

Stock code: 000022 /200022 Short form: Chiwan Wharf A/Chiwan Wharf B

Announcement No. 2018-093



Shenzhen Chiwan Wharf Holdings Limited

The Report for the Third Quarter of 2018

Disclosed on 31 October 2018

Section I Important Statements

The Board of Directors, Supervisory Committee, directors, supervisors and senior management of Shenzhen Chiwan Wharf Holdings Limited (hereinafter referred to as the “Company”) hereby guarantee that the information presented in this Report is factual, accurate and complete, and shall be jointly and severally liable for any false information, misleading statements or material omissions carried in this Report.

All directors attended the board meeting for the review of this Report.

Board Chairman BaiJingtao, Chief Financial Officer Yao Shenglan and Financial Manager Li Xiaopeng hereby guarantee the factuality, accuracy and completeness of the Financial Report in this Report.

This Report has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

Section II Company Profile

I Key financial results

Whether the Company performed any retroactive adjustments to or restatement of its accounting data

Yes No

	30 September 2018	31 December 2017	+/-%	
Total assets (RMB)	7,359,309,512.35	7,975,470,563.32	-7.73%	
Net assets attributable to shareholders of the Company (RMB)	4,623,725,618.75	4,922,969,405.92	-6.08%	
	July-September 2018	YoY change	January-September 2018	YoY change
Operating revenues (RMB)	539,467,699.85	-21.39%	1,785,603,216.19	-4.15%
Net profit attributable to shareholders of the Company (RMB)	137,156,655.12	-16.55%	453,216,945.79	2.90%
Net profit attributable to shareholders of the Company before exceptional profit and loss (RMB)	135,412,515.91	-17.12%	452,038,424.15	2.97%
Net operating cash flow (RMB)	---	---	568,714,502.50	-37.94%
Basic earnings per share (RMB/share)	0.213	-16.47%	0.703	2.93%
Diluted earnings per share (RMB/share)	0.213	-16.47%	0.703	2.93%
Weighted average return on equity (%)	3.09%	3.35%	9.88%	0.81%

Exceptional profit and loss

Applicable Not applicable

Unit: RMB

Item	January-September 2018	Note
Profit/loss on disposal of non-current assets (including offset asset impairment provisions)	-426,755.70	
Government subsidies charged to the profit/loss for this Reporting Period (except for the government grants closely related to the business of the Company and given at a fixed quota or amount in accordance with the State's uniform standards)	3,811,791.19	
Non-operating income and expense other than the above	1,469,131.58	
Less: Corporate income tax effects	512,913.89	
Minority interests effects (after tax)	3,162,731.54	
Total	1,178,521.64	--

II Total number of shareholders at the period-end and shareholdings of top ten shareholders

1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	35,002 (including 24,335 A-shareholders and 10,667 B-shareholders)	Total number of preference shareholders with resumed voting rights at the period-end	0		
Shareholdings of top ten shareholders (all non-restricted shareholders)					
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of non-restricted shares held	Type of share (A, B, H or others)	Number of pledged or frozen shares
CHINA MERCHANTS GANGTONG DEVELOPMENT (SHENZHEN) CO., LTD.	Common domestic corporation	57.52%	370,878,000	A share	0
BROADFORD GLOBAL LIMITED	Foreign corporation	8.58%	55,314,208	B share	0
CMBSA RE FTIF TEMPLETON ASIAN GRW FD GTI 5496	Foreign corporation	7.01%	45,207,421	B share	Unknown
NORGES BANK	Foreign corporation	0.43%	2,802,863	B share	Unknown
CHINA MERCHANTS SECURITIES (HK) CO., LTD.	State-owned corporation	0.40%	2,564,987	B share	Unknown
CHINA CONSTRUCTION BANK CO., LTD. —INVESCO GREAT WALL QUANTIFIED SELECTED STOCK FUND	Other	0.37%	2,417,752	A share	Unknown
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Foreign corporation	0.36%	2,290,700	B share	Unknown
MAI SHUQING	Domestic individual	0.35%	2,238,347	A share	0
BANK OF CHINA CO., LTD. — YINHUA ADVANCED ENTERPRISES (BALANCED TYPE) SECURITIES INVESTMENT FUND	Other	0.24%	1,536,098	A share	Unknown
CANADA POST CORPORATION REGISTERED PENSION PLAN	Foreign corporation	0.23%	1,494,696	B share	Unknown
Related or acting-in-concert parties among the above shareholders	China Merchants Gangtong Development (Shenzhen) Co., Ltd. (hereinafter referred to as “CMGD”) is a wholly-owned subsidiary set up in Shenzhen by Broadford Global Limited (hereinafter referred to as “Broadford Global”). The two companies are acting-in-concert parties. The Company does not know whether the other shareholders are related parties or persons acting in concert.				

