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CHINA INTERNATIONAL MARINE CONTAINERS (GROUP) CO., LTD.

中國國際海運集裝箱（集團）股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(H Share Stock Code: 2039)

(A Share Stock Code: 000039)

RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016 (SUMMARY OF THE 2016 ANNUAL REPORT)

1 IMPORTANT NOTICE

1.1 The Board of Directors of the Company has approved the 2016 Annual Report of the Company and the 2016 Annual Report of the Group. The 2016 Annual Report of the Company and the 2016 Annual Report of the Group are available on the website of the Company (www.cimc.com) and the website of the Group (www.cimcgroup.com).

1.2 The Board Meeting of the Company has approved the 2016 Annual Report of the Company and the 2016 Annual Report of the Group. The 2016 Annual Report of the Company and the 2016 Annual Report of the Group are available on the website of the Company (www.cimc.com) and the website of the Group (www.cimcgroup.com).

1.3 The Group has been audited by PricewaterhouseCoopers ("PricewaterhouseCoopers") in accordance with the auditing standards issued by the Chinese Society of Certified Public Accountants ("CASBE"). The audit opinion is unqualified. The 2016 Annual Report of the Group is available on the website of the Group (www.cimcgroup.com).

1.4



1.5

中國國際海運集裝箱(集團)股份有限公司

中集集團

2.2 Contact Persons and Means of Communication

Yu Yuqun

Wang Xinjiu

Shen Yang

3 SUMMARY OF ACCOUNTING DATA AND FINANCIAL INDICATORS PREPARED IN ACCORDANCE WITH CASBE

3.1 Retrospective Adjustment to or Restatement of the Accounting Data for Prior Years by the Company due to Change of Accounting Policies and Correction of Accounting Errors

Item	2016		2015		2014		Change (%)
	Amount	Change (%)	Amount	Change (%)	Amount	Change (%)	
1. Retrospective adjustment to or restatement of the accounting data for prior years due to change of accounting policies							
2. Retrospective adjustment to or restatement of the accounting data for prior years due to correction of accounting errors							
3. Total							

Unit: RMB thousand

2016			(%)			
51,111,652			(%)			
539,660			(%)			
511,420			(%)			
2,341,619	()	()	(%)			
0.14			(%)			
0.14			(%)			
2%			(%)			

As at the end of 2016			(%)			
124,614,748			(%)			
29,285,970			(%)			

Cash Flow Items	2016	For the year ended 31 December				
		2015	2014	2013	2012	2011
Operating activities	2,341,619	(1,211,000)	1,111,000	1,111,000	1,111,000	1,111,000
Investing activities	(6,854,655)	(1,111,000)	(1,111,000)	(1,111,000)	(1,111,000)	(1,111,000)
Financing activities	7,511,046	(1,111,000)	(1,111,000)	(1,111,000)	(1,111,000)	(1,111,000)

3.3 Key Financial Indicators of the Group for the Last Five Years

Key Financial Indicators	2016	For the year ended 31 December				
		2015	2014	2013	2012	2011
Operating profit margin	0.14	0.14	0.14	0.14	0.14	0.14
Operating profit to total assets	0.14	0.14	0.14	0.14	0.14	0.14
Operating profit to total liabilities	0.79	0.79	0.79	0.79	0.79	0.79
Operating profit to total equity	1%	1%	1%	1%	1%	1%
As at 31 December 2016						
Operating profit to total assets	9.83	9.83	9.83	9.83	9.83	9.83
Operating profit to total liabilities	2%	2%	2%	2%	2%	2%

3.4 Non-recurring Profit or Loss Items of the Group for the Last Three Years

Unit: RMB thousand

Items	2016	2015	2014
Gain on disposal of subsidiaries	264,552	(1,362,915)	(422,180)
Gain on disposal of long-term investments	497,336	150,765	139,625
Gain on disposal of other non-current assets	-	-	-
Gain on disposal of available-for-sale financial assets	399,704	361,353	-
Gain on disposal of other non-current assets	361,353	-	-
Gain on disposal of available-for-sale financial assets	139,625	(1,362,915)	(422,180)
Gain on disposal of other non-current assets	(1,362,915)	497,336	264,552
Gain on disposal of available-for-sale financial assets	(422,180)	139,625	399,704
Gain on disposal of other non-current assets	150,765	-	-
Total	28,240	139,625	(1,362,915)

4 SHAREHOLDINGS AND SHAREHOLDING STRUCTURE CHART

4.1 Number of Shareholders and Shareholdings

Shareholder	Number of Shares	Percentage of Total Shares
Hong Kong Listing Rules		

4.3 Disclosure of Substantial Shareholders under the Securities and Futures Ordinance of Hong Kong

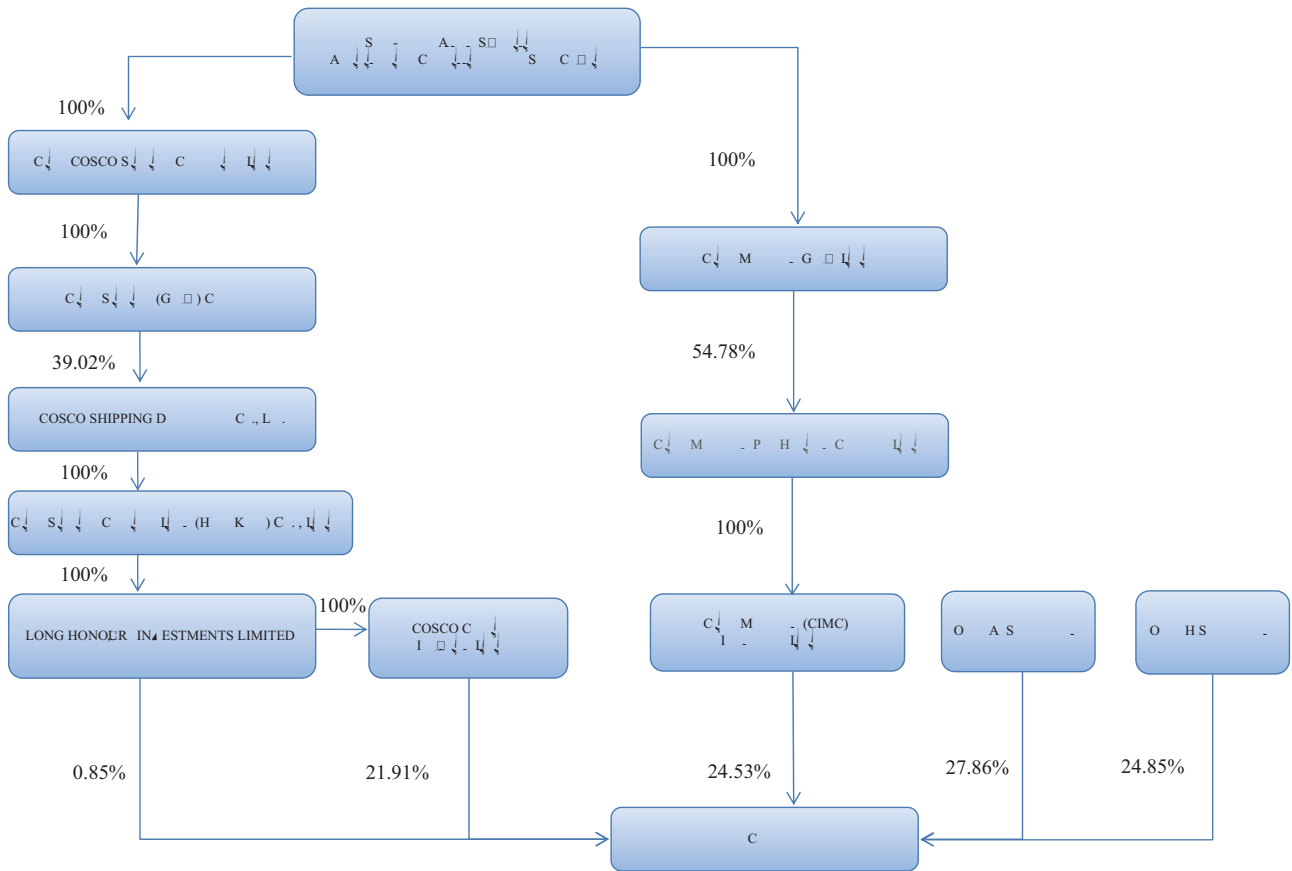
Name of shareholder	Nature of shareholding	Number of shares	Capacity	Percentage of such shares in the issued share capital of the same class (%)	Percentage of such shares in the total share capital (%)
China Merchants Group	Interest of corporation	730,557,217	Interest of corporation controlled by the substantial shareholder	-	-
China COSCO Shipping	Interest of corporation	432,171,843	Interest of corporation controlled by the substantial Shareholder	-	-
Hony Capital Management Limited	Interest of corporation	215,203,846	Interest of corporation controlled by the substantial shareholder and person having security interest in shares	-	-

