



Stock code: 000022 /200022 Short form: Chiwan Wharf A / Chiwan Wharf B Announcement Serial No. 2006-055



SHENZHEN CHIWAN WHARF HOLDINGS LIMITED

REPORT FOR THE THIRD QUARTER OF 2006

§ 1 Important Note

- 1.1 The Board of Directors, the Supervisory Committee as well as the directors, supervisors and senior management staff of Shenzhen Chiwan Wharf Holdings Limited (“the Company”) individually and collectively accepts responsibility for the correctness, accuracy and completeness of the contents of this report and confirms that there are no material omissions nor errors which would render any statement misleading.
- 1.2 All Directors, Supervisors and Senior Management Staff agreed with and guaranteed the correctness, accuracy and completeness of the contents of this Report.
- 1.3 All directors attended the seventh special session of the Fifth Board of Directors, at which the report for the third quarter of 2006 was reviewed.
- 1.4 This quarterly Financial Statements was un-audited.
- 1.5 Chairman of the Board Ms. Wang Fen, as well as Director of the Company Mr. Fan Zhaoping and Chief Financial Officer Mr. Zhang Jianguo hereby confirm that the Financial Statements in this report is true and complete.

§ 2 Company Profile

2.1 Basic information

Short Form of the Stock	Chiwan Wharf A/ Chiwan Wharf B	
Stock Code	000022/200022	
	Company Secretary	Authorized Representative
Name	Ms. Pei Jiangyuan	Ms. Bu Dan, Mr. Li Ying
Address	13/F., Chiwan Petroleum Building, Shenzhen, PRC	
Tel	(86 755) 26694222	
Fax	(86 755) 26684117	
E-mail	cwh@cndi.com	

2.2 Financial Highlights

2.2.1 Major accounting data

Unit: RMB

	As at Sep. 30, 2006	As at Dec. 31, 2005	+/-
Total assets	4,668,436,784	4,576,664,278	2.01



Shareholders' equity (minority interests excluded)	2,126,752,130	2,110,231,796	0.78
Net assets per share	3.298	3.273	0.76
	July - Sep., 2006	Jan. - Sep., 2005	To 3rd quarter of 2005
Net cash flow from operating activities	284,874,434	791,285,939	-9.47
Earnings per share	0.272	0.772	6.25
Return on net assets	8.26%	23.42%	0.19

2.2.2 Consolidated Income Statement

Unit: RMB

	Jul.to.Sept 2006	Jan.to.Sept 2006	Jul.to.Sept 2005	Jan.to.Sept 2005
Revenue	488,789,254	1,379,658,029	494,984,795	1,396,848,103
Operating costs	(178,847,453)	(494,652,438)	(180,767,493)	(449,178,509)
Gross profit	309,941,801	885,005,591	314,217,302	947,669,594
Other revenue	10,022,067	17,776,424	5,443,215	10,650,567
Administrative expenses	(26,172,791)	(74,145,148)	(23,659,347)	(72,083,773)
Other (expenses)/income - net	311,186	3,028,431	(1,026,017)	3,074,257
Profit from operations	294,102,263	831,665,298	294,975,153	889,310,645
Finance costs – net	(21,575,638)	(49,044,706)	(21,271,111)	(38,864,977)
Share of profit/(loss) of associates	20,000,066	40,855,158	1,623,388	(102,644)
Profit before income tax	292,526,691	823,475,750	275,327,430	850,343,024
Income tax expenses	(25,120,108)	(72,758,089)	(15,552,147)	(54,483,687)
Profit for the six months	267,406,583	750,717,661	259,775,283	795,859,337
Attributable to:				
Equity holders of the Company	175,627,643	497,999,483	165,238,296	520,887,763
Minority interest	91,778,940	252,718,178	94,536,987	274,971,574
	267,406,583	750,717,661	259,775,283	795,859,337
Earnings per share for profit attributable to the equity holders of the Company for the nine months				
- Basic	0.272	0.772	0.256	0.808

2.3 Number of shareholders and top ten shareholders holding shares not subject to trading moratorium.

Total number of shareholders at the end of September 2006	28,509, among which 22,566 for A shares, and 5,943 for B shares	
Top ten shareholders holding shares not subject to trading moratorium		
Name of shareholders	Shares held as at Sep. 30, 2006	Type of shares (A, B, H or other shares)
PLATINUM ASIS FUND	15,128,018	B shares
GOVERNMENT OF SINGAPORE INV. CORP. - A/C "C"	13,205,946	B shares
GT PRC FUND	10,867,809	B shares
IBT A/C JULIUS BAER INTERNATIONAL EQUITY FUND	10,867,372	B shares
THORNBURG INVESTMENT INCOME BUILDER FUND	8,732,449	B shares
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	8,369,476	B shares
深圳市旭勤实业发展有限公司	7,589,849	A shares
交通银行-安顺证券投资基金	7,088,818	A shares
GSIC A/C MONETARY AUTHORITY OF SINGAPORE	6,890,475	B shares
DEUTSCHE BANK AG LONDON	5,800,277	B shares

