

# SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

## THE ABSTRACT OF INTERIM REPORT FOR YEAR 2015

### I. Important Notice

1. This abstract of interim report is extracted from the full text of interim report for year 2015 which is published on [www.cninfo.com.cn](http://www.cninfo.com.cn) or website of Shenzhen Stock Exchange designated by CSRC simultaneously. Investors shall read the full text carefully for the details.

### 2. Company Profile

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

### II. Major Financial Data and Change of Shareholders

#### 1. Major Financial Data

Unit: RMB

|  | Reporting Period<br>(Jan to June,<br>2015) | Last Period (Jan to June, 2014) |                  | Change (%)       |
|--|--|---------------------------------|------------------|------------------|
|  |  | Before Adjustment               | After Adjustment | After Adjustment |
| Operating Revenue  | 307,119,072.68                             | 350,271,977.64                  | 350,271,977.64   | -12.32%          |
| Net Profit Attributed to Shareholders of Listed Company                    | 42,629,933.48                              | 119,725,120.29                  | 119,297,642.25   | -64.27%          |
| Net Profit Net of Non-recurring Gain and Loss Attributed to Listed Company | 39,523,619.59                              | 115,952,266.09                  | 115,524,788.05   | -65.79%          |
| Net Cash Flows from Operating Activities                                   | 123,934,017.49                             | 136,559,887.41                  | 136,698,714.62   | -9.34%           |
| Basic Earnings per Share (RMB/Share)                                       | 0.18                                       | 0.52                            | 0.52             | -65.38%          |
| Diluted Earnings per Share (RMB/Share)                                     | N/A  | N/A                             | N/A              | N/A              |
| Weighted Return on Equity (%)  | 2.49%                                      | 7.81%                           | 7.78%            | -5.29%           |
|  | June 30, 2015                              | December 31, 2014               |                  | Change (%)       |
|  |  | After Adjustment                | After Adjustment | After Adjustment |
| Total Assets   | 5,485,508,376.36                           | 4,832,531,002.44                | 5,389,629,871.81 | 1.78%            |
| Owner's Equity Attributed to Shareholders of Listed Company                | 1,733,099,057.05                           | 1,593,523,154.09                | 1,690,486,032.37 | 2.52%            |

Note:

Blogis (Hongkong) Limited has acquired 100% equity of China Huitong (H.K.) Limited in October, 2014. 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 the first half year of 2014.

## 2. Particulars about Top Ten Common Shareholders

Unit: Share

| Total shareholders in reporting period  | 6,662                    |   |                   |                     |                           |         |
|---|--------------------------|---|-------------------|---------------------|---------------------------|---------|
| Particulars about Shareholders with 5% or above/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 | 1.41%   | 3,244,074         | 0                   |                           | Unknown |
| GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED   | Foreign Legal Person     | 0.84%   | 1,936,493         | 0                   |                           | Unknown |
| CREDIT SUISSE (HONG KONG) LIMITED   | Foreign Legal Person     | 0.83%   | 1,922,108         | 0                   |                           | Unknown |
| MATTHEWS CHINA DIVIDEND FUND  | Foreign Legal Person     | 0.49%   | 1,131,368         | 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%   | 833,536           | 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 |
| 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. |                   |                     |                           |         |
| Remarks on Shareholders Involved in Securities Margin Trading                         |                          | N/A   |                   |                     |                           |         |

## 3. Particulars about Top Ten Preferred Shareholders

☐ Applicable ☒ Inapplicable

## 4. Changes of Controlling Shareholder or Actual Controller

Changes of Controlling Shareholder in the Reporting Period

☐ Applicable ☒ Inapplicable

Changes of Actual Controller in the Reporting Period

☐ Applicable ☒ Inapplicable

### III. Business Discussion and Analysis

In the first half year of 2015, the Company has achieved revenue of RMB 307.12 million, declined by 12.32% and the net profit attributed to the listed Company was RMB 42.63 million, declined by 64.27% compared with same period of last year accordingly. The reasons are as follows:

- Under the severe situation of international lasting fall of oil prices, rising labor costs, clients evacuation and reducing operation, the decline of operation from offshore oil logistics business has resulted in the decline of both operating income and net profit in reporting period.
- Blogis companies are in good operation.

The storage price of operating Blogis companies has kept a slightly growth. To improve customers' stickiness and loyalty, Blogis has taken measures such as promoting establishment of standard operating system, strengthening core customers' management, optimizing the quality and efficiency of service, which would make fine preparation for expanding extended business.

