million as compared to the same period of last year, mainly due to increase in operating revenue during the period.
- (6) Income tax during the nine months ended 30 September 2014 increased by RMB 11.3454 million as compared to the same period of last year, due to the operating result of the Group was improved as compared to the corresponding period of last year.
- (7) Net profit during the nine months ended 30 September 2014 increased by RMB1,320 million as compared to the same period of last year, mainly due to increase in operating revenue during the period.

- (8) Net profit attributable to minority shareholders during the relevant period increased by RMB 39.3945 million as compared to the same period of last year, due to increase in the results of controlling subsidiaries of the Group during the nine months ended 30 September 2014.

*Unit: RMB*

Cash Flow Statement Items	January-September 2014	January-September 2013	Change (%)
Net cash flows generated from operating activities	1,866,766,576.79	789,636,870.42	136.41
Net cash flows generated from investing activities	-5,920,195,152.96	-1,944,761,337.18	-204.42
Net cash flows generated from financing activities	4,777,574,613.97	-218,403,797.91	2,287.50

- (1) Explanation for the reasons of change of net cash flows generated from operating activities: Due to an increase in cash received from operating activities.
- (2) Explanation for the reasons of change of net cash flows generated from investing activities: Due to the purchase of fixed assets and the acquisition of a company.
- (3) Explanation for the reasons of change of net cash flows generated from financing activities: Due to an increase in loans acquired during the period.

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

Applicable                       Not Applicable

- (1) As approved by the Second Extraordinary General Meeting of the Company held on 12 August 2014, the conversion price of the convertible bonds of the Company (Code:600017) was adjusted from RMB 8.60/share to RMB6.24/share effective from 14 August 2014.
- (2) On 8th July 2014, three JV Companies, each of which are held by the Group as to 50%, entered into the Shipbuilding Contracts with the Shipbuilders, Daewoo Shipbuilding & Marine Engineering Co., Ltd. and DY Maritime Limited, for the construction of three vessels for the transportation of LNG. The total consideration for the construction of the vessels is approximately US\$932,000,000. As a result, the Company entered into Corporate Guarantees in favour of the Shipbuilders and Owner's Guarantees in favour of the Charterer, YAMAL Trade Pte. Ltd., in connection with the due performance of the JV Companies' obligations under the Shipbuilding Contracts and the Time Charters, respectively. Corporate Guarantees and Owner's Guarantees were both approved by the shareholders at the second extraordinary meeting of the Company held on 12 August 2014.

- (3) On 20 June 2014, China Shipping Tanker Company Limited (“China Shipping Tanker”), a wholly-owned subsidiary of the Company, entered into the first Equity Transfer Agreement as purchaser with the Vendor 中化國際(控股)股份有限公司 (Sinochem International Corporation). Under the first Equity Transfer Agreement, the Vendor has agreed to sell, and China Shipping Tanker has agreed to purchase 152,750,000 shares in the share capital of, representing 20% of the equity interests in 上海北海船務股份有限公司 (Shanghai Beihai Shipping Company Limited) (“Shanghai Beihai Shipping”) at the consideration of RMB830,000,000.

On 30 July 2014, China Shipping Tanker entered into the second Equity Transfer Agreement with Shanghai Shipping (Group) Company (“Shanghai Shipping”). Under the second Equity Transfer Agreement, Shanghai Shipping has agreed to sell, and China Shipping Tanker has agreed to purchase 152,750,000 shares in the share capital of, representing 20% of the equity interests in Shanghai Beihai Shipping at the consideration of RMB830,000,000. The acquisition was approved by the shareholders at the third extraordinary general meeting held on 16 October 2014.

### **3.3 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, China Shipping undertook to inject such bulk cargo carrier and oil tanker assets into the Company by way of merger and acquisition and restructuring of assets, or to dispose of such assets to external parties, subject to the completion of procedures for acquiring ownership of such vessels under finance leases by China Shipping (H.K.) Holdings when the appropriate opportunities arise within 5 years.
- d. Before completion of the injection of such bulk cargo carrier and oil tanker assets into the Company or otherwise disposal to external parties, China Shipping will, pursuant to the business needs of the Company, charter the above vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation based on market-oriented principles, or entrust such vessels to the Company (including its majority-controlled subsidiaries and/or joint venture companies) for operation and management, so as to avoid peer competition.

