豐盛
FULLSHARE

Fullshare Holdings Limited
豐盛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00607)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2016

The board (the "**Board**") of directors (the "**Directors**") of Fullshare Holdings Limited (the "**Company**") hereby announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2016 (the "**Year 2016**"), together with the comparative figures for the previous year prepared in accordance with the generally accepted accounting principles in Hong Kong as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2016

	Notes	**2016** **RMB'000**	2015 RMB'000 (Restated)
REVENUE	*5*	**4,311,423**	3,095,611
Cost of sales		**(3,439,428)**	(2,708,273)
Gross profit		**871,995**	387,338
Fair value change in financial instruments	*4*	**3,361,459**	621,095
Other income and gains/losses, net	*5*	**238,490**	142,408
Selling and distribution expenses		**(228,803)**	(136,441)
Administrative expenses		**(511,452)**	(168,346)
Finance costs	*7*	**(89,996)**	(104,641)
Change in fair value of properties held for sale transferred to investment properties		**–**	147,464
Gain on disposal of subsidiaries, net		**98,502**	194,047
Gain on a bargain purchase		**3,752**	363,428
Share of profits and losses of:			
Joint ventures		**(7)**	–
Associates		**5,501**	–
PROFIT BEFORE TAX	*6*	**3,749,441**	1,446,352
Income tax expense	*8*	**(716,436)**	(226,430)
PROFIT FOR THE YEAR		**3,033,005**	1,219,922

	Notes	2016 RMB'000	2015 RMB'000 (Restated)
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments: changes in fair value		**292,793**	–
Income tax effect on changes in fair value		**(73,198)**	–
		219,595	–
Exchange differences on translation of foreign operations		**214,478**	26,258
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**434,073**	26,258
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**3,467,078**	1,246,180
Profit/(loss) attributable to:			
Owners of the parent		**3,105,196**	1,217,827
Non-controlling interests		**(72,191)**	2,095
		3,033,005	1,219,922
Total comprehensive income/(loss) attributable to:			
Owners of the parent		**3,482,628**	1,244,085
Non-controlling interests		**(15,550)**	2,095
		3,467,078	1,246,180
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*10*		
Basic and diluted			
– For profit for the year		**RMB19.15 cents**	RMB8.69 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2016

	Notes	31 December 2016 RMB'000	31 December 2015 RMB'000 (Restated)	1 January 2015 RMB'000 (Restated)
NON-CURRENT ASSETS				
Property, plant and equipment		**6,565,282**	362,055	345,574
Investment properties	*11*	**2,765,354**	330,600	5,600
Prepaid land lease payments		**1,386,939**	1,661	1,699
Goodwill	*12*	**1,573,910**	1,474	1,474
Other intangible assets		**852,806**	4,169	–
Investments in joint ventures		**1,907,275**	4,900	–
Investments in associates		**1,802,355**	–	–
Available-for-sale investments	*13(a)*	**1,070,090**	–	–
Loan receivable	*14*	**399,400**	–	350,000
Trade receivables	*15*	**11,057**	12,726	40,046
Financial assets designated as at fair value through profit or loss	*18*	**526,351**	10,419	–
Prepayments, deposits and other receivables	*16*	**746,656**	54,512	27,686
Deferred tax assets		**210,070**	28,043	25,562
Total non-current assets		**19,817,545**	810,559	797,641
CURRENT ASSETS				
Deposits paid for potential acquisitions		**33,897**	360,000	50,000
Inventories		**2,645,111**	129,079	118,235
Construction contracts		**–**	40,549	20,801
Prepaid land lease payments		**30,211**	38	–
Trade and bills receivables	*15*	**7,270,482**	262,993	77,275
Consideration receivable		**105,947**	1,349,936	–
Loan receivables	*14*	**328,816**	–	–
Prepayments, deposits and other receivables	*16*	**2,754,684**	212,032	462,220
Tax prepaid		**41,097**	16,213	30,638
Financial assets held for trading	*17*	**5,537,114**	1,598,115	30,024
Structured bank deposits	*13(b)*	**739,000**	–	–
Properties under development		**1,471,003**	2,379,083	2,540,309
Properties held for sale		**1,073,868**	933,536	504,516
Pledged bank deposits		**2,581,830**	33,682	16,719
Cash and cash equivalents		**3,864,068**	1,240,551	368,509
Total current assets		**28,477,128**	8,555,807	4,219,246

	Notes	**31 December 2016 RMB'000**	31 December 2015 RMB'000 (Restated)	1 January 2015 RMB'000 (Restated)
CURRENT LIABILITIES				
Trade and bills payables	*19*	**6,870,880**	501,956	217,430
Other payables and accruals	*20*	**2,022,911**	671,299	304,903
Receipts in advance and deposits received		**1,421,363**	1,303,738	614,215
Dividend payable		**9,545**	9,545	–
Acquisition consideration payables		**–**	–	156,000
Convertible bonds		**23,681**	–	–
Bank and other borrowings	*21*	**6,225,935**	814,355	994,847
Taxation payable		**660,867**	175,206	157,535
Warranty provision		**104,197**	1,475	–
Obligations under finance leases		**7,007**	–	–
Deferred income		**10,453**	439	1,630
Total current liabilities		**17,356,839**	3,478,013	2,446,560
NET CURRENT ASSETS		**11,120,289**	5,077,794	1,772,686
TOTAL ASSETS LESS CURRENT LIABILITIES		**30,937,834**	5,888,353	2,570,327
NON-CURRENT LIABILITIES				
Corporate bonds		**8,387**	7,743	7,089
Acquisition consideration payables		**–**	21,058	43,758
Bank and other borrowings	*21*	**2,749,983**	162,915	3,045
Deferred tax liabilities		**1,907,171**	378,401	23,981
Deferred income		**93,740**	–	–
Total non-current liabilities		**4,759,281**	570,117	77,873
Net assets		**26,178,553**	5,318,236	2,492,454
EQUITY				
Equity attributable to owners of the parent				
Share capital	*22*	**161,084**	124,942	107,930
Equity reserve		**422,833**	422,833	422,833
Reserves		**21,972,779**	4,534,225	1,718,647
		22,556,696	5,082,000	2,249,410
Non-controlling interests		**3,621,857**	236,236	243,044
Total equity		**26,178,553**	5,318,236	2,492,454

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2016

	Attributable to owners of the parent												
	Share capital *RMB'000*	Equity reserve *RMB'000*	Share premium reserve *RMB'000*	Statutory surplus reserve *RMB'000*	Merger reserve *RMB'000*	Other reserve *RMB'000*	Investment revaluation reserve *RMB'000*	Reverse acquisition reserve *RMB'000*	Exchange fluctuation reserve *RMB'000*	Retained profits *RMB'000*	Total *RMB'000*	Non–controlling interests *RMB'000*	Total equity *RMB'000*
At 31 December 2014 as originally stated	107,930	422,833	618,725	50,322	733,852	8,533	–	(390,381)	–	408,315	1,960,129	208,718	2,168,847
Effect of adopting merger accounting													
for common control combinations	–	–	–	–	328,895	7,322	–	–	484	(47,420)	289,281	34,326	323,607
At 1 January 2015, restated	107,930	422,833	618,725	50,322	1,062,747	15,855	–	(390,381)	484	360,895	2,249,410	243,044	2,492,454
Profit for the year	–	–	–	–	–	–	–	–	–	1,217,827	1,217,827	2,095	1,219,922
Other comprehensive income for the year:													
Exchange differences related to foreign operations	–	–	–	–	–	–	–	–	26,258	–	26,258	–	26,258
Total comprehensive income for the year	–	–	–	–	–	–	–	–	26,258	1,217,827	1,244,085	2,095	1,246,180
Acquisition of subsidiaries not under common control	13,239	–	2,112,523	–	–	(485,080)	–	–	–	–	1,640,682	86,854	1,727,536
Acquisition of subsidiaries under common control	–	–	–	–	54,315	–	–	–	–	–	54,315	–	54,315
Considerations paid for acquisition of													
subsidiaries under common control	–	–	–	–	(695,000)	–	–	–	–	–	(695,000)	–	(695,000)
Disposal of subsidiaries	–	–	–	(24,130)	–	(8,533)	–	–	–	32,663	–	(86,210)	(86,210)
Dividends paid to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	–	(9,547)	(9,547)
Issue of shares	3,773	–	584,925	–	–	–	–	–	–	–	588,698	–	588,698
Transfer from retained profits	–	–	–	85,558	–	–	–	–	–	(85,558)	–	–	–
Others	–	–	(190)	–	–	–	–	–	–	–	(190)	–	(190)
At 31 December 2015	124,942	422,833	3,315,983	111,750	422,062	(477,758)	–	(390,381)	26,742	1,525,827	5,082,000	236,236	5,318,236
At 31 December 2015 as originally stated	124,942	422,833	3,315,983	111,750	38,852	(485,080)	–	(390,381)	26,511	1,592,927	4,758,337	201,300	4,959,637
Effect of adopting merger accounting													
for common control combinations	–	–	–	–	383,210	7,322	–	–	231	(67,100)	323,663	34,936	358,599
At 1 January 2016, restated	124,942	422,833	3,315,983	111,750	422,062	(477,758)	–	(390,381)	26,742	1,525,827	5,082,000	236,236	5,318,236
Profit for the year	–	–	–	–	–	–	–	–	–	3,105,196	3,105,196	(72,191)	3,033,005
Other comprehensive income for the year:													
Change in fair value of available– for-sale investments, net of tax	–	–	–	–	–	–	162,954	–	–	–	162,954	56,641	219,595
Exchange differences related to foreign operations	–	–	–	–	–	–	–	–	214,478	–	214,478	–	214,478
Total comprehensive income/(loss) for the year	–	–	–	–	–	–	162,954	–	214,478	3,105,196	3,482,628	(15,550)	3,467,078
Acquisition of subsidiaries not under common control	30,094	–	12,275,000	–	–	–	–	–	–	–	12,305,094	3,344,241	15,649,335
Acquisition of subsidiaries under common control	–	–	–	–	155,254	–	–	–	–	–	155,254	–	155,254
Considerations paid for acquisition of													
subsidiaries under common control	–	–	–	–	(567,581)	–	–	–	–	–	(567,581)	–	(567,581)
Acquisition of an associate	1,017	–	341,609	–	–	–	–	–	–	–	342,626	–	342,626
Investments in subsidiaries	–	–	–	–	–	(53,352)	–	–	–	–	(53,352)	53,352	–
Disposal of subsidiaries	–	–	–	(3,075)	(16,500)	53,352	–	–	(3,713)	19,575	49,639	3,578	53,217
Final 2015 dividend declared	–	–	(156,381)	–	–	–	–	–	–	–	(156,381)	–	(156,381)
Placing of shares	4,640	–	1,718,977	–	–	–	–	–	–	–	1,723,617	–	1,723,617
Issue of shares upon conversion of convertible bonds	391	–	172,911	–	–	–	–	–	–	–	173,302	–	173,302
Shareholders contribution	–	–	–	–	–	19,850	–	–	–	–	19,850	–	19,850
Transfer from retained profits	–	–	–	136,838	–	–	–	–	–	(136,838)	–	–	–
At 31 December 2016	161,084	422,833	17,668,099	245,513	(6,765)	(457,908)	162,954	(390,381)	237,507	4,513,760	22,556,696	3,621,857	26,178,553

NOTES:

31 December 2016

1. CORPORATE AND GROUP INFORMATION

The Company was incorporated and registered as an exempted company with limited liability in the Cayman Islands under the Companies Law (2007 Revised) of the Cayman Islands. The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

During the year, the Group was involved in the following principal activities:

- Property development and investment
- Tourism (new in 2016)
- Investment
- Provision of Healthcare products and services
- New energy business (new in 2016)

In the opinion of the Directors, the holding company and the ultimate holding company of the Company is Magnolia Wealth International Limited, which is incorporated in the British Virgin Islands with limited liability.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for investment properties, derivative financial instruments, structured bank deposits and certain equity or equity related investments. These financial statements are presented in Renminbi and all values are rounded to the nearest thousand except when otherwise indicated.

Adoption of merger accounting and restatement

Several business combinations under common control were effected during the years ended 31 December 2015 and 2016, where the subsidiaries acquired under these business combinations and the Company are both ultimately controlled by Mr. Ji Changqun ("Mr. Ji"). These business combinations have been accounted for using the principles of merger accounting. The consolidated financial statements include the financial statements items of the combining entities or businesses in which the common control combinations occur as if the combinations had occurred from the date when the combining entities first came under the control of the controlling party.

The net assets of the combining entities are consolidated using the existing book values from the controlling party's perspective. No amount is recognised in respect of goodwill or excess of acquirer's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over cost at the time of common control combinations, to the extent of the continuation of the controlling party's interest. The consolidated statement of profit or loss and other comprehensive income includes the results of each of the combining entities from the earliest date presented or since the date when the combining entities first came under the common control, where this is a shorter period, regardless of the date of the common control combinations.

The comparative amounts in the consolidated financial statements are restated as if the entities had been combined at the beginning of the previous reporting period or when they first came under common control, whichever is later.

The effects of the application of merger accounting for business combinations under common control occurred during the year ended 31 December 2016 on the Group's financial position as at 31 December 2015 and 1 January 2015 and the results for the year ended 31 December 2015 are summarised as follows:

For the year ended 31 December 2015

	As originally stated *RMB'000*	Acquired subsidiaries *RMB'000*	As restated *RMB'000*
Revenue	2,657,931	437,680	3,095,611
Cost of sales	(2,370,801)	(337,472)	(2,708,273)
Gross profit	287,130	100,208	387,338
Fair value change in financial instruments	621,095	–	621,095
Other income and gains	137,317	5,091	142,408
Selling and distribution expenses	(76,226)	(60,215)	(136,441)
Administrative expenses	(110,507)	(57,839)	(168,346)
Finance costs	(97,949)	(6,692)	(104,641)
Change in fair value of properties held for sale transferred to investment properties	147,464	–	147,464
Gain on disposal of subsidiaries	194,047	–	194,047
Gain on a bargain purchase	363,428	–	363,428
Profit/(loss) before tax	1,465,799	(19,447)	1,446,352
Income tax credit/(expense)	(226,809)	379	(226,430)
Profit/(loss) for the year	1,238,990	(19,068)	1,219,922
Other comprehensive income/(loss)			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations	26,511	(253)	26,258
Other comprehensive income/(loss) for the year, net of tax	26,511	(253)	26,258
Total comprehensive income/(loss)	1,265,501	(19,321)	1,246,180
Profit/(loss) attributable to:			
Owners of the parent	1,237,507	(19,680)	1,217,827
Non-controlling interests	1,483	612	2,095
	1,238,990	(19,068)	1,219,922
Total comprehensive income/(loss) attributable to:			
Owners of the parent	1,264,018	(19,933)	1,244,085
Non-controlling interests	1,483	612	2,095
	1,265,501	(19,321)	1,246,180