Note 1: China Merchants Group, through its subsidiary (including China Merchants Port Holdings Company Limited and China Merchants (CIMC) Investment Limited etc.), had an interest in the H shares of the Company, and all the 730,557,217 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder.

Note 2: China COSCO Shipping, through its subsidiaries (including China Shipping (Group) Company ("China Shipping"), COSCO SHIPPING Development Co., Ltd. ("COSCO SHIPPING Development"), Long Honour and COSCO Container Industries Limited etc.), had an interest in the A Shares and H Shares of the Company, and 432,171,843 A Shares and 245,842,181 H Shares (long position) were held in the capacity as interest of corporation controlled by the substantial Shareholder.

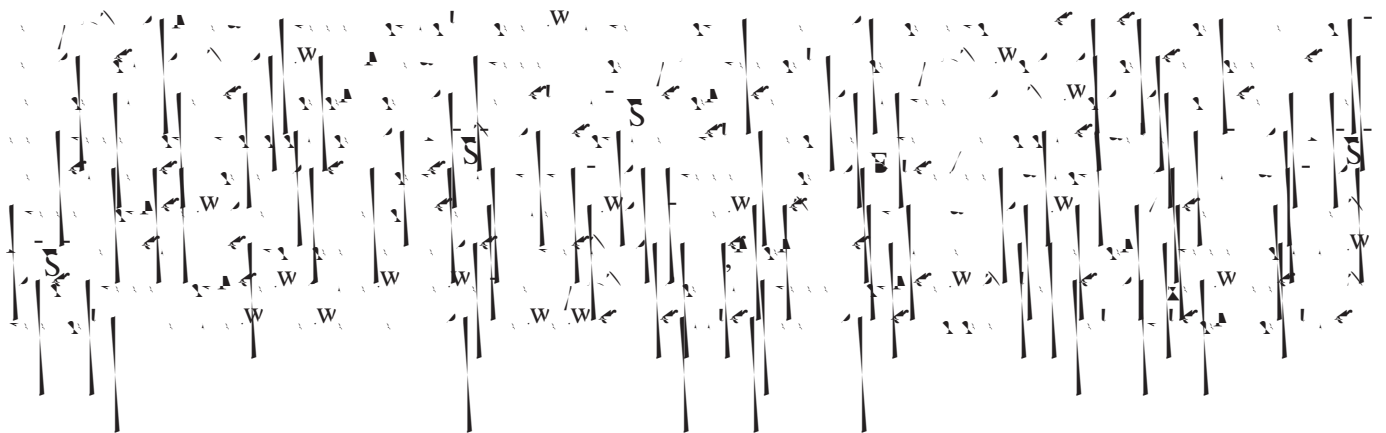
Note 3: Hony Capital Management Limited, through subsidiaries including Broad Ride Limited, had an interest in the H shares of the Company, and 215,203,846 H shares (long position) were held in the capacity as interest of corporation controlled by the substantial shareholder and 143,048,050 H Shares were held in the capacity as person having security interest in shares.

Chart of Shareholding Structure between the Company and the Substantial Shareholders as at the end of the Reporting Period



5 DIRECTORS' REPORT

5.1 Overview



Consolidated Operating Results

Unit: RMB thousand

	2016		(%)
	51,111,652	()	(%)
	800,538	()	(%)
	539,660	()	(%)
	2,341,619	()	(%)
	3,079,544	()	(%)

This image displays a highly complex and dense pattern of vertical black lines. The lines vary significantly in height, thickness, and spacing, creating a textured, almost barcode-like appearance. The pattern is distributed across the entire page, with some areas appearing more crowded than others. Interspersed within the lines are several small, faint characters and symbols, including the letter 'W', the percent sign '%', and parentheses '()'. These characters are scattered and often partially obscured by the vertical strokes, suggesting they might be artifacts or markers within the data visualization. The overall composition is abstract and lacks a clear, discernible structure or meaning.

Energy, Chemical and Liquid Food Equipment Business

(地方智慧，全球運營)

(Briggs)

Vendors

(**Advanced Manufacturing Industry Investment Fund**)

(中海油能源發展股份有限公司)

(藍鯨號)

() ()

(**CIMC Offshore**)

- (中集海洋工程有限公司)

(**CIMC Qianhai Leasing**)
- (天津永旺機械設備租賃有限公司)

(**Tianjin Yongwang**)

圳紅樹林創業投資有限公司)

- (深

#

Logistics Service Business

(振華物流)

(中世運)

世運(北京)國際物流有限公司

(世鐵特貨(北京)國際物流有限公
司)

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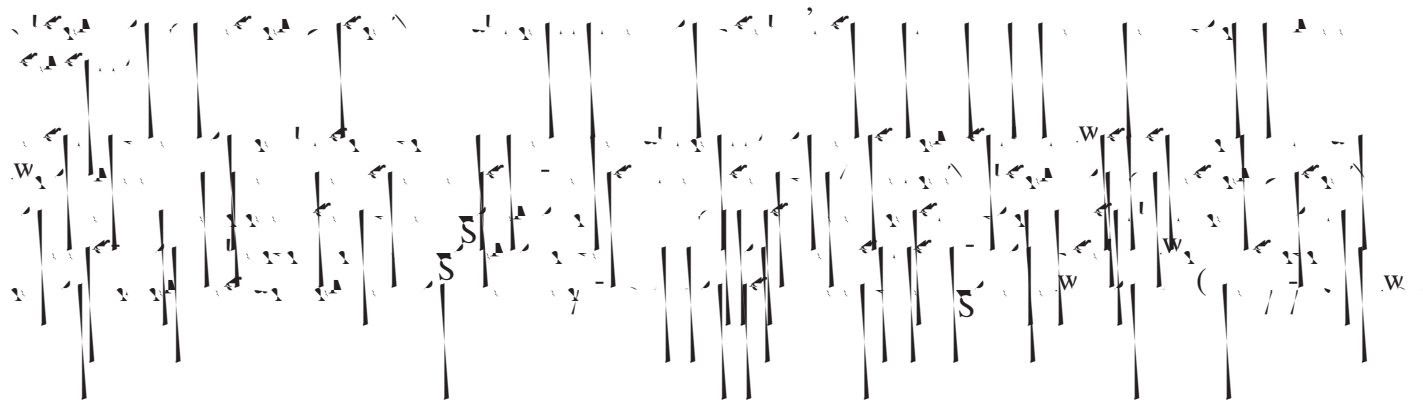
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Heavy Truck Business

This graphic design is a dense, high-contrast composition. It features a grid of vertical lines of varying heights and thicknesses. Scattered throughout this grid are several symbols: ampersands (&), the letter 'W', and percent signs (%). The symbols are placed at various heights and positions, creating a complex, abstract pattern. The overall effect is a dense, textured field of vertical elements and symbols, with some symbols appearing more prominent than others. The design is monochromatic, using only black and white.

