



SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

ANNUAL REPORT FOR YEAR 2014

March 2015

PART I Important Notice

The Board of Directors, the Board of Supervisors, directors, supervisors and senior management guarantee that there are no omissions, misstatement or misleading information in this report. They are responsible, individually and jointly, for the authenticity, accuracy and integrity of the information herein.

Except the following directors, other directors attend the Board Meeting.

Absent Director	Post of the Absent Director	Reason	Authorized Person
Mr. Mingzhi Mei	Director	Business Arrangement	Mr. Liu Wei
Mr. Kent Yang	Director	Business Arrangement	Mr. Liu Wei

The Company's proposal on dividend distribution for the year 2014: Based on the number of shares on the record date for dividend distribution, a cash dividend of RMB 1.29 (including tax) will be distributed for every 10 existing shares held.

Mr. Tian Junyan, Chairman of the Board, Ms. Yu Zhongxia, Deputy General Manager & Financial Controller, and Ms. Sun Yuhui, Financial Manager, guarantee the authenticity and integrity of the financial result in this report.

This report is prepared both in Chinese and English languages, when ambiguity occurs in the two versions, the Chinese version shall prevail.

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Definition

Terms to be defined	Refers to	Definition
The Company, Chiwan Base	Refers to	Shenzhen Chiwan Petroleum Supply Base Co., Ltd.
Nanshan Group	Refers to	China Nanshan Development (Group) Incorporation
Blogis Holding	Refers to	Blogis Holding Co., Ltd.
Shanghai Baowan	Refers to	Shanghai Baowan International Logistic Co., Ltd.
Guangzhou Baowan	Refers to	Guangzhou Baowan Logistic Co., Ltd.
Kunshan Baowan	Refers to	Kunshan Baowan International Logistic Co., Ltd.
Tianjin Baowan	Refers to	Tianjin Baowan International Logistic Co., Ltd.
Langfang Baowan	Refers to	Langfang Baowan International Logistic Co., Ltd.
Chengdu Xindu Baowan	Refers to	Chengdu Xindu Baowan International Logistic Co., Ltd.
Chengdu Longquan Baowan	Refers to	Chengdu Longquan Baowan International Logistic Co., Ltd.
Nanjing Baowan	Refers to	Nanjing Baowan International Logistic Co., Ltd.
Tianjin Bingang Baowan	Refers to	Tianjin Bingang Baowan International Logistic Co., Ltd.
Nantong Baowan	Refers to	Nantong Baowan International Logistic Co., Ltd.
Wuhan Baowan	Refers to	Baowan Logistic (Wuhan) Co., Ltd.
Yangluo Baowan	Refers to	Baowan Logistic (Wuhan) Yangluo Co., Ltd.
Shenzhen Baowan	Refers to	Shenzhen Baowan International Logistic Co., Ltd.
Shanghai Mingjiang	Refers to	Mingjiang (Shanghai) International Logistic Co., Ltd.
Shenyang Baowan	Refers to	Shenyang Baowan International Logistic Co., Ltd.
Tianjin Qingwu Baowan	Refers to	Tianjin Qingwu Baowan International Logistic Co., Ltd.
Feidong Baowan	Refers to	Baowan Logistic Feidong Co., Ltd.
Xi'an Baowan	Refers to	Xi'an Baowan International Logistic Co., Ltd.
Xianyang Baowan	Refers to	Xianyang Baowan International Logistic Co., Ltd.
Blogis (Hongkong)	Refers to	Blogis (Hongkong) Limited
Huitong(H.K.)	Refers to	China Huitong (H.K.) Limited
Wuxi Baowan	Refers to	Wuxi Blogis Co. Ltd
Zhenjiang Baowan	Refers to	Zhenjiang Shenjidi Warehouse Co.,Ltd.
Changzhou Baowan	Refers to	Changzhou Baowan Logistic Co., Ltd.
Jiangyin Baowan	Refers to	Jiangyin Baowan International Logistic Co., Ltd.
Qingdao Jiaozhou Baowan	Refers to	Qingdao Jiaozhou Baowan International Logistic Co., Ltd.
Jiaxing Baowan	Refers to	Jiaxing Baowan Logistic Co., Ltd.
CSE/Sembawang	Refers to	Shenzhen Chiwan Sembawang Engineering Co., Ltd
CPEC	Refers to	Shenzhen Chiwan Offshore Petroleum Equipment Repair & Manufacture Co., Ltd. (CPEC)
China Development Finance	Refers to	China Development Finance Company Limited

Important Notice

Impossible risk has been well-described in this report, please find details of risks and countermeasures of future development described in Section IV Report of the Board of Directors.

Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn are the media designated for disclosing our information. All the Company's information is subject to the information disclosed in the aforesaid media as designated.

PART II Corporate Information

I. Company Profile

Stock Abbreviation	Chiwan Base B	Stock Code	200053
Stock Exchange	Shenzhen Stock Exchange		
Company's Name in Chinese	深圳赤湾石油基地股份有限公司		
Company's Short Name in Chinese	深基地 B		
Company's Name in English	Shenzhen Chiwan Petroleum Supply Base Co., Ltd.		
Company's Short Name in English	Chiwan Base		
Legal Representative	Tian Junyan		
Registered Address	Chiwan, Shenzhen		
Post Code	518068		
Office Address	14/F, Chiwan Petroleum Building, Shenzhen		
Post Code	518068		
Website	www.chiwanbase.com		
E-mail	sa@chiwanbase.com		

II. Contact Person and Method

	Board Secretary	Securities Representative
Name	Song Tao	Li Zizheng
Address	14/F, Chiwan Petroleum Building, Shenzhen, PRC	14/F, Chiwan Petroleum Building, Shenzhen, PRC
Telephone	0755-26694211	0755-26694211
Fax	0755-26694227	0755-26694227
Email	sa@chiwanbase.com	sa@chiwanbase.com

III. Information Disclosure

Designated Newspapers for Information Disclosure	Securities Times, Hong Kong Commercial Daily
Website for Information Disclosure	www.cninfo.com.cn
Place Of Regular Reports Prepared For Inquiry	14/F, Chiwan Petroleum Building, Shenzhen, PRC

IV. Changes in Registration

	Date of Registration	Registered Address	Number of Business License	Taxation Registration Number	Organization Code
Initial Registration	February 10, 1984	Chiwan, Shekou, Shenzhen	Qi Gu Yue Shen Zong Zi No. 101031	440300618833899	61883389-9
Registration at the end of the report period	June 19, 2013	Chiwan, Shekou, Shenzhen	440301501124066	440300618833899	61883389-9
Change of Main Business since Listed	N/A				
Change of Controlling Shareholder	N/A				

V. Other Information

Appointed Certified Public Accountants

Name of the CPAs	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Office Address	30/F, Waitan Center, No. 222 Yan'an Road East, Shanghai
Names of the Certified Public Accountants as the signatories	Li Yingjie, Huang Yue

The sponsor performing persistent supervision duties engaged by the Company in the reporting period

Applicable Inapplicable

The financial advisor performing persistent supervision duties engaged by the Company in the reporting period

Applicable Inapplicable

PART III Accounting Data and Financial Indicators

I. Major Accounting Data and Financial Indicators

Unit: RMB

	Y2014	Y2013		Change (%) After Adjustment	Y2012	
		Before 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 Equity (%)	13.84%	15.07%	14.84%	-1.00%	13.23%	13.23%
	December 31, 2014	December 31, 2013		Change (%) After Adjustment	December 31, 2012	
		Before Adjustment	After Adjustment		Before Adjustment	After 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 Attributed to Shareholders of Listed 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.

II. Accounting Difference between Chinese General Accepted Accounting Principal (GAAP) and International Financial Reporting Standard(IFRS)

Applicable Inapplicable

III. Items of Non-recurring Gains & Losses

Applicable Inapplicable

Unit: RMB

Item	Amount in 2014	Amount in 2013	Amount in 2012	Note
Disposal of non-current assets, including the part offset with the provision for impairment of assets	189,620.61	223,146.43	26,800.93	
Government grants recognized in current year's profit or loss (except for the fixed or quantitative government grants closely related to the enterprise businesses according to the national unified standard)	9,686,859.21	4,694,608.73	4,305,837.99	Including government interest and supporting fund for value added tax reform
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination of enterprises under common control	-12,902,949.53			Due to acquirement of Huitong (HK) as a result of business combination of enterprises under common control
Other non-operating revenue and expenditure excluding the above-mentioned items	2,002,874.30	265,188.43	673,808.75	
Less: Influence on income tax	2,969,838.53	1,295,735.90	1,251,611.92	
Amount affected by minority equity (after tax)	-2,040,882.03	12,317.29	652,290.49	
Total	-1,952,551.91	3,874,890.40	3,102,545.26	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering their Securities to the Public – Non-recurring Gains and Losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Inapplicable

PART IV The Report of Board of Directors

I. Overview

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.

II. Analysis of Main Business

1. Overview

The business and performance analysis of the Company's main subsidiaries and joint ventures

Offshore Oil Logistics Business

Under the severe situation of 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.

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 m² have been completed and put into use.

Chengdu Longquan Baowan Phase III: The construction of two warehouses with an area of 48,000 m² 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 m² 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 m² 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 m² in two phases. Phase I is under the final stage, which has completed construction of six warehouses with an area of about 140,000 m² 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 m² and office building expansion in Land B with an area of 1,000 m² have been completed. One new warehouse with an area of 4,800 m² 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 m² 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 m² 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.

The reason of the actual results of the Company is lower or higher by 20% than former publicly disclosed earnings forecast for the year

Applicable Inapplicable

The change of operation mode

Applicable Inapplicable

2. Revenue

Classification	Y 2014		Y 2013		Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Warehouse and Storage	459,420,777.75	64.44%	440,603,925.00	63.69%	4.27%
Loading and Unloading Services	118,875,200.46	16.67%	102,070,501.85	14.75%	16.46%
Harbor Management	65,928,619.94	9.25%	80,866,836.85	11.69%	-18.47%
Office Leasing and Other	59,813,106.22	8.39%	53,453,791.34	7.73%	11.90%
Other	8,920,898.89	1.25%	14,837,571.43	2.14%	-39.88%

Note: The decrease of other revenue resulted from building warehouses for clients last period.

Important orders

Applicable Inapplicable

Important change or adjustment of products or services

Applicable Inapplicable

Main Clients

Total Sales Revenue of Top 5 Clients (RMB)	216,924,967.81
Ratio of Top 5 sales revenue in 2014 (%)	30.43%

Information of Top 5 Clients

Applicable Inapplicable

No.	Client Name	Sales Revenue (RMB)	Ratio of sales revenue in 2014 (%)
1	Shenzhen Weisheng Offshore Oil Technology Co.	61,445,600.61	8.62%
2	Shenzhen Oilfield Engineering Underwater Technology Ltd	52,724,706.15	7.40%
3	Li & Fung Supply Chain Management (China) Co., Ltd.	46,957,445.00	6.59%
4	China Volkswagen	31,597,019.05	4.43%
5	Guangzhou Fengshen Logistics Co., Ltd	24,200,197.00	3.39%
Total	—————	216,924,967.81	30.43%

Information of other Clients

Applicable Inapplicable

3. Costs

Unit: RMB

Industries	2014		2013		Change (%)
	Amount	Ratio (%)	Amount	Ratio (%)	
Warehouse and Storage	165,537,486.60	63.75%	157,981,199.56	62.48%	4.78%

Loading and Unloading Services	45,155,722.90	17.39%	40,518,647.70	16.02%	11.44%
Harbor Management	15,751,307.76	6.07%	15,098,162.53	5.97%	4.33%
Office Leasing and Other	30,328,955.61	11.68%	26,418,443.20	10.45%	14.80%
Others	2,888,454.36	1.11%	12,844,024.86	5.08%	-77.51%

Note: The decrease of costs was mainly due to warehouse construction for customer last period.

Main Suppliers

Inapplicabel

4. Expenses

Unit: RMB

Item	2014	2013	Percentage Change (%)
Sales	423,872.43	1,108,956.18	-61.78%
Administration	95,231,275.15	89,099,231.46	6.88%
Financial management	146,278,726.91	146,367,084.19	-0.06%
Income tax	51,731,039.46	53,322,779.56	-2.99%

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

Sales expense decreased mainly caused by decrease of intermediary fees.

5. Cash Flow

Unit: RMB

Item	2014	2013	Change (%)
Subtotal of Cash Inflows from Operating Activities	789,021,847.18	770,360,137.93	2.42%
Subtotal of Cash Outflows from Operating Activities	374,651,087.13	336,272,179.48	11.41%
Net Cash Flows from Operating Activities	414,370,760.05	434,087,958.45	-4.54%
Sub-total of Cash Inflows from Investing Activities	3,318,693,631.10	3,897,276,682.65	-14.85%
Subtotal of Cash Outflows from Investing Activities	3,717,951,989.47	4,652,128,182.38	-20.08%
Net Cash Flows from Investing Activities	-399,258,358.37	-754,851,499.73	47.11%
Subtotal of Cash Inflows from Financing Activities	773,231,859.98	308,367,659.83	150.75%
Sub-total of Cash Outflows from Financing Activities	712,740,579.57	582,976,837.40	22.26%
Net Cash Flows from Financing Activities	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.

Significant Difference between Cash Flows from Operating Activities and Net Profit in Reporting Period

Inapplicable

III. 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%

Under the circumstance that the statistic specifications for the Company's principal business data experienced adjustment in the report period, the principal business data upon adjustment of the statistic specifications at the end of the report period in the latest year.

Applicable Inapplicable

IV. Analysis on Assets and Liabilities**1. Significant Changes in Assets**

Unit: RMB

	December 31, 2014		December 31, 2013		Change (%)
	Amount	Ratio in Total Assets (%)	Amount	Ratio in Total Assets (%)	
Cash and Cash Equivalents	375,328,861.18	6.96%	299,910,369.63	6.36%	0.60%
Accounts Receivable	53,234,644.64	0.99%	55,359,989.14	1.17%	-0.18%
Inventories	1,054,046.42	0.02%	996,356.55	0.02%	0.00%
Investment Real Estate	1,267,169,209.29	23.51%	904,216,455.40	19.16%	4.35%
Long-term Investment on Stocks	537,962,041.17	9.98%	476,253,695.39	10.09%	-0.11%
Fixed Assets	777,313,197.48	14.42%	516,378,454.46	10.94%	3.48%
Construction-in-progress	300,456,627.34	5.57%	376,158,459.02	7.97%	-2.40%

2. Significant Changes in Liabilities

Unit: RMB

	2014		2013		Change (%)
	Amount	Ratio in Total Assets (%)	Amount	Ratio in Total Assets (%)	
Long-term Loans	390,816,685.64	7.25%	185,443,647.96	3.93%	3.32%
Non Current Liabilities Due within One Year	1,349,351.16	0.03%	311,049,351.16	6.59%	-6.56%

3. Assets and Liabilities Measured at Fair Value

Inapplicable

4. Main Overseas Assets

Inapplicable

V. Analysis of Core Competitiveness**1. Offshore Oil Logistics Business**

As an internationally renowned petroleum logistics service base, the Company has enjoyed nearly three decades history of development course in the Eastern South China Sea with "Chiwan Base" brand great reputation at home and abroad. The Company embraces excellent multiple advantages of industrial supporting factors, high quality and efficient logistics service capabilities, perfect geographic location and so on.

The domestic and international well-known offshore oil companies were offered long term high standard, high quality, and high efficiency logistic services. Along with the national offshore oil business expanding toward deep water, the oil logistics business shall take precaution and prepare in advance to strengthen its competitiveness in shallow-to-deep water comprehensive logistic service, by the aspects of the ongoing advantages, allocation of resources, equipment upgrading, business expanding, skills development and so on, striving to be main logistics base for deep-water exploration in the South China Sea.

Last year is an extraordinary year. International oil prices dropped sharply, which inhibited customer development and production. In addition, operation of CNOOC Huizhou base intensified competition.

2. Blogis Business

It's another core business of the Company's development stagey. Nowadays Blogis service is gradually shaping its logistics network layout all over the country with its leading park scale, well-known industrial brand of logistics parks and rich experience in park development construction and operation management etc. As to price benchmarking, customer resources, service standards, profitability and so on, Blogis plays a leading role in the local logistics market.

As well as developing and building up professional storage facilities, Blogis Holdings provides the settled enterprises with loading and unloading, facilities leasing, product processing, intercity transportation, urban shop distribution, vendor storage handling, logistic finance and other flexible value-added services, which strive to construct advanced supply chain platform with efficient, excellent and safe services to absorb more well-known manufacturers, retailers and logistic partners home and abroad.

Management model, as well-known logistic park developer and operator, Blogis Holdings has formed scientific

standardization processes not only in site selection, planning and design, project construction, but also in the property management and supply chain business cooperation after the operation. And there are numbers of professionals in modern logistics park development and management.

In 2014, with joining of real estate business, e-commerce and real estate funds and other investment, competition of logistics park has intensified. In addition, with the change of national land policy, land development, construction and operation of the standards and requirements of logistics parks will face great challenges.

VI. Analysis on Investment

1. External Investment

(1) External Investment

External Investment		
Investment in 2014 (RMB)	Investment in 2013 (RMB)	Changes (%)
440,987,672.79	500,000,000.00	-11.80%
Particulars of Investees		
Company Name	Main Business	Ratio in the investees' equity (%)
Feidong Baowan	Providing warehouse, loading and unloading services	77.36%
Xi'an Baowan	Providing warehouse, loading and unloading services	77.36%
Xianyang Baowan	Providing warehouse, loading and unloading services	77.36%
Qingdao Jiaozhou Baowan	Providing warehouse, loading and unloading services	77.36%
Wuxi Baowan	Providing warehouse, loading and unloading services	77.36%
Zhenjiang Baowan	Providing warehouse, loading and unloading services	77.36%
Jiaxing Baowan	Providing warehouse, loading and unloading services	77.36%
Changzhou Baowan	Providing warehouse, loading and unloading services	77.36%
Jiangyin Baowan	Providing warehouse, loading and unloading services	77.36%
HK Blogis (Hongkong)	Investment	77.36%
Huitong Huitong (H.K.)	Investment	77.36%

(2) Joint Venture in Finance Enterprise

Name	Category	Initial invest cost (RMB)	Shares Ratio Held in 2014.1.1	Shares Ratio Held in 2014.12.31 (%)	Book Value at 2014.12.31	Gain or Loss	Accounting Subject
China development finance	Other	100,000,000.00	20.00%	20.00%	105,202,034.31	4,096,895.16	Long-term Equity Investment
Total		100,000,000.00	--	--	105,202,034.31	4,096,895.16	--

(3)Securities Investment

Inapplicable

(4)Explanation of Holding Other Listed Companies

Inapplicable

2. Entrusted Financing, Investment in Derivative Products and Entrusted Loan**(1)Entrusted Financing**

Unit: RMB'0000

Trust Party	Connected Transaction	Amount	Beginning Date	Ending Date	Determination of Reward	Actual Revenue in This Report Period	Expected revenue	Actual Revenue
Bank of China	N/A	4,000	2013.8.27	2014.2.17	Cash	4,000	93.44	25.78
	N/A	7,761	2013.9.27	2014.3.20	Cash	7,761	184.99	83.99
	N/A	5,000	2013.10.24	2014.3.20	Cash	5,000	103.71	55.73
	N/A	5,000	2013.10.29	2014.3.27	Cash	5,000	105.12	61.38
	N/A	2,000	2014.2.17	2014.2.26	Cash	2,000	1.13	1.13
	N/A	1,999	2014.2.17	2014.2.28	Cash	1,999	1.51	1.51
	N/A	12,900	2014.3.20	2014.3.31	Cash	12,900	8.94	8.94
	N/A	3,500	2014.4.3	2014.5.4	Cash	3,500	9.79	9.79
	N/A	2,000	2014.7.2	2014.7.9	Cash	2,000	1.07	1.07
Industrial and Commercial Bank of China	N/A	10,000	2014.9.23	2014.10.20	Cash	10,000	28.11	28.11
	N/A	1,000	2013.10.17	2014.2.7	Cash	1,000	12.63	4.82
China Merchants Bank	N/A	10,000	2013.10.17	2014.1.10	Cash	10,000	128.08	15.07
	N/A	5,000	2013.11.7	2014.1.9	Cash	5,000	46.6	6.66
	N/A	7,000	2013.12.2	2014.1.21	Cash	7,000	51.78	21.75
	N/A	10,000	2013.12.16	2014.3.6	Cash	10,000	131.51	106.85
	N/A	7,000	2014.1.7	2014.3.18	Cash	7,000	83.23	83.23
	N/A	2,000	2014.1.13	2014.2.20	Cash	2,000	11.87	11.87
	N/A	13,000	2014.1.14	2014.3.25	Cash	13,000	147.1	147.1
	N/A	5,000	2014.2.1	2014.4.7	Cash	5,000	53.34	53.34
	N/A	2,500	2014.2.8	2014.4.14	Cash	2,500	26.27	26.27
	N/A	2,000	2014.2.24	2014.4.23	Cash	2,000	18.75	18.75
	N/A	4,000	2014.2.27	2014.6.5	Cash	4,000	64.44	64.44
	N/A	10,000	2014.3.7	2014.6.5	Cash	10,000	147.95	147.95
	N/A	2,000	2014.3.13	2014.5.22	Cash	2,000	22.63	22.63
	N/A	3,000	2014.3.18	2014.5.12	Cash	3,000	25.32	25.32
	N/A	6,000	2014.3.21	2014.6.19	Cash	6,000	87.28	87.28
	N/A	6,000	2014.4.1	2014.7.2	Cash	6,000	88.47	88.47
N/A	11,000	2014.4.2	2014.6.3	Cash	11,000	104.63	104.63	

	N/A	4,500	2014.4.4	2014.5.19	Cash	4,500	29.96	29.96
	N/A	5,000	2014.4.9	2014.8.27	Cash	5,000	110.27	110.27
	N/A	6,000	2014.4.18	2014.8.30	Cash	6,000	123.35	123.35
	N/A	5,500	2014.5.4	2014.8.8	Cash	5,500	81	81
	N/A	7,500	2014.5.21	2014.6.4	Cash	7,500	12.23	12.23
	N/A	7,500	2014.6.4	2014.6.25	Cash	7,500	18.33	18.33
	N/A	15,000	2014.6.9	2014.9.22	Cash	15,000	239.49	239.49
	N/A	10,000	2014.6.9	2014.10.17	Cash	10,000	197.67	197.67
	N/A	4,000	2014.6.12	2014.8.29	Cash	4,000	47.87	47.87
	N/A	6,000	2014.7.7	2014.9.30	Cash	6,000	77.54	77.54
	N/A	2,000	2014.7.7	2014.9.24	Cash	2,000	23.81	23.81
	N/A	1,800	2014.7.2	2014.7.30	Cash	1,800	5.86	5.86
	N/A	2,500	2014.7.4	2014.8.1	Cash	2,500	6.71	6.71
	N/A	5,000	2014.7.16	2015.1.7	Cash	-	136.64	131.17
	N/A	4,000	2014.8.5	2015.2.5	Cash	-	112.92	90.82
	N/A	2,800	2014.8.6	2014.12.10	Cash	2,800	34.23	34.23
	N/A	3,200	2014.8.13	2014.11.5	Cash	3,200	41.73	41.73
	N/A	15,000	2014.9.3	2014.11.27	Cash	15,000	188.63	188.63
	N/A	5,000	2014.9.11	2014.11.14	Cash	5,000	46.46	46.46
	N/A	1,500	2014.9.17	2014.9.24	Cash	1,500	1.22	1.22
	N/A	8,000	2014.10.11	2014.12.18	Cash	8,000	77.50	77.50
	N/A	6,000	2014.10.15	2014.12.10	Cash	6,000	39.12	39.12
	N/A	8,000	2014.10.30	2015.3.3	Cash	-	144.04	72.02
	N/A	2,000	2014.10.28	2014.12.3	Cash	2,000	10.45	10.45
	N/A	5,200	2014.10.29	2014.12.10	Cash	5,200	21.64	21.64
	N/A	5,800	2014.10.29	2015.1.31	Cash	5,800	41.92	41.92
	N/A	2,000	2014.11.5	2014.12.17	Cash	2,000	11.73	11.73
	N/A	3,000	2014.11.19	2014.12.17	Cash	3,000	9.78	9.78
	N/A	5,000	2014.11.19	2015.1.22	Cash	-	46.03	30.20
	N/A	5,000	2014.11.28	2014.12.12	Cash	5,000	6.70	6.70
	N/A	10,000	2014.11.28	2014.12.5	Cash	10,000	6.70	6.70
Bank of China	N/A	1,000	2014.7.29	2014.10.31	Cash	1,000	10.3	10.3
	N/A	800	2014.7.29	2014.9.10	Cash	800	3.67	3.67
	N/A	1,000	2014.7.29	2014.10.10	Cash	1,000	8	8
	N/A	2,000	2014.8.6	2014.11.17	Cash	2,000	22.57	22.57
	N/A	800	2014.9.17	2015.1.5	Cash	-	9.64	9.21
	N/A	10,400	2014.12.25	2015.1.6	Cash	-	12.31	7.18
	N/A	HKD 155.61 million	2013.12.31	2014.1.10	Cash	HKD 155.61 million	7.51	7.51
Total	RMB 3,504.60 million; HKD 155.61 million	-	-	-	RMB 3,172.60 million; HKD 155.61 million	3,815.22	3,218.41	
Capital Resource	Short term idle fund							
Unrecovered Principal and Revenue	0							
Board Resolution Disclosure Date	2014.04.24							
Shareholders Meeting Resolution Disclosure Date	2012.06.11							
Shareholders Meeting Resolution Disclosure Date	2013.05.21							

Note:

Types of financial products are break –even financing products.

Financial products have not yet expired at the end of reporting period.

(2) No derivatives investment and entrusted loans during the reporting period.

3. Application of Raised Capital

Inapplicable

4. Analysis of Main Subsidiaries and Investment Companies

Unit: RMB

Company Name	Type	Industry	Main Product or Service	Registered Capital	Total Asset	Net Asset	Operating Revenue	Operating Profit	Net Profit
Shanghai Baowan	Subsidiary	Service	Warehouse, loading and unloading services	160,000,000	278,019,941.58	196,185,780.58	89,342,407.15	57,509,356.97	53,723,710.13
Shenzhen Baowan	Subsidiary	Service	Warehouse, loading and unloading services	34,409,050	60,071,890.65	54,555,780.55	18,652,006.37	3,254,097.83	2,541,406.61
Tianjin Baowan	Subsidiary	Service	Warehouse, loading and unloading services	150,000,000	349,745,313.94	150,152,005.65	55,426,049.19	18,032,648.91	12,920,143.32
Kunshan Baowan	Subsidiary	Service	Warehouse, loading and unloading services	120,000,000	227,612,549.01	126,495,522.11	53,394,224.24	28,148,265.12	21,779,116.48
Langfang Baowan	Subsidiary	Service	Warehouse, loading and unloading services	90,000,000	190,027,693.95	90,622,326.62	26,118,873.34	3,929,710.44	4,141,019.98
Chengdu Xindu	Subsidiary	Service	Warehouse, loading and unloading services	60,000,000	129,004,706.53	54,032,510.63	20,109,940.80	2,641,230.48	2,036,936.88
Chengdu Longquan	Subsidiary	Service	Warehouse, loading and unloading services	100,000,000	280,196,168.36	100,151,944.13	42,057,596.80	7,909,416.90	6,061,092.76
Guangzhou Baowan	Subsidiary	Service	Warehouse, loading and unloading services	150,000,000	435,162,861.14	143,949,496.73	11,159,624.28	-207,674.88	-127,303.48
Shanghai Mingjiang	Subsidiary	Service	Warehouse, loading and unloading services	120,000,000	277,685,788.52	122,846,112.53	53,383,160.14	27,752,611.67	20,798,858.07
Sembawang	Investment Company	Manufacturing	Manufacturing steel products for offshore engineering, etc.	253,386,000	1,436,779,054.20	1,322,657,491.45	782,512,260.81	211,124,442.72	180,869,315.57
CPEC	Investment Company	Service	Providing equipment maintenance services	22,845,500	48,182,206.69	26,988,617.82	68,315,733.31	-1,229,226.19	-1,333,651.81
China Development Finance	Investment Company	Finance	Financial business	500,000,000	2,570,900,405.35	526,010,171.54	61,535,184.39	29,192,191.67	20,484,475.79

Note: Please find Board Report for more details.

Acquisition and Disposal of Subsidiaries in the Reporting Period

√ Applicable □ Inapplicable

Name	Objective of Acquisition and Disposal of Subsidiaries	Method of Acquisition and Disposal of Subsidiaries	Impact on Operation
Feidong Baowao	to expand business of logistics parks	invested by Baowan Holdings (100% equity)	In the preparatory period
Xi'an Lintong Baowan	to expand business of logistics parks	invested by Baowan Holdings (100% equity)	In the preparatory period
Xianyang Baowan	to expand business of logistics parks	invested by Baowan Holdings (100% equity)	In the preparatory period

Qingdao Jiaozhou Baowan	to expand business of logistics parks	invested by Baowan Holdings (100% equity)	In the preparatory period
Wuxi Baowan	to expand business of logistics parks	Blogis (Hongkong) acquired 100% equity of Huitong (HK) from Nanshan (Hongkong), which will hold 100% equity of Wuxi Baowan indirectly	In the preparatory period
Zhenjiang Storage	to expand business of logistics parks	Blogis (Hongkong) acquired 100% equity of Huitong (HK) from Nanshan (Hongkong), which will hold 100% equity of Zhenjiang Storage indirectly	In the preparatory period
Jiaxing Baowan	to expand business of logistics parks	invested by Baowan Holdings (100% equity)	In the preparatory period
Jiangyin Baowan	to expand business of logistics parks	invested by Huitong (HK) (100% equity)	In the preparatory period
Changzhou Baowan	to expand business of logistics parks	invested by Huitong (HK) (100% equity)	In the preparatory period
Blogis (Hongkong)	to expand business of logistics parks and abroad financing	invested by Baowan Holdings (100% equity)	No significant impact
Huitong (HK)	to expand business of logistics parks and abroad financing	Blogis (Hongkong) acquired 100% equity of Huitong (HK) from Nanshan (Hongkong)	No significant impact

5. Important Non-raised Capital's Projects

Unit: RMB '0000

Project	Total Investment	Investment in the report period	Accumulated investment	Progress	Earnings
Chengdu Longquan Baowan	36,100	4,054	29,360	Phase III is in operation	Revenue of RMB 42.06 million and net profit of RMB 12.64 million
Guangzhou Baowan Plot A	48,000	13,901	41,585	Construction completed and in operation	Put into operation in December, 2014 and unprofitable yet
Nanjing Baowan	37,300	11,019	24,182	Construction completed and in operation	Put into operation in December, 2014 and unprofitable yet
Tianjin Bingang Baowan	43,000	193	19,246	Under construction	Under preparation
Wuhan Baowan	54,300	21,216	30,605	Under construction	Under preparation
Nantong Baowan	40,800	8,279	12,826	Construction completed and in operation of Phase I	Put into operation in December, 2014 and unprofitable yet
Wuxi Baowan	36,153	245	13,377	Under construction	Under preparation
Zhenjiang Storage	36,222	2,855	5,544	Under construction	Under preparation
Shenyang Baowan	51,300	60	3,730	Dealing with early preparations	Dealing with early preparations
Yangluo Baowan	21,800	5,483	5,483	Under preparation	Under preparation
Xi'an Baowan	45,000	4,981	4,981	Under preparation	Under preparation
Xianyang Baowan	54,978	5,069	5,069	Under preparation	Under preparation
Qingdao Jiaozhou Baowan	38,000	2,270	2,270	Under preparation	Under preparation
Total	542,953	79,621	198,258	--	--

VII. The expected operating results from January to March, 2015

Alert or notes that accumulated net profit may be loss or occurrence of significant changes compared with last period.

√ Applicable □ Inapplicable

Performance Prediction: Decrease Sharply

	The beginning of the year to the end of the next reporting	Last Period	Decrease? Increase (%)
--	--	-------------	------------------------

	period							
Estimated Accumulative NetProfit (RMB Milloin)	14.30	--	23.84	4,768	Decrease	50	--	70
Basic Earnings (yuan/share)	0.06	--	0.1	0.21	Decrease	50	--	70
Expaination	Net profit decreased mainly caused by reduction of offshore oil exploitation and production and renting of warehouse and yard. In addition, some logistics facilities have just put into operation, which will affect profitability of the Company. This performance predition is unaudited. More details would be published in the First Quaterly Report for 2015. Please be aware of investment risk.							

VIII. Special Purpose Principal under the Control of the Company

Inapplicable

IX. Future Prospect of the Company

1. Competition Pattern and Development Trend

(1) Offshore Oil Logistics Services

The international oil price has kept falling since the second half of last year, which would make offshore oil and oil service companies adjust their oil exploitation plan and reduce production. Meanwhile, with the operation of CNOOC Huizhou production base, and it will bring great impact to operation of the oil logistics services. As to the ongoing competition tensions in the South China Sea oil resources, the Country is bound to intensify efforts to exploit oil and gas resources in the South China Sea, especially on deepwater oil and gas fields, which will enlarge logistic service volume.

(2) Blogis Business

Logistics industry continues to grow in China over the past year. As well, the total social logistics growth maintains growth. The total expense of social logistics increase and service price kept rising.

Competition of warehousing and logistics market still intensified. A lot of real estate agents of logistics and commercial were marching into logistics real estate, which shows the trend of different operation and developing mode.

2. Development Strategy

The Company is committed to be logistic enterprise with outstanding scale logistics parks throughout major cities as well as various logistics services and be industrial leader in domestic petroleum logistics services and integrated logistics services with continuous value creation for customers, shareholders, employees and society.

Offshore oil logistics business: To become a creator and leader of industrial standards of logistics services with full range of deep-water oil logistics service capabilities, constantly upgrading and enhancing shallow-water services to maintain its leadership and competitive advantages of Eastern South China Sea oil and gas exploration and development, to struggle for the market share in other Chinese waters, inland oil and gas fields.

Blogis business: Next three to five years the Company would accelerate the layout of logistics park network, covering main cities all over the country with comprehensive and integrated logistics services system to develop into industrial leading company with core competitiveness of large-scale logistics park network, high-level integrated logistics services.

3. Operation Plan

This year is the key period of China's economic transformation. Logistics development would be impacted greatly with decline of economic growth and adjustment of economy structure. Under such big background, two core business of the Company is facing a complicated situation of development, opportunities and challenges coexisted. In order to realize the goal, the Company will closely around the theme of continuous innovation, focus on business work as follows:

Oil Logistics business: by strengthening management of customer relationship and other measures, to reduce the adverse effects of decreasing international oil prices and operation of CNOOC-Huizhou base;

BLOGIS business: by strengthening customer management and other measures to maintain sustainable development of Blogis.