Top ten common shareholders conducting securities margin trading (if any)	N/A
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Whether the top ten common shareholders or the top ten non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period

Yes No

No such cases in the reporting period.

2. Total number of preference shareholders and shareholdings of the top ten of them

Applicable Not applicable

Section III Significant Events

I Changes in major accounting statement items and financial indicators for the Reporting Period, as well as reasons for such changes

√ Applicable □ Not applicable

Unit: RMB

Item	30 September 2018	31 December 2017	+/-%	Explanation of change
Monetary funds	530,897,773.88	818,193,679.32	-35.11%	The payment of the 2017 final dividends and the deconsolidation of the financial statements of Media Port Investments Limited (hereinafter referred to as “MPIL”) in the current period
Notes and accounts receivable	339,591,293.78	257,581,961.83	31.84%	More days of the outstanding amount due from clients in the current period
Investments in other equity instruments	146,473,840.00	23,759,200.00	516.49%	As per the new accounting standard governing financial instruments, the measurement method of “available-for-sale financial assets” has changed from the cost method to the fair value method, which is now included in “investments in other equity instruments”
Long-term equity investments	1,586,811,347.61	1,152,620,039.97	37.67%	MPIL’s financial statements have been deconsolidated and MPIL is treated as an associate and the investment in it is included in “long-term equity investments” since this June. Meanwhile, the new investment in CMPort (Zhoushan) RoRo Logistics Co., Ltd. (hereinafter referred to as “Zhoushan RoRo”) made in the current period is included in “long-term equity investments”.
Construction in progress	297,271,050.81	86,317,666.70	244.39%	The consolidation of Zhoushan RoRo since this September, which is still under construction
Goodwill	26,556,336.80	10,858,898.17	144.56%	The goodwill recognized on the portion of the Zhoushan RoRo combination cost over the fair value of its identifiable net assets
Long-term prepaid expenses	51,555,921.82	98,278,001.09	-47.54%	Deconsolidation of MPIL’s financial statements in the current period
Short-term borrowings	378,400,000.00	-	-	New borrowings obtained in the current period for replenishing the working capital
Accounts received in advance	11,801,409.63	56,571,454.49	-79.14%	Higher discounts in the container handling business in the same period of last year
Other accounts payable	272,702,051.07	405,075,490.69	-32.68%	The payment of dividends by controlled subsidiary Shenzhen Chiwangang Container Co., Ltd. to its minority shareholders in the current period

