SHENZHEN CHIWAN PETROLEUM SUPPLY BASE CO., LTD.

THE INTERIM REPORT FOR YEAR 2016

August 2016

PART I Important Notice, Content and Paraphrase

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.

All directors attended the Board meeting.

The Company has no plan of cash dividends distribution, bonus shares being sent and converting capital reserve into share capital.

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

The Interim Report is written in both Chinese and English. In case of conflict between the two versions, Chinese version shall prevail.

Contents

Paraphrase

Terms to be defined	Refers to	Definition
The Company, Chiwan Base	Refers to	Shenzhen Chiwan Petroleum Supply Base Co., Ltd.
Nanshan Group/CNDI	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.
Xindu Baowan	Refers to	Chengdu Xindu Baowan International Logistic Co., Ltd.
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.
Chengdu Chiwan Base	Refers to	Chengdu Chiwan International Oil & Gas Base Co., Ltd.
Jiangsu Baowan	Refers to	Jiangsu Baowan International Logistic Co., Ltd.
Shaoxing Baowan	Refers to	Shaoxing Baowan Logistic Co., Ltd.
Chongqing Xi’peng Baowan	Refers to	Chongqing Xi’peng Baowan International Logistic Co., Ltd.
Ezhou Baowan	Refers to	Wuhan Blogis (Ezhou) Limited
Nantong Xitong Baowan	Refers to	Nantong Xitong Baowan Logistic Co., Ltd.
Jiashan Baowan	Refers to	Jiashan Baowan Logistic Co., Ltd.
Zhengzhou Baohai	Refers to	Zhengzhou Baohai International Logistic Co., Ltd.

Yuyao Baowan	Refers to	Ningbo (Yuyao) Baowan Logistic Co., Ltd.
Shunyi Project /Beijing Jinmu Caoye	Refers to	Beijing Jinmu Caoye Co., Ltd.
CSE/Sembawang	Refers to	Shenzhen Chiwan Sembawang Engineering Co., Ltd
CPEC	Refers to	Shenzhen Chiwan Offshore Petroleum Equipment Repair & Manufacture Co., Ltd.
China Development Finance	Refers to	China Development Finance Company Limited
Nanshan Hongkong	Refers to	Nanshan Development(H.K.) Limited

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		

II.Contact Person and Method

	Board Secretary	Securities Representative
Name	Yu Zhongxia (on behalf)	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.Other Information

1. Contact Method

For registration address, office address and post code as well as website and email of the Company have no change in reporting period, please find more details in Annual Report for Year 2015.

2. Information Disclosure and Preparation Place

For designated newspapers for information disclosure, website for Interim Report appointed by CSRC and preparation place have no change in reporting period, please find more details in Annual Report for Year 2015.

3. Registration Change of the Company

For registration date & place of the Company, registration code for enterprise legal license, organization code and number of taxation registration have no change in reporting period, please find more details in Annual Report for Year 2015.

PART III Accounting Data and Financial Indicators

I. Major Accounting Data and Financial Indicators

Retroactive Adjustment

□ Yes √ No

Unit: RMB

	Reporting period (Jan to June, 2016)	Last Period (Jan to June, 2015)	Change (%)
Operating Revenue	331,048,288.65	307,119,072.68	7.79%
Net Profit Attributed to Shareholders of Listed Company	20,104,453.49	42,629,933.48	-52.84%
Net Profit Net of Non-recurring Gain and Loss Attributed to Listed Company	19,162,343.58	39,523,619.59	-51.52%
Net Cash Flows from Operating Activities	151,110,099.80	123,934,017.49	21.93%
Basic Earnings per Share (RMB/Share)	0.09	0.18	-50.00%
Diluted Earnings per Share (RMB/Share)	N/A	N/A	N/A
Weighted Return on Equity（%）	1.14%	2.49%	-1.35 points
	June 30, 2016	December 31, 2015	Change (%)
Total Assets	6,422,091,617.87	5,643,956,639.17	13.79%
Owner’s Equity Attributed to Shareholders of Listed Company	1,774,640,491.45	1,754,085,176.85	1.17%

II.Difference of Accounting Data between Foreign and China Accounting Standards

1. Differences of Net Profit and Net Asset between IAS and China Accounting Standards

□ Applicable √ Inapplicable

2. Differences of Net Profit and Net Asset between Foreign and China Accounting Standards

□ Applicable √ Inapplicable

III. Items of Non-recurring Gains & Losses

Unit: RMB

Item	Amount	Note
Disposal of non-current assets, including the part offset with the provision for impairment of assets	-9,200.78	
Government grants recognized in current period's gain or loss (except for the fixed or quantitative government grants closely related to the enterprise businesses according to the national unified standard)	1,721,474.24	
Other non-operating revenue and expenditure excluding the above-mentioned items	138,883.40	
Less: Influence on income tax	469,806.59	
Amount affected by minority equity (after tax)	439,240.36	
Total	942,109.91	--

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 Report of the Board of Directors

I. Overview

1. Main Business

The Company provides oil logistics support services for oil exploration, development and production in the eastern South China Sea. Under the effect of sharp decline of international oil price and operation of CNOOC Huizhou Base, the operating income and profit of offshore oil logistics business decreased continuously.

The Company provides logistics park services for warehousing, distribution, supply chain management, logistics finance, equipment leasing and e-commerce in its logistics parks by controlling subsidiary, Blogis Holding.

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

In reporting period, the Company achieved operating revenue of RMB 330 million, increased by 7.79% and net profit of RMB 20.10 million, decreased by 52.84% compared with the same period over last year respectively.

(1)Decrease of investment income is caused by decline of profit from associated CSE and investment income from entrusted financing, which is mainly due to the decrease of available financing funds along with the increase of project construction payment.

(2) Developing costs for newly projects increased by increase of newly built and in construction logistics parks.

(3) Financial expense increased sharply by rising interest expense for average balance of liabilities.

2. Characteristics of Industry Development

(1) Offshore Oil Logistics Business

After the fully operation of CNOOC Huizhou Base, it has occupied the majority of market share. The competition of offshore oil logistics will become more intensive in 2016. Meanwhile, as continuous downturn of oil price and reducing exploration and production, Chiwan Base would face great pressure in operation. It also would bring resistance to construction of oil and gas base in Chengdu.

(2) Warehousing Logistics Services

In the past ten years, warehousing logistics services developed rapidly. The demand for modern logistics facilities still exceeds supply. For now, warehousing logistics services had become the hot spot for both real estate industry and logistic industry. The representatives as Prologis, Goodman, Alibaba and Vanke have accelerated their layout. Until now, Blogis takes the leading position in domestic market.

II.Analysis of Main Business

Refer to relevant contents of “Ⅰ. Overview” in Report of the Board of Directors.

Changes of Major Financial Data

Unit: RMB

	Reporting period (Jan to June, 2016)	Last Period (Jan to June, 2015)	Percentage Change (%)	Notes
Operating Revenue	331,048,288.65	307,119,072.68	7.79%	
Operating Cost	143,269,502.63	140,446,455.32	2.01%	
Selling Expenses	917,022.63	267,618.01	242.66%	Mainly resulted from increasing agent fee for newly operated logistics parks
Administrative Expenses	55,345,349.17	42,341,999.23	30.71%	Resulted from rising labor costs and amortization of depreciation
Financial Expenses	86,362,478.62	78,223,257.17	10.41%	
Income Taxes Expenses	12,085,315.99	13,532,146.18	-10.69%	
Net Cash Flows from Operating Activities	151,110,099.80	123,934,017.49	21.93%	
Net Cash Flows from Investing Activities	-541,664,948.09	-164,588,975.62		Mainly due to increasing cash outflow brought by developing newly projects
Net Cash Flows from Financing Activities	717,032,189.77	35,713,148.41	1,907.75%	Mainly resulted from receipt of internal equity investment and loans from China Nanshan Development (Group) Incorporation
Net Increase in Cash and Cash Equivalents	326,477,341.48	-4,907,450.47		

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

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

Business Performance and Analysis of Main Subsidiaries and Associated Companies

1.Offshore Oil Logistics Business

In reporting period, international oil companies adjusted their exploration plan under the circumstance of the continued downturn of oil price, which caused demand shrink for offshore oil logistics business. Meanwhile, since CNOOC Huizhou Base put into operation, its subsidiaries moved from Chiwan Base to Huizhou Base, which formed serious challenges for the Company. In reporting period, offshore oil logistics business achieved operating revenue of RMB 68.84 million, decreasing by 12.89% and net profit of RMB 13.00 million, increasing by 17.38% compared with the same period over last year respectively.

2.Blogis Business

In reporting period, Blogis Holding achieved operating revenue of RMB 254.04 million, increased by 15.73% and net profit of RMB 48.11 million, increased by 10.67% compared with the same period over last year respectively.

Blogis companies have operated in good condition generally.

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

With operation of Nanjing Baowan and Wuhan Baowan, those newly operated logistics parks made significant contribution to the Company in the first half year.

Blogis Development for the First Half of 2016

In reporting period, the Company has successfully signed transfer contracts of state owned lands for Jiaxing, Shaoxing, Xitong, etc, covering land area of 1,430 Mu. And Yuyao, Wuhan Qingshan Chongqing Luohuang projects have signed investment agreements with local governments covering land area of 1,173 Mu.

3. Associated Companies

CSE: The Company holds 32% equity of CSE. CSE has contributed an investment income of RMB 10.93 million to the Company, decreased by 62% compared with the same period of last year.

CPEC: The Company holds 20% equity of CPEC. The investment income from CPEC has declined to RMB -1.17 million in reporting period.

China Development Finance Company Limited: The Company holds 20% equity. It contributed investment income of RMB4.00 million to the Company and an increase of 43% compared with same period of last year.

4. Project in Construction Progress

Tianjin Bingang Baowan: The project plans to construct two warehouses and is expected to be finished in the first half of 2017.

Wuxi Baowan: The construction of five warehouses and one multiple-used building has completed in March, 2016.

Zhenjiang Baowan: The construction of main body of nine warehouses and one multiple-used building has completed.

Jiaxing Baowan: The construction of two warehouses and one multiple-used building is expected to complete at the beginning of 2017.

Qingdao Jiaozhou Baowan: The construction of eight warehouses and one multiple-used building is expected to complete in the first half year of 2017.

Chengdu Oil and Gas Base: The construction of one workshop and storage yard is expected to complete at the end of 2016.

III.Composition of Main Business

Unit: RMB

	Operating Revenue	Operating Cost	Gross Profit Rate (%)	Change of Operating Revenue over the Same	Change of Operating Cost over the Same Period of Last	Change of Gross Profit Rate over the Same Period of

				Period of Last Year（%）	Year（%）	Last Year（%）
By Industries						
Warehouse and Storage	272,125,816.56	101,419,318.86	62.73%	10.02%	6.83%	1.11%
Loading and Unloading Services	15,980,239.56	17,277,315.12	-8.12%	-15.43%	9.21%	-24.40%
Harbor Management	6,713,077.34	2,844,590.28	57.63%	8.61%	-59.22%	70.48%
Office Leasing &other	36,174,864.71	21,728,278.37	39.94%	4.34%	-4.34%	5.45%
By Regions						
South China	105,948,471.71	61,648,343.20	41.81%	-3.49%	-14.16%	7.23%
East China	122,406,525.60	38,074,257.89	68.90%	3.30%	6.94%	-1.06%
North China	42,380,843.48	13,356,234.64	68.49%	2.44%	-4.88%	2.43%
Southwest China	44,997,418.34	22,970,443.81	48.95%	20.17%	21.01%	-0.35%
Central China	15,260,739.04	7,220,223.09	52.69%			-

IV.Core Competitiveness Analysis

There is no significant change of core competitiveness happened in reporting period.

1. Industry competition pattern and of development trend

(1) Offshore Oil Logistics Business

As international crude oil price remains low, oil logistics business has shrank demand sharply. Meanwhile with operation of CNOOC Huizhou Base and movement of old clients in Chiwan Base, it’s urgent for the Company to update service and foster new business from now on.

(2) Blogis Business

At present, local governments cut industrial land plan, which would bring more difficulty in land obtaining. The rapid development of high-end warehousing intensified competition which resulted in the loss of part of the park's customers. The Company actively would explore new business to improve customer cooperation viscosity and enhance its market competitiveness.

2. Development strategy

The Company is committed to become leading enterprise in offshore oil and comprehensive logistics service in main economic center cities and continuously create value for customers, shareholders, employees and society.

(1) Offshore Oil Logistics Business

Taking advantage of Qianhai Shekou Free Trade Zone, the Company would further enhance offshore oil logistics upgrading plans and optimize business management continuously, explore intelligent business mode, optimize the organizational structure etc to improve operation system and service.

(2) Blogis Business

During the next 3-5 years, by speeding up layout of logistics parks around major economic center cities nationwide, and building a comprehensive logistics service system, the Company aims to become leading logistics enterprise with competitiveness of scale of logistics park network and high-end comprehensive logistics service.

3. Operation management

Facing chance and challenge, closely around the "continuous innovation" theme, the Company would optimize management pattern, reduce management procedure to enhance management level and team cohesion.

According to development strategy, funds are mainly used for purchasing land, construction or M&A of Blogis' logistics parks in future. In order to guarantee the steady development of the Company's main business and corporate strategy effective implementation, the Company would continue to promote diversified financing channels, in addition press- roll way to meet the demand of with rapid development, and also explore cooperative development patterns.

4. Risk and measures

Under the serious pressure by intensified land obtaining, increasing funds demand and rising element costs, etc, the Company plans to take measures as follows: to strengthen further study; to strengthen centralized management of funds, improve efficiency of funds usage and reduce financial cost; to strengthen study on extended service and incentive mechanism; to improve leading management standard system of logistics service; to input construction progress plan and explore new management mode; to further strengthen on building and cultivating on the talents, and establish improving capacity oriented training systems.

V. Analysis on Investment

1. External Investment

(1) External Investment

External Investment		
Investment in reporting period (RMB)	Investment in same period over last year (RMB)	Changes
1,813,171,415.43	157,799,820.00	14.90%
Particulars of Investees		
Company Name	Main Business	Ratio in the investees' equity (%)
Ezhou Baowan	Providing oil logistics and tenants agent service	77.36%
Shaoxing Baowan	Providing oil logistics and tenants agent service	77.36%
Jiashan Baowan	Providing oil logistics and tenants agent service	77.36%
Blogis Holding	Investment	77.36%

(2)Particulars about Investment on Financial Enterprises

Name	Category	Initial Investment(RMB)	Share Holding at the beginning of the period	Holding Ratio at the beginning of the period （%）	Share Holding at the end of the period	Holding Ratio at the end of the period	Book Value at the end of the period (RMB)	Gains & Loss at the reporting period (RMB)	Accounting Item	Share Resource
China Development Finance Company Limited	other	100,000,000.00	100,000,000	20.00%	100,000,000	20.00%	115,646,034.81	3,998,939.24	Long term equity investment	
Total		100,000,000.00	100,000,000	--	100,000,000	--	115,646,034.81	3,998,939.24	--	--

(3) Particulars about Securities Investment

□ Applicable √ Inapplicable

(4) Particulars about Holding Other Listed Companies

□ Applicable √ Inapplicable

2. Entrusted Financing, Investment in Derivative Products and Entrusted Loan

(1)Entrusted Financing

Unit: RMB ˋ0000

Entrusted Party	Relationship	Related Transaction	Product Types	Amount	Beginning Date	Ending Date	Determination of Reward	Withdraw of Principal	Provision for Impairment	Expected Revenue	Actual Revenue
CMBC	N/A	N/A	Guaranteed financing products	2500	2015-7-23	2016-1-20	Cash	2500	0	58.27	6.12
				3000	2015-8-13	2016-2-5		3000	0	62.20	12.72
				5000	2015-12-30	2016-1-6		5000	0	2.51	2.51
				4000	2015-12-30	2016-1-13		4000	0	4.35	4.35
				9000	2015-12-30	2016-3-23		9000	0	71.20	71.20
				2000	2016-2-17	2016-3-23		2000	0	5.85	5.85
				2500	2016-2-17	2016-8-10			0	19.01	17.67
Total				28000	--	--	--	25500	0	223.39	120.42
Capital Resource				Short term idle funds							
Unrecovered Principal and Revenue				0							
Involved lawsuit				N/A							
Board Resolution Disclosure Date				2014.4.24；2015.4.30							
Shareholders Meeting Resolution Disclosure Date				N/A							

