

Hailiang Group Co.,Ltd

Auditors' Report

DAXIN SHEN ZI [2017] No. 4-00265

大信会计师事务所（特殊普通合伙）

WUYIGE CERTIFIED PUBLIC ACCOUNTANTS LLP.

The auditors' report and the accompanying financial statements are English translations of the Chinese auditors' report and financial statements prepared in accordance with Accounting Standards for Business Enterprises of China.

Should there be inconsistency between the Chinese and English versions, the Chinese version shall prevail.



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Auditors' Report

DAXIN SHEN ZI [2017] No. 4-00265

To the Shareholders of Hailiang Group Co., Ltd:

We have audited the accompanying financial statements of Hailiang Group Co.,Ltd (hereafter referred to as “the Company”), which comprise the balance sheet as at December 31, 2016, the statement of income, statement of cash flows and statement of changes in equity for the year then ended, and notes to the financial statements.

I. Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Accounting Standards for Business Enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

II. Auditor’s Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control



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relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

III. Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016, and its financial performance and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

WUYIGE CERTIFIED PUBLIC ACCOUNTANTS LLP.

Certified Public Accountant of China

Certified Public Accountant of China

China . Beijing

Date: April 26, 2017

Hailiang Group Co., Ltd.

Notes to the Financial Statements

(All amounts in Chinese Renminbi Yuan unless otherwise stated)

1. Company profile

1.1 Hailiang Group Co., Ltd. (hereinafter referred to as “company” or “the company”) got the business license of enterprise legal person on August 9th, 1996 and its registered address is No.386 Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province

1.2 The company’s main business includes: real estate development, property management; researching, producing and selling the copper pipe, copper and other copper products; planting, breeding and selling agricultural products; education.

1.3 The financial statements are approved and submitted by the board of directors of the company on 26 April, 2017.

1.4 The scope of financial year 2016 financial statements includes: Hailiang Group Co.,Ltd, Zhejiang Hailiang Co., Ltd, Zhejiang Hailiang Education Group Co., Ltd, Zhejiang Hailiang Capital Investment and Management Co., Ltd, Zhejiang Zhengmao Venture Capital Investment Co.,Ltd,Shanghai Zhepu Real Estate Co. ,Ltd, Beipiao Beita Oil Shale Comprehensive Development and Utilization Co., Ltd, Hailiang Group Finance Co., Ltd, Hangzhou Hailiang Real Estate Co., Ltd, Rich Pro investment limited, Zhejiang Mingkang Livestock Industry Development Co., Ltd, Zhuji Hai Liang Hospital, Hongkong International Agriculture Investment Co.,Ltd, Hailiang International Investment (HK) LTD and Hailiang Metal Trading Group Co., Ltd. and subsidiary companies. Details of subsidiaries refer to Note 5. Enterprise merger and consolidated financial statements.

2. Significant accounting policies and accounting estimates

2.1 Basis of preparation of financial statements

On the basis of going concern and transactions and events actually occurred, the Company prepares its financial statements with the following accounting policies and accounting estimates in accordance with the Accounting Standards for Business Enterprises – basic Standards, specific

accounting standards and other relevant provisions (hereinafter collectively known as "Accounting Standards for Business Enterprises" or "CAS")

2.2 Declaration on compliance with the Accounting Standards for Business Enterprises

The financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the Company's financial position as of 31 December 2016 and its operating results, cash flows and other relevant information for the year ended 31 December 2016.

2.3 Accounting period

The financial year of the Company is from January 1 to December 31 of each calendar year.

2.4 Operating cycle

The Company's operating cycle is 12 months in each calendar year and it classifies the assets and liabilities' liquidity by operating cycle.

2.5 Functional currency

The Company's functional currency is Chinese Renminbi (hereafter referred to as "RMB").

2.6 Business combination

2.6.1 Business combinations involving enterprises under common control

In a business combination involving enterprises under common control, if the acquirer pays for the business combination in cash, by transferring of non-cash assets or assuming liabilities, net assets in the ultimate controlling party's consolidated financial statements are measured at their carrying amounts of the acquiree at the acquisition date. If the acquirer issues equity instruments for the business combination, the acquirer measures the share capital by the par value of the shares issued. The difference between the original investment costs and the carrying amounts (or the total par value of shares issued) will be adjusted to the capital reserves. If the capital reserves is insufficient to absorb the difference, the remaining amount shall be deducted from retained earnings.

