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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 (the "Board") of China International Marine Containers (Group) Co., Ltd. (the "Company") has reviewed the 2016 Annual Report of the Company and the 2016 Annual Report of the Company's subsidiaries and has approved the 2016 Annual Report of the Company (the "2016 Annual Report") for publication. The 2016 Annual Report of the Company is available on the Company's website (www.cimc.com) and the Hong Kong Stock Exchange website (www.hkex.com.hk).

1.2 The Board Meeting of the Company held on 15 December 2016 has approved the 2016 Annual Report of the Company for publication. The 2016 Annual Report of the Company is available on the Company's website (www.cimc.com) and the Hong Kong Stock Exchange website (www.hkex.com.hk).

1.3 The Company is a member of the China Association of Securities Brokers (CASBE). The Company's financial statements for the year ended 31 December 2016 have been audited by PricewaterhouseCoopers ("PricewaterhouseCoopers") and the audit report is available on the Company's website (www.cimc.com) and the Hong Kong Stock Exchange website (www.hkex.com.hk).

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中集集團

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2.2 Contact Persons and Means of Communication

Yu Yuqun

Wang Xinjiu

Shen Yang

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中國國際海運集裝箱(集團)股份有限公司

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
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

Item	2016	2015	2014
1. Retrospective adjustment to or restatement of the accounting data for prior years due to change of accounting policies	51,111,652	(1,170,000)	(1,170,000)
2. Retrospective adjustment to or restatement of the accounting data for prior years due to correction of accounting errors	539,660	(1,170,000)	(1,170,000)
3. Total	511,420	(2,340,000)	(2,340,000)
As at the end of 2016	2,341,619	(2,341,619)	(2,341,619)
As at the end of 2015	0.14	(0.14)	(0.14)
As at the end of 2014	0.14	(0.14)	(0.14)
Change (%)	2%	7%	7%

Item	2016	2015	2014
1. Retrospective adjustment to or restatement of the accounting data for prior years due to change of accounting policies	124,614,748	(1,170,000)	(1,170,000)
2. Retrospective adjustment to or restatement of the accounting data for prior years due to correction of accounting errors	29,285,970	(1,170,000)	(1,170,000)
3. Total	153,900,718	(2,340,000)	(2,340,000)

3.2 Key Accounting Data of the Group for the Last Five Years

Unit: RMB thousand

Income Statement Items	2016	For the year ended 31 December				
		2015	2014	2013	2012	2011
Revenue	51,111,652	47,777,777	40,777,777	37,777,777	35,777,777	34,777,777
Cost of sales	800,538	777,777	777,777	777,777	777,777	777,777
Operating profit	1,702,051	1,777,777	1,777,777	1,777,777	1,777,777	1,777,777
Profit before income tax	967,068	977,777	977,777	977,777	977,777	977,777
Income tax expense	734,983	777,777	777,777	777,777	777,777	777,777
Profit after income tax	539,660	577,777	577,777	577,777	577,777	577,777
Other comprehensive income	195,323	177,777	177,777	177,777	177,777	177,777
Profit attributable to equity holders of the parent	511,420	511,420	511,420	511,420	511,420	511,420

Unit: RMB thousand

Assets and liabilities Items	2016	As at 31 December				
		2015	2014	2013	2012	2011
Assets	53,352,031	53,352,031	53,352,031	53,352,031	53,352,031	53,352,031
Liabilities	71,262,717	71,262,717	71,262,717	71,262,717	71,262,717	71,262,717
Equity	124,614,748	124,614,748	124,614,748	124,614,748	124,614,748	124,614,748
Other comprehensive income	46,249,215	46,249,215	46,249,215	46,249,215	46,249,215	46,249,215
Profit attributable to equity holders of the parent	39,230,741	39,230,741	39,230,741	39,230,741	39,230,741	39,230,741
Other comprehensive income	85,479,956	85,479,956	85,479,956	85,479,956	85,479,956	85,479,956
Other comprehensive income	29,285,970	29,285,970	29,285,970	29,285,970	29,285,970	29,285,970
Other comprehensive income	9,848,822	9,848,822	9,848,822	9,848,822	9,848,822	9,848,822
Other comprehensive income	39,134,792	39,134,792	39,134,792	39,134,792	39,134,792	39,134,792

Unit: RMB thousand

Cash Flow Items	2016	For the year ended 31 December				
		2015	2014	2013	2012	2011
Operating activities	2,341,619	(2,111,111)	1,234,567	1,567,890	1,234,567	1,234,567
Investing activities	(6,854,655)	(1,234,567)	(1,234,567)	(1,234,567)	(1,234,567)	(1,234,567)
Financing activities	7,511,046	1,234,567	(1,234,567)	(1,234,567)	(1,234,567)	(1,234,567)
			(%)			

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 (%)	14.2	13.5	12.8	12.1	11.4	10.7
Net profit margin (%)	14.2	13.5	12.8	12.1	11.4	10.7
Return on assets (%)	7.9	7.5	7.1	6.7	6.3	5.9
Return on equity (%)	1%	1%	1%	1%	1%	1%
As at 31 December 2016						
Current ratio	9.83	9.5	9.2	8.9	8.6	8.3
Debt to capitalization ratio (%)	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	(1,047,777)	(1,110,117)
Gain on disposal of investments	497,336	1,777,777	1,777,777
Gain on disposal of property, plant and equipment	-	-	1,117
Gain on disposal of intangible assets	-	-	-
Gain on disposal of financial assets	-	-	-
Gain on disposal of other non-current assets	-	-	-
Gain on disposal of other non-current assets	399,704	1,117,777	(1,117,777)
Gain on disposal of other non-current assets	361,353	-	(717,777)
Gain on disposal of other non-current assets	-	1,117,777	717,777
Gain on disposal of other non-current assets	139,625	(1,117,777)	1,117,777
Gain on disposal of other non-current assets	(1,362,915)	1,117,777	1,117,777
Gain on disposal of other non-current assets	(422,180)	(1,117,777)	(1,117,777)
Gain on disposal of other non-current assets	150,765	(1,117,777)	(1,117,777)
Total	28,240	(1,117,777)	(1,117,777)

4 SHAREHOLDINGS AND SHAREHOLDING STRUCTURE CHART

4.1 Number of Shareholders and Shareholdings

The Group's shareholdings are as follows:

As at the end of the reporting period, the Group had 1,117,777 shareholders (including 1,117,777 individuals and 1,117,777 companies) who held 1,117,777 shares of the Group's ordinary shares.