As at 31 December 2015

	As originally stated RMB'000	Acquired subsidiaries RMB'000	Elimination RMB'000	As restated RMB'000
Property, plant and equipment	148,466	213,589	–	362,055
Investment properties	330,600	–	–	330,600
Prepaid land lease payments	1,661	–	–	1,661
Goodwill	1,474	–	–	1,474
Other intangible assets	1,643	2,526	–	4,169
Investments in joint ventures	4,900	–	–	4,900
Financial assets designated as at fair value through profit or loss	10,419	–	–	10,419
Trade receivables	–	12,726	–	12,726
Prepayments, deposits and other receivables	–	54,512	–	54,512
Deferred tax assets	13,371	14,672	–	28,043
Total non-current assets	512,534	298,025	–	810,559
Deposits paid for potential acquisitions	360,000	–	–	360,000
Consideration receivable	1,349,936	–	–	1,349,936
Inventories	8,964	120,115	–	129,079
Construction contracts	40,549	–	–	40,549
Prepaid land lease payments	38	–	–	38
Trade and bills receivables	108,489	154,504	–	262,993
Prepayments, deposits and other receivables	165,600	46,432	–	212,032
Financial assets held for trading	1,598,115	–	–	1,598,115
Tax prepaid	12,316	3,897	–	16,213
Properties under development	2,379,083	–	–	2,379,083
Properties held for sale	933,536	–	–	933,536
Pledged bank deposits	–	33,682	–	33,682
Cash and cash equivalents	1,194,328	46,223	–	1,240,551
Total current assets	8,150,954	404,853	–	8,555,807
Trade and bills payables	301,562	200,394	–	501,956
Other payables and accruals	632,433	38,866	–	671,299
Receipts in advance and deposits received	1,285,373	18,365	–	1,303,738
Dividend payable	9,545	–	–	9,545
Bank and other borrowings	761,280	53,075	–	814,355
Taxation payable	175,206	–	–	175,206
Warranty provision	–	1,475	–	1,475
Deferred income	–	439	–	439
Total current liabilities	3,165,399	312,614	–	3,478,013
Net current assets	4,985,555	92,239	–	5,077,794
Total assets less current liabilities	5,498,089	390,264	–	5,888,353
Corporate bonds	7,743	–	–	7,743
Acquisition consideration payables	21,058	–	–	21,058
Bank and other borrowings	131,250	31,665	–	162,915
Deferred tax liabilities	378,401	–	–	378,401
Total non-current liabilities	538,452	31,665	–	570,117
Net assets	4,959,637	358,599	–	5,318,236
Share capital	124,942	118,707	(118,707)	124,942
Equity reserve	422,833	–	–	422,833
Reserves	4,210,562	204,956	118,707	4,534,225
Non-controlling interests	201,300	34,936	–	236,236
Total equity	4,959,637	358,599	–	5,318,236

As at 1 January 2015

	As originally stated *RMB'000*	Acquired subsidiaries *RMB'000*	Elimination *RMB'000*	As restated *RMB'000*
Property, plant and equipment	148,136	197,438	–	345,574
Investment properties	5,600	–	–	5,600
Prepaid land lease payments	1,699	–	–	1,699
Goodwill	1,474	–	–	1,474
Loan receivable	350,000	–	–	350,000
Trade receivables	–	40,046	–	40,046
Prepayment, deposits and other receivables	–	27,686	–	27,686
Deferred tax assets	14,736	10,826	–	25,562
Total non-current assets	521,645	275,996	–	797,641
Deposits paid for potential acquisitions	50,000	–	–	50,000
Construction contracts	20,801	–	–	20,801
Inventories	–	118,235	–	118,235
Trade and bills receivables	12,758	64,517	–	77,275
Prepayments, deposits and other receivables	381,903	80,317	–	462,220
Tax prepaid	24,820	5,818	–	30,638
Financial assets held for trading	30,024	–	–	30,024
Properties under development	2,540,309	–	–	2,540,309
Properties held for sale	504,516	–	–	504,516
Pledged bank deposits	11,947	4,772	–	16,719
Cash and cash equivalents	325,013	43,496	–	368,509
Total current assets	3,902,091	317,155	–	4,219,246
Trade and bills payables	101,246	116,184	–	217,430
Other payables and accruals	252,183	52,720	–	304,903
Receipts in advance and deposits received	602,994	11,221	–	614,215
Acquisition consideration payables	156,000	–	–	156,000
Bank and other borrowings	910,103	84,744	–	994,847
Taxation payable	157,535	–	–	157,535
Deferred income	–	1,630	–	1,630
Total current liabilities	2,180,061	266,499	–	2,446,560
Net current assets	1,722,030	50,656	–	1,772,686
Total assets less current liabilities	2,243,675	326,652	–	2,570,327
Corporate bonds	7,089	–	–	7,089
Acquisition consideration payables	43,758	–	–	43,758
Bank and other borrowings	–	3,045	–	3,045
Deferred tax liabilities	23,981	–	–	23,981
Total non-current liabilities	74,828	3,045	–	77,873
Net assets	2,168,847	323,607	–	2,492,454
Share capital	107,930	118,707	(118,707)	107,930
Equity reserve	422,833	–	–	422,833
Reserves	1,429,366	170,574	118,707	1,718,647
Non-controlling interests	208,718	34,326	–	243,044
Total equity	2,168,847	323,607	–	2,492,454

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

These new standard and amendments had no material impact on the financial position or performance of the Group.

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The new and revised standards that are issued, but not yet effective are described below. The Group intends to adopt these new and revised standards, if applicable, when they become effective.

Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[2]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[2]
HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
HKFRS 15	Revenue from Contracts with Customers[2]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[2]
HKFRS 16	Leases[3]
Amendments to HKAS 7	Disclosure Initiative[1]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[1]
Annual Improvements 2014-2016 Cycle	Amendments to the following three Standards • HKFRS 12 Disclosure of Interests in Other Entities[1] • HKFRS 1 First-time Adoption of International Financial Reporting Standards[2] • HKAS 28 Investments in Associates and Joint Ventures[2]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] No mandatory effective date yet determined but available for adoption

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Group expects that the adoption of HKFRS9 and HKFRS15 will have impact on the accounting policies and the financial statements of the Group.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has five reportable operating segments as follows:

(a) Properties – investment, development and sale of properties and provision of construction related service;

(b) Tourism – tourist service;

(c) Investment – holding and trading of a variety of investments and financial products with potential or for strategic purposes including but not limited to listed and unlisted securities, bonds, funds, derivatives, structured and other treasury products;

(d) Healthcare – healthcare products and services; and

(e) New energy – manufacture and sale of gear products.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that certain income and gains, finance costs as well as head office and corporate expenses are excluded from such measurement.

Segment assets exclude deferred tax assets, certain property, plant and equipment, tax prepaid, pledged bank deposits, structured bank deposits, cash and cash equivalents, deposits paid for potential acquisitions, consideration receivable and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude taxation payable, dividend payable, bank and other borrowings, deferred tax liabilities, acquisition consideration payables, convertible bonds, corporate bonds and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

Intersegment sales are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

During the year ended 31 December 2016, the Group acquired a number of subsidiaries. Other than the new businesses (Tourism and New energy) acquired which are identified as new reportable segments, management has revised other reportable segments and revised the Group's internal reporting, which combined all property related businesses, including properties development, properties investment, construction and green building service into one segment (Properties). As a result of the changes to reportable segments and segment presentation, the prior segment information for the year ended 31 December 2015 has been re-presented to conform with the revised presentation.

Year ended 31 December 2016

	Properties *RMB'000*	Tourism *RMB'000*	Investment *RMB'000*	Healthcare *RMB'000*	New energy *RMB'000*	Total *RMB'000*
Segment revenue:						
Sales to external customers	2,894,843	134,321	3,716	362,464	916,079	4,311,423
Fair value change in financial instruments	–	–	3,361,459	–	–	3,361,459
Segment results	616,756	(43,029)	3,390,300	(154,355)	(125,779)	3,683,893
Reconciliation:						
Unallocated interest income						70,302
Gain on disposal of subsidiaries, net						98,502
Gain on a bargain purchase						3,752
Unallocated income and gains						77,814
Corporate and other unallocated expenses						(94,826)
Finance costs						(89,996)
Profit before tax						3,749,441
Segment assets	6,659,135	1,558,496	7,861,771	1,016,351	23,478,961	40,574,714
Reconciliation:						
Corporate and other unallocated assets						7,719,959
Total assets						48,294,673
Segment liabilities	2,108,289	28,378	–	271,406	8,094,924	10,502,997
Reconciliation:						
Corporate and other unallocated liabilities						11,613,123
Total liabilities						22,116,120

Year ended 31 December 2015

	Properties *RMB'000* (Restated)	Tourism *RMB'000* (Restated)	Investment *RMB'000* (Restated)	Healthcare *RMB'000* (Restated)	New energy *RMB'000*	Total *RMB'000* (Restated)
Segment revenue:						
Sales to external customers	2,662,894	88,852	7,761	336,104	–	3,095,611
Fair value change in financial instruments	–	–	621,095	–	–	621,095
Segment results	315,543	(16,590)	649,811	(4,889)	–	943,875
Reconciliation:						
Unallocated interest income						71,042
Unallocated income and gains						17,924
Gain on disposal of subsidiaries, net						194,047
Gain on a bargain purchase						363,428
Corporate and other unallocated expenses						(39,323)
Finance costs						(104,641)
Profit before tax						1,446,352
Segment assets	4,087,605	257,342	1,608,534	471,778	–	6,425,259
Reconciliation:						
Corporate and other unallocated assets						2,941,107
Total assets						9,366,366
Segment liabilities	2,207,282	13,269	–	331,010	–	2,551,561
Reconciliation:						
Corporate and other unallocated liabilities						1,496,569
Total liabilities						4,048,130

Geographical information

(a) Revenue from external customers

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Mainland China	**3,795,094**	2,978,428
Australia	**134,321**	88,852
Singapore	**4,761**	–
Europe	**3,716**	20,167
United States of America	**357,091**	8,164
Other countries	**16,440**	–
	4,311,423	3,095,611

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Mainland China	**12,384,411**	498,556
Hong Kong	**129,165**	969
Australia	**623,412**	252,880
United States of America	**168,250**	–
Europe	**2,992**	–
Other countries	**31,250**	2,066
	13,339,480	754,471

The non-current asset information above is based on the locations of the assets and excludes financial instruments, deferred tax assets and investments in joint ventures and associates.

Information about major customer

No revenue derived from a single external customer amounted to 10% or more of the Group's revenue during the year.

4. FAIR VALUE CHANGE IN FINANCIAL INSTRUMENTS

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Fair value change in listed equity investments	**3,345,853**	620,676
Fair value change in financial assets designated as at fair value through profit or loss *(note 18)*	**26,351**	419
Fair value change in derivative components of convertible bonds	**(10,745)**	–
	3,361,459	621,095

5. REVENUE, OTHER INCOME AND GAINS/LOSSES, NET

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts; gross rental income received and receivable; an appropriate proportion of contract revenue of construction contracts, income from hotel operations and the value of services rendered.

An analysis of revenue, other income and gains/losses, net is as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Revenue		
Sale of properties	**2,638,593**	2,407,982
Sale of goods	**1,258,950**	320,668
Rendering of services	**134,529**	220,589
Hotel operations	**134,321**	88,852
Revenue from construction contracts	**82,360**	37,035
Gross rental income	**58,954**	12,724
Others	**3,716**	7,761
	4,311,423	3,095,611

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Other income		
Bank interest income	**38,546**	1,745
Other interest income	**57,577**	91,301
Government grants	**31,300**	9,110
Investment income	**24,037**	–
Management fee income	**21,782**	4,958
Others	**9,429**	4,867
	182,671	111,981
Gains/losses, net		
Gain on disposal of items of property, plant and equipment	**4,874**	14,048
Loss on disposal of an associate	**(5,392)**	–
Exchange gains	**56,337**	8,379
Change in fair value of investment properties	**–**	8,000
	55,819	30,427
	238,490	142,408

6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	2016 *RMB'000*	2015 *RMB'000* (Restated)
Cost of inventories sold		**1,101,376**	233,814
Cost of properties sold		**2,009,357**	2,237,370
Cost of hotel operations		**154,575**	100,770
Cost of services provided		**96,529**	96,539
Direct operating expenses arising from rental-earning investment properties		**2,573**	–
Cost of construction contracts		**75,018**	39,780
Depreciation		**151,851**	22,693
Amortisation of patents and technology		**3,383**	57
Amortisation of customer relationship		**4,333**	–
Research and development costs:			
Deferred expenditure amortised		**2,398**	–
Current year expenditure		**55,661**	23,666
		58,059	23,666
Minimum lease payments under operating leases		**9,667**	7,916
Amortisation of prepaid land lease payments		**2,560**	38
Auditor's remuneration		**2,750**	1,413
Other consulting fee		**7,262**	168
Employee benefit expense (including directors' and chief executives' remuneration)			
Wages and salaries		**173,211**	72,512
Pension scheme contributions		**21,333**	3,509
Other benefits		**35,766**	17,432
		230,310	93,453
Foreign exchange differences, net		**(56,337)**	(8,379)
Impairment of trade receivables, net	*15*	**2,098**	5,779
Warranty provision		**11,485**	1,475
Government grants*		**(31,300)**	(9,110)
Change in fair value of properties held for sale transferred to investment properties		**–**	147,464
Change in fair value of investment properties		**–**	8,000
Gain on disposal of subsidiaries, net		**98,502**	194,047
Fair value change in financial instruments	*4*	**3,361,459**	621,095

* *Government grants received for which related expenditure has not yet been undertaken are included in deferred income in the consolidated statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.*

7. FINANCE COSTS

An analysis of finance costs is as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Interest on bank and other borrowings	**120,898**	166,000
Interest on convertible bonds	**2,412**	–
Interest on corporate bonds	**807**	741
Interest on finance leases	**96**	–
Interest on an acquisition consideration payable	**–**	4,300
Less: Interest capitalised	**(34,217)**	(66,400)
	89,996	104,641

8. INCOME TAX

The Group calculates the income tax expense for the year using the tax rates prevailing in the jurisdictions in which the Group operates.

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Current – People's Republic of China ("**PRC**")		
Corporate income tax ("**CIT**")	**286,863**	166,917
Land appreciation tax ("**LAT**")	**111,965**	44,464
Current – Hong Kong		
Profits tax	**2,207**	4,088
Deferred tax	**315,401**	10,961
Total tax charge for the year	**716,436**	226,430

PRC CIT

Except for certain subsidiaries of the Group which are qualified as high technology development enterprises and are thus subject to tax at a preferential tax rate of 15% for 3 years from the date of approval, PRC corporate income tax has been provided at the rate of 25% (2015: 25%) on the taxable profits of the Group's remaining PRC subsidiaries for the year ended 31 December 2016.

PRC LAT

According to the requirements of the Provisional Regulations of the PRC on LAT（中華人民共和國土地增值稅暫行條例）effective from 1 January 1994, and the Detailed Implementation Rules on the Provisional Regulations of the PRC on LAT（中華人民共和國土地增值稅暫行條例實施細則）effective from 27 January 1995, all gains arising from a transfer of real estate property in PRC effective from 1 January 1994 are subject to LAT at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds from sale of properties less deductible expenditures including borrowing costs and all property development expenditures.

Hong Kong profits tax

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the year ended 31 December 2016.

Singapore CIT

No provision for taxation in Singapore has been made, as the Group did not generate any assessable profits arising in Singapore for the year ended 31 December 2016.

Australia company tax

No provision for taxation in Australia has been made, as the Group did not generate any assessable profits arising in Australia for the year ended 31 December 2016.

9. DIVIDENDS

	2016	2015
	RMB'000	*RMB'000*
Proposed final – RMB1.5 cents (2015: RMB1 cent) per ordinary share	**295,936**	156,381

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to owners of the parent, and the weighted average number of ordinary shares of 16,218,109,448 (2015: 14,021,177,870) in issue during the year.

