

Stock code: 200053

Short form: Chiwan Base -B

Serial number: 2018-13

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

## I. Important Notice

This abstract of annual report is extracted from the full text of annual report for year 2017 which is published on [www.cninfo.com.cn](http://www.cninfo.com.cn) simultaneously. Investors shall read the full text carefully for the details.

Except the following directors, other directors have attended the Board Meeting in person.

Absent Director	Post of the Absent Director	Reason	Authorized Person
Zhuge Wenjing	Vice Chairman	Business Arrangement	Shu Qian
Yu Xiufeng	Independent Director	Business Arrangement	Chen Weijie

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

The Company plans to neither distribute cash dividend to whole shareholders, nor send shares or turn capital reserve into share capital.

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. Main Business of the Company

#### Main Business

- (1) The Company provides both oil logistics support services for oil exploration, development and production in the eastern South China Sea and operation services for industrial parks.
- (2) The Company provides logistics park services for warehousing, distribution, supply chain management, logistics finance, equipment leasing and e-commerce by controlling subsidiaries.

- (3) The Company provides offshore engineering services for structure design, fabrication and maintenance by associated companies.

### Characteristics of Industry Development

#### (1) Offshore Oil Logistics Business

After the fully operation of CNOOC Huizhou Base, it has occupied the majority share of offshore oil logistics market operated by CNOOC. Influenced by continued downturn of oil price and fall of oil developing and production, Chiwan Base faces great operation pressure. But meanwhile, with the acceleration of the construction of the National Free Trade Zones, driven by the national strategy of "The Belt and Road" strategy, and the concept of "Mass entrepreneurship and innovation" continuous deepening, Chiwan Base is rising to a new opportunity for development. New industrial park of "Technological and Cultural Innovation" in Chiwan Park is in layout and planning adjustment.

Chengdu Oil Base is still facing challenging by downturn of oil price and marketing. However, it is also facing new development opportunity benefited by state policies of new energy industry and environmental protection.

#### (2) Warehousing Logistics Services

In the past over ten years, warehousing logistics services developed from nothing rapidly with the overall domestic economic growth and upgrade of consumption level, as well as the rapid development and promotion of e-commerce. However, overall the supply of modern logistics facilities is still lagging behind the growing demand. At present, although warehousing logistics industry still stabilized for the better development, competition is also intensifying. Warehousing logistics industry has become the hot spot investment field for real estate industry, E-commerce industry and other logistic industry. The representatives as Prologis, Goodman, Alibaba and Vanke are still accelerating their layout.. Till now, Blogis takes the leading position in domestic market for operating revenue, operating area etc.

## 3. Major Accounting Data

### (1) Major Accounting Data over the Past 3 Years

Retroactive adjustment

☐ Yes ☒ No

Unit: RMB

	Y2017	Y2016	Change (%)	Y2015
Operating Revenue (RMB)	763,073,957.12	677,791,331.11	12.58%	650,279,516.34
Net Profit Attributed to Shareholders of Listed Company (RMB)	-55,903,583.71	1,918,066.81	-	91,644,920.49
Net Profit Net of Non-recurring Gain and Loss Attributed to Listed Company (RMB)	-59,902,812.74	-1,718,620.58	-	83,094,036.55
Net Cash Flows from Operating Activities (RMB)	380,460,192.67	371,474,731.89	2.42%	332,656,351.44
Basic Earnings per Share (RMB/Share)	-0.24	0.01	-	0.4
Diluted Earnings per Share (RMB/Share)	-	-	-	-
Weighted Return on Equity (%)	-3.23%	0.11%	-3.34%	5.31%
	December 31, 2017	December 31, 2016	Change (%)	December 31, 2015
Total Assets (RMB)	9,329,053,815.28	7,549,041,526.12	23.58%	5,643,956,639.17
Owner's Equity Attributed to Shareholders of Listed Company (RMB)	1,701,648,761.35	1,756,836,179.91	-3.14%	1,754,085,176.85