Airport Facilities Equipment Business

(**CIMC Tianda**) (**Ziegler**)



This image shows a complex musical score, likely for a string ensemble or orchestra, consisting of approximately 12 staves. The notation is dense and includes various musical symbols such as notes, rests, and dynamic markings. The score is written in black ink on a white background. The notation is highly detailed, with many notes and rests, and includes several dynamic markings such as 'p' (piano) and 'w' (possibly indicating a specific articulation or performance instruction). The overall appearance is that of a professional musical manuscript.

Other Businesses

Modular Building Business

(中集模塊化建築投資公司)

(箱式鋼結構集成模塊建築體系規程)

Multimodal Transport Business

Multimodal Transport Company

(中集多式聯運發展有限公司) (CIMC

5.3 Business Prospects of the Group in 2017

5.3.1 Macroeconomic Environment and Policies

5.3.2 Industry Development Trend and Market Outlook

In respect of the container manufacturing business,

In respect of the road transportation vehicle business,

In respect of the energy, chemical and liquid food equipment business,

(《能源發展「十三五」規劃》)

() (《中國天然氣發展報告(年)》)

(國家能源局油氣司)

源與環境政策研究所)

(國土資源部油氣資源戰略研究中心)

(國務院發展研究中心資

In respect of the offshore engineering business,

In respect of the logistics services business,

In respect of the heavy truck business,

In respect of the airport facilities equipment business,

In respect of the real estate development business,

In respect of the financial business,

5.3.3 Overall Operation Targets and Initiatives for Main Business Segments

In respect of the container manufacturing business,

(S)

In respect of the road transportation vehicle business,

In respect of the logistics services business,

In respect of the heavy truck business,

In respect of the airport facilities equipment business,

In respect of the financial business

	W ₁	W ₂	W ₃	W ₄
1	1	1	1	1
2	1	1	1	1
3	1	1	1	1
4	1	1	1	1
5	1	1	1	1
6	1	1	1	1
7	1	1	1	1
8	1	1	1	1
9	1	1	1	1
10	1	1	1	1
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36	1	1	1	1
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95	1	1	1	1
96	1	1	1	1
97	1	1	1	1
98	1	1	1	1
99	1	1	1	1
100	1	1	1	1

Fluctuations of financial market and exchange risks

The first part of the document discusses the fluctuations of financial markets and exchange risks. It mentions that the company is exposed to various risks, including currency exchange rates, interest rates, and credit risks. The company has implemented various risk management strategies to mitigate these risks, such as using derivatives and hedging. The document also mentions that the company has a strong credit rating and a solid financial position.

Market competition risks

The second part of the document discusses market competition risks. It mentions that the company is operating in a highly competitive market and is facing increasing pressure from its competitors. The company has implemented various strategies to maintain its competitive advantage, such as investing in research and development, improving its operational efficiency, and expanding its market reach. The document also mentions that the company has a strong brand and a loyal customer base.

Employment and environmental protection pressure and risks

The third part of the document discusses employment and environmental protection pressure and risks. It mentions that the company is facing increasing pressure from stakeholders regarding its employment practices and environmental performance. The company has implemented various measures to address these concerns, such as improving its employee benefits, promoting diversity and inclusion, and investing in sustainable technologies. The document also mentions that the company has a strong commitment to social responsibility and environmental protection.

6 MANAGEMENT DISCUSSION AND ANALYSIS (PREPARED ACCORDING TO THE RELEVANT REQUIREMENTS OF THE HONG KONG LISTING RULES)

Income Analysis by Segment and Region

Unit: RMB thousand

Segment	2016		2015	2014
	Amount	Percentage in total revenue (%)		
China	11,066,999	21.65%	10,200,000	19.8%
Overseas	14,694,682	28.75%	13,500,000	26.5%
Other	9,353,786	18.30%	8,500,000	16.5%
Government	4,305,630	8.42%	4,000,000	7.8%
Other	3,213,229	6.29%	3,000,000	5.9%
Government	7,129,456	13.95%	6,500,000	12.7%
Other	2,302,412	4.50%	2,200,000	4.3%
Government	723,090	1.41%	700,000	1.4%
Other	1,725,766	3.38%	1,600,000	3.1%
Government	2,219,576	4.34%	2,100,000	4.1%
Other	(5,622,974)	(10.99%)	(5,500,000)	(10.7%)
	<u>51,111,652</u>	<u>100.00%</u>	<u>47,000,000</u>	<u>100.0%</u>

Unit: RMB thousand

Region (by receivers)	2016		2015	2014
	Revenue	Percentage in total revenue (%)		
China	23,563,045	46.10%	23,563,045	46.10%
Overseas	9,718,213	19.01%	9,718,213	19.01%
China (excluding Hong Kong)	8,068,004	15.79%	8,068,004	15.79%
Hong Kong	7,266,749	14.22%	7,266,749	14.22%
Other regions	2,495,641	4.88%	2,495,641	4.88%
	51,111,652	100.00%	51,111,652	100.00%

Cost of Sales and Gross Profit

Unit: RMB thousand

Segment	2016		2015	2014
	Cost of sales	Percentage in total cost of sales (%)		
China	9,889,804	23.84%	9,889,804	23.84%
Overseas	11,930,401	28.76%	11,930,401	28.76%
China (excluding Hong Kong)	7,578,594	18.27%	7,578,594	18.27%
Hong Kong	3,867,815	9.32%	3,867,815	9.32%
Other regions	2,574,119	6.21%	2,574,119	6.21%
China	6,350,562	15.31%	6,350,562	15.31%
Overseas	1,012,075	2.44%	1,012,075	2.44%
China (excluding Hong Kong)	381,781	0.92%	381,781	0.92%
Hong Kong	1,693,072	4.08%	1,693,072	4.08%
Other regions	1,967,530	4.74%	1,967,530	4.74%
	(5,763,736)	(13.89%)	(5,763,736)	(13.89%)
	41,482,017	100.00%	41,482,017	100.00%

Unit: RMB thousand

Segment	2016		2015	2014
	Gross profit	Gross profit margin (%)		
Software	1,177,195	10.64%	1,177,195	10.64%
Hardware	2,764,281	18.81%	2,764,281	18.81%
Services	1,775,192	18.98%	1,775,192	18.98%
Others	437,815	10.17%	437,815	10.17%
Government subsidies	639,110	19.89%	639,110	19.89%
Others	778,894	10.93%	778,894	10.93%
Others	1,290,337	56.04%	1,290,337	56.04%
Others	341,309	47.20%	341,309	47.20%
Others	32,694	1.89%	(32,694)	(1.89)%
Others	252,046	11.36%	252,046	11.36%
Others	140,762	-	(140,762)	-
	9,629,635	18.84%	9,629,635	18.84%

Segment	2016		2015	2014
	Non-operating income	Non-operating income (%)		
Software	1,177,195	10.64%	1,177,195	10.64%
Hardware	2,764,281	18.81%	2,764,281	18.81%
Services	1,775,192	18.98%	1,775,192	18.98%
Others	437,815	10.17%	437,815	10.17%
Government subsidies	639,110	19.89%	639,110	19.89%
Others	778,894	10.93%	778,894	10.93%
Others	1,290,337	56.04%	1,290,337	56.04%
Others	341,309	47.20%	341,309	47.20%
Others	32,694	1.89%	(32,694)	(1.89)%
Others	252,046	11.36%	252,046	11.36%
Others	140,762	-	(140,762)	-
	9,629,635	18.84%	9,629,635	18.84%

