

Stock Code: 000022/200022

Stock Abbr.: Chiwan Wharf A / Chiwan Wharf B

Public Announcement No.: 2017-006



SHENZHEN CHIWAN WHARF HOLDINGS LIMITED

THE ABSTRACT OF THE 2016 ANNUAL REPORT

I. Important information

This Abstract is based on the full text of the Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by the China Securities Regulatory Commission.

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

Non-standard auditor's opinion

Applicable Inapplicable

Preliminary plan for profit distribution to the common shareholders or turning the capital reserve into the share capital for the reporting period, which has been reviewed and approved at the board meeting

Applicable Inapplicable

Share capital increase from the capital reserve

Yes No

Preliminary plan for profit distribution to the common shareholders for the reporting period which has been reviewed and approved at the board meeting: Based on the total shares of 644,763,730, a cash dividend of RMB4.96 (tax included) will be distributed to all the shareholders for every 10 shares that they hold. No bonus shares will be granted and no capital reserve will be turned into share capital.

Preliminary plan for profit distribution to the preference shareholders for the reporting period which has been reviewed and approved at the board meeting

Applicable Inapplicable

II. Company profile

1. Stock profile

Stock abbr.	Chiwan Wharf A, Chiwan Wharf B	Stock code	000022, 200022
Stock exchange	Shenzhen Stock Exchange		
Contact information	Company Secretary	Securities Representative	
Name	Wang Yongli	Hu Jingjing & Chen Dan	
Office address	8/F, Chiwan Petroleum Building, Zhaoshang Street, Nanshan District, Shenzhen, PRC		
Fax	+86 755 26684117	+86 755 26684117	
Tel.	+86 755 26694222	+86 755 26694222	
E-mail address	cwh@szcwh.com	cwh@szcwh.com	

2. Brief introduction to the main business or products in the reporting period

The Company is principally engaged in the handling, warehousing and transportation of containers and bulk cargoes, as well as the provision of related services. The Company has 6 container berths and 7 bulk cargo berths in Chiwan Wharf (Shenzhen), 3 container berths in Mawan Wharf (Shenzhen) and 5 bulk cargo berths in

Machong Wharf (Dongguan). The Company also has an investment in Laizhou Wharf in Shandong Province.

In the reporting period, the global economy was in deep change, international trade remained sluggish and slow growth became an ordinary state for the port industry, urging faster transformation by upgrading and integration of port resources. As a regional hub for container and bulk cargo carriers, the Company enjoyed growing business results as well as a stable and improving market position.

3. Accounting and financial highlights

(1) Accounting and financial highlights for the past three years

Does the Company adjust retrospectively or restate the accounting data of previous years due to changes in the accounting policy or corrections of accounting errors?

Yes No

Unit: RMB Yuan

Item	2016	2015	Increase/decrease of current year over last year	2014
Operating revenues	1,905,107,140.42	1,872,608,596.16	1.74%	1,804,766,176.31
Net profits attributable to shareholders of the parent	532,376,492.97	527,751,492.42	0.88%	417,594,271.33
Net profits attributable to shareholders of the parent before extraordinary gains and losses	530,615,980.15	528,043,530.88	0.49%	417,628,589.12
Net cash flows from operating activities	827,754,904.11	977,850,737.45	-15.35%	818,315,147.74
Basic EPS (RMB Yuan/share)	0.826	0.819	0.85%	0.648
Diluted EPS (RMB Yuan/share)	0.826	0.819	0.85%	0.648
Weighted average ROE (%)	11.64%	12.34%	-0.70%	10.36%
	As at 31 Dec. 2016	As at 31 Dec. 2015	Increase/decrease of current year-end than last year-end	As at 31 Dec. 2014
Total assets	6,620,476,709.79	6,913,772,876.99	-4.24%	6,935,824,199.68
Net assets attributable to shareholders of the Company	4,709,815,552.89	4,439,600,537.05	6.09%	4,115,298,831.59

(2) Accounting highlights by quarter

Unit: RMB Yuan

Item	Q1	Q2	Q3	Q4
Operating revenues	441,414,712.95	463,394,939.29	513,538,393.69	486,759,094.49
Net profits attributable to shareholders of the parent	121,221,004.55	145,314,502.42	160,704,737.43	105,136,248.57
Net profits attributable to shareholders of the parent before extraordinary gains and losses	120,104,236.05	144,612,148.26	160,374,471.28	105,525,124.56
Net cash flows from operating activities	101,594,145.81	267,063,097.99	204,666,194.32	254,431,465.99

Any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports?