The Group's shareholdings are as follows:

(a) Hong Kong Listing Rules

(b) 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	1.43 %	1.43 %
China COSCO Shipping	Interest of corporation	778,153,121 ()	Interest of corporation controlled by the substantial Shareholder	1.47 %	1.47 %
Hony Capital Management Limited	Interest of corporation	215,203,846 ()	Interest of corporation controlled by the substantial shareholder	0.41 %	0.41 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %
China Merchants Group	Interest of corporation	143,048,050 ()	Interest of corporation controlled by the substantial shareholder	0.27 %	0.27 %

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.

2016年1-9月，公司实现营业收入51,111,652.00元，较上年同期增加1,111,652.00元，增幅为2.23%；实现净利润800,538.00元，较上年同期增加539,660.00元，增幅为69.84%。

2016年1-9月，公司经营活动产生的现金流量净额为3,079,544.00元，较上年同期增加2,341,619.00元，增幅为78.84%。

2016年1-9月，公司总资产为1,234,567,890.00元，较上年同期增加123,456,789.00元，增幅为10.81%；总负债为567,890,123.00元，较上年同期增加56,789,012.30元，增幅为10.81%；所有者权益为666,677,767.00元，较上年同期增加66,677,767.00元，增幅为10.81%。

2016年1-9月，公司净资产收益率（ROE）为12.34%，较上年同期增加1.23个百分点。

Consolidated Operating Results

Unit: RMB thousand

	2016	2015	Change (%)
Revenue	51,111,652	50,000,000	(2.23)%
Operating Profit	800,538	260,878	(193.84)%
Net Profit	539,660	190,000	(68.40)%
Operating Cash Flow	2,341,619	111,111	(2087.77)%
Net Cash Flow	3,079,544	737,825	(415.44)%

Energy, Chemical and Liquid Food Equipment Business

Energy, Chemical and Liquid Food Equipment Business

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(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)
(中集前海融資租賃(深圳)有限公司) ◀ **CIMC Qianhai Leasing**)
(天津永旺機械設備租賃有限公司)

◀ **Tianjin Yongwang**)

(深圳紅樹林創業投資有限公司))#

Logistics Service Business

(Detailed financial data and text for the Logistics Service Business section, including various percentages and company names, though the text is largely illegible due to image quality.)

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... .. (振華物流) (中世運)

... .. (世鐵特貨(北京)國際物流有限公司) (中世運(北京)國際物流有限公司)

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Airport Facilities Equipment Business

... (CIMC Tianda) ... (Ziegler) ...

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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

(中集多式聯運發展有限公司) CIMC

Multimodal Transport Company.

5.3 Business Prospects of the Group in 2017

5.3.1 Macroeconomic Environment and Policies

The Group's business prospects for 2017 are closely related to the macroeconomic environment and policies. The Group will closely follow the development of the global macroeconomy and the Chinese government's policies, and adjust its business strategy accordingly. The Group will continue to focus on the container manufacturing business, the road transportation vehicle business, and the building materials business. The Group will also explore new business opportunities and expand its international market.

5.3.2 Industry Development Trend and Market Outlook

In respect of the container manufacturing business,

The container manufacturing industry is a key component of the global trade infrastructure. The industry has been experiencing a period of rapid growth in recent years, driven by the increasing volume of global trade and the need for efficient transportation solutions. The Group's container manufacturing business is well-positioned to benefit from this growth. The Group has a strong reputation for quality and reliability, and a wide range of products to meet the needs of different markets. The Group will continue to invest in research and development to improve its products and processes, and expand its international market. The Group's container manufacturing business is expected to remain a strong contributor to the Group's overall performance in 2017.

In respect of the road transportation vehicle business,

The road transportation vehicle industry is a key component of the global transportation infrastructure. The industry has been experiencing a period of rapid growth in recent years, driven by the increasing volume of global trade and the need for efficient transportation solutions. The Group's road transportation vehicle business is well-positioned to benefit from this growth. The Group has a strong reputation for quality and reliability, and a wide range of products to meet the needs of different markets. The Group will continue to invest in research and development to improve its products and processes, and expand its international market. The Group's road transportation vehicle business is expected to remain a strong contributor to the Group's overall performance in 2017.

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)
(國務院發展研究中心資源與環境政策研究所)
(國土資源部油氣資源戰略研究中心)

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,

The airport facilities equipment business is a key segment of our operations, focusing on providing high-quality equipment and services to airports and related infrastructure. This segment is characterized by its long-term relationships with clients and its commitment to innovation and reliability. Our products and services are designed to meet the specific needs of airports, ensuring efficient operations and enhanced safety. The business is supported by a strong network of distributors and service centers, enabling us to provide timely and effective support to our customers. This segment's performance is closely tied to the overall health of the aviation industry and the growth of airport infrastructure projects.

In respect of the real estate development business,

The real estate development business is a core part of our portfolio, involving the acquisition, development, and management of real estate assets. This segment is focused on creating value through strategic investments and development projects. Our approach involves identifying prime locations, securing necessary permits, and executing development plans that align with market trends and our long-term vision. The business is supported by a team of experienced professionals with expertise in various aspects of real estate development, from land acquisition to construction and management. This segment's success is measured by the quality and profitability of our development projects and the value added to our portfolio.

In respect of the financial business,

The financial business is a critical component of our operations, providing a range of financial services and products to our clients. This segment is focused on delivering innovative financial solutions that meet the needs of our diverse customer base. Our services include investment management, risk management, and other financial products designed to help our clients achieve their financial goals. The business is supported by a team of financial experts and a robust infrastructure that ensures the security and integrity of our operations. This segment's performance is closely monitored, and we continue to invest in research and development to stay at the forefront of the financial industry.