2.6.2 Business combinations involving enterprises not under uncommon control

In a business combination involving enterprises not under common control, the combination costs are the aggregate of the fair values of the assets paid, the liabilities incurred or assumed and the equity instruments issued by the acquirer in exchange for control over the acquiree at the acquisition date. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree

that meet the recognition criteria are measured at their fair value. The Company shall recognize the difference of the combination costs in excess of its interest portion in the fair value of the net identifiable assets acquired from the acquiree as goodwill. The Company shall recognize the difference of the combination costs less than its interest portion in the fair value of the net identifiable assets acquired from the acquiree in the non-operating income for current period after reassessment.

2.7 Preparation of consolidated financial statements

2.7.1 The investment entity

The Company is determined as an investment entity according to the following judgement basis:

2.7.2 The scope of consolidated financial statements

The Company incorporates all its subsidiaries (including individual entities under its control) into the scope of the consolidated financial statements, including the enterprises controlled by the Company, divisible part in the investees and structured entities.

2.7.3 Uniform accounting policies, balance sheet date and accounting period

If the subsidiaries adopt different accounting policies or accounting period compared with those of the Company, the Company shall make necessary adjustments on the subsidiaries' financial statements according to its accounting policies or accounting period when the consolidated financial statements are prepared.

2.7.4 The elimination in the preparation of consolidated financial statements

The consolidated financial statements are prepared based on the individual financial statements of the Company and its subsidiaries, after elimination of the transactions incurred among the Company and the subsidiaries. The portion of a subsidiary's equity that is not attributable to the Company is treated as minority interests and presented in the consolidated balance sheet within equity. The equity investment of the Company held by one subsidiary shall be treated as the Company's treasury shares and a deduction of the shareholders' equity which is presented as "less: treasury shares" in the consolidated balance sheet within equity.

2.7.5 The accounting treatment for obtaining subsidiaries through a business combination

Where a subsidiary or business has been acquired through a business combination involving enterprises under common control in the reporting period, the obtained subsidiary or business is

deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their assets, liabilities, operating results and cash flows are included in the consolidated financial statements from the beginning of the accounting period in which the acquisition occurred. Where a subsidiary or business has been acquired through a business combination not involving enterprises under common control, their individual financial statements are adjusted based on the fair value of identifiable net assets at the acquisition date when preparing the consolidated financial statements.

2.8 Joint arrangement classification and accounting treatments

2.8.1 The classification of joint arrangement

Joint arrangements are classified as joint operations or joint ventures. A joint arrangement will be classified as joint operation when the joint arrangement achieves not through an individual entity. Individual entity is an entity with individual identifiable finance structure, including single legal entity and entity unqualified as legal entity but qualified as lawful entity. A joint arrangement is usually be classified as joint venture when the joint arrangement achieves through incorporating an individual entity. When changes arising from relevant events or environment cause changes of the cooperative parties' rights and obligations in the joint arrangements, the cooperative parties shall reassess the classification of the joint arrangements.

2.8.2 The accounting treatment of joint operations

The party participating in joint operations shall recognize the following items relating to its interests in the joint operations and account for them in accordance with related requirements of Accounting Standards for Business Enterprises: a) Its solely-held assets and solely-assumed liabilities, and b) Its share of any assets and liabilities held jointly; c) Its revenue from the sale of its share of the output arising from the joint operation; d) Its share of the revenue from the sale of the output by the joint operation; e) Its own expenses; and f) Its share of any expenses incurred jointly.

The other parties involving in joint operations without common control power shall account for their investments referring to the treatment method of joint operation participants if they are entitled to relevant assets and undertake relevant liabilities of the joint operations, otherwise, they shall account for their investments according to related requirements of Accounting Standards for Business Enterprises.

2.8.3 The accounting treatment of joint ventures

The parties participating in a joint venture account for its investment in accordance with Accounting Standards for Business Enterprises No.2 - Long-term equity investment. And the other parties involving in joint ventures without common control power shall account for their investments according to their influence extent on the joint ventures.

2.9 Cash and cash equivalents

The cash in the Company's statement of cash flows is cash on hand and deposits that can be readily drawn on demand. Cash equivalents in the statement of cash flows are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

2.10 Foreign currency transactions and translation of financial statements denominated in foreign currency

2.10.1 Translation of foreign currency transactions

The Company records foreign currency transactions in RMB for accounting purpose using approximate exchange rate at the spot exchange rate prevailing on the date when the transactions occurs. At the balance sheet date, monetary items denominated in foreign currency are translated to RMB by adopting the prevailing exchange rate on that date. Foreign exchange difference between the prevailing exchange rate on that date and the prevailing exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss for the current period, except the foreign exchange arising from specific loan denominated in foreign currency qualified as capital expenditure and included in the cost of related assets. Non-monetary items denominated in foreign currency that are measured at historical cost are still translated at amount in functional currency exchanged at the prevailing exchange rate at the transaction date. Non-monetary items denominated in foreign currency that are measured at fair value are translated using the exchange rate at the date when fair value was determined and the difference between the translated functional currency amount and the prior translated amount on initial recognition or on the previous balance sheet date are recorded in profit or loss for the current period or other comprehensive income.