**(2) Main Financial Index by Quarters**

Unit: RMB

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Operating Revenue	170,278,946.93	186,484,951.86	191,916,977.16	214,393,081.17
Net Profit Attributed to Shareholders of Listed Company	82,409.67	10,985,293.80	-22,237,089.01	-44,734,198.17
Net Profit Net of Non-recurring Gain and Loss Attributed to Listed Company	-639,791.07	10,225,189.29	-22,941,423.02	-46,545,853.05
Net Cash Flows from Operating Activities	62,129,217.52	79,028,526.57	125,363,695.56	113,938,753.02

Any material differences between the financial indicators above or their summations and those which have been disclosed in quarterly or semi-annual reports?

☐ Yes ☒ No

**4. Share Capital and Shareholders****(1) Particulars about Shareholders and Shares Holding for the Common Shareholders and the Preference Shareholders with Resumed Voting Rights**

Unit: Share

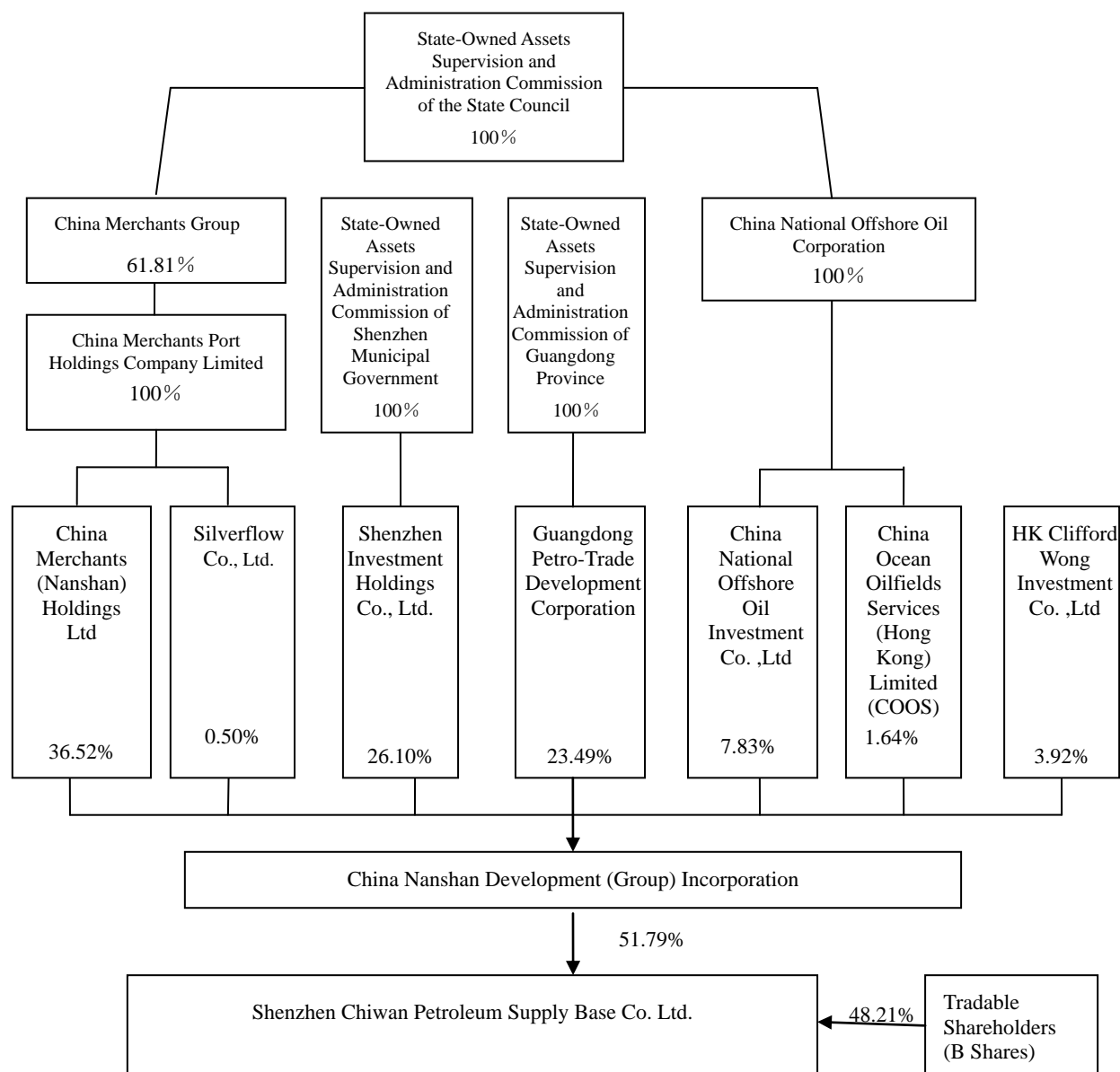
Total Shareholders in Reporting period	5,301	Total Number of Shareholders One Month before Annual Report Disclosure	5,128	Total Number of Preference Shareholders with Resumed Voting Rights at Period-end (if any)	0	Total Number of Preference Shareholders with Resumed Voting Rights at Previous Month-end of this Report's Disclosure (if any)	0
Top Ten Common Shareholders							
Name	Nature	Ratio (%)	Total Shares Held	Non-tradable Shares Held	Impaired 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		-	Unknown	
CHINA MECHANIS SECURITIES (HONGKONG) LTD	State-owned Legal Person	1.66%	3,676,626		-	Unknown	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign Legal Person	1.77%	3,511,056		-	Unknown	
Shenwan Hongyuan Securities (H.K.) Limited	Foreign Legal Person	1.20%	2,725,139		-	Unknown	
HUANG YINGBIN	Domestic Natural Person	1.00%	2,352,398		-	Unknown	
YU ZHIXIANG	Domestic Natural Person	0.60%	1,583,239		-	Unknown	
Haitong International Securities Company Limited-Account Client	Foreign Legal Person	0.53%	1,273,094		-	Unknown	
GREENWOODS CHINA ALPHA MASTER FUND	Foreign Legal Person	0.43%	984,693		-	Unknown	
LI WEI	Domestic Natural Person	0.27%	642,100		-	Unknown	
Statement for the Affiliated Relations or United		Among the top ten shareholders, the domestic legal entity shareholder, China					