(2)Derivative Investment

□ Applicable √Inapplicable

(3) Entrusted Loan

□ Applicable √Inapplicable

3. Application of Raised Proceeds

□ Applicable √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
Shenzhen Baowan	Subsidiary	Service	Warehouse, loading and unloading services	34,409,050.00	62,684,172.69	55,303,680.74	10,703,481.02	853,620.99	608,973.92
Shanghai Baowan	Subsidiary	Service		160,000,000.00	262,843,006.20	224,791,291.24	47,155,387.51	31,864,397.93	23,896,136.20
Guangzhou Baowan	Subsidiary	Service		150,000,000.00	421,962,857.08	154,962,222.29	26,401,398.86	6,981,855.09	5,288,276.11
Tianjin Baowan	Subsidiary	Service		150,000,000.00	335,237,567.18	160,846,859.03	29,054,334.48	12,278,212.07	9,203,737.66
Kunshan Baowan	Subsidiary	Service		120,000,000.00	215,684,760.00	139,503,080.95	27,643,165.37	13,770,104.66	10,476,970.89
Langfang Baowan	Subsidiary	Service		90,000,000.00	190,420,926.76	92,726,727.41	13,326,509.00	2,359,048.00	1,849,409.85
Xindu Baowan	Subsidiary	Service		60,000,000.00	124,610,274.54	62,101,933.45	13,532,900.47	5,123,529.96	4,374,064.81
Longquan Baowan	Subsidiary	Service		100,000,000.00	322,779,206.49	107,887,666.58	31,546,259.39	7,835,443.17	6,526,877.87
Nanjing Baowan	Subsidiary	Service		130,000,000.00	256,988,228.14	126,006,339.74	15,941,438.32	4,781,764.70	3,579,922.53
Shanghai Mingjiang	Subsidiary	Service		120,000,000.00	285,004,226.50	134,790,540.76	27,731,654.53	13,342,084.56	10,000,629.07
Wuhan Baowan	Subsidiary	Service		100,000,000.00	349,755,052.42	88,635,286.34	15,262,739.04	927,711.45	1,575,807.97
Nantong Baowan	Subsidiary	Service		200,000,000.00	227,745,560.86	201,242,438.19	6,521,371.73	1,568,475.22	1,180,642.02
CSE	Associated	Manufacturing	Manufacturing steel products for offshore engineering, etc	253,386,000.00	1,604,830,862.54	1,442,979,136.33	223,381,557.46	39,053,884.22	34,166,910.65
CPEC	Associated	Manufacturing	Providing equipment maintenance services	22,845,500.00	26,098,458.45	9,692,422.27	14,208,275.85	-5,868,814.65	-5,870,919.49
China Development Finance	Associated	Financing	Financial business	500,000,000.00	4,734,203,150.08	578,230,174.04	44,319,651.24	26,400,286.92	19,994,696.19

5. Major Investments with Non-raised Proceeds

Unit: RMB ’0000

Project	Total Planned Investment	Investment in the reporting period	Accumulated investment	Progress	Earnings	Disclosure Date
Wuxi Project	36,153	1,448.49	27,564.6	For acceptance	N/A	-
Zhenjiang Project	36,222	3,954.27	28,507.4	Main body construction completed	N/A	-
Jiaozhou Project	27,400	3,665.16	10,075.75	Under construction	N/A	2014.8.30
Bingang Project	34,360	1,531.42	21,174.79	Under construction	N/A	2011.6.23
Chengdu Oil Base Project	82,000	2,076.9	5,245.79	Under construction	N/A	2015.2.26
Qingwu Project	27,906		12	Under preparation	N/A	2012.3.28
Shenyang Project	43,324		3,730.06	Under preparation	N/A	2012.3.28
Yangluo Project	16,398	6.42	5,500.31	Under preparation	N/A	2013.3.27

Feidong Project	22,853	1,465.01	2,065.71	Under preparation	N/A	2013.10.30
Xi'an Project	44,812	2,693.43	7,674.1	Under preparation	N/A	2013.12.25
Xianyang Project	54,978	455.4	5,524.3	Under preparation	N/A	2014.2.18
Jiangyin Lingang Project	26,728		4,532.08	Under preparation	N/A	2014.8.30
Jiaxing Project	19,369	3,662.95	6,485.18	Under construction	N/A	2014.11.27
Xitong Project	21,300	4,255.77	4,255.77	Under preparation	N/A	2015.9.26
Shaoxing Project	35,600	4,086.47	4,086.47	Under preparation	N/A	2015.8.31
Xipeng Project	37,478	10,072.59	10,072.59	Under preparation	N/A	2014.2.18
Ezhou Project	52,500	3,867.07	3,867.07	Under preparation	N/A	2015.6.9
Total	619,381	43,241.35	150,373.97	--	--	

VI. Prediction of Business Performance from January to September 2016

Alert of loss or significant change in accumulative net profit from the beginning of the year to the next reporting period or compared with the same period of last year, and statement of causations.
□ Applicable √ Inapplicable

VII. Notes of the Board of Directions and Supervisory Committee on the Unqualified Auditor's Report Issued by the CPAs in reporting period

□ Applicable √ Inapplicable

VIII. Notes of the Board of Directions on the Unqualified Auditor's Report for Year 2015

□ Applicable √ Inapplicable

IX. Implementation of Profit Distribution in Reporting Period

Execution of profit distribution plan, especially execution or adjustment of the cash dividend policy and conversion of capital reserve into share capital plan of the Company in reporting period.
□ Applicable √ Inapplicable
The Distribution Plan for Year 2015 is no cash division distribution, no bonus being sent, and no converting capital reserve into share capital.

X. Preplanning of Profit Distribution and Converting Capital Reserve into Share Capital for the First Half Year of 2016

□ Applicable √ Inapplicable
The Company has no plan of cash dividends distribution, bonus shares being sent and converting capital reserve into share capital for the First Half Year of 2016.

XI. Research and Interview in Reporting Period

Time	Location	Method	Types	Visitor	Topics Discussed
Jan 21, 2016	Conference Room	Field Research	Individual	Individual Investor	Business operation and development of logistics parks. No documents are provided.
May 16, 2016	Conference Room	Field Research	Institute	Ping’ an Securities Co., Ltd	Business operation and development of logistics parks. No documents are provided.

PART V Significant Events

I.Corporate Governance

1. General

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.

(1) During the report period, according to the Company's business development, the Company revised the Articles of Association. The revision was reviewed and approved by the 17th tele-communication meeting of the 7th Board of Director and the First Extraordinary Shareholders' Meeting.

(2) Shareholders and shareholders' general meeting: the Company ensures that all the shareholders, especially minority shareholders, are equal and could enjoy their full rights. The Company called and held shareholders' general meeting strictly in compliance with the Rules for Shareholders' General Meeting.

(3) Relationship between the controlling shareholder and the Company: controlling shareholder of the Company acted in line with rules during the reporting period, did not intervened the decisions, productions or operations of the Company directly or indirectly in exceeding the authority of the shareholders' general meeting, and did not appropriate any funds of the Company.

(4) Directors and the Board of Directors: the Company elected directors in strict accordance with the Articles of Association. Number and composition of members of the Board were in compliance with relevant laws and regulations; all Directors attend Board meetings and shareholders' general meeting in a serious and responsible manner and participated enthusiastically relevant training so as to know better about laws and regulations as well as the rights, obligations and liabilities of Directors.

(5) Supervisors and the Supervisory Committee: number and composition of the members of the Supervisory Committee were in compliance with the requirements of laws and regulations. The supervisors diligently and seriously performed their duties and obligations, took responsible attitudes to all shareholders and supervised the financial affair as well as the performance by the Company's Directors, managers and other senior executives of their duties in compliance with the laws and regulations.

(6) Stakeholders: the Company fully respected and safeguarded the legal rights and interests of the banks and other creditors, staff, consumers and other stakeholders so as to develop the Company in a consistent and healthy way.

(7) Information disclosure and transparency: the Company authorized the Company Secretary to take charge of information disclosure, and the Chairman as well as related Directors to meet with shareholders. The Company disclosed relevant information in a true, accurate, complete and timely way in strict accordance with the requirements of laws, regulations and the Articles of Association, formulated the Management Rules on Information Disclosure, the Management System on Inside Information and Insiders and the Rules on the Management of Investors Relations, and designated Securities Times, Hong Kong Commercial Daily and http://www.cninfo.com.cn as its newspaper and website for information disclosure, so as to ensure all shareholders have equal opportunity to obtain the information.

(8) 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.

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.Significant Lawsuits and Arbitration Affairs

□ Applicable √ Inapplicable
There is no significant lawsuit or arbitration affair occurred in reporting period.

Other lawsuit

Basic Information	Involved Amount ('0000)	Whether forming estimated liabilities	Progress	Result and influence	Arbitration Execution	Disclosure Date
Ming Jiang Baowan's construction contract disputation appealed by China Building and Technology Group LTD.	4,203.80	to be settled	First trial	-	-	-
Construction disputation of Chixiao Engineering construction Ltd.,and the Compay appealed by Shenzhen Lingnan Building and Engineering Ltd	143.98	to be settled	First trial	-	-	-

III.Media Query

□ Applicable √ Inapplicable
There is no universal media query in reporting period.

IV.Bankruptcy and Restructure

□ Applicable √ Inapplicable
There is no bankruptcy or restructure affair occurred at the end of reporting period.

V.Assets Transaction

Purchase of assets affair
√ Applicable □ Inapplicable

Transaction Party	Takeover Assets	Price ’0000	Progress	Impact on operation	Impact on profit and loss	Contribution of Net Profit of Assets to Total Profit	Related Transaction	Transaction Relationship	Disclosure	Announcement Note
Jiangjin (Zhejiang) Furniture Ltd	Assets located in Jiashan Economic Development Zone of Jiaxing city (including land and buildings)	12,500	Completed transfer of involved assets	no affect of the continuity and stability of the management of the company	No affect yet	-	N/A	Inapplicable	2015-12-18	Announcement No.2015-68
Changdu Xiangtai Industrial Ltd. Xinjiang Baishang Investment (Group) Ltd	100% equity of Beijing Jinmu Caoye Ltd	26,142	Completed equity transfer	no affect of the continuity and stability of the management of the company	No affect yet	-	N/A	Inapplicable	2015-12-18	Announcement No.2015-69

There is no sale of assets affair, or enterprise combination occurred at the end of reporting period.

VI.Implementation and Influence of Equity Incentives

□ Applicable √ Inapplicable

There is no equity incentives plan or implementation occurred in reporting period.

VII.Significant Related Transactions

1. Related Transactions Involving Daily Operation

Unit: RMB Million

Transaction Party	Relationship	Type of Related Transaction	Contents	Pricing Principle	Price (Unit: RMB Million)	Amount (Unit: RMB Million)	Ratio of Same Type of Transaction (%)	Approved Transaction Amount (Unit: RMB Million)	Whether Exceeded the Approved Amount	Settlement	Market Price (Unit: RMB Million)	Disclosure Date	Disclosure Index
Nanshan Group	Parent Company	Providing Services	Renting Office and Maintenance Services	Market Price	4.88	4.88	31.00%	8.73	N/A	Bank Settlement	4.88	2016.04.26	Announcement No.2016-31
Nanshan Group	Parent Company	Receiving Services	Renting Land and Building, Receiving Power Supply	Market Price	2.59	2.59	16.00%	5.27	N/A	Bank Settlement	2.59	2016.04.26	Announcement No.2016-31
Total				--	--	7.47	--	14	--	--	--	--	--
Large Amount Return of Goods				N/A									
Where the Company classifies and estimates the total amount of routine related transactions for the report				The Board of Directors approved the amount of RMB 14 million of routine related transactions with Nanshan Group for Year 2016. The actual amount of routine related transactions for half of Year 2016 is RMB 7.47 million, in which the amount of providing									

period, explain the actual implementation during the report period.	services is RMB 4.88 million and receiving services is RMB 2.59 million.
Explain why the transaction price is greatly different from the market price	Inapplicable

2. Related Transactions of Assets Acquisition and Sales

□ Applicable √ Inapplicable
There is no related transaction of assets acquisition occurred at the end of reporting period.

3. Significant Related Transactions of Joint Investment

√ Applicable □ Inapplicable

Investor Party	Associated Relationship	Pricing Principle	Investee Name	Main Business of Investee	Registered Capital ’0000	Total Assets ’0000	Net Assets ’0000	Net Profit ’0000
CNDI	Controlled Shareholder	Increase registered capital of Blogis Holding by shareholding	Blogis Holding	Investment in logistics industry, trade industry and related investment consulting, etc	250,000	455,779	363,883	-24
Progress of Projects Under Construction	Refer to5. Major Investments with Non-raised Proceeds							

4. Related Credits and Liabilities

√Applicable □ Inapplicable

Whether any non-operational related credit and liabilities existed or not
□ Yes √ No

5. Other Significant Related Transaction

□ Applicable √ Inapplicable

VIII. Non-operation Oriented Fund Occupied by Controlling Shareholders and its parties

□ Applicable √ Inapplicable

IX. Significant Contracts and Implementation

1. Custodian, Contracting and Lease

(1) Custodian
Approved by the 16th tele-communication of 6th Board of the Company, Blogis Holdings is entrusted to manage Hefei Baowan’s operation with the term ended at the Dec 31, 2014. The entrustment term will be extended automatically for 1 year upon the agreement by both parties. Such agreement would be terminated if both parties do not decide to renew it anymore. The entrustment fee will be charged and extracted in accordance with 5% of actual total profit incurred by Hefei Baowan. Heifei Baowan has paid management fee amounted to RMB 397,700 for 2015.

Any Project brought gains or losses over 10% of the Company’s total profit or above in reporting period
□ Applicable √ Inapplicable

(2) Contracting

□ Applicable √ Inapplicable

(3) Lease

□ Applicable √ Inapplicable

2. Guarantee

Unit: RMB ’0000

<table>
<tr><th colspan="9">Outward guarantees (excluding guarantee to the subsidiaries)</th></tr>
<tr><td colspan="2">Total outward guarantee quota approved in the reporting period （A1）</td><td colspan="2">0</td><td colspan="2">Total amount of outward guarantee actually incurred in the reporting period （A2）</td><td colspan="3">0</td></tr>
<tr><td colspan="2">Total outward guarantee quota approved at the end of the reporting period （A3）</td><td colspan="2">0</td><td colspan="2">Total balance of actual outward guarantee at the end of the reporting period （A4）</td><td colspan="3">0</td></tr>
<tr><th colspan="9">Guarantees to the Subsidiaries</th></tr>
<tr><th>Names of Guarantees</th><th>Disclosure Date</th><th>Guarantee Amount</th><th>Date of occurrence (date of agreement execution)</th><th>Actual amount of guarantee</th><th>Type</th><th>Period</th><th>Implementation status</th><th>Guarantee to related party? (Y/N)</th></tr>
<tr><td>Guangzhou Baowan</td><td>2013.07.05
2016.01.13</td><td>8,565.40</td><td>2014.04.18</td><td>8,511.10</td><td>Irrevocable</td><td>15Years</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Nanjing Baowan</td><td>2013.07.05
2016.01.13</td><td>6,499.60</td><td>2014.05.28</td><td>6,429.46</td><td>Irrevocable</td><td>15Years</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Wuhan Baowan</td><td>2014.04.24</td><td>19,340.00</td><td>2014.11.03</td><td>5,664.15</td><td>Irrevocable</td><td>15 Years</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Baowan Holdings</td><td>2012.01.13</td><td>60,000.00</td><td>2016.03.29</td><td>20,000.00</td><td>Irrevocable</td><td>2 Years</td><td>N/A</td><td>N/A</td></tr>
<tr><td colspan="2">Total guarantee quota to the subsidiaries approved in the reporting period （B1）</td><td colspan="2">60,000</td><td colspan="2">Total amount of guarantee to the subsidiaries actually incurred in the reporting period （B2）</td><td colspan="3">20,129.20</td></tr>
<tr><td colspan="2">Total guarantee quota to the subsidiaries approved at the end of the reporting period （B3）</td><td colspan="2">94,405</td><td colspan="2">Total balance of actual guarantee to the subsidiaries at the end of the reporting period （B4）</td><td colspan="3">40,604.71</td></tr>
<tr><th colspan="9">Guarantees to the Subsidiaries by Subsidiaries</th></tr>
<tr><td colspan="2">Total guarantee quota to the subsidiaries approved in the reporting period （C1）</td><td colspan="2">0</td><td colspan="2">Total amount of guarantee to the subsidiaries actually incurred in the reporting period （C2）</td><td colspan="3">0</td></tr>
<tr><td colspan="2">Total guarantee quota to the subsidiaries approved at the end of the reporting period （C3）</td><td colspan="2">0</td><td colspan="2">Total balance of actual guarantee to the subsidiaries at the end of the reporting period （C4）</td><td colspan="3">0</td></tr>
<tr><td colspan="9">The Company’s total guarantee (i.e. total of the first three main items)</td></tr>
<tr><td colspan="2">Total guarantee quota approved in the reporting period （A1+B1+C1）</td><td colspan="2">60,000</td><td colspan="2">Total amount of guarantee actually incurred in the reporting period （A2+B2+C2）</td><td colspan="3">20,129.20</td></tr>
<tr><td colspan="2">Total guarantee quota already approved at the end of the reporting period （A3+B3+C3）</td><td colspan="2">94,405</td><td colspan="2">Total balance of the actual guarantee at the end of the reporting period （A4+B4+C4）</td><td colspan="3">40,604.71</td></tr>
<tr><td colspan="4">Actual total guarantee (A4+ B4)/ Net Assets of the Company</td><td colspan="5">22.88%</td></tr>
</table>

Including:	0
Amount of guarantee for shareholders, actual controller and its related parties(D)	0
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(E)	0
Proportion of total amount of guarantee in net assets of the Company exceed 50%(F)	0
Total amount of the aforesaid three guarantees(D+E+F)	0

Guarantee Violation

□ Applicable √ Inapplicable

There is no guarantee violation occurred in reporting period.