4. Capital Requirement, Sources of Funds and the Usage Plan

On the premise of normal daily operations, the Company's demanded capital will be applied to land purchase, development and construction of Baowan logistics parks as well as other projects through mergers, acquisition or joint-venture, to ensure the steady development of the Company's main business. The capital demands are planned to resolve by way of equity fund, bank financing and returned funds from scrolling project investments.

5. The Risk and Measures for Future Development

Under the firmness of China's economic long-lasting healthy performance, two core businesses of the Company would be expected to more prosperous in future as well as the challenges and external risks ahead.

Speeding up land acquisition is main foundation to the Company's long-term development. However, under the background of joining of other developing agents and expanding domestic demand for lands, competition for lands will be intensified.

The expansion of business scale along with larger capital requirement could lead to higher asset-liability ratio and debt costs. The coexistence of slowdown in China's economic growth and inflation pressures, combined with the raising cost of elements such as domestic land, labor, construction materials, and fuel would greatly affect on the company profitability.

There is a need for highly-quality talent and competitive salaries and welfares system to realize the strategic targets on the path of company's rapid growing. Combined with the development of internet and financial industry and logistics, the transform of development cooperation of cross-border joint, competition and business mode may likely change the profit mode of logistics industry.

The Company plans to carry out the following measures to achieve future development:

To strengthen immediate study of macro economy, policy trend and industrial development; continue to strengthen centralized management of funds, improve efficiency of funds and reduce financial cost; At the same time actively study and explore diverse financing way; to strengthen the research of extended business, management and incentive mechanism construction; continue to improve leading service management standardization system of the industry; on the basis of guarantee of project quality, to strongly promote progress plan, optimize engineering management cost and explore new mode of project management; to further strengthen the construction and cultivation of talents, establish a training system of capacity improvement.

X. Notes of the Board of Directors on the Unqualified Auditor's Report Issued by the CPAs

Inapplicable

XI. Changes in Accounting Policy, Accounting Estimation and Way of Accounting in Comparison with the Latest 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.

XII. Retrospective Restatement Necessary for Correction of Significant Accounting Errors during the Report Period

Inapplicable

XIII. Changes in Range of the Consolidated Statements in Comparison with the Financial Report of the Previous Year.

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., Jiaying Baowan Logistic Co., Ltd., Jiangyin Baowan International Logistic Co., Ltd., Blogis (Hongkong) Limited, China Huitong (H.K.) Limited.

XIV. Dividend Distribution

Implementation and Adjustment of Dividend and Cash Distribution Policy

Applicable

According to the requirements of the Shenzhen Securities Regulatory Commission and actual situation, 11th Telecommunication Meeting of 6th Board has reviewed and approved the proposal on Revision of Articles of Association, which clearly defined allocation principle and forms of profit distribution, proportion and condition of cash dividends, decision procedures and so on.

During the course of demonstration and revision, independent directors have published independent opinions on argumentation report for returns planning for shareholders. The Company also offered many method such as telephone, email for small shareholders' opinions, which ensured the legitimate rights and interests of small or middle shareholders.

The dividends distribution policy has no changed in reporting period. The dividend distribution scheme complied

with the Articles of Association.

Dividend distribution scheme for last 3 years.

1. Dividends Distribution Plan for 2014: Based on the total shareholders of 230,600,000 dated on December 31, 2014, the Company distributed cash dividend to all shareholders at RMB 1.29 (including tax) for every 10 shares amounted to RMB 29,747,400.00 in total.
2. Dividends Distribution Plan for 2013: The Company has no planned to distribute cash dividend to the whole shareholders.
3. Dividends Distribution Plan for 2012: Based on the total shareholders of 230,600,000 dated on December 31, 2012, the Company distributed cash dividend to all shareholders at RMB 1.01 (including tax) for every 10 shares amounted to RMB 23,290,600.00 in total.

Cash dividend distributions for the last three years

Unit: RMB

Year	Cash Dividends Tax Included	Net Profit Attributed to Shareholders	Ratio of the Net Profit Attributed to Shareholders
2014	29,747,400.00	218,544,184.50	13.61%
2013	0.00	204,249,571.44	0.00%
2012	23,290,600.00	162,182,965.40	14.36%

XV. Distribution of profits and capital reserve capitalization plan for the reporting period

Cash dividends for every 10 shares (yuan) (including tax)	1.29
Equity base	230600000
Total amount of cash dividends	29,747,400.00
Retained Profit	743,258,408.62
Cash dividends accounted for the proportion of the total amount of profit distribution	100%
Cash dividend policy	
More details are published on Demonstration report on returns plan for shareholders disclosed on August 3, 2012.	
Details of dividends distribution or capital fund plan	
The net profit of RMB 238,856,916.91 and net profit of RMB 148,882,226.75 of parent company respectively audited by Deloitte. Based on the total shareholders of 230,600,000 dated on December 31, 2014, the Company plans to distribute cash dividend at RMB 1.29 (including tax) for every 10 shares to all shareholders amounted to RMB 29,747,400.00 in total. The Dividends Distribution Plan is ready for the approval of Board and Shareholders' Meeting.	

XVI. Social Responsibility

Inapplicable

XVII .Reception, Research and Interview in the Report Period

Time	Location	Method	Type of Visitors	Visitor	Topics Discussed
2014.01.20	Conference Room	Field Research	Institute	Cederberg Capital UK LLP	Business operation and development of logistics parks. No documents are provided.
2014.02.18.	Conference Room	Field Research	Institute	Greenwoods Asset Management	Business operation and development of logistics parks. No documents are provided.
2014.06.06	Conference Room	Field Research	Institute	Ping An Securities Company Ltd	Business operation and development of logistics parks. No documents are provided.
2014.06.25	Shanghai	Field Research	Institute	Greenwoods Asset Management	Business operation and development of Shanghai Baowan logistics parks. No documents are provided.
2014.06.27	Conference Room	Field Research	Institute	China International Capital Corporation Limited	Business operation and development of logistics parks. No documents are provided.
2014.07.21	Shanghai Baowan	Field Research	Individual	Mr Ju	Business operation and development of Shanghai Baowan logistics parks.
2014.09.02	Conference Room	Field Research	Institute	Bosera Asset Management Co. Ltd.; China Mechants Secuities Co. Ltd.	Business operation and development of logistics parks. No documents are provided.
Reception Times					7
Reception Institution Time					6
Reception Individual Time					1
Other					0
Whether disclosing undisclosed information					N/A

PART V Significant Events

I. Main Lawsuits and Arbitration Affairs

Applicable Inapplicable

There were no important lawsuit or arbitration affairs.

II. Media Query

Applicable Inapplicable

There was no media query in the report period.

III. Non-operation Oriented Fund Occupancy by the Controlling Shareholder and/or Related Parties

Applicable Inapplicable

IV. Bankruptcy and Recombination

Applicable Inapplicable

V. Assets Transaction

In report period, there is no assets acquisition or sales.

Enterprise Business Combination

Applicable Inapplicable

Please find the details on Other Significant Related Transaction.

VI. Implementation and Influence of Equity Incentives

Applicable Inapplicable

VII. Important Related Transactions

1. Related transactions Involving Daily Operation

Transaction Party	Relationship	Type of Related Transaction	Contents	Pricing Principle	Price (Unit: RMB Million)	Amount (Unit: RMB Million)	Ratio of Same Type of Transaction (%)	Settlement	Market Price (Unit: RMB Million)	Disclosure Date	Disclosure Index
Nanshan Group	Parent Company	Providing Services	Renting Office and Maintenance Services	Market Price	7.63	7.63	23.40%	Bank Settlement	7.63	2014.4.24	Announcement No.2014-12
Nanshan	Parent	Receiving	Renting	Market	7.66	7.66	100.00%	Bank	7.66	2014.4.24	

Group	Company	Services	Land and Building, Receiving Power Supply	Price				Settlement			
Total				--	--	1,529	--	--	--	--	--
Large Amount Return of Goods				N/A							
Necessity of Related transaction				The related transaction is normal business activity and is necessary for the Company's operation. The price is based on market price.							
Influence of the Company's independence				The transaction is approved and disclosed by necessary procedure. It does not damage other shareholders' interest.							

2. Related Transactions of Assets Acquisition and Sales

There were no related transactions of assets acquisition and sales.

3. Important Related Transactions of Joint Investment

There were no important related transactions of Joint Investment.

4. Connected Claims and Liabilities

Did there exist any non-operational related rights of credit and liabilities

Yes No

Related Party	Relationship	Type	Reason	Does there exist non-operation oriented fund occupancy?	Opening Balance(Unit: RMB 0,000)	Incurred Amount (Unit: RMB 0,000)	Ending balance (Unit: RMB 0,000)
Nanshan Group---Long-term Payables	Parent Company	Account Payables	Long-term payables are construction funds of logistics parks paid by Nanshan Group	No	21,201	3,941	25,142
Nanshan Group---Other Non-current Liabilities	Parent Company	Account Payables	Other non-current liabilities are borrowings from Nanshan Group in 2011, in which RMB 650 million for logistics parks construction and RMB 50 million for daily operation.	No	70,000	0	70,000
Nanshan Group---Other Non-current Liabilities	Parent Company	Account Payables	Other non-current liabilities are borrowings from Nanshan Group for logistics parks construction	No	0	30,000	30,000
Nanshan Hongkong---Other Non-current Liabilities	Under common control	Account Payables	Other non-current liabilities are Huitong (HK)'s borrowings from Nanshan Hongkong for construction of Wuxi and Zhenjiang logistics parks	No	0	21,000	21,000

5. Other Important Related Transaction

(1) Related Transaction on Entrusted construction of warehouse located in Block C of H zone with Chixiao Engineering

Approved by 3th Session of 7th Board of Directors, the Company agreed to choose Chixiao Engineering Construction Co. (a wholly owned subsidiary of Nanshan Group) to contract construction of one floor warehouse located in Block C of H zone with expense of RMB 9.70 million. Currently construction has completed.

(2) Related Transaction of Financial Services Agreement with China Development Finance Company, Ltd

Approved by 2nd Session of 7th Board of Directors and the Second Extraordinary shareholder's Meeting in 2013, the Company agreed to sign on Finance service agreement with Finance Company for the following 3 years. The

highest balance for the Company and its subsidiaries is within 1 billion RMB per day, while the deposit should stand no more than 30% of the Finance company. The comprehensive credit line offered by the Finance company is 1 billion RMB for the Company and its branches.

In report period, the Company and China Development Company have signed the above mentioned agreement. Meanwhile the Company has posted Risk Assessment Report for China Development Company in every quarter, which states there is no significant defect on risk management. At the end of report period, the Company has deposit of RMB 89.0778 million and no loan from China Development Company.

(3) Related Transaction of Borrowing RMB 310 million from CNDI

The 6th Tele-communication Meeting of 7th Board of Directors has approved proposal on borrowing loan of RMB 310million loan from Nanshan Group. On July 3, 2014, the Company has borrowed RMB 300 loan from CNDI with estimated interest expense of RMB 16.5 million.

(4) Related Transaction of Blogis (Hongkong) acquirement 100% equity of Huitong (HK)

Approved by The 9thTele-commuication Meeting of 7th Board of Directors, Blogis (Hongkong) has acquired 100% equity of Huitong (HK) with price of Hk\$ 1, which the Companywill hold 100% equity of Wuxi Baowan and Zhenjiang Baowan indirectly. Such enterprise Business combinations have completed with total profit of RMB -15,799,615.54 yuan.

(5) Related Transaction of Borrowing RMB 210 million from Nanshan (Hongkong) by Huitong (HK)

The 10thTele-commuication Meeting of 7th Board of Directors has approved proposal on borrowing loan of RMB 210 million from Huitong (HK). In December, 2014, the Company has borrowed RMB 110 million and RMB100 million from Nanshan (Hongkong) respectively with estimated interest expense of RMB 11.76 million.

(6) Related Transactions of Entrusted Operation of Hefei Logistics Park

Hefei Baowan international logistics center was invested by Nanshan Group, which is positioned as an international logistics business complex.It includes warehousing and logistics park, international exhibition and trade center of high-end goods, logistics base for corporate headquarters etc. The business model of Hefei Baowan is similar to Baowan Holdings. To avoid competition and improve BLOGIS nationwide network layout, approved by the sixteenth tele-commuication of 6th Board of Directors, Baowan holding was entrusted to operate Hefei logistics park until December 31, 2014. The entrusted management term will automatically extend for 1 year if both parites agree. In report period, Baowan Holdings has received management fee amounted to RMB 0.3 million for 2013.

(7)Related Transaction of Steel Structure Containment Contract with Chixiao Engineering of Wuhan Baowan

Approved by 1st Tele-commuication Meeting meeting of 7th Board of Directors and first extraordinary shareholders meeting in 2013, Wuhan Baowan appointed commissioned Chixiao Engineering construction Co., Ltd. on warehouse steel containment contract of Wuhan Baowan with the contract price of RMB 29.32 million. The construction has completed in reporting period.

Disclosure of Important Connected Transaction

Please find the details on Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn

Announcement	Disclosure Date
Resolution Announcement of 3 th session for 7 th Board; Announcement on Related Transaction on Enstrusted construction of warehouse located in Block C of H zone with Chixiao Engineering	2014.04.24
Risk Assessment Report of China Development Company for 1 st Quarter in 2014	2014.04.30
Resolution Announcement of 6 th telecommunication meeting for 7 th Board; Announcement on Related Transaction of Borrowing RMB 310 million from CNDI	2014.06.05
Risk Assessment Report of China Development Company for 2 nd Quarter in 2014	2014.08.30

Resolution Announcement of 10 th telecommunication meeting for 7 th Board; Announcement on Related Transaction of Blogis (Hongkong) acquirement 100% equity of Huitong (HK)	2014.09.30
Risk Assessment Report of China Development Company for 3 rd Quarter in 2014	2014.10.27
Resolution Announcement of 10 th telecommunication meeting for 7 th Board; Announcement on Related Transaction of Borrowing RMB 210 million from Nanshan (Hongkong) by Huitong (HK)	2014.10.27
Resolution Announcement of 16 th telecommunication meeting for 6 th Board; Announcement on Related Transactions of Entrusted with Operation of Hefei Logistics Park	2013.04.24
Resolution Announcement of 1 st telecommunication meeting for 7 th Board; Announcement on Related Transaction of Steel Structure Containment Contract with Chixiao Engineering of Wuhan Baowan	2013.07.05
Announcement of 1 st Extraordinary Shareholders' Meeting in 2013	2013.07.24
Resolution Announcement of 2 nd session for 7 th Board; Announcement on Related Transaction of Financial Services Agreement with China Development Finance Company, Ltd	2013.10.30
Announcement of 2 nd Extraordinary Shareholders' Meeting in 2013	2013.11.21

VIII. Important Contracts and Implementation

1. Custodian, Contracting and Lease

(1) Custodia

See Section V 7 (5), (6)

(2) Contracting and Lease

Inapplicable

There is no contracting or lease of the Company.

2. Guarantee

Unit: '0000

Outward guarantees (excluding guarantee to the subsidiaries)								
Names of Guarantees	Disclosure Date	Guarantee Amount	Date of occurrence (date of agreement execution)	Actual amount of guarantee	Type	Period	Implementation status	Guarantee to related party? (Y/N)
Guarantees to the Subsidiaries								
Names of Guarantees	Disclosure Date	Guarantee Amount	Date of occurrence (date of agreement execution)	Actual amount of guarantee	Type	Period	Implementation status	Guarantee to related party? (Y/N)
Guangzhou Baowan	2013.07.05	20,500.4	2014.04.18	7,138.52	Irrevocable	15 Years	N/A	Y
Nanjing Baowan	2013.07.05	20,113.6	2014.05.28	5,377.23	Irrevocable	15 Years	N/A	Y
Wuhan Baowan	2014.04.24	19,340.0	2014.11.03	78.42	Irrevocable	15 Years	N/A	Y
Baowan Holdings	2012.10.29	60,000.0	2014.09.10	0	Irrevocable	3 Years	N/A	Y
Total guarantee quota to the subsidiaries approved in the reporting period		38,680		Total amount of guarantee to the subsidiaries actually incurred in the reporting		12,594.17		

(B1)		period (B2)	
Total guarantee quota to the subsidiaries approved at the end of the reporting period (B3)	139,294	Total balance of actual guarantee to the subsidiaries at the end of the reporting period (B4)	12,594.17
The Company's total guarantee (i.e. total of the first two main items)			
Total guarantee quota approved in the reporting period (A1+B1)	38,680	Total amount of guarantee actually incurred in the reporting period (A2+B2)	12,594.17
Total guarantee quota already approved at the end of the reporting period (A3+B3)	139,294	Total balance of the actual guarantee at the end of the reporting period (A4+B4)	12,594.17
Actual total guarantee (A4+ B4)/ Net Assets of the Company			7.45%

Notes to Guarantee in Complex Method

Inapplicable

3. Other Significant Contracts

Inapplicable

4. Other Significant Transaction

(1) Xianyang Baowan Logistics Park

Approved by 4th telecommunication meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Beiyuan New City, covering an area of 633 Mu with the initial investment of RMB 549.78 million. To operate and manage the above project, Baowan Holdings has registered Xianyang Baowan International Logistics Co. Ltd. with registration capital of 100 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on February 18, 2014.

(2) Chongqing Jiuongpo Xipeng Baowan Logistics Park

Approved by 4th telecommunication meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Chongqing Xipeng AI Industry Zone, covering an area of 300 Mu with the initial investment of RMB 374.78 million. To operate and manage the project, Baowan Holdings intends to register a new company with the name of Chongqing Xipeng Baowan International Logistics Co., Ltd and registration capital of 100 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on February 18, 2014.

(3) Establishment of Qianhai subsidiary

Approved by 3th Session of 7th of the Board, Baowan Holdings intends to set up new subsidiary in Qianhai with registration capital of RMB 10 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on April 24, 2014.

(4) Extension of Creditline of Purchasing Financial Products

Approved by 3th Session of 7th of the Board, the Company intends to extend creditline of RMB 400 million of purchasing financial products to June 30, 2016.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on April 24, 2014.

(5) Changzhou Baowan Logistics Park

Approved by 7th telecommunication meeting of 7th of the Board, Blogis (Hongkong) intends to invest and construct logistics park in Changzhou Wujing National Hi-tel Development Zone, covering an area of 208.8 Mu with the initial investment of RMB 219 million. To operate and manage the above project, Blogis (Hongkong) has registered Changzhou Baowan Logistics Co. Ltd. with registration capital of USD 36 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on July 2, and December 10, 2014.

(6) Qingdao Jiaozhou Baowan Logistics Park

Approved by 8th telecommunication meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Qingdao Jiaozhou Economic Development Zone, covering an area of 398 Mu with the initial investment of RMB 380 million. To operate and manage the above project, Baowan Holdings has registered Changzhou Baowan Logistics Co. Ltd. with registration capital of RMB 150 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on August 30 and September 24, 2014.

(7) Jiangyin Lingang Baowan Logistics Park

Approved by 8th telecommunication meeting of 7th of the Board, Hongkong Branch of Baowan Holdings intends to invest and construct logistics park in Jiangyin Lingang New Material Industry Zone, covering an area of 372 Mu with the initial investment of RMB 344 million. To operate and manage the above project, Baowan Holdings has registered Jiangyin Baowan International Logistics Co. Ltd. with registration capital of USD 60 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on August 30 and December 10, 2014.

(8) Chengdu Xindu International Oil Technology Service Base

Approved by 9th Telecommunication Meeting of 7th of the Board and 1st Extraordinary Shareholders' Meeting in 2014, the Company intends to invest and construct international oil technology service base in Chengdu Xindu District, covering an area of 1,000 Mu with the initial investment of RMB 1122 million. To operate and manage the above project, the Company intends to register Chengdu International Oil Technology Service Base Development Co. Ltd. with registration capital of RMB 200 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on September 30 and November 17, 2014.

(9) Changsha (Liuyang) Baowan Logistics Park

Approved by 10th telecommunication meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Changsha (Liuyang) Economy Development Zone, covering an area of 337 Mu with the initial investment of RMB 388 million. To operate and manage the above project, Baowan Holdings intends to register Changsha (Liuyang) Baowan International Logistics Co. Ltd. with registration capital of RMB100 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on October 27, 2014.

(10) Jiaxing Baowan Logistics Park

Approved by 11th telecommunication meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Jiaxing Modern Logistics Zone, covering an area of 205 Mu with the initial investment of RMB 272 million. To operate and manage the project, Baowan Holdings intends to register a new company with the name of Jiaxing Baowan Logistics Co., Ltd and registration capital of RMB100 million.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on November 27 and December 10, 2014.

(11) Nanjing (Hi-New) Logistics Park

Approved by 11th telecommunication meeting of 7th of the Board, Huitong (HK) intends to invest and construct logistics park in Nanjing Hi-New Technology Industry Zone, covering an area of 350 Mu with the initial

investment of RMB 415 million. To operate and manage the project, Baowan Holdings intends to register a new company with the name of Nanjing (Hi-New) Baowan International Logistics Co., Ltd and registration capital of 60 million US dollars.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on November 27, 2014.

(12) Zhengzhou Logistics Park

Approved by 11th Telecommunication Meeting of 7th of the Board, Baowan Holdings intends to invest and construct logistics park in Zhengzhou with Qingdao Haier Industry Development Ltd., covering an area of 250 Mu with the initial investment of RMB 300 million. To operate and manage the project, Baowan Holdings intends to register a new company with the name of Nanjing (Hi-New) Baowan International Logistics Co., Ltd and registration capital of RMB 100 million, which Baowan Holdings will take 80% equity and Qingdao Haier take 20% respectively.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on November 27, 2014.

(13) Issuing Offshore RMB Bonds in Hongkong

Approved by 11th Telecommunication Meeting of 7th of the Board and 2nd Extraordinary Shareholders' Meeting in 2014, Huitong (HK) intends to issue offshore RMB bonds in Hongkong within the credit line of RMB 700 million in 3 years. As the end of reporting period, such bonds were not issued yet.

The details were published on Securities Times, Hong Kong Commercial Daily and website of <http://www.cninfo.com.cn> on November 27 and December 17, 2014.

IX. Implementation of commitments

The commitments of the Company or shareholders holding more than 5% occurred during the reporting period but continued before or during the reporting period.

Commitments	Promisee	Content	Beginning	Deadline	Status
Other Commitments	Nanshan Group	to land use	1997-7-18	2022-7-31	On duty
	Nanshan Group	to resolve payment difficulties in opening the Finance Limited	2012-5-11	2017-1-5	On duty
	The Company	to provide regular monthly financial reports to the controlling shareholder	2007-10-25	Long term effective	On duty
	The Company	About the issue of "medium-term notes for 2012" Commitment	2012-3-7	2017-3-6	On duty
	The Company	About the issue of "12 base debt" commitment	2012-12-17	2020-1-8	On duty
fulfill commitments timely	Yes				

X. Engagement/ Disengagement of Certified Public Accountants

Certified Public Accountants currently Engaged

Name	Deloitte Touche Tohmatsu Certified Public Accountants LLP
Remuneration (RMB Million)	1.79

Successive Years Offering Auditing Services	3
Names of the Certified Public Accountants	Li Yingjie, Huang Yue

Has the CPAs been changed in the report period

Yes No

Description of the CPAs, financial adviser or sponsor engaged for internal control auditing.

Applicable Inapplicable

Approved by the 3th Session of 7th Board and Annual General Meeting in 2013, the Company continues to appoint Deloitte Touche Tohmatsu CPA as internal control auditor for 2014 with audit expense of RMB 460,000.

XI. Notes of Supervisory Committee and Independent Directors on the Unqualified Auditor's Report Issued by CPAs.

Inapplicable

XII. Punishment and Rectification

In the report period, there are no directors, supervisor and senior management receiving any kind of punishment from supervisory organizations.

XIII. The Suspension or Termination of Listing

Inapplicable

XIV. Others Significant Events

Inapplicable

XV. Significant event of subsidiaries

Please see this part content of Other Significant Transaction.

XVI. Issuance of Corporate Bonds

On August 23, 2012, CSRC approved the Company to issue a seven-year corporate bond of RMB 570 million. On December 17, 2012, the Company issued the seven-year corporate bond of RMB 570 million with the interest of 5.78%. The interest payment date is on every December 17, 2013-2017. On January 9, 2013, by the agreement of Shenzhen Stock Exchange, the corporate bonds are listed in Shenzhen Stock Exchange with the name of "12 Chiwan Base Corporate Bond" and code of "112140". (Please find the details in the announcement disclosed on January 9, 2012 with the serial No. of 2013-03)

The Company has disclosed the rating report (2014) and entrusted management report for 2013 of 2012 Corporate Bonds.

The Company has paid the bonds interests on December 17, 2013 and 2014 for the Corporate Bonds' accounting period.

PART VI Changes in Capital Stock and Shareholders

I. Changes in Capital Stock

Unit: Share

	Before Changes		Changes in Shares (+, -)					After Changes	
	Shares	Ratio	New Shares Issued	Bonus Shares	Conversion of Reserves to Shares	Others	Subtotal	Shares	Ratio
1.Non-tradable Shares	119,420,000	51.79%						119,420,000	51.79%
a. Promoters' Shares	119,420,000	51.79%						119,420,000	51.79%
Ownership by Domestic Legal Entities	119,420,000	51.79%						119,420,000	51.79%
2.Tradable shares	111,180,000	48.21%						111,180,000	48.21%
B shares	111,180,000	48.21%						111,180,000	48.21%
3.Total	230,600,000	100%						230,600,000	100%

2. Changes of Non-tradable Shares

√ Applicable □ Inapplicable

Unit: Share

Name of shareholder	Non-tradable shares at the beginning of Y2014	Rreleasing non-tradable Shares in the reporting period	Increasing non-tradable shares in the reporting period	Non-tradable shares at the end of Y2014	Restricted reason	Date of releasing non-tradable shares
Fan Zhaoping	8,700			8,700	Senior management locking shares	
Liu Wei	41,925			41,925	Senior management locking shares	
Ren Yongping	67,500			67,500	Senior management locking shares	2015-9-10
Yu Zhongxia	48,887			48,887	Senior management locking shares	
Fu Jialin	53,325			53,325	Senior management locking shares	
Zhang Xiang	48,530			48,530	Senior management locking shares	
Total	268,867			268,867	--	--

Note: After half year of the resignation of director, all the non-treadable shares holding will be released.

II. Issuing and Listing

1. Issuance of securities over the past three years

√ Applicable □ Inapplicable

Issuing Activities over the Past Three Years

Description of stock and its Derivative Securities	Issuing date	Issuing price	Issuing quantity	Listing Date	Quantity approved for listing	Expiration date of transaction
Convertible Corporate Bonds, Detachable Convertible Bond and Corporate Bonds						
2012 Corporate Bonds	2012.12.17	100	570,000,000	2013.1.9	570,000,000	2019.12.17

2. Changes of total shares, shareholders' structure, asset and liability structure

□ Applicable √ Inapplicable

3. Shares holding by employees

□ Applicable √ Inapplicable

III. Shareholders and Actual Controller

1. Particulars about Shareholders and Shares Holding

Unit: Share

Total shareholders in reporting period	7,037		Total number of shareholders 5 trading day before annual report disclosure	7,037				
Particulars about Shareholders with 5% or above /Top Ten Common Shareholders								
Name	Nature	Ratio (%)	Total shares held	Change in the report period	Non-tradable shares	Tradable shares	Impawnd or Frozen Shares	
							Status	Shares
CHINA NANSHAN DEVELOPMENT (GROUP) INCORPORATION	Domestic Legal Person	51.79%	119,420,000	0	119,420,000	0	-	0
China Logistics Holding (12) PTE.LTD.	Foreign Legal Person	19.90%	45,890,000	0	0	45,890,000	-	Unknown
CHINA MECHANTS SECURITIES (HONGKONG) LTD	State-owned Legal Person	1.46%	3,361,068	44,140	0	3,361,068	-	Unknown
MATTHEWS CHINA DIVIDEND FUND	Foreign Legal Person	0.81%	1,861,968	0	0	1,861,968	-	Unknown
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign Legal Person	0.55%	1,275,742	430,062	0	1,275,742	-	Unknown
GREENWOODS CHINA ALPHA MASTER FUND	Foreign Legal Person	0.43%	984,693	984,693	0	984,693	-	Unknown
DEUTSCHE BANK AG LONDON	Foreign Legal Person	0.36%	833,136	833,136	0	833,136	-	Unknown
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Foreign Legal Person	0.33%	756,136	756,136	0	756,136	-	Unknown
LI SHU CHUN	Domestic Natural Person	0.30%	681,720	0	0	681,720	-	Unknown
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Foreign Legal Person	0.27%	631,089	24,700	0	631,089	-	Unknown
Strategic Investors of General Legal Person Become Top Ten Shareholders Due To Share Issued		N/A						

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.		
Top Ten Tradable Shareholders			
Name	Shares Held	Type	
		Type	Shares
China Logistics Holding (12) PTE.LTD.	45,890,000	B	45,890,000
CHINA MECHANTS SECURITIES (HONGKONG) LTD	3,361,068	B	3,361,068
MATTHEWS CHINA DIVIDEND FUND	1,861,968	B	1,861,968
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,275,742	B	1,275,742
GREENWOODS CHINA ALPHA MASTER FUND	984,693	B	984,693
DEUTSCHE BANK AG LONDON	833,136	B	833,136
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	756,136	B	756,136
LI SHU CHUN	681,720	B	681,720
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	631,089	B	631,089
LI MING YA	599,380	B	599,380
Statement on Associated Relationship or Consistent Action among the Above Shareholders	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		

Whether shareholders appointed repurchase transaction during reporting period

Yes No

2. Controlling Shareholder

Name	Legal Representative	Establishing Date	Organization Code	Register Capital	Main Business
China Nanshan Development (Group) Incorporation	Yu Liming	September 28, 1982	61883297-6	RMB 900,000,000	Land development, port service and transportation, as well as related industry, commerce, real estate and tourism and bonded warehouse.
Future development strategy	Focusing on business development and capital increase, becoming a leading group with brand influence.				
Operation result, financial position, cash flow and,etc..	On December 31, 2014, Nanshan Group' unaudited asset is RMB 23.20 billion, net assets is RMB 8.75 billion, operating revenue is RMB 6.79 billion, total profit is RMB 0.5 billion.				
Equity in other domestic and foreign listed companies held by the controlling shareholder by means of control and mutual shareholding in the reporting period	32.52% equity in Chiwan Wharf (000022) and 48.77% equity in Yahgee Modular (002314).				

Change of Controlling Shareholder in the Report Period

Applicable Inapplicable

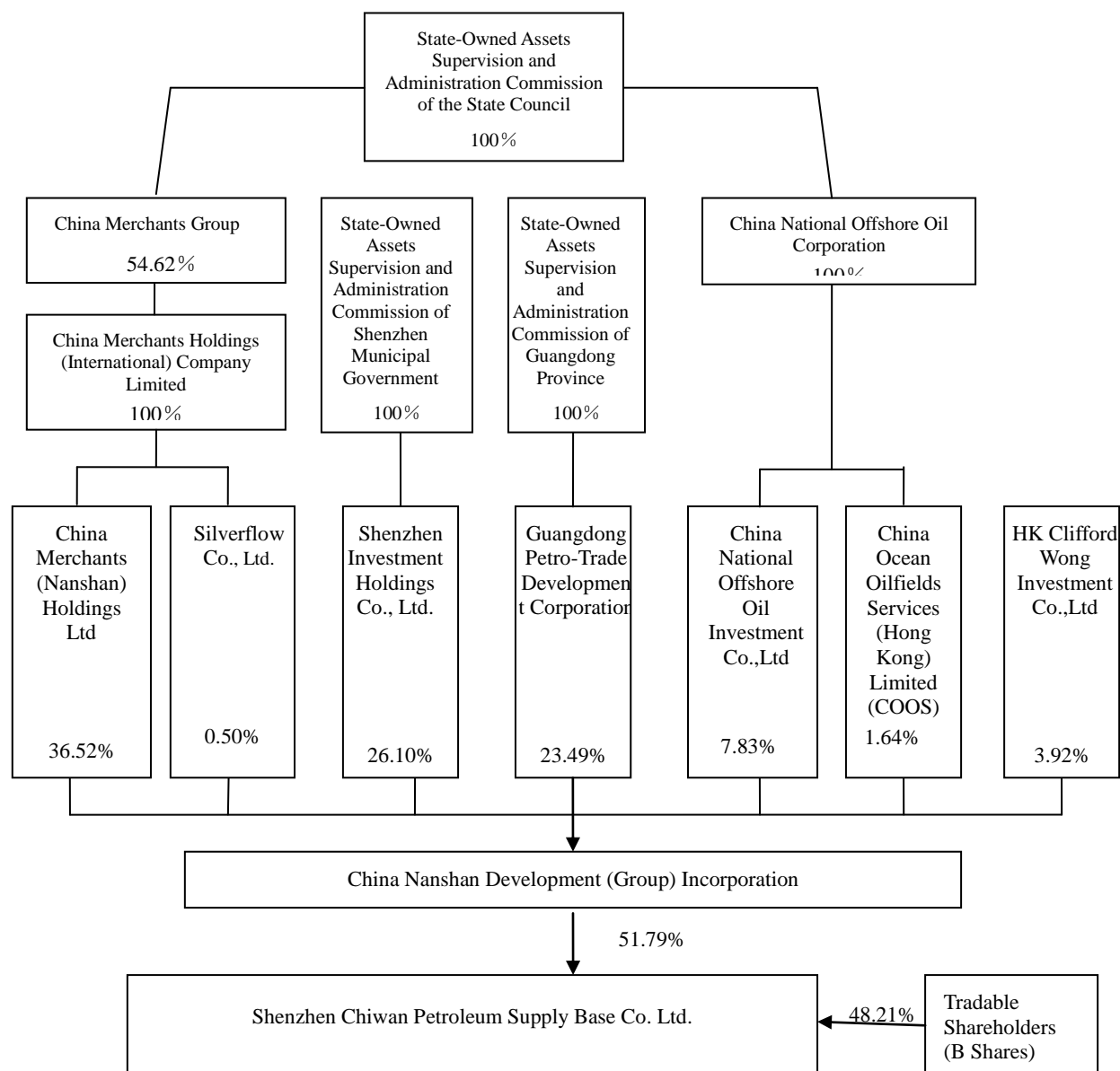
3. Actual Controller

Name	Legal Representative	Establishing Date	Organization Code	Register Capital	Main Business
China Development Incorporation Nanshan (Group)	Yu Liming	September 28, 1982	61883297-6	RMB 900,000,000	Land development, port service and transportation, as well as related industry, commerce, real estate and tourism and bonded warehouse.
Future development strategy	Focusing on business development and capital increase, becoming a leading group with brand influence.				
Operation result, financial position, cash flow and, etc..	On December 31, 2014, Nanshan Group' unaudited asset is RMB 23.20 billion, net assets is RMB 8.75 billion, operating revenue is RMB 6.79 billion, total profit is RMB 0.5 billion.				
Equity in other domestic and foreign listed companies held by the controlling shareholder by means of control and mutual shareholding in the reporting period	32.52% equity in Chiwan Wharf (000022) and 48.77% equity in Yahgee Modular (002314).				