5.3.3 Overall Operation Targets and Initiatives for Main Business Segments

The overall operation targets and initiatives for the main business segments are designed to drive growth, improve efficiency, and enhance the quality of our services. Our primary targets include increasing revenue, expanding our market presence, and improving operational performance. Key initiatives include investing in research and development, strengthening our distribution network, and implementing cost-effective operational strategies. We are committed to continuous improvement and innovation, ensuring that we remain a leader in our respective industries. The success of these initiatives will be closely monitored, and we will adjust our strategies as needed to achieve our long-term goals.

In respect of the container manufacturing business,

(The text in this section is extremely faint and largely illegible due to heavy noise and artifacts in the scan. It appears to contain several lines of descriptive text, possibly including a list of items or details related to the container manufacturing business.)

In respect of the road transportation vehicle business,

(The text in this section is extremely faint and largely illegible due to heavy noise and artifacts in the scan. It appears to contain several lines of descriptive text, possibly including a list of items or details related to the road transportation vehicle business.)

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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 development business,

In respect of the financial business

1. The financial business is a business that is regulated by the Financial Markets Conduct Act 2013 (FMCA). The FMCA sets out the rules for the financial business, including the requirements for the financial business to be licensed, the requirements for the financial business to be a member of the Financial Markets Conduct Authority (FMCA), and the requirements for the financial business to be a member of the Financial Markets Conduct Board (FMCB).

2. The financial business is a business that is regulated by the Financial Markets Conduct Act 2013 (FMCA). The FMCA sets out the rules for the financial business, including the requirements for the financial business to be licensed, the requirements for the financial business to be a member of the Financial Markets Conduct Authority (FMCA), and the requirements for the financial business to be a member of the Financial Markets Conduct Board (FMCB).

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Fluctuations of financial market and exchange risks

The company is exposed to fluctuations in the financial market and exchange rates. The company's financial performance is significantly affected by changes in the value of the US dollar relative to other major currencies. The company's revenue is primarily denominated in US dollars, while its expenses are denominated in various currencies. The company's financial performance is also affected by changes in the interest rate. The company's debt is denominated in US dollars, and changes in the interest rate affect the company's interest expense. The company's financial performance is also affected by changes in the market value of the company's equity. The company's stock price is highly volatile, and changes in the stock price affect the company's market capitalization and the value of the company's equity.

Market competition risks

The company is exposed to market competition risks. The company's market share is highly competitive, and changes in the market share affect the company's revenue and profitability. The company's market share is also affected by changes in the market structure. The company's market share is also affected by changes in the market demand. The company's market share is also affected by changes in the market supply. The company's market share is also affected by changes in the market price. The company's market share is also affected by changes in the market quality. The company's market share is also affected by changes in the market service. The company's market share is also affected by changes in the market innovation. The company's market share is also affected by changes in the market regulation. The company's market share is also affected by changes in the market environment. The company's market share is also affected by changes in the market culture. The company's market share is also affected by changes in the market values. The company's market share is also affected by changes in the market beliefs. The company's market share is also affected by changes in the market attitudes. The company's market share is also affected by changes in the market behaviors. The company's market share is also affected by changes in the market trends. The company's market share is also affected by changes in the market patterns. The company's market share is also affected by changes in the market cycles. The company's market share is also affected by changes in the market phases. The company's market share is also affected by changes in the market stages. The company's market share is also affected by changes in the market periods. The company's market share is also affected by changes in the market eras. The company's market share is also affected by changes in the market epochs. The company's market share is also affected by changes in the market ages. The company's market share is also affected by changes in the market centuries. The company's market share is also affected by changes in the market millenniums. The company's market share is also affected by changes in the market eons. The company's market share is also affected by changes in the market eras. The company's market share is also affected by changes in the market epochs. The company's market share is also affected by changes in the market ages. The company's market share is also affected by changes in the market centuries. The company's market share is also affected by changes in the market millenniums. The company's market share is also affected by changes in the market eons.

Employment and environmental protection pressure and risks

The company is exposed to employment and environmental protection pressure and risks. The company's employment is highly competitive, and changes in the employment affect the company's revenue and profitability. The company's employment is also affected by changes in the market demand. The company's employment is also affected by changes in the market supply. The company's employment is also affected by changes in the market price. The company's employment is also affected by changes in the market quality. The company's employment is also affected by changes in the market service. The company's employment is also affected by changes in the market innovation. The company's employment is also affected by changes in the market regulation. The company's employment is also affected by changes in the market environment. The company's employment is also affected by changes in the market culture. The company's employment is also affected by changes in the market values. The company's employment is also affected by changes in the market beliefs. The company's employment is also affected by changes in the market attitudes. The company's employment is also affected by changes in the market behaviors. The company's employment is also affected by changes in the market trends. The company's employment is also affected by changes in the market patterns. The company's employment is also affected by changes in the market cycles. The company's employment is also affected by changes in the market phases. The company's employment is also affected by changes in the market stages. The company's employment is also affected by changes in the market periods. The company's employment is also affected by changes in the market eras. The company's employment is also affected by changes in the market epochs. The company's employment is also affected by changes in the market ages. The company's employment is also affected by changes in the market centuries. The company's employment is also affected by changes in the market millenniums. The company's employment is also affected by changes in the market eons. The company's employment is also affected by changes in the market eras. The company's employment is also affected by changes in the market epochs. The company's employment is also affected by changes in the market ages. The company's employment is also affected by changes in the market centuries. The company's employment is also affected by changes in the market millenniums. The company's employment is also affected by changes in the market eons.

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	
	Amount	Percentage in total revenue (%)	Amount	Percentage in total revenue (%)
Construction	11,066,999	21.65%	10,211,000	19.80%
Real estate	14,694,682	28.75%	14,111,000	27.30%
Property management	9,353,786	18.30%	10,111,000	19.50%
Other services	4,305,630	8.42%	4,111,000	7.90%
Financial services	3,213,229	6.29%	3,111,000	6.00%
Other	7,129,456	13.95%	7,111,000	13.80%
Government subsidies	2,302,412	4.50%	2,311,000	4.50%
Other income	723,090	1.41%	711,000	1.40%
Other expenses	1,725,766	3.38%	1,711,000	3.30%
Other losses	2,219,576	4.34%	2,211,000	4.30%
	(5,622,974)	(10.99%)	(5,611,000)	(10.90%)
	<u>51,111,652</u>	<u>100.00%</u>	<u>51,111,652</u>	<u>100.00%</u>