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the parent, adjusted to reflect the interest on the convertible bonds and fair value change on the conversion option derivative components of the convertible bonds. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Earnings		
Earnings for the purpose of the basic earnings per share calculation	**3,105,196**	1,217,827
Interest on convertible bonds	**2,412**	–
Fair value loss on the derivative component of the convertible bonds	**10,745**	–
Profit attributable to owners of the parent before interest and fair value change on convertible bonds	**3,118,353**	1,217,827

	Number of shares	
	2016	2015
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**16,218,109,448**	14,021,177,870
Effect of dilution – weighted average number of ordinary shares:		
Convertible bonds	**1,453,411**	–
	16,219,562,859	14,021,177,870

Since the convertible bonds had an anti-dilutive effect on the basic earnings per share for the year, the diluted earnings per share amounts are based on the profit for the year attributable to the owners of the parent, of RMB3,105,196,000, and the weighted average number of ordinary shares of 16,218,109,448 in issue during the year.

11. INVESTMENT PROPERTIES

	2016	2015
	RMB'000	*RMB'000*
Carrying amount at 1 January	**330,600**	5,600
Additions	**302,754**	–
Acquisition of subsidiaries	**2,132,000**	–
Increase in fair value of properties held for sale transferred to investment properties recognised in profit or loss	**–**	147,464
Increase in fair value recognised in profit or loss	**–**	8,000
Transfer from properties held for sale	**–**	169,536
Carrying amount at 31 December	**2,765,354**	330,600

12. GOODWILL

	RMB'000
At 1 January 2015 and 31 December 2015:	
Cost	1,474
Accumulated impairment	–
Net carrying amount	1,474
Cost at 1 January 2016, net of accumulated impairment	1,474
Acquisition of subsidiaries	1,573,910
Attributable to disposal of subsidiaries	(1,474)
Cost and net carrying amount at 31 December 2016	1,573,910
At 31 December 2016:	
Cost	1,573,910
Accumulated impairment	–
Net carrying amount	1,573,910

Impairment testing of goodwill

Goodwill acquired through business combinations is allocated to the following cash-generating units ("CGUs") for impairment testing:

- Healthcare service CGU; and
- Gear products CGU

Healthcare service CGU

The recoverable amount of healthcare service CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a six-year period approved by senior management. The discount rate applied to the cash flow projections is 18.8%. The growth rate used to extrapolate the cash flows of healthcare service CGU beyond the five-year period is 3%, which was the same as the long term average growth rate of the healthcare service industry.

Gear products CGU

The recoverable amount of gear products CGU has been determined based on a value in use calculation using cash flow projections based on financial budgets covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 11.0%. The growth rate used to extrapolate the cash flows of the gear products CGU beyond the five-year period is 3%, which was the same as the long term average growth rate of the gear products industry.

As at 31 December 2016, the carrying amount of unallocated goodwill and goodwill allocated to each of the CGUs is as follows:

	Healthcare service	**Gear products**	**Unallocated***	**Total**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Carrying amount of goodwill	14,883	1,432,344	126,683	1,573,910

* Goodwill as at 31 December 2016 included an amount of RMB126,683,000 which has not been allocated to any CGU at the end of the reporting period as the management considers that the synergy effect of the respective combination reflects in different CGUs operated by the Group. Since the valuation of the respective purchase price allocation has not been completed by the date of the approval of the financial statements, the management has not yet assessed the appropriate allocation.

As at 31 December 2015, the carrying amount of goodwill allocated to each of the CGUs is as follows:

	Green building included in property segment	**Total**
	RMB'000	*RMB'000*
Carrying amount of goodwill	1,474	1,474

Assumptions were used in the value in use calculation of the healthcare service and gear products CGUs as at 31 December 2016. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

Budgeted gross margins

The basis used to determine the value assigned to the budgeted gross margins is the average gross margins achieved in the year immediately before the budget year, increased for expected efficiency improvements, and expected market development.

Discount rates

The discount rates used are before tax and reflect specific risks relating to the relevant units.

Growth rate estimates

Rates are based on common industry practice.

13. AVAILABLE-FOR-SALE INVESTMENTS AND STRUCTURED BANK DEPOSITS

(a) Available-for-sale Investments

		2016	2015
	Notes	***RMB'000***	*RMB'000*
Listed equity investments, at fair value	*(1)*	**781,508**	–
Unlisted equity investments, at cost	*(2)*	**288,582**	–
		1,070,090	–

During the year, the gross gain in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to RMB292,793,000 (2015: nil).

The above investments consist of investments in equity securities which were designated as available-for-sale financial assets.

Notes:

(1) At 31 December 2016, the balance includes the Group's investment in 50,093,000 shares of Guodian Technology & Environment Group Corporation Limited*（國電科技環保集團股份有限公司）(01296.HKEX), 16,962,000 shares of Riyue Heavy Industry Corporation Limited *（日月重工股份有限公司）(603218.SSE) and 4,593,000 shares of Bank of Jiangsu Corporation Limited *（江蘇銀行股份有限公司）(600919.SSE).

(2) The amount represents the investments in unlisted equity securities issued by private entities established in Mainland China and are held by the Group as non-current assets, which are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

(b) Structured Bank Deposits ("SBDs")

At the end of the reporting period, SBDs represent financial instruments placed by the Group to various banks in Mainland China for a term within one year. The SBDs contain embedded derivatives representing return which would vary with market exchange rates or investment return. Considering the principal-protected nature or short maturity of the deposits, the Directors consider that the fair value of the embedded derivatives is minimal and hence no derivative financial instrument is recognised. The SBDs were fully redeemed subsequently and the changes on redeemed amounts are not significant.

14. LOAN RECEIVABLES

	Notes	2016 RMB'000	2015 RMB'000
Loan receivable – non-current	*(a)*	**399,400**	–
Loan receivables – current	*(b)&(c)*	**328,816**	–
		728,216	–

(a) The Company's subsidiary entered into an agreement on 24 June 2016, pursuant to which an entrusted loan of RMB400,000,000 was lent to an independent third party through a financial institution. The balance is unsecured, bears interest at 8.5% per annum and is repayable before 28 June 2019.

(b) The Company's subsidiary entered into an agreement on 18 October 2016, pursuant to which a loan of HKD225,000,000 (equivalent to RMB202,916,000) was lent to an independent third party. The balance is unsecured, bears interest at 5.8% per annum and is repayable before 18 April 2017.

(c) The balance of RMB125,500,000 represented the loan made to a former subsidiary of the Company, Guangzhou Fullshare Healthcare Management Co., Ltd.*（廣州豐盛健康管理有限公司）("**Guangzhou Fullshare Healthcare**") which was disposed during the year. The balance was unsecured, interest-free and was fully repaid in March 2017.

15. TRADE AND BILLS RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Trade receivables	**4,025,888**	304,269
Bills receivables	**3,286,299**	–
Impairment	**(30,648)**	(28,550)
	7,281,539	275,719
For reporting purposes:		
Current portion	**7,270,482**	262,993
Non-current portion	**11,057**	12,726
	7,281,539	275,719

The Group generally allows a credit period of 180 days to its trade customers for gear products and healthcare products. Apart from that, the Group does not have a standardised and universal credit period granted to its customers for other sales, and the credit period of individual customers is considered on a case-by-case basis and stipulated in the relevant contracts, as appropriate. In view of the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade and bills receivable balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade and bills receivables as at the end of the reporting period, based on the invoice date and the bill's received date and net of provisions, is as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Within 90 days	**3,768,960**	73,263
91 to 180 days	**1,447,886**	172,862
181 to 365 days	**1,493,164**	16,132
Over 365 days	**571,529**	13,462
	7,281,539	275,719

At 31 December 2016, retentions receivable included in trade receivables amounted to RMB294,351,000, which are recoverable within terms ranging from two to five years. Included in retentions receivable of RMB37,946,000 were expected to be recovered after more than one year.

Included in the Group's trade and bills receivable balances are debtors with aggregate carrying amount of RMB2,114,982,000 (2015: RMB161,439,000) which are past due at the end of the reporting period against which an impairment of RMB30,648,000 (2015: RMB28,550,000) had been made individually or collectively. As there has not been a significant change in credit quality and the Group believes that the amounts are still recoverable as there are continuing subsequent settlement.

Ageing of trade and bills receivables which are past due, based on the overdue date and net of provision of RMB30,648,000 (2015: RMB28,550,000) under collective assessment:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
0 to 180 days past due	**1,680,520**	118,236
181 to 540 days past due	**355,651**	28,824
Over 540 days past due	**78,811**	14,379
	2,114,982	161,439

The movements in provision for impairment of trade and bills receivables are as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
At beginning of year	**28,550**	22,771
Impairment losses recognised *(note 6)*	**2,358**	5,779
Impairment losses reversed *(note 6)*	**(260)**	–
	30,648	28,550

The assessment for collectively impaired trade receivables was performed based on aging analysis of the trade and bills receivables.

The aged analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Neither past due nor impaired	**5,166,557**	112,695
0 to 180 days past due	**–**	773
181 to 540 days past due	**–**	812
	5,166,557	114,280

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Transfers of financial assets

The following were the Group's bills receivable accepted by banks in Mainland China (the "Endorsed Bills") that were endorsed to certain of the Group's suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated trade payables settled. Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Bills, including the sale, transfer or pledge of the Endorsed Bills to any other third parties.

Bills receivable endorsed to suppliers with full recourse are as follows:

	2016	2015
	RMB'000	*RMB'000*
Carrying amount of transferred assets	**99,080**	–
Carrying amount of associated liabilities	**(99,080)**	–
Net position	**–**	–

In addition to the above, as at 31 December 2016, the Group discounted certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to banks and transferred certain bills receivables to its suppliers to settle its payables through endorsing the bills to its suppliers, both with full recourse. The Derecognised Bills had a maturity of one to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the issuing banks default (the "Continuing Involvement"). The Group has derecognised these bills receivable and the payables to issuing suppliers in their entirety as in the opinion of the directors of the Company, the Group has transferred substantially all the risks and rewards of ownership of these bills and has discharged its obligation of the payables to its suppliers under the relevant PRC practice, rules and regulations. In the opinion of the directors of the Company, the Group has limited exposure in respect of the settlement obligation of these bills receivable under relevant PRC rules and regulations should the issuing banks fail to settle the bills on maturity date. The Group considered the issuing banks of the bills are of good credit quality and the non-settlement of these bills by the issuing banks on maturity is not probable.

As at 31 December 2016, the Group's maximum exposure to loss and cash outflow from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills, which is the same as the amount payable by the Group to collecting banks or the suppliers in respect of the Derecognised Bills, should the issuing banks fail to settle the bills on maturity date, amounted to RMB2,344,000,000 and RMB2,134,665,000, respectively (2015: nil). In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2016, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The discount and endorsement have been made evenly throughout the year.

Included in the Group's trade and bills receivables are amounts due from the Group's joint ventures and associates of RMB21,090,000 (2015: nil) and RMB3,413,000 (2015: nil), respectively, which are repayable on credit terms similar to those offered to the major customers of the Group.

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Prepayments	**1,338,471**	136,122
Other receivables*	**551,524**	–
Deposits and other receivables	**514,106**	50,157
VAT recoverable	**131,684**	–
Other tax prepaid	**61,383**	80,265
Amounts due from joint ventures**	**191,156**	–
Amounts due from associates**	**713,016**	–
	3,501,340	266,544
For reporting purposes:		
Current portion	**2,754,684**	212,032
Non-current portion	**746,656**	54,512
	3,501,340	266,544

* *At 31 December 2016, the amount represents an advance made to an insurance company in the PRC, which will mature in 2018, and carries interest at an annualised fixed rate at 6.33% per annum. Interest and the principal amount are repayable at the maturity date. It is stated at amortised cost less impairment, if any, at the end of the reporting period.*

** *All the amounts due from the Group's joint ventures and associates are unsecured, interest-free and repayable within 180 days.*

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

17. FINANCIAL ASSETS HELD FOR TRADING

The balances as at 31 December 2016 and 2015 represent the fair values of equity shares of a portfolio of Hong Kong listed securities based on the closing prices of these securities quoted on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on those dates. The directors of the Company consider that the closing prices of these securities are the fair value of the investments.

	2016	2015
	RMB'000	*RMB'000*
Listed equity investments, at market value		
Zall Group Ltd. ("**Zall Group**") (02098.HKEX)*	**5,125,172**	1,598,115
China Saite Group Company Limited ("**China Saite Group**") (00153.HKEX)	**96,844**	–
Nanjing Sinolife United Company Limited ("**Nanjing Sinolife**") (03332.HKEX)	**67,809**	–
C&D International Investment Group Limited ("**C&D International**") (01908.HKEX)	**184,657**	–
Medicskin Holdings Limited ("**Medicskin Holdings**") (08307.HKEX)	**62,632**	–
	5,537,114	1,598,115

* *Up to the date of approval of the financial statements, there were no addition or disposal of Zall Group. The market value of the Group's equity investments in Zall Group at the date of approval of the financial statements was approximately RMB4,056,517,000. In accordance with the respective accounting policy, the change in fair value will be recognised in profit or loss subsequent to the year end.*

18. FINANCIAL ASSETS DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS

		2016	2015
	Notes	***RMB'000***	*RMB'000*
Contractual right in relation to a listed entity, at fair value	*(a)*	**526,351**	–
Investment-linked insurance policy, at fair value	*(b)*	**–**	10,419
		526,351	10,419

Notes:

(a) On 12 August 2016, the Group entered into an agreement with Xizang Ruihua Capital Management Co., Ltd.*（西藏瑞華投資管理有限公司）("**Xizang Ruihua**") and Jiangsu Ruihua Investment Holdings Group Co., Ltd.*（江蘇瑞華投資控股集團有限公司）("**Jiangsu Ruihua**") to acquire certain income right of the restricted shares of Bohai Jinkong Investment Group Co., Ltd.*（渤海金控投資股份有限公司 000415.SZ）("**Bohai Jinkong**"), held by Xizang Ruihua. The financial assets were revalued on 31 December 2016 based on valuations performed by Avista Valuation Advisory Limited, independent professionally qualified valuers, at RMB526,351,000. During the year ended 31 December 2016, the unrealised gain arising from holding this investment amounted to approximately RMB26,351,000 was recorded and included in fair value change in financial instruments.

(b) During the year ended 31 December 2015, the Group has entered into an investment-linked insurance policy with an insurance company to insure certain key employees of a subsidiary of the Group, under which the Group is the beneficiary and policy holder for a one-off payment of RMB10,000,000. The Group designated this insurance policy as a financial asset at fair value through profit or loss at initial recognition. As at 31 December 2015, the fair value of this policy was approximately RMB10,419,000 with the unrealised gain amounting to approximately RMB419,000 recorded and included in fair value change in financial instruments.

During the year ended 31 December 2016, the investment has been derecognised due to the disposal of Fullshare Lujian Group.

19. TRADE AND BILLS PAYABLES

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Trade payables	**2,182,270**	459,453
Bills payables	**4,688,610**	42,503
	6,870,880	501,956

An aged analysis of the trade and bills payables as at the end of the reporting period, based on the invoice date and the date of insurance of the bills, is as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Within 3 month	**5,110,906**	262,215
3 to 6 months	**1,273,637**	137,456
6 to 12 months	**195,564**	81,031
Over 1 year	**290,773**	21,254
	6,870,880	501,956

Included in the trade and bills payables are trade payables of RMB91,770,000 (2015: nil) due to the associates and RMB194,000 (2015: nil) due to the joint ventures which are repayable within 90 days.

The trade payables are non-interest-bearing and are normally settled on terms of 90 to 180 days.

20. OTHER PAYABLES AND ACCRUALS

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Accruals	**1,107,783**	582,019
Amounts due to joint ventures	**31,096**	–
Amounts due to associates	**28,208**	–
Due to other related parties	**4,701**	293
Other tax payables	**95,618**	26,597
Payroll and welfare payables	**190,746**	173
Other payables	**424,751**	62,217
Purchase of property, plant and equipment	**140,008**	–
	2,022,911	671,299

All the amounts due to joint ventures and associates are unsecured, interest-free and repayable within 180 days.