Change of Actual Controller in the Report Period

Applicable Inapplicable

Chart of Actual Controller and the Company



Actual Controller controlled the Company by trust or other asset management method.

Applicable Inapplicable

4. Other shareholders with more than 10% shares

Shareholder's Name	Legal Representative	Establishing Date	Organization Code	Registered Capital	Main Business
CHINA LOGISTICS HOLDING(12) PTE. LTD	SCHUTTE STEPHEN KENT	2010.11.11	201024070N	USD 100	Investment

IV. Submission or Implementation of Increasing Holdings of Shares Scheme by Shareholders and Persons Acting in Concert in the Reporting Period

Applicable Inapplicable

PART VII Particulars about Preferred Share

Applicable Inapplicable

PART VIII Directors, Supervisors, Senior Management and Staff

I. Changes of Shares held by Directors, Supervisors and Senior Management

Name	Position	Office Status	Gender	Age	Starting Date of Tenure	Expiry Date of Tenure	Shares Held on Jan 1, 2014	Increase	Decrease	Shares Held on Dec 31, 2014
Tian Junyan	Chairman	In Office	Male	53	2013.5.	2016.5.	0	0	0	0
Ming Zhi Mei	Vice Chairman	In Office	Male	42	2013.5.	2016.5.	0	0	0	0
Fan Zhaoping	Director	In Office	Male	60	2013.5.	2016.5.	11,600	0	0	11,600
Liu Wei	Director/ GM	In Office	Male	49	2013.5.	2016.5.	55,900	0	0	55,900
Kent Yang	Director	In Office	Male	46	2013.5.	2016.5.	0	0	0	0
Ren Yongping	Director	In Office	Male	62	2013.5.	2015.3.	90,000	0	0	90,000
Shu Qian	Director	In Office	Male	37	2013.5.	2016.5.	0	0	0	0
He Liming	Independent Director	In Office	Male	61	2013.5.	2016.5.	0	0	0	0
Chen Weijie	Independent Director	In Office	Male	63	2013.5.	2016.5.	0	0	0	0
Chen Shujun	Independent Director	In Office	Male	46	2013.5.	2016.5.	0	0	0	0
Yu Xiufeng	Independent Director	In Office	Male	50	2013.5.	2016.5.	0	0	0	0
Zhang Jianguo	Supervisor Convenor	In Office	Male	50	2013.5.	2016.5.	0	0	0	0
Chen Hong	Supervisor	In Office	Male	55	2013.5.	2016.5.	0	0	0	0
Li Hongwei	Supervisor	In Office	Male	46	2013.5.	2016.5.	0	0	0	0
Chen Lei	Supervisor	In Office	Male	38	2013.5.	2016.5.	0	0	0	0
Sun Yuhui	Supervisor	In Office	Male	40	2013.5.	2016.5.	0	0	0	0
Huang Ronghui	Supervisor	In Office	Male	58	2013.5.	2016.5.	0	0	0	0
Wang Jianjiang	Deputy GM	In Office	Male	57	2011.2.	until now	0	0	0	0
Yu Zhongxia	Deputy GM/ Financial Controller	In Office	Female	51	2011.11.	until now	65,182	0	0	65,182
Fu Jialin	Deputy GM	In Office	Male	53	2011.11.	until now	71,100	0	0	71,100
Zhang Xiang	Deputy GM	In Office	Male	50	2014.4.		64,706	0	0	64,706
Song Tao	Board Secretary	In Office	Male	36	2012.3.	until now	0	0	0	0
Total	--	--	--	--	--	--	358,488	0	0	358,488

II. Posts

Work Experience in the Past Five Years of Directors, Supervisors and Senior Management in Current Office

Chairman: Mr. Tian Junyan, master degree in management of Huazhong University of Science and Technology. He was once the associate professor of School of Management of Huazhong University of Science and Technology. Since 1996, he had successively served the posts of manager of research & development department and the Executive Senior Vice President of Nanshan Group. Mr. Tian has been the Company's Director since 2010

May. Now he is the General Manager of Nanshan Group and Chairman of the Seventh Board of Directors of the Company.

Vice Chairman: Mr. MingZhi Mei, has bachelor degree in finance of Indiana University and MBA of Northwestern University and The Hong Kong University of Science and Technology. Since 1996, he occupied important positions in the departments of finance, manufacture, sales, market, strategic planning and integrated management of Owens Corning. He joined ProLogis in 2003. At present he is the jointed founder and CEO of Global Logistic Properties and vice Chairman of the Seventh Board of Directors of the Company.

Director: Mr. Fan Zhaoping, bachelor degree in economics of China Finance College and master degree in economics in the Research Institute of the Ministry of Finance of China. Mr. Fan has successively held the posts as the financial manager and supervisor of the Company and he worked as the financial and investment manager and of China Nanshan Development (Group) Incorporation in 1991. He was Chairman of sixth Board. At present, he is Senior Vice President of Nanshan Group and the Director of the Seventh Board of Directors of the Company.

Director/GM: Liu Wei has Master degree of logistics and supply chain management of Chinese University of Hong Kong. Mr. Liu has served the posts as manager of the Business Development Department of the Company, the deputy GM of Shanghai Baowan, manager of Logistics Business and General Manager of Offshore Oil Logistics Service Division of the Company, Deputy GM and Executive Deputy GM of the Company. He also was the supervisor of the Fifth Board of Supervisors. At present, he is GM of the Company since March 2012 and Director since June 2012.

Director: Mr. Kent Yang has bachelor degree in architecture of University of California, Los Angeles and master degree in real estate development of Columbia University. He was the directing designer in Mark Lintott Design in 1993; professional consultant in Colliers Jardine in 1996; special assistant to Chairman and General Manager-China in Taiwan Fu Ji Manufacture Co., Ltd. since 1997; General Manager in Wuxi Huayang High Tech Investment Co., since 2005. He was the General Manager of GLP Park Lingang in 2005 and First Vice President of Global Logistic Properties in 2007. At present, he is the president of China region of Global Logistic Properties and director of the Seventh Board of Directors of the Company.

Director: Mr. Ren Yongping, graduated from China Finance College. Since 1982, he worked in Tax Bureau of Hebei Province and successively held the posts of Financial Manager in Chiwan Warf, GM of Chiwan Foodstuff Port, GM of Chiwan Warehouse and Deputy GM of the Company. He served the post as Senior Financial Counciller of Nanshan Group from January 2013 to January 2015 and retired on 1 February 2015. He was director of the Seventh Board of Directors of the Company from May 2009 to March 2015.

Director: Mr. Shu Qian, graduated from Hunan Institute of Finance (merged Hunan University in 2000) majored in accounting, and obtained a master degree with maritime economics and logistics from Rotterdam University in 2004. Since 2000, Mr. Shu has successively worked in financial department in Shenzhen Chiwan International Freight Forwarding Co., Ltd., operating department in Shenzhen Chiwan Wharf Holdings Limited. He joined China Nanshan Development (Group) Co., Ltd as Assistant General Manager. Currently, he is general manager of Research and Development Department of Nanshan Development (Group) Co., Ltd. And he has served as a director of the Company since May 2013.

Independent Director: Mr. He Liming, master's degree, senior economist. He successively served the post of former Deputy Director of the Materials Department, the Personnel Division of the Ministry of Domestic Trade, general manager of China Nonferrous Metal Materials Corporation, Vice President and Secretary General, Executive Vice President of the China Federation of Logistics and Purchasing. At present, he is president of the China Federation of Logistics and Purchasing/party secretary, president of China Society of Logistics, the

president of China International Trade Promotion logistics industry branch, the chairman of the Asia Pacific Logistics Alliance. In May 2013 he has served as an independent director of the Company.

Independent Director: Mr. Chen Weijie, a professor-level senior economist. He successively served the post of the manager of Finance Department of the Eastern Oil Company CNOOC Nanhai, Finance Department Manager of CNOOC Shenzhen Branch, president of CACT Operators Group, Deputy General Manager and Deputy Party Secretary of CNOOC Shenzhen Branch, General Manager of China National Offshore Oil Corporation, the Ministry of Planning. Currently, he is Deputy director of the Professional Committee of China's economy Petroleum Institute; CNOOC/Shanghai Jiaotong University Engineering Research Center member technical committee of new energy; Vice Chairman of Tianjin Intercity Railway Co and Tianjin Binhai New Area High-tech Development Company. In May 2013 he has served as an independent director of the Company.

Independent Director: Mr. Chen Shujun, Master Degree of Business Administration in Finance of Chinese University of Hong Kong, Master Degree of Accounting of City University of Hong Kong International, Bachelor of Laws degree from Tsinghua University (Adult Education). Senior Accountant, CPA China, Chinese Certified Tax Agents, judicial experts, national legal professional qualifications; twelfth session of the Conference of Guangdong Provincial People's Congress Standing Committee of the legislative consultants, council member of the fifth CPA Association of Guangdong Province, reviewing experts of Shenzhen Municipal Government Procurement Finance Committee, expert of Shenzhen Science and Technology Committee, council member of the eighth Accounting Association, etc. Former Guangzhou CPA auditor, manager; in 1998 served as Managing Partner of Shenzhen Guangshen Certified Accountant, legal representative of Forensic Accounting Guangdong Guangzhou-Shenzhen; also served in Shenzhen China Bicycle Company (Holdings) Co., Ltd. as independent directors. In May 2013, he has served as an independent director of the Company.

Independent Director: Mr. Yu Xiufeng, senior partner of Beijing DeHeng (Shenzhen) Law Office, with doctor degree of Jilin University Law School and Economics postdoctoral of Jilin University Business School, and once studied in Faculty of Law of Waseda University. Mr. Yu is Shenzhen Fifth People's Congress legislative consultant, the fourth and fifth deputies of Shenzhen city for NPC, the fourth and fifth members of the NPC Law Committee, the decision-making advisory committee of Shenzhen, Shenzhen Municipal People's Government (Legislative Affairs) legal Expert Advisory Committee, arbitrator for China International Economic and Trade Arbitration Commission and Shenzhen Arbitration Commission, executive director for Shenzhen City Law Sixth Council, and part-time tutor for Peking University Law School and Northeast University of Finance etc. He is also the Independent Director for Hybio Pharmaceutical and Shenzhen Jinjia Color Printing. In May 2013, he has served as an independent director of the Company.

Supervisory Committee Convener: Mr. Zhang Jianguo, Bachelor of Shanxi University of Accounting. He served in Chiwan Wharf Holdings Limited as Financial Manager, Chief Financial Officer and Vice President. At present, he is the CFO of Nanshan Group and has served as the convener of the Board of Supervisors of the Company since May 2013.

Mr. Chen Hong, senior engineer, graduated from East China Institute of Water Conservancy. Since 2001, he successively served as deputy general manager of Shenzhen Haiqin Engineering Co., Ltd., deputy chief engineer of China Nanshan Development (Group) Co., Ltd. At present he is Chief Engineer of China Nanshan Development (Group) Co., Ltd. He has served as supervisor of the Company since June 2012.

Supervisor: Mr. Li Hongwei, has doctor degree in system engineering of South China University of Technology. He successively held the posts of manager, board secretary, director and deputy GM of Chengdu Galaxy Power Co., Ltd. since 1989. He was the board secretary and deputy GM of Shenzhen Seg Dasheng Co., Ltd. since 2001. He was deputy GM and GM of Business Management Department of China Nanshan Development (Group)

Incorporation in 2006. Now he is COO of Nanshan Group. He has served as supervisor of the Company since April 2011.

Supervisor: Mr. Chen Lei, has bachelor degree in international finance of Shanghai Jiao Tong University and MBA of University of Southern California. He is CPA and CTA of China. He was the auditor of Ernst & Young in 1998 and finance manager of Shanghai New International Expo Center in 2001. At present, he is Senior Vice President of Global Logistic Properties and the supervisor of the Seventh Board of Supervisors of the Company.

Employee Supervisor: Ms Sun Yuhui, bachelor degree in Economics, Lanzhou University, accountants of Chinese Certified Tax Agents. Since August 2003, she worked as supervisor of financial department in Nanshan Group. Since July 2010, she has served in Shenzhen Nanshan Real Estate Development Co., Ltd as deputy manager/manager of Finance Department. At present, she is the financial manager of the Company and the supervisor of the Company since May 2013.

Employee Supervisor: Mr. Huang Ronghui, graduated from Guangdong Communication Polytechnic road machinery. Served as supervisor, warehouse manager, assistant general manager of the warehouse department of Shenzhen Chiwan Warehouse Limited (now called Shenzhen Baowan). At present, he is the Assistant GM for Company's petroleum logistics division since June 2006 and supervisor of the Company since May 2013.

Deputy GM/Chief Engineer: Mr. Wang Jianjiang, has doctor degree of Hydraulic Structure Engineering of Wuhan Water Resources and Electric University. He worked in Xinjiang Shihezi University (the original Shihezi Agricultural College) from Mar 1985 to Aug 1992. He studied in Wuhan Water Resources and Electric University from Sept 1992 to June 1995 and got doctor degree of Hydraulic Structure Engineering. Since 1996, he worked in planning department, office of general engineer and department of planning and construction management of China Nanshan Development (Group) Incorporation as engineer, assistant manager and department manager successively. He is Deputy GM & Chief Engineer of the Company since February 2011.

Deputy GM & CFO: Mdm. Yu Zhongxia, has bachelor of Shan'xi Finance and Economics College with the qualification of Accountant and senior international financial manager. Mdm. Yu has taught at Xi'an Road Management College. She joined the Company in 1992 and held the posts of Financial Manager Assistant, Financial Manager of CSE, System/Audit Manager Assistant, Deputy Financial Manager, Financial Manager, Assistant GM, Deputy CFO and CFO. She is Deputy GM & CFO of the Company since November 2011.

Deputy GM: Mr. Fu Jialin, has graduated at Beijing University of Aeronautics and Astronautics in 1982 and has had master degree of University of Alberta in Canada in 1993. He had been the Assistant GM of development and research department of Nanshan Group, deputy manager of Chixiao Component Houses Co Ltd, and GM of Dongguan Nanshan Construction Material Co Ltd. He is Deputy GM since November 2011.

Deputy GM: Mr. Zhang Xiang, master degree, graduated from Wuhan Marine Traffic Engineering College (now called as He successively served as the post of supervisor, assistant manager, deputy manager of operation department of the Company. From October 2005 to May 2015, he served as deputy GM and GM of Guangzhou Baowan. Since February 2011, he was GM of Offshore Oil Logistics Service Division of the Company and Shenzhen Baowan. He was once the supervisor of the Board of Supervisors of the Company. Currently, he is Deputy GM of the Company since April 2014.

Board Secretary: Mr. Song Tao, has bachelor degree of International Finance of Dalian University of Technology and master degree of Technology and Economic Management of Hebei University of Technology. He held the posts of finance supervisor and Deputy Manager of finance department in Shenzhen Baowan in April 2004. From April 2005 to March 2012, he was the Securities Representative of the Company. At present, he is the Board Secretary and Manager of Investment Department of the Company.

Posts in Shareholder's Company

√ Applicable □ Inapplicable

Name	Company Name	Position	Office Term	Whether receiving remuneration from shareholder
Tian Junyan	CHINA NANSHAN DEVELOPMENT (GROUP) INCORPORATION	General Manager	2011.01.04	Yes
Fan Zhaoping		Deputy General Manager	1998.12.08	Yes
Ren Yongping		Senior Financial Consultant	2013.01.08-2015.01.31.	Yes
Shu Qian		GM of Research and Development Department	2012.11.23	Yes
Zhang Jianguo		Financial Controller	2013.01.01	Yes
Chen Hong		Chief Engineer	2007.09.12	Yes
Li Hongwei		Chief Operating Officer	2014.02.21	Yes

Other Posts

√ Applicable □ Inapplicable

Name	Company Name	Position	Starting Date of Tenure	Expiry Date of Tenure	Whether receiving remuneration from other companies
Tian Junyan	YAHGEE Modular House Co., Ltd	Chairman	2011.4.21		No
	Chixiao Enterprise Co., Ltd.	Chairman	2011.8.17		No
	Shenzhen Nanshan Real Estate Developing Co., Ltd.	Chairman	2011.4.15		No
	HOMWON Capital Management Co., Ltd	Chairman	2013.7.5		No
	China Development Finance Company Limited	Chairman	2013.7.24		No
Fan Zhaoping	Shenzhen Chiwan Oriental Logistics Ltd	Chairman	2013.5.13		No
	China Development Finance Company Limited	Vice Chairman	2013.7.24		No
	Shenzhen Chiwan Sembawang Engineering Co., Ltd.	Vice Chairman and Chairman of Executive Committee	2013.12.5		No
Mingzhi Mei	Global Logistic Properties	CEO & Jointed Founder	2003.3.3		Yes
	Global Logistic Properties	Director	2010.11.1		Yes
Liu Wei	Shenzhen Chiwan Offshore Petroleum Equipment Repair & Manufacture Co., Ltd. (CPEC)	Director	2011.12.9		No
	Shenzhen Chiwan Sembawang Engineering Co., Ltd.	Director	2012.3.6		No
	Blogis Holding Co., Ltd.	Chairman	2013.8.8		No
Kent Yang	Global Logistic Properties	President of China Region	2013.1.23		Yes

Ren Yongping	Blogis Holding Co., Ltd.	Director	2011.7.20		No
He Liming	China Federation of Logistics and Purchasing	President and Party Secretary	2010.11.2	2016.9.26	Yes
	China Society of Logistics	President	2006.11.11	2015.11.12	No
	China International Trade Promotion Logistics Industry	President	2010.11.2	2015.11.2	No
	Asia Pacific Logistics Alliance	Chairman	2012.1.1	2015.12.31	No
	International Alliance Director of Purchasing and Supply Management	Director	2013.1.1	2014.12.31	No
Chen Weijie	CNOOC / Shanghai Jiaotong University Engineering Research Center---Technical Committee	Committee Member	2008.1.1		No
	Tianjin Intercity Railway Co	Vice Chairman	2006.1.1		No
	Tianjin Binhai New Area High-tech Development Company	Vice Chairman	2006.1.1		No
Chen Shujun	Shenzhen Guangshen Certified Accountant	Managing Partner	1998.1.1		Yes
	Forensic Accounting Guangdong Guangzhou-Shenzhen	legal representative	2002.12.1		No
	Shenzhen China Bicycle Company (Holdings) Co., Ltd.	Independent Director	2010.8.26		Yes
Yu Xiufeng	Beijing DeHeng (Shenzhen) Law Office	Senior Partner	2002.8		Yes
	Hybio Pharmaceutical	Independent Director	2010.6.17		Yes
	Shenzhen Jinjia Color Printing	Independent Director	2014.3.13	2017.3.12	Yes
Zhang Jianguo	Chiwan Wharf Holdings Co., Ltd.	Director	2013.1.31		No
	Shenzhen Chiwan Oriental Logistics Ltd	Supervisor	2013.5.13		No
	HOMWON Capital Management Co., Ltd	Supervisor	2013.7.5		No
	China Development Finance Company Limited	Director	2013.7.24		No
	Blogis Holding Co., Ltd.	Vice Chairman	2013.8.8		No
Chen Lei	Global Logistic Properties	Senior Vice President	2012.1.6		Yes
Li Hongwei	Blogis Holding Co., Ltd.	Director	2011.7.20		No
	Chixiao Enterprise Co., Ltd.	Director	2011.8.17		No
	Shenzhen Chiwan Oriental Logistics Ltd	Director	2013.5.13		No
	China Development Finance Company Limited	Supervisor	2013.7.24		No
Yu Zhongxia	Blogis Holding Co., Ltd.	Supervisor	2011.7.20		No
Fu Jialin	Blogis Holding Co., Ltd.	Director and Deputy GM	2011.7.20		No

III. The Remuneration of Directors, Supervisors and Senior Management

Decision-making procedures, basis for determination and actual payment of the remuneration to directors, supervisors and senior management

1. Independent directors' allowance is approved by General Shareholders' Meeting. The remuneration of senior management is approved by Board of Directors. Independent Directors' allowance is RMB 100,000 per year
2. Senior management is appointed by the Board of Directors. Remuneration standard for senior management is decided by their abilities, performance, etc.
3. Directors, Supervisors and Senior Management will be paid monthly and the rest bonus will be decided by their abilities, performance, etc.

Remuneration to directors, supervisors and senior management in the report period

Unit: RMB million

Name	Position	Gender	Age	Office Status	Remuneration from the Company	Remuneration from Shareholder	Actual Remuneration at the end of report period
Tian Junyan	Chairman	Male	53	In Office	-	-	-
Mingzhi Mei	Vice Chairman	Male	42	In Office	-	-	-
Fan Zhaoping	Director	Male	60	In Office	-	-	-
Liu Wei	Director/ GM	Male	49	In Office	1.26	0	0.94
Kent Yang	Director	Male	46	In Office	-	-	-
Ren Yongping	Director	Male	62	In Office	-	-	-
Shu Qian	Director	Male	37	In Office	-	-	-
He Liming	Independent Director	Male	61	In Office	0.075	0	0.063
Chen Weijie	Independent Director	Male	63	In Office	0.1	0	0.084
Chen Shujun	Independent Director	Male	46	In Office	0.1	0	0.084
Yu Xiufeng	Independent Director	Male	50	In Office	0.1	0	0.084
Zhang Jianguo	Supervisor Convener	Male	50	In Office	-	-	-
Chen Hong	Supervisor	Male	55	In Office	-	-	-
Li Weihong	Supervisor	Male	46	In Office	-	-	-
Chen Lei	Supervisor	Male	38	In Office	-	-	-
Sun Yuhui	Supervisor	Female	40	In Office	0.47	0	0.35
Huang Ronghui	Supervisor	Male	58	In Office	0.26	0	0.20
Wang Jianjiang	Deputy GM	Male	57	In Office	0.87	0	0.67
Yu Zhongxia	Deputy GM/ Financial Controller	Female	51	In Office	0.90	0	0.69
Fu Jialin	Deputy GM	Male	53	In Office	0.87	0	0.67
Zhang Xiang	Deputy GM	Male	50	In Office	0.36		0.29
Song Tao	Board Secretary	Male	36	In Office	0.45	0	0.34
Total	--	--	--	--	5.82	-	4.47

Note: 1. Payment period refers to the office term.

2. Mr. He Liming will not receive Independent Directors' allowance since October, 2014.

Incentive equity to directors, supervisors or/and senior management in the report period.

Applicable Inapplicable

IV. Changes of Directors, Supervisors and Senior Management

Name	Post	Type	Date	Reason
Zhang Xiang	Deputy GM	Appointment	2014.04.22	Job Change

V. About Staff

At the end of December 31, 2014 the number of employees is 532 and of which 326 with College Degree or above. The number of retiree which the Company needs to pay salary is 2.

1. Job Structure

Job Composition	Manufacturing Employee	Sales Employee	Technical Employee	Financial Employee	Administrative Employee
Number	285	65	29	51	102

2. Remuneration Policy for Staff

In the report period, staff's salary was paid monthly according to the Company's related regulation. At the end the year, bonus was paid by the Company's profitability and staff's performance.

3. Training Program

In the report period, the Company had organized internal training 130 times and trainees of 715 persons, in which for managers of 257 and for other staff of 458.

(1) to carry out capacity development activities for different echelon personnel focused on the echelon construction and ability construction and training results output.

(2) to establish standardized training focused on improving its operation ability, service and safety awareness and encouraged them to get qualification certificate.

(3) to establish e-learning platform for them to develop leadership and promote training progress and achievements output by means of Weixin.

PART IX Corporate Governance

I . Corporate Governance

1. During the report period, the Company had continuously observed Company Law, Securities Law, and Guidelines of Corporate Governance for Listed Company and relevant regulations to improve and enhance its corporate governance.

Non-normative Corporate Governance

According to the requirements of Ministry of Finance and Accounting Standards for Enterprises, the Company provided financial reports monthly to its controlling shareholders, Nanshan Group, for compiling consolidated financial statements. In accordance with requirements of the Supplementary Notice on Strengthened Supervision of Non-Standard Behaviors in Corporate Governance Including Providing Undisclosed Information to Controlling Shareholders and Effective Controller, the Board of Directors reviewed and approved the Resolution on Regular Submission of Financial Statements to the Controlling Shareholders on the Second Tele-communication Meeting of the Fifth Board of Directors. Nanshan Group and the Company signed the commitment letter respectively, and the Company provided the insiders' list to CSRC Shenzhen Bureau for record as well.

In the report period, the Company submitted 12 financial reports to Nanshan Group on date of 8 to 15 of every month. It also recorded the Information Form for Undisclosed Information in terms of timeliness, accuracy and integrity.

Does there exist any difference in compliance with the corporate governance, the PRC Company Law and the relevant provisions of CSRC.

Yes No

There exist no difference in compliance with the corporate governance, the PRC Company Law and the relevant provisions of CSRC.

2. Special Activities of Corporate Governance and Preparation and Implementation of the Registration Management System for Insiders

2.1 Strengthening propaganda on insider trading prevention

In reporting period, the Company has organized related personnel to visit Insider Trading Warning Exhibition by CSRC Shenzhen Bureau, which made them fully realize the significance of the crackdown on insider trading behavior.

2.2 Preparation and Implementation of the Registration Management System for Insiders

On October 28, 2009, the Seventh Session of the Fifth Board of Directors reviewed and approved the registration system of undisclosed information insiders. (Please find the details on www.cninfo.com.cn on October 30, 2009) In the report period, the Company implemented the registration system strictly and registered the insiders timely.

In the report period, directors, supervisors and the senior management of the Company did not buy or sell shares against regulations.

II. Annual General Meeting and Extraordinary Shareholders' Meetings in the Report Period

1. Annual General Meeting in the Report Period

Sessions	Date	Description of Proposals	Resolution	Disclosure Date	Disclosure Index
Annual General Meeting for Year 2013	2014.5.16	Board Work Report for 2013, Work Report of Supervisory Committee for 2013, Financial Report for 2013, Dividend Distribution Scheme for 2013, The Proposal on Appointment of Accounting Firm for Year 2014, The Proposal on Appointment of Accounting Firm for Internal Control Audit for Year 2014, Proposal on offering guarantee for Wuhan and Tianjin Bingang Baowan	Reviewed and Approved	2014.5.17	2014-25 Resolutions on Annual General Meeting for Year 2013 (www.cninfo.com.cn)

2. Extraordinary Shareholders' Meetings in the Report Period

Sessions	Date	Description of Proposals	Resolution	Disclosure Date	Disclosure Index
First Extraordinary Shareholders' Meeting in 2014	2014.11.6	Proposal on Chengdu International Oil & Gas Service Base	Reviewed and Approved	2014.11.7	2014-69 Resolutions on First Extraordinary Shareholders' Meeting in 2014 (www.cninfo.com.cn)
Second Extraordinary Shareholders' Meeting in 2014	2014.12.16	Proposal on issuing offshore RMB bonds in Hongkong	Reviewed and Approved	2014.12.27	2014-83 Resolutions on Second Extraordinary Shareholders' Meeting in 2014 (www.cninfo.com.cn)

III. Performance of Independent Directors

1. Attendance of Board Meeting and Shareholders' Meeting

Attendance of Board Meeting						
Name	Meetings required to be present	Attendance in person	Attendance by facsimile	Attendance by proxy	Absence rate	Non-attendance in person for two consecutive times
He Liming	9	0	8	1	0	N/A
Chen Weijie	9	1	8	0	0	N/A
Chen Shujun	9	1	8	0	0	N/A
Yu Xiufeng	9	1	8	0	0	N/A
Number of Shareholders' Meeting Attended	3					

2. Objection of Independent Directors on Some Relevant Issues

Objection of independent directors on some relevant issues

Yes No

Independent directors proposed no objection against the relevant matters in the report period.

3. Other Note to the Performance of Independent Directors

During the reporting period, the independent directors of the Company in strict accordance with relevant laws,

regulations and the "Articles of Association", fully concerns the company operation and performs their duties independently, which affected the company's systems to improve decision-making and other aspects of daily operations. They made many valuable professional advices on the matters requiring the independent directors of the Company during the reporting period to comment on the issue of independence, impartiality advice for improving corporate oversight mechanisms to safeguard the legitimate interests of the company and all its shareholders to play its due role.

IV. Performance of Special Committees under the Board of Directors in the Report Period

1. Performance of Audit Committee

(1) Reviewing the financial report and presenting written opinion

According to relevant regulations, the Audit Committee reviewed the financial report and presented written opinion: the Company strictly implemented Articles of Association and other regulations and ensured the objectivity and authenticity of financial report.

After the auditor submitted the draft of audit report, the committee reviewed the finance report and presented written opinion. The compiling basis, principles and method of financial report followed the relative regulations and fairly reflected the financial status and operation results of the Company for Year 2013.

(2) Maintaining regular communication with auditors and following progress of auditing closely

In the audit period, the committee maintained regular communication with financial department, followed the progress of auditing closely and held a meeting discussed with the auditors about auditing plan, scope, focus points and the incurred problems and resolutions.

(3) Summarizing the auditor's work

The committee summarized the work of auditor and thought that they completed the annual audit work in plan.

(4) Opinions on hiring an accounting firm

Recommending the Company to hire Deloitte Touche Tohmatsu Limited for 2014 annual audit and internal control audit.

2. Performance of Nomination and Remuneration Committee

(1) During the report period, the committee reviewed Mr Zhang's resume on his education background, work experience and physical condition and agreed to submit the proposal on appointment Mr. Zhangxiang as Deputy General Manager for approval.

(2) During the report period, the committee reviewed salary of senior managers, and published the opinion on senior manager compensation for year 2013.

3. Strategy and Development committee

During the period, the committee has deliberated and agreed to submit 5 years developing plan to the Board of Director for approval.

V. Work of the Board of Supervisors

Did the Board of Supervisors find any risk existing in performing the supervision activities in the report period?

Yes No

The Board of Supervisors has no objection against any matters under supervision in the report period.

VI. Independence and Completeness in business, personnel, assets, organization and finance

1. The business of the Company is entirely independent from its controlling shareholder. The controlling shareholder and its subordinate units do not engage in the business that are the same or similar to the business of the Company.
2. The Company has basically separated its staff from its controlling shareholder. No senior management, department managers, financial manager and the secretary to Board of Directors takes any position in the controlling shareholder.
3. The Company has independent assets and office.
4. The Company's Board of Directors, Board of Supervisors and other internal organizations operate independently.
5. The Company establishes finance system and accounting system according to relative laws and regulations.

VII. Examination and Incentive Mechanism for Senior Management

In the report period, the salaries of senior management were decided by their work performance, job description, personal ability, the Company's profit, etc.

PART X Internal Control

I. Internal Control Construction

In accordance of Basic Standards for Enterprise Internal Control and its supporting guidance jointly issued by Bureau of Finance and other ministries and Notice on Pilot Work for Good Internal Control Practices of Listed Companies in Shenzhen area (No. 2011-31) by CSRC Shenzhen Bureau, the Company developed Internal Control Standards Implementation Plan of the Company and launched the internal construction, self-evaluation and internal audit since 2011.

During the reporting period, facing severe economic situation and new challenges, to ensure the reasonable design and effective operation of internal control system, the Company focused on internal control goal, cured internal control results actively, continued to optimize the internal control system and operational mechanism, and emphasized on internal control practices and innovation, which has improved the company's standardized operation and risk internal control system. Please find Internal Control Assessment for 2014 for details.

The Company has appointed Deloitte Touche Tohmatsu CPA (special general partner) as an independent audit of the effectiveness of internal control for 2014, which issued a standard qualified audit report.

II. Statement of the Board of Directors on the Responsibility of Internal Control

In accordance with specification requirements of internal control system, the Company has established a sound and effective internal controls to evaluate their effectiveness and truthful disclosure of internal control evaluation report, which is the responsibility of the Board of Directors. The Board of Supervisors would supervise the activity of Board of Directors. The senior management is in charge of the daily operation of internal control The Board of Directors, the Board of Supervisors, directors, supervisors and senior management guarantee that there are no omissions, misstatement, or misleading information in this report. They are responsible, individually and jointly, for the authenticity, accuracy and integrity of the information herein.

The goals of internal control are to ensure legal compliance of operation, asset safety and authenticity of related information, to improve operation efficiency and promote strategy development. While for the existed limit of internal control, it can only provide reasonable guarantee for above-mentioned goals. In addition, circumstance changes will make internal control inappropriate. There is certain risk to predict future internal control validity by internal control result.

III. Basis for Establishment of Internal Control of the Financial Report

In accordance with Accounting Law and Enterprise Accounting Rules and other regulation and basic norms of internal control and its supporting guidelines, combining with the characteristics of company, the Company has set up a complete accounting and financial management system, which set up reasonable work position and clear responsibility and authority correspondingly and ensured financial management orderly.

IV. Self-assessment Report of Internal Control

About the Significant Defects of the Internal Control Found in the Internal Control Self-assessment Report in the Report Period	
No significant defect of internal control was found in the report period.	
Disclosure Date of the Self-assessment Report of Internal Control	March 12, 2015
Disclosure Index of the Self-assessment Report of Internal Control	www.cninfo.com.cn

V. Internal Control Audit Report

Review Opinions in the Internal Control Audit Report	
In our opinion, Shenzhen Chiwan Petroleum Supply Base Co., Ltd. has maintained effective financial report internal control in all material aspects according to the Basic Standards for Enterprise Internal Control and relevant regulations ended December 31, 2014.	
Disclosure Date of Internal Control Audit Report	March 12, 2015
Disclosure Index of Internal Control Audit Report	www.cninfo.com.cn

Has the CPAs issued a non-standard auditor's report of internal control.

Yes No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors?

Yes No

VI. The Establishment and Implementation of the Obligation System of Major Errors in Annual Report Disclosure

The Ninth Session of the Fifth Board of Directors reviewed and approved the Obligation System of Major Errors in Annual Report Disclosure on April 20, 2010. The system stipulated the identification and obligation for major errors in annual report disclosure. The Company strictly implemented the system afterwards.

There are no major accounting errors or omitted information in the report period.

PART XI Financial Report

Opinion Type of Audit Report	Standard and Unqualified
Signature Date of Audit Report	March 10, 2015
Name of Audit Organization	Deloitte Touche Tohmatsu Certified Public Accountants LLP
No. of Audit Report	De Shi Bao(Shen) Zi (15) No.P0183

PART XII Documents Available for Verification

1. Original copy of Annual Report carrying the signature of the Chairman.
2. Financial Report carrying the signature of relative persons in charge.
3. Original copy of Auditor's Statements sealed by CPA and signed by registered accountants.
4. Original copies of all the documents disclosed in the newspapers specified by the China Securities Regulatory Commission.

Board of Directors
Shenzhen Chiwan Petroleum Supply Base Co., Ltd.
March 12, 2015

SHENZHEN CHIWAN
PETROLEUM SUPPLY BASE CO., LTD.