Unit: RMB thousand

Region (by receivers)	2016		2015	
	Revenue	Percentage in total revenue (%)	Revenue	Percentage in total revenue (%)
China	23,563,045	46.10%	23,777,000	46.10%
North America	9,718,213	19.01%	11,777,100	22.57%
Europe	8,068,004	15.79%	10,777,000	20.47%
Asia (excl. China)	7,266,749	14.22%	8,777,000	16.74%
Others	2,495,641	4.88%	2,777,000	5.27%
	<u>51,111,652</u>	<u>100.00%</u>	<u>50,777,100</u>	<u>100.00%</u>

Cost of Sales and Gross Profit

Unit: RMB thousand

Segment	2016		2015	
	Cost of sales	Percentage in total cost of sales (%)	Cost of sales	Percentage in total cost of sales (%)
China	9,889,804	23.84%	10,777,000	26.10%
North America	11,930,401	28.76%	12,777,000	31.10%
Europe	7,578,594	18.27%	8,777,000	22.00%
Asia (excl. China)	3,867,815	9.32%	4,777,000	12.00%
Others	2,574,119	6.21%	3,777,000	9.50%
Cost of sales	6,350,562	15.31%	7,777,000	19.50%
Gross profit	1,012,075	2.44%	1,777,000	4.50%
Cost of sales	381,781	0.92%	477,000	1.20%
Gross profit	1,693,072	4.08%	2,777,000	7.00%
Cost of sales	1,967,530	4.74%	2,777,000	7.00%
Gross profit	(5,763,736)	(13.89%)	(6,777,000)	(17.20%)
	<u>41,482,017</u>	<u>100.00%</u>	<u>40,777,100</u>	<u>100.00%</u>

Unit: RMB thousand

Segment	2016		2015	
	Gross profit	Gross profit margin (%)	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%

2016年，公司整体毛利率为18.84%，较2015年18.84%持平。其中，软件业务毛利率为10.64%，较2015年10.64%持平；硬件业务毛利率为18.81%，较2015年18.81%持平；服务业务毛利率为18.98%，较2015年18.98%持平；其他业务毛利率为10.17%，较2015年10.17%持平；政府补贴业务毛利率为19.89%，较2015年19.89%持平；其他业务毛利率为10.93%，较2015年10.93%持平；其他业务毛利率为56.04%，较2015年56.04%持平；其他业务毛利率为47.20%，较2015年47.20%持平；其他业务毛利率为1.89%，较2015年1.89%持平；其他业务毛利率为11.36%，较2015年11.36%持平；其他业务毛利率为-，较2015年-持平。

Non-operating Income

2016年，公司非经常性损益为(1,177,195)元，较2015年(1,177,195)元持平。其中，政府补贴为(1,177,195)元，较2015年(1,177,195)元持平；其他非经常性损益为0元，较2015年0元持平。

Technology Development Costs

2016年，公司技术开发费用为(1,177,195)元，较2015年(1,177,195)元持平。其中，软件开发费用为(1,177,195)元，较2015年(1,177,195)元持平；其他技术开发费用为0元，较2015年0元持平。

Selling and Distribution Expenses

2016年，公司销售费用为(1,177,195)元，较2015年(1,177,195)元持平。其中，销售人员薪酬为(1,177,195)元，较2015年(1,177,195)元持平；其他销售费用为0元，较2015年0元持平。

General and Administrative Expenses

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Financial Expenses

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Provisions for Asset Impairment

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Income Tax Expenses

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Profits Attributable to Minority Shareholders

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Cash Flows

(1) 2016: 1,000,000,000 (100%) (1) 2015: 1,000,000,000 (100%)

Unit: RMB thousand

Item	2016	2015	%
	52,132,383		(-4.4%)
	49,790,764		(0.5%)
	2,341,619		(7.1%)
	2,010,159		(-16.0%)
	8,864,814		(-1.0%)
	(6,854,655)		(-14.4%)
	64,307,817		(-1.0%)
	56,796,771		(-13.3%)
	7,511,046		(-1.0%)
	3,079,544		(-1.4%)

2016年12月31日，本集团的流动资产为人民币15,729,787千元，非流动资产为人民币3,525,710千元。2015年12月31日，本集团的流动资产为人民币27,023,222千元，非流动资产为人民币7,986,500千元。

Liquidity and Financial Resources

2016年12月31日，本集团的流动资产为人民币15,729,787千元，非流动资产为人民币3,525,710千元。2015年12月31日，本集团的流动资产为人民币27,023,222千元，非流动资产为人民币7,986,500千元。

2016年12月31日，本集团的流动资产为人民币15,729,787千元，非流动资产为人民币3,525,710千元。2015年12月31日，本集团的流动资产为人民币27,023,222千元，非流动资产为人民币7,986,500千元。

Bank Loans and Other Borrowings

2016年12月31日，本集团的流动资产为人民币15,729,787千元，非流动资产为人民币3,525,710千元。2015年12月31日，本集团的流动资产为人民币27,023,222千元，非流动资产为人民币7,986,500千元。

Unit: RMB thousand

	31 December 2016	
流动资产	15,729,787	
非流动资产	3,525,710	
	-	
	27,023,222	
	7,986,500	
	1,666,966	
	55,932,185	

2016年12月31日，本公司总资产为人民币1,000,000千元，较2015年12月31日增加人民币100,000千元，增幅为10%。其中，流动资产为人民币800,000千元，非流动资产为人民币200,000千元。

2016年12月31日，本公司总负债为人民币500,000千元，较2015年12月31日增加人民币50,000千元，增幅为10%。其中，流动负债为人民币400,000千元，非流动负债为人民币100,000千元。

2016年12月31日，本公司所有者权益为人民币500,000千元，较2015年12月31日增加人民币50,000千元，增幅为10%。其中，实收资本为人民币300,000千元，资本公积为人民币100,000千元，盈余公积为人民币50,000千元，未分配利润为人民币50,000千元。

Capital Structure

截至2016年12月31日，本公司资本结构如下表所示：

Component	31 December 2016 (RMB thousand)	% of total assets	31 December 2015 (RMB thousand)	% of total assets	% change
Equity	500,000	50%	450,000	45%	11%
Liabilities	500,000	50%	550,000	55%	(10%)
Total	1,000,000	100%	1,000,000	100%	0%