Yes No

4. Share capital and shareholders

(1) Numbers of the common shareholders and the preference shareholders with resumed voting rights as well as the shareholdings of the top 10 shareholders

Unit: share

Total number of common shareholders at period-end		Total number of common shareholders at pervious month-end of this Report's disclosure		Total number of preference shareholders with resumed voting rights at period-end (if any)		Total number of preference shareholders with resumed voting rights at pervious month-end of this Report's disclosure (if any)	
35,947, including 25,640 A-shareholders and 10,307 B-shareholders		33,345, including 22,841 A-shareholders and 10,504 B-shareholders		0		0	
Shareholdings of shareholders with a stake over 5%							
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held at period-end	+/- in reporting period	Number of restricted shares held	Number of non-restricted shares held	Pledged or frozen shares
CHINA NANSHAN DEVELOPMENT (GROUP) INC.	State-owned corporation	32.52%	209,687,067	0	0	209,687,067	0
SHENZHEN MALAI STORAGE CO., LTD.	Common domestic corporation	25.00%	161,190,933	0	0	161,190,933	0
KEEN FIELD ENTERPRISES LIMITED	Foreign corporation	8.58%	55,314,208	0	0	55,314,208	Unknown
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign corporation	7.43%	47,914,954	0	0	47,914,954	Unknown
ICBC—LION VALUE GROWTH STOCK FUND	Common domestic corporation	0.42%	2,698,775	2,698,775	0	2,698,775	Unknown
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign corporation	0.41%	2,617,518	0	0	2,617,518	Unknown
SHENWAN HONGYUAN SECURITIES (HK) LIMITED	Foreign corporation	0.39%	2,511,586	2,511,586	0	2,511,586	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.38%	2,451,059	515,483	0	2,451,059	Unknown
TEMPLETON ASIAN GROWTH FUND	Foreign corporation	0.29%	1,885,170	-772,682	0	1,885,170	Unknown
NORGES BANK	Foreign corporation	0.26%	1,660,562	579,100	0	1,660,562	Unknown