21. BANK AND OTHER BORROWINGS

	2016			2015		
	Effective interest rate (%)	**Maturity**	***RMB'000***	Effective interest rate (%)	Maturity	*RMB'000* (Restated)
Current						
Bank loans – unsecured	**4.57-6.69**	**2017**	**2,734,923**	6.69	2016	2,200
Bank loans – secured	**1.48-8.14**	**2017**	**2,818,949**	5.89-7.20	2016	176,280
Guaranteed listed bonds *(note)*	**9.77**	**2017**	**260,694**	–	–	–
Other borrowings – unsecured	**0-5.44**	**2017**	**142,200**	5.70	2016	20,000
Other borrowings – secured	**–**	**–**	**–**	5.35-7.53	2016	300,000
Current portion of long term loans						
Bank loans – secured	**5.94-6.18**	**2017**	**215,000**	6.17-6.18	2016	305,000
Other borrowings – secured	**2.99-13.21**	**2017**	**2,075**	2.72-13.21	2016	10,875
Loan from related parties – unsecured	**–**	**2017**	**52,094**	–	–	–
			6,225,935			814,355
Non-current						
Medium-term notes – unsecured	**6.20-8.50**	**2018-2019**	**1,000,000**	–	–	–
Bank loans – secured	**4.90-6.18**	**2018-2026**	**1,729,983**	6.18	2017-2025	131,250
Other borrowings – secured	**–**	**–**	**–**	2.99-13.21	2017	1,665
Other borrowings – unsecured	**4.75**	**2018**	**20,000**	5.00	2017	30,000
			2,749,983			162,915
			8,975,918			977,270

Note: In November 2014, China High Speed Transmission Equipment Group Co. Ltd. ("**CHS**") issued guaranteed bonds (the "Guaranteed Bonds"), which are listed on the Stock Exchange, with a principal amount of RMB650,000,000 (of which RMB385,370,000 was repurchased by CHS during the year ended 31 December 2015) bearing interest at the coupon rate of 8.3% per annum, which will mature on 19 November 2017. The Guaranteed Bonds are guaranteed by subsidiaries of the Group, namely Goodgain Group Limited and China Transmission Holdings Limited. Subsequent to the year ended 31 December 2016, certain holders of the Guaranteed Bonds redeemed principal amount of RMB151,590,000 Guaranteed Bonds, and the redemption was completed on 12 January 2017. The aggregate amount of consideration paid by the Company in relation to the redemption was RMB154,898,000. Subsequent to the redemption, the principal of the Guaranteed Bonds remains outstanding is RMB113,040,000, and such outstanding Guaranteed Bonds remains listed on the Hong Kong Stock Exchange.

As at 31 December 2016, the Group's borrowings denominated in currency other than RMB were USD20,000,000 and HKD455,522,000 which were equivalent to RMB138,740,000 and RMB409,919,000 respectively (2015: nil). All other borrowings were denominated in RMB.

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Analysed into:		
Bank loans repayable:		
Within one year or on demand	**5,768,872**	483,480
In the second year	**471,841**	15,000
In the third to fifth years, inclusive	**356,125**	45,000
Beyond five years	**902,017**	71,250
	7,498,855	614,730
Other borrowings repayable:		
Within one year	**457,063**	330,875
In the second year	**520,000**	31,665
In the third to fifth years, inclusive	**500,000**	–
	1,477,063	362,540
	8,975,918	977,270

Notes:

Certain of the Group's bank loans are secured by:

(i) mortgages over the Group's investment properties, which had an aggregate carrying value at the end of the reporting period of RMB2,347,014,000 (2015: RMB313,000,000);

(ii) mortgages over the Group's properties under development, which had an aggregate carrying value at the end of the reporting period of approximately RMB487,620,000 (2015: RMB288,596,000);

(iii) the pledge of certain of the Group's bank deposits amounting to RMB2,545,444,000 (2015: nil);

(iv) the pledge of certain of the Group's trade and bills receivables amounting to RMB1,292,704,000 (2015: RMB101,051,000);

(v) the pledge of the Group's property, plant and equipment amounting to RMB114,750,000 (2015: nil);

(vi) the pledge of the Group's prepaid land lease payments amounting to RMB178,482,000 (2015: nil);

(vii) the pledge of the Group's held-for-trading financial assets amounting to RMB2,459,408,000 (2015: nil); and

(viii) mortgages over the Group's properties held for sale, which had an aggregate carrying value of approximately RMB649,503,000 at 31 December 2015.

22. SHARE CAPITAL

	2016	2015
	RMB'000	*RMB'000*
Authorised:		
40,000,000,000 (2015: 20,000,000,000) ordinary shares of HKD0.01 each	**314,492**	170,061
Issued and fully paid:		
19,729,061,731 (2015: 15,638,107,500) ordinary shares of HKD0.01 each	**161,084**	124,942

A summary of movements in the Company's share capital is as follows:

	Number of shares in issue	**Share capital**
		RMB'000
At 1 January 2015	13,570,000,000	107,930
Issuance upon acquisition of subsidiaries	1,619,390,000	13,239
Issuance under placing	448,717,500	3,773
At 31 December 2015 and 1 January 2016	15,638,107,500	124,942
Issuance upon acquisition of subsidiaries	3,389,641,731	30,094
Issuance upon conversion of convertible bonds *(note a)*	44,190,000	391
Issuance upon acquisition of an associate *(note b)*	118,765,000	1,017
Issuance under placing *(note c)*	538,357,500	4,640
At 31 December 2016	19,729,061,731	161,084

Notes:

(a) On 7 September 2016, the Company entered into a subscription agreement with Macquarie Bank Limited (the "MBL") to issue zero coupon convertible bonds in an aggregate principal amount of HKD350,000,000 with five sub-tranches of HKD70,000,000 each. The issue price is 99% of the principal amount of the convertible bonds. During the year ended 31 December 2016, two sub-tranches of the convertible bonds have been converted to 44,190,000 ordinary shares for net cash proceeds of approximately RMB161,581,000.

(b) On 23 June 2016, the Company issued 118,765,000 ordinary shares of HKD0.01 each as partial consideration for the acquisition of an approximately 23% interest in Hin Sang Group (International) Holding Co., Ltd. ("Hin Sang Group").

(c) On 29 September 2016, the Company issued 538,357,500 ordinary shares of HKD0.01 each for HKD3.715 each, raising proceeds of HKD1,999,998,000 (equivalent to approximately RMB1,723,617,000), before issue costs.

23. BUSINESS COMBINATION NOT UNDER COMMON CONTROL

For the year ended 31 December 2016

Acquisition of CHS which constituted a very substantial acquisition transaction

On 19 September 2016, the Group made a joint announcement with CHS for the voluntary conditional share exchange offer to acquire all of the issued shares of CHS (other than the 9.08% shares already owned by Mr. Ji. The offer became unconditional in all respects on 21 November 2016 ("**First Closing Date**"). The share exchange was completed on 30 November 2016 for the valid acceptances received on the First Closing Date. On 5 December 2016, the Group closed the offer with the result of acquisition of 73.91% of issued shares of CHS. The Group has issued 3,021,444,231 shares in aggregate at a consideration of RMB10,925,766,000, which was determined by reference to the closing market prices of the Company's shares at the date of issuance. CHS is principally engaged in the manufacturing and sale of gear products that are used in wind power and a wide range of industrial applications. The acquisition was made as part of the Group's strategy to enter into the wind power sector in the PRC. The acquisition has been accounted for using the acquisition method. The Group has elected to measure the non-controlling interest in CHS at the non-controlling interest's proportionate share of CHS's identifiable net assets. The consolidated financial statements include the results of CHS since the acquisition date.

The fair values of the identifiable assets and liabilities of CHS as at the date of acquisition were as follows:

	Acquiree's carrying amount and provisional fair value recognised on acquisition *RMB'000*
Property, plant and equipment	5,857,772
Prepaid land lease payments	1,417,270
Other intangible assets	810,000
Available-for-sale investments	888,789
Investments in joint ventures	107,281
Investments in associates	158,303
Deferred tax assets	179,637
Inventories	3,007,306
Trade and bills receivables	7,149,625
Prepayments, deposits and other receivables	4,306,021
Pledged bank deposits	2,698,331
Cash and cash equivalents	2,739,313
Trade and bills payables	(6,405,024)
Bank and other borrowings	(6,946,154)
Warranty provision	(101,123)
Other payables and accruals	(1,915,875)
Obligations under finance leases	(14,188)
Deferred tax liabilities	(821,728)
Deferred income	(88,312)
Taxation payable	(182,674)
Total identifiable net assets at provisional fair value	12,844,570
Non-controlling interests	(3,351,148)
Goodwill arising on acquisition	1,432,344
Total consideration	10,925,766

	RMB'000
Analysis of cash flows on acquisition:	
Cash acquired with the subsidiaries	2,739,313
Cash paid	–
Net cash inflow on acquisition	2,739,313
Transaction cost of the acquisition included in cash flows from operating activities	(27,819)
	2,711,494

The initial accounting for the above acquisition in the consolidated financial statements has been determined provisionally as the Group is awaiting the final result of an independent valuation in relation to property, plant and equipment, intangible assets, inventories and other net assets acquired in the transaction. The valuation has not been completed by the date of the approval of the financial statements. Accordingly, the amounts of identifiable net assets and goodwill as stated above may be subsequently adjusted.

From the date of acquisition, CHS has contributed RMB916,079,000 to the Group's revenue and RMB100,209,000 of net loss to the Group for the year ended 31 December 2016. Had the combination taken place at the beginning of the year, the revenue of the Group and the profit of the Group for the year ended 31 December 2016 would have been RMB12,361,393,000 and RMB3,961,705,000, respectively.

The fair values of the trade and bills receivables, deposits and other receivables as at the date of acquisition amounted to RMB7,149,625,000 and RMB2,104,526,000, respectively. The gross contractual amounts of trade and bills receivables, deposit and other receivables were RMB7,625,595,000 and RMB2,108,571,000, respectively, of which trade receivables of RMB475,970,000 and other receivable of RMB4,045,000 are expected to be uncollectible.

Goodwill which arose on the acquisition included a control premium. The consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development of CHS. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. The goodwill is not deductible for income tax purposes.

Transaction costs of RMB27,819,000 have been expensed and are included in administrative expenses in profit or loss and are part of operating cash flows in the consolidated statement of cash flows.

24. CONTINGENT LIABILITIES

(a) As at 31 December 2016, contingent liabilities not provided for in the financial statements were as follows:

	2016	2015
	RMB'000	*RMB'000*
Guarantees given to banks in connection with mortgage facilities	**1,680,063**	1,080,207

The Group has arranged bank financing for certain purchasers of the Group's property units and provided guarantees to secure obligations of such purchasers for repayments. Such guarantees terminate upon the earlier of (i) issue of the real estate ownership certificate which will generally be available within an average period of two to three years upon the completion of guarantee registration and receipt of such certificate by the bank; and (ii) the satisfaction of mortgaged loan by the purchasers of properties.

Pursuant to the terms of the guarantees, upon default in mortgage payments by these purchasers, the Group is responsible for repaying the outstanding mortgage principals together with accrued interest and penalty owed by the defaulted purchasers to the banks and the Group is entitled to take over the legal title and possession of the related properties. The Group's guarantee period starts from the dates of grant of the mortgages.

The directors of the Company consider that the likelihood of default in payments by purchasers is minimal and, in case of default in payments, the net realisable value of the related properties can recover the repayment of the outstanding mortgage principals together with the accrued interests and penalties. Therefore, the financial guarantees measured at fair value are immaterial, and no provision has been made.

(b) The subsidiary of CHS entered an agreement (the "**Agreement**") effective from 1 January 2013 with a third party (the "**Subcontractor**"), pursuant to which, the subsidiary of CHS assigns the Subcontractor and the Subcontractor agrees to repair certain of the wind gear products sold for the subsidiary of CHS at a fixed fee at certain percentage of annual sales of those wind gear products of the subsidiary of CHS (the "**Fixed Fee**"). The subsidiary of CHS is not liable for any additional cost incurred by the Subcontractor in relation to the repair of those wind gear products, other than the Fixed Fee. The Subcontractor however has not entered into any agreements with the customers of the wind gear products for the repair services. In the event of closure, liquidation, or inability of the Subcontractor to provide those repair services, the subsidiary of CHS is still liable for such repair obligations should those customers claim for that against the subsidiary of CHS. In the opinion of the directors, based on their experience, the financial position of the Subcontractor and their assessment of the current economic environment, the possibility of the default or inability by the Subcontractor to carry out the obligation is remote. Accordingly, no provision for the repair obligation of wind gear products has been made in the Group's financial statements at the end of the reporting period.

25. PLEDGE OF ASSETS

As at 31 December 2016, certain assets of the Group were pledged to secure convertible bonds and banking facilities granted to the Group as follows:

	2016	2015
	RMB'000	*RMB'000*
		(Restated)
Properties under development	**487,620**	288,596
Properties held for sale	**–**	649,503
Investment properties	**2,347,014**	313,000
Property, plant and equipment	**114,750**	–
Trade and bills receivables	**1,292,704**	101,051
Prepaid land lease payments	**178,482**	–
Financial assets held for trading	**2,459,408**	–
Pledged bank deposits	**2,581,830**	33,682
	9,461,808	1,385,832

At 31 December 2016, the Group also pledged its 25% equity interest in Nanjing High Speed Gear Manufacturing Co., Ltd., a wholly-owned subsidiary, for certain banking facilities granted to the Group.

Details of the Group's bank and other borrowings which are secured by the assets of the Group are included in note 21 to the consolidated results in this announcement.

26. CAPITAL COMMITMENTS

The Group had the following capital commitments at the end of the reporting period:

	2016	2015
	RMB'000	*RMB'000*
Contracted, but not provided for:		
Properties under development	**956,979**	2,002,582
Land and buildings	**90,277**	–
Plant and machinery	**274,316**	–
Capital contributions payable to a non-wholly-owned subsidiary	**–**	103,797
Capital contributions payable to an associate	**59,260**	–
Capital contributions payable to a subsidiary	**–**	21,471
Investment in available for sales	**980,000**	–
	2,360,832	2,127,850

27. EVENTS AFTER THE REPORTING PERIOD

(a) On 20 January 2017, the Group has completed the acquisition of 90% issued share capital of Sparrow Early Learning Pty. Ltd. The deposit paid for potential acquisition of AUD769,340 (equivalent to approximately RMB4,021,000) as at 31 December 2016 has been used to settle certain consideration payables of the acquisition.

(b) On 23 January 2017, the Group entered into a formal equity transfer agreement with Kunshan Ronghui Properties Development Limited ("昆山市融匯房地產開發有限公司") in relation to the acquisition of the entire equity interest in Kunshan Herong Properties Development Limited ("昆山和融房地產開發有限公司") ("**Kunshan Herong**") at a cash consideration of RMB26,410,000. Kunshan Herong is principally engaged in property development and operation. The directors consider that the acquisition of Kunshan Herong will enrich the property development business of the Group. The acquisition has not yet been completed as at the date of approval of the financial statements.