Segment	2016		2015	2014
	Technology Development Costs	Technology Development Costs (%)		
Software	1,177,195	10.64%	1,177,195	10.64%
Hardware	2,764,281	18.81%	2,764,281	18.81%
Services	1,775,192	18.98%	1,775,192	18.98%
Others	437,815	10.17%	437,815	10.17%
Government subsidies	639,110	19.89%	639,110	19.89%
Others	778,894	10.93%	778,894	10.93%
Others	1,290,337	56.04%	1,290,337	56.04%
Others	341,309	47.20%	341,309	47.20%
Others	32,694	1.89%	(32,694)	(1.89)%
Others	252,046	11.36%	252,046	11.36%
Others	140,762	-	(140,762)	-
	9,629,635	18.84%	9,629,635	18.84%

Segment	2016		2015	2014
	Selling and Distribution Expenses	Selling and Distribution Expenses (%)		
Software	1,177,195	10.64%	1,177,195	10.64%
Hardware	2,764,281	18.81%	2,764,281	18.81%
Services	1,775,192	18.98%	1,775,192	18.98%
Others	437,815	10.17%	437,815	10.17%
Government subsidies	639,110	19.89%	639,110	19.89%
Others	778,894	10.93%	778,894	10.93%
Others	1,290,337	56.04%	1,290,337	56.04%
Others	341,309	47.20%	341,309	47.20%
Others	32,694	1.89%	(32,694)	(1.89)%
Others	252,046	11.36%	252,046	11.36%
Others	140,762	-	(140,762)	-
	9,629,635	18.84%	9,629,635	18.84%

General and Administrative Expenses

	2016	2015	%
Financial Expenses	52,132,383	(49,790,764)	(95.5%)
Provisions for Asset Impairment	49,790,764	2,341,619	4.7%
Income Tax Expenses	2,341,619	2,010,159	86%
Profits Attributable to Minority Shareholders	8,864,814	(6,854,655)	(77.3%)
Cash Flows	64,307,817	56,796,771	88.3%
	7,511,046	3,079,544	41%

Unit: RMB thousand

Item	2016	2015	%
52,132,383	52,132,383	(49,790,764)	(95.5%)
49,790,764	49,790,764	2,341,619	4.7%
2,341,619	2,341,619	2,010,159	86%
2,010,159	2,010,159	8,864,814	441%
8,864,814	8,864,814	(6,854,655)	(77.3%)
(6,854,655)	(6,854,655)	64,307,817	(939.3%)
64,307,817	64,307,817	56,796,771	88.3%
56,796,771	56,796,771	7,511,046	13.2%
7,511,046	7,511,046	3,079,544	41%
3,079,544	3,079,544		

Liquidity and Financial Resources

	2016	2015
Available cash and cash equivalents	15,729,787	15,729,787
Financial assets available for sale	3,525,710	3,525,710
Other financial resources	-	-
Total	27,023,222	27,023,222
Less: Financial liabilities	(7,986,500)	(7,986,500)
Net financial resources	1,666,966	1,666,966

Bank Loans and Other Borrowings

	2016	2015
Bank loans	15,729,787	15,729,787
Other borrowings	3,525,710	3,525,710
Total	27,023,222	27,023,222
Less: Financial assets	(7,986,500)	(7,986,500)
Net bank loans and other borrowings	1,666,966	1,666,966

Unit: RMB thousand

	31 December 2016	31 December 2015
Available cash and cash equivalents	15,729,787	15,729,787
Financial assets available for sale	3,525,710	3,525,710
Other financial resources	-	-
Total	27,023,222	27,023,222
Less: Financial liabilities	(7,986,500)	(7,986,500)
Net financial resources	1,666,966	1,666,966
Bank loans	15,729,787	15,729,787
Other borrowings	3,525,710	3,525,710
Total	27,023,222	27,023,222
Less: Financial assets	(7,986,500)	(7,986,500)
Net bank loans and other borrowings	1,666,966	1,666,966

Capital Structure

	31 December 2016	31 December 2015
Equity	1,000,000	950,000
Liabilities	500,000	450,000
Total	1,500,000	1,400,000

Material Changes in Assets and Liabilities

	31 December 2016	31 December 2015	Change
Property, plant and equipment	1,200,000	1,100,000	100,000
Intangible assets	500,000	450,000	50,000
Financial assets	300,000	250,000	50,000
Trade receivables	200,000	180,000	20,000
Trade payables	150,000	130,000	20,000
Other assets	100,000	90,000	10,000
Other liabilities	80,000	70,000	10,000
Total	2,430,000	2,270,000	160,000

Unit: RMB thousand

	31 December 2016		31 December 2015 (Restated)			Reasons for the material changes
	Amount	% of total assets	Amount	% of total assets	% change	
Property, plant and equipment	1,200,000	49.4%	1,100,000	48.4%	9.0%	Due to the acquisition of new property, plant and equipment.
Intangible assets	500,000	20.6%	450,000	19.8%	11.1%	Due to the acquisition of intangible assets.
Financial assets	300,000	12.3%	250,000	11.0%	20.0%	Due to the acquisition of financial assets.
Trade receivables	200,000	8.2%	180,000	7.9%	11.1%	Due to the increase in trade receivables.
Trade payables	150,000	6.2%	130,000	5.7%	15.4%	Due to the increase in trade payables.
Other assets	100,000	4.1%	90,000	4.0%	11.1%	Due to the increase in other assets.
Other liabilities	80,000	3.3%	70,000	3.1%	14.3%	Due to the increase in other liabilities.
Total	2,430,000	100.0%	2,270,000	100.0%	7.1%	

Pledge of Assets

Unit: RMB thousand

				31 December 2016
			(1,000,000)	987,257
			(1,000,000)	206,753
			(1,000,000)	8,164,729
				398,144
			(1,000,000)	9,756,883

Significant Investments and Major Acquisitions and Sales Relating to Subsidiaries and Associated Companies

Unit: RMB thousand

Major investees

Company name	Main business	Equity interests of the investee held by the Company (%)	Investment made in the Reporting Period
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Future Plans for Significant Investments, Expected Source of Funding, Capital Expenditure and Financing Plan

Contingent Liabilities

Use of Proceeds

Employees and Remuneration Policies

Employee Training Programme

Employee Pension Benefits

Share Option Incentive Scheme

Participant	First Tranche of Share Options	Second Tranche of Share Options
1	100,000	100,000
2	100,000	100,000
3	100,000	100,000
4	100,000	100,000
5	100,000	100,000
6	100,000	100,000
7	100,000	100,000
8	100,000	100,000
9	100,000	100,000
10	100,000	100,000
11	100,000	100,000
12	100,000	100,000
13	100,000	100,000
14	100,000	100,000
15	100,000	100,000
16	100,000	100,000
17	100,000	100,000
18	100,000	100,000
19	100,000	100,000
20	100,000	100,000
21	100,000	100,000
22	100,000	100,000
23	100,000	100,000
24	100,000	100,000
25	100,000	100,000
26	100,000	100,000
27	100,000	100,000
28	100,000	100,000
29	100,000	100,000
30	100,000	100,000
31	100,000	100,000
32	100,000	100,000
33	100,000	100,000
34	100,000	100,000
35	100,000	100,000
36	100,000	100,000
37	100,000	100,000
38	100,000	100,000
39	100,000	100,000
40	100,000	100,000
41	100,000	100,000
42	100,000	100,000
43	100,000	100,000
44	100,000	100,000
45	100,000	100,000
46	100,000	100,000
47	100,000	100,000
48	100,000	100,000
49	100,000	100,000
50	100,000	100,000
51	100,000	100,000
52	100,000	100,000
53	100,000	100,000
54	100,000	100,000
55	100,000	100,000
56	100,000	100,000
57	100,000	100,000
58	100,000	100,000
59	100,000	100,000
60	100,000	100,000
61	100,000	100,000
62	100,000	100,000
63	100,000	100,000
64	100,000	100,000
65	100,000	100,000
66	100,000	100,000
67	100,000	100,000
68	100,000	100,000
69	100,000	100,000
70	100,000	100,000
71	100,000	100,000
72	100,000	100,000
73	100,000	100,000
74	100,000	100,000
75	100,000	100,000
76	100,000	100,000
77	100,000	100,000
78	100,000	100,000
79	100,000	100,000
80	100,000	100,000
81	100,000	100,000
82	100,000	100,000
83	100,000	100,000
84	100,000	100,000
85	100,000	100,000
86	100,000	100,000
87	100,000	100,000
88	100,000	100,000
89	100,000	100,000
90	100,000	100,000
91	100,000	100,000
92	100,000	100,000
93	100,000	100,000
94	100,000	100,000
95	100,000	100,000
96	100,000	100,000
97	100,000	100,000
98	100,000	100,000
99	100,000	100,000
100	100,000	100,000