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

### **3.4 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. In addition, the Company received a subsidy from the Ministry of Finance of P.R.C. in respect of the disposal and scrapping of old vessels in September 2014, for the details of which please kindly refer to the announcement

dated 29 September 2014. Based on information currently available to the Company, it is expected that the Company may record accumulated net profit for the full year ended 31 December 2014, as compared to a net loss of approximately RMB2,298 million attributable to the equity holders of the Company for the year ended 30 June 2013.

### 3.5 Impact on consolidated financial statements after the application of new accounting standards:

Corresponding variations were made pursuant to the relevant provisions of a series of Accounting Standards for Business Enterprises newly issued and revised by the Ministry of Finance. The specific effect of implementation of the new and revised Accounting Standards for Business Enterprises on the Company's combined financial statement is as follows:

#### 3.5.1 Impact on consolidated financial reports after the change of standard of long-term equity investments (1)

*Unit: RMB*

Investee	Basic information of transaction	Equity attributable to shareholders of the parent company as at 1 January 2013 (+/-)	31 December 2013		
			Long-term equity investments (+/-)	Available-for-sale financial assets (+/-)	Equity attributable to shareholders of the parent company (+/-)
Shanghai Baojiang Shipping Company Limited	Equity investments	0	-4,000,000.00	4,000,000.00	0
Qinhuangdao Seaborne Coal Trading Market Co., Ltd.	Equity investments	0	-300,000.00	300,000.00	0
China Shipping (Singapore) Petroleum Company Limited	Equity investments	0	-1,524,504.11	1,524,504.11	0
Total	—	0	-5,824,504.11	5,824,504.11	0

According to the requirements of Enterprise Accounting Standards 2 - Long-term equity investments, Enterprise Accounting Standards 22 — Recognition and measurement of financial instruments applied to other equity investments that are not regulated in Enterprise Accounting Standards 2. Therefore, the equity investments where the Group does not have control, joint control or significant influence over the investees, and the investments that are not quoted in an active market and their fair value cannot be reliably measured, which are categorized as other equity investments not regulated in Enterprise Accounting Standards 22 — Recognition and measurement of financial instruments, and it is no longer accounted for as the long-term equity investments, but applied to Enterprise Accounting Standards 22 — Recognition and measurement of financial instruments, which accounted for as available-for-sale financial assets and it will be retrospectively adjusted by using the retrospectively adjustment method.

The application of Enterprise Accounting Standards 2 - long-term equity investments only affects amounts of two items in statements, i.e. available-for-sale financial assets and long-term equity investments, it has had no impact on total assets, total liabilities and net assets of the Company at the end of 2013 and at the end of this period, as well as no impact on net profits of the Company in 2013 and during the nine months ended 30 September 2014.

### 3.5.2 Impact on consolidated financial reports after the change of standard of long-term equity investments (2)

*Unit: RMB*

Investee	Basic information of transaction	1 January 2013		31 December 2013	
		Capital reserve (+/-)	Retained earnings (+/-)	Capital reserve (+/-)	Retained earnings (+/-)
Shanghai Baojiang Shipping Company Limited	Equity investments	0	0	0	0
Qinhuangdao Seaborne Coal Trading Market Co., Ltd.	Equity investments	0	0	0	0
China Shipping (Singapore) Petroleum Company Limited	Equity investments	0	0	0	0
Total	—	0	0	0	0

### **3.5.3 Description of the effect of changes in the Employee Remuneration Standard**

Pursuant to the new Employee Remuneration Standard, post-employment benefits provided by the Company to its employees fall within the scope of the beneficiary scheme established by the Employee Remuneration Standard. As the Company needs to engage a professional organization to forecast the obligations under the established beneficiary scheme, we cannot provide any quantitative adjustment information currently. However, according to our preliminary forecast, this information adjustment is expected to have no material effect on the Company's financial condition and operating results for the current period. The Company will carry out relevant works in a smooth and orderly manner in strict compliance with relevant requirements and our internal control system and will make additional disclosures about the specific effect of such change in accounting policy in the Company's 2014 Annual Report.

### **3.5.4 Impacts of other change of standard**

The Company adjusted the presentation items in financial statements according to Enterprise Accounting Standards 30 - Presentation of financial statements, and made the corresponding presentation adjustments to the comparative figures related to the relevant statements. Such adjustments has had no impact on total assets, total liabilities and net assets of the Company at the end of 2013 and at the end of this period, as well as no impact on net profits of the Company in 2013 and during the nine months ended 30 September 2014.