2.10.2 The translation of financial statements denominated in foreign currency If the Company's controlled subsidiaries, joint ventures and associates etc. adopt different reporting currency, their

financial statements denominated in foreign currency shall be translated to financial statements in RMB when preparing consolidated financial statements. The assets and liabilities are translated to RMB amounts using the spot exchange rate at the balance sheet date. Items of the equity, except for "retained earnings", are translated at the approximate to the spot exchange rate at the dates on which such items occurred. The revenue and expenditures in the statement of income are translated using the spot exchange rate at the transaction date. The difference arising from foreign currency financial statements translation is presented in other comprehensive income at the consolidated balance sheet within equity. Items of the statement of cash flows are determined by systemic method and translated using approximate exchange rate at the spot exchange rate when they incurred. Effect arising from changes of exchange rates on cash and cash equivalents is presented separately in the statement of cash flows. When disposing of foreign operations, exchange differences of foreign currency financial statements attributable to the foreign operations are transferred to profit or loss for the current period entirely or in proportion with the disposal portion of the foreign operations.

2.11 Financial instruments

2.11.1 Recognition and classification of financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments. A financial asset, financial liability or equity instrument is recognized when the Company becomes one party of financial instrument contracts.

The financial assets are classified into the following four categories upon initial recognition: financial assets at fair value through profit or loss ("FVTPL" financial assets), held-to-maturity investments, receivables, and available-for-sale financial assets ("AFS" financial assets). The classification of financial assets depends on the holding intention and capability of the Company except for receivables. The financial liabilities are classified into financial liabilities at fair value through profit or loss ("FVTPL" financial liabilities) and other financial liabilities upon initial recognition.

Financial assets at fair value through profit or loss include financial assets held for trading in the short term and those upon initial recognition designated as at fair value through profit or loss. Receivables are non-derivative financial assets with fixed or determinable amounts that are not quoted in an active market. AFS financial assets are those non-derivative financial assets that are

designated as available for sale and financial assets other than those above mentioned. Held-to-maturity investments are non-derivative financial assets with fixed or determinable amounts and fixed maturity dates that the Company has the positive intention and capability to hold to maturity.

2.11.2 Measurement of financial instruments

The Company measures the financial instruments at fair value upon initial recognition. The subsequent measurement includes: a) FVTPL financial assets, AFS financial assets and FVTPL financial liabilities are measured at fair value; b) Held-to-maturity investments, receivables, and other financial liabilities are subsequently measured at amortized cost; c) Equity instruments that are not quoted in an active market and whose fair value cannot be reliably measured, and derivative financial assets or derivative financial liabilities linked to the equity instruments that will be settled by delivering the equity instruments are subsequently measured at cost. The gains or losses of fair value changes arising from subsequent measurement of financial assets and liabilities shall be accounted for according to the following methods except hedging instrument involving in: a) The gains or losses arising from fair value changes of FVTPL financial assets and FVTPL financial liabilities are recognized in the profit or loss for current period; b) The gains or losses arising from fair value changes of AFS financial assets are recognized in other comprehensive income.

2.11.3 Recognition method of financial instruments' fair value

For financial assets or financial liabilities in active markets, the Company uses the quoted prices in active markets to determine their fair value. If there is no active market, the Company uses valuation techniques to determine their fair value. The valuation techniques mainly include market approach, income approach and cost approach.

2.11.4 Recognition and measurement of transfer of financial assets

The Company derecognizes a financial asset if it transfers substantially all the risks and rewards of the financial asset or it does not transfer or maintain substantially all the risks and rewards of ownership of the financial asset, but surrender control on the financial asset. If a financial asset meets the derecognition criteria, the difference between the transfer consideration received and the sum of transferred financial asset's carrying amount and the accumulated change amount on fair value which has been recognized in other comprehensive income shall be charged to profit or loss

for current period. If the partial transfer of financial asset meets the derecognition criteria, the entire carrying amount of the transferred financial asset shall be split into the derecognized portion and retained portion according to their respective fair value.

A financial liability shall be entirely or partially derecognized if its present obligations are wholly or partly dissolved.

2.11.5 Impairment of financial assets

If the financial assets measured at amortized costs are impaired, the impairment provision shall be recognized at the difference of the carrying amount of financial assets and the present value of estimated future cash flows (excluding future credit losses that have not been incurred). If there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss for current period.

If the financial assets measured at cost are impaired, the impairment provision shall be recognized by. And the impairment loss shall not be reversed after recognition.

