

Stock code: 000022/200022

Stock name: Chiwan Wharf A/Chiwan Wharf B

Announcement No. 2016-033



Shenzhen Chiwan Wharf Holdings Limited Abstract of Semi-annual Report 2016

1. Important reminders

This abstract is based on the full text of the semi-annual report. For more details, investors are suggested to read the full text disclosed at the same time with this abstract on <http://www.cninfo.com.cn>, the website of Shenzhen Stock Exchange or any other website designated by the CSRC.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Company profile

Stock name	Chiwan Wharf A, Chiwan Wharf B	Stock code	000022, 200022
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Mr. Wang Yongli	Ms. Hu Jingjing and Ms. Chen Dan	
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2. Financial highlights and change of shareholders

(1) Financial highlights

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

Yes No

	Reporting period	Same period of last year	YoY +/- (%)
Operating revenues (RMB)	904,809,652.24	880,788,008.78	2.73%
Net profit attributable to shareholders of the Company (RMB)	266,535,506.97	241,977,372.34	10.15%
Net profit attributable to shareholders of the Company after excluding extraordinary gains and losses (RMB)	264,716,384.31	243,763,081.71	8.60%
Net cash flows from operating activities (RMB)	368,657,243.80	365,522,514.71	0.86%
Basic EPS (RMB/share)	0.413	0.375	10.13%
Diluted EPS (RMB/share)	0.413	0.375	10.13%
Weighted average ROE (%)	5.88%	5.76%	0.12%

	As at the end of the reporting period	As at the end of last year	+/- (%)
Total assets (RMB)	6,626,761,280.09	6,913,772,876.99	-4.15%
Net assets attributable to shareholders of the Company (RMB)	4,445,203,535.69	4,439,600,537.05	0.13%

(2) Shareholdings of the top 10 common shareholders

Unit: share

Total number of shareholders at the end of the reporting period	36,261 shareholders, including 26,079 A-share holders and 10,182 B-share holders	Total number of preference shareholders who had resumed their voting right at the end of the reporting period (if any)	0				
Shareholdings of top ten shareholders (all being non-restricted shareholders)							
Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of common shares held at the period-end	Increase/decrease in the reporting period	Pledged or frozen shares	Number of common shares held at the period-end	Type of shares (A, B, H or other)
CHINA NANSHAN DEVELOPMENT (GROUP) INC.	State-owned corporation	32.52%	209,687,067	0	0	209,687,067	A-share
SHENZHEN MALAI STORAGE CO., LTD.	Common domestic corporation	25%	161,190,933	0	0	161,190,933	A-share
KEEN FIELD ENTERPRISES LIMITED	Foreign corporation	8.58%	55,314,208	0	0	55,314,208	B-share
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign corporation	7.43%	47,914,954	0	Unknown	47,914,954	B-share
ZHU WUGUANG	Domestic individual	0.62%	3,973,723	3,781,499	Unknown	3,769,399	A-share
						204,324	B-share
CMBNA/STICHTING PENS FND ABP	Foreign corporation	0.54%	3,463,503	0	Unknown	3,463,503	B-share
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign corporation	0.41%	2,617,518	0	Unknown	2,617,518	B-share
TEMPLETON ASIAN GROWTH FUND	Foreign corporation	0.39%	2,534,858	-122,994	Unknown	2,534,858	B-share
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.33%	2,111,462	175,886	Unknown	2,111,462	B-share
NORGES BANK	Foreign corporation	0.26%	1,660,562	579,100	Unknown	1,660,562	B-share
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders:	China Merchants Holdings (International) Company Limited (CMHI)* is a shareholder of China Nanshan Development (Group) Inc., Shenzhen Malai Storage Co., Ltd. and Keen Field Enterprises Limited are both wholly-funded subsidiaries of CMHI. Other than that, the Company does not know whether the other non-restricted shareholders are related parties or not.						

* China Merchants Holdings (International) Company Limited has officially changed its name to "China Merchants Port Holdings Company Limited" ("CMPort" for short) on 10 August 2016.

(3) Shareholdings of the top 10 preference shareholders

Applicable Not applicable

We had no preference shares during the reporting period.

(4) Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not applicable

Our controlling shareholder did not change during the reporting period.

Change of the actual controller in the reporting period

Applicable Not applicable

Our actual controller did not change during the reporting period.

3. Discussion and analysis by the management

We are principally engaged in the handling, warehousing and transportation of containers and bulk cargoes, as well as the provision of related services. We have 6 container berths and 7 bulk cargo berths in Chiwan Port (Shenzhen), 3 container berths in Mawan Port (Shenzhen) and 5 bulk cargo berths in Machong Port (Dongguan). We also have an investment in Laizhou Wharf in Shandong Province.

The first half of 2016 saw a weak recovery of the global economy and increased volatility in the financial market. As China steadily pushed forward its supply-side structural reform and transformation, its economic growth further slowed down to 6.7%. With sluggish demand, China's total volume of foreign trade dropped 8.7% from the same period of last year. Growth in the wharf industry was at a slow pace. The cargo throughput of China's coastal wharfs above the designated size went up 1.7% year on year.

The main indicators of our production and operation in the reporting period all registered growth: a cargo throughput of 32.585 million tons (a year-on-year increase of 2.0%, slightly higher than the national average), operating revenues of RMB905 million (a year-on-year increase of 2.73%), total profit of RMB384 million (a year-on-year increase of 11.54%), and net profit attributable to the Company of RMB267 million (a year-on-year increase of 10.15%).