3. Other Significant Contracts

□ Applicable √ Inapplicable

4. Other Significant Transactions

(1) The Project of Ningbo Yuyao Baowan Logistics Park

Approved by 20th telecommunication meeting of 7th of the Board, Blogis intends to invest and construct logistics park in Donggang District Terminal in Ningbo Yuyao, covering an area of 300.5 Mu with the initial investment of RMB 312 million. To operate and manage the project, Blogis has registered a new company with the name of Ningbo Yuyao Baowan Logistics Co., Ltd and registration capital of RMB100 million.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jan 13 and 16, May 25, 2016.

(2) The Project of Chengdu Xinjin Baowan Logistics Park

Approved by 20th telecommunication meeting of 7th of the Board, Blogis intends to invest and construct logistics park in Chengdu Xinjin, covering an area of 208 Mu with the initial investment of RMB 489 million. To operate and manage the project, Blogis has registered a new company with the name of Chengdu Xinjin Baowan Logistics Co., Ltd and registration capital of RMB80 million.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jan 13 and 16, Aug 23, 2016.

(3) The Adjustment of Guarantee Amount of Guanzhou and Nanjing Baowan

Approved by 20th telecommunication meeting of 7th of the Board and 1st Extraordinary Shareholders Meeting in 2016, the total guarantee amount for Guangzhou and Nanjing Baowan would be adjusted to RMB 255.49 Million including RMB85.6540 for Guanzhou Baowan and RMB64.996 million for Nanjing Baowan respectively.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jan 13, Jan 16 and 30, 2016.

(4) The Increase of Guarantee Amount of Blogis Holdings

Approved by 20th telecommunication meeting of 7th of the Board and 1st Extraordinary Shareholders Meeting in 2016, the Company would provide Blogis joint liability guarantee under credit line of RMB 600 million within the term of 3 years for financing such as borrowing, open a bank guarantee, bank acceptance, etc.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jan 13, Jan 16 and 30, 2016.

(5) The Project of Chongqing Jiangjin Baowan Logistics Park

Approved by 21th telecommunication meeting of 7th of the Board, Blogis intends to invest and construct logistics park in Chongqing Jiangjin, covering an area of 301 Mu with the initial investment of RMB 337 million. To operate and manage the project, Blogis intends to register a new company with the name of Chongqing Jiangjin Baowan Logistics Co., Ltd and registration capital of RMB100 million.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Mar 23, 2016.

(6) Hubei Baowan Holdings Ltd

Approved by 24th telecommunication meeting of 7th of the Board, Blogis intends to register Hubei Baowan Holdings Ltd in Qingshan District in Hunan City with registration capital of RMB100 million.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jun 7, 2016.

(7) The Project of Wuhan Qingshan Baowan Logistics Park

Approved by 24th telecommunication meeting of 7th of the Board, Blogis intends to invest and construct logistics park in Wuhan Qingshan, covering an area of 441 Mu with the initial investment of RMB 1,070 million. To operate and manage the project, Blogis intends to register a new company with the name of Wuhan Qingshan Baowan Logistics Co., Ltd and registration capital of RMB200 million.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jun 7, 2016.

(8) Significant Assets Reorganization

1st of 8th Board of Directors and 3rd Extraordinary Shareholders' Meeting in 2016 have approved the proposal on Shenzhen New Nanshan Holdings (Group) issuing A share to absorb and merge Chiwan Base with raising funds. Legal person of Chiwan Base would be terminated and cancelled and meanwhile inherited and carried by New Nanshan Holding if such transaction successful approved.

The above mentioned transaction has gained approved by Shenzhen Stock Exchange and State-owned Assets Supervision and Administration Commission.

More details were published on Securities Times, Hong Kong Commercial Daily and website of http://www.cninfo.com.cn on Jul 2, Jul 16, Jul 19, Jul 30, Aug 2, Aug 5, Aug 9, Aug 12, Aug 26 etc, 2016.

X.Commitments made by the Company or shareholders holding over 5% shares of the Company in reporting period or extending to reporting period.

√Applicable □ Inapplicable

Commitments	Promisee	Content	Beginning	Deadline	Status
Other Commitments	Nanshan Group	to land use	1997-8-1	2022-7-31	On duty
	Nanshan Group	to resolve payment difficulties by China Development Finance	2014-1-6	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	2013-1-9	2020-1-8	On duty
Fulfill Commitments timely	Yes				

XI. Engagement/ Disengagement of Certified Public Accountants

Whether the Financial Statements for the First Half Year of 2016 were audited or not

□ Yes √ No

XII.Punishment and Rectification

√ Applicable □ Inapplicable

Name	Position	Reason	Punishment Type	Conclusion	Disclosure Date	Disclosure Index
Mr.Fan Zhaoping	Director	Short-term trading	Other	Informed Criticism	2015.12.29	Announcement No.2015-72

Particulars about Alleged illegal Proceeds

Name	Alleged illegal proceeds back time	Alleged Illegal Proceeds Amount(RMB)
Former Director Mr. Fan Zhaoping	2015.12.31	40,655.38

XIII. Violation of Delisting Risk Revealed

□ Applicable √ Inapplicable

XIV. Statements on Other Significant Events

□ Applicable √ Inapplicable

XV. Corporate Bonds

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

1. Basic Information of the corporate bonds

Name	Abbreviation	Code	Issue Date	Due Date	Bond Balance (RMB 0000)	Interest Rate	Ways of Debt Service
2012 corporate bonds of Shenzhen Chiwan Petroleum Supply Base Co., Ltd.	12 Chiwan Base Bonds	112140	2012.12.17	2019.12.17	57,000	5.78%	To pay interest once a year and to pay for the principal at one time
Exchange Place for the Listing or Transfer of the Corporate Bonds		Shenzhen Stock Exchange					
Eligibility Management of Investors		Inapplicable					
Situation of the Interest Payment of the Corporate Bonds during the Report Period		Inapplicable					
Execution of relevant regulations if the corporate bonds were affiliated with the special regulations such as the options of the issuers or the investors as well as exchangeable regulations. (if applicable)		Inapplicable					

2. List of the Bonds Trustees and the Credit Rating Organization

Bonds Trustees：							
Name	Huarong Securities Co., Ltd.	Office Address	Room 1608, China Life Insurance Building, Chaoyang District, Beijing	Contact Person	Yuan Dong	Contact Number	010-85556464
Credit Rating Organization Tracked and Rated the Corporate Bonds during the Report Period：							

Name	China Chengxin Securities Rating Co., Ltd.	Office Address	8F, An Ji Building, No. 760 South Xizang Road, Huangpu District, Shanghai

3. List of the Usage of the Raised Funds of the Corporate Bonds

Usage and Execution Process of the Bonds Raised Funds of the Company	The Company used the raised funds strictly followed the regulation.
Closing Balance (RMB10,000')	0
Operation of the Special Account of the Raised Funds	The Company did not create special account for the bonds.
The usage of the raised funds whether met with the committed usage, usage plans and other agreements on the specification.	Yes

4. List of the Rating of the Corporate Bonds Information

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

5. Credit Supplement Mechanism, Repayment Plans and Other Repayment Guarantee Measures of the Corporate Bonds

In the report period, there were no changes of credit supplement mechanism, repayment plans or other repayment guarantee measures of the Corporate Bonds.

The Company's controlling shareholder, Nanshan Group, provided guarantee for the Corporate Bonds. By the end of reporting period, Nanshan Group's net assets were RMB 10.739 billion; assets-liabilities ratio was 57.74%; return on equity was 3.37%; current ratio was 145.70%; and quick ratio was 63.11%. The above-mentioned data was unaudited. The amount of external guarantee of Nanshan Group was RMB 2.01 billion, 24.22% of its net assets.

6. List of the Holder Conference of the Bonds during the Report Period

In reporting period, there is no event required to convene holder conference happened in reporting period. For being absorbed and merged by Nanshan Holding, the Company convened bonds' holder conference on Jul 21, 2016.

7. List of the Duties Performance of the Bonds Trustee during the Report Period

In the report period, bonds trustee performed their duties according to related regulation, including supervising the usage of raised funds, continuously paying attention to the Company's creditability, etc.

The Company has disclosed Entrusted Management Report of 2012 Corporate Bonds for Year 2015 published on Jun 8, 2016, which is made and published by Huarong Securities Co., Ltd.

8. Major Accounting Data and Financial Index of the recent 2 years of the Company

Unit: RMB Ten Thousand Yuan

Item	2016.6.30	2015.12.31	Change
Current ratio	37.34%	42.07%	-4.73%
Asset-liability Ratio	59.50%	63.30%	-3.80%
Quick Ratio	37.30%	42.01%	-4.71%
	2016.6.30	2015.6.30	Change
Times Interest Earned of EBITDA	2.36	2.58	-8.53%
Loan Repayment Rate	100%	100%	0
Interest Coverage	100%	100%	0

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

□ Applicable √ Inapplicable

9. List of the Restricted Assets Right up to the Report-end

Inapplicable

10. Fails to repay the debt

Inapplicable

11. List of the Interest Payment of Other Bonds and Bonds Financing Instruments during the Report Period

The Company had paid interest of medium-term notes of RMB 24 million in reporting period.

12. List of the Acquired Bank Credit Lines, Usage and Repayment of the Bank Loans

The amount of the newly acquired bank credit lines was of RMB 1.3 billion within usage of RMB 50 million and repayment the loan of RMB 100 million during the report period.

13. List of the Execution of the Agreement or the Commitment Related to the Corporate Bonds Raising Specification during the Report Period

The raised funds of RMB 570 million had used up in 2013.

14. Significant Events Occurred during the Report Period

Inapplicable

15. Whether There Was Guarantor of the Corporate Bonds

√ Yes □No

Whether the Guarantor of the Corporate Bonds was Business Entity or Other Organizations

√ Yes □No

Whether Disclose Guarantor’s Financial Report.

√ Yes □No

PART VI Changes in Capital Share and Shareholders

I. Changes in Capital Share

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%
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%

Reason of Capital Share Changed
□ Applicable √ Inapplicable

Approval of Share Changed
□ Applicable √ Inapplicable

Ownership Transfer of Share Changed
□ Applicable √ Inapplicable

Influence from the shareholding movements upon such financial indicators as earnings per share, net asset per share of the latest year and the latest accounting period
□ Applicable √ Inapplicable

Other information as the Company considers necessary to be disclosed or demanded by the securities regulatory authority for disclosing
□ Applicable √ Inapplicable

Explanation on changes in aspect of total shares, shareholders structure as well as structures of assets and liabilities of the Company
□ Applicable √ Inapplicable

II.Particulars about Shareholders and Shares Holding

Unit: Share

Total common shareholders in reporting period	6,971	Total Number of Preference Shareholders with Resumed Voting Rights at Period-end (if any)						0
Particulars about Shareholders with 5% or above /Top Ten Common Shareholders								
Name	Nature	Ratio (%)	Total shares held	Change in the reporting period	Non-tradable shares	Tradable shares	Impawned 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	1.61%	3,717,134	102,910	0	3,717,134	-	unknown
CREDIT SUISSE (HONG KONG) LIMITED	Foreign Legal Person	1.15%	2,653,799	-900	0	2,653,799	-	unknown
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign Legal Person	0.93%	2,133,542	-408,499	0	2,133,542	-	unknown
GREENWOODS CHINA ALPHA MASTER FUND	Foreign Legal Person	0.43%	984,693	0	0	984,693	-	unknown
LI WEI	Domestic Natural Person	0.28%	636,000	36,000	0	636,000	-	unknown
SHA SHU LI	Domestic Natural Person	0.21%	480,611	0	0	480,611	-	unknown
YU LING FENG	Foreign Natural Person	0.20%	458,083	0	0	458,083	-	unknown
PAN BO	Domestic Natural Person	0.18%	420,300	400	0	420,300	-	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	3,717,134	B	3,717,134
CREDIT SUISSE (HONG KONG) LIMITED	2,653,799	B	2,653,799
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	2,133,542	B	2,133,542
GREENWOODS CHINA ALPHA MASTER FUND	984,693	B	984,693
LI WEI	636,000	B	636,000
SHA SHU LI	480,611	B	480,611
YU LING FENG	458,083	B	458,083
PAN BO	420,300	B	420,300
LI MING YA	402,580	B	402,580
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 top ten shareholders appointed repurchase transaction during reporting period

□ Yes √ No

III.Changes of Controlling Shareholders and Actual Controller

Change of Controlling Shareholder in the Reporting Period
□ Applicable √ Inapplicable

Change of Actual Controller in the Reporting Period
□ Applicable √ Inapplicable

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 Shares

□ Applicable √ Inapplicable

PART VIII Particulars about Directors, Supervisors and Senior Management

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

□ Applicable √ Inapplicable

There is no change of shares held by directors, supervisors or senior Management occurred in reporting period. Please refer to 2015's Annual Report for more details

II. Particulars about Directors, Supervisors and Senior Management Changed

√ Applicable □ Inapplicable

Name	Post	Type	Date	Reason
Tian Junyan	Chairman	Election	2016.06.30	Office Term Shift
Guzhe Wenjing	Deputy Chairman	Election	2016.06.30	Office Term Shift
Wang Shiyun	Director	Election	2016.06.28	Office Term Shift
Zhang Jianguo	Director	Election	2016.06.28	Office Term Shift
Chen Lei	Director	Election	2016.06.28	Office Term Shift
Chen Hong	Director	Election	2016.06.28	Office Term Shift
Shu Qian	Director	Election	2016.06.28	Office Term Shift
He Liming	Independent Director	Election	2016.06.28	Office Term Shift
Chen Weijie	Independent Director	Election	2016.06.28	Office Term Shift
Chen Shujun	Independent Director	Election	2016.06.28	Office Term Shift
Yu Xiufeng	Independent Director	Election	2016.06.28	Office Term Shift
Li Hongwei	Supervisor Convenor	Election	2016.06.30	Office Term Shift
Zeng Jun	Supervisor	Election	2016.06.28	Office Term Shift
Shang Yuexiang	Supervisor	Election	2016.06.28	Office Term Shift
Song Huibin	Supervisor	Election	2016.06.28	Office Term Shift
Sun Yuhui	Employee Supervisor	Election	2016.06.28	Office Term Shift
Cao Lirong	Employee Supervisor	Election	2016.06.28	Office Term Shift
Ming Zhi Mei	Deputy Chairman	Term Expiration	2016.06.28	Office Term Shift
Kent Yang	Director	Term Expiration	2016.06.28	Office Term Shift
Zhang Jianguo	Supervisor Convenor	Term Expiration	2016.06.28	Office Term Shift
Chen Lei	Supervisor	Term Expiration	2016.06.28	Office Term Shift
Chen Hong	Supervisor	Term Expiration	2016.06.28	Office Term Shift
Huang Ronghui	Supervisor	Term Expiration	2016.06.28	Office Term Shift
Song Tao	Board Secretary	Dismissal	2016.06.27	Personal Reason

PART IX Financial Statements (Attachment)

The Financial Statements for the First Half Year of 2016 are not audited.

PART X Documents Available for Verification

1. Financial Statements carrying the signature of relative persons in charge.
2. All text of the Company's documents and original public notices disclosed on websites specified by the China Securities Regulatory Commission in reporting period.