If there is objective evidence that AFS financial assets are impaired, accumulated losses due to decreases in fair value previously recognized directly in the shareholders' equity are transferred to profit or loss for the current period. In the subsequent periods, if the fair value of AFS debt instruments increases and the increase can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment losses are reversed and charged to profit or loss for the current period. For AFS equity instruments, the increase of fair value in the subsequent periods shall be accounted for in the shareholders' equity.

The company's specific quantitative standards, cost calculation method, final determination of the fair value method and period of prolonged decline to estimate the fair value of an equity investment instrument occurs "significant" or "prolonged" decline.

The specific quantitative standards of the fair value occurs "significant" decline	The decline of the balance fair value relative to the cost has reached or exceeded 50%.
The specific quantitative standards of the fair value occurs "prolonged" decline	The decline has occurred in 12 consecutive months.
The cost calculation method	The investment cost of the equity instrument is payment of consideration and related transaction costs.
The final determination of the fair value	For a financial instrument which has an active market, the company uses the quoted price in the active market to establish its fair value, otherwise, using a valuation technique.
The determination of period of prolonged decline	Continuous decline or rose less than 20% during the period of

prolonged decline or rebound lasts on more than 6 months during the period of prolonged decline

2.12 Receivables

Receivables include accounts receivable, long-term receivables and other receivables. If there are objective evidence that the receivables are impaired, the Company recognizes the doubtful debts allowance on the shortfall between the present value of future cash flows and the carrying amount of the receivables.

The company has different bad debt provision methods according to different characteristics of industry and companies, the methods are as follows:

2.12.1 Zhejiang Hailiang Co., Ltd

(1) Receivables that are individually significant and for which bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Single amount with more than 5% of balance of accounts receivable
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

(2) Receivables for which bad debt provision is collectively assessed

The type of combination	
Aging combination	The receivables that are not individually significant and the receivables are individually significant without impairment occurred after testing independently, according to aging combination
The method for bad debt provision	
Aging combination	Aging analysis

In combination, using aging analysis provision for bad debts is listed as follows:

Aging	Percentage of provision for Accounts receivable (%)	Percentage of provision for Other receivables (%)
Within 3 months	0	0
4 to 6 months	5	5
7 to 12 months	50	50
1 to 2 years	80	80
Over 2 years	100	100

(3) Accounts receivable that are not individually significant but for which individual bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Present value of future cash flows will have obvious different if aging is adopted as characteristic of credit risk.
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

2.12.2 Zhejiang Haiyuan Environment Technology Co., Ltd and Beipiao Beita Oil Shale Comprehensive Development and Utilization Co., Ltd

(1) Receivables that are individually significant and for which bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Single amount with more than 5% of balance of accounts receivable
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

(2) Receivables for which bad debt provision is collectively assessed

The type of combination	
Aging combination	The receivables that are not individually significant and the receivables are individually significant without impairment occurred after testing independently
The method for bad debt provision	
Aging combination	Aging analysis

In combination, using aging analysis provision for bad debts is listed as follows:

Aging	Percentage of provision for Accounts receivable (%)	Percentage of provision for Other receivables (%)
Within 1 year (including 1 year)	5.00	5.00
1 to 2 years	10.00	10.00
2 to 3 years	30.00	30.00
3 to 4 years	50.00	50.00
4 to 5 years	80.00	80.00
Above 5 years	100.00	100.00

(3) Accounts receivable that are not individually significant but for which individual bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Present value of future cash flows will have obvious different if aging is adopted as characteristic of credit risk.
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

2.12.3 Sichuan Golden Summit (Group) Joint Co., Ltd

(1) Receivables that are individually significant and for which bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Accounts receivable - the top five accounts receivable balances at the end of the period, other receivables - the top five other receivables at the end of the period
Individually significant and the individual method for bad debts provision	Where there is objective evidence that impairment has occurred, Provision for bad debts based on the difference between the present value of its future cash flow and its book value; If the impairment test is not carried out separately, it shall be classified into several combinations with similar credit risk characteristics.

(2) Receivables for which bad debt provision is collectively assessed

The type of combination	
Aging combination	Identify the basis for the combination of age and credit risk
The method for bad debt provision	
Aging combination	Aging analysis

In combination, using aging analysis provision for bad debts is listed as follows:

Aging	Percentage of provision for Accounts receivable (%)	Percentage of provision for Other receivables (%)
Within 1 year (including 1 year)	5.00	5.00
1 to 2 years	10.00	10.00
2 to 3 years	50.00	50.00
Above 3 years	100.00	100.00

(3) Accounts receivable that are not individually significant but for which individual bad debt provision is individually assessed:

Individually significant judge basis/amount standard	Present value of future cash flows will have obvious different if aging is adopted as characteristic of credit risk.
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

2.12.4 Other companies except the above companies

(1) Individually significant and subject to separate allowance of receivables

Individually significant judge basis/amount standard	Single amount with more than 5% of balance of accounts receivable
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows when objective evidence indicates impairment.