Financial Statements and Auditor's Report
for the year ended 31 December 2014

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

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AUDITOR'S REPORT

De Shi Bao(Shen) Zi (15) No.P0183

To the Shareholders of
Shenzhen Chiwan Petroleum Supply Base Co., Ltd.

We have audited the accompanying financial statements of Shenzhen Chiwan Petroleum Supply Base Co., Ltd. (the "Company"), which comprise the Company's and consolidated balance sheets as at 31 December 2014, and the Company's and consolidated income statements, the Company's and consolidated statements of changes in shareholders' equity and the Company's and consolidated cash flow statements for the year then ended, and the notes to the financial statements

1. Management's responsibility for the financial statements

Management of the Company is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation of the financial statements; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

2. Auditor's responsibility

Our responsibility is to express an audit opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing. Those Standards on require that we comply with the Code of Ethics for Chinese Certified Public Accountants and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider the internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Opinion

In our opinion, the financial statements of the Company present fairly, in all material respects, the Company's and consolidated financial position as of 31 December 2014, and the Company's and consolidated results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

Deloitte Touche Tohmatsu Certified
Public AccountantsLLP

Shanghai, China

Chinese Certified Public Accountant

Huang Yue

Chinese Certified Public Accountant

LiYingjie

10 March 2015

The auditor's report and the accompanying financial statements are English translations of the Chinese auditor's report and financial statements prepared in accordance with Accounting Standards for Business Enterprises. These financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in other countries and jurisdictions. Where the English version does not conform to the Chinese version, the Chinese version prevails.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

AT 31 DECEMBER 2014

Consolidated Balance Sheet

Unit: RMB

ITEM	Notes	Closing balance	Opening balance(restated)	ITEM	Notes	Closing balance	Opening balance(restated)
Current Assets:				Current Liabilities:			
Cash and bank balances	(V)1	375,328,861.18	299,910,369.63	Accounts payable	(V)17	10,358,009.24	10,629,691.02
Notes receivable	(V)2	10,000,000.00	-	Receipts in advance	(V)18	5,067,901.21	6,130,153.26
Accounts receivable	(V)3	53,234,644.64	55,359,989.14	Employee benefits payable	(V)19	31,424,490.98	29,224,029.77
Prepayments	(V)4	373,220.41	552,431.59	Taxes payable	(V)20	40,439,178.66	47,822,734.42
Interest receivable	(V)5	3,573,311.30	4,921,521.51	Interest payable	(V)21	36,404,811.44	30,310,581.13
Dividends receivable	(V)6	-	48,000,000.00	Other payables	(V)22	439,034,917.38	257,405,077.80
Other receivables	(V)7	61,287,160.23	62,963,514.81	Non-current liabilities due within one year	(V)23	1,349,351.16	311,049,351.16
Inventories	(V)8	1,054,046.42	996,356.55	Other current liabilities	(V)24	300,000,000.00	-
Other current assets	(V)9	390,000,000.00	669,950,582.00	Total Current Liabilities		864,078,660.07	692,571,618.56
Total Current Assets		894,851,244.18	1,142,654,765.23	Non-current Liabilities:			
Non-current Assets:				Long-term borrowings	(V)25	390,816,685.64	185,443,647.96
Long-term equity investments	(V)10	537,962,041.17	476,253,695.39	Bonds payable	(V)26	965,677,500.00	964,195,500.00
Investment properties	(V)11	1,267,169,209.29	904,216,455.40	Long-term payables	(V)27	251,417,853.31	212,011,691.49
Fixed assets	(V)12	777,313,197.48	516,378,454.46	Deferred income	(V)28	1,500,000.00	-
Construction in progress	(V)13	300,456,627.34	376,158,459.02	Other non-current liabilities	(V)29	927,716,909.50	916,496,620.66
Intangible assets	(V)14	1,341,187,179.75	1,242,104,033.52	Total Non-current Liabilities		2,537,128,948.45	2,278,147,460.11
Deferred tax assets	(V)15	17,117,751.96	16,672,785.76	TOTAL LIABILITIES		3,401,207,608.52	2,970,719,078.67
Other non-current assets	(V)16	253,572,620.64	44,164,977.18	SHAREHOLDERS' EQUITY:			
Total Non-current Assets		4,494,778,627.63	3,575,948,860.73	Share capital	(V)30	230,600,000.00	230,600,000.00
				Capital reserve	(V)31	234,141,186.09	234,141,186.09
				Other comprehensive income	(V)32	652,079.14	603,045.89
				Special reserve	(V)33	4,240,147.49	2,622,730.81
				Surplus reserve	(V)34	307,084,630.25	284,684,747.72
				Unappropriated profits	(V)35	913,767,989.40	717,623,688.04
				Total shareholders' equity attributable to equity holders of the Company		1,690,486,032.37	1,470,275,398.55
				Minority interests		297,936,230.92	277,609,148.74
				TOTAL SHAREHOLDERS' EQUITY		1,988,422,263.29	1,747,884,547.29
TOTAL ASSETS		5,389,629,871.81	4,718,603,625.96	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		5,389,629,871.81	4,718,603,625.96

The accompanying notes form an integral part of the financial statements.

The financial statements on pages 3 to 95 were signed by the following:

Tian Junyan
Legal Representative

Yu Zhongxia
Chief Financial Officer

Sun Yuhui
Head of Accounting Department

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

AT 31 DECEMBER 2014

Balance Sheet of the Company

Unit: RMB

ITEM	Notes	Closing balance	Opening balance	ITEM	Notes	Closing balance	Opening balance
Current Assets:				Current Liabilities:			
Cash and bank balances	(XIV)1	110,176,958.92	59,429,719.52	Accounts payable		10,133,886.43	9,934,722.92
Accounts receivable	(XIV)2	34,383,433.27	40,118,181.46	Employee benefits payable		22,196,600.51	19,641,409.26
Prepayments		162,238.73	163,921.32	Taxes payable		26,735,284.42	28,393,537.23
Interest receivable		3,242,328.77	4,797,363.01	Interest payable		36,195,924.54	28,301,589.75
Dividends receivable	(V)6	-	48,000,000.00	Other payables		74,542,526.68	65,217,657.24
Other receivables	(XIV)3	1,479,302,828.83	1,085,568,875.34	Non-current liabilities due within one year	(V)23	1,349,351.16	311,049,351.16
Inventories		618,056.60	747,075.29	Other current liabilities	(V)24	300,000,000.00	-
Other current assets		278,000,000.00	547,610,000.00	Total Current Liabilities		471,153,573.74	462,538,267.56
Total Current Assets		1,905,885,845.12	1,786,435,135.94	Non-current Liabilities:			
Non-current Assets:				Long-term borrowings	(XIV)5	182,524,302.04	165,048,306.62
Long-term equity investments	(XIV)4	1,409,767,800.88	1,348,059,455.10	Bonds payable	(V)26	965,677,500.00	964,195,500.00
Investment properties		107,855,864.11	106,792,020.08	Other non-current liabilities		717,716,909.50	719,066,260.66
Fixed assets		70,348,373.29	74,973,379.32	Total Non-current Liabilities		1,865,918,711.54	1,848,310,067.28
Construction in progress		23,265,903.87	7,174,594.15	TOTAL LIABILITIES		2,337,072,285.28	2,310,848,334.84
Intangible assets		308,975,078.68	325,806,871.10	SHAREHOLDERS' EQUITY:			
Deferred tax assets		137,885.22	151,389.97	Share capital	(V)30	230,600,000.00	230,600,000.00
Other non-current assets		417,184.70	585,092.78	Capital reserve		204,534,849.49	204,534,849.49
Total non-current assets		1,920,768,090.75	1,863,542,802.50	Special reserve		4,103,762.23	2,533,941.99
				Surplus reserve	(V)34	307,084,630.25	284,684,747.72
				Unappropriated profits		743,258,408.62	616,776,064.40
				TOTAL SHAREHOLDERS' EQUITY		1,489,581,650.59	1,339,129,603.60
TOTAL ASSETS		3,826,653,935.87	3,649,977,938.44	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,826,653,935.87	3,649,977,938.44

The accompanying notes form an integral part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated Income Statement

Unit: RMB

ITEM	Notes	Amount for the current period	Amount for the prior period(restated)
I. Total operating income	(V)36	712,958,603.26	691,832,626.47
Including: Operating income		712,958,603.26	691,832,626.47
Less: Total operating costs		528,142,422.68	519,173,072.92
Including: Operating costs	(V)36	259,661,927.23	252,860,477.85
Business taxes and levies	(V)37	26,566,881.59	29,668,672.93
Selling expenses	(V)38	423,872.43	1,108,956.18
General and administrative expenses	(V)39	95,231,275.15	89,099,231.46
Financial expenses	(V)40	146,278,726.91	146,367,084.19
Impairment losses of assets	(V)41	(20,260.63)	68,650.31
Add: Investment income	(V)42	93,892,421.67	95,467,912.62
Including: Income from investments in associates and joint ventures		61,708,345.78	62,622,013.46
II. Operating profit		278,708,602.25	268,127,466.17
Add: Non-operating income	(V)43	11,868,125.52	5,569,265.05
Including: Income from disposal of non-current assets		244,284.67	355,637.36
Less: Non-operating expenses	(V)44	(11,228.60)	386,321.46
Including: Losses from disposal of non-current assets		54,664.06	132,490.93
III. Gross profit		290,587,956.37	273,310,409.76
Less: Income tax expenses	(V)45	51,731,039.46	53,322,779.57
IV. Net profit		238,856,916.91	219,987,630.19
Net profit attributable to owners of the Company		218,544,184.50	204,249,571.44
Profit or loss attributable to minority shareholders		20,312,732.41	15,738,058.76
V. Post-tax net value of other comprehensive income	(V)46	63,383.20	779,531.92
Post-tax net value of other comprehensive income attributable to owners of the Company		49,033.25	603,045.89
(I) Other comprehensive income that will not be reclassified subsequently to profit or loss		-	-
(II) Other comprehensive income that will be reclassified subsequently to profit or loss		49,033.25	603,045.89
1. Translation differences arising on translation of financial statements denominated in foreign currencies		49,033.25	603,045.89
Post-tax net value of other comprehensive income attributable to minority shareholders		14,349.95	176,486.03
VI. Total comprehensive income:		238,920,300.11	220,767,162.12
Total comprehensive income attributable to owners of the Company		218,593,217.75	204,852,617.33
Total comprehensive income attributable to minority shareholders		20,327,082.36	15,914,544.79
VII. Earnings per share:			
(I) Basic earnings per share	(V)47	0.95	0.89
(II) Diluted earnings per share		Not applicable	Not applicable

Business combination involving enterprises under common control took place in the current period. The combining entity achieved RMB 12,902,949.53 net loss from the beginning of current period till the combination date, and comparatively achieved RMB 4,284,120.49 net loss in the prior period.

The accompanying notes form an integral part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Income Statement of the Company

Unit: RMB

ITEM	Notes	Amount for the current period	Amount for the prior period
I. Operating income	(XIV)6	339,839,233.86	350,311,658.21
Less: Operating costs	(XIV)6	129,005,032.30	131,928,558.14
Business taxes and levies		6,903,480.46	7,307,947.80
General and administrative expenses		45,734,091.63	43,538,896.51
Financial expenses		81,794,162.95	90,651,442.34
Impairment loss of assets		(57,250.99)	109,482.06
Add: Investment income	(XIV)7	95,214,130.68	97,628,267.60
Including: Income from investments in associates and joint ventures		61,708,345.78	62,622,013.46
II. Operating profit		171,673,848.19	174,403,598.96
Add: Non-operating income		6,591,985.84	5,154,597.21
Including: Income from disposal of non-current assets		136,397.54	331,734.80
Less: Non-operating expenses		50,964.15	115,630.64
Including: Losses from disposal of non-current assets		46,964.15	108,450.64
III. Gross profit		178,214,869.88	179,442,565.53
Less: Income tax expenses		29,332,643.13	29,209,368.56
IV. Net profit		148,882,226.75	150,233,196.97
V. Other comprehensive income post tax		-	-
VI. Total comprehensive income		148,882,226.75	150,233,196.97

The accompanying notes form an integral part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated Cash Flow Statement

Unit: RMB

ITEM	Notes	Amount for the current period	Amount for the prior period(restated)
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		740,370,138.41	710,277,206.51
Other cash receipts relating to operating activities	(V)48(1)	48,651,708.77	60,082,931.42
Sub-total of cash inflows from operating activities		789,021,847.18	770,360,137.93
Cash payments for goods purchased and services received		126,480,316.05	103,233,168.44
Cash payments to and on behalf of employees		83,139,873.12	79,976,733.93
Payments of various taxes		127,912,997.88	92,255,987.36
Other cash payments relating to operating activities	(V)48(2)	37,117,900.08	60,806,289.75
Sub-total of cash outflows from operating activities		374,651,087.13	336,272,179.48
Net Cash Flows from Operating Activities	(V)49(1)	414,370,760.05	434,087,958.45
II. Cash Flows from Investing Activities:			
Cash receipts from investment income		48,000,000.00	22,400,607.82
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		177,796.50	327,157.94
Other cash receipts relating to investing activities	(V)48(3)	3,270,515,834.60	3,874,548,916.89
Sub-total of cash inflows from investing activities		3,318,693,631.10	3,897,276,682.65
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		743,934,266.68	515,474,082.38
Cash payments to acquire investments		0.79	-
Other cash payments relating to investing activities	(V)48(4)	2,974,017,722.00	4,136,654,100.00
Sub-total of cash outflows from investing activities		3,717,951,989.47	4,652,128,182.38
Net Cash Flows from Investing Activities		(399,258,358.37)	(754,851,499.73)
III. Cash Flows from Financing Activities:			
Cash receipts from capital contributions		-	810.70
Including: cash receipts from minority shareholders' contributions on subsidiaries		-	-
Cash receipts from borrowings		206,505,698.16	68,679,796.40
Other cash receipts relating to financing activities	(V)48(5)	566,726,161.82	239,687,052.73
Sub-total of cash inflows from financing activities		773,231,859.98	308,367,659.83
Cash repayments of borrowings		311,000,000.00	406,600,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		84,407,685.46	116,381,239.94
Including: cash payments for distribution of dividends or profits or settlement of interest expenses to minority shareholders by subsidiaries		-	-
Other cash payments relating to financing activities	(V)48(6)	317,332,894.11	59,995,597.46
Sub-total of cash outflows from financing activities		712,740,579.57	582,976,837.40
Net Cash Flows from Financing Activities		60,491,280.41	(274,609,177.57)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		(180,190.54)	1,928,948.16
V. Net Increase (Decrease) in Cash and Cash Equivalents		75,423,491.55	(593,443,770.69)
Add: Opening balance of Cash and Cash Equivalents	(V)49(2)	299,905,369.63	893,349,140.32
VI. Closing Balance of Cash and Cash Equivalents	(V)49(2)	375,328,861.18	299,905,369.63

The accompanying notes form part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Cash Flow Statement of the Company

Unit: RMB

ITEM	Note	Amount for the current period	Amount for the prior period
I. Cash Flows from Operating Activities:			
Cash receipts from sales of goods and rendering of services		355,205,645.97	345,232,322.35
Other cash receipts relating to operating activities		23,714,309.88	42,528,320.46
Sub-total of cash inflows from operating activities		378,919,955.85	387,760,642.81
Cash payments for goods purchased and services received		76,904,180.98	68,188,823.12
Cash payments to and on behalf of employees		47,147,198.02	46,185,517.92
Payments of various taxes		53,803,833.21	38,655,940.19
Other cash payments relating to operating activities		23,331,595.75	36,940,512.73
Sub-total of cash outflows from operating activities		201,186,807.96	189,970,793.96
Net Cash Flows from Operating Activities	(XIV)8	177,733,147.89	197,789,848.85
II. Cash Flows from Investing Activities:			
Cash receipts from investment income		48,000,000.00	53,781,013.32
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		-	10,880.00
Other cash receipts relating to investing activities		3,719,973,553.19	4,897,238,903.79
Sub-total of cash inflows from investing activities		3,767,973,553.19	4,951,030,797.11
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets		18,665,765.86	15,852,799.13
Cash payments to acquire investments		3,758,106,643.14	-
Other cash payments relating to investing activities		3,776,772,409.00	5,408,507,289.50
Sub-total of cash outflows from investing activities		(8,798,855.81)	5,424,360,088.63
Net Cash Flows from Investing Activities		(8,798,855.81)	(473,329,291.52)
III. Cash Flows from Financing Activities:			
Cash receipts from borrowings		18,775,995.42	48,284,455.06
Other cash receipts relating to financing activities		308,300,829.03	8,250,591.23
Sub-total of cash inflows from financing activities		327,076,824.45	56,535,046.29
Cash repayments of borrowings		311,000,000.00	406,600,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses		77,387,329.05	116,164,257.09
Other cash payments relating to financing activities		56,873,004.37	52,348,815.94
Sub-total of cash outflows from financing activities		445,260,333.42	575,113,073.03
Net Cash Flows from Financing Activities		(118,183,508.97)	(518,578,026.74)
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		1,456.29	(64,990.87)
V. Net Increase (Decrease) in Cash and Cash Equivalents		50,752,239.40	(794,182,460.28)
Add: Opening balance of Cash and Cash Equivalents	(XIV)8	59,424,719.52	853,607,179.80
VI. Closing Balance of Cash and Cash Equivalents	(XIV)8	110,176,958.92	59,424,719.52

The accompanying notes form part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Consolidated Statement of Changes in Shareholders' Equity

Unit: RMB

ITEM	Amount for the current period								Amount for the same period of last year(restated)							
	Attributable to shareholders of the Company								Attributable to shareholders of the Company							
	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profits	Minority interests	Total shareholders' equity	Share capital	Capital reserve	Other comprehensive income	Special reserve	Surplus reserve	Unappropriated profits	Minority interests	Total shareholders' equity
I. Closing balance of the preceding year	230,600,000.00	234,141,186.09	-	2,622,730.81	284,684,747.72	720,937,883.66	278,402,587.59	1,751,389,135.87	230,600,000.00	234,141,186.09	-	1,469,510.03	263,826,090.57	557,522,716.65	261,694,420.41	1,549,253,923.75
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	603,045.89	-	-	(3,314,195.62)	(793,438.85)	(3,504,588.58)	-	-	-	-	-	627.16	183.54	810.70
II. Opening balance of the current year	230,600,000.00	234,141,186.09	603,045.89	2,622,730.81	284,684,747.72	717,623,688.04	277,609,148.74	1,747,884,547.29	230,600,000.00	234,141,186.09	603,045.89	1,469,510.03	263,826,090.57	557,523,343.81	261,694,603.95	1,549,254,734.45
III. Changes for the year	-	-	49,033.25	1,617,416.68	22,399,882.53	196,144,301.36	20,327,082.18	240,537,716.00	-	-	603,045.89	1,153,220.78	20,858,657.15	160,100,344.23	15,914,544.79	198,629,812.84
(I) Comprehensive income	-	-	49,033.25	-	-	218,544,184.50	20,327,082.36	238,920,300.11	-	-	-	-	-	204,249,571.43	15,914,544.79	220,767,162.11
(II) Owners' contributions and reduction in capital	-	-	-	-	-	(0.61)	(0.18)	(0.79)	-	-	-	-	-	-	-	-
1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribute from other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Effect of business combination involving entities under common control	-	-	-	-	-	(0.61)	(0.18)	(0.79)	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	22,399,882.53	(22,399,882.53)	-	-	-	-	-	-	20,858,657.15	(44,149,227.20)	-	(23,290,570.05)
1. Transfer to surplus reserve	-	-	-	-	22,399,882.53	(22,399,882.53)	-	-	-	-	-	-	20,858,657.15	(20,858,657.15)	-	-
2. General Risk Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	(23,290,570.05)	-	(23,290,570.05)
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	-	1,617,416.68	-	-	-	1,617,416.68	-	-	-	1,153,220.78	-	-	-	1,153,220.78
1. Transfer to special reserve in the period	-	-	-	2,401,076.31	-	-	-	2,401,076.31	-	-	-	1,713,819.06	-	-	-	1,713,819.06
2. Amount utilized in the period	-	-	-	(783,659.63)	-	-	-	(783,659.63)	-	-	-	(560,598.28)	-	-	-	(560,598.28)
IV. Closing balance of the current year	230,600,000.00	234,141,186.09	652,079.14	4,240,147.49	307,084,630.25	913,767,989.40	297,936,230.92	1,988,422,263.29	230,600,000.00	234,141,186.09	603,045.89	2,622,730.81	284,684,747.72	717,623,688.04	277,609,148.74	1,747,884,547.29

The accompanying notes form an integral part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

FOR THE YEAR ENDED 31 DECEMBER 2014

Statement of Changes in Shareholders' Equity of the Company

Unit: RMB

ITEM	Amount for the current period						Amount for the same period of last year					
	Attributable to shareholders of the Company					Total shareholders' equity	Attributable to shareholders of the Company					Total shareholders' equity
	Share capital	Capital reserve	Special reserve	Surplus reserve	Unappropriated profits		Share capital	Capital reserve	Special reserve	Surplus reserve	Unappropriated profits	
I. Closing balance of the preceding year	230,600,000.00	204,534,849.49	2,533,941.99	284,684,747.72	616,776,064.40	1,339,129,603.60	230,600,000.00	204,534,849.49	1,428,499.80	263,826,090.57	510,692,094.63	1,211,081,534.49
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current year	230,600,000.00	204,534,849.49	2,533,941.99	284,684,747.72	616,776,064.40	1,339,129,603.60	230,600,000.00	204,534,849.49	1,428,499.80	263,826,090.57	510,692,094.63	1,211,081,534.49
III. Changes for the year	-	-	1,569,820.24	22,399,882.53	126,482,344.22	150,452,046.99	-	-	1,105,442.19	20,858,657.15	106,083,969.77	128,048,069.11
(I) Comprehensive income	-	-	-	-	148,882,226.75	148,882,226.75	-	-	-	-	150,233,196.97	150,233,196.97
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribute from other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recognized in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	22,399,882.53	(22,399,882.53)	-	-	-	-	20,858,657.15	(44,149,227.20)	(23,290,570.05)
1. Transfer to surplus reserve	-	-	-	22,399,882.53	(22,399,882.53)	-	-	-	-	20,858,657.15	(20,858,657.15)	-
2. General Risk Provision	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	(23,290,570.05)	(23,290,570.05)
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Transfers within owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
1. Capitalization of capital reserve	-	-	-	-	-	-	-	-	-	-	-	-
2. Capitalization of surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
3. Loss offset by surplus reserve	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(V) Special reserve	-	-	1,569,820.24	-	-	1,569,820.24	-	-	1,105,442.19	-	-	1,105,442.19
1. Transfer to special reserve in the period	-	-	2,337,529.68	-	-	2,337,529.68	-	-	1,660,540.47	-	-	1,660,540.47
2. Amount utilized in the period	-	-	(767,709.44)	-	-	(767,709.44)	-	-	(555,098.28)	-	-	(555,098.28)
IV. Closing balance of the current year	230,600,000.00	204,534,849.49	4,103,762.23	307,084,630.25	743,258,408.62	1,489,581,650.59	230,600,000.00	204,534,849.49	2,533,941.99	284,684,747.72	616,776,064.40	1,339,129,603.60

The accompanying notes form an integral part of the financial statements.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(I) BASIC INFORMATION ABOUT THE COMPANY

Shenzhen Chiwan Petroleum Supply Base Co., Ltd. (the "Company") was established through the restructuring of Shenzhen Chiwan Base Company pursuant to the approval of Shen Fu Ban Han (1995) No. 112 issued by the General Office of Shenzhen Municipal People's Government.

The Company publicly issued domestic listed foreign shares (B-Share) pursuant to the approval of Shen Fu Ban Han (1995) No. 112 issued by the General Office of Shenzhen Municipal People's Government and Shen Zheng Ban Fu (1995) No.33 issued by Shenzhen Securities Administration Office on 11 May 1995 and 16 June 1995 respectively. The total number of shares of the Company is 230,600,000 shares after the public offering, of which China Nanshan Development (Group) Incorporation ("Nanshan Group") holds 119,420,000 shares that accounts for 51.79% the Company's equity shares. Pursuant to the Listing Notice of Shen Zheng Shi Zi (1995) No.14, issued by Shenzhen Stock Exchange, the Company's shares were listed and traded on Shenzhen Stock Exchange on 28 July 1995.

The registration place of the Company is Shenzhen City, Guangdong Province. The main business scope of the Company and its subsidiaries (the "Group") include: terminal and port operation services; lease of stack area, storage and office building; provision of labor service, cargo handling and transportation, equipment lease, supply of water, power and oil, and agency services for offshore crude oil logistics; operating bonded warehouse and stack area, and commercial car park operation.

The company and the consolidated financial statements are approved by the Board of directors on 10 March 2015.

The scope of consolidated financial statements in the current period involves 28 subsidiaries. See Note (VII) "Equity in other entities" for details. Changes of scope are subsidiaries acquired in business combinations involving enterprises under common control. See Note (VI) "Changes of consolidation scope" for details.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

Basis of preparation

The Group has adopted the Accounting Standards for Business Enterprises (the "ASBEs") issued by the Ministry of Finance (the "MoF"), including standards newly issued and amended in 2014. In addition, the Group has disclosed relevant financial information in accordance with Information Disclosure and Presentation Rules for Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reporting (Revised in 2014).

Basis of accounting and principle of measurement

The Group has adopted the accrual basis of accounting. Except for certain financial instruments which are measured at fair value, the Group adopts the historical cost as the principle of measurement in the financial statements. Where assets are impaired, provisions for asset impairment are made in accordance with the relevant requirements.

(II) BASIS OF PREPARATION OF FINANCIAL STATEMENTS- continued

Basis of accounting and principle of measurement - continued

Under the historical cost measurement, asset should be measured at the value of cash or cash equivalents or fair value paid to acquire the asset, whereas liability should be measured at the value of cash or assets received due to shoulder present obligation, or at the contract amount of shouldering present obligation, or at the value of cash or cash equivalents expected to pay for the liability in routine activities.

Under the historical cost measurement, asset should be measured at the value of cash or cash equivalents or fair value paid to acquire the asset, whereas liability should be measured at the value of cash or assets received due to shoulder present obligation, or at the contract amount of shouldering present obligation, or at the value of cash or cash equivalents expected to pay for the liability in routine activities.

Pursuant to the observation of input value and the significance of the input value on the whole, measurements of fair value are divided into the below three levels:

- Level 1 input value is the unadjusted price of equivalent assets or liability which can be acquired in an active market on the measurement date.
- Level 2 input value is assets or liability except for those in Level 1, which are observable for the asset or liability, either directly or indirectly
- Level 3 input value is assets or liability which cannot be observed.

Going concern

The Group evaluated its going concern ability within 12 months since 31 December 2014. There are no events or circumstances that may cast significant doubt upon the entity's ability to continue as a going concern, Hence, the financial statements have been prepared on a going concern basis.◦

(III) SIGNIFICANT ACCOUNTING POLICIES, and ACCOUNTING ESTIMATES

1. Statement of compliance with the ASBE

The financial statements of the Company have been prepared in accordance with the ASBEs, and present truly and completely, the Company's and consolidated financial position as of 31 December 2014, and the Company's and consolidated results of operations and cash flows for the year then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

3、 Business Cycle

Business cycle is referred to the period from which an enterprise buys assets to manufacture to the date it achieves cash or cash equivalents.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its subsidiaries in the People's Republic of China (the "PRC") operate. Therefore, the Company and its PRC subsidiaries choose RMB as their functional currency. Subsidiaries not located in PRC choose HK dollar as their functional currency based on the primary economic environment. The Group adopts RMB to prepare its financial statements.

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control

Business combinations are classified into business combinations involving enterprises under common control and business combinations not involving enterprises under common control.

5.1 Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the combination, and that control is not transitory.

Assets and liabilities obtained shall be measured at their respective carrying amounts as recorded by the combining entities at the date of the combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination is adjusted to the share premium in capital reserve. If the share premium is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Costs that are directly attributable to the combination are charged to profit or loss in the period in which they are incurred.

5.2 Business combinations not involving enterprises under common control and goodwill

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties before and after the combination.

The cost of combination is the aggregate of the fair values, at the acquisition date, of the assets given, liabilities incurred or assumed, and equity securities issued by the acquirer in exchange for control of the acquiree. The intermediary expenses incurred by the acquirer in respect of auditing, legal services, valuation and consultancy services, etc. and other associated administrative expenses attributable to the business combination are recognized in profit or loss when they are incurred.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

5. The accounting treatment of business combinations involving enterprises under common control and business combinations not involving enterprises under common control - continued

5.2 Business combinations not involving enterprises under common control and goodwill -continued

The acquiree's identifiable assets, liabilities and contingent liabilities, acquired by the acquirer in a business combination, that meet the recognition criteria shall be measured at fair value at the acquisition date.

Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is treated as an asset and recognized as goodwill, which is measured at cost on initial recognition. Where the cost of combination is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer firstly reassesses the measurement of the fair values of the acquiree's identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination. If after that reassessment, the cost of combination is still less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

Goodwill arising on a business combination is measured at cost less accumulated impairment losses, and is presented separately in the consolidated financial statements.

6. Preparation of consolidated financial statements

The scope of consolidation in the consolidated financial statements is determined on the basis of control. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities.

For a subsidiary disposed of by the Group, the operating results and cash flows before the date of disposal (the date when control is lost) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

For a subsidiary acquired through a business combination not involving enterprises under common control, the operating results and cash flows from the acquisition date (the date when control is obtained) are included in the consolidated income statement and consolidated statement of cash flows, as appropriate, and no adjustment is made to the opening balances and comparative figures in the consolidated financial statements.

No matter when the business combination occurs in the reporting period, subsidiaries acquired through a business combination involving enterprises under common control are included in the Group's scope of consolidation as if they had been included in the scope of consolidation from the date when they first came under the common control of the ultimate controlling party. Their operating results and cash flows from the beginning of the earliest reporting period are included in the consolidated income statement and consolidated statement of cash flows, as appropriate.

The significant accounting policies and accounting periods adopted by the subsidiaries are determined based on the uniform accounting policies and accounting periods set out by the Company.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

6. Preparation of consolidated financial statements - continued

All significant intra-group balances and transactions are eliminated on consolidation.

The portion of subsidiaries' equity that is not attributable to the Company is treated as minority interests and presented as "minority interests" in the consolidated balance sheet within shareholders' equity. The portion of net profits or losses of subsidiaries for the period attributable to minority interests is presented as "minority interests" in the consolidated income statement below the "net profit" line item.

When the amount of loss for the period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess amount are still allocated against minority interests.

Acquisition of minority interests or disposal of interest in a subsidiary that does not result in the loss of control over the subsidiary is accounted for as equity transactions. The carrying amounts of the Company's interests and minority interests are adjusted to reflect the changes in their relative interests in the subsidiary. The difference between the amount by which the minority interests are adjusted and the fair value of the consideration paid or received is adjusted to capital reserve under owners' equity. If the capital reserve is not sufficient to absorb the difference, the excess are adjusted against retained earnings.

7. Recognition criteria of cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

8. Translation of transactions and financial statements denominated in foreign currencies

8.1 Transactions denominated in foreign currencies

A foreign currency transaction is recorded, on initial recognition, by applying [the spot exchange rate on the date of the transaction.

At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rates at the balance sheet date. Exchange differences arising from the differences between the spot exchange rates prevailing at the balance sheet date and those on initial recognition or at the previous balance sheet date are recognized in profit or loss for the period, except that (1) exchange differences related to a specific-purpose borrowing denominated in foreign currency that qualify for capitalization are capitalized as part of the cost of the qualifying asset during the capitalization period; (2) exchange differences related to hedging instruments for the purpose of hedging against foreign currency risks are accounted for using hedge accounting; (3) exchange differences arising from available-for-sale non-monetary items (such as shares) denominated in foreign currencies and changes in the carrying amounts (other than the amortized cost) of available-for-sale monetary items are recognized as other comprehensive income.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

8. Translation of transactions and financial statements denominated in foreign currencies-
continued

8.1 Transactions denominated in foreign currencies- continued

Foreign currency non-monetary items measured at historical cost are translated to the amounts in functional currency at the spot exchange rates on the dates of the transactions and the amounts in functional currency remain unchanged. Foreign currency non-monetary items measured at fair value are re-translated at the spot exchange rate on the date the fair value is determined. Difference between the re-translated functional currency amount and the original functional currency amount is treated as changes in fair value (including changes of exchange rate) and is recognized in profit and loss or as other comprehensive income.

8.2 Translation of financial statements denominated in foreign currencies

For the purpose of preparing the consolidated financial statements, financial statements of a foreign operation are translated from the foreign currency into RMB using the following method: assets and liabilities on the balance sheet are translated at the spot exchange rate prevailing at the balance sheet date; shareholders' equity items except for retained earnings are translated at the spot exchange rates at the dates on which such items arose; all items in the income statement as well as items reflecting the distribution of profits are translated at the spot exchange rates on the dates of the transactions; the opening balance of retained earnings is the translated closing balance of the previous year's retained earnings; the closing balance of retained earnings is calculated and presented on the basis of each translated income statement and profit distribution item. The difference between the translated assets and the aggregate of liabilities and shareholders' equity items is separately presented as the exchange differences arising on translation of financial statements denominated in foreign currencies under the shareholders' equity in the balance sheet.

Cash flows arising from a transaction in foreign currency and the cash flows of a foreign subsidiary are translated at an exchange rate which approximates the spot exchange rate on the date of the cash flows. The effect of exchange rate changes on cash and cash equivalents is regarded as a reconciling item and presented separately in the cash flow statement as "effect of exchange rate changes on cash and cash equivalents".

The opening balances and the comparative figures of previous year are presented at the translated amounts in the previous year's financial statements.

On disposal of the Group's entire interest in a foreign operation, or upon a loss of control over a foreign operation due to disposal of certain interest in it or other reasons, the Group transfers the accumulated exchange differences arising on translation of financial statements of this foreign operation attributable to the owners' equity of the Company and presented under shareholders' equity, to profit or loss in the period in which the disposal occurs.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

8. Translation of transactions and financial statements denominated in foreign currencies -
continued

8.2 Translation of financial statements denominated in foreign currencies - continued

In case of a disposal or other reason that does not result in the Group losing control over a foreign operation, the proportionate share of accumulated exchange differences arising on translation of financial statements are re-attributed to minority interests and are not recognized in profit and loss. For partial disposals of equity interests in foreign operations which are associates or joint ventures, the proportionate share of the accumulated exchange differences arising on translation of financial statements of foreign operations is reclassified to profit or loss.

9. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. For financial assets and financial liabilities at fair value through profit or loss, transaction costs are immediately recognized in profit or loss. For other financial assets and financial liabilities, transaction costs are included in their initial recognized amounts.