## 4. APPENDIX

### 4.1 Consolidated Balance Sheet

Items	30 September 2014 <i>RMB</i>	31 December 2013 <i>RMB</i>
<b>Current assets</b>		
Cash	2,657,589,033.78	1,919,204,136.32
Notes receivables	346,560,180.41	151,653,977.10
Accounts receivables	1,695,831,813.45	1,598,630,832.46
Prepayments	736,464,596.88	256,319,634.34
Interests receivables	15,033,010.89	
Dividends receivables	105,112,645.40	50,000,000.00
Other receivables	229,257,086.64	179,853,537.39
Inventories	900,878,943.37	888,287,303.66
Other current assets	9,660,964.66	28,140,000.00
<b>Total current assets</b>	<b>6,696,388,275.48</b>	<b>5,072,089,421.27</b>
<b>Non-current assets</b>		
Financial assets available for sale	35,293,787.11	156,851,454.60
Long-term accounts receivables	780,386,483.49	219,289,481.94
Long-term equity investment	6,395,997,460.90	4,552,714,780.43
Investment properties	1,076,280,488.00	1,076,280,488.00
Fixed assets	45,517,721,716.46	43,907,297,093.53
Construction in progress	4,818,331,279.62	3,489,044,868.09
Fixed assets pending for disposal	66,122.67	
Intangible assets	17,290,539.60	21,936,644.68
Long-term deferred expenses	43,684,842.88	49,384,886.45
Deferred tax assets	297,589,869.16	297,589,869.16
<b>Total non-current assets</b>	<b>58,982,642,589.89</b>	<b>53,770,389,566.88</b>
<b>Total assets</b>	<b>65,679,030,865.37</b>	<b>58,842,478,988.15</b>
<b>Current liabilities</b>		
Short-term loans	6,675,189,696.06	4,402,458,876.43
Notes payable		433,770,000.00
Accounts payable	1,515,742,338.43	1,108,963,229.05
Advanced receipts	347,198,791.80	111,150,075.54
Salaries and wages payable	33,542,854.59	53,066,425.95
Taxes payable	— 435,651,560.48	— 642,743,155.67
Interests payable	259,096,294.58	229,467,744.77
Other payables	1,374,539,354.10	1,178,231,235.66
Non-current liabilities to be mature in less than one year	54,039,334.00	4,235,889,157.36
<b>Total current liabilities</b>	<b>9,823,697,103.08</b>	<b>11,110,253,589.09</b>



Items	30 September 2014 <i>RMB</i>	31 December 2013 <i>RMB</i>
<b>Non-current liabilities</b>		
Long-term loans	22,692,529,064.41	15,412,551,535.53
Bonds payable	8,504,128,473.02	8,391,928,057.81
Long-term payables	1,854,554,083.10	1,162,690,742.06
Estimated liabilities	343,676,508.10	349,694,883.13
Deferred tax liabilities	217,668,532.76	198,794,676.25
Other non-current liabilities	161,006,177.22	4,688,705.01
<b>Total non-current liabilities</b>	33,773,562,838.61	25,520,348,599.79
<b>Total liabilities</b>	43,597,259,941.69	36,630,602,188.88
<b>Shareholders' equity</b>		
Share capital	3,404,556,536.00	3,404,555,984.00
Capital reserve	5,037,587,146.60	5,160,494,694.42
Specific reserve	58,884,466.44	68,169,148.72
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	10,829,728,755.32	10,744,440,487.23
Exchange difference on translation of foreign currency	— 987,561,096.45	— 1,027,725,403.82
Total equity attributable to owners of the parent company	21,220,632,154.35	21,227,371,256.99
Minority interests	861,138,769.33	984,505,542.28
<b>Total shareholders' equity</b>	22,081,770,923.68	22,211,876,799.27
<b>Total liabilities and shareholders' equity</b>	65,679,030,865.37	58,842,478,988.15