§ 3 Discussion and Analysis of the Management Staff

3.1 Performance of the Company during the reporting period

The company is engaged mainly in the handling, warehousing and transportation of containers as well as bulk and general cargoes in Shenzhen, and also in other related services.

During the reporting period, core business of the Company kept on growing stably. Main business data of the Company during the reporting period are set out as follows:

Main Business Data	Jan. - Sep., 2006	Jan. - Sep., 2005	+/- (%)
Total throughput ('000 ton)	39,060	31,300	24.8%
Container throughput ('000 TEU)	3,830	3,077	24.5%
Chiwan Port ('000 TEU)	3,162	2,912	8.6%
Mawan Port ('000 TEU)	668	164	306%
Throughput of bulk and general cargo ('000 ton)	5,999	5,053	18.7%
Hours charged for tow trucks ('000 hours)	1,065	919	15.9%
Hours charged for tugboat	238,170	197,550	20.6%



3.1.1 Core business accounting for over 10% of the revenue or gross profit

Applicable Non-applicable

Unit: RMB

	Revenue	Cost	Margin
Handling	451,771,442	161,961,334	64.15%
Among which: Related party transactions	2,883,440	1,760,648	38.94%

3.1.2 Periodicity of businesses

Applicable Non-applicable

3.1.3 Reasons of significant changes in profit make-up compared with last reporting period

Applicable Non-applicable

There is no such items the proportion of which in the gross profit changed over 20% compared with last corresponding period while at the same time accounted for over 10% of the net profit.

3.1.4 Reasons of significant changes in business structure compared with last reporting period

Applicable Non-applicable

3.1.5 Reasons of significant changes in profit margin of core business compared with last reporting period

Applicable Non-applicable

3.2 Significant Events

Applicable Non-applicable

Tie-up of capital out of operation and returning plan

Applicable Non-applicable

3.3 Reason of changes in accounting policy, accounting estimation and consolidation scope

Applicable Non-applicable

3.4 Explanation of the Board and Supervisory Committee on the “Non-standard” Opinion of Certified Public Accountants

Applicable Non-applicable

3.5 Reason of significant changes in net profit for 2006 compared with 2005

Applicable Non-applicable

3.6 Adjustment on business plan or budget

Applicable Non-applicable

3.7 Special commitments made by shareholder holding former non-circulating shares in share reform and the execution.

Applicable Non-applicable

Name	Special commitments	Execution
China Nanshan Development (Group) Incorporation (“CND”)	Commitment on dividend policy: CND commits to keep stable dividend policy as in the past, promises to put forward dividend motion at Shareholders’ General Meeting for 2006 and 2007, and the dividend shall not be less than 50% of the distributable profits achieved in respective year, and promise to vote for it at Shareholders General Meeting.	To be executed.
	Commitment on increase of its share equity at the Company: To avoid the unreasonable fluctuation of stock price of the Company and boost investors confidence in the Company, and at the same time to enhance its position as controlling shareholder, CND will, within 2 months after the share reform scheme be approved at shareholders meeting of A share, buy from stock market 9,406,540 shares (say 10% of all non-restricted tradable A shares of 94,065,400 after the execution of the share reform scheme) when the price is not higher than RMB13.00. Within 6 months after share equity increase plan is executed, CND will not sell any shares thus bought according to the said plan, otherwise the income from the sale of shares will be possessed by all shareholders.	Executed. CND didn’t purchase any shares in the period due to the fact that the price of circulating A shares was not under RMB13.00 per share.
	Motivation scheme: In order to enhance shareholders’ confidence and boost initiatives of management team and core staff of the Company, CND will, after the share reform scheme is executed, choose to entrust the Board of Directors of the Company through general shareholders meeting to formulate and carry out motivation scheme according to relevant laws and regulations, thus integrate the interests of management team with the whole shareholders of the Company.	Under discussion
	Letter of Guarantee: CND commits that it will obtain, before the registration date for shareholders meeting of A share, the letter of guarantee from certain monetary institution recognized by Shenzhen Stock Exchange, consenting to provide complete guarantee to CND for the required amount of money when put options granted to shareholders of tradable shares be executed.	Executed



	Keep the Company as a listed one: CND commits that the Company is undertaking Share Reform with a view to address the problem of balancing the interests among shareholders of tradable and non-tradable shares, but not to quit from the stock market. CND promises to implement actions to keep the Company as a listed one within the period stipulated by relevant laws, rules and regulations, and to disclose information in time, if the shareholding structure does not conform to the requirements for a listed company recognized by Shenzhen Stock Exchange due to the execution of put option.	To be executed
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3.8 Timetable for share reform plan if have not started share reform yet.