Board of Directors
Shenzhen Chiwan Petroleum Supply Base Co., Ltd.
August 31, 2016

Financial Statements for the First Half of 2016 (Unaudited)

I. Audit Report

Whether or not audited for the half-year report:

□ Yes √ No

II. Financial Statements

The currency for the explanatory notes of financial statements is: RMB Yuan

1.Balance Sheet

Consolidated Currency: RMB

Items	Ending Balance	Beginning Balance
Current Assets:		
Cash and bank balances	647,599,268.21	321,121,926.73
Notes receivable	12,000,000.00	-
Accounts receivable	59,119,539.26	50,257,814.22
Prepayments	1,746,711.30	435,877.51
Interest receivable	-0.00	1,138,739.73
Dividends receivable		-
Other receivables	68,963,994.40	58,666,231.60
Inventories	847,585.06	914,543.44
Other current assets	25,000,000.00	235,000,000.00
Total Current Assets	815,277,098.23	667,535,133.23
Non-current Assets:		-
Long-term equity investments	583,449,728.92	582,600,360.74
Investment properties	1,404,227,159.27	1,425,593,724.71
Fixed assets	816,703,265.36	842,722,056.06
Construction in progress	606,274,615.18	368,965,477.50
Disposal of fixed assets	50,787.60	-
Intangible assets	1,564,542,662.07	1,450,042,826.68
Deferred tax assets	39,317,503.36	28,877,355.41
Other non-current assets	592,248,797.88	277,619,704.84
Total Non-current Assets	5,606,814,519.64	4,976,421,505.94
TOTAL ASSETS	6,422,091,617.87	5,643,956,639.17
Current Liabilities:		-
Short-term borrowings	240,000,000.00	300,000,000.00
Accounts payable	10,399,682.27	13,502,745.52
Receipts in advance	6,264,446.01	4,294,109.24
Employee benefits payable	18,169,950.70	26,233,258.02
Taxes payable	20,421,638.24	20,937,276.95
Interest payable	56,997,886.86	28,404,479.52
Other payables	424,338,682.69	480,066,219.49
Non-current liabilities due within one year	1,107,002,353.40	707,396,728.40
Other current liabilities	300,000,000.00	6,000,000.00
Total Current Liabilities	2,183,594,640.17	1,586,834,817.14
Non-current Liabilities:		-
Long-term borrowings	793,843,625.45	489,834,250.45
Bonds payable	567,900,500.00	967,159,500.00
Long-term payables		251,417,853.31
Deferred income	50,425,115.23	51,251,151.07
Other non-current liabilities	225,692,882.76	226,367,558.34
Total Non-current Liabilities	1,637,862,123.44	1,986,030,313.17
TOTAL LIABILITIES	3,821,456,763.61	3,572,865,130.31
SHAREHOLDERS' EQUITY:		-
Share capital	230,600,000.00	230,600,000.00
Capital reserve	234,141,186.09	234,141,186.09
Other comprehensive income	652,079.14	652,079.14
Special reserve	6,392,632.59	5,941,771.48
Surplus reserve	318,603,562.42	317,245,288.81
Unappropriated profits	984,251,031.21	965,504,851.33
Total shareholders' equity attributable to equity holders of the Company	1,774,640,491.45	1,754,085,176.85
Minority interests	825,994,362.81	317,006,332.01
TOTAL SHAREHOLDERS' EQUITY	2,600,634,854.26	2,071,091,508.86
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	6,422,091,617.87	5,643,956,639.17

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

2.Balance Sheet

Parent Company Currency: RMB

Items	Ending Balance	Beginning Balance
Current Assets:		
Cash and bank balances	14,973,482.20	28,808,779.96
Accounts receivable	26,904,657.56	22,290,192.64
Prepayments	858,614.85	174,357.15
Interest receivable		1,031,342.47
Dividends receivable		-
Other receivables	449,932,112.14	1,519,389,018.64
Inventories	597,575.40	665,307.48
Other current assets	25,000,000.00	235,000,000.00
Total Current Assets	518,266,442.15	1,807,358,998.34
Non-current Assets:		-
Long-term equity investments	3,211,162,053.21	1,486,226,120.45
Investment properties	118,702,355.44	121,605,608.97
Fixed assets	57,957,134.61	62,672,792.29
Construction in progress	3,759,283.00	2,600,283.00
Disposal of fixed assets	1,611.00	-
Intangible assets	284,479,614.11	292,794,849.40
Deferred tax assets	19,546,752.57	9,635,782.89
Other non-current assets	183,600.00	255,366.60
Total non-current assets	3,695,792,403.94	1,975,790,803.60
TOTAL ASSETS	4,214,058,846.09	3,783,149,801.94
Current Liabilities:		-
Short-term borrowings	190,000,000.00	300,000,000.00
Accounts payable	10,085,538.84	13,115,420.11
Employee benefits payable	10,472,638.51	17,261,742.30
Taxes payable	1,015,139.39	2,508,111.41
Interest payable	56,724,068.61	28,118,306.33
Other payables	508,249,783.47	67,373,561.98
Non-current liabilities due within one year	1,101,349,351.16	701,349,351.16
Other current liabilities		-
Total Current Liabilities	1,877,896,519.98	1,129,726,493.29
Non-current Liabilities:		-
Long-term borrowings	280,024,302.04	181,224,302.04
Bonds payable	567,900,500.00	967,159,500.00
Deferred tax liability		-
Other non-current liabilities	15,692,882.76	16,367,558.34
Total Non-current Liabilities	863,617,684.80	1,164,751,360.38
TOTAL LIABILITIES	2,741,514,204.78	2,294,477,853.67
SHAREHOLDERS' EQUITY:		-
Share capital	230,600,000.00	230,600,000.00
Capital reserve	204,534,849.49	204,534,849.49
Special reserve	6,171,268.75	5,775,987.68
Surplus reserve	318,603,562.42	317,245,288.81
Unappropriated profits	712,634,960.65	730,515,822.29
TOTAL SHAREHOLDERS' EQUITY	1,472,544,641.31	1,488,671,948.27
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,214,058,846.09	3,783,149,801.94

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

3.Income Statements

Consolidated Currency: RMB

Items	**Current Period**	**Same Period Last Year**
I. Total operating income	331,048,288.65	307,119,072.68
Including:Operating income	331,048,288.65	307,119,072.68
Less: Total operating costs	304,779,907.33	282,174,074.29
Including:Operating costs	143,269,502.63	140,446,455.32
Business taxes and levies	18,867,639.42	20,894,744.56
Selling expenses	917,022.63	267,618.01
General and administrative expenses	55,345,349.17	42,341,999.23
Financial expenses	86,362,478.62	78,223,257.17
Impairment losses of assets	17,914.86	-
Add: Investment income	14,962,394.28	36,159,585.39
Including: Income from investments inassociates and joint ventures	13,758,166.75	30,629,354.18
II. Operating profit	41,230,775.60	61,104,583.78
Add: Non-operating income	2,702,848.88	5,009,323.18
Including: Gains from disposal of non-current assets	27,777.65	49,459.07
Less: Non-operating expenses	851,692.02	110,153.24
Including: Losses from disposal of non-current assets	36,978.43	6,522.45
III. Gross profit	43,081,932.46	66,003,753.72
Less: Income tax expenses	12,085,315.99	13,532,146.18
IV. Net profit	30,996,616.47	52,471,607.54
Net profit attributable to owners of the Company	20,104,453.49	42,629,933.48
Profit or loss attributable to minority shareholders	10,892,162.98	9,841,674.06
V. Post-tax net value of other comprehensive income		-1,092,133.32
Post-tax net value of other comprehensive incomeattributable to owners of the Company		-844,874.34
Including: Translation differences arising on translation of financial statements denominated in foreign currencies		-844,874.34
Post-tax net value of other comprehensive income attributable to minority shareholders		-247,258.98
VI. Total comprehensive income:	30,996,616.47	51,379,474.22
Total comprehensive income attributable to owners of the Company	20,104,453.49	41,785,059.14
Total comprehensive income attributable to minority shareholders	10,892,162.98	9,594,415.08
VII. Earnings per share:		
(I) Basic earnings per share	0.09	0.18
(II) Diluted earnings per share	Not applicable	Not applicable

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

4.Income Statements

Parent company Currency: RMB

Items	Current Period	Same Period Last Year
I. Operating income	68,844,361.06	79,034,763.59
Less: Operating costs	45,529,220.40	56,471,311.84
Business taxes and levies	1,666,673.87	3,357,157.03
General and administrative expenses	17,990,662.26	20,248,504.66
Financial expenses	44,955,212.43	32,472,692.36
Impairment loss of assets	-35,125.53	-
Add: Investment income	14,962,394.28	36,103,914.15
Including: Income from investments in associates and joint ventures	13,758,166.75	30,629,354.18
II. Operating profit	-26,299,888.09	2,589,011.85
Add: Non-operating income	26,125.02	840,898.68
Including: Gains from disposal of non-current assets		36,927.52
Less: Non-operating expenses	117,787.56	17,734.76
Including: Losses from disposal of non-current assets	1,000.00	56.54
III. Gross profit	-26,391,550.63	3,412,175.77
Less: Income tax expenses	-9,868,962.60	-4,747,251.44
IV. Net profit	-16,522,588.03	8,159,427.21
V. Other comprehensive income		
VI. Total comprehensive income	-16,522,588.03	8,159,427.21
VII. Earnings per share:		
(I) Basic earnings per share	Not applicable	Not applicable
(II) Diluted earnings per share	Not applicable	Not applicable

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

5.Cash Flow Statements

Consolidated Currency: RMB

Items	Current Period	Same Period Last Year
I. Cash Flows from Operating Activities:		
Cash receipts from sales of goods and rendering of services	340,836,855.86	317,497,115.70
Refund of tax and levies		-
Other cash receipts relating to operating activities	16,961,342.77	16,887,964.87
Sub-total of cash inflows from operating activities	357,798,198.63	334,385,080.57
Cash payments for goods purchased and services received	64,402,911.49	58,015,385.11
Cash payments to and on behalf of employees	53,260,826.50	52,399,414.15
Payments of various taxes	67,664,546.72	81,569,809.87
Other cash payments relating to operating activities	21,359,814.12	18,466,453.95
Sub-total of cash outflows from operating activities	206,688,098.83	210,451,063.08
Net Cash Flows from Operating Activities	151,110,099.80	123,934,017.49
II. Cash Flows from Investing Activities:	-	-
Cash receipts from investment income	12,908,798.55	14,329,928.96
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	84,062.00	33,161.00
Other cash receipts relating to investing activities	257,590,350.00	761,936,417.51
Sub-total of cash inflows from investing activities	270,583,210.55	776,299,507.47
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	513,233,238.63	234,888,483.09
Cash payments to acquire investments		-
Net cash outflows of procurement of subsidiaries and other business units	254,014,920.01	-
Other cash payments relating to investing activities	45,000,000.00	706,000,000.00
Sub-total of cash outflows from investing activities	812,248,158.64	940,888,483.09
Net Cash Flows from Investing Activities	-541,664,948.09	-164,588,975.62
III. Cash Flows from Financing Activities:	-	-
Cash receipts from capital contributions	498,080,000.00	-
Cash receipts from borrowings	449,570,000.00	375,697,062.91
Other cash receipts relating to financing activities	294,000,000.00	-
Sub-total of cash inflows from financing activities	1,241,650,000.00	375,697,062.91
Cash repayments of borrowings	205,955,000.00	301,701,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	43,767,861.82	37,081,714.50
Other cash payments relating to financing activities	274,894,948.41	1,201,200.00
Sub-total of cash outflows from financing activities	524,617,810.23	339,983,914.50
Net Cash Flows from Financing Activities	717,032,189.77	35,713,148.41
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents	-	34,359.25
V. Net Increase(Decrease)in Cash and Cash Equivalents	326,477,341.48	-4,907,450.47
Add: Opening balance of Cash and Cash Equivalents	321,121,926.73	375,328,861.18
VI. Closing Balance of Cash and Cash Equivalents	647,599,268.21	370,421,410.71

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

6.Cash Flow Statements

Parent company Currency: RMB

Items	Current Period	Same Period Last Year
I. Cash Flows from Operating Activities:		
Cash receipts from sales of goods and rendering of services	67,132,430.77	90,185,871.67
Refund of tax and levies		-
Other cash receipts relating to operating activities	4,451,235.52	2,355,314.62
Sub-total of cash inflows from operating activities	71,583,666.29	92,541,186.29
Cash payments for goods purchased and services received	25,952,137.67	25,726,617.37
Cash payments to and on behalf of employees	29,028,207.27	30,994,991.10
Payments of various taxes	6,135,326.17	32,749,737.63
Other cash payments relating to operating activities	9,879,000.80	11,548,229.29
Sub-total of cash outflows from operating activities	70,994,671.91	101,019,575.39
Net Cash Flows from Operating Activities	588,994.38	-8,478,389.10
II. Cash Flows from Investing Activities:	-	-
Cash receipts from investment income	12,908,798.55	14,329,928.96
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	1,012.00	-
Other cash receipts relating to investing activities	459,335,570.00	778,716,888.74
Sub-total of cash inflows from investing activities	472,245,380.55	793,046,817.70
Cash payments to acquire or construct fixed assets, intangible assets and other long-term assets	2,141,437.33	7,532,928.19
Cash paid to acquire investments	302,376,564.58	26,099,820.00
Other cash payments relating to investing activities	138,173,595.45	798,440,078.57
Sub-total of cash outflows from investing activities	442,691,597.36	832,072,826.76
Net Cash Flows from Investing Activities	29,553,783.19	-39,026,009.06
III. Cash Flows from Financing Activities:	-	-
Cash receipts from borrowings	190,000,000.00	300,000,000.00
Other cash receipts relating to financing activities	4,451,531.60	3,417,001.15
Sub-total of cash inflows from financing activities	194,451,531.60	303,417,001.15
Cash repayments of borrowings	201,200,000.00	650,000.00
Cash payments for distribution of dividends or profits or settlement of interest expenses	35,338,081.13	29,503,797.33
Other cash payments relating to financing activities	1,891,525.80	304,477,659.94
Sub-total of cash outflows from financing activities	238,429,606.93	334,631,457.27
Net Cash Flows from Financing Activities	-43,978,075.33	-31,214,456.12
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		-4,585.00
V．Net Increase(Decrease) in Cash and Cash Equivalents	-13,835,297.76	-78,723,439.28
Add: Opening balance of Cash and Cash Equivalents	28,808,779.96	110,176,958.92
VI. Closing Balance of Cash and Cash Equivalents	14,973,482.20	31,453,519.64

Legal Representative: Tianjunyan Chief financial officer：Yu Zhongxia Financial manager：Sun Yuhui

7. Statement of Changes in Equity

Consolidated **Currency: RMB**

ITEM	Amount for the current period								Amount for the same period of last year							
	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity	Attributable to shareholders of the Company						Minority interests	Total shareholders' equity
	Share capital	Capital reserve	Othercomprehensive income	Special reserve	Surplus reserve	Unappropriated profits			Share capital	Capital reserve	Othercomprehensive income	Special reserve	Surplus reserve	Unappropriated profits		
I. Closing balance of the preceding year	230,600,000.00	234,141,186.09	652,079.14	5,941,771.48	317,245,288.81	965,504,851.33	317,006,332.01	2,071,091,508.86	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
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of prior period errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination involving entities under common control	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Opening balance of the current year	230,600,000.00	234,141,186.09	652,079.14	5,941,771.48	317,245,288.81	965,504,851.33	317,006,332.01	2,071,091,508.86	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
III. Changes for the year	-	-	-	450,861.11	1,358,273.61	18,746,179.88	508,988,030.80	529,543,345.40	-	-	-	1,701,623.99	10,160,658.56	51,736,861.93	19,070,101.09	82,669,245.57
(I) Comprehensive income	-	-	-	-	-	20,104,453.49	10,892,162.98	30,996,616.47	-	-	-	-	-	91,644,920.49	19,027,674.41	110,672,594.90
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	498,080,000.00	498,080,000.00	-	-	-	-	-	-	-	-
1. Capital contribution from owners	-	-	-	-	-	-	498,080,000.00	498,080,000.00	-	-	-	-	-	-	-	-
2. Capital contribute from other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recognised in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	-	1,358,273.61	-1,358,273.61	-	-	-	-	-	-	10,160,658.56	-39,908,058.56	-	-29,747,400.00
1. Transfer to surplus reserve	-	-	-	-	1,358,273.61	-1,358,273.61	-	-	-	-	-	-	10,160,658.56	-10,160,658.56	-	-
2. General Risk Provision	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-29,747,400.00	-	-29,747,400.00
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	-	-	-	450,861.11	-	-	15,867.82	466,728.93	-	-	-	1,701,623.99	-	-	42,426.68	1,744,050.67
1. Transfer to special reserve in the period	-	-	-	752,714.22	-	-	24,799.30	777,513.52	-	-	-	2,539,292.54	-	-	56,404.62	2,595,697.16
2. Amount utilized in the period	-	-	-	-301,853.11	-	-	-8,931.48	-310,784.59	-	-	-	-837,668.55	-	-	-13,977.94	-851,646.49
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current year	230,600,000.00	234,141,186.09	652,079.14	6,392,632.59	318,603,562.42	984,251,031.21	825,994,362.81	2,600,634,854.26	230,600,000.00	234,141,186.09	652,079.14	5,941,771.48	317,245,288.81	965,504,851.33	317,006,332.01	2,071,091,508.86