1. Container handling business

Growth in the global container capacity significantly slowed down to 3.9%, but overcapacity remained. With lower earnings for shipping companies, the shipping alliances were on the verge of a reshuffle. In the reporting period, container throughput of main ports in South China declined 2.7% year on year. Ports in Shenzhen achieved a container throughput of 11.436 million TEU, down 1.2% from a year earlier. Thanks to our efforts in strengthening business expansion and looking for new shipping routes to minimize the impact of the alliance reshuffle, we managed to maintain a stable number of shipping routes. Meanwhile, we upgraded our logistics service by developing our barge business to attract cargoes from the hinterland. As a result, the number of transit containers from the Pearl River Delta rose 9.7% as compared to the same period of last year. Amid increasing

local competition, we handled 2.444 million TEU of containers, up 5.5% on a year-on-year basis, accounting for 21% of the Shenzhen port market, 1 percentage point higher than the same period of last year.

2. Bulk cargo handling business

Due to a weak market and the government's de-stocking policy, China's imports of grain and fertilizer both decreased in the first half of the year. We had to work hard to expand our inbound grain and feedstuff handling business. And our effort was rewarded by a 2.0% increase in our grain and feedstuff throughput despite a 6.7% decrease in the region's total inbound grain and feedstuff, which means we are still a leader in the Pearl River Delta in this respect. Meanwhile, due to a weak demand and high port capacity, our throughput of fertilizer dropped 16.6% on a year-on-year basis. To sum up, we achieved a bulk cargo throughput of 8.567 million tons in the reporting period, down 2.2% from a year earlier.

3. Supporting services and investment management

Our supporting services of tow truck, tugboat, customs clearance, barge and the like went on smoothly. Meanwhile, our main investees such as China Overseas Harbour Affairs (Laizhou) Co., Ltd., China Merchants Bonded Logistics Co., Ltd. and China Merchants Holdings (International) Information Technology Co., Ltd. achieved greatly improved business results, producing much higher returns on our investments from a year earlier.

Our business highlights are set out as follows:

Main business indicator	Reporting period (January-June 2016)	Same period of last year (January-June 2015)	YoY +/-%
Total throughput (thousand tons)	32,585	31,956	2.0%
Among which: Container throughput (thousand TEU)	2,444	2,316	5.5%
Bulk cargo throughput (thousand tons)	8,567	8,758	-2.2%
Hours charged for tow trucks (thousand hours)	547	539	1.5%
Hours charged for tugboats (hour)	16,790	15,609	7.6%

In the reporting period, we continued to push forward lean management by launching a management information platform. We encouraged technique and process reform and accomplished multiple projects of technical innovation. The internal control system was further improved in quality and efficiency. In addition, cost control was strengthened. As a result, operating costs grew slower than the business volume did and our operating efficiency was further increased.

In the second half of the year, recovery of the global economy is expected to continue to slow down, with more downward pressure on China's economy. Meanwhile, due to weak demand and currency pressure, China's foreign trade may remain sluggish, posing a great challenge to our business development. In terms of our container handling business, growth is difficult because of the local competition and lower transit demand as a result of

customers' business adjustments. We will keep a watchful eye on new adjustments of liner alliances and adopt flexible, effective business tactics to look for opportunities amid route adjustments. In the meantime, we will upgrade our berths to cater for bigger and bigger ships and maintain stable business. Concerning our bulk cargo handling business, we closely follow market and policy changes, push forward strategic coordination with other local wharfs and try to maintain stability in key clients and rates. Meanwhile, we will accelerate the resource upgrade of our Chiwan Wharf and the construction of warehousing facilities in our Machong Wharf so as to increase the overall resource capability of our wharfs and help seek opportunities for business growth in the second half of the year. As for internal management, we will strengthen control of operating risks, push forward all the work as planned and focus on maintaining the level of earnings by increasing our resource use efficiency and effective cost control.

No major changes occurred to the profit structure or sources of the Company during the reporting period.

YoY movements in financial highlights:

Unit: RMB

	Reporting period	Same period of last year	YoY +/-%	Main reasons for movements
Operating revenues	904,809,652.24	880,788,008.78	2.73%	-
Operating costs	492,158,524.59	463,427,511.59	6.20%	-
Administrative expenses	81,947,868.71	84,201,871.92	-2.68%	-
Financial costs	14,253,614.35	34,170,800.29	-58.29%	Interest cost decreased as the average balance of interest-bearing debts and the average loan rate decreased
Corporate income tax expenses	49,661,006.76	34,458,531.16	44.12%	Expiration of the income tax preferential policy (exemption for first three years and half reduction for second three years) of subsidiary Dongguan Chiwan Wharf Company Limited from this year
R&D expenses	15,986,053.06	15,445,960.91	3.50%	-
Net cash flows from operating activities	368,657,243.80	365,522,514.71	0.86%	-
Net cash flows from investing activities	16,665,254.18	-12,068,746.10	238.09%	Increase in dividends from joint ventures and associates
Net cash flows from financing activities	-664,817,669.11	-514,366,523.61	-29.25%	Increase in debt repayments-net
Net increase in cash and cash equivalents	-277,266,096.67	-160,462,810.25	-272.79%	Decrease in cash flows from financing activities

4. Matters related to financial reporting

(1) Explain any changes in the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year

Applicable Not applicable

No such cases.

(2) Explain any retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable Not applicable

No such cases in the reporting period.

(3) Explain any changes in the consolidation scope as compared with the financial reporting of last year

Applicable Not applicable

No such cases in the reporting period.

(4) Explanation of the Board of Directors and the Supervisory Committee concerning the “non-standard audit report” issued by the CPAs firm for the reporting period

Applicable Not applicable

For and on behalf of the Board

Shi Wei

Chairman

Shenzhen Chiwan Wharf Holdings Limited

Dated 26 August 2016