Long-term borrowings	47,000,000.00	-	-	Long-term loans taken out for the construction of ZhoushanRoRo's terminal and storage yard
Long-term accounts payable	28,208,630.71	57,563,422.41	-51.00%	Deconsolidation of MPIL's financial statements in the current period
Provisions	4,466,897.39	-	-	As per the new accounting standard governing revenue recognition, the discounts offered in the container handling business have been reclassified from "accounts received in advance" to "provisions"
Deferred income tax liabilities	50,535,868.59	10,584,342.80	377.46%	The measurement method of available-for-sale financial assets has changed to the fair value method, and deferred income tax liabilities on the appraised value increase are recognized. Meanwhile, there is a new deferred tax liability recognized on the difference between the fair value and carrying value of Zhoushan RoRo.
Other comprehensive income	111,836,324.49	19,800,344.49	464.82%	The measurement method of available-for-sale financial assets has changed to the fair value method, and the appraised value increase is included in other comprehensive income.
Special reserve	10,714,020.36	4,767,373.45	124.74%	A lift of container handling subsidiaries' production safety reserve ratio from 1% to 1.5% of operating revenue in the current period
Item	January-September 2018	January-September 2017	+/-%	Explanation of change
R&D expense	27,893,888.48	19,984,575.58	39.58%	As per the Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises for 2018 (CK (2018) No. 15), R&D expense shall be presented separately in the financial statements. R&D expense of the current period is higher than that of the same period of last year.
Finance costs	27,372,367.16	20,204,691.09	35.48%	Greater exchange loss due to a considerably fluctuating U.S. dollar in the current period
Investment income	79,648,356.64	56,687,149.95	40.51%	MPIL has become an associate since this June and investment income from it is recognized according to the Company's investment percentage, while MPIL was included in the consolidated financial statements for the same period of last year
Cash received from other operating activities	61,593,726.02	129,895,453.88	-52.58%	An RMB100m government subsidy was received in the same period of last year, while there is no such subsidy in the current period
Net payments for acquisition of subsidiaries and other business units	129,007,717.47	-	-	Net amount of the cash outflow for investment in Zhoushan RoRo and the cash inflow generated from the consolidation of its financial statements in the current period

Cash paid for other investing activities	203,758,566.92	-	-	The deconsolidation of MPIL's financial statements caused cash outflow in the current period, while there was no event in the same period of last year
Increase in cash borrowings obtained	629,630,000.00	130,000,000.00	384.33%	New borrowings obtained for replenishing the working capital were of a larger amount in the current period as compared to the same period of last year
Net proceeds from issuance of bonds	200,000,000.00	99,850,000.00	100.30%	New bonds issued for replenishing the working capital were of a larger amount in the current period as compared to the same period of last year
Repayment of borrowings in cash	300,000,000.00	466,270,000.00	-35.66%	Year-on-year decrease in loan repayment
Cash paid for interest expenses and distribution of dividends or profit	957,772,123.12	334,203,771.24	186.58%	Year-on-year rise in dividends paid

II Progress of significant events and analysis & explanations on their influence and solutions

√ Applicable □ Not applicable

1. Particulars about the related-party transaction of assets purchase via share offering and matching fund raising

On 10 August 2018, the Company received the Administrative Permit Application Acceptance Form issued by the China Securities Regulatory Commission (hereinafter referred to as "CSRC") (acceptance No. 181142). Upon a due-diligence review of the Application of Shenzhen Chiwan Wharf Holdings Limited for Assets Purchase via Share Offering, the CSRC decided to accept the application on the ground that the application materials were complete and in compliance with the prescribed formats.

On 5 September 2018, the Company received the CSRC Notice No. 181142 of the First Feedback on Administrative Permission Review. Immediately after that, the Company organized the relevant intermediary agencies to carefully study the feedback, made sure the compliance with all the requirements of the feedback, worked out a reply to the feedback and disclosed the reply to the public as required. The reply and the relevant materials were submitted to the CSRC department for accepting administrative permit applications within two working days after the disclosure of the reply.

On 27 September 2018, the Company was notified by the CSRC that its Review Board for Mergers, Acquisitions and Restructurings of Listed Companies (hereinafter referred to as the "Review Board") would hold a work meeting in the recent days to review the Company's related-party transaction of assets purchase via share offering and matching fund raising. In order to avoid abnormal fluctuations in the Company's stock price and protect investors' interests, as per the Measures for the Administration of Major Asset Restructurings of Listed Companies as well as other applicable laws and regulations, upon the Company's application to the Shenzhen Stock Exchange, trading in the Company's shares was suspended since 28 September 2018.