Legal Representative: Chief financial officer： Financial manager：

8.Statement of Changes in Equity

Parent company **Currency: RMB**

ITEM	Amount for the current period						Amount for the same period of last year					
	Share capital	Capital reserve	Special reserve	Surplus reserve	Unappropriated profits	Total shareholders' equity	Share capital	Capital reserve	Special reserve	Surplus reserve	Unappropriated profits	Total shareholders' equity
I. Closing balance of the preceding year	230,600,000.00	204,534,849.49	5,775,987.68	317,245,288.81	730,515,822.29	1,488,671,948.27	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
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	5,775,987.68	317,245,288.81	730,515,822.29	1,488,671,948.27	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
III. Changes for the year	-	-	395,281.07	1,358,273.61	-17,880,861.64	-16,127,306.96	-	-	1,672,225.45	10,160,658.56	-12,742,586.33	-909,702.32
(I) Comprehensive income	-	-	-	-	-16,522,588.03	-16,522,588.03	-	-	-	-	27,165,472.23	27,165,472.23
(II) Owners' contributions and reduction in capital	-	-	-	-	-	-	-	-	-	-	-	-
1. Capital contribution from owners	-	-	-	-	-	-	-	-	-	-	-	-
2. Capital contribute from other equity instrument holders	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payment recognised in owners' equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-	-	-	-
(III) Profit distribution	-	-	-	1,358,273.61	-1,358,273.61	-	-	-	-	10,160,658.56	-39,908,058.56	-29,747,400.00
1. Transfer to surplus reserve	-	-	-	1,358,273.61	-1,358,273.61	-	-	-	-	10,160,658.56	-10,160,658.56	-
2. Distributions to shareholders	-	-	-	-	-	-	-	-	-	-	-29,747,400.00	-29,747,400.00
3. 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	-	-	395,281.07	-	-	395,281.07	-	-	1,672,225.45	-	-	1,672,225.45
1. Transfer to special reserve in the period	-	-	641,816.28	-	-	641,816.28	-	-	2,423,047.32	-	-	2,423,047.32
2. Amount utilized in the period	-	-	246,535.21	-	-	246,535.21	-	-	750,821.87	-	-	750,821.87
(VI) Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the current year	230,600,000.00	204,534,849.49	6,171,268.75	318,603,562.42	712,634,960.65	1,472,544,641.31	230,600,000.00	204,534,849.49	5,775,987.68	317,245,288.81	730,515,822.29	1,488,671,948.27

Legal Representative: Chief financial officer： Financial manager：

III. 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 scopes of the Company and its subsidiaries (together 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 scope of consolidated financial statements in the current period involves 37 subsidiaries. See Note (IX) "Equity in other entities" for details. Changes of scope are subsidiaries acquired in business combinations involving enterprises under common control. See Note (VIII) "Changes of consolidation scope" for details.

IV. BASIS OFPREPARATIONOFFINACIALSTATEMENTS

1、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 keeping accounts and principle of valuation

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.

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.

2、Going concern

The Group evaluated its going concern ability within 12 months since 30 June 2016. 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.

V. 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 30 June 2016, and the Company's and consolidated results of operations and cash flows for the half-year then ended in 2016.

2、 Accounting period

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

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.

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. Once above-mentioned essential factor changed due to relevant matters and situation change, the Group needs to reappraise the control.

The consolidation for a subsidiary is involved when the Group keeps the control, and not involved when the Group loses the control.

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.

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.

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.

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.

9.1Effective 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.

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.

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.

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.

- *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.

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.

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*.

9.6Derecognition 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.

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	For receivables that are individually significant, the Group assesses

receivables that are individually significant and for which bad debt provision is individually assessed	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:

Name of the Portfolio	Accruing Method
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.)	No bad debt provision
Portfolio 2 (mainly includes receivables arising from operating activities other than Portfolio 1)	Based on percentage of accounts balances

10.2.1 Portfolios that the aging schedule of total receivables outstanding is used for bad debt provision:

□Applicable √Not applicable

10.2.2 Portfolios that percentage of total receivables outstanding is used for bad debt provision:

√Applicable □ Not applicable

Name of portfolio	Provision as a proportion of accounts receivable (%)	Provision as a proportion of other receivables (%)
Based on percentage of accounts balances	1%	1%

10.2.3 Portfolios that other method of total receivables outstanding is used for bad debt provision:

□Applicable √Not applicable

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 realisable 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 realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realisable 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 realisable 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.

Provision for decline in value of inventories is made based on the excess of cost of inventory over its net realisable 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 realisable 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.

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.

<u>12.3 Subsequent measurement and recognition of profit or loss</u>

<u>*12.3.1. Long-term equity investment accounted for using the cost method*</u>

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.

<u>*12.3.2. Long-term equity investment accounted for using the equity method*</u>

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.

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.

13. Investment properties

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 straight-line method.

14、Fixed Asset

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:

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

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.

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.

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

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.

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.

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

Provision can be recognized when (1) contingent events related obligations is the group's current obligation; (2) economic interests are expected to flow out from the enterprise; (3) the amount can be measured reliably.

At The balance sheet date, risks of contingent events, uncertainty and time value should be concerned and determine the amount of provision. For situations where time value makes a significant effect, use NPV as the estimate value.

If all or part of the payment of provision is expected to be compensated by a third party and the amount of compensation not exceed the carrying value of provision, then it can be recognized as an asset when it is certain that the compensation can be received.

21、 Revenue

21.1 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.

21.2Revenue from rendering of asset usage right

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

21.3 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.

22、Government grants

22.1 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.

22.2 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.

23、Deferred Income Tax Assets/Deferred Income Tax Liabilities

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

23.1 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.

23.2 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.

23.3 Income tax offset

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.

24、Operating leases and finance leases

24.1Accounting treatment on operating leases

24.1.1 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.

24.1.2 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.

25、Other material accounting policies and accounting estimations

No accounting policies or accounting estimations changes in current period.

VI、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	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
Longquan Baowan	15%
Xindu Baowan	15%
Blogis (Hong Kong) Limited ("Baowan Hong Kong")	16.5%
China Huitong (H.K.) Limited ("China Huitong")	16.5%

2、Tax incentives

Pursuant to Announcement on Implementing Preferential on Enterprise Income Tax of Encouraged Industries in the Western Region (2015 No. 14 announcement of SAT), and approved by Chengdu Longquan State Administration of Taxation (Long Guo Shui Fa [2015] No.30), Chengdu Longquan International Logistics Co., Ltd. ("Longquan Baowan") and Chengdu Xindu International Logistics Co., Ltd. ("Xindu Baowan"), subsidiaries of the Company which locate in Chengdu, Sichuang Province, is allowed to enjoy enterprise income tax preferential policies tailored to enterprises which fits criteria of China West Development Program. Longquan Baowan and Xindu Baowan enjoy enterprise income tax preferential rate of 15%.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1、Bank and Cash

Currency：RMB Yuan

Item	Closing balance	Opening Balance
Cash on Hand	22,709.46	19,947.47
Bank Deposit	647,576,558.75	321,101,979.26
Total	647,599,268.21	321,121,926.73

2、 Notes receivables

- Categories of notes receivable

Currency：RMB Yuan

Category	Closing balance	Opening balance
Bank acceptances	12,000,000.00	0.00
Total	12,000,000.00	0.00

3、 Accounts Receivables

（1）Disclosure of accounts receivable by categories

Currency：RMB Yuan

Item	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 receivables for which bad debt provision has been assessed by portfolios of credit risk characteristics	59,676,293.95	99.73%	556,754.69	0.93%	59,119,539.26	50,761,538.05	99.68%	503,723.83		50,257,814.22
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	164,138.40	0.27%	164,138.40	100.00%		164,138.40	0.32%	164,138.40	100.00%	
Total	59,840,432.35	100.00%	720,893.09		59,119,539.26	50,925,676.45	100.00%	667,862.23		50,257,814.22

Accounts receivable that are significant in amount individually and provided for bad debt individually

□Applicable √Not Applicable

In portfolio, accruing bad debt provision accounting to aging analysis of accounts receivable:

□Applicable √Not Applicable

In portfolio，accruing bad debt provision according to the percentage-of-receivables approach：

√Applicable □Not Applicable

Currency: RMB Yuan

Portfolio	Carrying amount	Proportion (%)	Bad debt provision
Accruing bad debt provision according to the percentage-of-receivables approach	59,676,293.95	0.93%	556,754.69
Total	59,676,293.95	0.93%	556,754.69

（2）Provision made and reversal of Bad debt

88,005.73 Provision has been made and 34,974.87 of provision has been reversed.

（3）Top five enterprises of accounts receivables

Currency：RMB Yuan

Company	Amount	Percentage of Total Receivables (%)	Bad debt provision
Client 1	7,037,482.76	12%	65,448.59
Client 2	4,591,951.41	8%	42,705.15
Client 3	3,523,915.50	6%	32,772.41
Client 4	2,639,722.27	4%	18,478.06
Client 5	2,390,471.89	4%	16,733.30

4、Prepayments

(1) Aging analysis of prepayments is as follows:

Currency：RMB Yuan

Aging	Closing balance		Opening balance	
	Amount	Proportion (%)	Amount	Proportion (%)
Within 1 year	1,716,195.50	98.25%	360,732.37	82.76%
1-2 years	30,515.80	1.75%	40,838.81	9.37%
2-3years			34,306.33	7.87%
More than 3 years				
Total	1,746,711.30	--	435,877.51	--

5、Interests receivable

(1) Interests receivable by categories

Currency：RMB Yuan

Item	Closing balance	Opening balance
Fixed deposits		107,397.26
Financing product		1,031,342.47
Total		1,138,739.73

6、Other Receivables

（1）Disclosure of other receivables by categories:

Currency：RMB Yuan

Item	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 for which bad debt provision has been assessed by portfolios of credit risk characteristics	68,999,834.95	100.00%	35,840.55		68,963,994.40	58,737,188.15	100.00%	70,956.55		58,666,231.60
Total	68,999,834.95	100.00%	35,840.55		68,963,994.40	58,737,188.15	100.00%	70,956.55		58,666,231.60

Other receivables that are significant in amount individually and provided for bad debt individually

□Applicable √Not Applicable

In portfolio, accruing bad debt provision accounting to aging analysis of other receivable:

□Applicable √Not Applicable

In portfolio，accruing bad debt provision according to the percentage-of-receivables approach：
√Applicable □Not Applicable

Currency: RMB yuan

Portfolio	Carrying amount	Bad debt provision	Proportion (%)
Accruing bad debt provision according to the percentage-of-receivables approach	3,584,055.00	35,840.55	1.00%
Total	3,584,055.00	35,840.55	1.00%

（2）Provision made and reversal of Bad debt

35,116.00 of provision has been reversed.

（3）Disclosure of other receivables by nature:

Currency: RMB yuan

Nature	Closing balance	Opening balance
Amount due from operating activities	18,435,613.69	38,346,342.40
Deposits	44,437,077.26	18,887,803.08
Petty cash	1,714,191.68	1,282,427.95
Amount due from related parties		93,521.48
Others	4,412,952.32	127,093.24
Total	68,999,834.95	58,737,188.15

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

Currency: RMB yuan

Name of entity	Nature	Closing balance	Aging	Proportion（%）	Bad debt provision
Client 6	Receivables from government	16,000,000.00	Within 1 year	23.00%	0.00
Client 7	Receivables from government	9,010,000.00	Within 1 year	13.00%	0.00
Client 8	Receivables from government	5,000,000.00	Within 1 year	7.00%	0.00
Client 9	Receivables from government	3,000,000.00	Within 1 year	4.00%	0.00
Client 10	Deposits	3,000,000.00	Within 1 year	4.00%	0.00
Total	--	36,010,000.00	--	52.00%	0.00

7、Inventory

（1）Categories of inventories

Currency: RMB yuan

Items	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
Raw materials	566,229.69		566,229.69	579,126.32		579,126.32
Maintenance accessories	281,355.37		281,355.37	335,417.12		335,417.12
Total	847,585.06		847,585.06	914,543.44		914,543.44

8、Other Current Assets

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Bank financing products	25,000,000.00	235,000,000.00
Total	25,000,000.00	235,000,000.00

9、Long-term equity investments

Currency: RMB Yuan

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、Joint venture											
2、Associates											
Shenzhen Chiwan Sembawang Engineering Co. Ltd.("CSE")	467,789,861.57			10,933,411.41			12,908,798.55			465,814,474.43	
Shenzhen Chiwan Offshore Petroleum Engineering Co,. Ltd ("CPEC")	3,163,403.60			-1,174,183.92						1,989,219.68	
China Development Finance Co., Ltd. ("CDFC")	111,647,095.57			3,998,939.24						115,646,034.81	
Subtotal	582,600,360.74			13,758,166.73						583,449,728.92	
Total	582,600,360.74			13,758,166.73						583,449,728.92	

10、Investment properties

（1）Investment properties measured at cost

Currency： RMB Yuan

Item	Buildings	Land use right	Construction in progress	Total
I. Total original carrying amount				
1.Opening carrying amount	1,727,238,066.75	41,750,077.02		1,768,988,143.77
2.Increase in the current	5,626,815.41			5,626,815.41

period				
(1)Purchase				
(2)Transfer from Construction in Progress				
(3)Increased by Mergering				
(4)Other adjustments	5,626,815.41			5,626,815.41
3.Decrease in the current period				
（1）Disposal				
（2）Other transfer				
4. Closing carrying amount	1,732,864,882.16	41,750,077.02		1,774,614,959.18
II. Total accumulated amortization				
1.Opening carrying amount	312,718,574.56	30,675,844.50		343,394,419.06
2.Increase in the current period	26,270,116.25	723,264.60		26,993,380.85
(1) Amount accrued or amortized	26,270,116.25	723,264.60		26,993,380.85
3.Decrease in the current period				
（1）Disposal				
（2）Other transfer				
4. Closing carrying amount	338,988,690.81	31,399,109.10		370,387,799.91
III . Total Provision for impairment losses				
1.Opening carrying amount				
2.Increase in the current period				
（1）Amount accrued				
3. Decrease in the current period				
（1）Disposal				
（2）Other transfer				
4. Closing carrying amount				
IV. Total net book value of investment properties				
1. Closing net book value	1,393,876,191.35	10,350,967.92		1,404,227,159.27
2.Openning net book value	1,414,519,492.19	11,074,232.52		1,425,593,724.71

（2）Investment properties that have not obtained certificates

Currency：RMB Yuan

Item	Net book value	Reasons for not obtained certificates
Buildings	322,113,262.78	Settlement procedures are still in progress
Buildings	129,241,747.09	Properties are built on leased land from Nanshan Group not obtain the use right certificate of the mentioned land.

11、Fixed assets

（1）Details of fixed assets are as follows:

Currency：RMB Yuan

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	855,379,578.88	46,462,519.33	172,058,947.61	22,576,425.61	13,767,664.19	89,477,888.13	1,199,723,023.75
2.Increase in the current period	2,613,990.53		238,517.53	9,422.07		839,386.10	3,701,316.23
(1)Purchase	2,613,990.53		238,517.53	9,422.07		839,386.10	3,701,316.23
(2)Transfer from Construction in Progress							
(3)Increase by Mergering							
3.Decrease in the current period	217,083.99		1,350,986.10	324,980.00		112,454.50	2,005,504.59
（1）Disposal	217,083.99		1,350,986.10	324,980.00		112,454.50	2,005,504.59
4. Closing carrying amount	857,776,485.42	46,462,519.33	170,946,479.04	22,260,867.68	13,767,664.19	90,204,819.73	1,201,418,835.39
II. Total accumulated amortization							
1.Opening carrying amount	148,116,056.63	35,133,444.71	91,058,535.91	14,067,681.20	13,767,664.19	54,857,585.05	357,000,967.69
2.Increase in the current period	18,882,110.57	473,064.40	6,770,028.54	1,374,309.94		1,900,543.98	29,400,057.43
(1) Amount accrued or amortized	18,882,110.57	473,064.40	6,770,028.54	1,374,309.94		1,900,543.98	29,400,057.43
3.Decrease in the current period	52,350.39		1,229,487.48	308,731.00		94,886.22	1,685,455.09
（1）Disposal	52,350.39		1,229,487.48	308,731.00		94,886.22	1,685,455.09
4. Closing	166,945,816.81	35,606,509.11	96,599,076.97	15,133,260.14	13,767,664.19	56,663,242.81	384,715,570.03

carrying amount							
III . Total Provision for impairment losses							
1.Opening carrying amount							
2.Increase in the current period							
（1）Amount accrued							
3.Decrease in the current period							
（1）Disposal							
4. Closing carrying amount							
IV. Total net book value of investment properties							
1. Closing net book value	690,830,668.61	10,856,010.22	74,347,402.07	7,127,607.54		33,541,576.92	816,703,265.36
2.Openning net book value	707,263,522.25	11,329,074.62	81,000,411.70	8,508,744.41		34,620,303.08	842,722,056.06

（2）Fixed assets that have not obtained certificates

Currency：RMB Yuan

Item	Net book value	Reasons for not obtained certificates
Buildings	17,763,314.11	Settlement procedures are still in progress
Buildings	3,708,500.90	Properties are built on leased land from Nanshan Group not obtain the use right certificate of the mentioned land.

