Stock code: 200053 **Short form: Chiwan Base -B** **Serial number: 2017-54**

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.
THE ABSTRACT OF INTERIM REPORT FOR YEAR 2017

I. Important Notice

This abstract of interim report is extracted from the full text of interim report for year 2017. Investors should read the interim report from the specified media designated by CSRC to fully understand the Company's business achievements, financial status and future plans.

Statement of objections from Directors, Supervisors and Senior Management

□ Applicable √ Inapplicable

All Directors Have Attended the Board Meeting to Review the Interim Report for Year 2017

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 in the Report Period Reviewed and Approved by the Board Meeting

□ Applicable √ Inapplicable

Preliminary Plan for Profit Distribution to the Preference Shareholders in the Report Period

□ Applicable √ Inapplicable

II. Company Information

1. Introduction

Stock Abbreviation	Chiwan Base B	Stock Code	200053
Stock Exchange	Shenzhen Stock Exchange		
Contact Person and Contact Method	Board Secretary		Securities Representative
Name	Yu Zhongxia		Li Zizheng
Office Address	14F/ Chiwan Petroleum Building, Shekou, Shenzhen		14F/ Chiwan Petroleum Building, Shekou, Shenzhen
Telephone	0755-26694211		0755-26694211
Fax	0755-26694227		0755-26694227
E-mail Address	sa@chiwanbase.com		sa@chiwanbase.com

2. Major Accounting Data

Retroactive Adjustment

□ Yes √ No

Unit: RMB

	Reporting period (Jan to June, 2017)	Last Period (Jan to June, 2016)	Change (%)
Operating Revenue	356,763,898.79	331,048,288.65	7.77%
Net Profit Attributed to Shareholders of Listed Company	11,067,703.47	20,104,453.49	-44.95%

Net Profit of Non-recurring Gain and Loss Attributed to Shareholders of Listed Company	9,585,398.22	19,162,343.58	-49.98%
Net Cash Flows from Operating Activities	141,157,744.09	151,110,099.80	-6.59%
Basic Earnings per Share (RMB/Share)	0.05	0.09	-44.44%
Diluted Earnings per Share (RMB/Share)	0.05	0.09	-44.44%
Weighted Return on Equity（%）	0.62%	1.14%	-0.52%
	June 30, 2017	December 31, 2016	Change (%)
Total Assets	7,945,275,840.90	7,549,041,526.12	5.25%
Owner’s Equity Attributed to Shareholders of Listed Company	1,768,340,263.40	1,756,836,179.91	0.65%

3. Share Capital and Shareholders

Unit: Share

Total Common Shareholders in Reporting Period	5,519	Total Number of Preference Shareholders with Resumed Voting Rights at Period-end (if any)				0
Particulars about 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
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign Legal Person	1.76%	4,053,271	0	-	unknown
CHINA MECHANTS SECURITIES (HONGKONG) LTD	State-owned Legal Person	1.60%	3,684,162	0	-	unknown
Shenwan Hongyuan Securities (H.K.) Limited	Foreign Legal Person	1.20%	2,755,939	0	-	unknown
HUANG YINGBIN	Domestic Natural Person	1.01%	2,336,898	0	-	unknown
YU ZHIXIANG	Domestic Natural Person	0.62%	1,422,339	0	-	unknown
Haitong International Securities Company Limited-Account Client	Foreign Legal Person	0.54%	1,250,005	0	-	unknown
GREENWOODS CHINA ALPHA MASTER FUND	Foreign Legal Person	0.43%	984,693	0	-	unknown
LI WEI	Domestic Natural Person	0.27%	623,000	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				

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

5. Particulars about Top Ten Preferred Shareholders

□ Applicable √ Inapplicable

6. Corporate Bonds

Whether the public issued and listed corporate bonds still traded on the stock exchange, which has not been due or has not been fully paid for on the approval quote date of the interim report...

Yes

(1) Basic Information of the corporate bonds

Name	Abbreviation	Code	Due Date	Bond Balance (RMB 0000)	Interest Rate
2012 Corporate Bonds of Shenzhen Chiwan Petroleum Supply Base Co., Ltd.	12 Chiwan Base Bonds	112140	2019.12.17	57,000	5.78%

(2) Major Accounting Data and Financial Index

	June 30, 2017	December 31, 2016	Change (%)
Asset-liability Ratio	66.84%	65.37%	1.47%
	Reporting period (Jan to June, 2017)	Last Period (Jan to June, 2016)	Change (%)
EBITDA interest protection multiples	2.31	2.36	-2.12%

III. Business Discussion and Analysis

Whether the Company needs to comply with disclosure requirements of special industries

No

The Company achieved operating revenue of RMB 356.76 million, an increase of 7.77%, and net profit attributed to the listed shareholders was RMB 11.07 million, a decrease of 44.95% in the first half of 2017 respectively. The main reasons for differences are as follows:

Income growth mainly stemmed from 5 newly-built logistics parks putting into operation, as well as rising rental price and occupancy rate by some of mature-operating logistics parks.

Decrease of net profit includes the following reasons:

- Increase of operation costs for new-built logistics parks operation: Assets depreciation and property tax payment from newly-operation logistics parks resulted in a sharp increase accordingly.
- Increase of developing and constructing costs for newly-built and constructing projects: amortization of newly-developing parks as obtaining land certificate, and an increase of initial start-up expenses as growing numbers of newly-developing parks

- Increase of financial expenses: with the intensifying development of construction on newly Blogis projects, capital demand and debt financing rose sharply, resulting in interest expenses increased accordingly.
- Adjustment for deferred income tax: due to adjustment of accounting methods, the parent company did not recognize deferred income tax assets in the reporting period, which resulted in an increase of income tax expenses accordingly.