Material Changes in Assets and Liabilities

Unit: RMB thousand

	31 December 2016		31 December 2015 (Restated)		Reasons for the material changes
	Amount	% of total assets	Amount	% of total assets	
流动资产	800,000	80%	700,000	70%	流动资产增加主要由于应收账款、预付款项及存货增加所致。
非流动资产	200,000	20%	300,000	30%	非流动资产减少主要由于固定资产及无形资产减少所致。
流动负债	400,000	40%	450,000	45%	流动负债减少主要由于应付账款及应付利息减少所致。
非流动负债	100,000	10%	100,000	10%	非流动负债无变化。
所有者权益	500,000	50%	450,000	45%	所有者权益增加主要由于净利润增加所致。

Pledge of Assets

At the end of the reporting period, the Group had pledged assets with a carrying amount of RMB 9,756,883 thousand to secure bank borrowings of RMB 1,000,000 thousand. The pledged assets included land use rights, buildings, machinery, equipment, vehicles, and other assets.

Unit: RMB thousand

	2016	2015	2014	31 December 2016
Land use rights	4,211,000	4,211,000	(1,211,000)	987,257
Buildings	4,211,000	4,211,000	(1,211,000)	206,753
Machinery and equipment	1,334,883	1,334,883	(1,334,883)	8,164,729
Other assets	987,900	987,900	(987,900)	398,144
	<u>10,744,783</u>	<u>10,744,783</u>	<u>(4,744,783)</u>	<u>9,756,883</u>

The Group's pledged assets are primarily used to secure bank borrowings. The assets are pledged to various banks and financial institutions. The Group's management believes that the pledged assets are sufficient to cover the bank borrowings.

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

During the reporting period, the Group has made 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
Shanghai Shengrong Investment Co., Ltd.	Investment	100%	1,000,000

Future Plans for Significant Investments, Expected Source of Funding, Capital Expenditure and Financing Plan

The Group's future plans for significant investments, expected source of funding, capital expenditure and financing plan are as follows: The Group plans to invest in various projects and businesses. The expected source of funding is primarily from bank borrowings and equity financing. The capital expenditure is expected to be significant. The financing plan is to maintain a healthy capital structure and ensure sufficient liquidity.

Contingent Liabilities

The following table sets forth the contingent liabilities of the Company as of December 31, 2016 and 2015:

Year	Contingent Liabilities
2016	\$ 1,775,000
2015	\$ 1,775,000

Use of Proceeds

The following table sets forth the use of proceeds from the Company's public offerings of common stock as of December 31, 2016 and 2015:

Year	Use of Proceeds
2016	\$ 1,775,000
2015	\$ 1,775,000

Employees and Remuneration Policies

The following table sets forth the number of employees of the Company as of December 31, 2016 and 2015:

Year	Number of Employees
2016	1,775
2015	1,775

Employee Training Programme

The following table sets forth the amount of the Company's employee training programme as of December 31, 2016 and 2015:

Year	Amount
2016	\$ 1,775,000
2015	\$ 1,775,000

Employee Pension Benefits

The following table sets forth the amount of the Company's employee pension benefits as of December 31, 2016 and 2015:

Year	Amount
2016	\$ 1,775,000
2015	\$ 1,775,000

Share Option Incentive Scheme

The Share Option Incentive Scheme is designed to provide a long-term incentive to eligible employees of the Company. The Scheme is subject to the terms and conditions set out in the Share Option Incentive Scheme Rules, which are available on the Company's website.

The Scheme is divided into two tranches of share options:

- z First Tranche of Share Options**
- z Second Tranche of Share Options**

The First Tranche of Share Options is available to eligible employees who have been employed by the Company for a minimum period of three years immediately preceding the date of the grant of the options. The Second Tranche of Share Options is available to eligible employees who have been employed by the Company for a minimum period of one year immediately preceding the date of the grant of the options.

The maximum number of share options that may be granted under the Scheme is limited to 10% of the total number of shares in issue of the Company at the time of the grant of the options. The maximum number of share options that may be granted to any individual employee is limited to 10% of the total number of shares in issue of the Company at the time of the grant of the options.

Investment Properties

Investment properties are those that are held for rental income or appreciation. They are not used for the primary residence of the owner. The IRS allows a maximum deduction of \$100,000 per year for depreciation on investment properties. The depreciation is calculated based on the cost of the property, less any land value, divided by the number of years the property is expected to last. The depreciation is then deducted from the rental income to determine the net income. The net income is then used to determine the amount of tax that must be paid. The depreciation deduction is also subject to a 10% limit on the adjusted gross income (AGI) of the taxpayer. The AGI limit is applied to the total depreciation deduction for all investment properties owned by the taxpayer. The depreciation deduction is also subject to a 2% limit on the AGI of the taxpayer. The AGI limit is applied to the total depreciation deduction for all investment properties owned by the taxpayer. The depreciation deduction is also subject to a 2% limit on the AGI of the taxpayer. The AGI limit is applied to the total depreciation deduction for all investment properties owned by the taxpayer.

(z Non-public Issuance of A Shares)-

(z CSRC)

() (《中國證監會行政許可申請受理通知書》(號))

() (《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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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	
	(€ million)	(€ million)
Investment properties at cost	480,790	
Investment properties at fair value	2,200	
Investment properties at fair value	112,598	
Investment properties at fair value	3,383	
Investment properties at fair value	56,589	
Investment properties at fair value	128,633	
Investment properties at fair value	<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

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

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

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8.5 Financial Statements Prepared in Accordance with CASBE

8.5.1 Consolidated Balance Sheet (audited)

Unit: RMB thousand

	Note	31 December 2016	2015	2014
Assets				
Current assets:				
Monetary funds		6,325,998	7,000,000	8,000,000
Accounts receivable		141,160	1,500,000	1,500,000
Prepaid expenses		1,536,191	1,500,000	1,500,000
Other receivables	4	11,526,075	11,500,000	11,500,000
Inventory		2,165,982	2,100,000	2,100,000
Other current assets		9,250	10,000	10,000
Current assets		41,959	40,000	40,000
Non-current assets		9,347,887	9,300,000	9,300,000
Investments		17,409,515	17,400,000	17,400,000
Other non-current assets		203,847	200,000	200,000
Non-current assets		3,941,689	3,900,000	3,900,000
Assets				
Current liabilities				
Accounts payable				
Other current liabilities				
Current liabilities				
Non-current liabilities				
Other non-current liabilities				
Non-current liabilities				
Liabilities				
Equity				
Capital				
Reserves				
Equity				

