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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)

POSITIVE PROFIT ALERT

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board 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 three months ended 31 March 2016, the Group expects its net profit attributable to the equity holders of the Company for the three months ended 31 March 2016 to be approximately RMB155 million (equivalent to approximately HK\$186 million), representing a significant increase of profits as compared to a net profit of approximately RMB65.95 million (equivalent to approximately HK\$79.05 million) attributable to the equity holders of the Company for the same three months period ended 31 March 2015.

The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the three months ended 31 March 2016 currently available to the Company, 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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the first quarterly results announcement of the Company for the three months ended 31 March 2016 which is expected to be announced in April 2016.

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) (the “**SFO**”) 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 three months ended 31 March 2016, the Group expects its net profit attributable to the equity holders of the Company for the three months ended 31 March 2016 to be approximately RMB155 million (equivalent to approximately HK\$186 million), representing a significant increase of profits as compared to a net profit of approximately RMB65.95 million (equivalent to approximately HK\$79.05 million) attributable to the equity holders of the Company for the same three months period ended 31 March 2015.

The remarkable performance of the Group was mainly attributable to the following reasons: (1) the freight rates remained high in the international oil transportation market in the first quarter of 2016, resulting in the increase in revenue achieved by the Group from international oil transportation compared to the same period of last year; (2) the decrease in bunker oil price compared to the same period of last year, resulting in relatively significant decrease in bunker oil expense recognised by the Group; and (3) in February 2015, the Company completed its redemption of all outstanding convertible bonds which led to lower amount of interest-bearing debt borne by the Company, and simultaneously with several rounds of interest rate cut in 2015 by the People’s Bank of China, resulting in further decrease in interest expense recognised by the Group.

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 three months ended 31 March 2016 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 first quarterly results for the three months ended 31 March 2016 to be published by the Group.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the first quarterly results announcement of the Company for the three months ended 31 March 2016 which is expected to be announced in April 2016.

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules. 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.

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

Shanghai, the People's Republic of China
19 April 2016

The exchange rate adopted in this announcement for illustration purpose only is RMB0.83428 = HK\$1.00. 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. 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.