

# SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD. THE ABSTRACT OF ANNUAL REPORT FOR YEAR 2014

## 1. Important Notice

This abstract of annual report is extracted from the full text of annual report for year 2014 which is published on [www.cninfo.com.cn](http://www.cninfo.com.cn) and [www.szse.cn](http://www.szse.cn) simultaneously. Investors shall read the full text carefully for the details.

### Company Information

|                                   |                         |                           |        |
|-----------------------------------|-------------------------|---------------------------|--------|
| Stock Abbreviation                | Chiwan Base B           | Stock Code                | 200053 |
| Stock Exchange                    | Shenzhen Stock Exchange |                           |        |
| Contact Person and Contact Method | Board Secretary         | Securities Representative |        |
| Name                              | Song Tao                | Li Zizheng                |        |
| Telephone                         | 0755-26694211           | 0755-26694211             |        |
| Fax                               | 0755-26694227           | 0755-26694227             |        |
| E-mail Address                    | sa@chiwanbase.com       | sa@chiwanbase.com         |        |

## 2. Major Accounting Data and Change of Shareholders

### (1) Major Accounting Data

Unit: RMB

|  | Y2014          | Y2013             |                  | Change (%)       | Y2012             |                  |
|--|----------------|-------------------|------------------|------------------|-------------------|------------------|
|  |                | Before Adjustment | After Adjustment | After Adjustment | Before Adjustment | After Adjustment |
| Operating Revenue  | 712,958,603.26 | 691,832,626.47    | 691,832,626.47   | 3.05%            | 578,591,906.37    | 578,591,906.37   |
| Net Profit Attributed to Shareholders of Listed Company                    | 218,544,184.50 | 207,564,394.21    | 204,249,571.44   | 7.00%            | 162,182,965.40    | 162,182,965.40   |
| Net Profit Net of Non-recurring Gain and Loss Attributed to Listed Company | 220,496,736.41 | 203,689,503.81    | 200,374,681.04   | 10.04%           | 159,080,420.14    | 159,080,420.14   |
| Net Cash Flows from Operating Activities                                   | 414,370,760.05 | 435,461,050.15    | 434,087,958.45   | -4.54%           | 327,679,121.29    | 327,679,121.29   |
| Basic Earnings per Share (RMB/Share)                                       | 0.95           | 0.9               | 0.89             | 6.74%            | 0.7               | 0.7              |
| Diluted Earnings per Share (RMB/Share)                                     | N/A            | N/A               | N/A              | N/A              | N/A               | N/A              |
| Weighted Return on   | 13.84%         | 15.07%            | 14.84%           | -1.00%           | 13.23%            | 13.23%           |

| Equity (%)   |                      |                      |                  |                     |                      |                     |
|--|----------------------|----------------------|------------------|---------------------|----------------------|---------------------|
|  | December 31,<br>2014 | December 31, 2013    |                  | Change (%)          | December 31, 2012    |                     |
|  |                      | Before<br>Adjustment | After Adjustment | After<br>Adjustment | Before<br>Adjustment | After<br>Adjustment |
| Total Assets   | 5,389,629,871.81     | 4,501,064,624.96     | 4,718,603,625.96 | 14.22%              | 4,479,086,519.77     | 4,479,086,519.77    |
| Owner's Equity<br>Attributed to<br>Shareholders of Listed<br>Company | 1,690,486,032.37     | 1,472,986,548.28     | 1,470,275,398.55 | 14.98%              | 1,287,559,503.34     | 1,287,559,503.34    |

Note:

In reporting period, Blogis (Hongkong) Limited has acquired 100% equity of China Huitong (H.K.) Limited. According to the Accounting Standards for Business Enterprises (the "ASBEs"), the acquisition results in changes of consolidation scope due to business combination involving enterprises under common control and restating the financial report for 2013.