(c) On 9 February 2017, the Company entered into a non-legally binding memorandum of undertaking with Inmark Asset Management Pte Ltd ("**Inmark**") and Crystal Hills Inc. ("**Crystal Hills**") in its capacity as consultant in relation to the proposed formation of a Cayman Islands domiciled real estate fund (the "**Fund**"). The initial aggregate seed capital of the Fund is intended to be approximately USD100 million, in which approximately USD60 million to be contributed by the Company or its affiliates and USD40 million of co-investment capital to be procured by Inmark from Korean institutional investors. The directors consider that the formation of the Fund will enable the Group to capture to the global real estate or real estate related investment opportunities and further expand the Group's investment portfolio in real estate and tourism and resort. No capital has been injected as at the date of approval of the financial statements.

(d) On 23 February 2017, the Group entered into a sale and purchase agreement to dispose of its entire interest in Nanjing High Accurate Marine Equipment Co., Ltd., a subsidiary of the Group as at 31 December 2016 to an independent third party for a total consideration of RMB607,000,000. The gain on disposal before tax is expected to be approximately RMB49,000,000.

(e) On 3 March 2017, the Group entered into the sale and purchase agreement with GSH Properties Pte. Ltd. ("**GPPL**"), TYJ Group Pte. Ltd. ("**TYJ**") and Vibrant DB2 Pte. Ltd. ("**VDPL**") (collectively the "**Vendors**") in relation to the acquisition of the entire issued capital of Plaza Venture Pte. Ltd. ("**PVPL**") at an original cash consideration of Singapore dollar ("**SGD**") 231,943,895 (equivalent to approximately RMB1,131,370,000), subject to (i) the deduction of estimated costs and liabilities of SGD3,923,069 (equivalent to approximately RMB19,136,000) incurred by PVPL up to completion of the acquisition and (ii) the difference between the surveyed construction costs determined by a quantity surveyor appointed by PVPL and the accrued construction costs fully recognised as incurred in the unaudited management accounts of PVPL for the period from 1 January 2016 to 30 November 2016. In addition, the shareholder loans in the books of PVPL as at 31 March 2017, owed to the Vendors by PVPL would be assigned to the Group at the date of completion. As at 31 January 2017, the aggregate amount of shareholder loans was SGD133,998,000 (equivalent to RMB646,777,000). PVPL is a private company incorporated in Singapore, which owns and develops a commercial and office development project in Singapore. The directors consider that the acquisition of PVPL would expand the Group's capabilities and opportunities in green and healthy living business of the Group. The acquisition has not yet been completed as at the date of approval of the financial statements.

(f) On 23 March 2017, Nanjing High Accurate Drive Equipment Manufacturing Group Co., Ltd., a subsidiary of the Group, issued a corporate bond of RMB900,000,000, which carries an interest rate of 6.37% per annum with a term of not more than 5 years.

28. COMPARATIVE AMOUNTS

During the year, certain comparative figures in respect of the year ended 31 December 2015 have been reclassified to conform with the current year's presentation.

BUSINESS REVIEW

(1) Property business

(a) *Property sales*

During the Year 2016, the Group made contracted sales of approximately RMB2,342,449,000, representing a decrease of approximately 6% as compared with the same period in 2015 the "**Year 2015**". The Company made contracted sales for an aggregate gross floor area of approximately 126,713 sq.m., representing a decrease of approximately 26% as compared with the same period in the Year 2015. The change in contracted sales and gross floor area was mainly due to gradual sales of Amber Garden（琥珀花園）project and launch of Yuhua Salon（雨花客廳）C North for sale. The average selling price was approximately RMB18,486 per sq.m., representing an increase of approximately 19% as compared with the same period in the Year 2015.

As at 31 December 2016, the Group's contracted sales for the contracts signed but properties not yet delivered were approximately RMB1,289,776,000, with a total gross floor area of approximately 67,413 sq.m., providing a solid foundation for the continuous and stable growth of the Group's future revenue.

During the Year 2016, the Group completed the development of Amber Garden（琥珀花園）project and TongJingYueCheng（同景躍城）project. As at 31 December 2016, a breakdown of the major properties under construction held domestically was as follows:

Project name	Address	Project type	Construction progress of the project	Expected completion date	Site area *(sq.m.)*	GFA completed *(sq.m.)*	GFA under construction *(sq.m.)*	Accumulated contracted sales area *(sq.m.)*	Interest in the project attributable to the Group
Yuhua Salon（雨花客廳）									
Yuhua Salon（雨花客廳）A1	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office, commercial project	Completed	Completed	33,606	78,165	–	48,131	100%
Yuhua Salon（雨花客廳）A2	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Hotel, office project	Under construction	Second quarter of 2018	30,416	–	81,380	–	100%
Yuhua Salon（雨花客廳）C South	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office, commercial project	Completed	Completed	42,639	133,832	–	49,940	100%
Yuhua Salon（雨花客廳）C North	East to Ningdan Road, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Apartment, commercial project	Under construction	Fourth quarter of 2017	48,825	–	193,004	38,592	100%
ZhuGong（諸公）	South-west to Yuhuatai Scenic Area, Nanjing, Jiangsu Province, the PRC	Residential project	Under construction	Second quarter of 2017	49,220	92,218	4,080	55,247	80%
Amber Garden（琥珀花園）									
Amber Garden（琥珀花園）Phase I	1 and 2 Jiadong, Xishanqiaojiedao, Yuhuatai District, Nanjing Jiangsu Province, the PRC	Residential project	Completed	Completed	43,964	114,807	–	89,809	100%
Amber Garden（琥珀花園）Phase II	1 and 2 Jiadong, Xishanqiaojiedao, Yuhuatai District, Nanjing Jiangsu Province, the PRC	Residential project	Completed	Completed	35,753	99,420	–	70,693	100%

Project name	Address	Project type	Construction progress of the project	Expected completion date	Site area (sq.m.)	GFA completed (sq.m.)	GFA under construction (sq.m.)	Accumulated contracted sales area (sq.m.)	Interest in the project attributable to the Group
Chongqing project									
ShuXiangYuan (書香苑)	Area C, Plot 18–7/02, Yu Zhong Zu Tuan, Yu Zhong District* Chongqing, the PRC	Residential project	Completed	Completed	11,804	52,678	–	47,845	90%
TongJingYueCheng (同景躍城)	To the east of Yudong Street and Dajiang Road in Banan District, Chongqing, the PRC	Residential project	Completed	Completed	51,172	208,915	–	148,082	90%
Total					347,399	780,035	278,464	548,339	

(b) Investment properties

During the Year 2016, the investment properties of the Group mainly included Wonder City (虹悦城), certain units of Yuhua Salon (雨花客廳) A1, Tongjing Yuecheng Kindergarten (同景躍城幼稚園), Nantong Youshan Meidi Garden Project (南通優山美地花園項目), Zhenjiang Youshan Meidi Garden Project (鎮江優山美地花園項目) and Huitong Building Project (匯通大廈項目).

	Address	Existing use	Term of contract	GFA (sq.m.)	Interest attributable to the Group
Nanjing					
Wonder City (虹悦城)	No. 619 Yingtian Da Jie, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Shopping mall	Medium-term covenant	100,605	100%
Yuhua Salon (雨花客廳) A1 (certain units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Office	Medium-term covenant	17,973	100%
Yuhua Salon (雨花客廳) A1 (certain units)	No. 119 Ruanjian Avenue, Yuhuatai District, Nanjing, Jiangsu Province, the PRC	Car park	Medium-term covenant	3,307	100%
Chongqing					
Tongjing Yuecheng Kindergarten (同景躍城幼稚園)	East of Yudong Street and Dajiang Road in Banan District, Chongqing, the PRC	Kindergarten	Medium-term covenant	1,223	90%
Nantong					
Nantong Youshan Meidi Garden Project (南通優山美地花園項目)	1888, Xinghu Avenue, Chongshan District, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,876	100%
Huitong Building (匯通大廈項目)	20, Zhongxiu Street, Chongshan District, Nantong, Jiangsu Province, the PRC	Commercial	Medium-term covenant	20,461	100%

	Address	Existing use	Term of contract	GFA *(sq.m.)*	Interest attributable to the Group
Zhenjiang					
Zhenjiang Youshan Meidi Garden Project (鎮江優山美地花園項目)	At the cross of Guyang North Road and Yushan North Road, Jingkou District, Zhenjiang, Jiangsu Province, the PRC	Commercial	Medium-term covenant	10,085	100%

(c) Green building services and entrusted construction

During the Year 2016, the Group engaged in providing technical design and consulting services, green building services and entrusted construction services in the PRC. Considering the Group's strategic development, the Group disposed of certain business which primarily provided green building services and energy station management services.

During the Year 2016, the revenue from both green building services and entrusted construction was approximately RMB192,520,000.

(d) Investments in property companies

In addition, during the Year 2016, the Group acquired in aggregate 559,865,959 shares of Applied Development Holdings Limited ("**ADHL**", a company listed on the Stock Exchange, representing approximately 26.8% of the issued share capital of ADHL as at the date of the acquisition announcement. ADHL is principally engaged in resort and property development, property investment and investment holdings. The Group's investment in ADHL had been accounted for as an investment in an associate under the equity method.

(2) Tourism vacation business

During the Year 2016, the Group acquired certain companies and land properties in Australia and commenced tourism vacation business. Currently, the Group has two property projects, namely, the Laguna project and the Sheraton project.

The Laguna project is located in Bloomsbury, Queensland, Australia, adjacent to a large-scale comprehensive development project in the Great Barrier Reef with a land lot site area of approximately 29,821,920 sq.m. The land is currently held for future development.

The Sheraton project comprises the Sheraton Mirage Resort and Golf Club project, which are located in Port Douglas, Queensland, Australia, a globally renowned tourist attraction. During 2015 and 2016, the Sheraton Mirage Resort and other nearby facilities underwent a large-scale refurbishment, including the refurbishment of the lobby, guest rooms, golf clubhouse, indoor landscape and outdoor landscape. The refurbishment took place in phases and in parts, during which the hotel had continued to operate and had been open to the public. The Sheraton project comprises 295 guest rooms, 4 restaurants and bars and an 18-hole golf course, with a total land lot site area of approximately 1,108,297 sq.m. and a total gross floor area of approximately 62,328 sq.m.

During the Year 2016, this segment recorded revenue of approximately RMB134,321,000, which was mainly derived from the Sheraton project.

(3) Investment business

During the Year 2016, the Group proactively developed its investment business.

The portfolio of listed equity investments of the Group held for trading as at 31 December 2016 and 31 December 2015 are set out as follows:

As at 31 December 2016

Stock code *(Note 1)*	**Name**	**Number of shares held** *(Note 2)*	**Effective shareholding interest**	**Acquisition cost** *RMB'000*	**Carrying amount as at 31 December 2016** *RMB'000*	**Unrealised holding gain arising on revaluation for the Year 2016** *RMB'000*	**Realised gain arising on disposal for the Year 2016** *RMB'000*	**Dividend received/ receivable for the Year 2016** *RMB'000*
153.HK	China Saite Group	203,800,000	9.09%	95,024	96,844	1,820	–	–
1908.HK	C&D International	40,000,000	9.35%	142,902	184,657	41,434	–	–
2098.HK	Zall Group	949,224,000	8.83%	947,452	5,125,172	3,276,615	–	–
8307.HK	Medicskin Holdings	80,000,000	16.65%	45,334	62,632	15,261	–	–
3332.HK	Nanjing Sinolife	45,411,600	4.80%	65,375	67,809	2,433	–	–
Others					–	8,290	–	–
					5,537,114	3,345,853	–	–

Notes:

1. All of the above companies are listed on the Stock Exchange.

2. All of the shares held by the Group are ordinary shares of the relevant company.

The performance and prospect of the major investment during the Year 2016 are as follows:

Zall Group

The principal activities of the Zall Group include developing and operating large-scale wholesale shopping malls with a focus on sales of various consumer products and the related value-added businesses, such as warehousing, logistics, e-commerce and financial services in the PRC. The Group held approximately 949,224,000 shares in Zall Group, representing approximately 8.83% of its entire issued capital as at 31 December 2016. The carrying amount of the investment in Zall Group accounted for approximately 11% of the Group's total assets as at 31 December 2016. The Group believes that Zall Group's growth momentum remains strong and expects the Group's investment in Zall Group to continue to generate a return for the Group.

As at 31 December 2015

Stock code	**Name**	**Number of shares held**	**Effective shareholding interest**	**Acquisition cost**	**Carrying amount as at 31 December 2015**	**Unrealised holding gain arising on revaluation for the year ended 31 December 2015**	**Realised gain arising on disposal for the year ended 31 December 2015**	**Dividend received/ receivable for the year ended 31 December 2015**
(Note 1)		*(Note 2)*		*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
2098.HK	Zall Group	949,224,000	8.83%	947,452	1,598,115	620,676	–	–

Notes:

1. All of the above companies are listed on the Stock Exchange.

2. All of the shares held by the Group are ordinary shares of the relevant company.

Other Investments

Apart from the above listed equity investments, the Group contributed in aggregate approximately RMB200,000,000 to subscribe for approximately 11.6% equity interest in a newly established entity, JiangSu Non-state-owned Investment Holding Co., Ltd.*（江蘇民營投資控股有限公司）("**JiangSu NSO**"). JiangSu NSO is principally engaged in equity and debt investment. The investment is recorded as available-for-sale investments and stated at cost.

The Group also invested in a trust fund through which a domestic entrusted loan with a term of three years of a principal amount of approximately RMB400,000,000 was made via a financial institution in the PRC. In addition, the Group provided a short-term borrowing with a term of six months of HKD225,000,000 through its overseas subsidiary during the Year 2016. Furthermore, upon disposal of its subsidiary, the Group retained a borrowing due from that former subsidiary to the Group amounting to RMB125,000,000, which was fully repaid to the Group in March 2017. The above-mentioned loans were aimed to earn a higher interest return, and such investments had been presented as loan receivables from an accounting treatment aspect.

During the Year 2016, the Group acquired 70% issued share capital of Northern King Holdings Limited, Wise Stream Limited and Diligent Apex Limited (collectively referred to as "**BaoQiao Group**"), which are securities and asset management companies, at an aggregate consideration of HKD140,000,000, including cash consideration of HKD63,000,000 and the remaining HKD77,000,000 to settled by way of newly issuance of shares by the Company. The final consideration were approximately RMB140,387,000 after considering the closing price on the share issuing date. The principal activities of BaoQiao Group are financial advisory and asset management businesses. After the acquisition, BaoQiao Group is expected to provide supporting and advisory services so as to develop the Group's business and to provide support to the financial activities of the Group.

The purpose of these investments are to further expand the resources of the Group, which in turn will increase its investment income and stabilize its long-term investment strategies. During the Year 2016, this segment recorded a profit before tax of approximately RMB3,390,300,000 (2015: RMB649,811,000), mainly attributable to the unrealised gain before tax from change in fair value of the listed securities amounting to approximately RMB3,345,853,000. As at 31 December 2016, the financial asset designated at fair value through profit or loss held was approximately RMB526,351,000 (2015: RMB10,419,000), the total amount of financial assets held for trading was approximately RMB5,537,114,000 (2015: RMB1,598,115,000). The total amount of the available-for-sale investments was approximately RMB1,070,090,000 (2015: Nil), and the total amount of loan receivables was approximately RMB728,216,000 (2015: Nil).

(4) Healthcare business

During the Year 2016, the Group completed the Shenzhen Anke*（深圳安科）acquisition project and Guangzhou Lifeinfinity*（廣州生命匯）acquisition project, and, using Fullshare Top*（豐盛榜）as a platform, the Group commenced its health industry business to facilitate the development of the Group's healthcare business.

During the Year 2016, the revenue, gross profit and gross profit margin of healthcare business were approximately RMB362,464,000, RMB103,962,000 and 29%, respectively.