9.1 Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period, using the effective interest rate. The effective interest rate is the rate that exactly discounts estimated future cash flows through the expected life of the financial asset or financial liability or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial asset or financial liability (without considering future credit losses), and also considers all fees paid or received between the parties to the contract giving rise to the financial asset and financial liability that are an integral part of the effective interest rate, transaction costs, and premiums or discounts, etc.

9.2 Classification, recognition and measurement of financial assets

On initial recognition, the Group's financial assets are classified into one of the four categories, including financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables, and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.2 Classification, recognition and measurement of financial assets - continued

9.2.1. Financial assets at fair value through profit or loss ("FVTPL")

Financial assets at FVTPL include financial assets held for trading and those designated as at fair value through profit or loss.

A financial asset is classified as held for trading if one of the following conditions is satisfied: (i) It has been acquired principally for the purpose of selling in the near term; or (ii) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (iii) It is a derivative that is not designated and effective as a hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.

A financial asset may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (i) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring assets or recognizing the gains or losses on them on different bases; or (ii) The financial asset forms part of a group of financial assets or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis; (iii) Hybrid instruments associated with embedded derivatives and financial assets measured at fair value and of which changes are recorded into the profits and losses as specified in *Accounting Standard for Business Enterprises No.22 - Financial Recognition and Measurement of Instruments*.

Financial assets at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value and any dividend or interest income earned on the financial assets are recognized in profit or loss.

9.2.2 Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the Group's management has the positive intention and ability to hold to maturity.

Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from DE recognition, impairment or amortization is recognized in profit or loss.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.2 Classification, recognition and measurement of financial assets - continued

9.2.3. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets classified as loans and receivables by the Group include accounts receivable, interest receivable, dividends receivable, and other receivables.

Loans and receivables are subsequently measured at amortized cost using the effective interest method. Gain or loss arising from DE recognition, impairment or amortization is recognized in profit or loss.

9.2.4. Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated on initial recognition as available for sale, and financial assets that are not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Available-for-sale financial assets are subsequently measured at fair value, and gains or losses arising from changes in the fair value are recognized as other comprehensive income, except that impairment losses and exchange differences related to amortized cost of monetary financial assets denominated in foreign currencies are recognized in profit or loss, until the financial assets are derecognized, at which time the gains or losses are released and recognized in profit or loss.

Interests obtained and the dividends declared by the investee during the period in which the available-for-sale financial assets are held, are recognized in investment gains.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivative financial assets which are linked to and must be settled by delivery of such unquoted equity instruments, are measured at cost.

9.3 Impairment of financial assets

The Group assesses at each balance sheet date the carrying amounts of financial assets other than those at fair value through profit or loss. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss. Objective evidence that a financial asset is impaired is evidence that, arising from one or more events that occurred after the initial recognition of the asset, the estimated future cash flows of the financial asset, which can be reliably measured, have been affected.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.3 Impairment of financial assets - continued

Objective evidence that a financial asset is impaired includes the following observable events:

- (1) Significant financial difficulty of the issuer or obligor;
- (2) A breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (3) The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting a concession to the borrower;
- (4) It becoming probable that the borrower will enter bankruptcy or other financial reorganizations;
- (5) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;
- (6) Upon an overall assessment of a group of financial assets, observable data indicates that there is a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group. Such observable data includes:
 - Adverse changes in the payment status of borrower in the group of assets;
 - Economic conditions in the country or region of the borrower which may lead to a failure to pay the group of assets;
- (7) Significant adverse changes in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of the investment in the equity instrument may not be recovered by the investor;
- (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost;
- (9) Other objective evidence indicating there is an impairment of a financial asset.

- Impairment of financial assets measured at amortized cost

If financial assets carried at amortized cost are impaired, the carrying amounts of the financial assets are reduced to the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The amount of reduction is recognized as an impairment loss in profit or loss. If, subsequent to the recognition of an impairment loss on financial assets carried at amortized cost, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. However, the reversal is made to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

For a financial asset that is individually significant, the Group assesses the asset individually for impairment. For a financial asset that is not individually significant, the Group assesses the asset individually for impairment or includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset (whether significant or not), it includes the asset in a group of financial assets with similar credit risk characteristics and collectively reassesses them for impairment. Assets for which an impairment loss is individually recognized are not included in a collective assessment of impairment.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.3 Impairment of financial assets - continued

- Impairment of available-for-sale financial assets

When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value previously recognized directly in capital reserve is reclassified from the capital reserve to profit or loss. The amount of the cumulative loss that is reclassified from capital reserve to profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, subsequent to the recognition of an impairment loss on available-for-sale financial assets, there is objective evidence of a recovery in value of the financial assets which can be related objectively to an event occurring after the impairment is recognized, the previously recognized impairment loss is reversed. The amount of reversal of impairment loss on available-for-sale equity instruments is recognized as other comprehensive income, while the amount of reversal of impairment loss on available-for-sale debt instruments is recognized in profit or loss.

- Impairment of financial assets measured at cost

If an impairment loss has been incurred on an investment in unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the carrying amount of the financial asset is reduced to the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. The amount of reduction is recognized as an impairment loss in profit or loss. The impairment loss on such financial asset is not reversed once it is recognized.

9.4 Transfer of financial assets

The Group derecognizes a financial asset if one of the following conditions is satisfied: (1) the contractual rights to the cash flows from the financial asset expire; or (2) the financial asset has been transferred and substantially all the risks and rewards of ownership of the financial asset is transferred to the transferee; or (3) although the financial asset has been transferred, the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset but has not retained control of the financial asset.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, and it retains control of the financial asset, it recognizes the financial asset to the extent of its continuing involvement in the transferred financial asset and recognizes an associated liability. The extent of the Group's continuing involvement in the transferred asset is the extent to which it is exposed to changes in the value of the transferred asset.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.4 Transfer of financial assets- continued

For a transfer of a financial asset in its entirety that satisfies the DE recognition criteria, the difference between (1) the carrying amounts of the financial asset transferred; and (2) the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognized in other comprehensive income is recognized in profit or loss.

If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognized and the part that is derecognized, based on the respective fair values of those parts. The difference between (1) the carrying amount allocated to the part derecognized; and (2) the sum of the consideration received for the part derecognized and any cumulative gain or loss allocated to the part derecognized which has been previously recognized in other comprehensive income, is recognized in profit or loss.

9.5 Classification, recognition and measurement of financial liabilities

Debt and equity instruments issued by the Group are classified into financial liabilities or equity on the basis of the substance of the contractual arrangements and definitions of financial liability and equity instrument.

On initial recognition, financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

9.5.1 Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL consist of financial liabilities held for trading and those designated as at FVTPL on initial recognition.

A financial liability is classified as held for trading if one of the following conditions is satisfied: (1) It has been acquired principally for the purpose of repurchasing in the near term; or (2) On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and there is objective evidence that the Group has a recent actual pattern of short-term profit-taking; or (3) It is a derivative, except for a derivative that is a designated and effective hedging instrument, or a financial guarantee contract, or a derivative that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.5 Classification, recognition and measurement of financial liabilities - continued

9.5.1 Financial liabilities at fair value through profit or loss - continued

A financial liability may be designated as at FVTPL upon initial recognition only when one of the following conditions is satisfied: (1) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise result from measuring liabilities or recognizing the gains or losses on them on different bases; or (2) The financial liability forms part of a group of financial liabilities or a group of financial assets and financial liabilities, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is reported to key management personnel on that basis; (3) Hybrid instruments associated with embedded derivatives and financial liabilities measured at fair value and of which changes are recorded into the profits and losses as specified in *Accounting Standard for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments*.

Financial liabilities at FVTPL are subsequently measured at fair value. Any gains or losses arising from changes in the fair value or any dividend or interest expenses related to the financial liabilities are recognized in profit or loss.

9.5.2 Other financial liabilities

For a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument (without a quoted price in an active market) whose fair value cannot be reliably measured, it is subsequently measured at cost. Other financial liabilities (excluding liabilities with financial guarantee contracts) are subsequently measured at amortized cost using the effective interest method, with gains or losses arising from derecognition or amortization recognized in profit or loss.

9.5.3. Financial guarantee contracts

A financial guarantee contract is a contract by which the guarantor and the lender agree that the guarantor would settle the debts or bear obligations in accordance with terms of the contract in case the borrower fails to settle the debts. Financial guarantee contracts that are not designated as financial liabilities at fair value through profit or loss are initially measured at their fair values less the directly attributable transaction costs. Subsequent to initial recognition, they are measured at the higher of: (i) the amount determined in accordance with *Accounting Standard for Business Enterprises No. 13 - Contingencies*; and (ii) the amount initially recognized less cumulative amortization recognized in accordance with the principles set out in *Accounting Standard for Business Enterprises No. 14 - Revenue*.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.6 Derecognition of financial liabilities

The Group derecognizes a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged. An agreement between the Group (an existing borrower) and an existing lender to replace the original financial liability with a new financial liability with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

When the Group derecognizes a financial liability or a part of it, it recognizes the difference between the carrying amount of the financial liability (or part of the financial liability) derecognized and the consideration paid (including any non-cash assets transferred or new financial liabilities assumed) in profit or loss.

9.7 Derivatives and embedded derivatives

Derivatives are initially measured at fair value at the date when the derivative contracts are entered into and are subsequently re-measured at fair value. The resulting gain or loss is recognized in profit or loss unless the derivative is designated and highly effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

An embedded derivative is separated from the hybrid instrument, where the hybrid instrument is not designated as a financial asset or financial liability at fair value through profit or loss, and treated as a standalone derivative if 1) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and 2) a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative. If the Group is unable to measure the embedded derivative separately either at acquisition or at a subsequent balance sheet date, it designates the entire hybrid instrument as a financial asset or financial liability at fair value through profit or loss.

9.8 Offsetting financial assets and financial liabilities

Where the Group has a legal right that is currently enforceable to set off the recognized financial assets and financial liabilities, and intends either to settle on a net basis, or to realize the financial asset and settle the financial liability simultaneously, a financial asset and a financial liability shall be offset and the net amount is presented in the balance sheet. Except for the above circumstances, financial assets and financial liabilities shall be presented separately in the balance sheet and shall not be offset.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

9. Financial instruments - continued

9.9 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The consideration received from issuing equity instruments and net of transaction costs, are added to shareholders' equity.

All types of distributions (excluding stock dividends) made by the Group to holders of equity instruments, are deducted from shareholders' equity. The Group does not recognize any changes in the fair value of equity instruments.

10. Receivables

10.1 Receivables for which bad debt provision is collectively assessed on a portfolio basis

Basis or monetary criteria for determining an individually significant receivable	A receivable that exceeds RMB 1 million (including RMB 1 million) is deemed as an individually significant receivable by the Group.
Method of determining provision for receivables that are individually significant and for which bad debt provision is individually assessed	For receivables that are individually significant, the Group assesses the receivables individually for impairment. For a financial asset that is not impaired individually, the Group includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Receivables for which an impairment loss is individually recognized are not included in a collective assessment of impairment.

10.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis:

Basis for determining a portfolio	
Portfolio 1	Receivables from government, petty cash advanced to employees, security deposit, and receivables from related parties of the Company and its subsidiaries. Bad debt provision is not recognized for such receivables since the possibility of incurring bad debt losses is remote.
Portfolio 2	Portfolio 2 mainly includes receivables arising from operating activities other than Portfolio 1.
Bad debt provision method for a portfolio	
Portfolio 1	No bad debt provision
Portfolio 2	Based on percentage of accounts balances

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

10. Receivables - continued

10.2 Receivables for which bad debt provision is collectively assessed on a portfolio basis: -
 continued

10.2.1 Portfolios where percentage of accounts receivable method is used for bad debt provision:

Name of portfolio	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Portfolio 2	1.00	1.00

10.3 Receivables that are not individually significant but for which bad debt provision is individually assessed:

Reasons for making individual bad debt provision	Significant difference between the carrying amount of accounts receivable and the present value of estimated future cash flows
Bad debt provision methods	Standalone impairment test is carried out and impairment losses are recognized based on the difference between the carrying amount and the present value of estimated future cash flows.

11. Inventories

11.1 Categories of inventories

The Group's inventories mainly include raw materials and maintenance accessories etc. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of conversion and other expenditures incurred in bringing the inventories to their present location and condition.

11.2 Valuation method of inventories upon delivery

The actual cost of inventories upon delivery is calculated using the weighted average method.

11.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories

At the balance sheet date, inventories are measured at the lower of cost and net realizable value. If the net realizable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes. Net realizable value is determined on the basis of clear evidence obtained, and takes into consideration the purposes of holding inventories and effect of post balance sheet events.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

11. Inventories - continued

11.3 Basis for determining net realizable value of inventories and provision methods for decline in value of inventories - continued

Provision for decline in value of inventories is made based on the excess of cost of inventory over its net realizable value on an item-by-item basis.

After the provision for decline in value of inventories is made, if the circumstances that previously caused inventories to be written down below cost no longer exist so that the net realizable value of inventories is higher than their cost, the original provision for decline in value is reversed and the reversal is included in profit or loss for the period.

11.4 Inventory count system

The perpetual inventory system is maintained for stock system.

12. Long-term equity investments

12.1 Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

12.2 Determination of investment cost

For a long-term equity investment acquired through a business combination involving enterprises under common control, the investment cost of the long-term equity investment is the attributable share of the carrying amount of the shareholders' equity of the acquiree at the date of combination. For a long-term equity investment acquired through business combination not involving enterprises under common control, the investment cost of the long-term equity investment is the cost of acquisition. For a long-term equity investment acquired through business combination not involving enterprises under common control and achieved in stages, the investment cost of the long-term equity investment is the aggregate of the carrying amount of the equity interest held in the acquiree prior to the acquisition date and the cost of the additional investment at the acquisition date. The long-term equity investment acquired otherwise than through a business combination is initially measured at its cost.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

12. Long-term equity investments- continued

12.2 Determination of investment cost - continued

Other long-term equity investments acquired through methods other than business combination, shall be recorded at cost initially. According to *CAS No.22 – Financial Instrument Recognition and Measurement*, if the investor can exert significant influence on the investee or implement co-control but not solely-control, the cost of long-term investment shall be the fair value plus the newly invested cost.

12.3 Subsequent measurement and recognition of profit or loss

12.3.1. Long-term equity investment accounted for using the cost method

For long-term equity investments over which the Group does not have joint control or significant influence and without quoted prices in an active market and that fair values cannot be reliably measured, the Group accounts for such long-term equity investments using the cost method. Besides, long-term equity investments in subsidiaries are accounted for using the cost method in the Company's separate financial statements. A subsidiary is an investee that is controlled by the Group.

Under the cost method, a long-term equity investment is measured at initial investment cost. Except for cash dividends or profits already declared but not yet paid that are included in the price or consideration actually paid upon acquisition of the long-term equity investment, investment income is recognized in the period in accordance with the attributable share of cash dividends or profit distributions declared by the investee.

12.3.2. Long-term equity investment accounted for using the equity method

The Group accounts for investment in associates and joint ventures using the equity method. An associate is an entity over which the Group has significant influence and a joint venture is an entity over which the Group exercises joint control along with other investors.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is recognized in profit or loss for the period, and the cost of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profit or loss of the investee for the period as investment income or loss for the period. The Group recognizes its share of the investee's net profit or loss based on the fair value of the investee's individually identifiable assets, etc. at the acquisition date after making appropriate adjustments to conform with the Group's accounting policies and accounting period. Unrealized profits or losses resulting from the Group's transactions with its associates and joint ventures are recognized as investment income or loss to the extent that those attributable to the Group's equity interest are eliminated.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

12. Long-term equity investments - continued

12.3 Subsequent measurement and recognition of profit or loss - continued

12.3.2. Long-term equity investment accounted for using the equity method- continued

However, unrealized losses resulting from the Group's transactions with its associates and joint ventures which represent impairment losses on the transferred assets are not eliminated. Changes in owners' equity of the investee other than net profit or loss are correspondingly adjusted to the carrying amount of the long-term equity investment, and recognized as other comprehensive income which is included in the capital reserve.

The Group discontinues recognizing its share of net losses of the investee after the carrying amount of the long-term equity investment together with any long-term interests that in substance form part of its net investment in the investee is reduced to zero. If the Group has incurred obligations to assume additional losses of the investee, a provision is recognized according to the expected obligation, and recorded as investment loss for the period. Where net profits are subsequently made by the investee, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the share of losses previously not recognized.

12.3.3 Disposal of long-term equity investments

On disposal of a long term equity investment, the difference between the proceeds actually received and receivable and the carrying amount is recognized in profit or loss for the period. For a long-term equity investment accounted for using the equity method, the amount included in the shareholders' equity attributable to the percentage interest disposed is transferred to profit or loss for the period.

12.4 Basis for determining joint control and significant influence over investee

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating policy decisions relating to the activity require the unanimous consent of the parties sharing control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. When determining whether an investing enterprise is able to exercise control or significant influence over an investee, the effect of potential voting rights of the investee (for example, warrants and convertible debts) held by the investing enterprises or other parties that are currently exercisable or convertible shall be considered.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

13. Investment properties

Investment property is property held to earn rentals or for capital appreciation or both. It includes a land use right that is leased out; a land use right held for transfer upon capital appreciation; and a building that is leased out.

An investment property is measured initially at cost. Subsequent expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

The Group uses the cost model for subsequent measurement of investment property, and adopts a depreciation or amortization policy for the investment property which is consistent with that for buildings or land use rights.

When an investment property is sold, transferred, retired or damaged, the Group recognizes the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

14. Fixed assets

14.1 Recognition criteria for fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of more than one accounting year. A fixed asset is recognized only when it is probable that economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. Fixed assets are initially measured at cost and the effect of any expected costs of abandoning the asset at the end of its use is considered.

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the asset will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognized. Other subsequent expenditures are recognized in profit or loss in the period in which they are incurred.

14.2 Depreciation of each category of fixed assets

A fixed asset is depreciated over its useful life using the straight-line method since the month subsequent to the one in which it is ready for intended use. The useful life, estimated net residual value rate and annual depreciation rate of each category of fixed assets are as follows:

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(III) **SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES-** continued
14. Fixed assets - continued

14.2 Depreciation of each category of fixed assets- continued

Category	Depreciation period (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings	5-50	5, 10	1.8-19
Port facilities	50	5	1.9
Machinery and equipment	3-20	5, 10	4.5-31.7
Transportation vehicles	3-14	5, 10	6.4-31.7
Fixed asset decorations	2-5	-	20-50
Office and other equipment	3-5	5, 10	18-31.7

Estimated net residual value of a fixed asset is the estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

14.3 Other explanations

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year-end, and accounts for any change as a change in an accounting estimate.

If a fixed asset is upon disposal or no future economic benefits are expected to be generated from its use or disposal, the fixed asset is derecognized. When a fixed asset is sold, transferred, retired or damaged, the amount of any proceeds on disposal of the asset net of the carrying amount and related taxes is recognized in profit or loss for the period.

15. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include various construction expenditures during the construction period, borrowing costs capitalized before it is ready for intended use and other relevant costs. Construction in progress is not depreciated. Construction in progress is transferred to a fixed asset when it is ready for its intended use.

Once the impairment loss of construction in progress is recognized, it is not be reversed in any subsequent period.

16. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying asset are capitalized when expenditures for such asset and borrowing costs are incurred and activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced. Capitalization of borrowing costs ceases when the qualifying asset being acquired, constructed or produced becomes ready for its intended use or sale. If construction or production of assets qualifying capitalization is interrupted abnormally for a continuous 3-month-or-above period, the capitalization of borrowing costs should be ceased until the assets resume construction or production. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

16. Borrowing costs - continued

Where funds are borrowed under a specific-purpose borrowing, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing for the period less any bank interest earned from depositing the borrowed funds before being used on the asset or any investment income on the temporary investment of those funds. Where funds are borrowed under general-purpose borrowings, the Group determines the amount of interest to be capitalized on such borrowings by applying a capitalization rate to the weighted average of the excess of cumulative expenditures on the asset over the amounts of specific-purpose borrowings. The capitalization rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

During capitalization period, any exchange differences of special loans in foreign currency should be capitalized, whereas exchange differences of general loans should be recorded in current profits and losses.

17. Intangible assets

17.1 Intangible assets

Intangible assets include land use rights, trademarks and software.

An intangible asset is measured initially at cost. When an intangible asset with a finite useful life is available for use, its original cost less net residual value and any accumulated impairment losses is amortized over its estimated useful life using the straight-line method. An intangible asset with an indefinite useful life is not amortized. The amortization method, years of useful life and net residual value are as follows:

Category	Amortization method	Useful life (year)	Net residual value (%)
land use rights	Straight-line method	50	-
trademarks	Straight-line method	10	-
Software	Straight-line method	3-10	-

For an intangible asset with a finite useful life, the Group reviews the useful life and amortization method at the end of the period, and makes adjustments when necessary.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

18. Long-term assets impairment

The Group assesses at each balance sheet date whether there is any indication that the long-term equity investment, investment property measured at cost method, fixed assets, construction in progress and intangible assets with a finite useful life may be impaired. If there is any indication that such assets may be impaired, recoverable amounts are estimated for such assets. Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that the assets may be impaired.

If it is not practical to estimate the recoverable amount of an individual asset, the recoverable amount of the asset group to which the asset belongs will be estimated. The recoverable amount of an asset is the higher of its fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset.

If the recoverable amount of an asset or an asset group is less than its carrying amount, the deficit is accounted for as an impairment loss and is recognized in profit or loss for the period.

Goodwill should be tested for impairment at least at the end of each year. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognized if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

Once the impairment loss of such assets is recognized, it is not be reversed in any subsequent period.

19. Employee benefits

19.1 Accounting method for short-term employee benefits

Actually occurred short-term employee benefits are recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group. Staff welfare expenses incurred by the Group are recognized in profit or loss for the period or the costs of relevant assets based on the actually occurred amounts when it actually occurred. Non-monetary staff welfare expenses are measured at fair value.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

19. Employee benefits - continued

19.1 Accounting method for short-term employee benefits - continued

Payment made by the Group of social security contributions for employees such as premiums or contributions on medical insurance, work injury insurance and maternity insurance, etc. and payments of housing funds, as well as union running costs and employee education costs provided in accordance with relevant requirements, are calculated according to prescribed bases and percentages in determining the amount of employee benefits and recognized as relevant liabilities, with a corresponding charge to the profit or loss for the period or the costs of relevant assets in the accounting period in which employees provide services.

19.2 Accounting method for post-employment benefits

Post-employment benefits are all defined contribution. The contribution payable to the defined contribution plan is recognized as liabilities, with a corresponding charge to the profit or loss for the period or in the costs of relevant assets in the accounting period in which employees provide services to the Group.

19.3 Accounting method for termination benefits

When the Group provides termination benefits to employees, employee benefit liabilities are recognized for termination benefits, with a corresponding charge to the profit or loss for the period at the earlier of: (1) when the Group cannot unilaterally withdraw the offer of termination benefits because of the termination plan or a curtailment proposal; and (2) when the Group recognizes costs or expenses related to restructuring that involves the payment of termination benefits.

20. Provisions

A provision shall be recognized when the Group has a present obligation relating to a contingency and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a realizable estimate can be made of the amount of the obligation.

At the balance sheet date, a provision is measured at the best estimate of the expenditure required to settle the present obligation after taking into account the risks and uncertainties surrounding a contingency and the time value of money. Where the effect of the time value of money is material, the best estimate shall be the present value as discounted from the expenditures expected to be required to settle the obligation.

If all or partial expenses needed for liquidation of a provision is expected to be compensated by a third party and the compensation is sure to be received, the compensation should be recorded as assets separately with amount not exceeding the net book value of provision.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

21. Production safety fee

The Group calculates and includes the production safety fee in the current profit or loss and the special reserve based on the *Administrative Rules on Provision and Use of Enterprise Production Safety Fee* (Cai Qi [2012] No.16) jointly issued by the MoF and State Administration of Work Safety on 14 February 2012.

If the production safety fee set aside is used as expense, it should be written-off against special reserve directly. If the production safety fee set aside is used for fixed assets for safety purpose, it should be included in construction in progress and recognized as fixed assets once the construction of fixed asset for safety purpose reaches the ready-to-use status; at the same time, special reserve should be written-off against the cost of forming fixed assets with the same amount of accumulated depreciation being recognized. Depreciation will not be calculated on such fixed assets for safety purpose in the future period.

22. Revenue

22.1 Revenue from rendering of services

Revenue from rendering of services is recognized when (1) the amount of revenue can be measured reliably; (2) it is probable that the associated economic benefits will flow to the enterprise; (3) the stage of completion of the transaction can be determined reliably; and (4) the associated costs incurred or to be incurred can be measured reliably. Revenue from rendering of services is recognized using the percentage of completion method at the balance sheet date. The stage of completion of a transaction for rendering for services is determined based on services performed to date as a percentage of total services to be performed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognized only to the extent of the costs incurred that will be recoverable, and the costs incurred are recognized as expenses for the period. When it is not probable that the costs incurred will be recovered, revenue is not recognized.

22.2 Revenue from rendering of asset usage right

The revenue is recognized on accrual basis according to related contracts or agreements reached.

22.3 Interest income

The interest income shall be calculated based on the tenure of the Group's monetary funds used by others and the actual interest rates used.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

23. Government grants

Government grants are transfer of monetary assets and non-monetary assets from the government to the Group at no consideration.

A government grant is recognized only when the Group can comply with the conditions attaching to the grant and the Group will receive the grant. If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable.

23.1 Basis of judgment and accounting methods for assets-related government grant

The Groups' government grant includes special grants for logistics park construction. As the grant relates to the final formation of assets, this grant is classified as assets-related government grant.

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset.

23.2 Basis of judgment and accounting methods for income-related government grant

The Group's government grant includes governmental supporting funds and subsidies for modern logistics industry. The grant should be classified as income-related government grant.

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, it is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized. If the grant is a compensation for related expenses or losses already incurred, it is recognized immediately in profit or loss for the period.

24. Deferred tax assets and deferred tax liabilities

The income tax expenses include current income tax and deferred income tax.

24.1 Current income tax

At the balance sheet date, current income tax liabilities (or assets) for the current and prior periods are measured at the amount expected to be paid (or recovered) according to the requirements of tax laws.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

24. Deferred tax assets and deferred tax liabilities- continued

24.2 Deferred tax assets and deferred tax liabilities

For temporary differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognized as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognized using the balance sheet liability method.

Deferred tax is generally recognized for all temporary differences. Deferred tax assets for deductible temporary differences are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilized. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future. At the balance sheet date, deferred tax assets and liabilities are measured at the tax rates, according to tax laws, that are expected to apply in the period in which the asset is realized or the liability is settled.

Current and deferred tax expenses or income are recognized in profit or loss for the period, except when they arise from transactions or events that are directly recognized in other comprehensive income or in shareholders' equity, in which case they are recognized in other comprehensive income or in shareholders' equity; and when they arise from business combinations, in which case they adjust the carrying amount of goodwill.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilized. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

24. Deferred tax assets and deferred tax liabilities - continued

24.2 Deferred tax assets and deferred tax liabilities- continued

When the Group has a legal right to settle on a net basis and intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously, current tax assets and current tax liabilities are offset and presented on a net basis.

When the Group has a legal right to settle current tax assets and liabilities on a net basis, and deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed, deferred tax assets and deferred tax liabilities are offset and presented on a net basis.

25. Operating leases and finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

25.1 Accounting treatment on operating leases

25.1.1 The Group as lessee under operating leases

Operating lease payments are recognized on a straight-line basis over the term of the relevant lease, and are either included in the cost of related asset or charged to profit or loss for the period. Initial direct costs incurred are charged to profit or loss for the period. Contingent rents are charged to profit or loss in the period in which they are actually incurred.

25.1.2 The Group as lessor under operating leases

Rental income from operating leases is recognized in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs with more than an insignificant amount are capitalized when incurred, and are recognized in profit or loss on the same basis as rental income over the lease term. Other initial direct costs with an insignificant amount are charged to profit or loss in the period in which they are incurred. Contingent rents are charged to profit or loss in the period in which they actually arise.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

26. Changes in significant accounting policies and accounting estimates -continued

26.1 Changes in accounting policies

The Group has applied new standards of Accounting Standard for Business Enterprises No. 39– Fair Value Measurement (CAS 39), Accounting Standard for Business Enterprises No.40–Joint Arrangements (CAS 40), Accounting Standard for Business Enterprises No. 41– Disclosure of Interests in Other Entities (CAS 41) and amendments to 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) and Accounting Standard for Business Enterprises No.33–Consolidated Financial Statements (CAS 33) issued by the Ministry of Finance in 2014 from 1 July, 2014; moreover, the Group has applied Accounting Standard for Business Enterprises No. 37– Presentation of Financial Instruments (CAS 37) revised by the Ministry of Finance for the first time in 2014 annual financial statements.Changes in accounting policies incurred by adopting the previous new or amended CAS have been approved by the Company's Board of Directors meeting on 10 March 2015

Long-term equity investments

Before the implementation of Accounting Standard for Business Enterprises No.2–Long-term Equity Investments (Revised), the equity investments that the Group had no joint control or significant influence over the investee and were not quoted in an active market, also whose fair value could not be reliably measured were accounted for as long-term equity investments under the cost method.

After the implementation of Accounting Standard for Business Enterprises No.2–Long-term Equity Investments (Revised), the equity investments that the Group have no joint control or significant influence over the investee and are not quoted in an active market, also whose fair value cannot be reliably measured are accounted for as available-for-sale financial assets. Management of the Group believes that adopting CAS 2 has no material impact on the Group's financial statements.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

26. Changes in significant accounting policies and accounting estimates - continued

26.1 Changes in accounting policies - continued

Employee benefits

Before the implementation of Accounting Standard for Business Enterprises No.9–Employee Benefits (Revised), as to the accounting treatment of termination benefits, for termination of employment before the end of employment contract or compensation offers made to encourage employees to accept voluntary redundancy, if the Group had developed a formal termination plan or made an offer to encourage voluntary redundancy which was about to be implemented, and at the same time the Group could not unilaterally withdraw such termination plan or redundancy offer, provisions for the expected compensation for termination of employment would be recognized, with a corresponding charge to the profit or loss for the current period.

After the implementation of Accounting Standard for Business Enterprises No.9–Employee Benefits (Revised), details of accounting policies for termination benefits are set out in Note 4.19. Management of the Group believes that adopting CAS 9 has no material impact on the Group's financial statements.

Joint arrangements

Under Accounting Standard for Business Enterprises No.40–Joint Arrangements, there are two types of joint arrangements – joint operations and joint ventures. The type of joint arrangements is determined based on the rights and obligations of joint operator to the joint arrangements by considering the factors, such as the structure, the legal form of the arrangements, and the contractual terms, etc. A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the joint ventures have rights to the net assets of the arrangement. Management of the Group believes that adopting CAS 40 has no material impact on the Group's financial statements.

Consolidated financial statements

Accounting Standard for Business Enterprises No.33–Consolidated Financial Statements (Revised) changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns; it also clarifies the accounting treatments for special transactions. Management of the Group believes that adopting CAS 40 has no material impact on the Group's financial statements.

(III) SIGNIFICANT ACCOUNTING POLICIES, AND ACCOUNTING ESTIMATES- continued

26. Changes in significant accounting policies and accounting estimates -continued

26.1 Changes in accounting policies - continued

Presentation of financial instruments

Accounting Standard for Business Enterprises No. 37– Presentation of Financial Instruments (Revised) adds the requirements regarding offsetting and disclosures, the disclosure requirements on the transfer of financial assets, and revised disclosure requirements on the maturity analysis for financial assets and financial liabilities. The financial statements have been prepared in accordance with CAS 37, and the disclosure in the notes to the comparative financial statements had been adjusted accordingly.

Presentation of financial statements

Under Accounting Standard for Business Enterprises No. 30– Presentation of Financial Statements (Revised), items of other comprehensive income are grouped into the following two categories: (1) items that will not be reclassified subsequently to profit or loss; (2) items that may be reclassified subsequently to profit or loss when specific conditions are met. CAS 30 also sets out the presentation requirements for other items (e.g. those held for sale). The financial statements have been prepared in accordance with CAS 30, and the presentation of comparative financial statements has been adjusted accordingly.

Fair value measurement

Accounting Standard for Business Enterprises No. 39– Fair Value Measurement prescribes the measurements of fair value and disclosures about fair value measurements. Adopting CAS 39 has no material impact on the measurement of financial statement items, but will result in more extensive disclosures about fair value in the notes to the financial statements. Required disclosures have been made in the financial statements in accordance with CAS 39.

Disclosure of interests in other entities

Accounting Standard for Business Enterprises No. 41– Disclosure of Interests in Other Entities applies to the disclosure of an entity's interest in subsidiaries, joint arrangements, associates and unconsolidated structured entities. Adopting CAS 41 results in more extensive disclosure in the notes to the entity's financial statements. Required disclosures have been made in the financial statements in accordance with CAS 41, and the notes to the comparative financial statements had been adjusted accordingly.

26.2 Changes in accounting estimates

No changes in accounting estimates occur this period.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
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(IV) TAXES

1. Major categories of taxes and tax rates

Category of tax	Basis of tax computation	Tax rate
Value-added tax ("VAT")	Revenues from water and electricity supply and maintenance service provided by general taxpayers	13%, 17% (note)
	Revenues from taxable services provided by small-scale taxpayers	3% (note)
	Revenues from stack (storage), loading and unloading, delivery and port management services provided by general taxpayers	6%, 11%(note)
Business tax	Taxable revenue from rendering of services, disposal of intangible assets or properties	3% or 5%
City maintenance and construction tax	Actual payment for VAT and business taxes	5% or 7%
Education surcharge	Actual payment for VAT and business taxes	3%
Enterprise income tax	Taxable income	16.5%, 25%
Urban land use tax	Actual occupation of land area	RMB1.50- 10.00/square meter
Property tax	70% to 90% of the original cost of the property or rental income	1.2% of properties' residual value

Entities using different enterprise income tax rate:

Name of entity	Enterprise income tax rate
Blogis (Hong Kong) Limited ("Baowan Hong Kong")	16.5%
China Huitong (H.K.) Limited ("China Huitong")	16.5%

Note 1: Baowan Logistics Holdings Co., Ltd. ("Baowan Holdings"), Tianjin Bingang Baowan International Logistics Co., Ltd. ("Bingang Baowan"), Tianjin Qingwu Baowan International Logistics Co., Ltd. ("Qingwu Baowan"), Shenyang Baowan International Logistics Co., Ltd. ("Shenyang Baowan"), Baowan Logistics (Wuhan) Yangluo Co., Ltd. ("Yangluo Baowan"), Baowan Feidong Logistics Holdings Co., Ltd. ("Feidong Baowan"), Xi'an Baowan International Logistics Co., Ltd. ("Xi'an Baowan"), Xianyang Baowan International Logistics Co., Ltd. ("Xianyang Baowan"), Wuxi Baowan Warehouse Equipment Co., Ltd. ("Wuxi Baowan"), Zhenjiang Shenjidi Warehouse Co., Ltd. ("Zhenjiang Warehouse"), Qindao Jiaozhou Baowan International Logistics Co., Ltd. ("Jiaozhou Baowan"), Changzhou Baowan Logistics Co., Ltd. ("Changzhou Baowan"), Jiaxing Baowan Logistics Co., Ltd. ("Jiaxing Baowan") and Jiangyin Baowan International Logistics Co., Ltd. ("Jiaxing Baowan"), PRC subsidiaries of the Company, are small scale taxpayers. The Company and the rest of its PRC subsidiaries are general taxpayers.