Investment Properties



(**Non-public Issuance of A Shares**)

(**CSRC**)

號)) (《中國證監會行政許可申請受理通知書》

(《中國證監會行政許可項目審查反饋意見通知書》(號))

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Handwritten musical notation on a page with four systems. The notation is dense and includes various symbols such as notes, stems, and rests. The first system begins with an ampersand (&) and a stylized 'S' symbol. The second system contains a percent sign (%). The third system contains a '7' symbol. The fourth system contains a '5' symbol. The notation is highly stylized and appears to be a form of shorthand or a specific dialect of musical notation. The symbols are arranged in vertical columns across the systems, with some horizontal lines connecting them. The overall appearance is that of a complex, handwritten musical score or a set of musical shorthand notes.

17/10/2019

18/10/2019

19/10/2019

8 FINANCIAL REPORT

8.1 Explanation for Changes in Accounting Policies, Accounting Estimates or Calculation Method as Compared with those for Last Annual Report

Changes in critical accounting policies – the measurement of investment properties changes from cost mode to fair value mode:

	31 December 2016	
	480,790	
	2,200	
	112,598	
	3,383	
	56,589	
	128,633	
	<u>181,787</u>	
		2016
		11,392
		190
		75,792
		22,951
		<u>25,299</u>

8.2 Contents, Amounts Corrected, Reasons and Impact of Material Accounting Errors

8.3 Explanation of Changes in the Scope of Consolidation as Compared with those for Last Annual Report

8.4 Statement of the Board and the Supervisory Committee on the “Non-Standard Auditing Report” issued by the Auditor

8.5 Financial Statements Prepared in Accordance with CASBE

8.5.1 Consolidated Balance Sheet (audited)

Unit: RMB thousand

	Note	31 December 2016		
Assets				
Current assets:				
Monetary funds		6,325,998		
Accounts receivable		141,160		
Other receivables		1,536,191		
Prepayments	4	11,526,075		
Other current receivables		2,165,982		
Inventory		9,250		
Other current assets		41,959		
Current assets		9,347,887		
Non-current assets:				
Long-term receivables		17,409,515		
Other non-current assets		203,847		
Non-current assets		3,941,689		
Total assets		141,160		
Liabilities and equity:				
Liabilities:				
Accounts payable		9,347,887		
Other payables				
Liabilities				
Equity:				
Equity				

8.5.1 Consolidated Balance Sheet (audited) (Continued)

Unit: RMB thousand

	Note	31 December 2016		
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable		15,729,787		
Notes payable		141,806		
Accounts receivable	5	1,551,582		
Other payables		10,160,951		
Short-term borrowings		3,780,694		
Other current liabilities		2,115,108		
		1,092,030		
		303,375		
		16,746		
		5,154,073		
		847,429		
		3,667,872		
		1,687,762		
Total current liabilities		46,249,215		
Non-current liabilities:				
Long-term borrowings		61,235		
Notes payable		27,023,222		
Accounts payable		7,986,500		
Other payables		529,372		
Other non-current liabilities		9,704		
		839,738		
		657,414		
		2,123,556		
Total non-current liabilities		39,230,741		
Total liabilities		85,479,956		
Shareholders' equity:				
Capital		2,978,577		
Reserves		2,049,035		
Other equity		3,126,585		
Minority interests		357,341		
	6	3,279,379		
		17,495,053		
Total equity attributable to shareholders and other equity holders of the Company		29,285,970		
Minority interests		9,848,822		
Total shareholders' equity		39,134,792		
Total liabilities and shareholders' equity		124,614,748		

8.5.2 Balance Sheet of the Company (audited)

Unit: RMB thousand

	31 December 2016	
Assets		
Current assets:		
Monetary funds	2,660,222	
Accounts receivable	4,755,818	
Prepaid expenses	13,131,416	
Other current assets	9,272	
Total current assets	20,556,728	
Non-current assets:		
Investments	388,905	
Property, plant and equipment	9,375,276	
Intangible assets	102,372	
Long-term prepaid expenses	844	
Other non-current assets	14,466	
	40,730	
	52,280	
Total non-current assets	9,974,873	
Total assets	30,531,601	

8.5.2 Balance Sheet of the Company (audited) (Continued)

Unit: RMB thousand

	31 December 2016	
Liabilities and shareholders' equity		
Current liabilities:		
Short-term borrowings	2,710,000	
Accounts payable	65	
Other payables	-	
Other current liabilities	205,760	
	3,646	
	75,755	
	2,990,804	
	79,104	
	800,000	
Total current liabilities	6,865,134	
Non-current liabilities:		
Long-term borrowings	3,296	
Long-term payables	1,621,000	
Other non-current liabilities	7,986,500	
	37,429	
Total non-current liabilities	9,648,225	
Total liabilities	16,513,359	
Shareholders' equity:		
Capital	2,978,577	
Reserves	2,049,035	
Other equity	3,287,149	
	43,754	
	3,279,379	
	2,380,348	
Total equity of shareholders and other equity holders	14,018,242	
Total liabilities and shareholders' equity	30,531,601	

8.5.3 Consolidated Income Statement (audited)

Unit: RMB thousand

Item	Note	2016	
I. Revenue	7	51,111,652	()
	7	41,482,017	()
		503,099	()
		2,156,980	()
		4,208,598	()
		719,109	()
	8	2,089,634	()
		613,913	()
		234,410	()
		87,266	()
II. Operating profit		800,538	()
		1,212,806	()
		451,565	()
		311,293	()
		187,013	()
III. Total profit		1,702,051	()
	9	967,068	()
IV. Net profit		734,983	()
		539,660	()
		195,323	()
V. Other comprehensive income, net of tax		967,346	()
		871,818	()
		871,818	()
		(104)	()
		4,154	()
		477,398	()
		390,370	()
		95,528	()
VI. Total comprehensive income		1,702,329	()
		1,411,478	()
		290,851	()
VII. Earnings per share			
()	10(1)	0.14	-
()	10(2)	0.14	-

8.5.4 Income Statement of the Company (audited)

Unit: RMB thousand

Item	2016	2015
I. Revenue	156,526	156,526
Revenue from the sale of goods	24,006	24,006
Revenue from the sale of services	3,373	3,373
Revenue from the sale of intangible assets	(285,476)	(285,476)
Revenue from the sale of fixed assets	(353,608)	(353,608)
Revenue from the sale of investment properties	10,895	10,895
Revenue from the disposal of subsidiaries	1,259,065	1,259,065
II. Operating profit	2,038,191	2,038,191
Operating profit from the sale of goods	33,173	33,173
Operating profit from the sale of services	116	116
Operating profit from the sale of intangible assets	79,573	79,573
Operating profit from the sale of fixed assets	66	66
Operating profit from the sale of investment properties		
III. Total profit	1,991,791	1,991,791
Total profit from the sale of goods	164,168	164,168
IV. Net profit	1,827,623	1,827,623
V. Net amount of other comprehensive income, net of tax	-	-
VI. Total comprehensive income	1,827,623	1,827,623

