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)

POSITIVE PROFIT ALERT

This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the "**Listing Rules**") under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

The board (the "**Board**") of directors (the "**Directors**") of China Shipping Development Company Limited (the "**Company**" and, together with its subsidiaries, the "**Group**") is pleased to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 (the "**Reporting Period**"), the Group expects its net profit attributable to the equity holders of the Company for the year ended 31 December 2015 to be in the range from RMB320 million (equivalent to approximately HK$393 million) to RMB400 million (equivalent to approximately HK$492 million), representing an increase of approximately 2.9% to 28.6% as compared to a net profit of approximately RMB311 million (equivalent to approximately HK$382 million) attributable to the equity holders of the Company for the year ended 31 December 2014.

The improved performance of the Group was mainly attributable to: (1) the increase in freight rates in the international oil transportation market, resulting in the relatively significant increase in revenue achieved by the Group from international oil transportation; and (2) efforts made by the Group to further strengthen its control over costs, resulting in notable achievement particularly over fuel costs and labor costs.

As disclosed in the Company's third quarterly report dated 28 October 2015, the Company expected that the net profit attributable to the equity holders of the Company for the full year ended 31 December 2015 would increase by over 100% as compared to the same period of 2014. Based on the preliminary assessment by the Company, without taking into account the impairment loss as disclosed below, the Company continues to expect that the net profit attributable to the equity holders of the Company for the full year ended 31 December 2015 will increase by over 100% as compared to the same period of 2014.

Since the fourth quarter of 2015, the Baltic Dry Index has declined rapidly. Given the current market condition and the Company's view on market prospect, the Company considers that there is an indication of impairment on certain assets in the Group's dry bulk shipment segment and proposes to make substantial provision for impairment losses on such assets. Based on preliminary assessment, it is currently estimated that such provision for impairment losses on such assets will not exceed RMB300 million (equivalent to approximately HK$369 million), representing less than 0.5% of the Company's total non-current assets. After taking into account the provision for such impairment losses, the net profit attributable to the equity holders of the Company for the Reporting Period and the net asset value of the Company as at 31 December 2015 will be reduced correspondingly, but there will be no effect on the Company's operating cash flows. As a matter of prudence, the Company has engaged an independent third party to assess the impairment loss on such dry bulk shipment assets which have indication of impairment and details of which will be disclosed in the Company's annual report for the year ended 31 December 2015. Further details of such impairment are also set out in the Company's announcement dated 29 January 2016.

The information in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 currently available to the Company and which have not been reviewed or confirmed by the Company's audit committee, and have not been reviewed or audited by the Company's auditors. Further details of the Group's performance will be disclosed in the Group's annual results for year ended 31 December 2015 to be published by the Group.

The Company's A Shares are listed on the Shanghai Stock Exchange, and it has been requested by the Shanghai Stock Exchange to make an announcement similar to this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the annual results announcement of the Company for the year ended 31 December 2015 which is expected to be announced in March 2016.

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

Shanghai, the People's Republic of China
29 January 2016

The exchange rate adopted in this announcement for illustration purpose only is RMB1.00 = HK$1.2294. Such conversion should not be construed as a representation that the currency could actually be converted into HK$ at that rate or at all.

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