(2) Allowance for doubtful debts on portfolio

The type of combination	
Aging combination	The receivables that are not individually significant and the receivables are individually significant without impairment occurred after testing independently
Method for bad debt provision	
Aging combination	Percentage balance method

In combination, using percentage balance method provision for bad debts is listed as follows:

Aging	Percentage of provision for Accounts receivable (%)	Percentage of provision for Other receivables (%)
Aging combination	5.00	5.00

(3) Accounts receivable that are not individually significant but for which individual bad debt provision is individually assessed:

Individually significant judge basis/amount standard	The aging is longer and objective evidence indicates impairment
Individually significant and the individual method for bad debts provision	Recognized by the difference between the book value and present value of future cash flows

2.13 Inventories

2.13.1 Categories of inventories

Inventories are the finished goods or commodities that the Company holds to sell, the work in progress in production process, and the material and goods consumed during the production process or service rendering process in daily operation. Inventories include raw materials, revolving materials, consigned processing materials, packaging materials, low-value consumables, work in progress, self-manufactured semifinished product and finished goods (commodities) etc.

2.13.2 Measurement of inventories upon delivery

Weighted average method is used to measure the actual costs of dispatched inventories.

2.13.3 Provision for diminution in value of inventories

At each balance sheet date, inventories are measured at the lower of cost and net realisable value. When the cost of inventory exceeds its net realizable value, provision for diminution in value of inventories is recognized. The Company usually recognizes provision for diminution in value of inventories by a single inventory item. For the inventory items of large quantity and low price, the Company recognizes provision for diminution in value of inventories based on inventory categories.

2.13.4 Inventory count system

The Company adopts the perpetual inventory system.

2.13.5 Amortization methods of low-value consumables and packaging materials

Low-cost consumables and packaging materials are amortized by the once-off amortization method

2.14 Long-term equity investment

2.14.1 Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the acquirer's share of the carrying amount of the owners' equity in the acquiree at the acquisition date. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition determined at the date of acquisition. For a long-term equity investment acquired in cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued. For a long-term equity investment acquired by debt restructuring, the initial investment cost is determined according to related requirements of Accounting Standards for Business Enterprises No. 12- Debt Restructuring. For a long-term equity investment acquired by exchange of non-cash assets, the initial investment cost shall be determined according to related accounting standards.

2.14.2 Subsequent measurement and recognition of profit or loss

Where the Company is able to exercise control over an investee, the long-term equity investment is accounted for using the cost method. Where the Company has investment in associates and joint ventures, the long-term equity investment is accounted for using the equity method. Where portion of the long-term equity investment in an associate is indirectly held through venture capital organizations, mutual funds, trust companies or similar entities including investment-linked insurance funds, regardless whether these entities can exercise significant influence on the investments, the Company shall measure the indirectly held portion at fair value through profit or loss and accounted for the remaining portion using the equity method according to Accounting Standards for Business Enterprises No. 22- Financial Instrument Recognition and Measurement.

2.14.3 Basis for recognition of joint control or significant influence over an investee

Joint control of an investee is that the decision of activities that can significantly affect the arrangement's return must require the unanimous consent of the parties sharing control, including sale and purchase of goods or services, financial assets management, purchase and disposal of assets, research and development activity and financing activities etc. The Company holding of 20%-50% voting capital of the investee presents it can exercise significant influence over the investee. The Company usually can exercise significant influence over the investee even its voting capital less than 20% if it can meet one of the following situations: a) Appointing representatives in the board of directors or similar governing body of the investee; b) Participating in the strategy and policy decision process; c) Delegating management personnel; d) The investee relying on the Company's technique or technical material; e) Significant transactions occur between the Company and the investee.

2.15 Investment property

Investment property of the Company includes land use rights and buildings leased to other party, and land use rights held for resale after appreciation. Investment property is initially measured at acquisition cost, and Sichuan Golden Summit (Group) Joint Co., Ltd、Zhejiang Haibo Micro-credit Co.,Ltd are subsequently measured using the cost method, others companies are subsequently measured using the fair value method.

The buildings leased to third party are depreciated using the straight line method according to the same depreciation policy for fixed assets. The land use rights leased to third party and land use rights held for resale after appreciation are amortized using the straight line method according to the same amortization policy for intangible assets.

