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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)

Negative Profit Alert

This announcement is made pursuant to Rule 13.09(1) and Rule 13.09(2) 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 three months ended 31 March 2012, the Group expects to record a loss in its consolidated net profits for the first quarter ended 31 March 2012.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) and Rule 13.09(2) 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 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 three months ended 31 March 2012, the Group expects to record a loss in its consolidated net profits for the first quarter ended 31 March 2012. The profit estimation is made after adopting the changed accounting estimation of the Company’s fixed assets (vessels), details of which please kindly refer to the announcement of the Company dated 15 March 2012.

Such a loss in the consolidated net profits of the Group was mainly due to the insufficient demand in both domestic and international shipping markets and oversupply of shipping capacity, and which in turn resulted in the ongoing decrease in the freight rates for such transportation. In addition, international oil price kept on increasing and as a result, the Group's fuel cost remained at a high level.

The information in this announcement is based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the three months ended 31 March 2012 which have not been reviewed or confirmed by the Company's audit committee. Further details of the Group's performance will be disclosed when the Group's quarterly results for the first quarter ended 31 March 2012 are announced.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made pursuant to Rule 13.09(1) and Rule 13.09(2) 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 of Directors
China Shipping Development Company Limited
Yao Qiaohong
Company Secretary

Shanghai, the PRC

10 April 2012

As at the date of this announcement, the board of directors of the Company is comprised of Mr. Li Shaode, Mr. Xu Lirong, Mr. Lin Jianqing, Mr. Wang Daxiong, Mr. Zhang Guofa, Mr. Yan Zhichong and Mr. Qiu Guoxuan as executive directors, and Mr. Zhu Yongguang, Mr. Zhang Jun, Mr. Lu Wenbin and Mr. Wang Wusheng as independent non-executive directors.