For the Company and subsidiaries recognized as general taxpayers, those in the business of providing stack (storage), loading and unloading and port management service apply to 6% VAT rate; those in the business of providing delivery service apply to 11% VAT rate.

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
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(IV) TAXES - continued

2. Tax incentives

Pursuant to *Urban Land Use Tax Policy on the Logistics Enterprises with Commodity Warehousing Facilities* (Cai Shui [2012] No. 13) issued by the MoF and SAT, from 1 January 2012 to 31 December 2014, the Group as a logistics enterprise, of which land being used for commodity warehousing facilities (including owner-occupied and rental) should be levied on urban land use tax based on 50% of applicable tax rate of different land grades.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

	Closing balance	Opening balance
Cash:		
RMB	8,081.23	13,971.13
Hong Kong Dollar	1,546.82	36.26
Euro	2,834.80	3,298.10
United States Dollar	612.00	-
Sub-total	13,074.85	17,305.49
Bank balances:		
RMB	358,297,010.73	254,734,296.60
Hong Kong Dollar	16,447,116.81	44,771,086.89
United States Dollar	571,658.79	382,680.65
Sub-total	375,315,786.33	299,888,064.14
Other monetary funds:		
RMB	-	5,000.00
Sub-total	-	5,000.00
Total	375,328,861.18	299,910,369.63
Including: Money deposited overseas(note)	96,827,266.05	22,297,354.33

Note :Bank balances deposited overseas are deposits of subsidiary China Huitong and Baowan Hong Kong. The remittance of funds is not restricted.

2. Notes receivables

Categories of notes receivable

Unit:RMB

Category	Closing balance	Opening balance
Bankacceptances	10,000,000.00	-

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.
 NOTES TO THE FINANCIAL STATEMENTS
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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued
 3. Accounts receivable

(1) Disclosure of accounts receivable by categories

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable that are individually significant and provided for bad debt individually	-	-	-	-	-	-	-	-	-	-
Accounts receivable for which bad debt provision has been assessed by portfolios										
Portfolio 1	-	-	-	-	-	-	-	-	-	-
Portfolio 2	53,772,368.36	99.70	537,723.72	1.00	53,234,644.64	55,919,181.02	99.71	559,191.88	1.00	55,359,989.14
Subtotal of portfolios	53,772,368.36	99.70	537,723.72	1.00	53,234,644.64	55,919,181.02	99.71	559,191.88	1.00	55,359,989.14
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	164,138.37	0.30	164,138.37	100.00	-	164,138.37	0.29	164,138.37	100.00	-
Total	53,936,506.73	100.00	701,862.09		53,234,644.64	56,083,319.39	100.00	723,330.25		55,359,989.14

Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually:

Unit: RMB

Name of entity	Closing balance			
	Receivables	Bad debt provision	Proportion of provision (%)	Basis of provision
Shenzhen Lanjing Offshore Technology Co., Ltd.	164,138.37	164,138.37	100.00	Debtor is likely to go bankruptcy

Accounts receivable portfolios for which bad debt provision has been assessed using the percentage of accounts receivable method:

Unit: RMB

Name of portfolio	Closing balance		
	Carrying amount	Bad debt provision	Proportion of provision (%)
Portfolio 2	53,772,368.36	537,723.72	1.00

Basis for determining the above portfolio: See Note(III)10.2.

(2) Provision recorded and written off in the current period

Provision recorded in the current period is RMB 50,863.71, and provision written off in the current period is RMB 72,331.87.

(3) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Age
Wuhan Watsons Personal Care Providers Ltd.	5,227,081.20	Within 1 year
Huizhou Operating Branch, CNOOC (China) Co., Ltd.	3,606,599.60	Within 1 year
LF Logistics (China) Co., Ltd.	3,877,298.49	Within 1 year
Shenzhen Branch, CNOOC (China) Co., Ltd.	2,862,385.67	Within 1 year
Shenzhen Tuode Energy Services Ltd.	2,427,229.91	Within 1 year
Total	18,000,594.87	

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 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 DECEMBER 2014

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

4. Prepayments

(1) Aging analysis of prepayments is as follows:

Unit: RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	310,456.92	83.18	458,172.03	82.94
More than 3 years	62,763.49	16.82	94,259.56	17.06
Total	373,220.41	100.00	552,431.59	100.00

5. Interests receivable

(1) Interests receivable by categories

Unit: RMB

Item	Closing balance	Opening balance
Financing product	3,406,186.30	4,797,363.01
Fixed deposits	167,125.00	124,158.50
Total	3,573,311.30	4,921,521.51

(2) There is no significant interest overdue for the Group.

6. Dividends receivable

(1) Dividends receivable

Unit: RMB

Item	Opening balance	Closing balance
Shenzhen Chiwan Sembawang Engineering Co., Ltd. ("CSE")	48,000,000.00	-

(2) There is no dividends receivable aging more than a year for the Group.

7. Other receivables

(1) Disclosure of other receivables by categories

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other receivables that are individually significant and provided for bad debt individually	-	-	-	-	-	-	-	-	-	-
Other receivables for which bad debt provision has been assessed by portfolios										
Portfolio 1	55,181,443.97	89.95	-	-	55,181,443.97	56,977,342.14	90.41	-	-	56,977,342.14
Portfolio 2	6,167,390.18	10.05	61,673.92	1.00	6,105,716.26	6,046,639.06	9.59	60,466.39	1.00	5,986,172.67
Subtotal of portfolios	61,348,834.15	100.00	61,673.92		61,287,160.23	63,023,981.20	100.00	60,466.39		62,963,514.81
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	-	-	-	-	-	-	-	-	-	-
Total	61,348,834.15	100.00	61,673.92		61,287,160.23	63,023,981.20	100.00	60,466.39		62,963,514.81

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NOTES TO THE FINANCIAL STATEMENTS
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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

7. Other receivables- continued

(1) Disclosure of other receivables by categories - continued

Other receivables portfolios for which bad debt provision has been assessed using the percentage of accounts receivable method:

Unit: RMB

Name of portfolio	Closing balance		
	Other receivables	Bad debt provision	Proportion of provision (%)
Portfolio 2	6,167,390.18	61,673.92	1.00

Basis for determining the above portfolio: See Note(III)10.2.

(2) Provision recorded and written off in the current period

Provision recorded in the current period is RMB 9,000.89, and provision written off in the current period is RMB 7,793.36.

(3) Disclosure of other receivables by nature:

Unit: RMB

Nature	Closing balance	Opening balance(restated)
Amount due from operating activities	35,609,339.28	53,995,313.82
Deposits	23,313,515.74	5,425,328.07
Petty cash	968,908.98	1,831,848.15
Amount due from related parties	31,571.48	189,860.42
Others	1,425,498.67	1,581,630.74
Total	61,348,834.15	63,023,981.20

(4) Top five entities with the largest balances of other receivables

Unit: RMB

Name of entity	Amount	Proportion of the amount to the total other receivables (%)
Nanjing Lukou Airport Investment and Development Co., Ltd.	32,552,880.00	53.06
Nantong Construction Management Bureau	1,760,000.00	2.87
Wuxi Huishan District Economic and Information Technology Bureau	1,413,888.00	2.30
Guangzhou Development Zone Construction and Environment Management Bureau	1,302,690.00	2.12
Wuhan Hannan District Municipal Government	1,000,000.00	1.63
Total	38,029,458.00	61.98

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NOTES TO THE FINANCIAL STATEMENTS
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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

8. Inventories

Unit: RMB

	Closing balance			Opening balance		
	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount	Gross carrying amount	Provision for decline in value of inventories	Net carrying amount
Maintenance accessories	961,758.65	-	961,758.65	866,059.32	-	866,059.32
Raw materials	92,287.77	-	92,287.77	130,297.23	-	130,297.23
Total	1,054,046.42	-	1,054,046.42	996,356.55	-	996,356.55

9. Other current assets

Unit: RMB

Item	Closing balance	Opening balance(restated)
Bank financing products (note)	390,000,000.00	669,950,582.00

Note: Other current assets are bank financing products purchased by the Group. The expected annualized rates of return are between 3.60% and 5.70% and the maturities are between 7 and 168 days.

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NOTES TO THE FINANCIAL STATEMENTS
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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

10. Long-term equity investments

Unit: RMB

Investee	Opening balance	Changes in the current period								Closing balance	Closing balance on provision
		Increase in investment	Decrease in investment	Investment income recognized by equity method	Adjustment on other comprehensive income	Other equity changes	Announcing cash dividends or profits	Provision	Others		
I. Associates											
CSE	369,433,367.09	-	-	57,878,180.98	-	-	-	-	-	427,311,548.07	-
China Development Finance Co., Ltd. ("CDFC")	101,105,139.15	-	-	4,096,895.16	-	-	-	-	-	105,202,034.31	-
Shenzhen Chiwan Offshore Petroleum Engineering Co., Ltd ("CPEC")	5,715,189.15	-	-	(266,730.36)	-	-	-	-	-	5,448,458.79	-
Total	476,253,695.39	-	-	61,708,345.78	-	-	-	-	-	537,962,041.17	-

There is no restrictions to the ability of transferring funds to the Company from the investee entities which are held by the Company as long-term equity investment as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

11. Investment properties

(1) Investment properties measured at cost

Unit: RMB

Item	Buildings
I. Total original carrying amount	
1. Opening carrying amount	1,173,950,726.49
2. Increase in the current period	401,099,227.09
(1) Purchase	309,356.00
(2) Transfer from Construction in Progress	400,789,871.09
3. Decrease in the current period	1,156,852.93
(1) Other transfer(note)	1,156,852.93
4. Closing carrying amount	1,573,893,100.65
II. Total accumulated provision for impairment losses of investment properties	
1. Opening carrying amount	269,734,271.09
2. Increase in the current period (note)	36,989,620.27
(1) Amount accrued or amortized	36,989,620.27
3. Decrease in the current period	-
4. Closing carrying amount	306,723,891.36
III. Total accumulated provision for impairment losses of investment properties	
1. Opening carrying amount	-
2. Increase in the current period	-
3. Decrease in the current period	-
4. Closing carrying amount	-
IV. Total net book value of investment properties	
1. Closing net book value	1,267,169,209.29
2. Opening net book value	904,216,455.40

Note: Decrease of RMB1,156,852.93 is due to adjustments on final completion settlement.

(2) Investment properties that have not obtained certificates

Unit: RMB

Item	Net bookvalue	Reasons for not obtained certificates
Buildings	380,134,410.89	Settlement procedures are still in progress
Buildings	120,545,146.56	Properties are built on leased land. See note (V) 14 for details

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

12. Fixed assets

(1) Details of fixed assets are as follows:

Unit: RMB

Item	Buildings	Port facilities	Machinery and equipment	Transportation vehicles	Fixed assets decorations	Office and other equipment	Total
I. Total original carrying amount							
1. Opening carrying amount	477,185,961.89	46,462,519.33	145,194,274.20	20,071,607.76	13,767,664.19	78,844,634.62	781,526,661.99
2. Increase in the current period	269,132,783.27	-	22,699,838.32	2,671,021.99	-	7,595,191.38	302,098,834.96
(1) Purchase	877,983.37	-	4,129,453.06	2,671,021.99	-	1,396,094.71	9,074,553.13
(2) Transfer from Construction in Progress	268,254,799.90	-	18,570,385.26	-	-	6,199,096.67	293,024,281.83
3. Decrease in the current period	-	-	654,765.08	818,226.64	-	763,634.68	2,236,626.40
(1) Disposal	-	-	654,765.08	818,226.64	-	763,634.68	2,236,626.40
4. Closing carrying amount	746,318,745.16	46,462,519.33	167,239,347.44	21,924,403.11	13,767,664.19	85,676,191.32	1,081,388,870.55
II. Total accumulated depreciation							
1. Opening carrying amount	92,648,184.94	33,240,759.71	67,384,689.08	12,225,083.30	13,767,664.19	45,881,826.31	265,148,207.53
2. Increase in the current period	21,548,569.17	945,634.32	11,661,993.57	2,227,827.97	-	4,627,573.41	41,011,598.44
(1) Amount accrued	21,548,569.17	945,634.32	11,661,993.57	2,227,827.97	-	4,627,573.41	41,011,598.44
3. Decrease in the current period	-	-	584,565.59	777,315.31	-	722,252.00	2,084,132.90
(1) Disposal	-	-	584,565.59	777,315.31	-	722,252.00	2,084,132.90
4. Closing carrying amount	114,196,754.11	34,186,394.03	78,462,117.06	13,675,595.96	13,767,664.19	49,787,147.72	304,075,673.07
III. Total accumulated provision for impairment losses							
1. Opening carrying amount	-	-	-	-	-	-	-
2. Increase in the current period	-	-	-	-	-	-	-
3. Decrease in the current period	-	-	-	-	-	-	-
4. Closing carrying amount	-	-	-	-	-	-	-
IV. Total net book value of investment properties							
1. Closing net book value	632,121,991.05	12,276,125.30	88,777,230.38	8,248,807.15	-	35,889,043.60	777,313,197.48
2. Opening net book value	384,537,776.95	13,221,759.62	77,809,585.12	7,846,524.46	-	32,962,808.31	516,378,454.46

(2) Fixed assets that have not obtained certificates

Unit: RMB

Item	Net bookvalue	Reasons for not obtained certificates
Buildings	15,475,142.18	Settlement procedures are still in progress
Buildings	8,530,819.57	Properties are built on leased land. See note (V) 14 for details

13. Construction in progress

(1) Details of construction in progress are as follows:

Unit: RMB

Item	Closing balance			Opening balance(restated)		
	Carrying amount	Provision for impairment losses	Net carrying amount	Carrying amount	Provision for impairment losses	Net carrying amount
Wuhan Baowan logistic park construction	234,242,522.39	-	234,242,522.39	22,084,639.62	-	22,084,639.62
Bingang Baowan logistic park construction	27,431,368.64	-	27,431,368.64	25,497,427.30	-	25,497,427.30
Zhenjiang Warehouse logistic park construction	9,204,709.43	-	9,204,709.43	-	-	-
Wuxi Baowan logistic park construction	2,451,818.66	-	2,451,818.66	40,000.00	-	40,000.00
Shenyang Baowan logistic park construction	646,090.10	-	646,090.10	46,090.10	-	46,090.10
Longquan Baowan logistic park construction	461,305.06	-	461,305.06	48,716,488.49	-	48,716,488.49
Nantong Baowan logistic park construction	400,164.78	-	400,164.78	9,040,855.12	-	9,040,855.12
Xi'an Baowan logistic park construction	190,000.00	-	190,000.00	-	-	-
Guangzhou Baowan lot A logistic park construction	129,928.80	-	129,928.80	199,349,637.54	-	199,349,637.54
Xianyang Baowan logistic park construction	49,000.00	-	49,000.00	-	-	-
Nanjing Baowan logistic park construction	-	-	-	63,482,722.70	-	63,482,722.70
Other miscellaneous constructions	25,249,719.48	-	25,249,719.48	7,900,598.15	-	7,900,598.15
Total	300,456,627.34	-	300,456,627.34	376,158,459.02	-	376,158,459.02

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**NOTES TO THE FINANCIAL STATEMENTS
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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

13. Construction in progress - continued

(2) Changes in construction in progress

Unit: RMB

Item name	Budget amount	Opening balance(restated)	Increase in the current period	Transferred to fixed assets	Transferred to investment properties	Amount injected as a proportion of budget amount (%)	Construction progress	Amount of accumulated capitalized interest	Including: capitalized interest for the period	Interest capitalization rate for the period (%)	Source of funds	Closing balance
Wuhan Baowan logistic park construction	463,710,000.00	22,084,639.62	212,157,882.77	-	-	50.51	50.51	4,656,439.93	4,576,715.48	5.93	Self-financing and borrowings	234,242,522.39
Bingang Baowan logistic park construction	343,600,000.00	25,497,427.30	1,933,941.34	-	-	7.98	7.98	-	-	-	Self-financing	27,431,368.64
Zhenjiang Warehouse logistic park construction	362,220,000.00	-	9,204,709.43	-	-	2.54	2.54	-	-	-	Self-financing	9,204,709.43
Wuxi Baowan logistic park construction	361,530,000.00	40,000.00	2,411,818.66	-	-	0.68	0.68	-	-	-	Self-financing	2,451,818.66
Shenyang Baowan logistic park construction	433,240,000.00	46,090.10	600,000.00	-	-	0.15	0.15	-	-	-	Self-financing	646,090.10
Longquan Baowan logistic park construction	319,070,000.00	48,716,488.49	40,548,103.59	33,966,973.44	54,836,313.58	73.70	100.00	13,918,583.83	2,331,950.25	6.05	Self-financing and borrowings	461,305.06
Nantong Baowan logistic park construction	341,040,000.00	9,040,855.12	75,229,622.72	34,469,242.19	49,401,070.87	28.46	28.46	-	-	-	Self-financing	400,164.78
Xi'an Baowan logistic park construction	448,120,000.00	-	190,000.00	-	-	0.04	0.04	-	-	-	Self-financing	190,000.00
Guangzhou Baowan lot A logistic park construction	445,420,000.00	199,349,637.54	139,009,139.58	152,939,770.98	185,289,077.34	72.75	100.00	13,687,124.73	10,061,996.45	6.08	Self-financing and borrowings	129,928.80
Xianyang Baowan logistic park construction	549,780,000.00	-	49,000.00	-	-	0.01	0.01	-	-	-	Self-financing	49,000.00
Nanjing Baowan logistic park construction	305,630,000.00	63,482,722.70	110,186,039.34	70,425,295.22	103,243,466.82	62.88	100.00	4,374,553.84	3,984,415.57	5.67	Self-financing and borrowings	-
Other miscellaneous constructions	Not applicable	7,900,598.15	26,592,063.81	1,223,000.00	8,019,942.48	Not applicable	Not applicable	-	-	-	Self-financing	25,249,719.48
Total		376,158,459.02	618,112,321.24	293,024,281.83	400,789,871.09			36,636,702.33	20,955,077.75			300,456,627.34

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

14. Intangible assets

(1) Details of intangible assets

Unit: RMB

Item	Land use rights	Trademarks	Software	Total
I. Total original carrying amount				
1. Opening carrying amount	1,591,794,755.33	230,500.00	1,711,223.72	1,593,736,479.05
2. Increase in the current period	138,879,480.40	-	-	138,879,480.40
(1) Purchase	138,879,480.40	-	-	138,879,480.40
3. Decrease in the current period	1,116,672.00	-	-	1,116,672.00
(1) Disposal	1,116,672.00	-	-	1,116,672.00
4. Closing carrying amount	1,729,557,563.73	230,500.00	1,711,223.72	1,731,499,287.45
II. Total accumulated amortization				
1. Opening carrying amount	350,263,775.77	163,441.38	1,205,228.38	351,632,445.53
2. Increase in the current period	38,478,455.55	23,049.96	178,156.66	38,679,662.17
(1) Amortization accrued	38,478,455.55	23,049.96	178,156.66	38,679,662.17
3. Decrease in the current period	-	-	-	-
4. Closing carrying amount	388,742,231.32	186,491.34	1,383,385.04	390,312,107.70
III. Total Provision for impairment losses				
1. Opening carrying amount	-	-	-	-
2. Increase in the current period	-	-	-	-
3. Decrease in the current period	-	-	-	-
4. Closing carrying amount	-	-	-	-
III. Total net book value				
1. Closing net book value	1,340,815,332.41	44,008.66	327,838.68	1,341,187,179.75
2. Opening net book value	1,241,530,979.56	67,058.62	505,995.34	1,242,104,033.52

(2) Intangible assets that have not obtained certificates

Unit: RMB

Item	Net bookvalue	Reasons for not obtained certificates
Land use rights	297,935,579.90	Note 1
Land use rights	10,953,484.18	Note 2

Note 1: Land use right and dock use right are assets leased from Nanshan Group, the controlling shareholder of the Company. In 1984, Nanshan Group contributed the land use right and dock use right for 25 years as the investment capital to the Company. The term of the use rights expired on 15 July 2009. On 18 July 2006, the Company and Nanshan Group entered into *Agreement on Land Use*, which specifies that the Company can continue to lease the land and dock by means of operating lease after the expiration. The lease term is 25 years that starts from 15 July 2009 and ends on 14 July 2034. The Company has paid off all the rentals in a lump sum. As at 31 December 2014, Nanshan Group has not obtained the use right certificate of the above mentioned land and dock.

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

14. Intangible assets- continued

(2) Intangible assets that have not obtained certificates - continued

Note 2: Use right of the eastern land is an asset leased from Nanshan Group, the controlling shareholder of the Company, by means of operating lease in 1997. The lease term is 25 years from 1 August 1997 to 31 July 2022. The Company has paid off all the rentals in a lump sum. Given that Nanshan Group has not obtained the use right certificate of the mentioned land, in addition to the guarantee of the Company's legal use right on the land, Nanshan Group entered into an *Agreement on Immunity from Liabilities Caused by the Land Use* with the Company on 18 July 1997, agreeing to compensate the Company for any losses, expenditures and liabilities associated with the leased land. As at 31 December 2014, Nanshan Group has not obtained use right certificate of the above mentioned land and dock.

15. Deferred tax assets

(1) Deferred tax assets that are not offset

Unit: RMB

Item	Deductible temporary differences at the end of the reporting period	Deferred tax assets at the end of the reporting period	Deductible temporary differences at the beginning of the reporting period (restated)	Deferred tax assets at the beginning of the reporting period (restated)
Provision for impairment losses of assets	712,367.20	178,091.80	681,502.93	170,375.73
Intangible assets amortization	28,209.60	7,052.40	28,415.11	7,103.78
Deductible losses	67,730,431.04	16,932,607.76	65,981,225.00	16,495,306.25
Total	68,471,007.84	17,117,751.96	66,691,143.04	16,672,785.76

According to the profit forecast, the Group believes that it is probable that sufficient taxable profits will be available in future periods to offset the deductible temporary differences and deductible losses. Therefore, the related deferred tax assets are recognized.

(2) Details of unrecognized deferred tax assets

Unit: RMB

Item	Closing balance	Opening balance
Deductible temporary differences	51,168.81	102,293.71

16. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance (restated)
Prepayments for land use rights (note)	250,913,490.35	26,891,614.92
Prepayments for construction	515,187.00	16,688,269.48
Others	2,143,943.29	585,092.78
Total	253,572,620.64	44,164,977.18

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

16. Other non-current assets- continued

Note: Closing balance represents prepayments for land use rights of the Company's subsidiaries, namely Xi'an Baowan, Yangluo Baowan, Xianyang Baowan, Zhenjiang Warehouse and Jiaozhou Baowan.

17. Accounts payable

(1) Details of accounts payable are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Rents	5,353,209.50	6,132,919.30
Construction costs	2,851,624.77	1,486,193.95
Service charges	152,584.64	335,614.64
Others	2,000,590.33	2,674,963.13
Total	10,358,009.24	10,629,691.02

(2) There is no significant accounts payable aging more than a year in the closing balance.

18. Receipts in advance

(1) Details of receipts in advance are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Storage service fees collected in advance	5,065,408.13	6,057,344.09
Others	2,493.08	72,809.17
Total	5,067,901.21	6,130,153.26

(2) There are no significant receipts in advance aging more than a year in the closing balance.

19. Employee benefits payable

(1) Details of employee benefits payable are as follows

Unit: RMB

Item	Opening balance (restated)	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	29,209,912.52	76,152,493.18	73,952,766.55	31,409,639.15
II. Post-employment benefits-defined contribution plans	14,117.25	8,409,652.16	8,408,917.58	14,851.83
III. Termination benefits	-	678,330.90	678,330.90	-
IV. Other welfare due within one year	-	99,858.09	99,858.09	-
Total	29,224,029.77	85,340,334.33	83,139,873.12	31,424,490.98

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**19. Employee benefits payable-** continued

(2) Short-term Compensation

Unit: RMB

Item	Opening balance (restated)	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	28,308,082.80	63,596,603.83	62,014,709.77	29,889,976.86
II. Staff welfare	8.00	4,566,863.58	4,565,747.58	1,124.00
III. Social security contributions	7,260.30	2,650,710.76	2,650,332.94	7,638.12
Including: Medical insurance	5,378.00	2,110,399.58	2,110,119.74	5,657.84
Work-related injury insurance	1,210.05	350,576.60	350,513.60	1,273.05
Birth insurance	672.25	189,734.58	189,699.60	707.23
IV. Housing funds	-	2,946,058.24	2,946,058.24	-
V. Expenditure for trade union and employee training	894,561.42	2,392,256.77	1,775,918.02	1,510,900.17
Total	29,209,912.52	76,152,493.18	73,952,766.55	31,409,639.15

(3) Post-employment benefits- defined contribution plans

Unit: RMB

Item	Opening balance (restated)	Increase in the current period	Decrease in the current period	Closing balance
I. Basic endowment insurance	13,445.00	5,743,667.23	5,742,967.63	14,144.60
II. Unemployment insurance	672.25	286,927.50	286,892.52	707.23
III. Enterprise annuity payment	-	2,379,057.43	2,379,057.43	-
Total	14,117.25	8,409,652.16	8,408,917.58	14,851.83

Note: The Group participates in the social security contributions and the unemployment insurance plan established by government institutions as required. According to such plans, the Company and its subsidiaries contributes amounts according to local supervision agency's requirements respectively to such plans. The Group does not undertake further payment obligations other than the above monthly contributions. Corresponding expenses are charged to profit or loss for the period or costs of the related assets when incurred.

During the year, the Group shall contribute RMB 5,743,667.23 and RMB 286,927.50 respectively to the social security contributions and the unemployment insurance plan (2013: RMB 5,272,681.17 and RMB 277,775.43). As at 31 December 2014, the Group still have outstanding contributions of RMB 14,144.60 and RMB 707.23 (31 December 2013: RMB 13,445.00 and RMB 672.25) to be paid to the social security contributions and the unemployment insurance plan. The related outstanding contributions have been made after the reporting period.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

20. Taxes payable

Unit: RMB

Item	Closing balance	Opening balance (restated)
Enterprise income tax	31,951,111.72	39,565,976.92
Urban land use tax	2,976,407.34	2,739,395.77
Property Tax	2,646,773.08	1,961,612.84
Value added tax	1,855,329.54	2,446,581.15
Individual income tax	196,143.01	124,773.82
City construction and maintenance tax	156,246.63	180,087.09
Business tax	140,262.31	200,492.21
Educational surcharges	126,483.49	144,748.77
Others	390,421.54	459,065.85
Total	40,439,178.66	47,822,734.42

21. Interest payable

Unit: RMB

Item	Closing balance	Opening balance (restated)
Medium term note interest	19,594,520.52	19,594,520.53
Nanshan Group borrowings interest	15,099,874.99	8,729,309.69
Corporate bond interest	1,189,716.67	1,189,716.67
Bank interest	520,699.26	797,034.24
Total	36,404,811.44	30,310,581.13

22. Other payables

(1)Details of other payables are as follows:

Unit: RMB

Item	Closing balance	Opening balance(restated)
Construction costs	341,203,333.15	195,834,595.98
Deposits	49,408,555.90	39,982,668.98
Others	48,423,028.33	21,587,812.84
Total	439,034,917.38	257,405,077.80

(2)Significant other payables aged more than a year

Unit: RMB

Item	Closing balance	Reason for not repay or carry over
Customer 1	10,133,058.12	Construction balance not reaching payment terms
Customer 2	3,115,639.14	Construction balance not reaching payment terms
Customer 3	2,894,476.54	Construction balance not reaching payment terms
Customer 4	2,014,469.14	Construction balance not reaching payment terms
Customer 5	1,977,889.25	Storage deposit not reaching payment terms
Total	20,135,532.19	

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**23. Non-current liabilities due within one year**

(1) Details of non-current liabilities due within one year are as follows:

Unit: RMB

Item	Closing balance	Opening balance
Long-term borrowings due within one year	-	309,700,000.00
Other non-current liabilities due within one year	1,349,351.16	1,349,351.16
Total	1,349,351.16	311,049,351.16

(2) Long-term borrowings due within one year

Unit: RMB

Item	Closing balance	Opening balance
Unsecured and non-guaranteed loans	-	159,600,000.00
Guaranteed loans	-	150,100,000.00
Total	-	309,700,000.00

24. Other current liabilities

Unit: RMB

Item	Closing balance	Opening balance
Loans borrowed from Nanshan Group (note)	300,000,000.00	-

Note: Closing balance is short-term loan due to Nanshan Group. The borrowing period dates from 3 July 2014 to 3 July 2015, and the annual borrowing rate is 5.50%.

25. Long-term borrowings

(1) Categories of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed loans (note)	345,491,134.28	165,048,306.62
Unsecured and non-guaranteed loans	45,325,551.36	20,395,341.34
Total	390,816,685.64	185,443,647.96

The annual interest rates on the above borrowings range from 6.08% to 6.8775% (31 December 2013: 6.0800% to 6.5500%).

Note: See note (X) 5(3) for details.

26. Bonds payable

(1) Details of bonds payable

Unit: RMB

Item	Closing balance	Opening balance
Medium term note	400,000,000.00	400,000,000.00
Corporate bond	565,677,500.00	564,195,500.00
Total	965,677,500.00	964,195,500.00

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NOTES TO THE FINANCIAL STATEMENTS

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

26. Bonds payable- continued

(2) Changes in the current period of bonds payable

Unit: RMB

Item	Par value	Issue date	Maturity term	Issued amount	Opening balance	Issue in the current period	Accrued interest for the period	Premium or discount amortization	Repay for the period	Closing balance
Medium term note (note 1)	400,000,000.00	07/03/2012	5 years	400,000,000.00	400,000,000.00	-	23,999,900.00	-	-	400,000,000.00
Corporate bond (note 2)	570,000,000.00	17/12/2012	7 years	570,000,000.00	564,195,500.00	-	32,945,999.98	-	-	565,677,500.00
Total	970,000,000.00			970,000,000.00	964,195,500.00	-	56,945,899.98	-	-	965,677,500.00

Note 1: The Company issued the five-year medium term note, which starts from 9 March 2012 and ends on 9 March 2017, at the par value of RMB400,000,000.00 with fixed annual interest rate of 6% on 7 March 2012. The interests are paid yearly, and the principal will be repaid in a lump sum upon maturity. Nanshan Group has provided a full-amount irrevocable guarantee with joint-liability for the medium term note.

Note 2: Pursuant to *Approval for Publicly Issuing Corporate Bond of Shenzhen Chiwan Petroleum Supply Base Co., Ltd.* (Zheng Jian Xu Ke [2012] No. 1142) issued by China Securities Regulatory Commission, the Company issued the seven-year corporate bond at the par value of RMB570,000,000.00 on 17 December 2012. In the first five interest-bearing years, the annual interest rate is fixed at 5.78%. The interests will be paid yearly, and the principal will be repaid in a lump sum upon maturity. As specified in the prospectus of the corporate bond, the Company has the right to decide whether to raise the interest rate of the corporate bond for the remaining two years by 1 to 100 basis points at the end of the fifth year. After the Company publicly announces the decision on changing interest rate, the bond holders are entitled to sell all or partial of the bonds held by them to the Company at par value. Nanshan Group has provided a full-amount irrevocable guarantee with joint-liability for the corporate bond.

27. Long-term payable

Unit: RMB

Entity	Closing balance	Opening balance
Nanshan Group	251,417,853.31	212,011,691.49

Note: The long-term payable is the fund borrowed by the Group from the Company's parent company Nanshan Group. Pursuant to the agreement of long-term borrowings with Nanshan Group, the borrowings should be used for the construction and subsequent operation of the logistics parks of the Company's subsidiaries. The interests will accrue on the actual amounts borrowed at the interest rate based on market rates of the same period.

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NOTES TO THE FINANCIAL STATEMENTS

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

28. Deferred income

Unit: RMB

Item	Opening balance(restated)	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Government Subsidy	-	1,500,000.00	-	1,500,000.00	Special subsidy for purchasing fixed assets

Items concerning government subsidy:

Unit: RMB

Liabilities items	Opening balance	Increase of government subsidy in the current period	Amount recognized in non-operating income in the current period	Closing balance	Related to assets or revenue
Guangzhou Baowan lot A logistic park construction	-	1,500,000.00	-	1,500,000.00	Related to assets

29. Other non-current liabilities

Unit: RMB

Item	Closing balance	Opening balance (restated)
Medium and long-term borrowings	910,000,000.00	897,430,360.00
Rental received in advance	19,006,206.66	20,415,611.82
Total	929,006,260.66	917,845,971.82
Less: Rental received in advance to be amortized within one year	1,349,351.16	1,349,351.16
Non-current liabilities due after one year	927,716,909.50	916,496,020.66

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

30. Share capital

Unit: RMB

Item	Opening balance	Changes for the period					Closing balance
		New issue of shares	Bonus issue	Capitalization of surplus reserve	Others	Sub-total	
2014:							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	119,420,000.00	-	-	-	-	-	119,420,000.00
3. Other domestic-owned shares	-	-	-	-	-	-	-
4. Other foreign-owned shares	-	-	-	-	-	-	-
Total restricted tradable shares	119,420,000.00	-	-	-	-	-	119,420,000.00
II. Tradable shares							
1. Ordinary shares denominated in RMB	-	-	-	-	-	-	-
2. Foreign-owned shares listed domestically	111,180,000.00	-	-	-	-	-	111,180,000.00
3. Foreign-owned shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total tradable shares	111,180,000.00	-	-	-	-	-	111,180,000.00
III. Total shares	230,600,000.00	-	-	-	-	-	230,600,000.00
2013:							
I. Restricted tradable shares							
1. State-owned shares	-	-	-	-	-	-	-
2. State-owned legal person shares	119,420,000.00	-	-	-	-	-	119,420,000.00
3. Other domestic-owned shares	-	-	-	-	-	-	-
4. Other foreign-owned shares	-	-	-	-	-	-	-
Total restricted tradable shares	119,420,000.00	-	-	-	-	-	119,420,000.00
II. Tradable shares							
1. Ordinary shares denominated in RMB	-	-	-	-	-	-	-
2. Foreign-owned shares listed domestically	111,180,000.00	-	-	-	-	-	111,180,000.00
3. Foreign-owned shares listed overseas	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-
Total tradable shares	111,180,000.00	-	-	-	-	-	111,180,000.00
III. Total shares	230,600,000.00	-	-	-	-	-	230,600,000.00

Note: The par value per share of the above shares is RMB1.00.