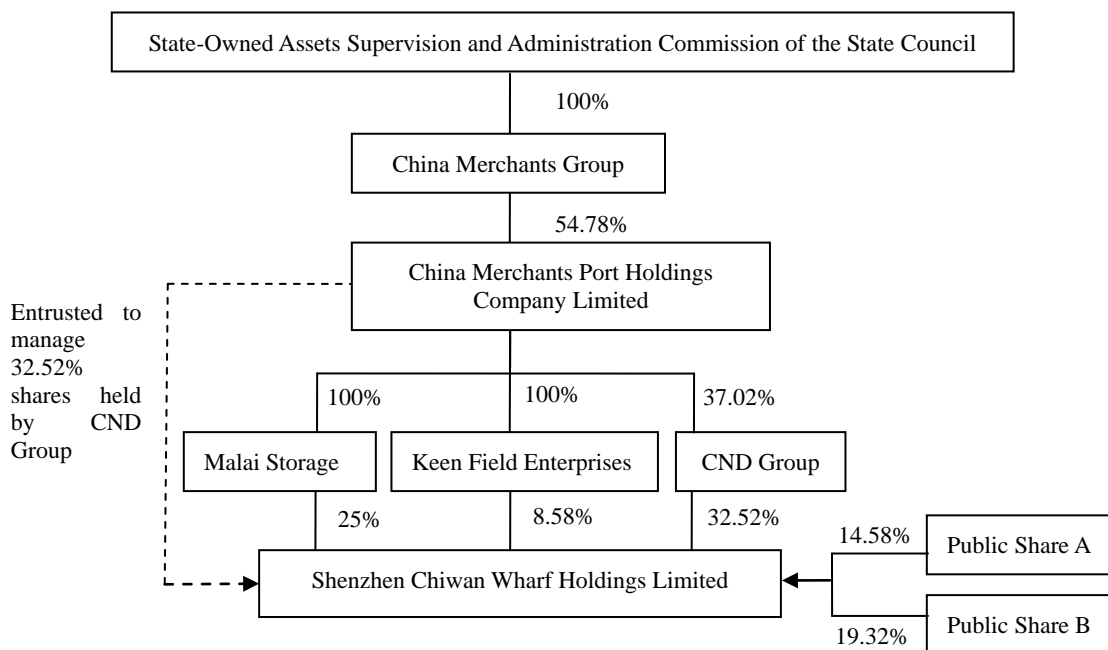
Shareholdings of top 10 non-restricted share holders			
Name of shareholder	Number of non-restricted shares held at period-end	Type of shares	
		Type	Number
CHINA NANSHAN DEVELOPMENT (GROUP) INC.	209,687,067	A share	209,687,067
SHENZHEN MALAI STORAGE CO., LTD.	161,190,933	A share	161,190,933
KEEN FIELD ENTERPRISES LIMITED	55,314,208	B share	55,314,208
CMBLSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	47,914,954	B share	47,914,954
ICBC – LION VALUE GROWTH STOCK FUND	2,698,775	A share	2,698,775
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	2,617,518	B share	2,617,518
SHENWAN HONGYUAN SECURITIES (HK) LIMITED	2,511,586	B share	2,511,586
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	2,451,059	B share	2,451,059
TEMPLETON ASIAN GROWTH FUND	1,885,170	B share	1,885,170
NORGES BANK	1,660,562	B share	1,660,562
Related or acting-in-concert parties among the top ten non-restrictedly tradable share holders and between the top ten non-restrictedly tradable share holders and the top ten shareholders	China Merchants Port Holdings Company Limited (“CMPort”) is a shareholder of China Nanshan Development (Group) Inc., and Shenzhen Malai Storage Co., Ltd. and Keen Field Enterprises Limited are both wholly-funded subsidiaries of CMPort. Other than that, the Company does not know whether the other non-restricted shareholders are related parties or not.		
Top ten common shareholders conducting securities margin trading (if any)	N/A		

(2) Number of the preference shareholders and the shareholdings of the top 10 of them

Applicable Inapplicable

No preference shareholders in the reporting period

(3) Relationship between the Company and its actual controller in the form of diagram



5. Corporate bonds

Applicable Inapplicable

III. Performance discussion and analysis

Investors are kindly reminded to read the full text of this Report carefully and pay special attention to the following risk factors:

Any forward-looking statement such as those involving future plans or development strategies in this Report shall not be considered as virtual promises of the Company to investors. And investors are kindly reminded to pay attention to possible risks. Securities Times, Ta Kung Pao (HK) and www.cninfo.com.cn have been designated by the Company for information disclosure. And all information about the Company shall be subject to what's disclosed on the aforesaid media. Investors are kindly reminded to pay attention to possible risks.

Is the Company subject to any disclosure requirements for special industries?

No.

1. Business review for the reporting period

In 2016, the global economy remained in deep change which varied markedly among different regions. Profound changes also happened with trade rules, production modes, industrial layout, international division of labor, currency systems, etc. China steadily pushed forward its supply-side structural reform and transformation and deepened its pilot free trade zone reform. Its economic growth further slowed down to 6.7%, with the total import and export value down by 0.9% from last year. With continuously sluggish global shipping, the domestic port industry also grew at a slow pace. The country's coastal ports above the designated size registered a cargo throughput of 8.08 billion metric tons, representing 3.0% growth from last year, and a container throughput of 190 million TEU, up 3.4% from the year earlier. Under such circumstances, main production and operation indicators of the Company for the reporting period all registered increase. To be specific, the Company achieved a cargo throughput of 67.8 million metric tons, a year-on-year increase of 1.8%, which generated operating revenues of RMB1.91 billion, up 1.7% from last year; total profits of RMB0.77 billion, up 5.9% on a year-on-year basis; and net profits attributable to the Company (excluding subsidiaries) of RMB0.53 billion, representing a 0.9% growth from the year earlier.