Action of the Top Ten Shareholders	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 Top Ten Shareholders Involved in Securities Margin Trading	N/A

## (2) Number of the Preference Shareholders and Top Ten Preference Shareholders

☐ Applicable ☒ Inapplicable

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



## 5. Corporate Bonds

There was the public issued corporate bonds that listed on the stock exchange which neither to expire on the approval quote date of the annual report nor to pay in full amount when expired.

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	55,998.9	5.78%
Situation of the Interest Payment of the Corporate Bonds during the Report Period		On Dec 18, 2016, the Company has paid bonds interests in cash incurred from Dec 17, 2016 to Dec 16, 2017. And also paid up 100,110 "12 Base Bonds" amounted to RMB 10,589,635.80 (including interest), and the remaining custody amount is 5,599,890 ticket.			

## (2) List of the Rating of the Corporate Bonds Information

CCXR maintained the credit rating of "12 Chiwan Base Bonds" of AA+ as well as the credit rating of the main body of the Company of AA with the stable rating outlook.

## (3) Major Accounting Data and Financial Index of the recent 2 years of the Company

Item	Y2017	Y2016	Change (%)
Asset-liability Ratio	61.67%	65.37%	-3.70%
Total Debt Ratio of EBITDA	7.71%	8.64%	-0.07%
Times Interest Earned	0.89	1.35	-34.07%

# III. Business Discussion and Analysis

## 1. Business Discussion in General

The Company achieved operating revenue of RMB 763 million, increasing by 12.58% and net profit attributed to the listed shareholders was RMB -55.90 million compared with last year respectively. At report period, the increase of operating revenue was caused by rising rental price and rental rate for operated parks as well as several newly operated parks. Net profit decreased by the following reasons:

- Decrease of investment income: mainly because impacted by downturn oil industry, operating profit of associated CSE and CPEC decreased greatly, which led to the Company's investment income decline.
- Increase of operation costs for newly-operated parks: mainly effected by depreciation of assets and property tax.
- Increase of developing and constructing costs for newly-built and constructing projects: mainly due to increase of projects under construction and preparation resulting in increase of early start-up costs, land taxes and fees, and depreciation and amortization.
- Increase of financial expenses: mainly because with intensifying development of construction of newly Blogis projects, capital demand and liabilities rose sharply, resulting in interest expenses increased dramatically.