On 9 October 2018, upon review at the Review Board's 47th work meeting in 2018, the Company's related-party transaction of assets purchase via share offering and matching fund raising was conditionally approved. According to the Measures for the Administration of Major Asset Restructurings of Listed Companies as well as other applicable regulations, upon the Company's application to the Shenzhen Stock Exchange, trading in the Company's shares (stock name: Chiwan Wharf A, Chiwan Wharf B; stock code: 000022, 200022) was resumed since 10 October 2018 (Wednesday).

On 17 October 2018, the Company received the Notice FGBWZB [2018] No. 690 of Overseas Investment Recording issued by the National Development and Reform Commission (hereinafter referred to as "NDRC"), agreeing to put on records the Company's acquisition of some equity interests of China Merchants Port Holdings Company Limited (hereinafter referred to as "CMPort"). On

the same day, the Enterprise Overseas Investment Certificate No. N1000201800487 was granted by the Ministry of Commerce of the People's Republic of China (hereinafter referred to as the "Ministry of Commerce).

So far, the major asset restructuring is still subject to the record or approval of the Ministry of Finance regarding the overseas strategic investor's subscription in the Company's new share offering involved in this deal, as well as to the CSRC's official approval document, etc. Further announcements will be made upon the receipt of these documents. For more details of the progress and plan of this deal, please refer to the relevant announcements disclosed by the Company on Securities Times, Ta Kung Pao (HK) and the website <http://www.cninfo.com.cn>.

2. Information disclosure index

In the reporting period, the Company disclosed the following significant events on Securities Times, Ta Kung Pao (HK) and www.cninfo.com.cn:

Date of disclosure	Overview of significant event	Announcement No.
4 July 2018	Announcement on the Reply of the State-Owned Assets Supervision and Administration Commission under the State Council on the Major Asset Restructuring	2018-068
5 July 2018	Announcement on the Postponement of the Reply to the Shenzhen Stock Exchange's Inquiry Letter on the Restructuring and Continued Share Trading Suspension	2018-069
7 July 2018	Announcement on Voluntary Disclosure of the Business Volume Data of June 2018	2018-070
10 July 2018	Announcement on the Resolutions of the Sixth Special Meeting of the Ninth Board of Directors in 2018	2018-071
10 July 2018	Announcement on the Resolutions of the Third Special Meeting of the Ninth Supervisory Committee in 2018	2018-072
10 July 2018	Announcement on Signing the Termination Agreement of the Financial Service Agreement with China Development Finance Company Ltd.	2018-073
10 July 2018	Notice on the Second Special General Meeting in 2018	2018-074
10 July 2018	Announcement on Share Trading Resumption Associated with a Major Asset Restructuring	2018-075
19 July 2018	Reminder of the Second Special General Meeting in 2018 to be Convened	2018-076
24 July 2018	Announcement on the Payment of the 2017 Final Dividends by China Merchants Port Holdings Company Limited, the Target Acquiree in a Major Asset Restructuring of the Company	2018-077
27 July 2018	Announcement on the Resolutions of the Second Special General Meeting in 2018	2018-078
9 August 2018	Announcement on Amendments to Relevant Documents of the Related-Party Transaction of Assets Purchase via Share Offering and Matching Fund Raising of Shenzhen Chiwan Wharf Holdings Limited	2018-079
10 August 2018	Announcement on Voluntary Disclosure of the Business Volume Data of July 2018	2018-080
11 August 2018	Announcement on the Receipt of the CSRC's Administrative Permit Application Acceptance Form	2018-081