## (2) Top Ten Shareholders

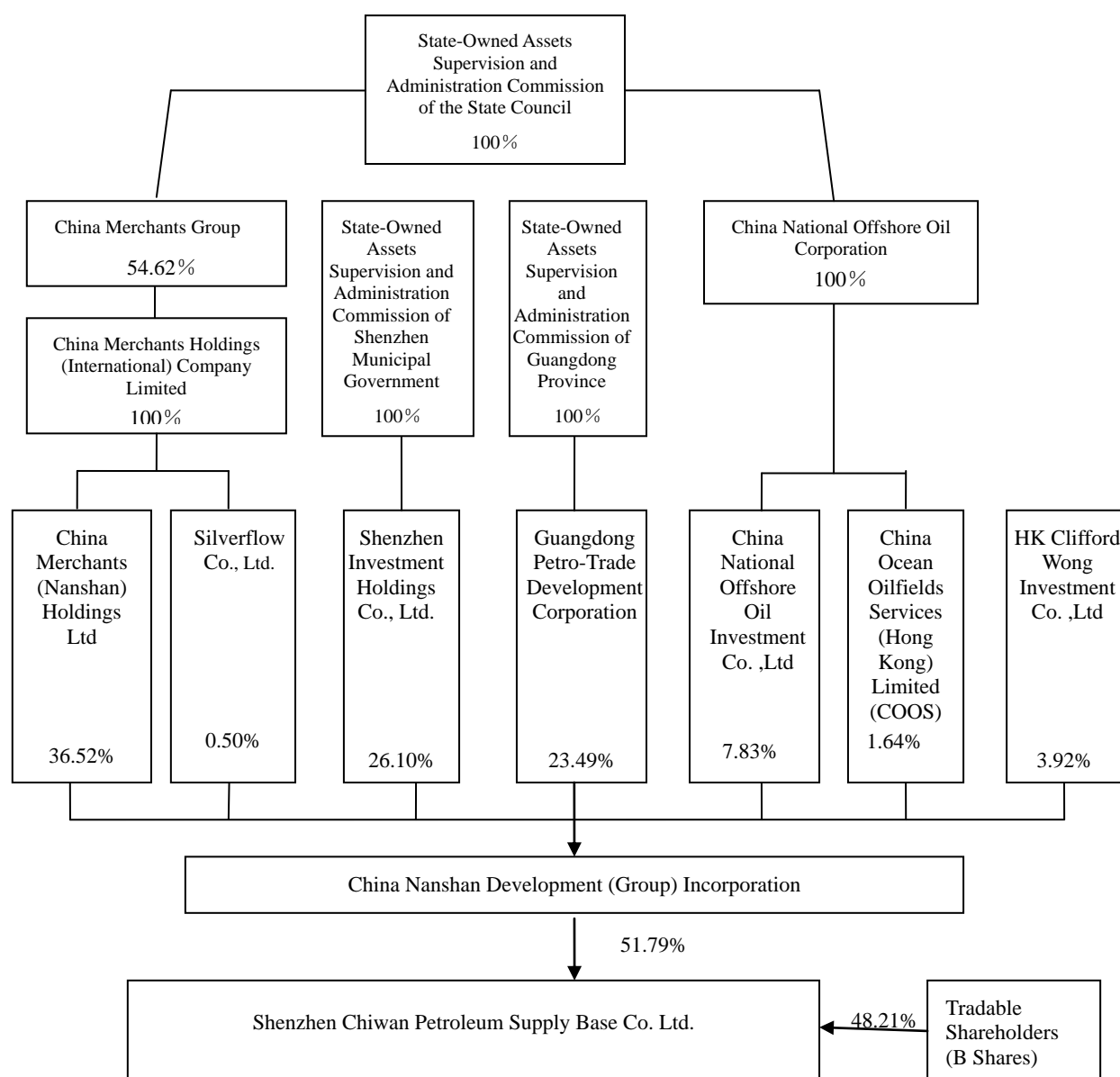
| Total shareholders at the end of reporting period | 7,037                    | Total number of shareholders 5 trading day before annual report disclosure dated | 7,037             |                     |                           |         |
|---|--------------------------|--|-------------------|---------------------|---------------------------|---------|
| Top Ten Common Shareholders                       |                          |  |                   |                     |                           |         |
| Name  | Nature                   | Ratio (%)  | Total shares held | Non-tradable shares | Impawned or Frozen Shares |         |
|   |                          |  |                   |                     | Status                    | Shares  |
| CHINA NANSHAN DEVELOPMENT (GROUP) INCORPORATION   | Domestic Legal Person    | 51.79%   | 119,420,000       | 119,420,000         | -                         | 0       |
| China Logistics Holding(12) PTE.LTD.              | Foreign Legal Person     | 19.90%   | 45,890,000        | 0                   | -                         | Unknown |
| CHINA MECHANTS SECURITIES (HONGKONG) LTD          | State-owned Legal Person | 1.46%  | 3,361,068         | 0                   | -                         | Unknown |
| MATTHEWS CHINA DIVIDEND FUND                      | Foreign Legal Person     | 0.81%  | 1,861,968         | 0                   | -                         | Unknown |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED         | Foreign Legal Person     | 0.55%  | 1,275,742         | 0                   | -                         | Unknown |
| GREENWOODS CHINA ALPHA MASTER FUND                | Foreign Legal Person     | 0.43%  | 984,693           | 0                   | -                         | Unknown |
| DEUTSCHE BANK AG LONDON                           | Foreign Legal Person     | 0.36%  | 833,136           | 0                   | -                         | Unknown |
| VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND     | Foreign Legal Person     | 0.33%  | 756,136           | 0                   | -                         | Unknown |
| LI SHU CHUN                                       | Domestic Natural Person  | 0.30%  | 681,720           | 0                   | -                         | Unknown |
| CHINA INT'L CAPITAL CORP HONG KONG                | Foreign Legal Person     | 0.27%  | 631,089           | 0                   | -                         | Unknown |