2.16 Fixed assets

2.16.1 Recognition criteria for fixed assets

Fixed assets refers to tangible assets held for the purpose of producing commodities, services rendering, renting or business administration with useful lives exceeding one accounting year. Fixed assets can be recognized when the following criteria are met: a) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and b) The costs of the fixed assets can be measured reliably.

2.16.2 Classification and depreciation method of fixed assets

The categories of fixed assets mainly include: buildings, machinery & equipment, electronic equipment and transportation vehicles. The Company adopts the straight line method for depreciation. The useful life and residual value of an asset is assessed based on its nature and the manner of use. At the end of each financial year, the useful lives, residual values and the depreciation method are reviewed, and adjusted if there are variances with the original estimates. Other than fully depreciated assets which are still in use and land individually measured and recorded, depreciation is provided for all fixed assets.

Category	Depreciation period (years)	Residual rate (%)	Annual depreciation rate (%)
Buildings	20	4-10	4.5-4.8
Machinery & equipment	10	4-10	9-9.6
Electronic equipment	5	4-10	18-19.2
Transportation vehicles	5	4-10	18-19.2
Others	5	4-10	18-19.2

2.16.3 Recognition and measurement of fixed assets leased in under finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. At the commencement of the lease term, the Company, as the lessees, shall recognize finance leases as assets at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments, each determined at the inception of the lease. Property, plant and equipment leased in under financing lease are depreciated on a basis consistent with the depreciation policy adopted for property, plant and equipment that are self-owned. Subsequent measurement of fixed assets under finance lease should be in accordance with the accounting policies adopted for self-owned fixed assets in respect of provision of depreciation and impairment.

2.17 Construction in progress

The construction in progress of the Company includes self-construction and sub-contracting construction. Construction in progress is transferred to fixed assets when it has reached the working condition for its intended use. The recognition criteria of intended use include any of the followings:
a) The tangible work of fixed assets (including installation) have been entirely or substantively completed; b) Trial production or trial operation has occurred whose outcome indicates the asset can

be operated properly or manufacture quality product steadily; c) No expenditure or insignificant expenditure occur subsequently for the constructed asset; d) The constructed asset has achieved or substantively achieved the requirement of design or contract.

2.18 Borrowing costs

2.18.1 Recognition criteria for capitalization of borrowing costs

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Qualifying assets that meet conditions for capitalization are fixed assets, investment property, inventory or other assets that take a substantial period of time for construction or production in order to get ready for their intended use or sale.

2.18.2 Calculation of capitalization cost

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its termination. The period during which capitalization is suspended is excluded. Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months.

For designated borrowings, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing less any bank interest earned from unused funds of the designated borrowings or any investment income on the temporary investment of those funds. For funds borrowed for general purpose, the amount of interest to be capitalized on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of designated borrowings. Capitalization rate is determined by calculating weighted average interest rate of general borrowings. If there is any premium or discount of the borrowings, the interest cost shall be adjusted in every accounting period by the amortized amount of premium or discount calculating by effective interest method.

Effective interest method is the method to calculate the amortization amount of premium or discount or interest expenses by the effective interest rate of the borrowings. The effective interest

rate is the interest rate to discount the future cash flow of the borrowing during its expected duration to the present carrying amount of the borrowing.

2.19 Intangible assets

2.19.1 The measurement of intangible assets

The intangible assets shall be initially measured according to its cost. Acquisition costs of intangible assets include purchase price and relevant expenditures. The invested cost of intangible assets contributed by investors shall be determined according to the conventional value in the investment contract or agreement, except for those of unfair value in the contract or agreement. If the conventional value in the investment contract or agreement is unfair, the costs of intangible assets shall be their fair value. The costs of internally generated intangible assets include the total development expenditures to bring the asset to its intended use.

The subsequent measurements for intangible assets are as follows: a) The intangible assets with definite useful life are amortized by straight line method and reviewed the useful life and amortization method at the end of each year. Any discrepancy between the review and initial estimates shall be adjusted accordingly. b) The intangible assets with indefinite useful life are not amortized, and reviewed for the useful life at the end of each year. If there are objective evidence indicating their useful life is definite, the Company shall estimate the useful life of the intangible assets and amortize them by straight line method.

2.19.2 The assessment basis for indefinite useful life

Intangible assets without foreseeable period to bring economic benefits to the Company or with uncertain useful life are classified as intangible assets of indefinite life. The judgment basis for indefinite life includes: a) The legal rights are derived from contractual rights or other legal rights, however there is no explicit useful life indicated in the contracts or regulations; b) Although considering the industry practice or demonstration from related professionals comprehensively, the benefit period of the intangible assets still can't be decided.