## Balance Sheet of Parent Company

Items	30 September 2014 RMB	31 December 2013 RMB
<b>Current assets</b>		
Cash	1,169,075,401.86	487,558,148.30
Accounts receivables	18,148,108.80	1,312,334.37
Prepayments	1,703,034.44	4,827,686.43
Interests receivables	33,516,990.34	24,084,051.53
Dividends receivables	50,000,000.00	50,000,000.00
Other receivables	9,881,675,211.77	5,161,567,376.88
Inventories	20,023,939.66	4,512,000.00
<b>Total current assets</b>	<b>11,174,142,686.87</b>	<b>5,733,861,597.51</b>
<b>Non-current assets</b>		
Financial assets available for sale	29,454,546.00	
Held-to-maturity investment	10,300,000,000.00	15,687,752,000.00
Long-term equity investment	17,752,284,058.68	17,566,283,956.78
Investment properties	1,206,608,819.00	1,206,608,819.00
Fixed assets	67,571,407.54	69,251,129.03
Intangible assets	11,096,223.28	13,070,111.86
<b>Total non-current assets</b>	<b>29,367,015,054.50</b>	<b>34,542,966,016.67</b>
<b>Total assets</b>	<b>40,541,157,741.37</b>	<b>40,276,827,614.18</b>
<b>Current liabilities</b>		
Short-term loans	1,516,470,000.00	1,487,752,000.00
Accounts payable	23,555,885.04	20,154,938.00
Advanced receipts	17,199,226.17	4,164,033.19
Salaries and wages payable	3,725,229.83	5,630,283.13
Taxes payable	— 2,056,185.80	— 254,396,073.52
Interests payable	206,774,740.59	206,466,659.49
Other payables	2,297,491,658.76	241,770,824.24
Non-current liabilities to be mature in less than one year		2,998,949,299.85
<b>Total current liabilities</b>	<b>4,063,160,554.59</b>	<b>4,710,491,964.38</b>
<b>Non-current liabilities</b>		
Long-term loans	5,500,000,000.00	5,000,000,000.00
Bonds payable	8,504,128,473.02	8,391,928,057.81
Estimated liabilities	38,727,027.48	33,436,852.98
Deferred tax liabilities	158,077,407.66	158,077,407.66
<b>Total non-current liabilities</b>	<b>14,200,932,908.16</b>	<b>13,583,442,318.45</b>
<b>Total liabilities</b>	<b>18,264,093,462.75</b>	<b>18,293,934,282.83</b>
<b>Shareholders' equity</b>		
Share capital	3,404,556,536.00	3,404,555,984.00
Capital reserve	5,105,029,886.65	5,105,028,569.75
Surplus reserve	2,877,436,346.44	2,877,436,346.44
Undistributed profit	10,890,041,509.53	10,595,872,431.16
<b>Total shareholders' equity</b>	<b>22,277,064,278.62</b>	<b>21,982,893,331.35</b>
<b>Total liabilities and shareholders' equity</b>	<b>40,541,157,741.37</b>	<b>40,276,827,614.18</b>

## 4.2 Consolidated Income Statement

Items	July- September 2014 <i>RMB</i>	July- September 2013 <i>RMB</i>	January- September 2014 <i>RMB</i>	January- September 2013 <i>RMB</i>
<b>1. Gross revenue from operations</b>	3,153,099,287.53	2,926,662,447.17	9,470,033,853.30	8,171,987,400.56
Including: revenue from operation	3,153,099,287.53	2,926,662,447.17	9,470,033,853.30	8,171,987,400.56
<b>2. Gross cost from operations</b>	3,399,527,855.42	3,172,383,074.23	9,638,475,387.94	9,325,619,070.22
Including: cost from operation	2,927,027,496.56	2,832,036,090.33	8,397,713,461.09	8,306,102,806.67
Business taxes and other surcharges	1,579,904.68	1,317,704.13	7,299,039.10	4,058,256.10
Sales expenses	15,589,946.27	12,610,688.67	38,317,341.01	32,855,080.24
Administrative expenses	110,931,482.87	106,249,636.49	294,397,427.16	278,509,536.22
Financial expenses	344,399,025.04	220,168,954.61	900,748,119.58	704,093,390.99
Investment income	82,241,616.39	30,744,592.21	197,015,841.49	-3,466,328.22
Including: investment income from associates and joint ventures	82,241,616.39	32,638,592.22	196,457,180.34	-5,096,539.42
<b>3. Operating profit</b>	-164,186,951.50	-214,976,034.85	28,574,306.85	-1,157,097,997.88
Add: Non-operating revenue	222,913,738.65	7,053,114.40	268,958,158.65	19,698,274.40
Less: Non-operating expenditure	2,838,337.76	6,724,966.59	130,344,548.65	26,659,098.64
Including: Loss arising from disposal of non-current assets	3,270,724.02	154,536.60	112,026,374.78	9,303,043.03
<b>4. Gross profit</b>	55,888,449.39	-214,647,887.04	167,187,916.85	-1,164,058,822.12
Less: Income tax	-9,722,931.56	8,221,784.42	24,922,129.35	13,576,698.77
<b>5. Net profit</b>	65,611,380.95	-222,869,671.46	142,265,787.50	-1,177,635,520.89
Net profit attributable to owners of parent company	42,683,337.65	-246,669,644.18	85,288,268.09	-1,195,218,510.57
Net profit attributable to minority shareholders	22,928,043.30	23,799,972.72	56,977,519.41	17,582,989.68
<b>6. Earnings per share</b>				
(1) Basic	0.0084	-0.0725	0.0251	-0.3511
(2) Diluted	0.0084	-0.0725	0.0251	-0.3511
<b>7. Other comprehensive income</b>	-84,489,300.25	-6,414,673.29	-264,411,796.99	-105,577,037.67
<b>8. Total comprehensive income</b>	-18,877,919.30	-229,284,344.75	-122,146,009.49	-1,283,212,558.56
Total comprehensive income attributable to owners of parent company	13,334,791.51	-244,607,806.55	2,545,027.64	-1,289,836,145.22
Total comprehensive income attributable to minority shareholders	-32,212,710.81	15,323,461.80	-124,691,037.13	6,623,586.66