8.5.5 Consolidated Cash Flow Statement (audited) (Continued)

Unit: RMB thousand

Item	2016	
III. Cash flows from financing activities:	1,768,906	
	1,760,575	
	-	
	54,548,656	
	7,986,500	
	3,755	
Sub-total of cash inflows from financing activities	64,307,817	
	52,820,203	
	3,228,079	
	161,253	
	748,489	
Sub-total of cash outflows from financing activities	56,796,771	
Net cash flows from financing activities	7,511,046	
IV. Effect of foreign exchange rate changes on cash and cash equivalents	81,534	
V. Net increase in cash and cash equivalents	3,079,544	
	3,259,123	
VI. Cash and cash equivalents at the end of the year	6,338,667	

8.5.6 Cash Flow Statement of the Company (audited)

Unit: RMB thousand

Item	2016	2015
I. Cash flows from operating activities:		
Cash inflows from sales of goods and services	156,526	1,011,111
Cash inflows from other operating activities	257,702	1,011,111
Sub-total of cash inflows from operating activities	414,228	2,022,222
Cash outflows from purchases of goods and services	39,842	1,011,111
Cash outflows from other operating activities	219,452	1,011,111
Cash outflows from financing and investing activities	16,698	1,011,111
Sub-total of cash outflows from operating activities	4,933,042	4,044,444
Net cash flows from operating activities	(4,794,806)	(2,022,222)
II. Cash flows from investing activities:		
Cash inflows from disposal of long-term assets	-	1,011,111
Cash inflows from other investing activities	245,460	1,011,111
Cash outflows from purchases of long-term assets	3,037	1,011,111
Cash outflows from other investing activities	8,944	1,011,111
Sub-total of cash inflows from investing activities	257,441	2,022,222
Cash outflows from purchases of long-term assets	41,191	1,011,111
Cash outflows from other investing activities	77,991	1,011,111
Sub-total of cash outflows from investing activities	119,182	2,022,222
Net cash flows from investing activities	138,259	(2,022,222)

8.5.6 Cash Flow Statement of the Company (audited) (Continued)

Unit: RMB thousand

Item	2016	
III. Cash flows from financing activities:		
Increase in short-term debt	8,176,000	
Increase in long-term debt	7,986,500	
Decrease in long-term debt	-	
Decrease in other financing activities	8,331	
Sub-total of cash inflows from financing activities	16,170,831	
Decrease in cash and cash equivalents	9,319,881	
Increase in cash and cash equivalents	1,126,037	
Decrease in cash and cash equivalents	6,189	
Sub-total of cash outflows from financing activities	10,452,107	
Net cash flows from financing activities	5,718,724	
IV. Effect of foreign exchange rate changes on cash and cash equivalents	428	
V. Net increase/(decrease) in cash and cash equivalents	1,062,605	()
Cash and cash equivalents at the beginning of the year	652,865	
VI. Cash and cash equivalents at the end of the year	1,715,470	

8.5.7 Consolidated Statement of Changes in Shareholders' Equity (audited)

Unit: RMB thousand

Item	2016							Total shareholders' equity
	Equity attributable to shareholders and other equity holders of the Company							
	Share capital instruments	Other equity instruments	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interest	
	2,977,820	2,033,043	3,181,863	(514,477)	3,203,578	17,803,808	7,033,280	35,720,915
	2,977,820	2,033,043	3,181,863	(514,477)	3,203,578	17,803,808	7,033,280	35,720,915
	-	119,792	-	-	-	419,868	193,323	734,983
	-	-	-	871,818	-	-	94,529	967,346
	-	119,792	-	871,818	-	419,868	290,851	1,702,329
	-	-	-	-	-	-	-	-
	757	-	7,574	-	-	-	-	8,331
	-	-	227,441	-	-	-	3,330,875	3,558,316
	-	-	-	-	-	-	29,585	29,585
	-	-	(22,239)	-	-	-	(726,250)	(748,489)
	-	-	903	-	-	-	8,087	9,000
	-	-	-	-	-	-	(7,762)	(7,762)
	-	-	1,692	-	-	-	2,063	3,755
	-	-	22,316	-	-	-	10,068	32,384
	-	-	-	-	-	-	-	-
	-	-	(300,000)	-	-	-	-	(300,000)
	-	-	7,035	-	-	-	-	7,035
	-	-	-	-	75,801	(75,801)	-	-
	-	-	-	-	(654,822)	(654,822)	(121,965)	(776,787)
	-	(103,800)	-	-	-	-	-	(103,800)
	2,978,577	2,049,035	3,126,585	357,341	3,279,379	17,493,053	9,846,822	39,134,792

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared on the basis of the accounting records maintained by the Company, which are considered to be reliable. The financial statements are prepared on the accrual basis of accounting and are in conformity with the accounting standards for business enterprises.

The financial statements are prepared on the basis of the accounting records maintained by the Company, which are considered to be reliable. The financial statements are prepared on the accrual basis of accounting and are in conformity with the accounting standards for business enterprises.

2. STATEMENT OF COMPLIANCE WITH THE ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES

The financial statements have been prepared on the basis of the accounting records maintained by the Company, which are considered to be reliable. The financial statements are prepared on the accrual basis of accounting and are in conformity with the accounting standards for business enterprises.

3. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements have been prepared on the basis of the accounting records maintained by the Company, which are considered to be reliable. The financial statements are prepared on the accrual basis of accounting and are in conformity with the accounting standards for business enterprises.

4. ACCOUNTS RECEIVABLE

(1) Accounts receivable are analysed by customer categories as follows:

Unit: RMB thousand

**31 December
2016**

2,540,433

2,396,644

3,220,025

244,655

1,255,195

1,159,172

769,250

569,937

(2) The ageing of accounts receivable is analysed as follows:

Unit: RMB thousand

1-3 months	10,329,997
3-6 months	(989,469)
6-12 months	(548,922)
Over 12 months	(286,923)
Total	11,526,075

31 December 2016	
10,329,997	
989,469	
548,922	
286,923	
12,155,311	
(629,236)	
11,526,075	

5. ACCOUNTS PAYABLE

(1) The accounts payable is as follows:

Unit: RMB thousand

1-3 months	8,303,845
3-6 months	461,925
6-12 months	259,029
Over 12 months	658,048
Total	10,160,951

31 December 2016	
8,303,845	
461,925	
259,029	
658,048	
150,029	
135,159	
129,178	
63,738	
10,160,951	

(2) The ageing of accounts payable is analysed as follows:

Unit: RMB thousand

1-3 months	9,535,350
3-6 months	414,188
6-12 months	153,893
Over 12 months	57,520
Total	10,160,951

31 December 2016	
9,535,350	
414,188	
153,893	
57,520	
10,160,951	

6. UNDISTRIBUTED PROFITS

Unit: RMB thousand

	Note	2016	2015
Profit for the year		17,805,808	17,805,808
Retained earnings at the beginning of the year		539,660	539,660
Dividends of ordinary shares declared during the year	(1)	(119,792)	(119,792)
Dividends of preferred shares declared during the year		(75,801)	(75,801)
Retained earnings at the end of the year		(654,822)	(654,822)
		17,495,053	17,495,053

(1) Dividends of ordinary shares declared during the year

Unit: RMB thousand

	2016	2015
Dividends of ordinary shares declared during the year	-	-
Dividends of preferred shares declared during the year	654,822	654,822

7. REVENUE AND COST OF SALES

Unit: RMB thousand

	2016	2015
Revenue	49,960,016	49,960,016
Cost of sales	1,151,636	1,151,636
	51,111,652	51,111,652
Revenue	41,019,009	41,019,009
Cost of sales	463,008	463,008
	41,482,017	41,482,017

8. ASSET IMPAIRMENT LOSSES

Unit: RMB thousand

	2016	
	1,403,702	
	205,073	()
	174,954	
	100,725	
	77,557	
	66,356	
	46,716	
	8,310	
	5,936	
	305	
	<u>2,089,634</u>	

9. INCOME TAX EXPENSES

Unit: RMB thousand

	2016	
	985,708	()
	(18,640)	
	<u>967,068</u>	

Unit: RMB thousand

	2016	
		()
	1,702,051	
	340,144	
	(112,254)	()
	122,230	()
	(1,958)	()
	(41,584)	()
	362,965	
	340,729	
	(38,008)	()
	-	
	(5,302)	()
	-	
	106	()
	967,068	