With operation of Nantong Baowan, Nanjing Baowan and Wuhan Baowan, those newly operated logistics parks would make more contribution to the Company in the second half year.

- Investment income has declined generally.

Investment incomes from both CSE and China Development Finance Company have increased slightly compared to the same period of last year. Decrease of financing investment income mainly caused by the decrease of financing funds along with the increase of project construction investment.

- Financing expense has increased. Compared with the same period of last year, RMB 510 million increased for average balance of liabilities with interest; and capitalized expense decreased due to construction-in-progress transferred to fixed assets or investment properties.

#### 1. Changes of Major Financial Data

Unit: RMB

|  | Reporting period<br>(Jan to June, 2015) | Last Period (Jan to<br>June, 2014) | Percentage<br>Change (%) | Reason  |
|--|---|------------------------------------|--------------------------|---|
| Operating Revenue                            | 307,119,072.68                          | 350,271,977.64                     | -12.32%                  |   |
| Operating Cost                               | 140,446,455.32                          | 120,852,155.43                     | 16.21%                   |   |
| Selling Expenses                             | 267,618.01                              | 34,889.70                          | 667.04%                  | Mainly resulted by increased agent fee for newly operated logistics parks   |
| Administrative Expenses                      | 42,341,999.23                           | 40,267,478.44                      | 5.15%                    |   |
| Financial Expenses                           | 78,223,257.17                           | 63,591,023.62                      | 23.01%                   |   |
| Income Taxes Expenses                        | 13,532,146.18                           | 22,563,617.96                      | -40.03%                  | Mainly resulted by decreased total profit from offshore logistics business  |
| Net Cash Flows from<br>Operating Activities  | 123,934,017.49                          | 136,698,714.62                     | -9.34%                   |   |
| Net Cash Flows from<br>Investing Activities  | -164,588,975.62                         | -259,575,374.72                    | -36.59%                  | Cash dividends from CSE decreased by RMB 30 million; expenditure for projects under construction reduced by RMB 250 million; cashflow inflow from financial products decreased by RMB 120 million |
| Net Cash Flows from<br>Financing Activities  | 35,713,148.41                           | 54,311,383.32                      | -34.24%                  | Mainly resulted by decreased bank loans   |
| Net Increase in Cash and<br>Cash Equivalents | -4,907,450.47                           | -69,066,075.49                     | -92.89%                  |   |

No major changes on profit composition or profit resources occurred in reporting period

No future development or planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement.

## 2. Main Business Composition

Unit: RMB

|                                | Operating Revenue | Operating Cost | Gross Profit Rate (%) | Change of Operating Revenue over the Same Period of Last Year (%) | Change of Operating Cost over the Same Period of Last Year (%) | Change of Gross Profit Rate over the Same Period of Last Year (%) |
|--------------------------------|-------------------|----------------|-----------------------|---|--|---|
| <b>By Industries</b>           |                   |                |                       |   |  |   |
| Warehouse and Storage          | 247,343,210.32    | 94,936,553.69  | 61.62%                | 13.79%  | 21.30%   | -2.38%  |
| Loading and Unloading Services | 18,896,934.45     | 15,820,260.25  | 16.28%                | -73.12%   | -24.22%  | -54.02%   |
| Harbor Management              | 6,180,828.04      | 6,975,182.21   | -12.85%               | -81.90%   | -9.04%   | -90.39%   |
| Office Leasing & other         | 34,669,148.26     | 22,714,339.17  | 34.48%                | 21.81%  | 61.75%   | -16.18%   |
| <b>By Regions</b>              |                   |                |                       |   |  |   |
| South China                    | 109,785,442.39    | 71,820,318.98  | 34.58%                | -40.42%   | 2.70%  | -27.47%   |
| East China                     | 118,490,945.40    | 35,602,094.35  | 69.95%                | 22.72%  | 40.68%   | -3.83%  |
| North China                    | 41,369,396.88     | 14,041,291.17  | 66.06%                | -0.45%  | 0.17%  | -0.21%  |
| Southwest China                | 37,444,336.40     | 18,982,630.82  | 49.30%                | 34.32%  | 63.74%   | -9.11%  |

## 3. Business Performance and Analysis of Main Subsidiaries and Associated Companies

### Offshore Oil Logistics Business

In 2015, the operation of offshore oil logistics business is still facing severe pressure, which closely linked with depressed international oil price, uprising labor costs, partly surrender of tenancy etc. Affected by such negative factors, revenue from this sector has declined to RMB 79.03 million by 54.05% and net profit to RMB 11.08 million by 85.52% accordingly compared with the same period of last year.