## Income Statement of Parent Company

Items	July- September 2014 <i>RMB</i>	July- September 2013 <i>RMB</i>	January- September 2014 <i>RMB</i>	January- September 2013 <i>RMB</i>
<b>1. Revenue from operations</b>	23,253,181.84	996,252,297.26	50,658,426.73	2,962,824,543.90
Less: cost from operation	40,213,597.49	913,062,246.20	56,471,823.48	2,853,172,169.73
Business taxes and other surcharges	369,162.27	423,364.98	2,857,421.50	1,650,856.25
Sales expenses		2,715,957.25		6,805,846.48
Administrative expenses	12,259,319.55	48,288,187.00	27,001,942.93	132,077,088.10
Financial expenses	175,403,211.33	249,501,093.58	595,731,681.63	750,716,372.79
Investment income	209,599,429.22	118,766,059.37	715,395,426.89	253,727,760.04
Including: investment income from associates and joint ventures	43,720,177.23	32,886,022.88	151,900,101.90	— 71,004.22
<b>2. Operating profit</b>	4,607,320.42	-98,972,492.38	83,990,984.08	-527,870,029.41
Add: Non-operating revenue	215,429,823.00	3,584,585.29	215,449,823.00	12,664,655.46
Less: Non-operating expenditure	19,341.00	1,727,829.23	5,271,728.71	8,110,278.44
Including: Loss arising from disposal of non-current assets		155,725.41		325,648.25
<b>3. Gross profit</b>	220,017,802.42	-97,115,736.32	294,169,078.37	-523,315,652.39
Less: Income tax	-1,918,512.24			
<b>4. Net profit</b>	221,936,314.66	-97,115,736.32	294,169,078.37	-523,315,652.39
<b>5. Earnings per share</b>				
(1) Basic	0.0664	-0.0285	0.0864	-0.1537
(2) Diluted	0.0664	-0.0285	0.0864	-0.1537
<b>6. Other comprehensive income</b>				
<b>7. Total comprehensive income</b>	221,936,314.66	-97,115,736.32	294,169,078.37	-523,315,652.39