	2016	
	25%	%
	15-25%	%
	16.5-25%	%
	36%	%
	20%	%
	15-35%	%
	15.83-31.6%	%
	20%	%
	30%	%
	25.5%	%
	34%	%
	23.5%	%
	19%	%
	20%	%
	17%	%
	26.3%	%

10. EARNINGS PER SHARE

(1) Basic earnings per share

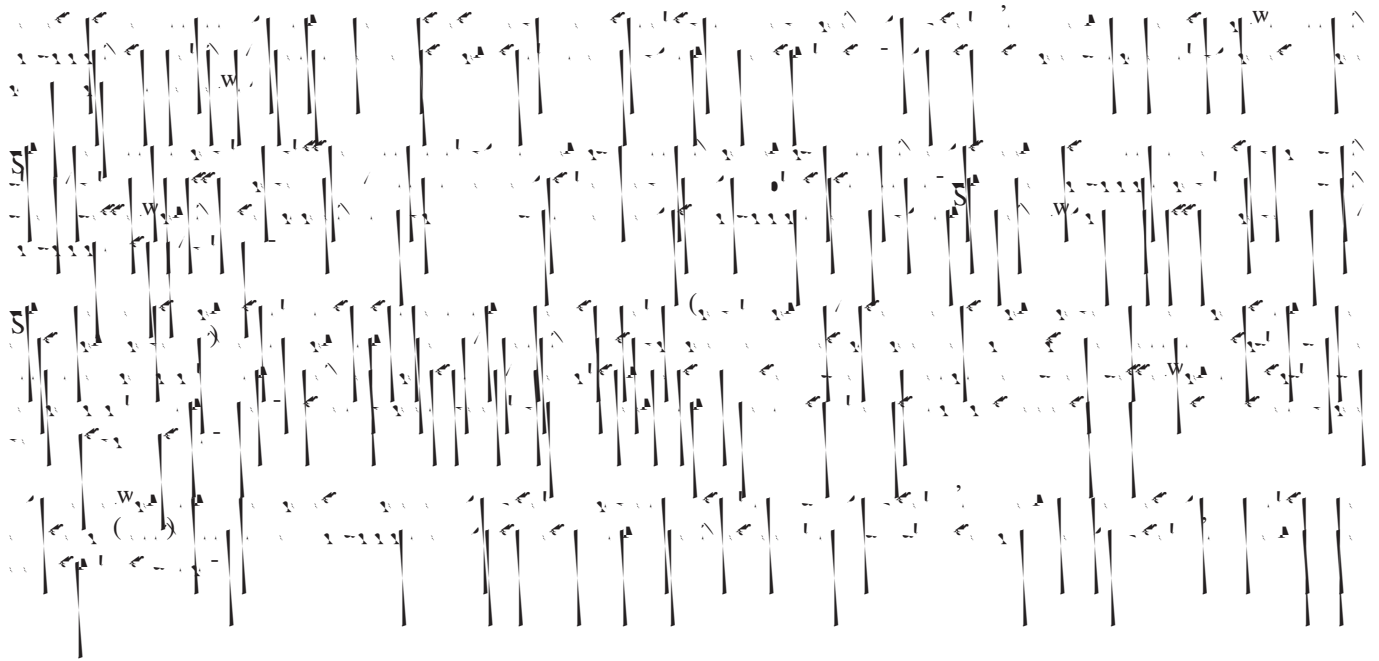
	2016	2015
Net income	539,660	(119,792)
Adjustments:		
- Depreciation and amortization	(119,792)	(119,792)
- Other non-recurring items	(119,792)	(119,792)
- Other	(119,792)	(119,792)
Adjusted net income	419,868	(479,376)
Weighted average shares outstanding	2,978,296	3,411,111
Basic earnings per share	0.14	(0.14)
Adjusted basic earnings per share	0.14	(0.14)

(2) Diluted earnings per share

	2016	2015
Net income	539,660	(119,792)
Adjustments:		
- Depreciation and amortization	(119,792)	(119,792)
- Other non-recurring items	(119,792)	(119,792)
- Other	(119,792)	(119,792)
Adjusted net income	419,868	(479,376)
Weighted average shares outstanding	2,984,119	3,411,111
Diluted earnings per share	0.14	(0.14)
Adjusted diluted earnings per share	0.14	(0.14)

Note: (a) Includes the effect of the 7% convertible preferred stock.

11. SEGMENT REPORTING



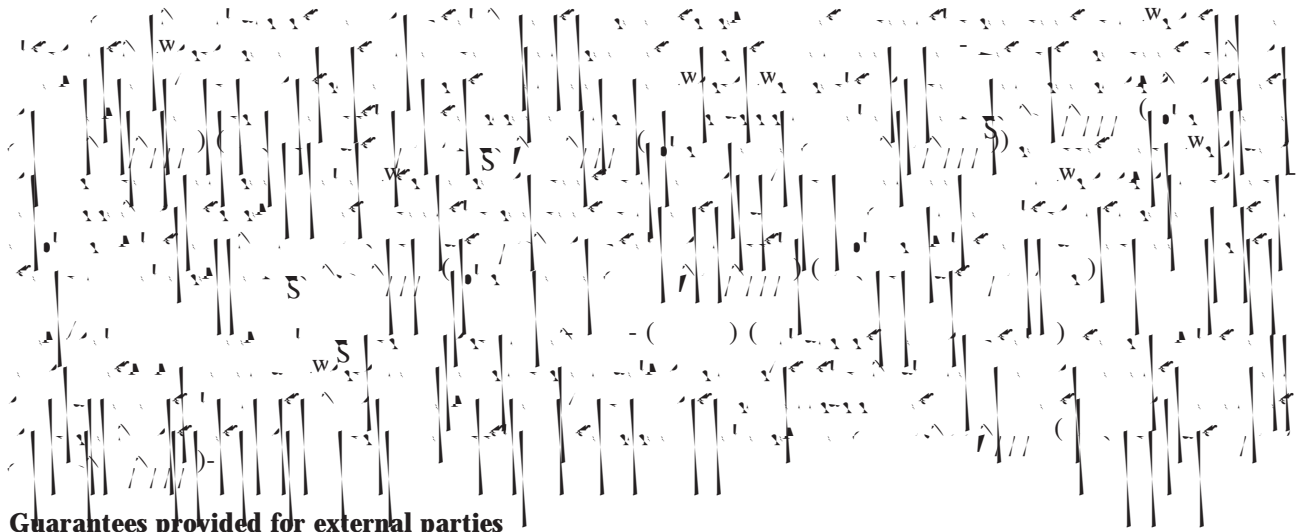
2015年12月31日

Unit: RMB thousand

项目	2015年12月31日	2015年6月30日	2014年12月31日	2014年6月30日
流动资产	1,234,567	1,123,456	1,012,345	901,234
货币资金	345,678	334,567	323,456	312,345
应收账款	234,567	223,456	212,345	201,234
预付款项	123,456	112,345	101,234	90,123
其他流动资产	550,876	473,088	375,310	297,532
非流动资产	2,345,678	2,234,567	2,123,456	2,012,345
固定资产	1,234,567	1,123,456	1,012,345	901,234
无形资产	345,678	334,567	323,456	312,345
其他非流动资产	765,432	776,544	787,655	798,766
负债和所有者权益	3,580,245	3,358,023	3,135,801	2,913,579
流动负债	1,234,567	1,123,456	1,012,345	901,234
应付账款	567,890	556,789	545,678	534,567
预收款项	345,678	334,567	323,456	312,345
其他流动负债	321,099	232,100	143,211	54,322
非流动负债	1,098,765	1,000,000	901,234	802,345
长期借款	567,890	556,789	545,678	534,567
其他非流动负债	530,875	443,211	355,556	267,778
所有者权益	2,345,678	2,234,567	2,123,456	2,012,345
实收资本	1,234,567	1,123,456	1,012,345	901,234
资本公积	345,678	334,567	323,456	312,345
盈余公积	765,432	776,544	787,655	798,766