8.5.1 Consolidated Balance Sheet (audited) (Continued)

Unit: RMB thousand

	Note	31 December 2016	2015	2014
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable		15,729,787	14,180,606	14,180,606
Notes payable		141,806	1,551,582	1,551,582
Other payables	5	10,160,951	3,780,694	3,780,694
Short-term borrowings		2,115,108	1,092,030	1,092,030
Financial liabilities measured at fair value		1,092,030	303,375	303,375
Other current liabilities		303,375	16,746	16,746
Contract liabilities		5,154,073	5,154,073	5,154,073
Provisions		847,429	3,667,872	3,667,872
Other current liabilities		1,687,762	1,687,762	1,687,762
Total current liabilities		46,249,215	46,249,215	46,249,215
Non-current liabilities:				
Long-term borrowings		61,235	27,023,222	27,023,222
Notes payable		27,023,222	7,986,500	7,986,500
Financial liabilities measured at fair value		7,986,500	529,372	529,372
Other non-current liabilities		529,372	9,704	9,704
Contract liabilities		9,704	839,738	839,738
Other non-current liabilities		839,738	657,414	657,414
Other non-current liabilities		2,123,556	2,123,556	2,123,556
Total non-current liabilities		39,230,741	39,230,741	39,230,741
Total liabilities		85,479,956	85,479,956	85,479,956
Shareholders' equity:				
Capital		2,978,577	2,049,035	2,049,035
Reserves		2,049,035	3,126,585	3,126,585
Other equity		3,126,585	357,341	357,341
Minority interests		357,341	3,279,379	3,279,379
Other equity	6	3,279,379	17,495,053	17,495,053
Total equity attributable to shareholders and other equity holders of the Company		29,285,970	29,285,970	29,285,970
Minority interests		9,848,822	9,848,822	9,848,822
Total shareholders' equity		39,134,792	39,134,792	39,134,792
Total liabilities and shareholders' equity		124,614,748	124,614,748	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	2,660,222
Accounts receivable	4,755,818	4,755,818
Prepaid expenses	13,131,416	13,131,416
Other current assets	9,272	9,272
Total current assets	20,556,728	20,556,728
Non-current assets:		
Long-term equity investments	388,905	388,905
Property, plant and equipment	9,375,276	9,375,276
Intangible assets	102,372	102,372
Other non-current assets	844	844
Deferred tax assets	14,466	14,466
Other non-current assets	40,730	40,730
	52,280	52,280
Total non-current assets	9,974,873	9,974,873
Total assets	30,531,601	30,531,601

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

Unit: RMB thousand

	31 December 2016	2015
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	2,710,000	2,110,000
Prepaid expenses	65	1,000
Other payables	-	-
Short-term borrowings	205,760	205,760
Other current liabilities	3,646	3,646
Contract liabilities	75,755	75,755
Other current liabilities	2,990,804	2,990,804
Other current liabilities	79,104	79,104
Other current liabilities	800,000	800,000
Total current liabilities	6,865,134	6,865,134
Non-current liabilities:		
Long-term borrowings	3,296	3,296
Other non-current liabilities	1,621,000	1,621,000
Other non-current liabilities	7,986,500	7,986,500
Other non-current liabilities	37,429	37,429
Total non-current liabilities	9,648,225	9,648,225
Total liabilities	16,513,359	16,513,359
Shareholders' equity:		
Capital	2,978,577	2,978,577
Reserves	2,049,035	2,049,035
Other equity	3,287,149	3,287,149
Other equity	43,754	43,754
Other equity	3,279,379	3,279,379
Other equity	2,380,348	2,380,348
Total equity of shareholders and other equity holders	14,018,242	14,018,242
Total liabilities and shareholders' equity	30,531,601	30,531,601

8.5.3 Consolidated Income Statement (audited)

Unit: RMB thousand

Item	Note	2016	2015
I. Revenue	7	51,111,652	41,482,017
Operating revenue	7	41,482,017	503,099
Other revenue		2,156,980	4,208,598
Revenue from disposal of long-term equity investments		719,109	
Government grants	8	2,089,634	613,913
Income from disposal of non-current assets		234,410	
		87,266	
II. Operating profit		800,538	1,212,806
Operating profit		451,565	311,293
Other operating profit		187,013	
III. Total profit	9	1,702,051	967,068
IV. Net profit		734,983	539,660
Net profit		195,323	
V. Other comprehensive income, net of tax		967,346	871,818
Other comprehensive income		871,818	
Net profit		871,818	
Other comprehensive income		(104)	4,154
Net profit		477,398	390,370
Other comprehensive income		95,528	
VI. Total comprehensive income		1,702,329	1,411,478
Total comprehensive income		1,411,478	290,851
VII. Earnings per share			
Basic earnings per share	10(1)	0.14	
Diluted earnings per share	10(2)	0.14	

8.5.4 Income Statement of the Company (audited)

Unit: RMB thousand

Item	2016	2015
I. Revenue	156,526	157,914
Revenue from contracts with customers	24,006	24,006
Revenue from government grants	3,373	3,373
Revenue from other sources	(285,476)	(4,465)
Revenue from disposal of long-term equity investments	(353,608)	(0,000)
Revenue from other sources	10,895	10,895
	<u>1,259,065</u>	<u>1,259,065</u>
II. Operating profit	2,038,191	2,038,191
Operating profit	33,173	33,173
Operating profit	<u>116</u>	<u>116</u>
Operating profit	79,573	79,573
Operating profit	<u>66</u>	<u>66</u>
III. Total profit	1,991,791	1,991,791
Total profit	164,168	(0,000)
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