(1) Container handling business

Growth in the global container capacity significantly slowed down, but overcapacity wasn't substantively improved. With lower earnings for shipping enterprises, the bankrupt of Hanjin Shipping, the 7th largest shipping company in the world shocked the shipping industry. The shipping alliances were on the verge of a reshuffle due to series of merging and reorganization events in the industry. In the reporting period, container throughput of main ports in South China declined by 1.2% year on year, of which the data of Shenzhen port declined by 1.0%. We strengthened business expansion, closely followed up the route adjustment caused by the alliance reshuffle, energetically explored qualified routes, leading to growth in both local and transit container handling. We handled 5.035 million TEU of containers, up 5.8% 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 the government's structural reform of the supply front, as well as the market demand, China's imports of grain and fertilizer both decreased sharply. We adopted a business strategy of working on both domestic and foreign trade. As a result, the considerable growth in the domestic grain and feedstuff throughput made up for the drop in the foreign counterpart, and our total grain and feedstuff throughput is still at a leading position in the Pearl River Delta. Meanwhile, despite a weak demand, we are still a leader in terms of fertilizer throughput, with the compound fertilizer imports handled accounting for around 50% of China's market. At the same time, we strengthened business expansion. Breakthroughs have been made in new business and the comprehensive logistics services based on the ports have continued to develop, making clients more dependent on us. In the reporting period, we achieved a bulk cargo throughput of 18.822 million tons, down 2.4% from the year earlier.

(3) Supporting services and investment management

Our supporting services of tow truck, tugboat, customs clearance, barge and the like went on smoothly, and gained goods. Meanwhile, our main investees such as China Overseas Harbour Affairs (Laizhou) 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.

Business highlights of the Company for the past three years are set out as follows:

Main business indicator	2016	2015	2014
Total throughput (thousand tons)	67,800	66,618	63,002
Among which:			
Container throughput (thousand TEU)	5,035	4,760	4,958
Bulk cargo throughput (thousand tons)	18,822	19,283	15,139
Hours charged for tow trucks (thousand hours)	1,165	1,129	1,170
Hours charged for tugboats (hour)	32,530	34,098	28,642

In the reporting period, we continued to push forward lean management and innovation work, and emphasized on improving quality and efficiency. We adapted to the management requirements in new situations by sorting and optimizing management process, as well as revising and perfecting systems. We combined theory training with work practice, and strengthened the guiding function of data analysis. Through making use of interest technologies, we carried forward the fusion of production network, and the Company's informationization. We encouraged technique and process reform, and new technology application, focused on solving and improving issues in the front line of production, and accomplished multiple projects of technical innovation. We combined the main wharf business with supporting businesses, arranged the participation in multiple logistics links, explored and extended the logistics chain service in ports. We developed special management and control on key costs, reached the annual target on management and control, and realized the increase of operating profits. We also expanded financing channels for a better debt structure and reduced the loans to avoid exchange rate risk, which helped cut down our finance costs in a significant way.

2. Outlook of the Company's future development

(1) Outlook and trends of the industry

2017 is expected to continue to see a complicated and serious situation in the global economy as well as a slow development pace in global shipping, which wouldn't be changed in a short term. The economy of traditional industry will be in the passage of reducing excess production capacity in a long term. The fast growth of port throughput slowed down to intermediate, even unit-digit speed, representing a situation where the net growth of throughput and annual average growth speed both declined. The development of China's port industry will transfer from obtaining benefits by relying on the bonus brought by economy development to obtaining benefits by improving quality and efficiency, as well as building high-end value chain by itself. The excess production capacity will intensify regional competitions, making mutual benefit and win-win result caused by leveraging resource integration becomes the general trend.

In terms of container handling, container throughput in the Pearl River Delta is expected to remain stable. Larger ships and shipping alliances have made clients more centralized. The adjustment of regional industry layout, as well as the rapid development of cross-border E-commerce put forward higher requirements to container ports. The risk of business fluctuation will aggravate. The industry position and business scale of the Company, the regional hub port, will keep steady.

As for bulk cargo handling, regional demand for grain and feedstuff keeps growing, and the demand for fertilizer keeps stable. In future, with the improvement of resource capability of bulk cargo handling, the development of bonded and transit businesses, and the cultivation of new supply of good and new business forms, the overall market competitiveness will continuously get enhanced. Throughput of our bulk cargo handling business will expectedly keep stable growing, constantly occupying the leading position in regional market.