## Offshore Oil Logistics Business

On the stage of transformation and upgrading to new industrial park operation, the Company prompted offshore oil logistics service sector to become a science and technology innovation and culture creativity industrial park. Operating revenue of offshore oil logistics business was RMB 142.45 million, increasing by 0.66% compared with last year correspondingly, as the company strengthened its cost control and asset optimization, the oil logistics business realized a net profit of 39.95 million yuan, up 45.82% from the same period last year.

## Blogis Business

Operating revenue of Blogis was RMB 604.49 million, increasing by 16.56% and net profit was RMB 58.26 million, decreasing by 31.06% compared with last year respectively. Increase of operating revenue mainly was

due to uprising occupancy price, rental level increasing and newly operating parks output. Decrease in net profit mainly was because of increasing costs from asset depreciation and property tax payment accrued as a number of new-built parks putting into operation in succession, land amortization confirmed in reporting period, and increases of interest payments by rising total debt etc.

#### Project Development for Blogis in 2017

In reporting period, the Company has successfully signed investment agreement with local governments such as Fuzhou zhangzhou, Hefei Xinzhan etc., covering an area of about 1,700 Mu and transfer contracts of state owned lands covering an area of about 1,500 Mu such as Changsha Wangcheng, Deqing, etc.

#### Market Competition Pattern for Blogis in 2018

For the warehousing industry environment, with overall economic growth and enhanced consumption level, and driven by ecommerce business, overall storage industry environment would be better in 2018 successively. Although storage demand is strong, competition is becoming more severely. With the representatives as Prologis, Goodman, Alibaba and 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. But market competition would become more intensive partly because of supply surge such as Wuhan, Chengdu Area. Meanwhile, newly-operating parks operated in the end of 2016 and 2017 such as Zhenjiang Baowan, and Qingdao Jjiaozhou Baowan would face challenges in marketing work during market cultivating period.

#### **Offshore Engineering and others**

CSE: The Company holds 32% stake. CSE has affected investment income of RMB -27.07 million decreased by 204.48% compared with the same period of last year, which has resulted by reducing order and rising raw material costs and management costs.

CPEC: The Company holds 20% stake. CPEC has affected investment income of RMB -0.74 million in reporting period.

China Development Finance Limited: The Company holds 20% stake. It contributed investment income of RMB 16.80 million increased by 86.25% compared with same period of last year, which increased by loan and settlement, commercial ticket and rising market rate, etc.

Sichuan Wenxuan Baowan Supply Chains Co., Ltd. The Company holds 40% stake. It has put into operation in July, 2017 with investment income of RMB 13,000.

#### **Project Construction Development**

(1) Jiaying Baowan: Construction of Phase I has completed and put into operation in April, 2017. Construction of four warehouses for Phase II has completed in January, 2018.

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

(3) Qingdao Jiaozhou Baowan: The construction of eight warehouses and one multiple-used building have completed and put into operation partially in December, 2017.

(4) Chengdu Oil and Gas Base: Construction of Phase I has completed and part clients has settled in. The construction of three workshops, one office building and one dormitory building for Phase II has completed in March, 2018.

(5) Hefei Feidong Baowan: Construction of three warehouses and one multiple-used building expected to be completed at the first half of 2018.

(6) Tianjin Bingang Baowan: Construction of five warehouses expected to be completed at the first half of 2018.

(7) Xi'an Xianyang Baowan: Construction of seven warehouses and one multiple-used building expected to be completed at the second half of 2018.