31 August 2018	Announcement on the Resolutions of the Fourth Meeting of the Ninth Board of Directors	2018-082
31 August 2018	Abstract of Semi-Annual Report 2018	2018-083
31 August 2018	Announcement on Progress of an External Investment and Related-Party Transaction	2018-084
6 September 2018	Announcement on the Receipt of the CSRC's First Feedback on Administrative Permission Review	2018-085
11 September 2018	Announcement on Voluntary Disclosure of the Business Volume Data of August 2018	2018-086
14 September 2018	Announcement on the Reply to the CSRC's First Feedback on Administrative Permission Review	2018-087
28 September 2018	Announcement on Share Trading Suspension for the Review of the Company's Related-Party Transaction of Assets Purchase via Share Offering and Matching Fund Raising by the CSRC's Review Board for Mergers, Acquisitions and Restructurings of Listed Companies	2018-088

III Overdue commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other parties in the reporting period or ongoing at the period-end

Applicable Not applicable

No such cases in the reporting period.

IV 2018 annual operating performance forecast

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-beginning to the end of the next reporting period according to prediction, as well as explanations on the reasons:

Applicable Not applicable

V Securities investments

Applicable Not applicable

Unit: RMB

Variety of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement model	Opening book value	Gain/loss on fair value changes in current period	Cumulative fair value changes recorded into equity	Purchased in current period	Sold in current period	Gain/losses in current period	Closing book value	Accounting title	Source of funds
Stock	600377	Jiangsu Expressway	1,120,000	Fair value method	9,850,000	0	-577,500	0	0	0	9,080,000	Other equity instrument investment	Self-owned funds
Stock	400032	Petrochemical A1	3,500,000	Fair value	382,200	0	0	0	0	0	382,200	Other equity instrument	Self-owned funds

				method								investment	
Stock	400009	Guang ian 1	27,500	Fair value method	17,000	0	0	0	0	0	17,000	Other equity instrument investment	Self-o wned funds
Total			4,647,500	--	10,249,200	0	-577,500	0	0	0	9,479,200	--	--

VI Wealth management entrustment

Applicable Not applicable

No such cases in the reporting period.

VIII Investments in derivative financial instruments

Applicable Not applicable

No such cases in the reporting period.

VIII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	Index to main inquiry information
July-September 2018	By phone and written inquiry (through the EasyIR platform of SZSE)	Individual	Main inquiry: basic business condition, investments and financial condition of the Company; Materials provided: brochure of the Company; Index: SZSE EasyIR (http://irm.cninfo.com.cn/ssessgs/S000022/index.html)

IX Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the reporting period.

X Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes

Applicable Not applicable

No such cases in the reporting period.

XI Progress made on internal control

Pursuant to the "Internal Control Rules for Enterprises" and the mating guidelines, the Company has completed the following internal control tasks for the third quarter of 2018:

1. The internal control task groups of the Headquarters and the subsidiaries have reviewed the flow chart risk matrix assessment of last year, and have re-described work flows within the internal control improvement scope according to business changes this year so as to formulate an internal control risk matrix.
 2. The internal control task groups of the Headquarters and the subsidiaries have searched for defects in internal control by walk-through tests.
 3. The Company has searched for risks by going through the operation flows and has made a list of risks. Risk grading was carried out at the three levels of management, department chiefs and internal control task groups to identify the major risks facing the Company.
- The Company carries out the internal control-related work according to the schedule for the internal control improvement plan for 2018. And the internal control project is right on schedule, with no derivation or delay.

XII Deposits in and loans provided by finance companies

1. Deposits in and loans provided by CDF

The Proposal on Renewing the Financial Service Agreement Signed with China Development Finance Company Ltd. was approved on the 2016 Annual Meeting of Shareholders held on 5 Jun. 2017, in which, the Company was agreed to sign the Financial Service Agreement with period of three years with China Development Finance Company Ltd. (hereinafter referred to as “CDF”).