12、Construction in progress

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

Currency：RMB Yuan

Item	Closing balance			Opening balance		
	Carrying amount	Provision for impairment losses	Net carrying amount	Carrying amount	Provision for impairment losses	Net carrying amount
Bingang Blogis Park	46,713,149.19		46,713,149.19	31,398,962.29		31,398,962.29
ZhenjiangWarehouse Blogis Park	211,947,091.01		211,947,091.01	172,404,355.90		172,404,355.90
Wuxin Blogis Park	144,325,509.49		144,325,509.49	129,840,610.77		129,840,610.77
Jiaozhou Blogis Park	52,141,355.70		52,141,355.70	15,489,739.01		15,489,739.01
Shenyang Blogis Park	646,090.10		646,090.10	646,090.10		646,090.10

Xi’an Blogis Park	521,009.89		521,009.89	190,000.00		190,000.00
Xianyang Blogis Park	422,465.00		422,465.00	49,000.00		49,000.00
Qingwu Blogis Park	120,000.00		120,000.00	120,000.00		120,000.00
Yangluo Blogis Park	173,223.62		173,223.62	109,011.20		109,011.20
Jiaxing Blogis Park	6,496,594.74		6,496,594.74	99,562.42		99,562.42
Jiangyin Blogis Park	70,843.00		70,843.00	70,843.00		70,843.00
Feidong Blogis Park	7,000.00		7,000.00	7,000.00		7,000.00
Chengdu oil and gas base project	632,984.65		632,984.65	266,908.50		266,908.50
Jinmucaoye project	125,213,640.54		125,213,640.54			
Other miscellaneous constructions	16,843,658.25		16,843,658.25	18,273,394.31		18,273,394.31
Total	606,274,615.18		606,274,615.18	368,965,477.50		368,965,477.50

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

Currency：RMB Yuan

Item	Budget amount	Opening balance	Increase in the current period	Transferred to fixed assets	Decreased in the current period	Closing balance	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
Bingang Blogis Park	343,600,000.00	31,398,962.29	15,314,186.90			46,713,149.19	13.60%	13.60%	3,231,039.87	2,616,828.72	3.00%	
ZhenjiangWarehouse Blogis Park	362,220,000.00	172,404,355.90	39,542,735.11			211,947,091.01	58.51%	58.51%				
Wuxin Blogis Park	361,530,000.00	129,840,610.77	14,484,898.72			144,325,509.49	39.92%	39.92%				
Jiaozhou Blogis Park	274,000,000.00	15,489,739.01	36,651,616.69			52,141,355.70	19.03%	19.03%				
Shenyang Blogis Park	433,240,000.00	646,090.10				646,090.10	0.15%	0.15%				
Xi’an Blogis Park	448,120,000.00	190,000.00	331,009.89			521,009.89	0.12%	0.12%				
Xianyang Blogis Park	549,780,000.00	49,000.00	373,465.00			422,465.00	0.08%	0.08%				
Qingwu Blogis Park	279,060,000.00	120,000.00				120,000.00	0.04%	0.04%				
Yangluo Blogis Park	163,980,000.00	109,011.20	64,212.42			173,223.62	0.11%	0.11%				
Jiaxing Blogis Park	193,690,000.00	99,562.42	6,397,032.32			6,496,594.74	3.35%	3.35%				
Jiangyin Blogis Park	267,280,000.00	70,843.00				70,843.00	0.03%	0.03%				
Feidong Blogis Park	228,530,000.00	7,000.00				7,000.00	0.00%	0.00%				
Chengdu oil and gas base project	820,000,000.00	266,908.50	366,076.15			632,984.65	0.08%	0.08%				
Jinmucaoye project	160,000,000.00		125,213,640.54			125,213,640.54	78.26%	78.26%				

Other miscellaneous constructions		18,273,394.31	-1,429,736.06			16,843,658.25						
Total	4,885,030,000.00	368,965,477.50	237,309,137.68			606,274,615.18	--	--	3,231,039.87	2,616,828.72	3.00%	--

13. Disposal of Fixed Assets

Currency： RMB Yuan

Item	Closing Balance	Opening Balance
Disposal	50,787.60	
Total	50,787.60	

14. Intangible Assets

（1）Details of intangible assets

Currency： RMB Yuan

Item	Land use rights	patent rights	Non-Patents	Trademarks	Software	Total
I. Total original carrying amount						
1.Opening carrying amount	1,879,423,447.43			312,832.83	2,192,585.94	1,881,928,866.20
2.Increase in the current period	138,348,842.93				116,504.86	138,465,347.79
(1) Purchase					116,504.86	116,504.86
(2) Internal research and development						
(3) Increase by Mergering	138,348,842.93					138,348,842.93
3. Decrease in the current period						
(1) Disposal						
4.Closing carrying amount	2,017,772,290.36			312,832.83	2,309,090.80	2,020,394,213.99
II. Total accumulated amortization						
1.Opening carrying amount	430,202,824.62			215,716.29	1,467,498.61	431,886,039.52
2.Increase in the current period	23,849,065.15			15,641.64	100,805.61	23,965,512.40
(1) Amortization accrued	23,849,065.15			15,641.64	100,805.61	23,965,512.40
3.Decrease in the current period						
(1) Disposal						
4.Closing carrying amount	454,051,889.77			231,357.93	1,568,304.22	455,851,551.92
III. Total Provision for impairment losses						
1.Opening carrying amount						
2.Increase in the current period						
(1) Amount accrued						
3.Decrease in the current period						

(1) Disposal						
4.Closing carrying amount						
IV. Total net book value						
1. Closing net book value	1,563,720,400.59			81,474.90	740,786.58	1,564,542,662.07
2.Openning net book value	1,449,220,622.81			97,116.54	725,087.33	1,450,042,826.68

（2）Intangible assets that have not obtained certificates

Currency: RMB Yuan

Item	Net book value	Reasons for not obtained certificates
Land use rights	275,066,324.30	Note 1
Land use rights	8,786,860.80	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 on14 July 2034. The Company has paid off all the rentals in a lump sum. As at 30 June 2016, Nanshan Group has not obtained the use right certificate of the above mentioned land and dock.

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 30 June 2016, Nanshan Group has not obtained use right certificate of the above mentioned land and dock.

15、Deferred Tax Assets and Deferred Tax Liabilities

（1）Deferred tax assets that are not offset

Currency: RMB Yuan

Item	Closing Balance		Opening Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for impairment losses of assets	652,586.88	163,146.72	644,599.76	152,002.98
Deductible losses	154,909,733.72	38,727,433.43	114,871,400.43	28,717,850.10
Intangible assets	1,707,692.84	426,923.21	30,009.32	7,502.33

amortization				
Total	157,270,013.44	39,317,503.36	115,546,009.51	28,877,355.41

（2）Details of unrecognized deferred tax assets

Currency: RMB Yuan

Item	Closing Balance	Opening balance
Deductible temporary difference	94,219.02	94,219.02
Deductible losses	64,581,798.69	41,579,367.77
Total	64,676,017.71	41,673,586.79

（3）Deadline of deductible losses of unrecognized deferred tax assets

Currency: RMB Yuan

Years	Closing Balance	Opening balance	Notes
Deductible losses without deadline	64,581,798.69	41,579,367.77	It refers to the accumulated loss of Bowan Hongkong and China Huitong.
Total	64,581,798.69	41,579,367.77	--

16. Other non-current assets

Currency： RMB Yuan

Item	Closing Balance	Opening Balance
Prepayments for land use rights	557,598,466.11	251,808,516.48
Payments for assets	32,119,160.61	23,000,000.00
Others	2,531,171.16	2,811,188.36
Total	592,248,797.88	277,619,704.84

17. Short-term Borrowings

（1）Classification of short-term borrowings

Currency： RMB Yuan

Item	Closing Balance	Opening Balance
Credit borrowings	240,000,000.00	300,000,000.00
Total	240,000,000.00	300,000,000.00

18、Accounts Payable

（1）Details of accounts payable are as follows:

Currency: RMB Yuan

Item	Closing balance	Opening balance
Rents	7,681,273.55	9,251,160.55
Allowances for repairs and maintenance	927,507.68	442,426.82
Service charges	360,308.50	248,775.96
Others	1,430,592.54	3,560,382.19
Total	10,399,682.27	13,502,745.52

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

19、Receipts in advance

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

Currency: RMB Yuan

Item	Closing balance	Opening balance
Storage service fees collected in advance	6,240,553.96	4,129,236.00
Others	23,892.05	164,873.24
Total	6,264,446.01	4,294,109.24

20、Employee benefits payable

（1）Details of employee benefits payable are as follows

Currency: RMB Yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Short-term compensation	26,216,644.78	39,031,091.63	47,091,745.51	18,155,990.90
II. Post-employment benefits-defined contribution plans	16,613.24	4,188,288.77	4,190,942.21	13,959.80
III. Termination benefits				
IV. Other welfare due within one year				

Total	26,233,258.02	43,219,380.40	51,282,687.72	18,169,950.70

（2）Short-term Compensation

Currency: RMB Yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Wages or salaries, bonuses, allowances and subsidies	24,311,964.44	33,624,185.89	42,238,982.90	15,697,167.43
II. Staff welfare	24,066.00	872,213.70	757,168.66	139,111.04
III. Social security contributions	7,980.34	1,491,430.46	1,492,339.42	7,071.38
Including: Medical insurance	6,214.34	1,309,569.28	1,310,291.30	5,492.32
Work-related injury insurance	1,373.74	75,324.97	75,462.93	1,235.78
Birth insurance	392.26	106,536.21	106,585.19	343.28
IV. Housing funds	87.00	1,599,557.68	1,599,644.68	
V. Expenditure for trade union and employee training	1,872,584.42	993,503.33	553,446.70	2,312,641.05
VI. Others	-37.42	450,200.57	450,163.15	
Total	26,216,644.78	39,031,091.63	47,091,745.51	18,155,990.90

（3） Post-employment benefits- defined contribution plans

Currency: RMB Yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance
I. Basic endowment insurance	15,455.00	3,044,051.51	3,045,775.71	13,730.80
II. Unemployment insurance	1,158.24	106,013.70	106,942.94	229.00
III. Enterprise annuity payment		1,038,223.56	1,038,223.56	
Total	16,613.24	4,188,288.77	4,190,942.21	13,959.80

21、Taxes payable

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Value Added Tax	2,049,840.67	2,589,977.27
Business Tax	-2,876.90	140,936.22
Corporate Income Tax	11,747,813.17	9,806,765.58
Individual Income Tax	223,016.21	196,762.89

Urban Maintenance & Construction Tax	148,425.14	182,018.30
Land-use Tax	2,101,083.44	3,190,660.26
Property Tax	3,547,383.42	4,309,172.88
Educational Surcharges	111,280.75	137,261.93
Others	495,672.34	383,721.62
Total	20,421,638.24	20,937,276.95

22、Interest Payable

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Nanshan Group borrowings interest	30,875,736.12	6,758,208.33
Bank interest	533,774.22	839,075.67
Corporate bond interest	17,845,750.00	1,189,716.67
Medium term note interest	7,495,890.42	19,594,520.52
China Development Finance Co., Ltd. ("CDFC")	246,736.10	22,958.33
Total	56,997,886.86	28,404,479.52

23、Other Payables

（1）Details of other payables are as follows:

Currency: RMB Yuan

Item	Closing balance	Opening balance
Construction costs	312,170,316.46	370,546,685.54
Deposits	63,162,390.28	60,198,658.09
Others	49,005,975.95	49,320,875.86
Total	424,338,682.69	480,066,219.49

24、Non-current liabilities due within one year

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Long-term loans due within one year	5,653,002.24	6,047,377.24
Bond payable due within one year	400,000,000.00	
Other non-current liabilities due within one year	701,349,351.16	701,349,351.16
Total	1,107,002,353.40	707,396,728.40

25、Other current liabilities

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Loans borrowed from Nanshan Group	294,000,000.00	
Loans borrowed from Nanshan Hong Kong	6,000,000.00	6,000,000.00
Total	300,000,000.00	6,000,000.00

26、Long-term Borrowings

（1）Classification of the long-term borrowings

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Guaranteed loan	648,619,607.53	441,455,232.53
Credit loan	145,224,017.92	48,379,017.92
Total	793,843,625.45	489,834,250.45

27、Bonds payable

（1）Details of bonds payable

Currency: RMB Yuan

Items	Closing Balance	Opening Balance
Medium term note		400,000,000.00
Corporate bond	567,900,500.00	567,159,500.00
Total	567,900,500.00	967,159,500.00

（2）Changes in the current period of bonds payable

Currency: RMB Yuan

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
Corporate bond	570,000,000.00	17/12/2012	7 years	570,000,000.00	567,159,500.00		16,656,033.33	741,000.00		567,900,500.00

28、 Long-term Payables

(1) Long-term payables classified by nature

Currency: RMB Yuan

Entity	Closing balance	Opening balance
Nanshan Group	0.00	251,417,853.31

29、Deferred income

Currency: RMB Yuan

Item	Opening balance	Increase in the current period	Decrease in the current period	Closing balance	Cause of formation
Government Subsidy	51,251,151.07		826,035.84	50,425,115.23	Special subsidy for purchasing fixed assets
Total	51,251,151.07		826,035.84	50,425,115.23	--

Items concerning government subsidy：

Currency: RMB Yuan

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	Liabilities items
Wuhan Blogis Park	49,826,151.07		788,535.84		49,037,615.23	Related to assets
Guangzhou Blogis Park –Lot A Construction	1,425,000.00		37,500.00		1,387,500.00	Related to assets
Total	51,251,151.07		826,035.84		50,425,115.23	--

30、Other non-current liabilities

Currency: RMB Yuan

Item	Closing balance	Opening balance
Medium and long-term borrowings	210,000,000.00	210,000,000.00
Rental received in advance	15,692,882.76	16,367,558.34
Total	225,692,882.76	226,367,558.34

31、Share Capital

Unit: Share

	Opening Balance	Changes for Current Period（＋、－）					Closing Balance
		New Issued	Bonus Share	capitalization of surplus reserves	Others	Subtotal	
Total Shares	230,600,000.00						230,600,000.00

32、Capital reserve

Currency: RMB Yuan

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

33、Other comprehensive income

Currency: RMB Yuan

Item	Opening Balance	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	
II. Net amount included in other comprehensive income that can be transferred to profit or loss in the future	652,079.14						652,079.14
Translation differences of financial statements denominated in foreign currencies	652,079.14						652,079.14
Total	652,079.14						652,079.14

34、Special reserve

Currency: RMB Yuan

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Production safety fee	5,941,771.48	752,714.22	301,853.11	6,392,632.59
Total	5,941,771.48	752,714.22	301,853.11	6,392,632.59

35、Surplus reserves

Currency: RMB Yuan

Item	Opening balance	Increase in the period	Decrease in the period	Closing balance
Statutory surplus reserve	218,585,153.26			218,585,153.26
Discretionary surplus reserve	98,660,135.55	1,358,273.61		100,018,409.16
Total	317,245,288.81	1,358,273.61		318,603,562.42

36、Unappropriated profits

Currency: RMB Yuan

Item	Amount for current period	Amount for prior period
Before adjustment: Unappropriated profits at the end of prior year	965,504,851.33	913,767,989.40
After adjustment: Unappropriated profits at the beginning of the year	965,504,851.33	913,767,989.40
Add: Net profit attributable to owners of the Company for the period	20,104,453.49	91,644,920.49
Less: Appropriation to statutory surplus reserve		2,716,547.22
Appropriation to discretionary surplus reserve	1,358,273.61	7,444,111.34
Dividends paid to ordinary shares		29,747,400.00
Undistributed profit at the end of the year	984,251,031.21	965,504,851.33