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FOR THE YEAR ENDED 31 DECEMBER 2014

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

31. Capital reserve

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Capital premium	124,868,225.67	-	-	124,868,225.67
Other capital reserve	109,272,960.42	-	-	109,272,960.42
Total	234,141,186.09	-	-	234,141,186.09

32. Other comprehensive income

Unit: RMB

Item	Opening balance (restated)	Amount for the current period					Closing balance
		Before-tax amount for the current period	Less: Net amount included in other comprehensive income in the prior periods that is transferred to profit or loss for the period	Less: income tax	Post-tax net amount belonging to parent company owners	Post-tax net amount belonging to minority shareholders	
I. Net amount included in other comprehensive income that cannot be transferred to profit or loss in the future	-	-	-	-	-	-	-
Including: Changes in net liability and net asset arising from recalculation of defined benefit plan	-	-	-	-	-	-	-
Share of other comprehensive income of the investee that cannot be transferred to profit or loss accounted for using the equity method	-	-	-	-	-	-	-
II. Net amount included in other comprehensive income that can be transferred to profit or loss in the future	603,045.89	63,383.20	-	-	49,033.25	14,349.95	652,079.14
Including: Share of other comprehensive income of the investee that can be transferred to profit or loss accounted for using the equity method	-	-	-	-	-	-	-
Gains (losses) arising from available-for-sale financial assets	-	-	-	-	-	-	-
held-to-maturity investment that is reclassified as financial assets available for sale	-	-	-	-	-	-	-
Effective gains(losses) arising from cash flow hedging instruments	-	-	-	-	-	-	-
Translation differences of financial statements denominated in foreign currencies	603,045.89	63,383.20	-	-	49,033.25	14,349.95	652,079.14
Total	603,045.89	63,383.20	-	-	49,033.25	14,349.95	652,079.14

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**33. Special reserve**

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Production safety fee	2,622,730.81	2,401,076.31	783,659.63	4,240,147.49

34. Surplus reserves

Unit: RMB

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	200,980,383.36	14,888,222.68	-	215,868,606.04
Discretionary surplus reserve	83,704,364.36	7,511,659.85	-	91,216,024.21
Total	284,684,747.72	22,399,882.53	-	307,084,630.25

35. Unappropriated profits

Unit: RMB

Item	Closing balance	Opening balance
Before adjustment: Unappropriated profits at the end of prior year	720,937,883.66	557,522,716.65
Adjustment: Total unappropriated profits at the beginning of the year(note 1)	(3,314,195.62)	627.16
After adjustment: Unappropriated profits at the beginning of the year	717,623,688.04	557,523,343.81
Add: Net profit attributable to owners of the Company for the period	218,544,184.50	204,249,571.43
Less: Appropriation to statutory surplus reserve (note 2)	14,888,222.68	15,023,319.70
Appropriation to discretionary surplus reserve (note 3)	7,511,659.85	5,835,337.45
Declaration of dividends on ordinary shares	-	23,290,570.05
Effects of business combination involving enterprises under common control	0.61	-
Unappropriated profits at the end of the year	913,767,989.40	717,623,688.04

Note 1: Business combination involving enterprises under common control resulted in changes of combination scope, which affected RMB 627.16 and RMB (3,314,195.62) net profits attributable to owners of the Company for the opening balance and closing balance.

Note 2: According to the Articles of Association, the Company is required to transfer 10% of its net profit to the statutory surplus reserve.

Note 3: According to the resolution of 2013 shareholders' meeting on 16 May 2014, the Company appropriated the discretionary surplus reserve based on 5% of the Company's net profit, the total amount of which is RMB7,511,659.85.

Note 4: As at 31 December 2014, the balance of the Group's unappropriated profits includes appropriation to surplus reserve by subsidiaries amounting to RMB56,518,506.74 (31 December 2013: RMB56,518,506.74).

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

36. Operating income and operating costs

Unit: RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating cost	Operating income	Operating cost
Principal operating activities	704,037,704.37	256,773,472.87	676,995,055.04	240,016,452.99
Other operating activities	8,920,898.89	2,888,454.36	14,837,571.43	12,844,024.86
Total	712,958,603.26	259,661,927.23	691,832,626.47	252,860,477.85

37. Business taxes and levies

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Basis of calculation
Property tax	14,873,250.87	14,312,383.19	See note (IV)
Urban land use tax	5,239,062.56	5,875,448.70	See note (IV)
City construction and maintenance tax	2,327,636.94	2,265,496.77	See note (IV)
Business tax	1,998,254.47	5,158,779.04	See note (IV)
Education surcharges	1,906,193.93	1,825,677.42	See note (IV)
Others	222,482.82	230,887.81	
Total	26,566,881.59	29,668,672.93	

38. Selling expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Agency brokerage	414,289.52	1,064,389.00
Others	9,582.91	44,567.18
Total	423,872.43	1,108,956.18

39. Administrative expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Payroll	51,730,187.95	52,163,392.82
Asset amortization	10,750,070.56	8,363,611.39
Taxes	6,812,525.70	4,980,642.13
Asset depreciation	4,504,401.09	4,522,609.76
Business entertainment	2,830,996.47	2,950,377.00
Travelling expense	2,597,972.29	2,163,071.48
Vehicle expense	2,087,291.53	1,970,012.51
Board of directors fee	798,983.44	831,845.88
Others	13,118,846.12	11,153,668.49
Total	95,231,275.15	89,099,231.46

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**40. Financial expenses**

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period (restated)
Interest expenses	166,824,004.01	153,326,955.40
Less: Capitalized interest expenses	20,955,077.75	7,660,665.17
Less: Interest income	2,727,333.08	4,682,776.94
Exchange differences	210,592.57	2,449,467.28
Less: Capitalized exchange differences	-	-
Others	2,926,541.16	2,934,103.62
Total	146,278,726.91	146,367,084.19

41. Impairment losses on assets

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Bad debt losses	(20,260.63)	68,650.31

42. Investment income

(1) Details of investment income

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	61,708,345.78	62,622,013.46
Income from bank financing products	32,184,075.89	32,845,899.16
Total	93,892,421.67	95,467,912.62

There are no significant restrictions on remittance of investment income stated above.

43. Non-operating income

(1) Details of non-operating income are as follows:

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Amount included in non-recurring profit or loss for the period
Total gains on disposal of non-current assets	244,284.67	355,637.36	244,284.67
Including: Gains on disposal of fixed assets	244,284.67	355,637.36	244,284.67
Government grants	9,686,859.21	4,694,608.73	9,686,859.21
Penalty gains	1,729,363.62	187,706.80	1,729,363.62
Others	207,618.02	331,312.16	207,618.02
Total	11,868,125.52	5,569,265.05	11,868,125.52

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

43. Non-operating income- continued

(2)Details of government grants:

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period	Related to assets/income
Bank loan subsidies (note 1)	3,226,300.00	3,280,034.92	Related to income
Financial support fund(note 2)	4,173,290.49	1,298,704.06	Related to income
Encouragement fund for service	1,800,000.00	-	Related to income
Others	487,268.72	115,869.75	Related to income
Total	9,686,859.21	4,694,608.73	

Note 1: Amount recognized in the current period mainly are bank loan subsidies for key logistics enterprise granted to the Company, in accordance with *Interim Management Provisions on Accredited Shenzhen Key Logistics Enterprises* (Shen Jiao (2006) No. 697) and *Interim Management Provisions on Special Funds for Shenzhen Modern Logistics Development* (Shen Cai Qi (2009) No. 96).

Note 2: Mainly is financial support fund granted to the Company in accordance with *Implementation Measures on Financial Supports During Shenzhen Business Tax to VAT Tax Reform Pilot Period* (Shen Cai Fad (2012) No. 46).

Note 3: Pursuant to Notice on Municipal Service Industry Development Subsidy Plan (Tong Fa Gai Fu Wu[2014] No. 43), Nantong Baowan International Logistic Co., Ltd. ("Nantong Baowan"), subsidiary of the Company, obtained development subsidy granted to service industry from local government.

44. Non-operating expenses

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period	Amount included in non-recurring profit or loss for the period
Total losses on disposal of non-current assets	54,664.06	132,490.93	54,664.06
Including: Losses on disposal of fixed assets	54,664.06	132,490.93	54,664.06
Penalty losses	984.08	5,130.95	984.08
Others	(66,876.74)	248,699.58	(66,876.74)
Total	(11,228.60)	386,321.46	(11,228.60)

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**45. Income tax expense**

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period(restated)
Current tax expense	52,176,005.66	52,832,124.20
Deferred tax expense	(444,966.20)	490,655.36
Total	51,731,039.46	53,322,779.56

Reconciliation of income tax expenses to the accounting profit is as follows:

Unit: RMB

	Amount for the current period	Amount for the prior period (restated)
Accounting profit	290,587,956.37	273,310,408.76
Income tax expenses calculated at 25% (prior year: 25%)	72,646,989.09	68,327,602.19
Effect of expenses that are not deductible for tax purposes	921,511.60	665,633.09
Effect of tax-free income	(15,877,086.45)	(15,655,503.36)
Effect of unrecognized deductible losses and deductible temporary differences	3,378,736.48	876,578.70
Effect of using previously unrecognized deductible losses and deductible temporary differences	-	(1,495,208.04)
Effect of adjusting income tax in the previous periods	(10,403,019.86)	-
Others	1,063,908.60	603,676.98
Income tax expense	51,731,039.46	53,322,779.56

46. Other comprehensive income

See Note(V) 32 for detail.**47. Calculation process of basic earnings per share and diluted earnings per share**

For the purpose of calculating basic earnings per share, net profit for the current period attributable to ordinary shareholders is as follows:

Unit: RMB

	Amount for the current period	Amount for the prior period
Net profit for the current period attributable to ordinary shareholders	218,544,184.50	204,249,571.44
Including: Net profit from continuing operations	218,544,184.50	204,249,571.44
Net profit from discontinued operations	-	-

For the purpose of calculating basic earnings per share, the denominator is the weighted average number of outstanding ordinary shares, and its calculation process is as follows:

Unit: RMB

	Number for the current period	Number for the prior period
Number of ordinary shares outstanding at the beginning of year	230,600,000.00	230,600,000.00
Add: Weighted average number of ordinary shares issued during the period	-	-
Less: Weighted average number of ordinary shares repurchased during the period	-	-
Number of ordinary shares outstanding at the end of the year	230,600,000.00	230,600,000.00

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**47. Calculation process of basic earnings per share and diluted earnings per share-** continued

Earnings per share

Unit: RMB

	Amount for the current period	Amount for the prior period(restated)
Calculated based on net profit attributable to shareholders of the Company:		
Basic earnings per share	0.95	0.89
Diluted earnings per share	Not applicable	Not applicable
Calculated based on net profit from continuing operations attributable to shareholders of the Company:		
Basic earnings per share	0.95	0.89
Diluted earnings per share	Not applicable	Not applicable

48. Notes to items in the cash flow statement**(1) Other cash receipts relating to operating activities**

Unit: RMB

Item	Amount for the current period	Amount for the prior period(restated)
Receipts of storage service deposits	23,313,444.55	32,469,136.44
Government grants	11,186,859.21	4,694,608.73
Receipts of supplies purchasing and decoration fees	8,606,126.89	14,834,601.43
Interest income	2,683,778.20	7,542,421.26
Others	2,861,499.92	542,163.56
Total	48,651,708.77	60,082,931.42

(2) Other cash payments relating to operating activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period(restated)
Payments for administrative expense and selling expense	21,434,089.85	13,205,808.64
Payments for storage service deposits	5,509,196.58	26,230,341.34
Payment for accrued expenses	4,011,777.54	2,478,612.86
Payment for supplies procurement and decoration fees	2,888,454.36	12,844,024.86
Payment for bank commissions	1,444,541.16	1,732,790.34
Others	1,829,840.59	4,314,711.71
Total	37,117,900.08	60,806,289.75

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(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued

49. Notes to items in the cash flow statement- continued

(3) Other cash receipts relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period(restated)
Receipts of matured financing products	3,240,210,000.00	3,833,000,000.00
Investment income from bank financing products	30,305,834.60	28,048,536.15
Refund of land deposit	-	10,000,000.00
Receipts of construction retentions	-	2,666,503.86
Others	-	833,876.88
Total	3,270,515,834.60	3,874,548,916.89

(4) Other cash payments relating to investing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period(restated)
Purchase of financing products	2,956,991,901.00	4,136,654,100.00
Deposits for land rights	15,613,834.00	-
Others	1,411,987.00	-
Total	2,974,017,722.00	4,136,654,100.00

(5) Other cash receipts relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Receipts of loans from Nanshan Group	350,406,161.82	20,756,692.73
Receipts of loans from Nanshan Development (Hong Kong) Limited ("Nanshan Hong Kong"),	216,320,000.00	218,930,360.00
Total	566,726,161.82	239,687,052.73

(6) Other cash payments relating to financing activities

Unit: RMB

Item	Amount for the current period	Amount for the prior period
Payments for loan principal and interests to Nanshan Hong Kong	239,943,237.44	-
Payments for loan interests to Nanshan Group	62,906,843.01	58,793,950.16
Payments for loan principal to Nanshan Group	11,000,000.00	-
Payments for commission of medium term note	1,201,200.00	1,200,000.00
Payments for commission of corporate bond	2,280,000.00	-
Others	1,613.66	1,647.30
Total	317,332,894.11	59,995,597.46

(V) NOTES TO ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS- continued**50. Supplementary information to the cash flow statement**

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Current period	Prior period (restated)
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	238,856,916.91	219,987,630.19
Add: Provision for impairment losses of assets	(20,260.63)	68,650.31
Depreciation of fixed assets	41,011,598.44	40,231,382.98
Amortization of intangible assets	38,679,662.17	36,009,198.34
Depreciation of investment properties	36,989,620.27	35,460,059.65
Losses (gains) on disposal of fixed assets, intangible assets and other long-term assets	(189,620.61)	(223,146.43)
Financial expenses	146,291,496.74	144,519,479.60
Losses (gains) arising from investments	(93,892,421.67)	(95,467,912.62)
Decrease (increase) in deferred tax assets	(444,966.20)	490,655.36
Decrease (increase) in inventories	(57,689.87)	73,365.26
Decrease (increase) in receivables from operating activities	(13,280,134.93)	10,224,263.32
Increase (decrease) in payables from operating activities	20,426,559.43	42,714,332.49
Net cash flows from operating activities	414,370,760.05	434,087,958.45
2. Net changes in cash and cash equivalents:		
Closing balance of cash	375,328,861.18	299,905,369.63
Less: Opening balance of cash	299,905,369.63	893,349,140.32
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	75,423,491.55	(593,443,770.69)

(2) Composition of cash and cash equivalents

Unit: RMB

Item	Closing balance	Opening balance(restated)
I. Cash	375,328,861.18	299,905,369.63
Including: Cash on hand	13,074.85	17,305.49
Bank deposits	375,315,786.33	299,888,064.14
Other monetary funds	-	-
II. Cash equivalents	-	-
Including: Investments in debt securities due within three months	-	-
III. Closing balance of cash and cash equivalents	375,328,861.18	299,905,369.63

51. Foreign currency monetary items

Unit:RMB

Item	Closing balance in foreign currency	Exchange rate	Closing balance translate in RMB
Cash and bank balance			
Including: United State Dollar	93,508.30	6.12	572,270.79
Euro	380.00	7.46	2,834.80
Hong Kong Dollar	20,821,093.21	0.79	16,448,663.63

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(VI) Changes of Consolidated Financial Statement Scope

1. Business combination involving enterprises under common control

(1) Business combination involving enterprises under common control

Unit: RMB

The combining entity	Equity percentage acquired through business combination	Basis of business combination involving enterprises under common control	Consolidation date	Basis of combination date	Income of the combining entity arising from the opening to the combination date	Net profit of the combining entity arising from the opening to the combination date	Income of the combining entity during the comparative period	Net profit of the combining entity during the comparative period
China Huitong	100%	Note 1	6 October 2014	Note 2	-	(10,778,701.85)	-	(3,505,504.08)
Wuxi Baowan	100%	Note 1	6 October 2014	Note 2	-	(2,239,694.77)	-	(304,063.57)
Zhenjiang Warehouse	100%	Note 1	6 October 2014	Note 2	-	115,447.09	-	(474,552.84)

Note 1: Before and after the combination, the Company and the combining entity are under the ultimate control of Nanshan Group, parent company of the Company, and the control is not temporary.

Note 2: Directors of the combining entity have been changed and new directors were dispatched by the Company to the combining entity on 6 October 2014 when the Company has acquired the actual control over the combining entity.

(2) Consolidation Cost

RMB

Consolidation Cost	China Huitong	Wuxi Baowan	Zhenjiang Warehouse
--Cash(note)	0.79	-	-

Note: Consolidation Cost is HKD 1.00, which is translated into RMB 0.79 pursuant to the Bank of China foreign exchange quotation on the transaction date.

(3) Book value of assets and liability for the combining entity on combination date

RMB

	China Huitong		Wuxi Baowan		Zhenjiang Warehouse	
	Balance on Combination date	Prior closing balance	Balance on Combination date	Prior closing balance	Balance on Combination date	Prior closing balance
Assets:						
Cash and bank balances	22,654,305.14	22,297,354.33	10,372,124.78	197,879.90	42,583,325.16	44,082,454.54
Receivables	-	-	1,638.00	-	41,606,869.12	28,197,032.92
Other current assets	-	124,158.50	48,000,000.00	122,340,582.00	-	-
Long term equity investment	202,193,869.19	195,841,789.19	-	-	-	-
Construction in progress	-	-	40,000.00	40,000.00	110,641.68	-
Fixed assets	-	-	-	-	1,606.72	-
Intangible asset	-	-	129,788,428.90	-	-	-
Deferred tax asset	-	-	847,919.45	101,354.53	98,258.17	158,184.28
Liability:						
Payables	238,290,368.36	221,229,576.05	62,277,909.47	20,000.00	11,881,897.41	34,315.39
Net assets	(13,442,194.03)	(2,966,274.03)	126,772,201.66	122,659,816.43	72,518,803.44	72,403,356.35

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(VII) Equity in other entities

1. Equity in subsidiaries

(1) Group Composition

Name of subsidiary	Business premise	Registered place	Business nature	Proportion of holding equity (%)		Acquired method
				Direct	Indirect	
Baowan Holdings	Guangdong Shenzhen	Guangdong Shenzhen	Investment	77.36	-	Set-up
Shanghai Baowan International Logistic Co., Ltd.	Shanghai	Shanghai	Logistic service	-	100.00	Set-up
Guangzhou Baowan Logistic Co., Ltd. ("Guangzhou Baowan")	Guangdong Guangzhou	Guangdong Guangzhou	Logistic service	-	100.00	Set-up
Kunshan Baowan International Logistic Co., Ltd.	Jiangsu Kunshan	Jiangsu Kunshan	Logistic service	-	100.00	Set-up
Tianjin Baowan International Logistic Co., Ltd.	Tianjin	Tianjin	Logistic service	-	100.00	Set-up
Langfang Baowan International Logistic Co., Ltd.	Hebei Langfang	Hebei Langfang	Logistic service	-	100.00	Set-up
Chengdu Xindu Baowan International Logistic Co., Ltd.	Sichuang Chengdu	Sichuang Chengdu	Logistic service	-	100.00	Set-up
Chengdu Longquan International Logistic Co., Ltd.	Sichuang Chengdu	Sichuang Chengdu	Logistic service	-	100.00	Set-up
Nanjing Baowan Logistic Co., Ltd. ("Nanjing Baowan")	Jiangsu Nanjing	Jiangsu Nanjing	Logistic service	-	100.00	Set-up
Bingang Baowan	Tianjin	Tianjin	Logistic service	-	100.00	Set-up
Nantong Baowan Logistic Co., Ltd. ("Nantong Baowan")	Jiangsu Nantong	Jiangsu Nantong	Logistic service	-	100.00	Set-up
Baowan Logistic (Wuhan) Co., Ltd. ("Wuhan Baowan")	Hubei Wuhan	Hubei Wuhan	Logistic service	-	100.00	Set-up
Qingwu Baowan	Tianjin	Tianjin	Logistic service	-	100.00	Set-up
Shenyang Baowan	Liaoning Shenyang	Liaoning Shenyang	Logistic service	-	100.00	Set-up
Yangluo Baowan	Hubei Wuhan	Hubei Wuhan	Logistic service	-	100.00	Set-up
Feidong Baowan	Anhui Hefei	Anhui Hefei	Logistic service	-	100.00	Set-up
Xi'an Baowan	Shanxi Xi'an	Shanxi Xi'an	Logistic service	-	100.00	Set-up
Xianyang Baowan	Shanxi Xianyang	Shanxi Xianyang	Logistic service	-	100.00	Set-up
Baowan Hong Kong	Hong Kong Special Administrative Region	Hong Kong Special Administrative Region	Investment	-	100.00	Set-up
Jiaozhou Baowan	Shandong Qingdao	Shandong Qingdao	Logistic service	-	100.00	Set-up
Changzhou Baowan	Jiangsu Changzhou	Jiangsu Changzhou	Logistic service	-	100.00	Set-up
Jiaxing Baowan	Zhejiang Jiaxing	Zhejiang Jiaxing	Logistic service	-	100.00	Set-up
Jiangyin Baowan	Jiangsu Jiangyin	Jiangsu Jiangyin	Logistic service	-	100.00	Set-up
Shenzhen Baowan International Logistic Co., Ltd. ("Shenzhen Baowan")	Guangdong Shenzhen	Guangdong Shenzhen	Logistic service	100.00	-	Business combination involving enterprises under common control
Mingjiang (Shanghai) International Logistic Co., Ltd.	Shanghai	Shanghai	Logistic service	-	100.00	Business combination involving enterprises under common control
China Huitong	Hong Kong Special Administrative Region	Hong Kong Special Administrative Region	Investment	-	100.00	Business combination involving enterprises under common control
Wuxi Baowan	Jiangsu Wuxi	Jiangsu Wuxi	Logistic service	-	100.00	Business combination involving enterprises under common control
Zhenjiang Warehouse	Jiangsu Zhenjiang	Jiangsu Zhenjiang	Logistic service	-	100.00	Business combination involving enterprises under common control

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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(VII) Equity in other entities- continued

2. Equity in joint ventures or associates

(1) Significant associates

Name	Business premise	Registered place	Business nature	Proportion of shareholding (%)		Accounting method
				Direct	Indirect	
CSE	Guangdong Shenzhen	Guangdong Shenzhen	Oceanic oil engineering	32.00	-	Equity method
CDFC	Guangdong Shenzhen	Guangdong Shenzhen	Capital management	20.00	-	Equity method
CPEC	Guangdong Shenzhen	Guangdong Shenzhen	Oil chemical equipment manufacturing	20.00	-	Equity method

(2) Financial information of Significant associates

	Closing balance/Amount incurred in the current period			Opening balance/Amount incurred in the prior period		
	CSE	CDFC	CPEC	CSE	CDFC	CPEC
Current asset	419,889,841.93	1,767,704,129.70	37,742,800.42	512,197,686.10	1,620,556,560.25	30,828,800.79
Including: Cash and cash equivalents	368,312,776.83	1,767,703,729.70	7,111,114.64	333,329,909.90	1,620,556,560.25	10,390,496.01
Non-current asset	1,016,889,212.27	803,196,275.65	10,439,406.27	928,976,062.93	288,002,881.36	3,080,308.31
Total asset	1,436,779,054.20	2,570,900,405.35	48,182,206.69	1,441,173,749.03	1,908,559,441.61	33,909,109.10
Current liability	114,121,562.75	2,044,890,233.81	21,193,588.87	149,385,573.15	1,403,033,745.86	5,586,839.47
Non-current liability	-	-	-	-	-	-
Total liability	114,121,562.75	2,044,890,233.81	21,193,588.87	149,385,573.15	1,403,033,745.86	5,586,839.47
Net assets share calculated according to proportion of shareholding	427,311,548.07	105,202,034.31	5,448,458.79	369,433,367.09	101,105,139.15	5,715,189.15
Net book value of the equity investment in associates	427,311,548.07	105,202,034.31	5,448,458.79	369,433,367.09	101,105,139.15	5,715,189.15
Income	782,512,260.81	61,535,184.39	68,315,733.31	847,771,058.40	19,442,819.95	49,173,303.70
Net profit	180,869,315.57	20,484,475.79	-1,333,651.81	189,826,570.57	5,525,695.75	3,861,858.67
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	180,869,315.57	20,484,475.79	-1,333,651.81	189,826,570.57	5,525,695.75	3,861,858.67
Dividend received from associates in the current period	48,000,000.00	-	-	22,400,000.00	-	-

(VIII) Risks associated with financial instruments

The Group's major financial instruments include bank deposits, notes receivable, account receivables, interest receivable, dividends receivable, other receivables, account payables, interest payable, other payables, non-current liabilities due within one year, other current liabilities, long-term borrowings, notes payable, long-term payables, and other non-current liabilities. Details of these financial instruments are disclosed in their correspondent notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure the risks are monitored at a certain level.

(VIII) Risks associated with financial instruments - continued**1. Risk management objectives and policies**

The Group's risk management objectives are to achieve a proper balance between risks and yield, minimize the adverse impacts of risks on the Group's operation performance, and maximize the benefits of the shareholders and other stakeholders. Based on these risk management objectives, the Group's basic risk management strategy is to identify and analyses the Group's exposure to various risks, establish an appropriate maximum tolerance to risk, and implement risk management, and monitors regularly and effectively these exposures to ensure the risks are monitored at a certain level.

1.1 Market risk*1.1.1 Currency risk*

Currency risk is the risk that losses will occur because of changes in foreign exchange rates. The Group's exposure to the currency risk is primarily associated with RMB. As at 31 December 2014, the balance of the Group's assets and liabilities are both denominated in RMB except that the assets and liabilities set out below are denominated in foreign currencies.

Unit: RMB

Items	Ending balance	Opening balance(restated)
Cash and cash equivalents	17,023,769.22	45,157,101.90

The Group closely monitors the effects of changes in the foreign exchange rates on the Group's currency risk exposures.

Foreign currency sensitive analysis

Given that the Company holds a relatively small amount of assets and liabilities in foreign currency, the management considers that, where all other variables are held constant, the reasonably possible changes in exchange rates will not have a material pre-tax effect on the profit or loss for the period and shareholders' equity.

1.1.2 Interest rate risk - risk of changes in cash flows

The Group's cash flow interest rate risk of financial instruments relates primarily to variable-rate bank borrowings, bonds payable, long-term payables, other non-current liabilities (see Note (V) 25, Note (V) 26, Note (V) 27 and Note (V) 29 for details). It is the Group's policy to keep its borrowings at floating rate of interests so as to eliminate the fair value interest rate risk.

Analysis on interest rate risk

The sensitivity analysis on interest rate risk is based on the following assumptions:

- Changes in the market interest rate may influence the interest income or expense of the variable rate financial instruments;
- For fixed rate financial instruments measured at fair value, changes in the market interest rate only influence their interest income or expense;

(VIII) Risks associated with financial instruments - continued**1. Risk management objectives and policies - continued**1.1 Market risk - continued1.1.2 Interest rate risk - risk of changes in cash flows - continued

- For derivative financial instruments designated as hedging instruments, changes in the market interest rate influence their fair values, and all the hedges of interest rate risk are expected to be highly effective;
- Changes in the fair value of derivative financial instruments and other financial assets and liabilities are calculated at the market interest rate as at the balance sheet date, using the method of discounted cash flow analysis.

On the basis of the above assumptions, where all other variables are held constant, the reasonably possible changes in the interest rate may have the following pre-tax effect on the profit or loss for the period and shareholders' equity:

Unit: RMB

Item	Change in interest rate	Current year		Prior year (restated)	
		Effect on profit	Effect on shareholders' equity	Effect on profit	Effect on shareholders' equity
External borrowings	1% increase	(13,422,345.39)	(13,422,345.39)	(12,475,553.39)	(12,475,553.39)
External borrowings	1% decrease	13,422,345.39	13,422,345.39	12,475,553.39	12,475,553.39
External deposits	1% increase	1,805,000.00	1,805,000.00	2,582,410.00	2,582,410.00
External deposits	1% decrease	(1,805,000.00)	(1,805,000.00)	(2,582,410.00)	(2,582,410.00)

1.2 Credit risk

As at 31 December 2014, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties and financial guarantees issued by the Group is arising from:

- (1) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheet. For financial instruments measured at fair value, the carrying amount reflects the exposure to risks but not the maximum exposure to risks. The maximum exposure to risks would vary according to the future changes in fair value
- (2) The amount of financial guarantees contract disclosed in Note (XIV)9(3) "Guarantees with related parties".

In order to minimize the credit risk, the Group has delegated the finance department to be responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the management of the Group considers that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because they are deposited with banks with high credit ratings.

(VIII) Risks associated with financial instruments - continued**1. Risk management objectives and policies - continued**1.3 Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Loans are main source of funding for the Group. As at 31 December 2014, the Group still possessed RMB 3,006,874,955.92 unused bank credit line (As at 31 December 2013: RMB 1,650,476,003.27).

The following is the maturity analysis for financial assets and financial liabilities held by the Group which is based on undiscounted remaining contractual obligations:

Unit: RMB

Item	Within 1 year	1 year to 5 years	Over 5 years
Cash and bank balances	375,328,861.18	-	-
Notes receivable	10,000,000.00	-	-
Accounts receivable	53,234,644.64	-	-
Interest receivable	3,573,311.30	-	-
Other receivables	61,287,160.23	-	-
Other current assets	390,000,000.00	-	-
Accounts payable	(10,358,009.24)	-	-
Interest payable	(36,404,811.44)	-	-
Other payables	(439,034,917.38)	-	-
Other current liabilities	(308,433,333.33)		
Long-term borrowings	(25,224,029.97)	(142,753,964.39)	(527,549,398.82)
Bonds payable	(56,946,000.00)	(1,129,493,683.33)	-
Long-term payables(note)	-	(251,417,853.31)	-
Other non-current liabilities	(59,465,000.00)	(975,030,388.89)	-

Note: Long-term payables do not have fixed maturity date, the Group assumes to repay long-term payables at the end of the 5th year.

(IX) DISCLOSURE ON FAIR VALUE**1. Financial assets and Financial liabilities that are not measured at fair value**

The management considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost the financial statements are approximate to their fair values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1. Parent of the Company

Unit: RMB

Entity name	Registered location	Business nature	Registered capital (RMB)	Shareholding percentage (%)	Voting power percentage (%)
Nanshan Group	Guangdong Shenzhen	Port and shipping, offshore oil service, real estate development and new construction material	900,000,000.00	51.79	51.79

The ultimate control party of the Company is Nanshan Group.

2. Subsidiaries of the Company

Details of the subsidiaries of the Company are set out in note (VII)1.

3. Associates and joint ventures of the Company

Details of the associates and joint ventures of the Company are set out in note (VII) 2.

4. Other related parties of the Company

Name of other related party	Relationship between other related parties and the Company
Shenzhen Nanshan Real Estate Development Co., Ltd. ("Nanshan Real Estate Company")	Controlled by the same party
Shenzhen Chixiao Project Engineering Co., Ltd. ("Chixiao Project Company")	Controlled by the same party
Shenzhen Chixiao Construction Technology Co., Ltd. ("Chixiao Construction Company")	Controlled by the same party
Yahgee Modular House Co., Ltd. ("Yahgee Company")	Controlled by the same party
Shenzhen Chiwan Oriental Logistics Co., Ltd. ("Oriental Logistics Company")	Controlled by the same party
Shenzhen Chiwan Real Estate Development Co., Ltd. ("Chiwan Real Estate Company")	Controlled by the same party
Hefei Baowan International Logistics Center Co.,Ltd.("Hefei Bawan")	Controlled by the same party
Nanshan Hong Kong	Controlled by the same party
Directors, general manager, vice-general managers, etc. of the Company	Key management personnel

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS- continued

5. Related party transactions

(1) Provision and receipt of services

Receipt of service

Unit: RMB

Related party	Details of related party transaction	Pricing and decision-making procedures of related party transactions	Amount for the current period	Amount for the prior period
Chixiao Project Company	Construction service	By reference to market price	16,886,030.34	21,648,923.28
Nanshan Group	Power supply service	By reference to market price	3,665,489.17	3,128,022.00
Total			20,551,519.51	24,776,945.28

Provision of service

Unit: RMB

Related party	Details of related party transaction	Pricing and decision-making procedures of related party transactions	Amount for the current period	Amount for the prior period
CSE	Loading and unloading service	By reference to market price	6,521,955.54	7,415,958.81
CSE	Stack (storage) service	By reference to market price	3,456,744.34	3,593,909.00
CPEC	Stack (storage) service	By reference to market price	822,671.55	882,175.00
Hefei Baowan	Trusteeship management service	By reference to market price	300,000.00	-
CPEC	Loading and unloading service	By reference to market price	83,103.08	117,607.23
Nashan Group	Maintenance service	By reference to market price	32,883.57	31,058.22
CDFC	Maintenance service	By reference to market price	18,147.00	-
Nashan Group	Stack (storage) service	By reference to market price	9,600.00	-
Total			11,245,105.08	12,040,708.26

(2) Leases with related parties

Leases where a group entity is the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the prior year
Nashan Group	Office building	6,062,897.67	6,651,072.60
CDFC	Office building	1,120,457.52	560,228.76
CSE	Office building	785,836.56	785,836.56
CPEC	Office building	464,490.72	437,832.00
Chiwan Real Estate	Office building	177,850.40	-
Oriental Logistics Company	Office building	131,040.00	90,805.20
Nanshan Real Estate Company	Office building	80,645.76	79,683.84
Total		8,823,218.63	8,605,458.96

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS- continued

5. Related party transactions- continued

(2) Leases with related parties

Leases where a group entity is the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Lease payment recognized in the current year	Lease payment recognized in the prior year
Nanshan Group	Site (note 1)	29,151,086.50	28,708,824.65
Nanshan Group	Site (note 2)	2,069,649.60	1,987,417.60
Yahgee Company	Building	19,680.00	19,680.00
Total		31,240,416.10	30,715,922.25

Note 1: The leased assets include two pieces of lands which the Company has leased from Nanshan Group: one is to the east of Chiwan 1st Road, with the lease term from 1 September 2006 to 31 August 2026; the other is the Chiwan east coast venue (phase I), with the lease term from 1 January 2012 to 14 July 2034.

Note 2: The leased land is located to the southeast of the intersection of Chiwan 2nd Road and 6th Road, which Shenzhen Baowan has leased from Nanshan Group, the Company's parent company.