|   |  |   |  |  |  |  |
|---|--|---|--|--|--|--|
| SECURITIES LTD  |  |   |  |  |  |  |
| Explanation for the Affiliated Relations or United Action of the Top Ten Shareholders |  | Among the top ten shareholders, the domestic legal entity shareholder, China Nanshan Development (Group) Incorporation has no affiliated relations with other shareholders and does not fall into the scope of united action person stipulated by “Regulation of Information Disclosure of the Change of Shareholding of listed company”. It is unknown that whether other tradable-share shareholders fall into the scope of united action person. |  |  |  |  |

### (3) Top Ten Preferred Shareholders

Inapplicable

### (4) Chart of Actual Controller and the Company



### 3. Business Discussion and Analysis

The Company's main business scope includes providing oil logistics support services for oil exploration, development and production in the eastern South China Sea; logistics park service for warehousing, distribution, supply chain management, logistics finance, equipment leasing by controlling subsidiaries; offshore engineering service for structure design, fabrication and maintenance by associated companies.

By means of optimizing management, marketing, developing projects, HR and etc, the Company has achieved revenue of RMB 713 million in 2014, an increase of 3.1% and net profit attributed to shareholders of listed company of RMB 219 million, an increase of 7% compared with last year respectively.

## (1) Major Finance data change

Unit: RMB

|   | Reporting Period | Last Period     | Year over Year change (%) |
|---|------------------|-----------------|---------------------------|
| Operating Revenue                         | 712,958,603.26   | 691,832,626.47  | 3.05%                     |
| Operating Cost                            | 259,661,927.23   | 252,860,477.85  | 2.69%                     |
| Sale Expense                              | 423,872.43       | 1,108,956.18    | -61.78%                   |
| Management Expense                        | 95,231,275.15    | 89,099,231.46   | 6.88%                     |
| Finance Expense                           | 146,278,726.91   | 146,367,084.19  | -0.06%                    |
| Income Tax                                | 51,731,039.46    | 53,322,779.56   | -2.99%                    |
| Net Cash flow from Operating              | 414,370,760.05   | 434,087,958.45  | -4.54%                    |
| Net Cash flow from Investment             | -399,258,358.37  | -754,851,499.73 | 47.11%                    |
| Net Cash flow from Financing              | 60,491,280.41    | -274,609,177.57 | 122.03%                   |
| Net increase in cash and cash equivalents | 75,423,491.55    | -593,443,770.69 | 112.71%                   |

Note to the year-on-year change of the relevant data by over 30%

Sale expense decreased mainly due to the decreased actual intermediary costs;

Net cash flow from Investment increased mainly due to withdrawal of financial products principals;

Net cash flow from financing/Net increase in cash and cash equivalents increased mainly due to newly added borrowings and withdrawal of financial products principals.