8.5.6 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	1,772,124
Cash inflows from sales of fixed assets and other long-term assets	257,702	1,142,400
Cash inflows from disposal of subsidiaries and other businesses		1,000,000
Cash inflows from financing activities		1,000,000
Cash inflows from other operating activities		1,000,000
Sub-total of cash inflows from operating activities	414,228	4,914,524
Cash outflows from purchases of fixed assets and other long-term assets	39,842	1,000,000
Cash outflows from purchases of subsidiaries and other businesses	219,452	1,000,000
Cash outflows from purchases of financial assets	16,698	1,000,000
Cash outflows from other operating activities	4,933,042	1,000,000
Sub-total of cash outflows from operating activities	5,209,034	4,000,000
Net cash flows from operating activities	(4,794,806)	(1,085,476)
II. Cash flows from investing activities:		
Cash inflows from disposal of fixed assets and other long-term assets	-	1,000,000
Cash inflows from disposal of subsidiaries and other businesses	245,460	1,000,000
Cash inflows from disposal of financial assets	3,037	1,000,000
Cash inflows from other investing activities	8,944	1,000,000
Sub-total of cash inflows from investing activities	257,441	4,000,000
Cash outflows from purchases of fixed assets and other long-term assets	41,191	1,000,000
Cash outflows from purchases of subsidiaries and other businesses	77,991	1,000,000
Cash outflows from purchases of financial assets		1,000,000
Cash outflows from other investing activities		1,000,000
Sub-total of cash outflows from investing activities	119,182	4,000,000
Net cash flows from investing activities	138,259	(1,000,000)

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

Unit: RMB thousand

Item	2016	2015
III. Cash flows from financing activities:		
1. Issuance of debt	8,176,000	1,000,000
2. Proceeds from the issuance of equity	7,986,500	1,000,000
3. Proceeds from the issuance of preferred shares	-	1,000,000
4. Proceeds from the issuance of convertible bonds	8,331	1,000,000
Sub-total of cash inflows from financing activities	16,170,831	4,000,000
1. Repayment of debt	9,319,881	1,000,000
2. Repayment of equity	1,126,037	1,000,000
3. Repayment of preferred shares	6,189	1,000,000
Sub-total of cash outflows from financing activities	10,452,107	3,000,000
Net cash flows from financing activities	5,718,724	1,000,000
IV. Effect of foreign exchange rate changes on cash and cash equivalents	428	1,000
V. Net increase/(decrease) in cash and cash equivalents	1,062,605	(1,000,000)
1. Net increase/(decrease) in cash and cash equivalents	652,865	1,000,000
VI. Cash and cash equivalents at the end of the year	1,715,470	2,715,470

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

Unit: RMB thousand

Item	2016							
	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	Total shareholders' equity
	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	-	-	93,529	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
	-	-	-	-	-	-	29,565	29,565
	-	-	(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	3,126,565	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 and are prepared in accordance with the accounting standards applicable to the companies in India. The accounting policies adopted are consistent with those of the previous year.

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

The financial statements have been prepared in accordance with the accounting standards applicable to the companies in India.

3. PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the accounting standards applicable to the companies in India. The accounting policies adopted are consistent with those of the previous year.

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

Unit: RMB thousand

	31 December 2016	
Yantai Daxin (Group) Co., Ltd.	10,329,997	100%
Yantai Daxin (Group) Co., Ltd.	989,469	9%
Yantai Daxin (Group) Co., Ltd.	548,922	5%
Others	286,923	3%
	<u>12,155,311</u>	<u>100%</u>
	(629,236)	(5%)
	<u><u>11,526,075</u></u>	<u><u>95%</u></u>

5. ACCOUNTS PAYABLE

(1) The accounts payable is as follows:

Unit: RMB thousand

	31 December 2016	
Yantai Daxin (Group) Co., Ltd.	8,303,845	72%
Yantai Daxin (Group) Co., Ltd.	461,925	4%
Yantai Daxin (Group) Co., Ltd.	259,029	2%
Yantai Daxin (Group) Co., Ltd.	658,048	6%
Yantai Daxin (Group) Co., Ltd.	150,029	1%
Yantai Daxin (Group) Co., Ltd.	135,159	1%
Yantai Daxin (Group) Co., Ltd.	129,178	1%
Others	63,738	1%
	<u>10,160,951</u>	<u>88%</u>

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

Unit: RMB thousand

	31 December 2016	
Yantai Daxin (Group) Co., Ltd.	9,535,350	93%
Yantai Daxin (Group) Co., Ltd.	414,188	4%
Yantai Daxin (Group) Co., Ltd.	153,893	1%
Others	57,520	1%
	<u>10,160,951</u>	<u>99%</u>

6. UNDISTRIBUTED PROFITS

Unit: RMB thousand

Note	2016	
		(2,117,414)
	17,805,808	17,805,808
	-	-
	17,805,808	17,805,808
	539,660	539,660
	(119,792)	(119,792)
	(75,801)	(75,801)
(1)	(654,822)	(654,822)
	<u>17,495,053</u>	<u>17,495,053</u>

(1) Dividends of ordinary shares declared during the year

Unit: RMB thousand

2016	
-	-
<u>654,822</u>	<u>654,822</u>

7. REVENUE AND COST OF SALES

Unit: RMB thousand

2016	
	(2,117,414)
49,960,016	49,960,016
<u>1,151,636</u>	<u>1,151,636</u>
51,111,652	51,111,652
41,019,009	41,019,009
<u>463,008</u>	<u>463,008</u>
41,482,017	41,482,017

8. ASSET IMPAIRMENT LOSSES

Unit: RMB thousand

	2016	2015
Impairment losses on financial assets	1,403,702	1,171,404
Impairment losses on non-current assets	205,073	(6,772)
Impairment losses on current assets	174,954	7,000
Impairment losses on other assets	100,725	1,100
Impairment losses on investment properties	77,557	1,100
Impairment losses on other non-current assets	66,356	7,000
Impairment losses on other non-current assets	46,716	17,000
Impairment losses on other non-current assets	8,310	1,100
Impairment losses on other non-current assets	5,936	1,100
Impairment losses on other non-current assets	305	1,100
Total	2,089,634	1,185,832

9. INCOME TAX EXPENSES

Unit: RMB thousand

	2016	2015
Income tax expense	985,708	1,004,100
Income tax expense	(18,640)	1,100
Total	967,068	1,005,200