### 4.3 Consolidated Cash Flow Statement

Items	January - September 2014 <i>RMB</i>	January - September 2013 <i>RMB</i>
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods and provision of services	9,374,214,440.12	8,358,717,336.47
Cash received from return of taxes and fees	235,573,172.47	43,559,541.75
Cash received from other related operating activities	361,193,657.89	202,624,066.05
Subtotal of cash inflow from operating activities	9,970,981,270.48	8,604,900,944.27
Cash paid for goods and services	6,320,864,518.57	6,014,044,534.83
Cash paid to or on behalf of employees	1,234,349,133.05	1,243,436,511.84
Taxes paid	94,692,187.08	37,133,450.67
Other cash paid relating to operating activities	454,308,854.99	520,649,576.51
Subtotal of cash outflow from operating activities	8,104,214,693.69	7,815,264,073.85
Net cash flows from operating activities	1,866,766,576.79	789,636,870.42
<b>2. Cash flows from investing activities</b>		
Cash received from withdrawal of investment	20,000,000.00	37,000,000.00
Cash inflow from return on investment	91,398,277.59	18,599,093.39
Net cash inflow from disposal of fixed, intangible and other long-term assets	351,199,441.07	116,217,318.20
Other cash received relating to investing activities	462,597,718.66	171,816,411.59
Subtotal of cash inflow from investing activities	4,550,791,736.40	1,929,967,038.19
Cash paid for purchase of fixed, intangible and other long-term assets	1,772,001,135.22	186,610,710.58
Cash paid for investment	60,000,000.00	
Subtotal of cash outflow from investing activities	6,382,792,871.62	2,116,577,748.77
Net cash flows from investing activities	-5,920,195,152.96	-1,944,761,337.18
<b>3. Cash flows from financing activities</b>		
Cash received from investments		7,464.96
Cash received from borrowings	17,145,401,419.90	5,783,525,836.68
Sub-total of cash inflows of financing activities	17,145,401,419.90	5,783,533,301.64
Cash paid for payment of debts	11,417,002,992.92	5,305,271,297.07
Cash paid for distribution of dividends or profits and for interest expenses	850,473,868.45	689,780,287.06
Other cash paid relating to financing activities	100,349,944.56	6,885,515.42
Subtotal of cash outflow from financing activities	12,367,826,805.93	6,001,937,099.55
Net cash flows from financing activities	4,777,574,613.97	-218,403,797.91
<b>4. Effect on cash and cash equivalents from change of exchange rates</b>	14,238,859.66	-37,013,960.06
<b>5. Net increase in cash and cash equivalents</b>	738,384,897.46	-1,410,542,224.73
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>	2,657,589,033.78	1,875,202,660.88

## Cash Flow Statement of Parent Company

Items	January - September 2014 RMB	January - September 2013 RMB
<b>1. Cash flows from operating activities</b>		
Cash received from sales of goods and provision of services		2,038,898,657.63
Cash received from return of taxes and fees		6,526,698.07
Cash received from other related operating activities	4,111,248,255.06	1,543,856,352.78
Subtotal of cash inflow from operating activities	4,111,248,255.06	3,589,281,708.48
Cash paid for goods and services	121,666,426.12	1,255,630,721.00
Cash paid to or on behalf of employees	10,409,094.63	614,967,038.22
Taxes paid	7,328,045.13	19,159,788.40
Other cash paid relating to operating activities	5,618,627,334.20	350,656,817.95
Subtotal of cash outflow from operating activities	5,758,030,900.08	2,240,414,365.57
Net cash flows from operating activities	-1,646,782,645.02	1,348,867,342.91
<b>2. Cash flows from investing activities</b>		
Cash received from withdrawal of investment	7,670,535,000.00	
Cash inflow from return on investment	590,957,015.41	271,526,492.05
Net cash inflow from disposal of fixed, intangible and other long-term assets		87,970,250.39
Subtotal of cash inflow from investing activities	8,261,492,015.41	359,496,742.44
Cash paid for purchase of fixed, intangible and other long-term assets	85,100.65	463,828,068.40
Cash paid for investment	2,358,969,546.00	500,000,000.00
Other cash paid relating to operating activities		
Subtotal of cash outflow from investing activities	2,359,054,646.65	963,828,068.40
Net cash flows from investing activities	5,902,437,368.76	-604,331,325.96
<b>3. Cash flows from financing activities</b>		
Cash received from borrowings	2,781,366,996.11	2,213,251,293.70
Sub-total of cash inflows of financing activities	2,781,366,996.11	2,213,251,293.70
Cash paid for payment of debts	4,492,640,000.00	3,560,466,000.00
Cash paid for distribution of dividends or profits and for interest expenses	421,830,129.29	497,108,654.32
Other cash paid relating to financing activities	1,450,037,500.00	
Subtotal of cash outflow from financing activities	6,364,507,629.29	4,057,574,654.32
Net cash flows from financing activities	-3,583,140,633.18	-1,844,323,360.62
<b>4. Effect on cash and cash equivalents from change of exchange rates</b>	9,003,163.00	-9,629,811.67
<b>5. Net increase in cash and cash equivalents</b>	681,517,253.56	-1,109,417,155.34
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>	1,169,075,401.86	169,564,764.48

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 October 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. Liu Xihan, Mr. Yu Zenggang, Mr. Han Jun and Mr. Qiu Guoxuan as executive directors, Mr. Zhang Jun, Mr. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi and Mr. Wang Guoliang as independent non-executive directors.*