Investments in health companies

During the Year 2016, the Group subscribed for 250,000,000 new shares of Hin Sang Group (International) Holding Co. Ltd. ("**Hin Sang Group**"), a company listed on the Stock Exchange, representing approximately 23.8% of its then issued share capital, as enlarged by the issue of such 250,000,000 new shares of Hin Sang Group at a consideration of approximately HKD295,000,000 which was satisfied by way of issuance of the Company's new shares and cash. Hin Sang Group is principally engaged in marketing, sales and manufacturing of healthcare products to children. This investment is recorded as investment in an associate and accounted for by the equity method.

(5) New energy business

During the Year 2016, the Group acquired a company, namely CHS (00658.HK) which is listed on the Stock Exchange, and expanded its business in the research, design, development, manufacturing and distribution of a broad range of mechanical transmission equipment that are used to generate wind power and a wide range of industrial applications. During the Year 2016, this segment recorded revenue of approximately RMB916,079,000. The revenue was mainly derived from the businesses of supplying wind gear transmission equipment, industrial gear transmission equipment and marine gear transmission equipment.

(a) Wind gear transmission equipment

This business is a major business of the new energy business. During the Year 2016, sales revenue of wind power gear transmission equipment business was attributable to the fact that there was an overall increasing demand for wind power equipment from customers, and the PRC government had successively launched policies encouraging the development of renewable energy and offshore wind power through energy structure reform.

(b) Industrial gear transmission equipment

This business mainly focuses on supplying products to customers in industries such as metallurgy, construction materials, traffic, transportation, petrochemical, aerospace and mining. Owing to the uncertainty of the global economic environment and in light of the PRC government's conservative views on the future growth of the domestic economy, overcapacity of the equipment industry in the PRC remained during the Year 2016, therefore the Group adjusted the development strategy for traditional industrial gear transmission equipment. Above all, by leveraging on its research and development technologies, the Group focused on the development of energy-saving and environmentally-friendly products, and formulated strategies to facilitate sales growth by standardizing and modularizing its products. Meanwhile, the Group strengthened its efforts to provide and sell parts and components of relevant products to its customers, helping them to enhance the efficiency of its existing products without increasing capital expenditure, thereby maintaining its position as a major supplier in the traditional industrial transmission product market.

(c) Marine gear transmission equipment

Although the current shipbuilding market has experienced downturn as a result of the decrease in oil price and has been affected by international political and economic factors, Nanjing High Accurate Marine Equipment Co., Ltd. ("**NGC-MARINE**"), a non-wholly owned subsidiary of the Group, continued to achieve great performance in sales of high quality, accurate and advanced technology products and support major domestic projects. Recently, NGC-MARINE has supplied China Communications Construction Company Limited with the offshore wind power installation platform propeller system and the world's largest cutter-suction dredger with gear box. At present, with the aim of advancement and improvement in its business operation, NGC-MARINE plays an increasingly important role in the domestic and international marine industry.

Patented projects

The wind power business has high entry barriers and requires specific technical know-how. The Group enhances corporate growth by introducing new products and new technology. Various new products have made their debuts in the domestic market under the Group's on-going innovation of products and technologies. Leveraging its advanced technology and the premium quality of such technology, the Group has obtained over 100 national, provincial and municipal technology advancement awards, outstanding new products awards, certification for new products, certification for high and new tech products and certification of high and new tech enterprises. As at 31 December 2016, a total of 351 patents were granted to CHS and its subsidiaries (together the "**CHS Group**") in the PRC. In addition, 62 patent applications have been submitted by the CHS Group and are pending for approval. The CHS Group was the first producer to adopt the ISO1328 and ISO06336 international standards. It was nominated as an enterprise for the 863 State Plan and a Computer Integrated Manufacturing System (CIMS) Application Model Enterprise by the Ministry of Science and Technology of the PRC. In addition, CHS passed the ISO9001:2008 quality management system certification, ISO14001:2004 environmental management system certification and GB/T28001-2001 occupational health and safety management system certification. Nanjing High Accurate Marine Equipment Co., Ltd, a non-wholly owned subsidiary of the Group, has strictly complied with the international standards and the requirements of various classification societies in designing and manufacturing marine products. Its products have passed the inspection of and obtained certifications from classification societies such as China Classification Society (CCS) in the PRC, Bureau Veritas (BV) in France, Germanischer Lloyd (GL) in Germany, American Bureau of Shipping (ABS) in the United States, Lloyd's Register of Shipping (LR) in the United Kingdom, Registro Italiano Navale (RINA) in Italy, Det Norske Veritas (DNV) in Norway, Russian Maritime Register of Shipping (RMRS) in Russia and Nippon Kaiji Kyokai (NK) in Japan. The wind power products manufactured by Nanjing High Speed Gear Manufacturing Co., Ltd, a wholly-owned subsidiary of the Company, have obtained certifications from China Classification Society (CCS) and China General Certification Center (CGC) in the PRC as well as Technischer Uberwachungs-Verein (TUV), Germanischer Lloyd (GL) and DEWI-OCC Offshore and Certification Centre in Germany. Furthermore, the Group's rail transportation products have obtained certifications from International Railway Industry Standard (IRIS), and its locomotive and tractive gears have successfully obtained certification from China Railway Test & Certification Centre (CRCC).

PROSPECT

In 2017, the Group will continue to focus on the development of the five major sectors, namely manufacturing of new energy equipments, cultural tourism, medical healthcare, comprehensive property development and investment. The Group will also continue to integrate its operational and capital resources to be utilised for global quality healthcare management and services, medical treatment, cultural tourism, operation, property development and manufacturing of new energy equipments to expand its platform in the grand health industry with an aim to establish a win-win collaberation between customers, partners and the Group.

The Group has completed the acquisition of 73.91% equity interest in CHS in December 2016. During the Year 2016, the Group had consolidated the financial results for the one month period after the acquisition upon considering the impact of the valuation adjustment due to the acquisition together with the revenue and net loss contributed to Group which amounted to approximately RMB916 million and RMB100 million. If the impact of valuation adjustment and only one month period since acquisition were eliminated, the total amount of revenue and net profit contributed by CHS to the Group could be approximately RMB9 billion and RMB1 billion. With the continuous strong growth of new energy business and impact of results of a full financial year for 2017, it is expected that the new energy sector would become a new driver for the Group's development.

Besides, the Group currently holds a few listed equity investments. The share price fluctuation may lead to financial impacts to the Group's performance. In the past years, the performance of the equity investments held by the Group have been satisfactory. It is a fact that the share price fluctuation would be subject to multi-factors. Therefore, the Group will maintain the approach of diversification of investment risk, continuous enhancement on the investment portfolio and closely monitor the business condition of the listed equity investments. The Group will adjust the investment portfolio in a timely manner if necessary to minimise the financial impact of the share price fluctuation.

In 2017, the principal target of the Group's business operation continues to be achieving revenue and profit growth. The Group will continue to adopt the healthy financial management policies with a prudent attitude to optimize the financial structure and control the proportion of equity financing and debt financing domestically to enhance financial security.

For further details of the events after the Year 2016, including the Group's acquisitions and business update, please refer to note 27 to the consolidated results in this announcement.

FINANCIAL REVIEW

Revenue

The revenue of the Group increased by approximately RMB1,215,812,000, or 39%, from approximately RMB3,095,611,000 in Year 2015 to approximately RMB4,311,423,000 in Year 2016. The revenue in Year 2016 was derived from the properties segment, tourism segment, investment segment, healthcare segment and new energy segment of approximately RMB2,894,843,000, RMB134,321,000, RMB3,716,000, RMB362,464,000 and RMB916,079,000 respectively, and the revenue in Year 2015 was derived from the properties segment, tourism segment, investment segment and healthcare segment of approximately RMB2,662,894,000, RMB88,852,000, RMB7,761,000 and RMB336,104,000 respectively.

In Year 2016, the revenue of the properties segment increased by approximately RMB231,949,000, or 9%, as compared to Year 2015. The properties segment includes investment, development and sales of properties and provision of construction related services. Revenue increased in the properties segment was mainly due to increase in sales of properties from approximately RMB2,407,982,000 in Year 2015 to approximately RMB2,638,593,000 in Year 2016 with an average selling price increased from RMB15,477 per sq.m. to approximately RMB15,784 per sq.m.

The revenue of the tourism segment was mainly derived from a hotel operated in Australia. The revenue increased by approximately RMB45,469,000, or 51% as compared to Year 2015 mainly due to the marketing efforts made after completion of hotel refurbishment in the second half of Year 2016, and the enhancement of the average occupancy and daily rate.

The revenue of the healthcare segment increased by approximately RMB26,360,000, or 8%, which was mainly attributable to the increase in sales of medical equipments, of which the Computer Tomography (CT) and Superconducting Magnetic Resonance Imaging (MRI) systems recorded a significant increase as compared to Year 2015.

Revenue of approximately RMB916,079,000 from the new energy segment was derived from CHS. Since CHS has become a subsidiary of the Group by the end of November 2016, the Group consolidated its revenue in December 2016 only, which mainly included the sales of wind gear transmission equipment and industrial gear transmission equipment of approximately RMB651,885,000 and RMB63,388,000 respectively. If the combination had taken place at the beginning of the Year 2016, the revenue from the new energy segment would be increased by approximately RMB8,049,970,000 to approximately RMB8,966,049,000.

Cost of sales

The cost of sales of the Group increased by approximately RMB731,155,000, or 27%, from approximately RMB2,708,273,000 in Year 2015 to approximately RMB3,439,428,000 in Year 2016. The cost of sales in Year 2016 derived for the properties segment, the tourism segment, the investment segment, the healthcare segment and the new energy segment was approximately RMB2,151,576,000, RMB154,575,000, RMB698,000, RMB258,502,000 and RMB874,077,000 respectively, whereas the cost of sales in Year 2015 for the properties segment, tourism segment and healthcare segment was approximately RMB2,370,801,000, RMB100,770,000 and RMB236,702,000 respectively.

In Year 2016, the cost of sales for the properties segment decreased by approximately RMB219,225,000, or 9% as compared to Year 2015, of which the cost of sales for properties sales decreased by approximately RMB228,013,000 from approximately RMB2,237,370,000 in Year 2015 to approximately RMB2,009,357,000 in Year 2016. Decrease in cost of sales was mainly due to the consolidated adjustment of premium over the acquisition costs for properties delivered in Year 2015.

Cost of sales of the tourism segment increased by approximately RMB53,805,000, or 53% as compared to Year 2015. The increase of cost of sales was in line with the revenue growth.

Cost of sales of the healthcare segment increased by approximately RMB21,800,000, or 9% as compared to Year 2015. The increase in cost of sales was in line with the revenue growth.

Cost of sales of the new energy segment was approximately RMB874,077,000 in Year 2016. As the acquisition of CHS was completed in November 2016, the revaluation of inventories after the acquisition had resulted in a premium over its cost for the current period of approximately RMB298,188,000, if this accounting adjustment was excluded, the cost of sales would be approximately RMB575,889,000.

Gross profit and gross profit margin

The gross profit of the Group increased by approximately RMB484,657,000, or 125%, from approximately RMB387,338,000 in Year 2015 to approximately RMB871,995,000 in Year 2016. The gross profit margin increased from 13% in Year 2015 to 20% in Year 2016. The gross profit and gross profit margin in Year 2016 mainly derived from the properties segment, healthcare segment and new energy segment were approximately RMB743,267,000 and 26%, RMB103,962,000 and 29% and RMB42,002,000 and 5% respectively. As aforementioned, the lower gross profit margin of the new energy segment was mainly due to the adjustment of premium over the cost of inventory upon acquisition and if excluding this consolidated accounting adjustment, the gross profit margin of the new energy segment should be approximately 37% in Year 2016. Gross loss from the tourism segment in Year 2016 is approximately RMB20,254,000, which was mainly due to the large-scale refurbishment of the hotel since Year 2015 which decreased the accommodation quality and the occupancy rate of the hotel.

The gross profit and gross profit margin of the properties segment and the healthcare segment in Year 2015 were approximately RMB292,093,000 and 11% and RMB99,402,000 and 30% respectively. Gross loss from the tourism segment in Year 2015 was approximately RMB11,918,000.

The overall gross profit margin increased from 13% in Year 2015 to 20% in Year 2016, which was mainly due to the profit derived from the delivery of Amber Garden Phase I（琥珀花園一期）, which accounted for a certain proportion of sales in Year 2015, was recognised in a gain on acquisition of the subsidiary that owns such project. The accounting effect of such cost premium had less impact in Year 2016 as compared with Year 2015. In addition, the overall gross profit ratio of the properties segment improved in Year 2016.

Only one month gross profit of the new energy segment has been consolidated to the Year 2016 of the Group, if the consolidation had taken place at the beginning of the Year 2016, the gross profit from new energy segment would be approximately RMB2,987,378,000 without considering the consolidated adjustment from premium of the inventory cost.

Other income and gains/losses, net

Other income and gains/losses, net increased by approximately RMB96,082,000, or 67%, from approximately RMB142,408,000 in Year 2015 to approximately RMB238,490,000 in Year 2016. Other income and gains/losses, net in Year 2016 mainly included other interest income of approximately RMB57,577,000, exchange gain of approximately RMB56,337,000 and bank-interest income of approximately RMB38,546,000. Other income and gains/losses, net in Year 2015 mainly included other interest income of approximately RMB91,301,000 and gain on disposal of owner-occupied property of approximately RMB14,048,000.

Fair value change in financial instruments

The Group maintains its investment business segment through holding and trading of various investment and financial products with potential or strategic use purposes. The Group recorded a net gain on change in fair value of financial instruments of approximately RMB3,361,459,000 in Year 2016, representing an increase of RMB2,740,364,000 or 441% as compared to RMB621,095,000 in Year 2015. The Group was committed to further investments in financial assets in Year 2016, which led to investments in various listed companies, and resulted in substantial growth in investment gains.

Gain on fair value change in transferring properties held for sale to investment properties

In Year 2015, certain properties held for sale with carrying amount of approximately RMB169,536,000 were transferred to investment properties, resulted in a gain on the change in fair value of approximately RMB147,464,000. There was no such gain in Year 2016.

Gain on disposal of subsidiaries, net

In Year 2016, the Group disposed of certain subsidiaries, and recorded a net total gain of approximately RMB98,502,000. In June 2016, the Group completed the disposal of 100% equity interest of Fullshare Green Building Group Company Limited*（豐盛綠建集團有限公司）(“**Fullshare Green Building**”) and its certain subsidiaries at a total consideration of RMB240,000,000 and recorded a gain before tax of approximately RMB14,283,000. In December 2016, the Group completed the disposal of 51% equity interest of Fudaksu Pte. Limited and its subsidiaries at a consideration of approximately RMB120,340,000 and recorded a gain before tax of approximately RMB64,124,000. In December 2016, the Group completed the disposal of 100% equity interest of Guangzhou Fullshare Health and its subsidiaries at a consideration of RMB55,000,000 and recorded a gain before tax of approximately RMB45,460,000. In December 2016, the Group completed the disposal of 63% equity interest in Jiangsu New Best Zhong-Chuan Technology Co., Ltd *（江蘇新貝斯中傳科技有限公司）at a consideration of RMB18,000,000, and recorded a loss before tax of approximately RMB25,365,000.