(2) Development strategy

During the 13th Five-Year Plan period, focusing on the strategy vision of "Building the Regional 1st Level's Port Integrated Servicer", With our strategic standard of development being "Based on Main Business of Port Service,

Be a Local Standard; Expand Comprehensive Service for Business Upgrade”, we strive to build a company featuring excellent management, great efficiency, potential for sustained development and the ability to create constant value for its shareholders, employees, clients and the society.

In the reporting period, we researched and formulated the implementation schemes for our strategic planning. In future, we will intensively farm on the area on the basis of main businesses, fully take advantage of the internet tools to exert ourselves to develop port investment and operation business, port integrated development business, and port extending service business. We’ll put forth effort on improving our ability of lean management, driving innovation, resource integration, organization establishment, as well as risk management.

(3) Business plans for 2017

In face of the complex and changeable market in 2017, we will adhere to the guideline of “Aiming at development through Real Practice and Solid Work, Creating 1st Class Company on the basis of Main businesses” and vigorously respond to challenges so as to achieve sound growth in our business results and profits. Our main business plans are as follows:

1) To know well about the market situation, and ensure business growth in size

In order for a steady growth in our business scale, we will actively deal with changes in the shipping market and industry trends, keep up-and-coming commercial strategies, solidify and increase our local market position, as well as continue to expand and extend integrated services based on the main port business, and enhance customer’s stickiness

2) To optimize resource allocation and improve resource utilization rate

We’ll positively carry forward the 270-meter broadening and dredging project for Tonggu sea route, improve the hardware conditions for shipping, launch the transformation of Berth 5-6# , Chiwan Port, and keep propelling the reformation of the storage yard in ports. The Bulk grain warehouses Phase II, Machong Port will be accomplished and put into operation, and the construction of the Bulk grain warehouses Phase III., together with other supporting facilities, will be accelerated. We’ll reinforce the optimization and utilization of the existing stock of resources, and improve the resources utilization in full aspects.

3) To enhance lean management and innovation to improve quality and efficiency for internal management

Lean management and innovation will be pushed forward in the form of projects. We’ll impel and implement the informatization construction plan to improve the port management efficiency. We’ll strength establishing institutions and the personnel, perfect risk management and control system, and ensure our standard operation. We’ll specially carry forward management and control on key costs in multiple dimensions, and execute long-acting tracking. We’ll encourage technology transformation and innovation aiming at providing practical production solutions to give expression to the values of innovation.

4) To look for investment and cooperation opportunities to push forward our leaping development

We will keep looking for regional opportunities for resource integration and business expansion, and make use of our financing platform and brand advantage, so as to further perfect and enlarge our business layout and achieve business synergistic effect. And at the same time, we’ll propel strategic cooperation to lock in qualified customers, so that our integrated competitiveness can be improved.

(4) Capital needs and expenditure plan for 2017

To implement our future development strategies and achieve the business goals we have set, a capital expenditure of RMB537.60 million is planned for 2017, of which RMB407.70 million will be invested in wharfs and warehouses, RMB79.19 million in mechanical equipment and technical improvement projects, RMB43.46 million in computer projects and RMB7.25 million in administration and other. The said capital expenditures will be mainly funded by cash inflows from operating activities of the Company and borrowings from interbank markets and financial institutions.

3. Significant changes in the main business in the reporting period

Yes No

4. Products contributing over 10% of the main business revenue or profit

Applicable Inapplicable

5. Seasonal or periodic characteristics in the operating performance that need special attention

Yes No

6. Significant YoY changes in the operating revenues, operating costs and net profits attributable to the common shareholders or their composition

Applicable Inapplicable

7. Listing suspension or termination

Applicable Inapplicable

8. Issues related to the financial report

(1) YoY changes in the accounting policy, accounting estimation and measurement methods

Applicable Inapplicable

No changes

(2) Retrospective restatements due to correction of significant accounting errors in the reporting period

Applicable Inapplicable

No such cases

(3) YoY changes in the consolidation scope

Applicable Inapplicable

No changes

For and on behalf of the Board
Shi Wei
Chairman
Shenzhen Chiwan Wharf Holdings Limited
Dated 28 March 2017