At the end of each year, the Company reviews the intangible assets with indefinite useful life mainly using bottom-to-top approach. The related departments who use the intangible assets will perform a basic review and evaluate whether there are changes on the basis to determine indefinite useful life.

2.19.3 The specific criteria for research phase and development phase of internally generated projects, and the specific criteria for capitalization of expenditure incurred during development phase

Expenditure in the research phase is recognized as an expense in profit or loss for current period when it is incurred. Expenditure in the development phase of internally generated projects is capitalized if they meet the criteria of intangible assets.

2.20 Long-term deferred expenses

Long-term deferred expenses refer to expenses that have been paid but their benefit period is more than one year (excluding one year). Long-term deferred expenses will be amortized in the benefit periods. If one long-term deferred expense can't benefit the Company in the subsequent periods, the remaining balance of the long-term deferred expense shall be recognized as expense in profit or loss for the current period.

2.21 Impairment of long-term assets

At each balance sheet date, if there are impairment indications for the long-term assets including long-term equity investments, investment property subsequently measured at cost model, fixed assets, construction in progress, productive biological assets measured at cost, oil and gas assets, intangible assets, goodwill, etc., the Company shall perform impairment test. If the outcome of impairment test indicates the recoverable amount of the asset is lower than its carrying amount, the Company shall recognize the provision for impairment based on the amount of the shortfall.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The provision for impairment of asset is estimated and recognized on individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Company shall determine the recoverable amount of the asset group to which the asset belongs. The asset group is the minimum portfolio of assets that could generate cash inflow independently.

Impairment tests are conducted for goodwill presented in the financial statements separately at least at the end of every accounting year regardless whether there are impairment indications or not. The carrying amount of goodwill arising from business combinations is allocated to relevant asset groups or asset group portfolio. The related impairment loss shall be recognized if the impairment

test indicates the recoverable amount of the asset groups or asset group portfolio embodied the goodwill is lower than their carrying amounts. The amount of impairment loss shall firstly be deducted from the carrying amount of goodwill embodied in the asset groups or asset group portfolio, then be deducted from the carrying amounts of other assets' based on the proportions of their carrying amounts in the asset group or asset groups portfolio.

The impairment losses of assets will not be reversed in subsequent periods once they are recognized.

2.22 Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Company in exchange for service rendered by employees or for the termination of employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

2.22.1 Short-time employee benefits

In the accounting period in which employees have rendered services, the Company recognizes the employee benefits as liability, and charges to profit or loss for the current period, or includes in the cost of relevant assets in accordance with other accounting standards. Welfare benefit are charged to profit or loss for the current period or included in the cost of relevant assets when incurred. Welfare benefit in non-monetary forms is measured at fair value. In the accounting period in which employees have rendered services, the Company recognizes the social security contributions as liability according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds, and charges to profit or loss for the current period or includes in the cost of relevant assets.

2.22.2 Post-employment benefits

During the accounting period in which employees provide the service, the Company calculates the defined contribution plans payable according to the basis and percentage required by local government, recognized as the liability and charges to profit and loss for current period or includes in the cost of related assets. The Company attributes the obligation incurred by defined benefits plans using the projected accumulated benefit unit credit method to periods in which the employees rendered services and charges the obligation to profit and loss for the current period or includes in

the cost of related assets.

2.22.3 Termination benefits

Termination benefits provided by the Company to employees are recognized as an employee benefit liability and charged to profit or loss for the current period at the earlier of the following dates: a) The Company cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and b) When the Company recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

2.22.4 Other long-term employee benefits

If other long-term employee benefits provided by the Company to the employees meet the conditions for classifying as a defined contributions plan, those benefits are accounted for in accordance with the above requirements relating to defined contribution plan. Besides, net obligations or net assets of other long-term employee benefits are recognized and measured in accordance with the above requirements relating to defined benefits plan.

2.23 Provisions

A provision relating to contingency is recognized when: a) The obligation is a present obligation of the Company; b) It is probable that an outflow of economic benefits will be required to settle the obligation; c) The amount of the obligation can be measured reliably. Provisions are initially measured at the best estimate of the payment to settle the associated obligations. If there is a continuous range for the necessary expenses and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the average amount of upper and lower limits within the range. If the contingency involves two or more items, the best estimate shall be determined according to all the possible outcomes with their relevant probabilities.

The Company shall review the carrying amounts of provisions at each balance sheet date, and if there are conclusive evidences that indicate the carrying amounts of provisions can't reflect the present best estimate of the payment, the carrying amounts of provisions will be adjusted to the present best estimate of the payment.