37、Operating income and operating costs

Currency: RMB Yuan

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating cost	Operating income	Operating cost
Principal operating activities	330,993,998.17	143,269,502.63	307,090,121.07	140,446,335.32
Other operating activities	54,290.48		28,951.61	120.00
Total	331,048,288.65	143,269,502.63	307,119,072.68	140,446,455.32

38、Business Tax and Surcharges

Currency: RMB Yuan

Item	Amount incurred in the current period	Amount incurred in the prior period
Business tax	557,489.96	816,977.95
City construction and maintenance tax	1,124,525.04	950,624.37
Education surcharges	863,216.39	735,505.43
Property tax	12,635,340.98	10,834,786.56
Land use tax	3,556,743.99	7,305,720.06
Others	130,323.06	251,130.19

Total	18,867,639.42	20,894,744.56

39、Selling expenses

Currency: RMB Yuan

Item	Amount incurred in the current period	Amount incurred in the prior period
Agency brokerage	917,022.63	267,618.01
Total	917,022.63	267,618.01

40、Administrative Expenses

Currency: RMB Yuan

Item	Amount incurred in the current period	Amount incurred in the prior period
Payroll	30,782,964.25	25,112,139.03
Asset depreciation	2,065,391.20	2,085,657.05
Asset amortization	6,882,181.50	4,752,515.23
Taxes	5,339,571.17	2,292,336.95
Business entertainment	1,200,941.26	1,153,484.31
Vehicle expense	824,987.89	853,606.69
Travelling expense	1,596,611.26	1,313,064.36
Board of directors fee	145,065.50	321,682.02
Others	6,507,635.14	4,457,513.59
Total	55,345,349.17	42,341,999.23

41、Financial Expenses

Currency: RMB Yuan

Item	Amount incurred in the current period	Amount incurred in the prior period
Interest expenses	89,265,690.31	84,170,623.63
Less: capitalised interest expenses	-1,826,715.35	-4,184,863.04
Less: interest income	-2,616,828.72	-2,681,172.66
Exchange differences	-309.85	-1,138,509.75
Others	1,540,642.23	2,057,178.99
Total	86,362,478.62	78,223,257.17

42、Impairment loss

Item	Amount incurred in the current period	Amount incurred in the prior period
Loss from bad debt	17,914.86	
Total	17,914.86	

43、Investment income

Currency: RMB Yuan

Item	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	13,758,166.75	30,629,354.18
Income from bank financing products	1,204,227.53	5,530,231.21
Total	14,962,394.28	36,159,585.39

44、Non-operating Income

Currency: RMB Yuan

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	27,777.65	49,459.07	27,777.65
Including: Gains on disposal of fixed assets	27,777.65	49,459.07	27,777.65
Government grants	1,721,474.24	4,917,189.88	1,721,474.24
Penalty gains	258,640.27	9,242.81	258,640.27
Others	694,956.72	33,431.42	694,956.72
Total	2,702,848.88	5,009,323.18	2,702,848.88

Details of government grants related to income:

Currency: RMB Yuan

Item	Amount recognised in the current period	Amount recognised in the prior period	Related to assets/income
Governmental subsidies	1,711,474.24	4,917,189.88	Related to income
Financial rewards	10,000.00		Related to income
Total	1,721,474.24	4,917,189.88	--

45、Non-operating Expenses

Currency: RMB Yuan

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	36,978.43	6,522.45	36,978.43
Including: Losses on disposal of fixed assets	36,978.43	6,522.45	36,978.43

Penalty losses	664,737.28	1,049.30	664,737.28
Others	149,976.31	102,581.49	149,976.31
Total	851,692.02	110,153.24	851,692.02

46、Income Tax Expenses

（1） Details of income tax expenses

Currency: RMB Yuan

Item	Amount incurred in the current period	Amount incurred in the prior period
Current tax expense	26,974,453.88	15,678,278.73
Deferred tax expense	-14,889,137.89	-2,146,132.55
Total	12,085,315.99	13,532,146.18

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

Currency: RMB Yuan

Item	Amount for the current period
Accounting profit	43,081,932.46
Income tax expenses calculated at statutory tax rate or applicable tax rate	10,770,483.12
Effect of different tax rates adopted by subsidiaries	3,634,457.79
Effect of tax-free income	-3,439,541.69
Others	1,119,916.77
Income tax expense	12,085,315.99

47、Notes to items in the cash flow statement

（1）Other cash receipts relating to operating activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Interest income	2,109,786.13	2,852,802.08
Government grants	543,658.40	4,879,689.88
Others	14,307,898.24	9,155,472.91
Total	16,961,342.77	16,887,964.87

（2）Other cash payments relating to operating activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Payments for administrative expense	16,236,662.53	9,834,143.89
Payments for deposits	2,498,042.94	4,797,430.20

Others	2,625,108.65	3,834,879.86
Total	21,359,814.12	18,466,453.95

(3) Other cash receipts relating to investing activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Principal and investment income from financing products	257,235,570.00	761,936,417.51
Others	354,780.00	
Total	257,590,350.00	761,936,417.51

(4) Other cash payments relating to investing activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Purchase of financing products	45,000,000.00	706,000,000.00
Total	45,000,000.00	706,000,000.00

(5) Other cash receipts relating to financing activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Borrowing from Nanshan Group	294,000,000.00	
Total	294,000,000.00	

(6) Other cash payments relating to financing activities

Currency: RMB Yuan

Item	Amount for the current period	Amount for the prior period
Payments for commission of medium term note	1,200,000.00	1,200,000.00
Payments for the interest from Nanshan group loans	273,580,492.48	
Others	114,455.93	1,200.00
Total	274,894,948.41	1,201,200.00

48、Supplementary information for the cash flow statement

(1) Details of Supplementary information for the cash flow statement

Currency: RMB Yuan

Supplementary information	Current period	Prior period
1. Reconciliation of net profit to cash flows from	--	--

operating activities:		
Net profit	30,996,616.47	52,471,607.54
Add：Provision for the impairment of assets	17,914.86	
Depreciation of fixed assets, depletion of oil & gas assets and productive biologic material depreciation	58,108,135.15	51,265,159.23
Amortisation of intangible assets	22,752,336.51	20,031,456.43
Losses on disposal of fixed assets, intangible assets and other long-term assets(‘-’ for gain)	9,200.78	-42,936.62
Financial expenses(gains are indicated by "-")	86,786,898.42	76,284,502.34
Losses arising from investments (gains are indicated by "-")	-14,962,394.28	-36,159,585.39
Decrease in deferred tax assets (increase is indicated by "-")	-10,440,147.95	-6,496,857.59
Decrease in inventories (increase is indicated by "-")	66,958.38	70,712.21
Decrease in receivables from operating activities (increase is indicated by "-")	-23,741,607.16	-10,488,221.57
Increase in payables from operating activities (decrease is indicated by "-")	1,516,188.62	-23,001,819.09
Net cash flow from operating activities	151,110,099.80	123,934,017.49
2． Significant investment and financing activities not involving receipts and disbursements:	--	--
3． Net changes in cash and cash equivalents:	--	--
Closing balance of cash	647,599,268.21	370,421,410.71
Less: Opening balance of cash	321,121,926.73	375,328,861.18
Net increase in cash and cash equivalents	326,477,341.48	-4,907,450.47

（2）Net cash on acquiring sub-company and other business unit

Currency: RMB Yuan

	Amounts
Cash and cash equivalent paid for acquisition in current period	269,665,210.73
Less：Cash and cash equivalent held in sub-company in acquisition day	15,650,290.72
Net cash payment for acquisition	254,014,920.01

（3）Composition of cash and cash equivalents

Currency: RMB Yuan

Item	Closing balance	Opening balance
I. Cash	647,599,268.21	321,121,926.73
Including: Cash on hand	22,709.46	19,947.47

Bank deposit available for immediate payment	647,576,558.75	321,101,979.26
III. Closing balance of cash and cash equivalents	647,599,268.21	321,121,926.73

49、Foreign currency monetary items

Currency: RMB Yuan

Item	Closing balance in foreign currency	Exchange rate	Closing balance translate in RMB
Bank and Cash			
Including: United State Dollar	250.00		1,622.50
Euro	380.00		2,698.00
Hong Kong Dollar	3,450.00		2,898.00
Singapore Dollar	1,015.50		4,658.60

VIII、Changes of Consolidated Financial Statement Scope

1、Business combination Not under common control

（1）Business combination Not under common control for the current period

Currency: RMB Yuan

Acquired company	Equity transferred Day	Combination cost	Share percentages gained	Acquisition method	Acquisition day	Evidence for determining the acquisition day	Revenue of Acquired company since the acquisition day	Net profit of Acquired company since the acquisition day
Beijing JinMu CaoYe Co., Ltd	24th,March, 2016	269,665,210.73	100.00%	Cash payment	1st,January, 2016	The Contract	0.00	-1,535,219.24

（2）Combination cost and goodwill

Currency: RMB Yuan

Combination cost	
--Cash	269,665,210.73
Total cost	269,665,210.73
Less：Fair value of net equity acquired	269,665,210.73
Goodwill	0.00

（3）Details of recognized assets and liabilities

Currency: RMB Yuan

	Fair value at acquisition day	Carrying value at acquisition day
Assets：		
Bank and Cash	15,650,290.72	15,650,290.72
Accounts receivable	542,739.50	542,739.50
Inventory		
Non-current assets	126,709,268.17	80,831,892.06
Intangible assets	137,135,667.04	7,695,799.36
Liabilities：		
Loan		
Accounts payable	10,372,754.70	10,372,754.70
Deferred Tax liabilities		
Net assets	269,665,210.73	94,347,966.94
Less：NCI		
Net assets acquired	269,665,210.73	94,347,966.94

IX、 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	
Blogis Holdings	Shenzhen,Guangdong Province	Shenzhen,Guangdong Province	Investment	77.36%		Set-up
Shanghai Blogis	Shanghai	Shanghai	Logistics Service		100.00%	Set-up
Guangzhou Blogis	Guangzhou , Guangdong Province	Guangzhou , Guangdong Province	Logistics Service		100.00%	Set-up
Kunshan Blogis	Kunshan, Jiangsu Province	Kunshan, Jiangsu Province	Logistics Service		100.00%	Set-up
Tianjin Blogis	Tianjin	Tianjin	Logistics Service		100.00%	Set-up
Langfang Blogis	Langfang, Hebei Province	Langfang, Hebei Province	Logistics Service		100.00%	Set-up
Longquan Blogis	Chengdu, Sichuan Province	Chengdu, Sichuan Province	Logistics Service		100.00%	Set-up
Xindu Blogis	Chengdu, Sichuan Province	Chengdu, Sichuan Province	Logistics Service		100.00%	Set-up
Nanjing Blogis	Nanjing, Jiangsu Province	Nanjing, Jiangsu Province	Logistics Service		100.00%	Set-up
Bingang Blogis	Tianjin	Tianjin	Logistics Service		100.00%	Set-up
Nantong Blogis	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics Service		100.00%	Set-up
Wuhan Blogis	Wuhan, Hubei Province	Wuhan, Hubei Province	Logistics Service		100.00%	Set-up
Qingwu Blogis	Tianjin	Tianjin	Logistics Service		100.00%	Set-up
Shenyang Blogis	Shenyang ,Liaoning Province	Shenyang ,Liaoning Province	Logistics Service		100.00%	Set-up
Yangluo Blogis	Wuhan, Hubei Province	Wuhan, Hubei Province	Logistics Service		100.00%	Set-up
Feidong Blogis	Hefei, Anhui Province	Hefei, Anhui Province	Logistics Service		100.00%	Set-up
Xi’an Blogis	Xi’an, Shanxi Province	Xi’an, Shanxi Province	Logistics Service		100.00%	Set-up
Xianyang Blogis	Xianyang, Shanxi Province	Xianyang, Shanxi Province	Logistics Service		100.00%	Set-up
Blogis Hongkong	Hong Kong Special Administrative Region	Hong Kong Special Administrative Region	Investment		100.00%	Set-up
Jiaozhou Blogis	Qingdao, Shandong Province	Qingdao, Shandong Province	Logistics Service		100.00%	Set-up

Changzhou Blogis	Changzhou, Jiangsu Province	Changzhou, Jiangsu Province	Logistics Service		100.00%	Set-up
Jaixing Blogis	Jiaxing, Zhejiang Province	Jiaxing, Zhejiang Province	Logistics Service		100.00%	Set-up
Jiangyin Blogis	Jiangyin, Jiangsu Province	Jiangyin, Jiangsu Province	Logistics Service		100.00%	Set-up
Shenzhen Blogis	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Logistics Service	100.00%		Business combination involving enterprises under common control
Mingjiang Blogis	Shanghai	Shanghai	Logistics 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 Blogis	Wuxi, Jiangsu Province	Wuxi, Jiangsu Province	Logistics Service		100.00%	Business combination involving enterprises under common control
Zhenjiang Warehouse	Zhenjiang, Jiangsu Province	Zhenjiang, Jiangsu Province	Logistics Service		100.00%	Business combination involving enterprises under common control
Chengdu Oil&gas Base	Chengdu, Sichuan Province	Chengdu, Sichuan Province	The development of new energy	100.00%		Set-up
Shaoxing Blogis	Shaoxing,Zhejiang province	Shaoxing,Zhejiang province	Logistics Service		100.00%	Set-up
Jiangsu Blogis	Nanjiang,Jiangsu Province	Nanjiang,Jiangsu Province	Logistics Service		100.00%	Set-up
Xipeng Blogis	Chongqing	Chongqing	Logistics Service		100.00%	Set-up
Zhengzhou Bsea	Zhengzhou, Henan province	Zhengzhou, Henan province	Logistics Service		80.00%	Set-up
Ezhou logis	Ezhou ,Hubei province	Ezhou ,Hubei province	Logistics Service		100.00%	Set-up
Xintong logis	Nantong, Jiangsu Province	Nantong, Jiangsu Province	Logistics Service		100.00%	Set-up
Jiashan logis	Jiashan, Zhejiang province	Jiashan, Zhejiang province	Logistics Service		100.00%	Set-up
Beijing JinMuCaoYe Co., Ltd	Beijing	Beijing	Logistics Service		100.00%	Business combination involving enterprises not under common control

（2）Significant non-wholly owned subsidiary:

Currency： RMB Yuan

Name of Subsidiary	Proportion of minority shareholders	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in the current period	Closing Balance of minority shareholders
Blogis Holdings	22.64%	10,892,162.98	0.00	825,994,362.81

（3）Financial information of significant non-wholly owned subsidiary:

Currency： RMB Yuan

Name of Subsidiary	Closing Balance						Opening Balance					
	Current Assets	Non-current Assets	Total of Assets	Current Liabilities	Non-current Liabilities	Total of Liabilities	Current Assets	Non-current Assets	Total of Assets	Current Liabilities	Non-current Liabilities	Total of Liabilities
Blogis Holdings（Consolidation）	1,179,993,444.84	4,473,443,632.64	5,653,437,077.48	1,230,807,644.08	774,244,438.64	2,005,052,082.72	372,372,162.37	3,858,959,845.51	4,231,332,007.88	2,009,848,408.37	821,278,952.79	2,831,127,361.16

Currency： RMB Yuan

Name of Subsidiary	Amount incurred in the current period				Amount incurred in the prior period			
	Operating Revenue	Net Profits	Comprehensive Income	Cash Flows from Operating Activities	Operating Revenue	Net Profits	Comprehensive Income	Cash Flows from Operating Activities
Blogis Holdings（Consolidation）	254,035,417.18	48,110,260.58	48,110,260.58	153,540,706.42	219,509,540.31	43,470,291.79	42,378,158.47	134,753,196.33

2、Equity in the joint venture arrangement and Associated Enterprises

（1）Significant joint venture arrangement and Associated Enterprises

Company	Business premise	Registered place	Business nature	Proportion of holding equity (%)		Accounting method
				Direct	Indirect	
CSE	Shenzhen	Shenzhen	Offshore oil engineering construction	32.00%		Equity method
CDFC	Shenzhen	Shenzhen	Capital management	20.00%		Equity method
CPEC	Shenzhen	Shenzhen	Petrochemical equipment manufacturing	20.00%		Equity method

