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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)

Profit Warning

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 wishes 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 financial year ended 31 December 2013, the Group expects to record a loss in its profits attributable to the equity holders of the Company for the financial year ended 31 December 2013.

The information contained in this announcement is only a preliminary assessment based on the information 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 of the Company and potential investors 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 2013 which is expected to be announced in March 2014.

This announcement is made pursuant to the Inside Information Provisions 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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**”) wishes 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 financial year ended 31 December 2013, the Group expects to record a loss in its profits attributable to the equity holders of the Company for the financial year ended 31 December 2013.

Based on information currently available to the Company, including the unaudited consolidated management accounts of the Group for the twelve months ended 31 December 2013, it is expected that the loss attributable to the equity holders of the Company for the financial year ended 31 December 2013 could be in the range between RMB2.1 billion to RMB2.3 billion.

Such a loss in the consolidated net profits of the Group was mainly due to the sluggish demand and over supply of shipping capacity in the international and domestic shipping market in 2013, and which in turn resulted in the continuous decline of the shipping market and the downturn in the freight rates. Despite the adverse market conditions, the Company pro-actively implemented effective measures and strengthened its control over costs, and achieved notable progress of cost control particularly over fuel cost and repair expenses. However, given the continuous fluctuation of the market at low levels in the first three quarters of 2013 and the provisions made by the Company for impairment losses of assets and liabilities in 2013, the Company expects to incur losses in the range as set out above. For the details on such provisions for impairment losses and liabilities, please refer to the announcements of the Company dated 29 January 2014 titled “Announcement on the Provision for Impairment Losses on Vessels to be Early Retired and Disposed of” and “Announcement on the Provision for Liability in respect of Estimated Loss on Long-Term Chartering Contracts”.

As the Company is in the process of finalizing its annual results for the financial year ended 31 December 2013, the information in this announcement is based on a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the financial year ended 31 December 2013 currently available 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 the financial year ended 31 December 2013 to be published by the Group.

Shareholders of the Company and potential investors 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 2013 which is expected to be announced in March 2014.

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 PRC
29 January 2014

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