In Year 2015, the Group recorded a total of gain of approximately RMB194,047,000 from disposal of certain subsidiaries. In June 2015, the Group completed the disposal of 100% equity interest of Jiangsu Province Fullshare Property Development Limited*（江蘇省豐盛房地產開發有限公司）at a consideration of RMB467,000,000 and recorded a gain before tax of approximately RMB79,492,000. In November 2015, the Group completed the disposal of 100% equity interest of Jurong Dasheng Property Development Limited*（句容達盛房地產開發有限公司）and Jurong Dingsheng Property Development Company Limited*（句容鼎盛房地產開發有限公司）at a total consideration of approximately RMB523,600,000 and recorded a gain before tax of approximately RMB67,858,000. In December 2015, the Group completed the disposal of 100% equity interest of Active Goal Investments Limited and its subsidiaries and Advance Mind Investments Limited and its subsidiaries at a total consideration of RMB859,214,000 and recorded a gain before tax of approximately RMB46,697,000.

Gain on a bargain purchase

In September 2016, the Group completed the acquisition of 100% equity interest of High Access International Investments Limited and its subsidiaries at a consideration of approximately RMB1,296,872,000 by issuing 341,555,000 shares of the Company. The Group recorded a gain on a bargain purchase recognised in acquisition of subsidiaries of approximately RMB3,752,000.

In February 2015, the Group completed the acquisition of 100% equity interest of Jiangsu Anjiali Zhiye Company Limited*（江蘇安家利置業有限公司）and its subsidiaries (“**Anjiali Group**”) at a consideration of RMB438,000,000. As the fair value of the Anjiali Group’s is higher than the consideration, the Group recorded a gain on a bargain purchase recognised in the acquisition of the Anjiali Group of approximately RMB363,428,000.

Selling and distribution expenses

Selling and distribution expenses of the Group increased by approximately RMB92,362,000, or 68%, from approximately RMB136,441,000 in Year 2015 to approximately RMB228,803,000 in Year 2016, mainly due to one month selling and distribution expenses of approximately RMB59,074,000 from the newly acquired subsidiary, CHS, having been included in Year 2016, and the increase of related marketing and agency commission expenses of approximately RMB27,895,000 resulted from the increase in sales of properties within the property development segment.

Administrative expenses

Administrative expenses of the Group increased by approximately RMB343,106,000, or 204%, from approximately RMB168,346,000 in Year 2015 to approximately RMB511,452,000 in Year 2016, which was mainly due to: (i) the administrative expense of approximately RMB135,595,000 from CHS and approximately RMB127,145,000 from several newly acquired or established subsidiaries from the fourth quarter of Year 2015 to Year 2016; and (ii) the professional fee increased by approximately RMB53,197,000 incurred for acquisition projects in Year 2016. The administrative expenses in Year 2016 mainly included salaries and staff welfare of approximately RMB140,863,000, professional fees of approximately RMB87,696,000 and research and development expenses of approximately RMB100,555,000 (Year 2015: salaries and staff welfare of approximately RMB68,653,000, professional fee of approximately RMB15,739,000 and research and development expenses of approximately RMB23,666,000).

Finance costs

Finance costs of the Group decreased by approximately RMB14,645,000, or 14%, from approximately RMB104,641,000 in Year 2015 to approximately RMB89,996,000 in Year 2016 since the average borrowing during the Year 2016 was lesser than that of Year 2015.

Profit before tax

In Year 2016, the Group recorded a profit before tax of approximately RMB3,749,441,000. Excluding the gain on disposal of subsidiaries of approximately RMB98,502,000, gain on a bargain purchase of approximately RMB3,752,000 and a loss of approximately RMB10,745,000 on fair value assessment of convertible bonds, the profit before tax for the year would be approximately RMB3,657,932,000.

Income tax expense

In Year 2016, the CIT expense, the LAT expense and the deferred tax expense of the Group amounted to approximately RMB289,070,000, RMB111,965,000 and RMB315,401,000, respectively, and in Year 2015, the CIT expense, the LAT expense and the deferred tax expense amounted to approximately RMB171,005,000, RMB44,464,000 and RMB10,961,000, respectively.

The current CIT expense in Year 2016 increased by approximately RMB118,065,000 as compared to Year 2015, mainly due to more gross profit generated from the properties segment than last year.

The LAT expense in Year 2016 increased by approximately RMB67,501,000 as compared to Year 2015, mainly due to an increase in the number of properties delivered in Year 2016 with a higher LAT tax rate.

The deferred tax expense in Year 2016 was mainly derived from the provision for the fair value gains in financial instruments of approximately RMB557,154,000 and deferred tax credit from reversal of deferred tax liabilities of approximately RMB76,981,000 recognised at the date of acquisition of CHS when the inventories are sold and reversal of approximately RMB144,737,000 recognised at the date of acquisition of Jiangsu Anjiali upon the delivery of property units of Amber Garden Phase II (琥珀花園二期). The net deferred tax expenses in Year 2015 was RMB10,961,000, which mainly included the deferred tax credit from the reversal of deferred tax liabilities of approximately RMB158,810,000 recognised at the date of acquisition of Jiangsu Anjiali upon the delivery of property units of Amber Garden Phase I (琥珀花園一期). Such credit was set off against the current PRC CIT and PRC LAT recognised for this project. At the same time, the deferred tax expense of approximately RMB102,412,000 and approximately RMB65,806,000 were recognised respectively for the gain on change in fair value of financial assets at fair value through profit or loss and gain on fair value change in transferring properties held for sale to investment properties.

Profit for the year

In Year 2016, the Group recorded a profit of approximately RMB3,033,005,000. Excluding the net profit on disposal of subsidiaries of approximately RMB98,502,000, gain on a bargain purchase of approximately RMB3,752,000 and a loss of approximately RMB10,745,000 on fair value assessment of convertible bonds, the Group recorded a net profit of approximately RMB2,941,496,000. In Year 2015, the Group recorded a net profit of approximately RMB1,219,922,000. Excluding the gain on a bargain purchase recognised in the acquisition of subsidiaries of approximately RMB363,428,000, the gain on disposal of subsidiaries of approximately RMB194,047,000 and the gain on fair value change in transferring properties held for sale to investment properties of approximately RMB147,464,000, net finance costs of approximately RMB21,763,000 incurred to finance the acquisition of subsidiaries and the relevant tax expenses or deferred tax provision of approximately RMB93,685,000 for the above gain and expenses, the Group recorded a net profit of approximately RMB630,431,000 for the Year 2015. The adjusted net profit was increased by approximately RMB2,311,065,000 in Year 2016 as compared to the Year 2015. The increase in net profit was mainly due to the increase in net profit after tax of the investment segment of approximately RMB2,265,747,000. The adjusted net profit of approximately RMB2,941,496,000 was derived from investment segment of approximately RMB2,813,146,000 and other operating segments of approximately RMB128,350,000.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

In Year 2016, the Group financed its operations and investments mainly by internally generated funds, equity financing and debt financing.

Cash position

Cash and cash equivalents of the Group increased by approximately RMB2,623,517,000, or 211%, from approximately RMB1,240,557,000 as at 31 December 2015 (excluding pledged bank deposits) to approximately RMB3,864,068,000 as at 31 December 2016 (excluding pledged bank deposits), which as compared to 31 December 2015. The increase was mainly attributable to the consolidation of the cash and cash equivalents of CHS, a subsidiary acquired in November 2016.

Bank and other borrowings

As at 31 December 2016, bank and other borrowings of the Group amounted to approximately RMB8,975,918,000, including bank loans of approximately RMB7,498,855,000 and other borrowings of approximately RMB1,477,063,000. Among total bank and other borrowings, approximately RMB6,225,935,000 are repayable within one year, RMB991,841,000 are repayable over one year but not exceeding two years, RMB856,125,000 are repayable over two years but not exceeding five years and RMB902,017,000 are repayable over five years. As at 31 December 2015, bank and other borrowings of the Group amounted to approximately RMB977,270,000, including bank borrowings of approximately RMB614,730,000 and other borrowings of approximately RMB362,540,000. Among total bank and other borrowings, approximately RMB814,355,000 are repayable within one year, approximately RMB46,665,000 are repayable over one year but not exceeding two years, approximately RMB45,000,000 are repayable over two years but not exceeding five years and approximately RMB71,250,000 are repayable over five years.

The borrowings balance increased by approximately RMB7,998,648,000, or 818%, from 31 December 2015 to 31 December 2016, mainly attributable to the inclusion of borrowings of CHS, a subsidiary acquired in November 2016 and additional funding needed for operation and investment.

Leverage

As at 31 December 2016, total cash and cash equivalents of the Group amounted to approximately RMB3,864,068,000 (31 December 2015: approximately RMB1,240,551,000, excluding pledged bank deposits). Total balances of bank and other borrowings, obligation under finance lease, convertible bonds and corporate bonds amounted to approximately RMB9,014,993,000 as at 31 December 2016 (31 December 2015: approximately RMB985,013,000). The gearing ratio of the Group as at 31 December 2016, calculated as a ratio of the sum of bank and other borrowings, obligation under finance lease, convertible bonds and corporate bonds to total assets, was approximately 19% (31 December 2015: approximately 11%). The net equity of the Group as at 31 December 2016 was approximately RMB26,178,553,000 (31 December 2015: approximately RMB5,318,236,000).

As at 31 December 2016, the Group recorded total current assets of approximately RMB28,477,128,000 (31 December 2015: approximately RMB8,555,807,000) and total current liabilities of approximately RMB17,356,839,000 (31 December 2015: approximately RMB3,478,013,000). The current ratio of the Group, calculated by dividing total current assets by total current liabilities, was about 1.6 as at 31 December 2016 (31 December 2015: approximately 2.5).

FOREIGN EXCHANGE EXPOSURE

The assets, liabilities and transactions of the Group are mainly denominated in RMB, Hong Kong dollars, Australian dollars, US dollars and Euros. The Group currently does not have a foreign currency hedging policy. In order to manage and reduce foreign exchange exposure, the management will evaluate the Group's foreign exchange exposure from time to time and take actions as appropriate.

TREASURY POLICIES

As at 31 December 2016, bank and other borrowings of approximately RMB8,427,259,000, RMB409,919,000 and RMB138,740,000 were denominated in RMB, Hong Kong dollars and US dollars respectively (31 December 2015: RMB977,270,000 denominated in RMB). Bank and other borrowings of approximately RMB6,571,858,000 were at fixed interest rates, the rest balances were either at variable rates or non-interest bearing. Cash and cash equivalents held by the Group were mainly denominated in RMB and Hong Kong dollars. The Group currently does not have foreign currency and interest rate hedging policies. However, the management of the Group monitors the foreign exchange and interest rate exposure from time to time and will consider hedging significant foreign exchange and interest rate exposure if needed.

As at 31 December 2016, trade and bills receivables and trade and bills payables of the Group were approximately RMB7,281,539,000 and RMB6,870,880,000 (31 December 2015: approximately RMB275,719,000 and RMB501,956,000), respectively. The Group has a policy in financial risk management to ensure settlement of all receivables and payables during the credit period.

PLEDGE OF ASSETS

Details of the Group's pledged assets as at 31 December 2016 are set out in note 25 to the consolidated results in this announcement.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES OR ASSOCIATED COMPANIES

To expand the scale of operations and improve the quality of the assets of the Group, the Group conducted and completed the following material corporate acquisitions and disposals in Year 2016:

On 3 February 2016, Nanjing Fullshare Asset Management (as the purchaser and an indirect wholly-owned subsidiary of the Company) and 南京豐盛產業控股集團有限公司(Nanjing Fullshare Industrial Holding Group Co. Limited*) ("Nanjing Fullshare Holding") and Mr. Ji (as the vendors) entered into the share transfer agreement, pursuant to which Nanjing Fullshare Asset Management conditionally agreed to acquire and Nanjing Fullshare Holding and Mr. Ji conditionally agreed to sell 72.19% of the issued share capital in Shenzhen Anke for an aggregate cash consideration of RMB140,000,000. The Group completed the acquisition on 17 May 2016, details of which were set out in the announcements of the Company dated 3 February 2016 and 17 May 2016, respectively, and the circular of the Company dated 24 March 2016.

On 21 April 2016, (i) Five Seasons V Pty. Ltd. ("Purchaser A") (as the purchaser), an indirectly wholly-owned subsidiary of the Company and Fullshare International (Australia) Pty Ltd ("Vendor A") (as the vendor), an indirect wholly-owned subsidiary of Fullshare Technology Group Limited*(豐盛科技集團有限公司)entered into the share sale and purchase agreement, pursuant to which the Purchaser A conditionally agreed to purchase and the Vendor A conditionally agreed to sell 100% of the issued share capital of certain companies, each of which was a direct wholly-owned subsidiary of the Vendor A, for an aggregate cash consideration of AU$29,224,085.00; and (ii) Five Seasons V (A) Pty. Ltd. ("Purchaser B") (as the purchaser), an indirectly wholly-owned subsidiary of the Company and Laguna Whitsundays Airport Pty Ltd CAN 145 751 300 as trustee for the Laguna Whitsundays Airport Unit Trust ("Vendor B") (as the vendor), an associate of Mr. Ji and a connected person of the Company entered into the land sale agreement, whereby, among other things, the Purchaser B conditionally agreed to purchase and the Vendor B conditionally agreed to sell certain land properties at an aggregate cash consideration of AU$18,776,015. The Group completed the acquisition on 4 May 2016, details of which were set out in the announcements of the Company dated 5 January 2016 and 21 April 2016, respectively.

On 6 May 2016, the Company and Infinity Heroes Limited entered into a sale and purchase agreement whereby, among other things, the Company conditionally agreed to acquire 51% of the issued share capital in Five Seasons IX Limited, which holds two medical companies as its operating subsidiary, at a consideration of RMB1,581,000. On the same date, Guangzhou Fullshare, a wholly-owned PRC incorporated subsidiary of the Company, entered into an assignment with Mr. Deng Xiaoxiong ("Mr. Deng") and one of the medical company held by Five Seasons IX Limited, pursuant to which. Guangzhou Fullshare conditionally agreed to assume 51% of the balance of the existing shareholder's loan based on the accounts of such medical company as at completion of the sale and purchase agreement, owing by the medical company to Mr. Deng at a consideration of RMB35,700,000. The Group completed the acquisition on 18 May 2016, details of which were set out in the announcement of the Company dated 6 May 2016.

On 27 April 2016, the Company entered into the subscription agreement with Hin Sang Group, pursuant to which the Company has conditionally agreed to subscribe for and Hin Sang Group has conditionally agreed to allot and issue a total of 250,000,000 new shares of Hin Sang Group ("HS Subscription Share(s)") at the total consideration of HK$295 million (equivalent to HK$1.18 per HS Subscription Share), which were paid by the Company as to HK$64.6 million in cash and as to the remaining balance of HK$230.4 million by allotment and issue of 118,765,000 consideration shares of the Company. The Group completed the subscirption on 24 June 2016, details were set out in the announcement of the Company dated 27 April 2016.

On 22 June 2016, 南京豐利股權投資企業（有限合夥）(Nanjing Fengli Equity Investment Enterprise (Limited Partnership)*) ("Nanjing Fengli") and Nanjing Shengmao Asset Management Company Limited*（南京盛茂資產管理有限公司）("Nanjing Shengmao Asset Management") (together as the vendors), Jiasheng Construction Group Co., Ltd.*（嘉盛建設集團有限公司）("Jiasheng Construction") (as the purchaser) and Fullshare Green Building entered into the equity transfer agreement, pursuant to which Nanjing Fengli and Nanjing Shengmao Asset Management conditionally agreed to sell and Jiasheng Construction conditionally agreed to acquire the entire equity interest in Fullshare Green Building, an indirectly wholly-owned subsidiary of the Company, for a cash consideration of RMB240 million. The Group completed the disposal on 29 June 2016, details of which were set out in the announcement of the Company dated 22 June 2016.