### Blogis Business

#### Business Performance of Blogis

Unit: RMB '0000

| -                  | Revenue | Net Profit | Occupation Rate (%) | Change (%) |            |
|--------------------|---------|------------|---------------------|------------|------------|
|                    |         |            |                     | Revenue    | Net Profit |
| Shanghai Baowan    | 4,614   | 2,319      | 100.0               | 5.3%       | 5.9%       |
| Shanghai Mingjiang | 2,732   | 1,237      | 100.0               | 4.4%       | -7.8%      |
| Kunshan Baowan     | 2,894   | 1,487      | 100.0               | 9.0%       | 11.1%      |
| Langfang Baowan    | 1,320   | 393        | 91.8                | 2.1%       | -19.1%     |
| Tianjin Baowan     | 2,817   | 1,114      | 100.0               | -1.6%      | -7.9%      |
| Xindu Baowan       | 944     | 330        | 100.0               | -4.9%      | 1.5%       |

|                  |       |       |       |        |         |
|------------------|-------|-------|-------|--------|---------|
| Longquan Baowan  | 2,800 | 1,022 | 95.0  | 56.1%  | 71.8%   |
| Guangzhou Baowan | 2,219 | 633   | 100.0 | 463.2% | 2537.5% |
| Shenzhen Baowan  | 857   | 107   | 91.0  | 2.8%   | 59.7%   |
| Nanjing Baowan   | 759   | 35    | 75.8  | /      | /       |
| Nantong Baowan   | 564   | 92    | 96.1  | /      | 76.9%   |
| Wuhan Baowan     | 286   | -41   | 10.0  | /      | /       |

Note: The net profit of above-mentioned subsidiaries is exclusive of interest expenses.

Note to change of the relevant data by over 30%

Increasing revenue and net profit of Longquan Baowan resulted from newly operation for Phase III and increase of distribution business.

Revenue and net profit of Guangzhou Baowan increased mainly by newly operation for Zone A.

Net profit of Shenzhen Baowan increased by rising costs from warehouse maintenance incurred last period.

Net profit of Nantong Baowan increased by receiving non-operating income incurred last period, which has operated in late of last year.

Nanjing Baowan has operated in late of last year and Wuhan Baowan has operated in early of this year.

### **Associated Companies**

Shenzhen Chiwan Sembawang Engineering Co., Ltd (CSE): The Company holds 32% equity of CSE. CSE has contributed an investment income of RMB 28.81 million to the Company, an increase of 15.42% compared with the same period of last year.

Shenzhen Chiwan Offshore Petroleum Equipment Repair & Manufacture Co., Ltd. (CPEC): The Company holds 20% equity of CPEC. Investment income from CPEC has declined to RMB -0.97 million in reporting period.

China Development Finance Company Limited: The Company holds 20% equity. It contributed investment income of RMB2.79 million to the Company and an increase of 109.77% compared with same period of last year.

## **4. Project Construction Progress**

Phase II for Nantong Baowan: The construction of two warehouses with an area of around 12,000 m<sup>2</sup> has completed and has put into operation in August, 2015.

Tianjin Bingang Baowan: The ground treatment works have been completed. The project is on the stage of general contractor tender currently.

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 be completed and put into use in March 2016, which basic treatment has been completed. The project is under construction for main body.

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 be completed and put into use in April 2016, which basic treatment has been completed. The project is prepared for main body construction.

Qingdao Jiaozhou Baowan: The construction of eight warehouses and one multiple-used building with an area of 177,000 m<sup>2</sup> is expected to be completed and put into use at the end of 2016. The project is under the construction for ground filling and foundation treatment currently.

#### **IV. Related Issues about Financial Report**

##### **1. Changes in Accounting Policy, Accounting Estimation and Way of Accounting in Comparison with the Latest Annual Report**

Inapplicable

##### **2. Retrospective Restatement Necessary for Correction of Significant Accounting Errors during the Reporting Period**

Inapplicable

##### **3. Changes in Range of the Consolidated Statements in Comparison with the Financial Report of the Previous Year**

Newly-established Chengdu Chiwan International Oil & Gas Base Co., Ltd. has been brought into the consolidated statements in reporting period.

##### **4. Notes of the Board of Directors and Supervisory Committee on the Unqualified Auditor's Report Issued by the CPAs in Reporting Period**

Inapplicable

Board of Directors  
Shenzhen Chiwan Petroleum Supply Base Co., Ltd.  
August 31, 2015