（2）Financial information in significant Associated Enterprises

Currency: RMB Yuan

	Closing balance/ Amount for the current period			Opening balance/ Amount for the prior period		
	CSE	CDFC	CPEC	CSE	CDFC	CPEC
Current Assets	501,836,654.82	2,735,346,979.71	21,254,912.92	482,873,475.04	3,307,742,630.92	29,711,372.51
Non-current assets	1,102,994,207.72	1,998,856,170.37	4,843,545.53	1,112,312,706.71	920,635,240.41	8,154,950.23
Assets	1,604,830,862.54	4,734,203,150.08	26,098,458.45	1,595,186,181.75	4,228,377,871.33	37,866,322.74
Current liabilities	161,851,726.21	4,155,972,976.04	16,406,036.18	186,373,956.07	3,670,142,393.48	22,302,980.98
Non-current liabilities						
liabilities	161,851,726.21	4,155,972,976.04	16,406,036.18	186,373,956.07	3,670,142,393.48	22,302,980.98
NCI						
Interets contributed to parent company	1,442,979,136.33	578,230,174.04	9,692,422.27	1,408,812,225.68	558,235,477.85	15,563,341.76
Net assets shares	465,814,474.43	115,646,034.81	1,989,219.68	467,789,861.57	111,647,095.57	3,163,403.60
Adjustment events						
Carrying anounts of investment in Associated Enterprises	465,814,474.43	115,646,034.81	1,989,219.68	467,789,861.57	111,647,095.57	3,163,403.60
Fair value of investment in Associated Enterprises						
Revenue	223,381,557.46	44,319,651.24	14,208,275.85	289,293,798.13	29,576,854.60	33,109,153.46
Net profit	34,166,910.65	19,994,696.19	-5,870,919.49	90,043,155.42	13,938,478.73	-5,567,208.34
OCI						
Total comprehensive income	34,166,910.65	19,994,696.19	-5,870,919.49	90,043,155.42	13,938,478.73	-5,567,208.34
Dividends from Associated Enterprises	12,908,798.55			14,329,928.96		

X、RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

1、Parent of the Company

Currency: RMB Yuan

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

2、Subsidiaries of the Company

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

3、 Associates and joint ventures of the Company

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

4、Related party transactions

（1）Provision and receipt of services

Receipt of service

Currency: RMB Yuan

Related party	Details of Transaction	Amount for the current period	Approved transaction amount	Whether exceed the approved transaction amount	Amount for the prior period
Nanshan Group (Power Station)	Power supply service	1,456,454.40	14,000,000.00	No	1,450,611.13

Provision of service

Currency: RMB Yuan

Related party	Details of Transaction	Amount for the current period	Amount for the prior period
CSE	Loading and unloading service	2,612,203.11	15,043.32
CPEC	Loading and unloading service	23,680.92	20,418.39
CSE	Stack (storage) service	2,002,134.00	1,375,700.61
CPEC	Stack (storage) service	141,409.84	442,140.56
Nanshan Group	Maintenance service	87,112.69	42,618.03
CDFC	Maintenance service	12,709.41	3,110.00
Nanshan Group	Stack (storage) service	485,940.00	4,800.00

（2）Leases with related parties

Leases where a group entity is the lessor:

Currency: RMB Yuan

Name of lessee	Type of leased assets	Lease income recognized in the current period	Lease income recognized in the prior period
Nanshan Group	Office building	3,238,823.24	3,245,100.58
Nanshan Real Estate Company	Office building	43,882.56	42,610.40
CDFC	Office building	704,813.55	582,640.38
Yahgee Company	Office building		1,000.00

Oriental Logistics Company	Office building	66,830.40	65,520.00
CSE	Office building	392,918.28	392,918.28
CPEC	Office building	230,204.64	224,564.64
Chixiao Company	Office building	240,852.90	

Leases where a group entity is the lessee:

Currency: RMB Yuan

Name of lessor	Type of leased assets	Lease payment recognized in the current period	Lease payment recognized in the prior period
Nanshan Group	Site	1,134,368.82	954,580.30
Nanshan Group	Site	13,921,230.06	13,484,438.04

（3）Guarantees with related parties

A group entity as the guaranteed party:

Currency：RMB Yuan

Guarantor	Guaranteed amount	Inception date of guarantee	Expiration date of guarantee	Whether execution of guarantee has been completed
Nanshan Group（Note 1）	570,000,000.00	17/12/2012	17/12/2019	No
Nanshan Group（Note 1）	400,000,000.00	09/03/2012	09/03/2017	No
Nanshan Group（Note 2）	200,000,000.00	31/03/2012	30/03/2029	No
Nanshan Group（Note 3）	120,000,000.00	29/11/2012	28/11/2029	No
Nanshan Group（Note 4）	59,996,000.00	22/04/2014	21/04/2029	No
Nanshan Group（Note 5）	58,864,000.00	29/05/2014	28/05/2029	No
Nanshan Group（Note 6）	56,600,000.00	17/12/2014	16/12/2029	No

Note 1：It refers to the Guarantee provided by Nanshan Group for the Medium term note and company bond.

Note 2: Pursuant to the long-term borrowings contract, the deadline of taking loan is due, the company can not use any remaining loan line of credit. Nanshan Group only guarantee the closing balance of the aforesaid guaranteed loan within the Warranty period. As at 30 June 2016, the closing balance of the aforesaid guaranteed loan is RMB 126,019,651.68.

Note 3: Pursuant to the long-term borrowings contract, the deadline of taking loan is due, the company can not use any remaining loan line of credit. Nanshan Group only guarantee the closing balance of the aforesaid guaranteed loan within the Warranty period. As at 30 June 2016, the closing balance of the aforesaid guaranteed loan is RMB 54,004,650.76.

Note 4: Pursuant to the long-term borrowings contract, Guangzhou Blogis can apply for loans within the scope of guaranteed amount and guaranteed term. Nanshan Group and the Company has provided guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 30 June 2016, the closing balance of the aforesaid guaranteed loan is RMB 110,019,414.31.

Note 5: Pursuant to the long-term borrowings contract, Nanjing Blogis can apply for loans within the scope of guaranteed amount and guaranteed term. Nanshan Group and the Company has provided guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 30 June 2016, the closing balance of the aforesaid guaranteed loan is RMB83,110,878.45.

Note 6: Pursuant to the long-term borrowings contract, Wuhan Blogis can apply for loans within the scope of guaranteed amount and guaranteed term. Nanshan Group and the Company has provided guarantee for the borrowings by 22.64% and 77.36% of the amount respectively. As at 30 June 2016, the closing balance of the aforesaid guaranteed loan is RMB73,218,013.48.

（4）Money lending between related parties

Currency: RMB Yuan

Related parties	Amounts	Starting date	Maturity date	Note
Borrowing				
Nanshan Group	220,000,000.00	25 January 2016	25 January 2017	
Nanshan Group	74,000,000.00	24 February 2016	24 February 2017	
CDFC	100,000,000.00	31 March 2016	30 March 2019	
Lending				

5、Amounts due from / to related parties

（1）Amounts due from related parties

Currency: RMB Yuan

Item	Related party	Closing balance		Opening balance	
		Carrying amount	Bad debt provision	Carrying amount	Bad debt provision
Accounts receivable	CSE	573,588.43	11,793.68	1,179,367.56	11,793.68
Accounts receivable	CPEC	564,181.14	3,142.90	314,290.30	3,142.90
Accounts receivable	Hefei Blogis			397,690.39	
Accounts receivable	Chiwan Real Estate			243,315.68	2,433.16
Other receivable	Nanshan Group	2,750.00	27.50	2,750.00	27.50
Other receivable	CSE	11,571.48	115.71	11,571.48	115.71
Other receivable	Hefei Blogis			79,200.00	

（2）Amounts due to related parties

Currency: RMB Yuan

Item	Related party	Closing balance	Opening balance
Other payables	Nanshan Group	6,732,506.34	16,228,098.95
Other payables	Chixiao Project Company	5,286,323.81	15,004,897.43
Other payables	Nanshan Hong Kong	16,560,712.80	11,921,567.32
Other payables	Chixiao Construction Company	948,736.04	2,156,683.47
Other payables	CSE	38,900.00	255,726.00
Other payables	CPEC		204,224.04
Other payables	Oriental Logistics Company	8,300.00	26,165.00
Other payables	Chixiao Company	35,790.30	
Other payables	Hefei Blogis	229,748.62	
Other payables	Chiwan Real Estate	20,516.30	
Other payables	Nanshan Real Estate Company	19,350.00	
Accounts payable	Nanshan Group	7,644,886.05	4,340,013.89
Accounts payable	Chixiao Construction Company	9,740.00	102,998.66
Accounts payable	CSE		16,554.40
Accounts payable	Chixiao Project Company	93,258.66	
Short-term loan	CDFC	100,000,000.00	100,000,000.00
Long-term loan	CDFC	100,000,000.00	

Interest payable	Nanshan Group	30,875,736.12	6,758,208.33
Interest payable	CDFC	246,736.10	22,958.33
Non-current liabilities within one year	Nanshan Group	700,000,000.00	700,000,000.00
Non-current liabilities within one year	CSE	785,836.56	785,836.56
Other non-current liabilities	Nanshan Hong Kong	6,000,000.00	6,000,000.00
Long-term payables	Nanshan Group		251,417,853.31
Other non-current liabilities	Nanshan Hong Kong	210,000,000.00	210,000,000.00
Other non-current liabilities	CSE	3,879,199.02	4,665,035.58

XI. NOTES TO KEY ITEMS IN THE COMPANY'S FINANCIAL STATEMENTS

1、Accounts Receivable

（1）Disclosure of accounts receivable by categories:

Currency：RMB Yuan

Item	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 receivables for which bad debt provision has been assessed by portfolios of credit risk characteristics	27,094,836.15	99.40%	190,178.59	0.70%	26,904,657.56	22,515,346.10	99.28%	225,153.46	1.00%	22,290,192.64
Accounts receivable that are not individually significant but for which bad debt provision has been assessed individually	164,138.40	0.60%	164,138.40	100.00%	0.00	164,138.40	0.72%	164,138.40	100.00%	0.00
Total	27,258,974.55	100.00%	354,316.99		26,904,657.56	22,679,484.50	100.00%	389,291.86		22,290,192.64

Accounts receivable that are significant in amount individually and provided for bad debt individually

□Applicable √Not Applicable

In portfolio, accruing bad debt provision accounting to aging analysis of accounts receivable:

□Applicable √Not Applicable

In portfolios ， accruing bad debt provision according to the percentage-of-receivables approach：
√ Applicable □ Not Applicable

Currency：RMB Yuan

Name of the portfolio	Closing balance		
	Carrying amount	Bad debt provision	Proportion of provision (%)
Accruing bad debt provision according to the percentage-of-receivables approach	27,094,836.15	190,178.59	0.70%
Total	27,094,836.15	190,178.59	0.70%

（2）Provision made and reversal of Bad debt

34,974.87 of provision has been reversed.

（3）Top five enterprises of accounts receivables

Currency：RMB Yuan

Name of entity	Amount	Proportion (%)	Bad debt provision
Client 4	2,639,722.27	10%	18,478.06
Client 5	2,390,471.89	9%	16,733.30
Client 11	1,596,978.13	6%	11,178.85
Client 12	1,345,890.00	5%	9,421.23
Client 13	1,285,144.49	5%	8,996.01

2、Other Receivables

（1）Disclosure of other receivables by categories:

Currency: RMB Yuan

Item	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 for which bad debt provision has been assessed by portfolios of credit risk characteristics	448,793,523.22	37.97%		0.00%	448,793,523.22	1,518,053,170.11	99.91%	0.00	0.00%	1,518,053,170.11
Other receivable that are not individually significant but for which bad debt provision has been assessed individually	1,151,931.68	62.03%	13,342.76	1.16%	1,138,588.92	1,349,341.95	0.09%	13,493.42	1.00%	1,335,848.53
Total	449,945,454.90	100.00%	13,342.76		449,932,112.14	1,519,402,512.06	100.00%	13,493.42		1,519,389,018.64

Other receivables that are significant in amount individually and provided for bad debt individually

□Applicable √Not Applicable

In portfolio, accruing bad debt provision accounting to aging analysis of accounts receivable:

□Applicable √Not Applicable

In portfolios ， accruing bad debt provision according to the percentage-of-receivables approach：
√ Applicable □ Not Applicable

Currency：RMB Yuan

Name of the portfolio	Closing Balance		
	Carrying amount	Bad debt provision	Proportion of provision (%)
Accruing bad debt provision according to the percentage-of-receivables approach	1,151,931.68	13,342.76	1.16%
Total	1,151,931.68	13,342.76	1.16%

In portfolio, accruing bad debt provision accounting to other approaches
□Applicable √Not Applicable

（2）Provision made and reversal of Bad debt

150.66 of provision has been reversed.

（3）Disclosure of other receivables by nature:

Currency：RMB Yuan

Nature	Closing Balance	Opening Balance
Deposits	954.80	954.80
Petty cash	825,593.74	974,960.79

Amount due from related parties	447,953,057.07	1,517,078,397.72
Others	1,165,849.29	1,348,198.75
Total	449,945,454.90	1,519,402,512.06

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

Currency：RMB Yuan

Name of entity	Relationship with the Company	Amount	Aging	Proportion of the amount to the total accounts receivable (%)	Bad debt provision for the closing balance
Tianjin Blogis	Related party	101,499,994.72	Within 1 year	23.00%	0.00
Mingjiang Blogis	Related party	127,717,766.08	Within 1 year	28.00%	0.00
Langfang Blogis	Related party	89,215,321.65	Within 1 year	20.00%	0.00
Guangzhou Blogis	Related party	72,000,122.58	Within 1 year	16.00%	0.00
Longquan Blogis	Related party	55,948,533.43	Within 1 year	12.00%	0.00
Total	--	446,381,738.46	--	99.00%	0.00

3、Long-term Equity Investment

Currency：RMB Yuan

Item	Closing Balance			Opening Balance		
	Carrying amount	Bad debt provision	Net book value	Carrying amount	Bad debt provision	Net book value
Subsidiaries	2,627,712,324.29		2,627,712,324.29	903,625,759.71		903,625,759.71
Associates	583,449,728.92		583,449,728.92	582,600,360.74		582,600,360.74
Total	3,211,162,053.21		3,211,162,053.21	1,486,226,120.45		1,486,226,120.45

（1）Long-term Equity Investment to subsidiaries:

Currency：RMB Yuan

Investee	Opening Balance	Increase in investment	Decrease in investment	Closing Balance	Provision for bad debts of the current period	Closing balance on bad debts provision
Blogis Holdings	830,531,987.58	1,701,920,000.00		2,532,451,987.58		
Shenzhen Blogis	41,273,772.13			41,273,772.13		
Chengdu Oil&gas Base	31,820,000.00	22,166,564.58		53,986,564.58		
Total	903,625,759.71	1,724,086,564.58		2,627,712,324.29		

（2）Long-term Equity Investment to associates:

Currency：RMB Yuan

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、Joint Venture											
II、Associates											
CSE	467,789,861.57			10,933,411.41			12,908,798.55			465,814,474.43	
CFDC	111,647,095.57			3,998,939.24						115,646,034.81	
CPEC	3,163,403.60			-1,174,183.92						1,989,219.68	
Subtotal	582,600,360.74			13,758,166.73			2,908,798.55			583,449,728.92	
Total	582,600,360.74			13,758,166.73			2,908,798.55			583,449,728.92	

4、Operating income and operating costs

（1）Operating income and operating costs

Currency: RMB Yuan

Item	Amount recognized in the current period		Amount recognized in the prior period	
	Operating income	Operating costs	Operating income	Operating costs
Principal operating activities	68,844,361.06	45,529,220.40	79,034,763.59	56,471,311.84
Other operating activities				
Total	68,844,361.06	45,529,220.40	79,034,763.59	56,471,311.84

5、Investment income

Currency: RMB Yuan

Item	Amount recognized in the current period	Amount recognized in the prior period
Income from long-term equity investments under equity method	13,758,166.75	30,629,354.18
Income from bank financing products	1,204,227.53	5,474,559.97
Total	14,962,394.28	36,103,914.15

XII. SUPPLEMENTARY INFORMATION

1、Breakdown of non-recurring profit or loss

Currency: RMB Yuan

Item	Amount	Remark
Profit or loss on disposal of non-current assets	-9,200.78	
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)	1,721,474.24	
Other non-operating income or expenses other than the above	138,883.40	
Tax effects	469,806.59	
Effects attributable to minority interests (after tax)	439,240.36	
Total	942,109.91	--

2、Return on equity (ROE) and earnings per share ("EPS")

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	1.14%	0.09	Inapplicable
Net profit after deduction of non-recurring profits or losses attributable to ordinary shareholders of the Company	1.09%	0.08	Inapplicable