## (2) Main Business

Unit: RMB

|                                | Operating Revenue | Operating Cost | Gross Profit Rate (%) | Operating Revenue Change over the Same Period of Last Year (%) | Operating Cost Change over the Same Period of Last Year (%) | Gross Profit Rate Change over the Same Period of Last Year (%) |
|--------------------------------|-------------------|----------------|-----------------------|--|---|--|
| By Industries                  |                   |                |                       |  |   |  |
| Warehouse and Storage          | 459,420,777.75    | 165,537,486.60 | 63.97%                | 4.27%  | 4.78%   | -0.17%   |
| Loading and Unloading Services | 118,875,200.46    | 45,155,722.90  | 62.01%                | 16.46%   | 11.44%  | 1.71%  |

|                          |                |                |        |         |        |        |
|--------------------------|----------------|----------------|--------|---------|--------|--------|
| Harbor Management        | 65,928,619.94  | 15,751,307.76  | 76.11% | -18.47% | 4.33%  | -5.22% |
| Office Leasing and Other | 59,813,106.22  | 30,328,955.61  | 49.29% | 11.90%  | 14.80% | -1.29% |
| By Regions               |                |                |        |         |        |        |
| South China              | 361,044,737.62 | 142,721,255.87 | 60.47% | -0.03%  | 6.69%  | -2.49% |
| East China               | 199,280,506.62 | 56,038,476.28  | 71.88% | 11.34%  | 2.88%  | 2.31%  |
| North China              | 81,544,922.53  | 28,723,323.05  | 64.78% | -7.06%  | 0.06%  | -2.50% |
| Southwest China          | 62,167,537.60  | 29,290,417.67  | 52.88% | 26.62%  | 26.99% | -0.14% |

### (3) The business and performance analysis of the Company's main subsidiaries and joint ventures

#### Offshore Oil Logistics Business

Under the severe domestic and international economic situation which influenced by international lasting fall of oil prices, rising labor costs, clients evacuation and reducing operation, the Company has taken measures such as innovating management, updating technology transform and service, strengthening heavy parts operation and deep-water service ability and controlling cost to meet expected goals at the beginning of the year. In 2014, offshore oil logistics business achieved operating revenue of RMB 340 million, decreasing by 2.99% and net profit of RMB 147 million, decreasing by 1.88% compared with last year respectively.

#### Blogis Business

Blogis companies have achieved good performance in reporting period. The storage price of operating Blogis companies slightly increase. By strengthening core customers' management, prompting extension business and standard operating procedures, the quality and efficiency of service has been improved and cooperation with clients has been strengthened.

#### Main Operating Index of Blogis

Unit: RMB Million

| Parks              | Revenue | Net Profit | Occupation Rate (%) | Revenue Growth (%) | Net Profit Growth (%) |
|--------------------|---------|------------|---------------------|--------------------|-----------------------|
| Shanghai Baowan    | 89.34   | 53.72      | 100.0               | 105.6              | 140.8                 |
| Shanghai Mingjiang | 53.38   | 26.84      | 100.0               | 116.1              | 108.4                 |
| Kunshan Baowan     | 53.39   | 25.00      | 100.0               | 110.4              | 124.5                 |
| Langfang Baowan    | 26.12   | 8.38       | 83.8                | 77.0               | 74.1                  |
| Tianjin Baowan     | 55.43   | 21.32      | 93.6                | 103.0              | 106.0                 |
| Xindu Baowan       | 20.11   | 5.80       | 90.2                | 104.1              | 122.1                 |
| Longquan Baowan    | 42.06   | 12.64      | 96.4                | 141.2              | 184.0                 |
| Guangzhou Baowan   | 11.16   | 0.76       | 92.0                | 148.2              | -                     |
| Shenzhen Baowan    | 18.65   | 2.54       | 87.1                | 102.7              | 105.9                 |

Note: The net profit of above-mentioned subsidiaries excludes interest expenses influence.

Note to the year-on-year change of the relevant data by over 30%

Revenue and net profit of Longquan Baowan increased mainly due to newly operation of Phase III and growth of

distribution business.

Revenue of Guanzhou Baowan increased mainly due to newly operation for Plot A in December, 2014.

Revenue of Shanghai Baowan increased mainly due to lease price increase and extension service growth. Change in net profit was mainly affected by income tax collection approach. Eliminated income tax influence, net profit of Shanghai Baowan increased by 1.69% with good profitability.

#### **Offshore Engineering and other**

CSE: The Company holds 32% stake. CSE contributed an investment income of RMB 57.88 million to the Company in 2014, decreasing by 4.7% compared with last year.

CPEC: The Company holds a 20% stake. Influenced by investment adjustment, the deficit of CPEC is RMB 1.33 million in 2014, which affected investment income of RMB -0.27million to the Company.