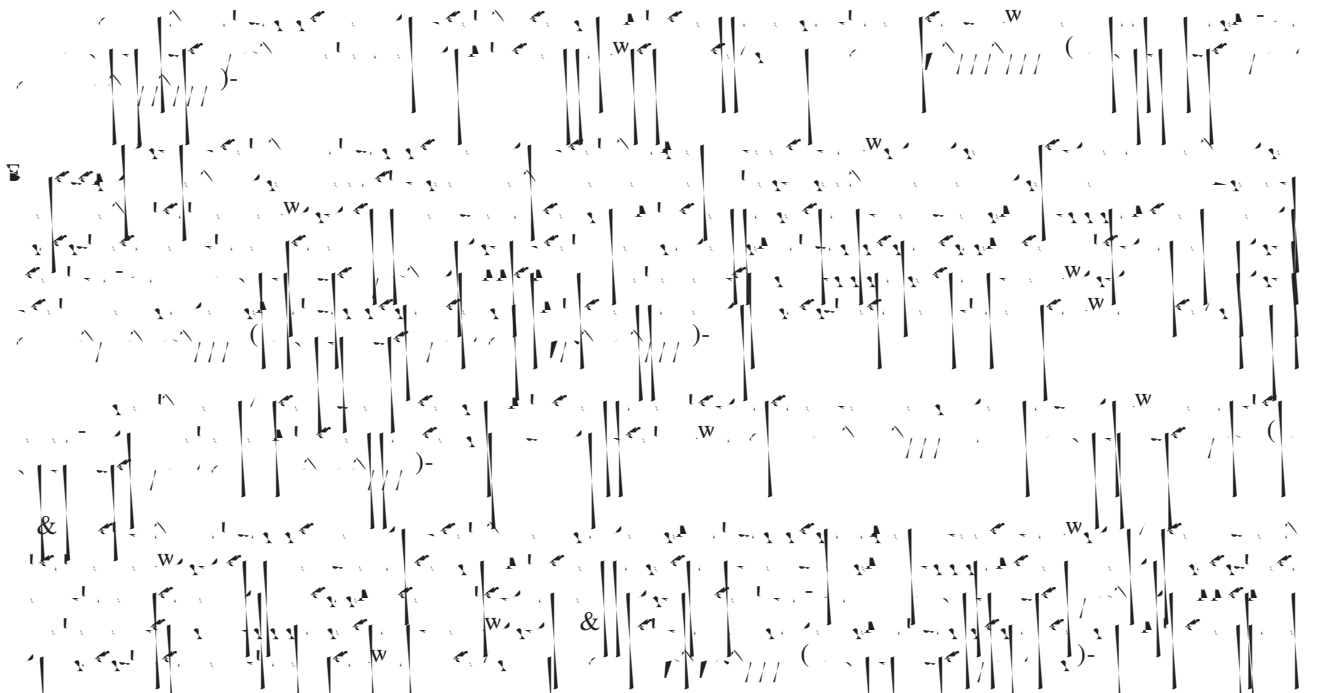
12. CONTINGENCIES

(1) Contingent liabilities



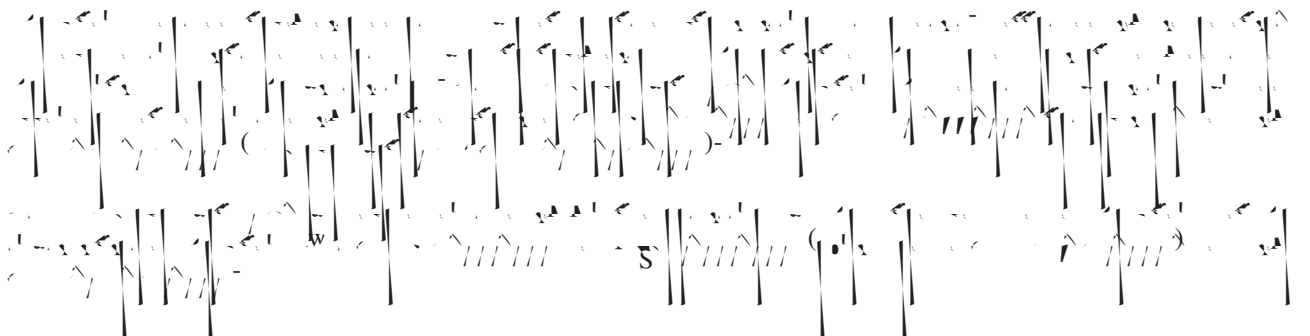
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(2) Guarantees provided for external parties



This table contains several rows of data, with some legible entries including the number '5' in multiple columns. The text is otherwise too small and blurry to transcribe accurately.

(3) Notes payable issued but not accounted for, outstanding letters of credit issued but undue and outstanding performance guarantees



This table contains several rows of data, with some legible entries including the number '5' in multiple columns. The text is otherwise too small and blurry to transcribe accurately.

13. COMMITMENTS

Capital commitments

Unit: RMB thousand

	2016	
Capital commitments	108,730	
Capital commitments	129,423	
Capital commitments	179,633	
	-	
	<u>417,786</u>	

Unit: RMB thousand

	31 December 2016	
	-	
	<u>-</u>	

14. NET CURRENT ASSETS

Unit: RMB thousand

	The Group 31 December 2016	
Net current assets	53,352,031	
Net current assets	46,249,215	
	<u>7,102,816</u>	()
	<u>7,102,816</u>	<u>()</u>
	20,556,728	
	6,865,134	
	<u>13,691,594</u>	

15. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB thousand

The Group

**31 December
2016**

**124,614,748
46,249,215**

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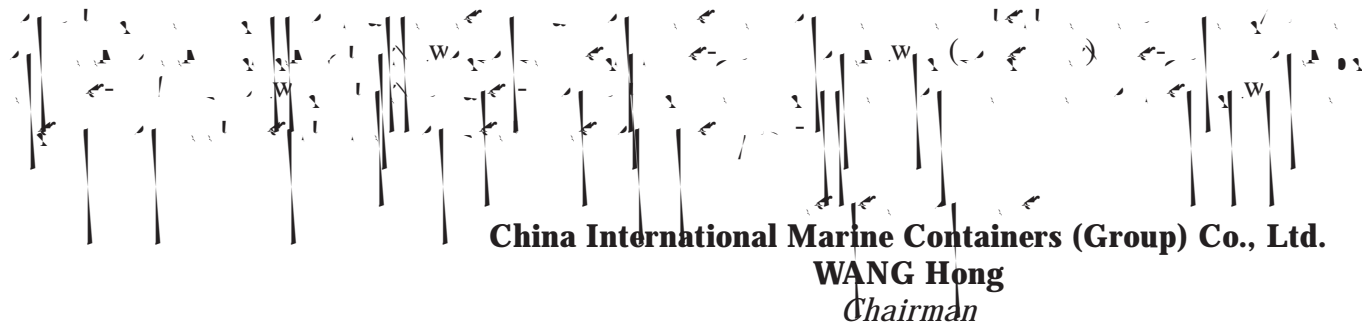
9 REPURCHASE, SALE OR REDEMPTION OF SHARES

10 COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

(Model Code)

11 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

12 AUDIT COMMITTEE



As at the date of this announcement, the Board comprises Mr. WANG Hong (Chairman), Mr. WANG Yuhang (Vice chairman), Mr. WANG Zhixian and Mr. LIU Chong as non-executive directors; Mr. MAI Boliang as an executive director; and Mr. PAN Chengwei, Mr. PAN Zhengqi and Mr. WONG Kwai Huen, Albert as independent non-executive directors.