Applicable Non-applicable

§ 4 Appendix

- 4.1 Consolidated Balance Sheet as at September 30, 2006;
- 4.2 Consolidated Income Statement for the Nine Months Ended September 30, 2006;
- 4.3 Consolidated Cash Flow Statement for the Nine Months Ended September 30, 2006

For and on behalf of the Board

Wang Fen

Chairman

Shenzhen Chiwan Wharf Holdings Limited

Dated this 26th day of October, 2006



SHENZHEN CHIWAN WHARF HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

(All amount in Rmb unless otherwise stated)

	2006.09.30	2005.12.31
ASSETS		
Non-current assets		
Property, plant and equipment	2,503,859,228	2,554,884,112
Construction-in-progress	34,157,404	44,970,661
Land use rights	1,199,105,150	1,227,004,429
Investment property	9,785,953	9,975,646
Goodwill	11,062,889	11,062,889
Investments in associates	359,026,384	280,855,349
Available-for-sale investments	14,657,500	14,657,500
	<u>4,131,654,508</u>	<u>4,143,410,586</u>
Current assets		
Inventories	21,292,484	21,883,638
Trade and other receivables	361,848,396	268,112,854
Cash and cash equivalents	153,641,396	143,257,200
	<u>536,782,276</u>	<u>433,253,692</u>
Total assets	<u>4,668,436,784</u>	<u>4,576,664,278</u>
EQUITY		
Attributable to the Company's equity holders		
Share capital	644,763,730	644,763,730
Reserves	983,451,736	983,292,379
Retained earnings	498,536,664	482,175,687
	<u>2,126,752,130</u>	<u>2,110,231,796</u>
Minority interest	728,369,035	928,166,071
Total equity	<u>2,855,121,165</u>	<u>3,038,397,867</u>
LIABILITIES		
Non-current liabilities		
Borrowings	228,800,000	358,196,845
Deferred revenue	96,224,126	100,612,189
	<u>325,024,126</u>	<u>458,809,034</u>
Current liabilities		
Bills payable	12,569,488	10,176,644
Trade and other payables	162,548,671	207,283,375
Current tax liabilities	32,287,840	33,790,112
Deferred revenue - current portion	5,889,494	5,889,494
Borrowings	1,274,996,000	822,317,752
	<u>1,488,291,493</u>	<u>1,079,457,377</u>
Total liabilities	<u>1,813,315,619</u>	<u>1,538,266,411</u>
Total equity and liabilities	<u>4,668,436,784</u>	<u>4,576,664,278</u>

Director: Wang Fen

Director: Fan Zhaoping



SHENZHEN CHIWAN WHARF HOLDINGS LIMITED

CONSOLIDATED INCOME STATEMENT

(All amount in Rmb unless otherwise stated)

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Director: Wangfen

Director: Fan Zhaoping



SHENZHEN CHIWAN WHARF HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

(All amount in Rmb unless otherwise stated)

Jan.to Sept 2006

Cash flows from operating activities

Cash generated from operations	863,562,833
Interest received - bank	1,166,192
Income tax paid	(73,443,086)
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Net cash from operating activities	791,285,939

Cash flows from investing activities

Purchase of property, plant and equipment	(35,046,185)
Payments for construction-in-progress	(62,153,885)
Investment in associates	(40,893,204)
Cash considerations	(69,948)
Proceeds from disposal of property,plant and equipment	5,191,492
Dividend received	3,722,327
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Net cash used in investing activities	(129,249,403)

Cash flows from financing activities

Proceeds from short-term borrowings	1,316,868,000
Proceeds from long-term borrowings	95,680,000
Repayments of short-term borrowings	(864,189,752)
Repayments of long-term borrowings	(225,076,845)
Dividends paid to shareholders	(934,399,165)
Interest paid	(40,534,578)
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Net cash used in financing activities	(651,652,340)

Increase/(decrease) in cash and cash equivalents	10,384,196
Cash and cash equivalents at 1st January	143,257,200
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Cash and cash equivalents at 30 September	153,641,396
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