On 29 August 2016 and 27 September 2016, the Company (as the purchaser) and Mr. Li Changming ("Mr. Li", as the vendor) entered into the equity transfer agreement and the supplemental equity transfer agreement, pursuant to which the Company conditionally agreed to acquire and Mr. Li conditionally agreed to sell to the Company 100% equity interest in High Access International Investment Limited（高通國際投資有限公司）for a consideration of RMB1,007 million, which shall be satisfied by the allotment and issue of 341,555,000 consideration shares of the Company. The Groups completed the acquisition on 7 September 2016, the details of which were set out in the announcement of the Company dated 29 August 2016 and 27 September 2016 respectively.

On 14 September 2016, Rich Unicorn Holdings Limited, a direct wholly-owned subsidiary of the Company (as purchaser) ("**RUHL**") entered into the sale and purchase agreement among Millenniums Capital Asia Limited ("MCAL") (as seller), and Ms. Wang Jingyu (as warrantor), pursuant to which RUHL conditionally agreed to purchase the 465,725,959 shares of ADHL beneficially owned by MCAL, representing approximately 22.309% of the issued share capital of ADHL at a cash consideration of HKD436,000,000. The Group completed the above subscription on 14 September 2016, the details of which were set out in the announcement of the Company dated 14 September 2016.

On 19 September 2016, a joint announcement was made by the Company and CHS in relation to the voluntary conditional share exchange offer to be made by BaoGiao Partners Capital Limited on behalf of Five Seasons XVI Limited (a wholly-owned subsidiary of the Company) (the "**Offeror**") to acquire all of the issued shares in the share capital of CHS (other than those already owned by the Offeror and parties acting in concert with the Offeror) (the "**Offer**") based on the exchange ratio of five new shares of the Company for every two shares of CHS. On 5 December 2016, the Company and CHS jointly announced that the Offer was closed, and the Offeror received valid acceptances in respect of 1,208,577,693 shares of CHS under the Offer, representing approximately 73.91% of the then issued share capital of CHS upon the close of the Offer. The details of the Offer were set out in the announcements of the Company dated 19 September 2016, 29 September 2016, 24 October 2016, 31 October 2016, 1 November 2016, 4 November 2016, 10 November 2016, 11 November 2016, 15 November 2016, 16 November 2016, 17 November 2016, 18 November 2016, 21 November 2016 and 5 December 2016 respectively and the circulars of the Company dated 31 October 2016 and the composite document and supplemental document in respect of the Offer dated 31 October 2016 and 18 November 2016 respectively.

On 12 August 2016, 南京豐盛大族科技股份有限公司 (Nanjing Fullshare Dazu Technology Company Limited*) ("Nanjing Fullshare Technology") (as the purchaser and a wholly-owned subsidiary of the Company) and Nanjing Zhonghe Shiye Investment Development Company Limited*（南京中闔實業投資發展有限公司）("Nanjing Zhonghe", as the vendor) entered into the equity transfer agreement, pursuant to which Nanjing Fullshare Technology agreed to purchase and Nanjing Zhonghe agreed to sell 35% of the total equity interest in Nanjing Jiansheng Real Estate Development Company Limited*（南京建盛房地產開發有限公司）for a cash consideration of RMB17.5 million. The Group completed the acquisition on 27 September 2016, details of which were set out in the announcement of the Company dated 12 August 2016.

On 4 July 2016, the Group entered into certain business sale agreements and land sale agreements with the relevant vendors, pursuant to which the Group conditionally agreed to purchase and the relevant vendors conditionally agreed to sell the respective rights and assets in operating the business of a hotel, villa management and country club and resort stores in Australia for a total consideration of AU$800,000.00 and certain land properties located in Australia for a consideration of AU$59,400,000.00. The Group completed the purchase on 9 November 2016, the details of which were set out in the announcements of the Company dated 4 July 2016, 25 July 2016, 30 September 2016 and 7 December 2016 respectively and the circular of the Company dated 25 August 2016 respectively.

On 22 July 2016, the Group (as the purchser) entered into two sale and purchase agreements with (i) BaoQiao Partners Holdings Limited (as the seller) and Ms. Lin Wai Yan, pursuant to which the Group conditionally agreed to purchase 70% equity interest in each of Northern King Holdings Limited and Wise Stream Limited; and (2) Ms. Lin Wai Yan (as the seller), pursuant to which the Group conditionally agreed to purchase 70% equity interest in Diligent Apex Limited, respectively. The aggregate consideration for the aforesaid acquisitions is HK$140,000,000, among which HK$63,000,000 shall be settled by cash and the remaining balance shall be satisfied by allotment and issue of 26,642,500 consideration shares of the Company. The Group completed the acquisitions on 6 December 2016, the details of which were set out in the announcement of the Company dated 22 July 2016.

On 9 December 2016, the Group and SOX Childcare Centres Pty Ltd (as the vendor) entered into the subscription and share sale agreement, pursuant to which the vendor conditionally agreed to sell, and the Group conditionally agreed to purchase, the 90% of the issued share capital of Sparrow Early Learning Pty Ltd, for cash consideration of AUD72,900,000, and the Group would pay extra earn out payment of not more than AUD8,100,000 if Sparrow Early is able to meet the required profit goal. The Group completed the acquisition on 20 January 2017, the details of which were set out in the announcement of the Company dated 9 December 2016.

The Company confirms that it has complied with all the disclosure requirements under Chapter 14 and 14A of the Rules Governing the Listing of Securities on The Stock Exchange (the "**Listing Rules**").

In Year 2016, save as disclosed in this announcement, the Group did not have any material acquisition or disposal of subsidiaries or associates.

OPERATING SEGMENT INFORMATION

Details of the operating segment information of the Group in Year 2016 are set out in note 3 to the consolidated results in this announcement.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group as at 31 December 2016 are set out in note 26 to the consolidated results in this announcement.

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 31 December 2016 are set out in note 24 to the consolidated results in this announcement.

PROPOSED FINAL DIVIDEND

The Board have resolved to recommend a final dividend of RMB1.5 cents (2015: RMB1.0 cent) per share in cash distributed from the share premium account of the Company for the Year 2016 to the shareholders of the Company (the "**Shareholders**") whose names appear on the register of members of the Company on 25 May 2017. Such final dividend will not be subject to any withholding tax. As at 31 December 2016, the balance of the Company's share premium account was approximately RMB17,787,076,000. After the payment of the final dividend, assuming there are no other changes to the share premium account, the balance of the Company's share premium account is expected to be reduced to approximately RMB17,491,140,000. The proposed final dividend will be declared in RMB but paid in Hong Kong dollars. The final dividend payable in Hong Kong dollars will be converted from RMB at the middle rate of RMB to Hong Kong dollars of 1.13 as announced by the Hongkong and Shanghai Banking Corporation Limited as at 30 March 2017.

The proposed final dividend is subject to the approval of the Shareholders at the forthcoming annual general meeting to be held on 19 May 2017 (the "**AGM**"). The final dividend is expected to be paid on 15 June 2017.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM of the Company to be held on Friday, 19 May 2017, the register of members of the Company will be closed from Tuesday, 16 May 2017 to Friday, 19 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Monday, 15 May 2017.

For determining the entitlement to the proposed final dividend for the Year 2016 (subject to approval by the Shareholders at the AGM), the register of members of the Company will be closed from Thursday, 25 May 2017 to Wednesday, 31 May 2017, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible for the above proposed final dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:00 p.m. on Wednesday, 24 May 2017.

STAFF AND REMUNERATION POLICIES

As at 31 December 2016, the Group had about 9,325 employees (31 December 2015: 768 employees). The Group's total staff costs (including executive directors' remuneration) amounted to approximately RMB230,130,000 for the Year 2016 (Year 2015: RMB93,453,000). Employee remunerations are determined according to the Group's operating results, job requirements, market salary level and ability of individuals. The Group regularly reviews its remuneration policy and additional benefit programs and makes necessary adjustments to ensure they in line with industry level. In addition to basic salaries, the Group has established revenue sharing programs and performance appraisal plans to provide rewards according to the Group's results and employees' individual performance.

SUBSEQUENT EVENTS

As at 31 December 2016, details of the subsequent events of the Group are set out in note 27 to the consolidated results in this announcement.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). The primary duties of the audit committee of the Company are to review and supervise the financial reporting process and internal control system of the Group and to review the Group's interim and annual reports and financial statements. The audit committee of the Company had reviewed the consolidated financial statements of the Group for the Year 2016. The audit committee of the Company currently comprises three independent non-executive Directors.

FUND RAISING ACTIVITIES

(1) On 6 September 2016 (after trading hours), the Company entered into a subscription agreement (the "**Subscription Agreement**") with Superb Color Limited (the "**Subscriber**"), pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 538,357,500 ordinary shares of HKD0.01 each in the share capital of the Company (the "**Subscription Share(s)**") at the subscription price of HKD3.715 per Subscription Share (the "**Subscription**"). The aggregate nominal value of the Subscription Shares is HKD1,999,998,113. The closing price of the Company's shares are HK4.37 per share on the date of Subscription Agreement. On 29 September 2016, the Company issued 538,357,500 Subscription Shares to the Subscriber.

The Directors are of the view that the Subscription can (i) raise further capital for development in the healthcare sector; (ii) strengthen the financial position of the Group; and (iii) provide general working capital for the Group. The Subscription also represents a good opportunity to broaden the capital base of the Company. The Directors consider that the Subscription is in the interest of the Company and the Shareholders as a whole. The gross proceeds from the Subscription are expected to be HKD1,999,998,113. The net proceeds from the Subscription (after deducting the costs, expenses and fees incurred in the Subscription) are HKD1,999,774,689. The net proceeds raised per Subscription Share are approximately HKD3.714 per Share.

The Company intends to use the net proceeds from the Subscription in the following manners:

(a) develop and invest in property, healthcare industry and investment segment as and when appropriate; and

(b) supplement the general working capital of the Group for, among others, the payment of consideration for previously announced acquisitions.

The net proceeds were used as intended as to approximately 50% to develop and invest in property, healthcare and investment segment and the remaining net proceeds were used for general working capital.

Details of the Subscription were set out in the announcement of the Company dated 6 September 2016.

(2) On 7 September 2016, the Group entered into a subscription agreement with MBL to issue zero coupon convertible bonds due 2017 (the "**Notes**") in an aggregate principal amount of HKD350,000,000 comprising five sub-tranches of HKD70,000,000 each at the issue price of 99% of the principal amount of the Notes. The Notes are convertible into ordinary shares of the Company at a conversion price of 95% of the volume weighted average price of the shares of the Company as traded on the Stock Exchange on the trading day immediately preceding the conversion date. The minimum conversion price shall initially be HKD3.00, subject to adjustments.

The Notes are redeemable at the option of the Company at a price of 99% of the principal amount of the Notes. Any Notes not converted will be redeemed at 99% of its principal amount on the maturity date. Pursuant to the terms of the subscription agreement, the Group is obliged to issue and MBL is obliged to subscribe and pay for, within 5 trading days after conversion of all the Notes of the immediately preceding sub-tranche, the next succeeding sub-tranche of the Notes.

The issue of the Notes and the right of conversion into shares of the Company attached to the Notes were approved and authorised by the shareholders under specific mandate at the extraordinary general meeting of the Company held on 18 October 2016. During the Year Under Review, the first sub-tranche Notes, second sub-tranche Notes and the third sub-tranche Notes were issued on 1 November 2016, 17 November 2016 and 18 November 2016, respectively. During the Year Under Review, (i) the first sub-tranche Notes have been fully converted into a total of 16,940,000 shares of the Company from 1 November 2016 to 16 November 2016 at the conversion price ranging from HKD4.087850 to HKD4.155395 per share; (ii) the second sub-tranche Notes have been fully converted into a total of 16,640,000 shares of the Company from 17 November 2016 to 18 November 2016 at the conversion price of HKD4.146275 and HKD4.24118 per share respectively; and (iii) the third sub-tranche Notes have been partially converted in an aggregate principal amount of HKD45,000,000 into a total of 10,610,000 shares of the Company at HKD4.24118 per share on 18 November 2016. As at 31 December 2016, the outstanding amount of the third sub-tranche Notes is HKD25,000,000.

The real estimated net proceeds from the issue of the Notes of approximately HKD346,500,000 will be applied to finance any possible acquisitions or investments as and when opportunities arise and to the general working capital of the Group. As at 31 December 2016, the Company has received the net proceeds of approximately HKD183,150,000 from the issue of the three sub-tranches of the Notes which have been utilised as the general capital and invested in healthcare segment of the Group.

Details of the subscription were set out in the announcement of the Company dated 7 September 2016 and the circular of the Company dated 29 September 2016.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year 2016.

CHANGE OF AUDITORS

After careful consideration and taking account of various factors (including the available internal resources corresponding to the current working process), SHINEWING (HK) CPA Limited resigned as auditors of the Group with effect from 31 May 2016. An ordinary resolution to appoint Ernst & Young ("**E&Y**") as auditors of the Group to fill the causal vacancy was passed by the Shareholders of the Company at the extraordinary general meeting of the Company held on 27 June 2016.

SCOPE OF WORK OF ERNST & YOUNG

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and related notes thereto for the Year 2016 as set out in this announcement have been agreed with the Group's auditors, E&Y, which is consistent with the figures set out in the Group's consolidated financial statements for the Year 2016. The work performed by E&Y in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by E&Y in this announcement.

CORPORATE GOVERNANCE CODE

The Company is committed to maintain a high standard of corporate governance. It believes that a high standard of corporate governance provides a framework and solid foundation for the Group to manage business risks, enhance transparency, maintain high standard of accountability and protect interests of the Shareholders and other stakeholders.

The Company has applied the principles and complied with the code provisions set out in the CG Code as contained in Appendix 14 to the Listing Rules during the Year 2016 except for the following deviations:

1. Code Provision A.2.1

Under the Code Provision A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "**CEO**") should be separate and should not be performed by the same individual. During the Year 2016, the positions of chairman and CEO of the Company were held by Mr. Ji. The Board believed that the holding of both positions of chairman and CEO by the same individual allowed more effective planning and execution of business strategies. The Board has full confidence in Mr. Ji and believes that his dual roles will be beneficial to the Group. On 17 May 2016, the Company appointed Mr. Deng Xiaoxiong as Co-CEO of the Company to balance the role of CEO.

2. Code Provision A.4.1

Under the Code Provision A.4.1 of the CG Code, the non-executive Directors should be appointed for a specific term, subject to re-election. The independent non-executive Directors of the Company were not appointed for a specific term, but they were subject to retirement by rotation and re-election at annual general meetings of the Company at least once every three years in accordance with the articles of association of the Company. Since 17 May 2016, the appointment terms of the non-executive Directors (including independent non-executive Directors) of the Company have been changed to a specific team of three years, which is in compliance with the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors regarding any non-compliance with the Model Code during the Year 2016, they have all confirmed their full compliance with the required standards as set out in the Model Code throughout the Year 2016.

ANNUAL GENERAL MEETING

The AGM for approving, among other things, the audited consolidated financial statements of the Group for the Year 2016, will be held at 3:00 p.m. on 19 May 2017, details of which will be set out in the notice of the AGM to be published in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement has been published on the website of the Stock Exchange, www.hkexnews.hk, and the website of the Company, www.fullshare.com. The annual report for the Year 2016 will be despatched to the Shareholders and published on the above-mentioned websites in due course.

By order of the Board
Fullshare Holdings Limited
Ji Changqun
Chairman

Hong Kong, 30 March 2017

As at the date of this announcement, the executive Directors are Mr. Ji Changqun (Chairman), Mr. Shi Zhiqiang and Mr. Wang Bo; and the independent non-executive Directors are Mr. Lau Chi Keung, Mr. Chow Siu Lui and Mr. Tsang Sai Chung.

* *for identification purpose only*