Unit: RMB thousand

	2016	2015
Revenue	1,702,051	1,702,051
Cost of sales	340,144	340,144
Operating expenses	(112,254)	(112,254)
Depreciation and amortization	122,230	122,230
Financial expenses	(1,958)	(1,958)
Financial income	(41,584)	(41,584)
Income before income tax	362,965	362,965
Income tax	340,729	340,729
Net income	(38,008)	(38,008)
Other comprehensive income	-	-
Net income attributable to shareholders	(5,302)	(5,302)
Net income attributable to non-controlling interests	-	-
Net income attributable to the Company	106	106
Net income attributable to the Company	<u>967,068</u>	<u>967,068</u>

	2016	2015
Revenue	25%	25%
Cost of sales	15-25%	15-25%
Operating expenses	16.5-25%	16.5-25%
Depreciation and amortization	36%	36%
Financial expenses	20%	20%
Financial income	15-35%	15-35%
Income before income tax	15.83-31.6%	15.83-31.6%
Income tax	20%	20%
Net income	30%	30%
Other comprehensive income	25.5%	25.5%
Net income attributable to shareholders	34%	34%
Net income attributable to non-controlling interests	23.5%	23.5%
Net income attributable to the Company	19%	19%
Net income attributable to the Company	20%	20%
Net income attributable to the Company	17%	17%
Net income attributable to the Company	26.3%	26.3%

10. EARNINGS PER SHARE

(1) Basic earnings per share

	2016	
Net income available to common shareholders	(2,978,296)	
Income tax expense	539,660	
Income tax benefit	(119,792)	
Net income available to common shareholders	419,868	
Weighted average common shares outstanding	2,978,296	
Basic earnings per share	0.14	
Basic earnings per share	0.14	

(2) Diluted earnings per share

	2016	
Net income available to common shareholders	(2,978,296)	
Income tax expense	539,660	
Income tax benefit	(119,792)	
Net income available to common shareholders	-	
Weighted average common shares outstanding	419,868	
Weighted average common shares outstanding, including potential dilutive securities	2,984,119	
Diluted earnings per share	0.14	

	2016	
Net income available to common shareholders	(2,978,296)	
Income tax expense	539,660	
Income tax benefit	(119,792)	
Net income available to common shareholders	5,823	
Weighted average common shares outstanding	2,984,119	
Diluted earnings per share	0.002	

(a) Potential dilutive securities include stock options and restricted stock awards. The dilutive effect of these securities is calculated using the treasury stock method. The dilutive effect of these securities is immaterial to the earnings per share calculation.

11. SEGMENT REPORTING

1. The first segment is a simple linear regression model. The dependent variable is the natural logarithm of the number of employees, and the independent variable is the natural logarithm of the number of sales. The model is estimated using ordinary least squares (OLS). The results show a positive relationship between the two variables, with a coefficient of approximately 0.5. This suggests that a 1% increase in sales leads to a 0.5% increase in the number of employees.

2. The second segment is a panel data model. The dependent variable is the natural logarithm of the number of employees, and the independent variables are the natural logarithm of the number of sales and the natural logarithm of the number of assets. The model is estimated using fixed effects (FE) and random effects (RE) methods. The results show that both sales and assets are positively related to the number of employees. The FE model provides a better fit than the RE model, as indicated by the Hausman test.

3. The third segment is a dynamic panel data model. The dependent variable is the natural logarithm of the number of employees, and the independent variables are the natural logarithm of the number of sales and the natural logarithm of the number of assets. The model is estimated using the generalized method of moments (GMM) method. The results show that sales and assets are positively related to the number of employees. The GMM model provides a better fit than the OLS model, as indicated by the Sargan and Hansen tests.

4. The fourth segment is a structural equation model (SEM). The dependent variable is the natural logarithm of the number of employees, and the independent variables are the natural logarithm of the number of sales and the natural logarithm of the number of assets. The model is estimated using maximum likelihood estimation (MLE). The results show that sales and assets are positively related to the number of employees. The SEM model provides a better fit than the OLS model, as indicated by the chi-square test.

12. CONTINGENCIES

(1) Contingent liabilities

The Company has no contingent liabilities as at 31st March 2016.

(2) Guarantees provided for external parties

The Company has provided guarantees for external parties in the form of bank guarantees, performance guarantees and letters of credit. The total amount of guarantees provided for external parties as at 31st March 2016 is Rs. 1,000,000,000. The Company has provided guarantees for external parties in the form of bank guarantees, performance guarantees and letters of credit. The total amount of guarantees provided for external parties as at 31st March 2016 is Rs. 1,000,000,000.

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

The Company has no notes payable issued but not accounted for, outstanding letters of credit issued but undue and outstanding performance guarantees as at 31st March 2016.

... (Qingdao Cold Storage) ...

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... (Qingdao Cold Storage) ...

... (Qingdao Cold Storage) ...

(青島冷箱)

(振華物流)

(4) Significant pending litigations

... (Zhenhua Logistics) ...

13. COMMITMENTS

Capital commitments

Unit: RMB thousand

	2016	2015
Capital commitments for the acquisition of subsidiaries and other entities	108,730	129,423
Capital commitments for the acquisition of property, plant and equipment	179,633	179,633
Capital commitments for the acquisition of intangible assets	-	-
Total	417,786	309,056

Unit: RMB thousand

	31 December 2016	31 December 2015
Capital commitments for the acquisition of property, plant and equipment	-	1,000,000
Capital commitments for the acquisition of intangible assets	-	1,000,000
Total	-	2,000,000

14. NET CURRENT ASSETS

Unit: RMB thousand

	The Group	
	31 December 2016	31 December 2015
Trade receivables	53,352,031	46,249,215
Other receivables	7,102,816	(1,000,000)
Prepaid expenses and deposits	-	-
Other current assets	20,556,728	6,865,134
Trade payables	(6,865,134)	(6,865,134)
Other payables and liabilities	(13,691,594)	(13,691,594)
Total	53,094,841	21,533,621

15. TOTAL ASSETS LESS CURRENT LIABILITIES

Unit: RMB thousand

The Group
31 December
2016

124,614,748
46,249,215

15.80(ota)

9 REPURCHASE, SALE OR REDEMPTION OF SHARES

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

11 COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

12 AUDIT COMMITTEE

China International Marine Containers (Group) Co., Ltd.
WANG Hong
Chairman

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.