China Nanshan Development (Group) Inc. (hereinafter referred to as “CND Group”) will no longer be the shareholder of the Company from 8 Jun. 2018 when it completed the transfer registration of A-Share of the Company. CDF cannot continue to provide financial service for the Company since it is a non-bank financial institution specially providing financial service for member enterprises of CND Group. The Company held the 6th Special Meeting of the 9th Board of Directors on 9 Jul. 2018, on which the Proposal on Termination Agreement on Financial Service Agreement Signed with China Development Finance Company Ltd. in which the Company was agreed to sign the Termination Agreement on Financial Service Agreement with CDF.

As of the end of the reporting period, the deposits in and loans provided by CDF were listed as follows:

Unit: RMB'0,000

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Deposits in CDF	119.27	0.36	119.63	-
II. Loans from CDF	-	-	-	-

2. Deposits in and loans provided by China Merchants Group Finance

The Proposal on Signing Financial Service Agreement with SinoTrans& CSC Finance Co., Ltd. was approved on the Second Meeting of the Ninth Board of Directors held on 23 August 2017, in which the Company was agreed to sign the Financial Service Agreement with period of three years with Sinotnas& CSC Finance Co., Ltd. (renamed China Merchants Group Finance in August 2017).

As of the end of the reporting period, the deposits in and loans provided by China Merchants Group Finance were listed as follows:

Unit: RMB'0,000

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Deposits in China Merchants Group Finance	15,035.93	699.69	15,639.36	96.26
II. Loans from China Merchants Group Finance	-	42,000.00	20,000.00	22,000.00

XIII Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year

The primary changes to the Company's accounting policies are summarized as follows: On 31 March 2017, the Ministry of Finance issued the revised Accounting Standard No. 22 for Business Enterprises—Recognition and Measurement of Financial Instruments (hereinafter referred to as the “Revised Accounting Standard No. 22”), the revised Accounting Standard No. 23 for Business Enterprises—Transfer of Financial Assets (hereinafter referred to as the “Revised Accounting Standard No. 23”) and the revised Accounting Standard No. 24 for Business Enterprises—Accounting for Hedges (hereinafter referred to as the “Revised Accounting Standard No. 24”); on 28 April 2017, the Ministry of Finance issued the Accounting Standard No. 42 for Business Enterprises—Non-Current Assets and Disposal Groups Held for Sale and Discontinued Operations (hereinafter referred to as the “Accounting Standard No. 42”); on 2 May 2017, the Ministry of Finance issued the revised Accounting Standard No. 37 for Business Enterprises—Presentation of Financial Instruments (hereinafter referred to as the “Revised Accounting Standard No. 37”); on 10 May 2017, the Ministry of Finance issued the revised Accounting Standard No. 16 for Business Enterprises—Government Subsidies (hereinafter referred to as the “Revised Accounting Standard No. 16”); and on 5 July 2017, the Ministry of Finance issued the revised Accounting Standard No. 14 for Business Enterprises—Revenue (hereinafter referred to as the “Revised Accounting Standard No. 14”). As required by the Ministry of Finance, the Company has adopted the Revised Accounting Standard No. 22, No. 23, No. 24, No. 37 and No. 14 since 1 January 2018; the Accounting Standard No. 42 since 28 May 2017; and the Revised Accounting Standard No. 16 since 12 June 2017. For further information, please see the Announcement of Shenzhen Chiwan Wharf Holdings Limited on Accounting Policy Changes (No. 2018-025), which has been disclosed by the Company on <http://www.cninfo.com.cn> dated 7 March 2018.

XIV Explain change of the consolidation scope as compared with the financial reporting of last year

1. Deconsolidation of MPIL and its subsidiaries

The Company signed the Supplementary Agreement to the Media Port Investments Limited Shareholder Agreement with CMPort, Fatten Investments Limited (hereinafter referred to as “FIL”) and Media Port Investments Limited (hereinafter referred to as “MPIL”) on 23 August 2017 in Shenzhen. Under the arrangements of the agreement, the Company completed the director appointment for MPIL at the end of September 2017 and has realized control over MPIL and its subsidiary FIL, Shenzhen Mawan Wharf Co., Ltd., Shenzhen Mawan Port Services Co., Ltd. and Shenzhen Mawan Warehouse & Terminals Co., Ltd. (hereinafter referred to as the “Mawan Companies”) in form and nature. According to the Accounting Standards for Business Enterprises No. 33-Consolidated Financial Statements, the Company began to consolidate MPIL and its subsidiary FIL and the Mawan Companies from September 2017.