(3) Guarantees with related parties

A group entity as the guaranteed party:

Unit: RMB

Guarantor	Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Nanshan Group	The Company	570,000,000.00	17/12/2012	17/12/2019	No
Nanshan Group	The Company	400,000,000.00	09/03/2012	09/03/2017	No
Nanshan Group(note 1)	The Company	200,000,000.00	31/03/2012	30/03/2029	No
Nanshan Group(note 2)	The Company	120,000,000.00	29/11/2012	28/11/2029	No
Nanshan Group(note 3)	Guangzhou Baowan	59,996,000.00	22/04/2014	21/04/2029	No
Nanshan Group(note 4)	Wuhan Baowan	56,600,000.00	17/12/2014	16/12/2029	No
Nanshan Group(note 5)	Nanjing Baowan	58,864,000.00	29/05/2014	28/05/2029	No
Total		1,465,460,000.00			

Note 1: Pursuant to the long-term borrowings contract, the Company can apply for loans within the scope of guaranteed amount and guaranteed term. As at 31 December 2014, the closing balance of the aforesaid guaranteed loan is RMB126,019,651.23

Note 2: Pursuant to the long-term borrowings contract, the Company can apply for loans within the scope of guaranteed amount and guaranteed term. As at 31 December 2014, the closing balance of the aforesaid guaranteed loan is RMB56,504,650.81.

Note 3: Pursuant to the long-term borrowings contract, Guangzhou Baowan can apply for loans within the scope of guaranteed amount and guaranteed term. Nanshan Group and the Company has provide guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 31 December 2014, the closing balance of the aforesaid guaranteed loan is RMB92,442,114.06.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS- continued

5. Related party transactions- continued

(3)Guarantees with related parties - continued

Note 4: Pursuant to the long-term borrowings contract, Wuhan Baowancan apply for loans within the scope of guaranteed amount and guaranteed term.Nanshan Group and the Company has provide guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 31 December 2014, the closing balance of the aforesaid guaranteed loan is RMB1,015,542.09.

Note 5: Pursuant to the long-term borrowings contract, Nanjing Baowancan apply for loans within the scope of guaranteed amount and guaranteed term.Nanshan Group and the Company has provide guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 31 December 2014, the closing balance of the aforesaid guaranteed loan is RMB69,509,176.09.

(4) Borrowings/loans with related parties

Unit: RMB

Related party	Amount for the current period	Inception date	Maturity date	Amount at the end of the current period	Remarks
Borrow from:					
Nanshan Group	300,000,000.00	03/07/2014	03/07/2015	300,000,000.00	Note 1
Nanshan Group	110,000,000.00	12/12/2014	12/12/2017	110,000,000.00	Note 2
Nanshan Group	100,000,000.00	18/12/2014	18/12/2017	100,000,000.00	Note 2
Nanshan Group	349,695,801.82	Note 3	Note 3		
Total	549,406,161.82				

Note 1: The loan is to satisfy the business turnover of the Group. The annual interest rate is 5.5000%.

Note 2: The loan is used for the construction of logistics parks of the Company's subsidiaries. The annual interest rate is 5.6000%.

Note 3: There is no fixed term for repayment for the above mentioned borrowings and loans. The interest rates are based on the market interest rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS- continued

5. Related party transactions- continued

(5) Interest incomes and expenses with related parties

Interest/investment income gained from deposits/purchase of bank financing products

Unit: RMB

Related party	Type of related party transaction	Pricing principle of related party transaction	Amount for the current period	Amount for the prior period
CDFC (note)	Interest income	Negotiated interest rate (referred to market rate)	146,894.86	-

Note: Interest income from CDFC is generated from the Company's fixed deposits of RMB 85,000,000.00 and current deposits of RMB 4,077,788.66.

Interest expense for borrowings

Unit: RMB

Related party	Type of related party transaction	Pricing principle of related party transaction	Amount for the current period	Amount for the prior period
Nanshan Group	Interest expense	Negotiated interest rate (referred to market rate)	69,325,430.93	58,926,472.19
Nanshan Hong Kong	Interest expense	Negotiated interest rate (referred to market rate)	13,199,883.09	2,004,829.05
Total			82,525,314.02	60,931,301.24

(6) Compensation for key management personnel

Unit: RMB

Item	Amount incurred in the current period	Amount incurred in the prior period
Compensation for key management personnel	6,066,538.08	5,735,022.93

6. Amounts due from / to related parties

(1) Amounts due from related parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	CSE	557,417.99	5,574.18	3,854,041.82	38,540.42
	CPEC	369,168.03	3,691.68	366,834.89	3,668.35
	Nanshan Real Estate Company	-	-	6,390.32	63.90
	Chiwan Real Estate	22,231.30	222.31	-	-
	Total	948,817.32	9,488.17	4,227,267.03	42,272.67
Dividends receivable	CSE	-	-	48,000,000.00	-
Other receivable	Yahgee Company	20,000.00	200.00	20,000.00	200.00
	CSE	11,571.48	115.71	22,971.48	229.71
	CPEC	-	-	146,888.94	1,468.89
	Total	31,571.48	315.71	189,860.42	1,898.60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(X) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS- continued

6. Amounts due from / to related parties- continued

(2) Amounts due to related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance(restated)
Accounts payable	Nanshan Group	5,559,882.42	6,132,919.30
	CSE	16,554.40	16,554.40
	Chixiao Construction Company	9,740.00	9,740.00
	Total	5,586,176.82	6,159,213.70
Interest payable	Nanshan Group	15,099,874.99	6,758,208.33
Other payables	Nanshan Hong Kong	210,559,795.85	219,258,474.69
	Chixiao Construction Company	8,599,662.10	6,306,878.46
	Chixiao Project Company	8,002,634.47	1,751,292.65
	Nanshan Group	2,603,375.28	8,201,702.79
	CSE	247,442.00	164,425.00
	CPEC	204,224.04	202,913.64
	Oriental Logistics Company	5,000.00	5,000.00
	Total	230,222,133.74	235,890,687.23
Non-current liabilities due within one year	CSE	785,836.56	785,836.56
Long-term payables	Nanshan Group	251,417,853.31	212,011,691.49
Other non-current liabilities	Nanshan Group	700,000,000.00	700,000,000.00
	CSE	5,450,872.14	6,236,708.70
	Total	705,450,872.14	706,236,708.70
Other current liabilities	Nanshan Group	300,000,000.00	-

7. Amounts deposited in / borrowed from related parties

Cash and bank balances deposited in related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance
Cash and bank balances	CDFC	89,077,788.66	-

(XI) COMMITMENTS AND CONTINGENCY

1. Significant commitments

(1) Capital commitments

Unit: RMB

	Closing balance	Opening balance (restated)
Capital commitments that have been entered into but have not been recognized in the financial statements:		
- Commitment for acquisition and construction of long-term assets	30,367,793.33	383,877,817.43

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XI) COMMITMENTS AND CONTINGENCY - continued

(2) Operating lease commitments

At the balance sheet date, the Group had the following commitments in respect of non-cancellable operating leases:

	Unit: RMB	
	Closing balance	Opening balance
Minimum lease payments under non-cancellable operating leases:		
1st year subsequent to the balance sheet date	30,861,429.30	37,218,452.33
2nd year subsequent to the balance sheet date	35,957,640.55	38,543,346.95
3rd year subsequent to the balance sheet date	36,757,640.55	38,163,746.76
Subsequent periods	485,029,330.65	530,332,104.58
Total	588,606,041.04	644,257,650.62

2. Contingency

There is no significant contingency needed to be disclosed for the Group.

(XII) EVENTS AFTER THE BALANCE SHEET DATE

1. Profit appropriation after the balance sheet date

	Unit: RMB	
Item	Amount	
Proposed distributions of dividends	29,747,400.00	
Dividends declared to be distributed	The dividend distribution proposal is subject to approval in the shareholders' meeting of 2014.	

(XIII) OTHER SIGNIFICANT EVENTS

1. Borrowing costs

	Unit: RMB	
Item	Amount of borrowing costs during the year	Capitalization rate
Construction in progress	20,955,077.75	5.96%
Sub-total of borrowing costs capitalized during the year	20,955,077.75	
Borrowing costs recognized in profit or loss during the year	145,868,926.26	
Total	166,824,004.01	

(XIII) OTHER SIGNIFICANT EVENTS - continued

2. Segment reporting

(1) Determining basis of reporting segment and accounting policy

Based on the Group's internal organization structure, management requirements and internal operating system, the operations of the Group are classified into four operating segments. The reporting segments are determined based on the specific circumstances of the Group. On the basis of operating segments, the Group identifies four reporting segments. The Group's management periodically evaluates the operating results of these reporting segments to make decisions about resources to be allocated to the segments and assess their performance. Major products and services delivered or provided by each of the reporting segments are: stack (storage), loading and unloading, port management, office leasing and others.

Segment information is disclosed in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management. The measurement criteria are consistent with the accounting and measurement criteria in the preparation of the financial statements.

SHENZHEN CHIWNA PETROLEUM SUPPLY BASE CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

(XIII) OTHER SIGNIFICANT EVENTS- continued

2. Segment reporting- continued

(1) Segment information

Unit: RMB

	Stack (storage)		Loading and unloading		Port management		Office leasing and others		Unallocated items		Inter-segment eliminations		Total		
	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	
Operating income:															
External revenue	459,420,777.75	440,603,925.00	118,875,200.46	102,070,501.85	65,928,619.94	80,866,836.85	68,734,005.11	68,291,362.77	-	-	-	-	712,958,603.26	691,832,626.47	
Inter-segment revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total segment operating income	459,420,777.75	440,603,925.00	118,875,200.46	102,070,501.85	65,928,619.94	80,866,836.85	68,734,005.11	68,291,362.77	-	-	-	-	712,958,603.26	691,832,626.47	
Reconciling items:															
Total operating income in the financial statements														712,958,603.26	691,832,626.47
Operating costs	165,537,486.60	157,981,199.56	45,155,722.90	40,518,647.70	15,751,307.76	15,098,162.53	33,217,409.97	39,262,468.06	-	-	-	-	259,661,927.23	252,860,477.85	
Segment operating profit (loss)	293,883,291.15	282,622,725.44	73,719,477.56	61,551,854.15	50,177,312.18	65,768,674.32	35,516,595.14	29,028,894.71	-	-	-	-	453,296,676.03	438,972,148.62	
Reconciling items:															
Business taxes and levies	17,119,335.33	18,894,936.78	4,429,630.78	4,377,209.49	2,456,689.39	3,467,907.76	2,561,226.09	2,928,618.90	-	-	-	-	26,566,881.59	29,668,672.93	
Selling expenses	423,872.43	1,108,956.18	-	-	-	-	-	-	-	-	-	-	423,872.43	1,108,956.18	
General and administrative	49,842,021.39	42,954,662.09	12,896,631.09	9,950,896.19	7,152,518.66	7,883,741.96	7,456,871.61	6,657,753.64	17,883,232.40	21,652,177.58	-	-	95,231,275.15	89,099,231.46	
Financial expenses	-	-	-	-	-	-	-	-	146,278,726.91	146,367,084.19	-	-	146,278,726.91	146,367,084.19	
Impairment loss of assets	-	-	-	-	-	-	-	-	(20,260.63)	68,650.31	-	-	(20,260.63)	68,650.31	
Investment income	-	-	-	-	-	-	-	-	93,892,421.67	95,467,912.62	-	-	93,892,421.67	95,467,912.62	
Operating profit	226,498,062.00	219,664,170.39	56,393,215.69	47,223,748.47	40,568,104.13	54,417,024.60	25,498,497.44	19,442,522.17	(70,249,277.01)	(72,619,999.46)	-	-	278,708,602.25	268,127,466.17	
Non-operating income														11,868,125.52	5,569,265.05
Non-operating expenses														(11,228.60)	386,321.46
Total profit	226,498,062.00	219,664,170.39	56,393,215.69	47,223,748.47	40,568,104.13	54,417,024.60	25,498,497.44	19,442,522.17	(70,249,277.01)	(72,619,999.46)	-	-	290,587,956.37	273,310,409.76	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIII) OTHER SIGNIFICANT EVENTS-continued

2. Segment reporting- continued

(2) Reporting segment information - continued

Unit: RMB

	Stack (storage)		Loading and unloading		Port management		Office leasing and others		Unallocated items		Inter-segment eliminations		Total	
	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)	Current year	Prior year (restated)
Total segment assets	5,722,135,345.02	4,460,740,446.75	1,480,603,444.91	1,033,377,122.14	821,148,073.13	818,708,026.57	856,089,448.05	691,392,034.40	3,244,003,582.20	492,926,481.15	(6,734,350,021.50)	(2,778,540,485.05)	5,389,629,871.81	4,718,603,625.96
Reconciling items:														
Total assets in the financial statements	5,722,135,345.02	4,460,740,446.75	1,480,603,444.91	1,033,377,122.14	821,148,073.13	818,708,026.57	856,089,448.05	691,392,034.40	3,244,003,582.20	492,926,481.15	(6,734,350,021.50)	(2,778,540,485.05)	5,389,629,871.81	4,718,603,625.96
Total segment liabilities	3,904,288,586.05	2,912,287,728.96	1,010,235,302.36	674,661,874.67	560,280,184.95	534,510,664.28	584,121,146.93	451,389,755.07	1,179,949,729.09	2,391,766,451.27	(3,837,667,340.86)	(3,993,897,395.60)	3,401,207,608.52	2,970,719,078.67
Reconciling items:														
Total liabilities in the financial statements	3,904,288,586.05	2,912,287,728.96	1,010,235,302.36	674,661,874.67	560,280,184.95	534,510,664.28	584,121,146.93	451,389,755.07	1,179,949,729.09	2,391,766,451.27	(3,837,667,340.86)	(3,993,897,395.60)	3,401,207,608.52	2,970,719,078.67
Supplementary information:														
Depreciation	50,349,824.25	48,205,223.98	13,005,538.42	11,167,243.69	7,212,919.07	8,847,410.93	7,432,936.97	7,471,564.03	-	-	-	-	78,001,218.71	75,691,442.63
Amortization	24,967,740.56	22,932,994.94	6,449,256.07	5,312,667.84	3,576,780.94	4,209,038.22	3,685,884.60	3,554,497.34	-	-	-	-	38,679,662.17	36,009,198.34
Interest income	-	-	-	-	-	-	-	-	2,727,333.08	4,682,776.94	-	-	2,727,333.08	4,682,776.94
Interest expense	-	-	-	-	-	-	-	-	145,868,926.26	145,666,290.23	-	-	145,868,926.26	145,666,290.23
Impairment losses recognized in the current period	-	-	-	-	-	-	-	-	(20,260.63)	68,650.31	-	-	(20,260.63)	68,650.31
Investment income from long-term equity investment under equity method	-	-	-	-	-	-	-	-	61,708,345.78	62,622,013.46	-	-	61,708,345.78	62,622,013.46
Long-term equity investments under equity method	-	-	-	-	-	-	-	-	537,962,041.17	476,253,695.39	-	-	537,962,041.17	476,253,695.39
Non-current assets other than long-term equity investments	-	-	-	-	-	-	-	-	3,956,816,586.46	3,099,695,165.34	-	-	3,956,816,586.46	3,099,695,165.34
Capital expenditure	-	-	-	-	-	-	-	-	766,066,354.77	744,505,157.35	-	-	766,066,354.77	744,505,157.35
Including: Expenditure arising from construction in progress	-	-	-	-	-	-	-	-	618,112,321.24	370,358,484.62	-	-	618,112,321.24	370,358,484.62
Expenditure arising from purchase of fixed assets	-	-	-	-	-	-	-	-	9,074,553.13	7,272,623.79	-	-	9,074,553.13	7,272,623.79
Expenditure arising from purchase of intangible assets	-	-	-	-	-	-	-	-	138,879,480.40	366,874,048.94	-	-	138,879,480.40	366,874,048.94

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIII) OTHER SIGNIFICANT EVENTS - continued

2. Segment reporting- continued

(3) External revenue by geographical area of source and non-current assets by geographical location

All external revenues of the Group were derived from PRC and all non-current assets of the Group were located in the PRC.

(4) Degree of reliance on major customers

There is no transaction from single customer accounting for over 10% of the total income of the Group.

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1. Cash and bank balances

Unit: RMB

Item	Amount in RMB	Amount in RMB
Cash:		
RMB	2,585.00	261.30
Hong Kong Dollar	1,546.82	36.26
Euro	2,834.80	3,298.10
United States Dollar	612.00	-
Sub-total	7,578.62	3,595.66
Bank balances:		
RMB	109,709,731.60	58,953,113.36
United States Dollar	376,431.83	382,680.65
Hong Kong Dollar	83,216.87	85,329.85
Sub-total	110,169,380.30	59,421,123.86
Other monetary funds:		
RMB	-	5,000.00
Sub-total	-	5,000.00
Total	110,176,958.92	59,429,719.52

2. Accounts receivable

(1) Disclosure of accounts receivable by categories:

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable that are individually significant and provided for bad debt individually	-	-	-	-	-	-	-	-	-	-
Accounts receivable for which bad debt provision has been assessed by portfolios										
Portfolio 1	-	-	-	-	-	-	-	-	-	-
Portfolio 2	34,730,740.71	99.53	347,307.44	1.00	34,383,433.27	40,523,415.65	99.60	405,234.19	1.00	40,118,181.46
Subtotal of portfolios	34,730,740.71	99.53	347,307.44	1.00	34,383,433.27	40,523,415.65	99.60	405,234.19	1.00	40,118,181.46
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	164,138.37	0.47	164,138.37	100.00	-	164,138.37	0.40	164,138.37	100.00	-
Total	34,894,879.08	100.00	511,445.81		34,383,433.27	40,687,554.02	100.00	569,372.56		40,118,181.46

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

2. Accounts receivable - continued

(1) Disclosure of accounts receivable by categories - continued:

Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually:

Unit: RMB

Name of entity	Closing balance			Basis of provision
	Receivables	Bad debt provision	Proportion of provision (%)	
Shenzhen Lanjing Offshore Technology Co., Ltd.	164,138.37	164,138.37	100.00	Debtor is likely to go bankruptcy

Accounts receivable portfolios for which bad debt provision has been assessed using the percentage of accounts receivable method:

Unit: RMB

Name of portfolio	Closing balance		Proportion of provision (%)
	Carrying amount	Bad debt provision	
Portfolio 2	34,730,740.71	347,307.44	1.00

Basis for determining the above portfolio: See Note(III)10.2.

(2) Provision recorded and written off in the current period

No provision recorded in the current period, and provision written off in the current period is RMB 57,926.75.

(3) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Relationship with the Company	Amount	Age	Proportion of the amount to the total accounts receivable(%)
Huizhou Operating Branch, CNOOC (China) Co., Ltd.	Not related	3,606,599.60	Within 1 year	10.34
Shenzhen Branch, CNOOC (China) Co., Ltd.	Not related	2,862,385.67	Within 1 year	8.20
Shenzhen Tuode Energy Services Ltd.	Not related	2,427,229.91	Within 1 year	6.96
CNOOC Engineering Underwater Technology (Shenzhen) Co., Ltd.	Not related	2,059,555.54	Within 1 year	5.90
Shenzhen Weisheng Offshore Oil Technology Co., Ltd.	Not related	2,020,413.01	Within 1 year	5.79
Total		12,976,183.73		37.19

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

3. Other receivables

(1) Disclosure of other receivables by categories

Unit: RMB

Category	Closing balance					Opening balance				
	Carrying amount		Bad debt provision		Net book value	Carrying amount		Bad debt provision		Net book value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Other receivables that are individually significant and provided for bad debt individually	-	-	-	-	-	-	-	-	-	-
Other receivables for which bad debt provision has been assessed by portfolios										
Portfolio 1	1,477,984,371.08	99.91	-	-	1,477,984,371.08	1,084,317,318.00	99.88	-	-	1,084,317,318.00
Portfolio 2	1,331,775.51	0.09	13,317.76	1.00	1,318,457.75	1,264,199.34	0.12	12,642.00	1.00	1,251,557.34
Subtotal of portfolios	1,479,316,146.59	100.00	13,317.76	-	1,479,302,828.83	1,085,581,517.34	100.00	12,642.00	-	1,085,568,875.34
Other receivables that are not individually significant but for which bad debt provision has been assessed individually	-	-	-	-	-	-	-	-	-	-
Total	1,479,316,146.59	100.00	13,317.76	-	1,479,302,828.83	1,085,581,517.34	100.00	12,642.00	-	1,085,568,875.34

Other receivables portfolios for which bad debt provision has been assessed using the percentage of accounts receivable method:

Unit: RMB

Name of portfolio	Closing balance		
	Other receivables	Bad debt provision	Proportion of provision (%)
Portfolio 2	1,331,775.51	13,317.76	1.00

Basis for determining the above portfolio: See Note(III)10.2.

(2) Provision recorded and written off in the current period

Provision recorded in the current period is RMB 675.76, and no provision written off in the current period.

(3) Top five entities with the largest balances of accounts receivable

Unit: RMB

Name of entity	Amount	Proportion of the amount to the total other receivables(%)
Baowan Holdings	1,477,984,371.08	99.91
CNOOC Sales Shenzhen Co., Ltd.	264,600.00	0.02
Ping An Insurance (Group) Company of China Ltd. Shenzhen Shekou Sub-branch	178,595.71	0.01
CNOOC-OTIS JV	141,209.89	0.01
Frank Oilfield Service Co., Ltd.	118,955.94	0.01
Total	1,478,687,732.62	99.96

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

4. Long-term equity investments

Unit: RMB

Investee	Opening balance	Changes in the current period								Closing balance	Closing balance on provision
		Increase in investment	Decrease in investment	Investment income recognized by equity method	Adjustment on other comprehensive income	Other equity changes	Announcing cash dividends or profits	Provision	Others		
1. Subsidiaries											
Baowan Holdings	830,531,987.58	-	-	-	-	-	-	-	-	830,531,987.58	-
Shenzhen Baowan	41,273,772.13	-	-	-	-	-	-	-	-	41,273,772.13	-
Subtotal	871,805,759.71	-	-	-	-	-	-	-	-	871,805,759.71	-
2. Associates											
CSE	369,433,367.09	-	-	57,878,180.98	-	-	-	-	-	427,311,548.07	-
CDFC	101,105,139.15	-	-	4,096,895.16	-	-	-	-	-	105,202,034.31	-
CPEC	5,715,189.15	-	-	(266,730.36)	-	-	-	-	-	5,448,458.79	-
Subtotal	476,253,695.39	-	-	61,708,345.78	-	-	-	-	-	537,962,041.17	-
Total	1,348,059,455.10	-	-	61,708,345.78	-	-	-	-	-	1,409,767,800.88	-

There is no restrictions on the ability of transferring funds to the Company from the investee entities which are held by the Company as long-term equity investment as at 31 December 2014.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

5. Long-term borrowings

(1) Categories of long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Guaranteed loans (note)	182,524,302.04	165,048,306.62

Note 1: The annual interest rate of the guaranteed loans is 6.5500% (31 December 2013: 6.5500%). Nanshan Group has provided a full-amount irrevocable guarantee with joint-liability for the said loans. See note (XIV) 9(3) for details.

6. Operating income and operating costs

Unit: RMB

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating activities	331,233,106.97	126,116,577.94	335,477,056.78	119,084,533.28
Other operating activities	8,606,126.89	2,888,454.36	14,834,601.43	12,844,024.86
Total	339,839,233.86	129,005,032.30	350,311,658.21	131,928,558.14

7. Investment income

(1) Details of investment income

Unit: RMB

Item	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	61,708,345.78	62,622,013.46
Income from bank financing products	31,218,518.95	32,845,899.16
Income from long-term equity investments under cost method	2,287,265.95	2,160,354.98
Total	95,214,130.68	97,628,267.60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

8. Supplementary information to the cash flow statement

(1) Supplementary information to the cash flow statement

Unit: RMB

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	148,882,226.75	150,233,196.97
Add: Provision for impairment losses of assets	(57,250.99)	109,482.06
Depreciation of fixed assets	10,090,148.00	9,525,137.43
Amortization of intangible assets	16,831,792.42	16,869,065.65
Depreciation of investment properties	5,415,819.00	5,324,508.55
Losses (gains) on disposal of fixed assets, intangible assets and	(89,433.39)	(223,284.16)
Financial expenses	79,914,822.59	91,976,345.99
Losses (gains) arising from investments	(95,214,130.68)	(97,628,267.60)
Decrease (increase) in deferred tax assets	13,504.75	(23,460.26)
Decrease (increase) in inventories	129,018.69	36,407.72
Decrease (increase) in receivables from operating activities	5,773,660.09	2,526,959.89
Increase (decrease) in payables from operating activities	6,042,970.66	19,063,756.61
Net cash flow from operating activities	177,733,147.89	197,789,848.85
2. Net changes in cash and cash equivalents:		
Closing balance of cash (note)	110,176,958.92	59,424,719.52
Less: Opening balance of cash	59,424,719.52	853,607,179.80
Add: Closing balance of cash equivalents	-	-
Less: Opening balance of cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	50,752,239.40	(794,182,460.28)

9. Related party transactions

(1) Provision and receipt of services

Receipt of service

Unit: RMB

Related party	Details of related party transaction	Pricing and decision-making procedures of related party transactions	Amount for the current period	Amount for the prior period
Chixiao Project Company	Construction service	By reference to market price	16,610,430.34	20,714,789.98
Nanshan Group	Power supply service	By reference to market price	3,317,186.17	2,815,330.70
Total			19,927,616.51	23,530,120.68

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

9. Related party transactions- continued

(1) Provision and receipt of services - continued

Provision of service

Unit: RMB

Related party	Details of related party transaction	Pricing and decision-making procedures of related party transactions	Amount for the current period	Amount for the prior period
CSE	Loading and unloading service	By reference to market price	6,521,955.54	7,415,958.81
CSE	Stack (storage)	By reference to market price	3,456,744.34	3,593,909.00
CPEC	Stack (storage)	By reference to market price	83,103.08	882,175.00
CPEC	Loading and unloading service	By reference to market price	822,671.55	117,607.23
Nanshan Group	Maintenance service	By reference to market price	32,883.57	31,058.22
Nanshan Group	Stack (storage)	By reference to market price	9,600.00	-
CDFC	Maintenance service	By reference to market price	18,147.00	-
Total			10,945,105.08	12,040,708.26

(2) Leases with related parties

Leases where the Company is the lessor:

Unit: RMB

Name of lessee	Type of leased assets	Lease income recognized in the current year	Lease income recognized in the current year
Nanshan Group	Office building	6,062,897.67	6,651,072.60
CDFC	Office building	1,120,457.52	560,228.76
CSE	Office building	785,836.56	785,836.56
CPEC	Office building	464,490.72	437,832.00
Chiwan Real Estate	Office building	177,850.40	-
Nanshan Real Estate Company	Office building	80,645.76	79,683.84
Total		8,692,178.63	8,514,653.76

Leases where the Company is the lessee:

Unit: RMB

Name of lessor	Type of leased assets	Lease payment recognized in the current year	Lease payment recognized in the prior year
Nanshan Group	Site	29,151,086.50	28,708,824.65

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

9. Related party transactions- continued

(3) Guarantees with related parties

The Company as the guarantor:

Unit: RMB

Guaranteed party	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Guangzhou Baowan	205,004,000.00	22/04/2014	21/04/2029	No
Wuhan Baowan	193,400,000.00	17/12/2014	16/12/2029	No
Nanjing Baowan	201,136,000.00	29/05/2014	28/05/2029	No
Total	599,540,000.00			

The Company as the guaranteed party:

Unit: RMB

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Nanshan Group	570,000,000.00	17/12/2012	17/12/2019	No
Nanshan Group	400,000,000.00	09/03/2012	09/03/2017	No
Baowan Holdings	400,000,000.00	07/09/2012	07/09/2015	No
Nanshan Group	200,000,000.00	31/03/2012	30/03/2029	No
Nanshan Group	120,000,000.00	29/11/2012	28/11/2029	No
Total	1,690,000,000.00			

(4) Borrowings/loans with related parties

Unit: RMB

Related party	Amount for the current period	Inception date	Maturity date	Remarks
Borrowed from:				
Nanshan Group	300,000,000.00	03/07/2014	03/07/2015	
Lent to:				
Baowan Holdings	487,614,238.25			Note

Note: There is no fixed term for repayment for the above mentioned borrowings and loans. The interest rates are based on the market interest rates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

9. Related party transactions- continued

(5) Interest incomes and expenses with related parties

Interest income gained from deposits

Unit: RMB

Related party	Type of related party transaction	Pricing principle of related party transaction	Amount for the current period	Amount for the prior period
Subsidiaries	Interest income	Negotiated interest rate (by reference to market rate)	53,071,839.37	47,903,162.99
CDFC.(note)	Interest income	Negotiated interest rate (by reference to market rate)	146,894.86	-
Total			53,218,734.23	47,903,162.99

Note: Interest income from CDFC is generated from the Company's fixed deposits of RMB 85,000,000.00 and current deposits of RMB 4,077,788.66.

Interest expense for borrowings

Unit: RMB

Related party	Type of related party transaction	Pricing principle of related party transaction	Amount for the current period	Amount for the prior period
Nanshan Group	Interest expense	Negotiated interest rate (by reference to market rate)	56,046,666.66	47,705,000.00

10. Amounts due from/to related parties

(1) Amounts due from related parties

Unit: RMB

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Dividends receivable	CSE	-	-	48,000,000.00	-
Accounts receivable	CSE	557,417.99	5,574.18	3,854,041.82	38,540.42
	CPEC	369,168.03	3,691.68	366,834.89	3,668.35
	Nanshan Real Estate Company	-	-	6,390.32	63.90
	Chiwan Real Estate	22,231.30	222.31	-	-
	Total	948,817.32	9,488.17	4,227,267.03	42,272.67
Other receivable	Baowan Holdings	1,477,039,190.87	-	1,083,299,193.15	-
	CPEC	-	-	146,888.94	1,468.89
	CSE	11,571.48	115.71	22,971.48	229.71
	Total	1,477,050,762.35	115.71	1,083,469,053.57	1,698.60

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

(XIV) NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS - continued

10. Amounts due from/to related parties - continued

(2) Amounts due to related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance
Accounts payable	Nanshan Group	5,559,882.42	6,132,919.30
	CSE	16,554.40	16,554.40
	Chixiao Construction Company	9,740.00	9,740.00
	Total	5,586,176.82	6,159,213.70
Interest payable	Nanshan Group	15,099,874.99	6,758,208.33
Other payables	Shenzhen Baowan	-	42,007,879.27
	Nanshan Group	529,337.23	2,577,318.45
	Chixiao Project Company	7,172,014.47	1,277,632.65
	Chixiao Construction Company	1,133,894.52	500,000.00
	CPEC	204,224.04	202,913.64
	CSE	247,442.00	164,425.00
	Total	9,286,912.26	46,730,169.01
Non-current liabilities due within one year	CSE	785,836.56	785,836.56
Other current liabilities	Nanshan Group	300,000,000.00	-
Other non-current liabilities	Nanshan Group	700,000,000.00	700,000,000.00
	CSE	5,450,872.14	6,236,708.70
	Total	705,450,872.14	706,236,708.70

11. Amounts deposited in / borrowed from related parties

Cash and bank balances deposited in related parties

Unit: RMB

Item	Related party	Closing balance	Opening balance
Cash and bank balances	CDFC	89,077,788.66	-

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014

1. Breakdown of non-recurring profit or loss

Unit:RMB

Item	Amount
Profit or loss on disposal of non-current assets	189,620.61
Government grants recognized in profit or loss for the current period(other than grants which are closely related to the Company's business and are either in fixed amounts or determined under quantitative methods in accordance with the national standard)	9,686,859.21
Net profit or loss of subsidiaries from the beginning of the period up to the business combination date recognized as a result of business combination of enterprises under common control	(12,902,949.53)
Other non-operating income or expenses other than the above	2,002,874.30
Tax effects	(2,969,838.53)
Effects attributable to minority interests (after tax)	2,040,882.03
Total	(1,952,551.91)

Note: To improve the usage of spare cash, Shenzhen Chiwan Petroleum Supply Base Co., Ltd. (the "Company") and its subsidiaries use spare cash to purchase bank financing products (see Note(V)42) every year, and classify the investment income gained from bank financing products as recurring profit and loss.

2. Return on equity (ROE) and earnings per share ("EPS")

The ROE and EPS have been prepared by the Company in accordance with *Information Disclosure and Presentation Rules for Companies Making Public Offering of Securities No. 9 - Calculation and Disclosure of Return on Equity and Earnings per Share (Revised 2010)* issued by China Securities Regulatory Commission.

Unit: RMB

Profit for the reporting period	Weighted average return on net assets (%)	EPS	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	13.84%	0.95	Not applicable
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	13.96%	0.96	Not applicable

SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

3. Abnormal financial statements items ("F/S items") and description of reasons

Unit: RMB

	F/S items	2014	2013 (restated)	Change by%	Cause for the changes
1	Cash and bank balances	375,328,861.18	299,910,369.63	25.15%	Mainly due to increase in loans and taking back principal balance of financing products in the current period.
2	Other receivables	61,287,160.23	62,963,514.81	(2.66%)	Mainly due to decrease in refundable prepayment for land use right of subsidiaries.
3	Dividends receivable	-	48,000,000.00	(100.00%)	Mainly due to receiving dividends announced by Shenzhen Chiwan Sembawang Engineering Co., Ltd., associate of the Company in the prior period.
4	Other current assets	390,000,000.00	669,950,582.00	(41.79%)	Mainly due to decrease in investment in bank financing products.
5	Construction in progress	300,456,627.34	376,158,459.02	(20.12%)	Mainly caused by some subsidiaries' construction in progress transferred into fixed assets in current period, specifically the lot A logistics park construction of Guangzhou Baowan Logistics Co., Ltd., logistics park construction projects of Nanjing Baowan International Logistics Co., Ltd, Nantong Baowan International Logistics Co., Ltd and Phase III project of Chengdu Longquan Baowan International Logistics Co., Ltd.
6	Intangible assets	1,341,187,179.75	1,242,104,033.51	7.98%	Mainly due to some subsidiaries' acquisition of land use rights, i.e. Nantong Baowan International Logistics Co., Ltd, Wuxi Baowan Warehouse Equipment Co., Ltd.
7	Other non-current assets	253,572,620.64	44,164,977.18	474.15%	Mainly due to increase in prepayments for lands of some subsidiaries during the current period.
8	Other payables	439,034,917.38	257,405,077.79	70.56%	Mainly due to input of construction in progress of some subsidiaries, leading to increase in payables to construction contractors.
9	Non-current liabilities due within one year	1,349,351.16	311,049,351.16	(99.57%)	Mainly caused by repaying of long-term borrowings due within one year.
10	Long-term borrowings	390,816,685.64	185,443,647.96	110.75%	Mainly due to increase of long-term borrowings in current period.
11	Operating income	712,958,603.26	691,832,626.47	3.05%	Mainly arising from performance growth of the Company and some subsidiaries.
12	Operating costs	259,661,927.23	252,860,477.85	2.69%	Mainly arising from performance growth of the Company and some subsidiaries.
13	General and administrative expenses	95,231,275.15	89,099,231.46	6.88%	Mainly due to increase in amortization and taxation expense in the current period.

The supplementary information was signed by the following responsible persons on 10 March 2015:

TianJunyan
Legal Representative

Yu Zhongxia
Person in Charge of
the Accounting Body

Sun Yuhui
Chief Accountant