(8) E'zhou Gedian Baowan: Construction of six warehouses expected to be completed at the second half of 2018.

(9) Jiashan Baowan: Construction of eight warehouses and one multiple-used building expected to be completed

at the second half of 2018.

(10) Jiangyin Baowan: Construction of five warehouses and one multiple-used building expected to be completed at the second half of 2018.

(11) Shaoxing Baowan: Construction of six warehouses and one multiple-used building expected to be completed at the second half of 2018.

(12) Xitong Baowan: Construction of six warehouses and one multiple-used building expected to be completed at the second half of 2018.

(13) Deqing Baowan: Construction of four warehouses expected to be completed at the second half of 2018.

(14) Guiyang Konggang: Construction of six warehouses and one multiple-used building expected to be completed at the second half of 2018.

(15) Xipeng Baowan: Construction of ten warehouses and one multiple-used building expected to be completed at the first half of 2019.

(16) Luohuang Baowan: Construction of six warehouses and two multiple-used buildings expected to be completed at the first half of 2019.

(17) Jiabao: Construction of four warehouses expected to be completed at the first half of 2019.

(18) Foshan Sanshui: Construction of seven warehouses expected to be completed at the second half of 2019.

(19) Changsha Yuhua Baowan: Construction of four warehouses and one multiple-used building expected to be completed at the second half of 2019.

## 2. Significant Changes of Main Business

☐ Yes ☒ No

## 3. Situation of Industry Occupying the Company's Business Income and Operation Profit over 10%

☒ Applicable ☐ Inapplicable

Unit: RMB

Name	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 (%)
Warehouse and Storage	615,880,025.09	241,959,122.61	60.71%	11.97%	15.71%	-1.27%

## 4. Seasonal or Periodic Characteristics in the Operation Performance that Need Special Attention

☐ Yes ☒ No

## 5. Significant YOY Changes in the Operating Revenue, Operating Costs and Net Profit Attributed the Common Shareholders or Their Composition

☒ Applicable ☐ Inapplicable

Please refer to III.1 for details.

## 6. The Suspension or Termination of Listing

☒ Applicable ☐ Inapplicable

The application on Shenzhen New Nanshan Holdings (Group) issuing shares to absorb and merge Chiwan Base has approved by CSRC on February 12, 2018.

According to the above mentioned plan, Company's B stock would be terminated listing and delisted from Shenzhen Stock Exchange within 12 months on CSRC's approval, which would be carried out under the approval of SSE.

## 7. Related Issues of Financial Report

### (1) Adjustment of Accounting Policy, Accounting Estimation and Accounting Method Compared with 2016 Annual Report

☒ Applicable ☐ Inapplicable

On May 28, 2017, the group has adopted policy of "accounting standards for enterprises No.42-hold illiquid assets for sale, disposal and termination of business", which was newly issued by the Ministry of Finance in 2017. On June 12, 2017, the group has adopted the policy of "accounting standards for enterprises No.16-government subsidies revised by the Ministry of Finance in 2017. In addition, the financial statements are prepared in accordance with the notice on the revision format of the financial statements of general enterprises (accounting (2017) No.30) issued by the Ministry of Finance on December 25, 2017.

### (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 Financial Report for 2016

☒ Applicable ☐ Inapplicable

9 new subjects are combined into consolidated financial statement as follows:

Huazhong Baowan Logistics Investment Co., Ltd., Wuhan Qingshan Baowan International Logistics Co., Ltd., Zhangzhou Fumei Supply Chains Management Co., Ltd., Zhangzhou Baowan International Logistics Co., Ltd., Sichuan Guanghan Baowan International Logistics Co., Ltd, Blogis Hefei Xinzhan Co., Ltd. Guiyang Shuanglong Baowan Huaye International Logistics Ltd. Fuzhou Baowan International Logistics Ltd. Blogis Supply Chain Management (Wuxi) Co., Ltd.

Changzhou Baowan Logistics Co. Ltd. was deregistered.

Board of Directors

Shenzhen Chiwan Petroleum Supply Base Co., Ltd.

March 31, 2018