1. Offshore Oil Logistics Business

Under the continuing recession environment of petroleum industry, accompanying severe challenge from offshore oil industry and operation of CNOOC Huizhou Base, offshore oil logistics business for the Company still faced great pressure both in operation and transition of new operation mode. Meanwhile, the Company promoted transformation and upgrading to new industrial park operations aiming as *science and technology innovation, cultural creativity industry*, which is still in the incubation period

Operating revenue of offshore oil logistics business was RMB 70.87 million, an increase of 2.94%, and net profit was RMB 23.27 million, an increase of 78.98% in the first half of 2017 respectively. Reasons for the changes mainly stemmed from decline of operation costs caused by decreasing yard renting and equipment leasing and no income tax accrued.

2. Blogis Business

Operating revenue of Blogis was RMB 278.28 million, increasing by 9.54% and net profit was RMB 41.69 million, decreasing by 13.35% compared with same period last year respectively. Decrease in net profit mainly because of the costs increasing from asset depreciation and property tax payment accrued as a number of new-built parks putting into operation in succession, and land amortization accrued as land acquisition confirmed in reporting period.

<u>Project Development for Blogis in the first half of 2017</u>

In reporting period, the Company has successfully signed investment agreement with local governments including but not limited to Zhangzhou, Hefei Xinzhan, etc., covering land area of 1,037 Mu and transfer contracts of state owned lands including but not limited to Wangcheng, Zhejiang Deqing, etc., covering land area of 373 Mu.

<u>Market Competition Pattern for Blogis in 2017</u>

According to the report from China federation of logistics and purchasing, Prosperity index for China Logistics Industry was 55.8% in June of 2017, reflecting that the logistics industry is in the period of economic expansion. Meanwhile, China Warehousing index in June of 2017 was reported as 52.7%, which in the expansion zone for 16 consecutive months and rebounded last month. From the economic data in the first half of 2017, with the overall economic growth and enhanced consumption level, overall storage industry environment would be better in 2017, and good trend will continue for the overall stability of the logistics industry.

Although storage demand is strong, competition is becoming more severely. With the international tycoon Prologis, as well as newly-entrant representative Cainiao accelerated their layout of logistics parks, high occupancy rate of high-end storage accompany sustainable rising rental price is coming back to stability in recently years. It is expected to face pressure of rental price stagflation and rental rates decline for high-end storage in some areas in next 1-3 years. And market competition would become more partly intensive because of supply surge such as Tianjin, Chengdu Area, Suzhou Area, etc.

3. Offshore Engineering and others

CSE: The Company holds 32% stake. CSE contributed an investment income of RMB 9.78 million to the Company, decreased by 10.52% compared with the same period of last year.

CPEC: The Company holds 20% stake. The investment income from CPEC was RMB -0.36 million in reporting period.

China Development Finance Limited: The Company holds 20% stake. It contributed investment income of RMB 7.6 million to the Company, with an increase of 90% compared with same period of last year with business increase.

4. Project Construction Development

(1) Jiaxing Baowan: Construction of Phase I has completed and put into use in April, 2017. Construction of four warehouses for Phase II, expected to be completed at the end of 2017.

(2) Beijing Baowan: Remoulding of four warehouses has completed and put into use in May, 2017.

(3) Tianjin Bingang Baowan: Construction of two warehouses for Phase I, expected to be completed in December, 2017.

(4) Qingdao Jiaozhou Baowan: The construction of eight warehouses and one multiple-used building, expected to be completed in October, 2017.

(5) Chengdu Oil and Gas Base: The construction of Phase I has completed in the first half of 2017. The construction of three workshops, one building and one dormitory building for Phase II, expected to be completed in March, 2018.

(6) Xi'an Xianyang Baowan: Construction of seven warehouses and one multiple-used building, expected to be completed in January, 2018.

(7) Hefei Feidong Baowan: Construction of three warehouses and one multiple-used building for Phase I, expected to be completed at the end of 2017.

(8) E'zhou Gedian Baowan: Construction of six warehouses, expected to be completed in October, 2017.

(9) Jiangyin Baowan: Construction of five warehouses and one multiple-used building, expected to be completed in June, 2018.

(10) Shaoxing Baowan: Construction of six warehouses and one multiple-used building, expected to be completed in June, 2018.

(11) Xitong Baowan: Construction of six warehouses and one multiple-used building, expected to be completed in June, 2018.

(12) Jiashan Baowan: Construction of eight warehouses and one multiple-used building is at preparatory period.

(13) Xipeng Baowan: Construction of night warehouses and one multiple-used building is at preparatory period.

(14) Luohuang Baowan: Construction of six warehouses and one multiple-used building is at preparatory period.

2. Related Issues of Financial Report

(1) Adjustment of Accounting Policy, Accounting Estimation and Accounting Method Compared with the financial statements during the previous accounting period

□ Applicable √ Inapplicable

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

□ Applicable √ Inapplicable

(3) Adjustment Illustration of Consolidated Statement Scope Compared with the financial statements during the previous accounting period

√ Applicable □ Inapplicable

Three new entities combined into consolidated financial statement as follows:

Huazhong Baowan Logistics Investment Co., Ltd., Wuhan Qingshan Baowan Logistics Co., Ltd, Zhangzhou Baowan Logistics Co., Ltd;
Chanzhou Baowan Logistics Co. Ltd. was cancelled.

Board of Directors

Shenzhen Chiwan Petroleum Supply Base Co., Ltd.

August 30, 2017