China Development Finance Limited: The Company holds 20% stake. It contributed an investment income of RMB 4.1 million to the Company in 2014.

#### **(4) Project Construction Development**

Guangzhou Baowan Plot A: The constructions of four 3-floor warehouses, one office building and ancillary buildings with an area of 133,000 m<sup>2</sup> have been completed and put into use.

Chengdu Longquan Baowan Phase III: The construction of two warehouses with an area of 48,000 m<sup>2</sup> has been completed and put into use.

Nanjing Baowan: The construction of seven warehouses and one multiple-used building with an area of 107,000 m<sup>2</sup> has been completed and put into use.

Nantong Baowan Phase I: The construction of four warehouses and two multiple-used buildings with an area of 46,700 m<sup>2</sup> has been completed and put into use.

Wuhan Baowan: The project plans to construct eight warehouses and one multiple-used building with an area of 177,000 m<sup>2</sup> in two phases. Phase I is under the final stage, which has completed construction of six warehouses with an area of about 140,000 m<sup>2</sup> and main body for one multiple-used building.

Chiwan Base Eastern Highland Project: Both construction of two new warehouses located Land A with an area of 12,000 m<sup>2</sup> and office building expansion in Land B with an area of 1,000 m<sup>2</sup> have been completed. One new warehouse with an area of 4,800 m<sup>2</sup> has been completed construction and delivered for decoration..

Tianjin Bingang Baowan: The ground treatment works have been completed and design and working plan adjustment also finished. The project is on the stage of construction bidding.

Wuxi Baowan: The constructions of five warehouses and one multiple-used building with an area of 118,000 m<sup>2</sup> are expected to complete and put into use in March 2016, which soft ground treatment has been completed. The project is prepared for main body construction.

Zhenjiang Baowan: The construction of nine warehouses and one multiple-used building with an area of 148,000 m<sup>2</sup> is expected to complete and put into use in April 2016, which ground treatment has been completed. The project is prepared for main body construction.

## **4. Related Issues of Financial Report**

### **(1) Adjustment of Accounting Policy, Accounting Estimation and Accounting Method Compared with 2013 Annual Report**

In 2014, the Ministry of Finance revised and issued eight new standards of Accounting Standard for Business Enterprises on a large scale, involving Accounting Standard for Business Enterprises No.2–Long-term Equity Investments (CAS 2), Accounting Standard for Business Enterprises No.9–Employee Benefits (CAS 9), Accounting Standard for Business Enterprises No.30–Presentation of Financial Statements (CAS 30), Accounting Standard for Business Enterprises No.33–Consolidated Financial Statements (CAS 33), Accounting Standard for Business Enterprises No.37–Presentation of Financial Instruments (CAS 37), Accounting Standard for Business Enterprises No.39–Fair Value Measurement (CAS 39), Accounting Standard for Business Enterprises No.40–Joint Arrangements (CAS 40) and Accounting Standard for Business Enterprises No.41–Disclosure of Interests in Other Entities (CAS 41).

The Company has performed above mentioned new accounting standards since July 1, 2014 required by Finance Ministry. There is no need to adjust opening balance items and amount. Therefore, this adjustment of accounting policy has no significant impact on financial statements of the Company.

### **(2) Necessary Retrospective Restatement for Significant Correction of Accounting Errors during the Report Period**

Inapplicable

### **(3) Adjustment Illustration of Consolidated Statement Scope Compared with Financial Report for 2013**

11 new subjects are combined into consolidated statement as follows:

Baowan Logistic Feidong Co., Ltd., Xi'an Baowan International Logistic Co., Ltd., Xianyang Baowan International Logistic Co., Ltd., Qingdao Jiaozhou Baowan International Logistic Co., Ltd., Changzhou Baowan Logistic Co., Ltd., Wuxi Blogis Co. Ltd., Zhenjiang Shenjidi Warehouse Co.,Ltd., Jiaxing Baowan Logistic Co., Ltd., Jiangyin Baowan International Logistic Co., Ltd., Blogis ( Hongkong ) Limited, China Huitong (H.K.) Limited.



**(4) Board of Directors and Supervisors' Statement to the Unqualified Auditor's Report Issued by the CPAs**

Inapplicable

Board of Directors

Shenzhen Chiwan Petroleum Supply Base Co., Ltd.

March 12, 2015