The Company signed the Supplementary Agreement II to the Media Port Investments Limited Shareholder Agreement with CMPort, FIL and MPIL on 5 February 2018 which became effective after being signed by all the parties. After the transfer of a combined stake of 66.10% in the Company held by Shenzhen Malai Storage Co., Ltd., Keen Field Enterprises Limited and China Nanshan Development (Group) Inc. to the subsidiary of China Merchants Group-CMGD and its acting-in-concert party Broadford Global, the Company will no longer control MPIL and its subsidiary FIL and the Mawan Companies. Therefore, it has excluded the said companies from its consolidated financial statements from the date when its control ceased.

The Company received from CMGD and Broadford Global the Securities Transfer Registration Confirmation issued by the Shenzhen branch of China Securities Depository and Clearing Corporation Limited on 11 June 2018. The registration formalities for the said share transfer have been completed on 8 June 2018. From this day on, the Company will exclude MPIL and its subsidiary FIL and the Mawan Companies from its consolidated financial statements. For further information, please refer to the Announcement on the Completion of Share transfer and Change of the Controlling Shareholder (Announcement No.:2018-060) disclosed on

www.cninfo.com.cn dated 12 June 2018.

2. Consolidation of Zhoushan RoRo

On 26 January 2018, the Second Special Meeting of the Ninth Board of Directors of the Company approved the Proposal on Capital Increase to Zhoushan Archipelago New Area SinoTrans& CSC RoRoLogistics Co., Ltd. On the same day, the Company together with Zhoushan Blue Ocean Investment Co., Ltd. (hereafter referred to as “Blue Ocean Investment”), CSC RoRo Logistics Company Limited (hereafter referred to as “CSC”), CMPort (Zhoushan) RoRo Logistics Co., Ltd. (hereafter referred to as “Zhoushan RoRo” with the current name changed on 29 August 2018 from “Zhoushan Archipelago New Area SinoTrans& CSC RoRoLogistics Co., Ltd.”) and Zhoushan Archipelago New Area XinghaiRoRo Terminal Co., Ltd. (hereafter referred to as “Xinghai Terminal”) signed Zhoushan Archipelago New Area SinoTrans& CSC RoRoLogistics Co., Ltd.. According to the agreement, the Company contributed RMB149.7098 million in cash to hold 51% equity in Zhoushan RoRo, and the capital of Zhoushan RoRo increased from RMB60 million to RMB173.0786 million, and Zhoushan RoRo owned 100% stake of XinghaiRoRo, which made XinghaiRoRo a wholly owned subsidiary of Zhoushan RoRo. More information is showed on the Announcement on an External Investment and Related-Party Transaction (Announcement No.: 2018-007) published on the Securities Times, Ta Kun Pao (HK) and www.cninfo.com.cn on 27 January 2018.

In May 2018, the Company paid all the increased capital to Zhoushan RoRo. On 29 August 2018, Zhoushan RoRo completed the formalities for the change of its directors, supervisors and senior executives with the industrial and commercial administration. As such, Zhoushan RoRo has officially become a controlled subsidiary of the Company. From that day on, ZhoushanRoRo’s financial statements are included in the Company’s consolidated financial statements. More information is showed on the Announcement on Progress of an External Investment and Related-Party Transaction (Announcement No.: 2018-084) published on the Securities Times, Ta Kun Pao (HK) and www.cninfo.com.cn on 31 August 2018.

For and on behalf of the Board

BaiJingtao

Chairman of the Board

Shenzhen Chiwan Wharf Holdings Limited

Dated 31 October 2018