2.24 Revenue recognition

2.24.1 Revenue from sale of goods

Revenue from the sale of goods is recognized only when all of the following conditions are met: the Company has transferred to the buyer the significant risks and rewards of ownership of the goods, the Company retains neither continuing managerial involvement nor effective control over the goods sold, and related income has been achieved or evidences of receivable have been obtained, and the associated costs can be measured reliably.

2.24.2 Revenue from services rendering

Where the outcome of a transaction involving the providing of services can be estimated reliably, at the end of the period, revenue associated with the transaction is recognized using the percentage of completion method.

2.24.3 Transfer of the right to use assets

The Company will recognize revenue when the economic benefits related to transfer of the right to use assets can flow in and the amount of revenue can be measured reliably.

2.25 Government grants

2.25.1 The type of government grants

Governments grants of the company refer to the monetary and non-monetary assets obtained from government for free, and are divided into those related to assets and others related to revenues

2.25.2 Accounting method of government grants

A government grant related to an asset is recognized as deferred income, and evenly amortized to profit or loss over the useful life of the related asset. For a government grant related to income:
①If the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized; ②If the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the period.

2.25.3 The specific standard of differentiating the government grants related to asset and the government grants related to income

The government grants of the long-term assets that the company gains or purchase to construct or forms in other ways, identified as the government grants related to assets.

The government grants that the company gains except those related to assets, identified as the government related to income.

2.25.4 Amortization method and amortization period of the government grants related to deferred income

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

2.25.5 The time of recognizing the government grants

The receivable measurement of government grant is recognized as a government grant when it meets all the following conditions: There is strong evidence that the government grant conforms to the relevant provision of financial support policy on balance day; The company estimates to receive the financial support fund.

The government grants except the receivable measurement of government grants are recognized as government grants when they are received the grants actually.

2.26 Deferred tax asset and deferred tax liability

2.26.1 Temporary differences arising from the difference between the carrying amount of an asset or liability (asset or liability not recognized in balance sheet but the tax base is ascertained by the current tax laws and regulation, the tax base is the temporary difference) and its tax base are recognized as deferred tax calculating by the effective tax rate in the expected period to receive the asset or discharge the liability.

2.26.2 Deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized and should be recognized for deductible loss or tax reduction that could be carried forward in subsequent periods to the extent that it is probable that taxable income will be available against which deductible loss or tax reduction can be utilized. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced.

2.26.3 The taxable temporary differences associated with investments in subsidiaries and associates shall be recognized deferred tax liability; except the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The deductible temporary differences associated with investments in subsidiaries, associates, the corresponding deferred tax asset is recognized when it is probable that

the temporary difference will reverse in the foreseeable future and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

2.27 Leases

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

2.27.1 Operating leases

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

2.27.2 Finance leases

As the company is the lessee, at the lease beginning date, company records the lower of the fair value of the leased asset at the start date and the present value of the minimum lease payments as the value of leased assets, the amount of the minimum lease payments as the book value of long-term payables, the difference as the unrecognized financing charges, and the initial direct costs is included in the value of the leased asset. During the lease period, the current financing cost is confirmed by using the effective interest method calculations. As the company is the lessee, at the lease beginning date, company records the sum of the minimum lease receipts and the initial direct costs and the book value of the finance lease receivable, and records the unguaranteed residual value; records the difference between the sum of the minimum lease receipts and the initial direct costs and the unguaranteed residual value and the sum of the present value as the unrealized financing income. During the lease period each, using the effective interest method calculations to confirm the current financing income.

3. Main changes of accounting policies and accounting estimates

None.

4. Taxes

4.1 Main taxes categories and tax rates

Tax category	Tax base	Tax rate
Value added tax	Taxable income	According to the type of sales and taxable services, the VAT rate applicable the subsidiaries in mainland China is 17% after deducting the input tax of the deductible. The export goods enjoy "exemption, offset and refund" tax policy
Consumption tax	Taxable income	3% or 5%
Urban maintenance and construction tax	VAT and Business taxes paid	According to the different regions, the urban maintenance and construction tax rate applicable the subsidiaries in mainland China is 1% or 3% or 7%, the foreign subsidiaries not subject.
Enterprise income tax	Taxable profit	25%

4.2 Significant tax incentives and approval documents

(1) The subsidiary of the company, Zhejiang Keyu Metallic Material Co.,Ltd, belongs to welfare enterprises, according to the "Notice of The State Administration of Taxation Finance Ministry on a placement arrangements of disabled employee and the relevant enterprise employment income tax preferential policy issue " (tax [2009]70) Regulations, Enterprises resettlement of disabled persons, on the basis of truthful deduction of wage payments for placement arrangements of disabled employee , when calculating the taxable income amount according to pay for 100% disabled employee wage to deduct.

According to the Ministry of finance, the State Administration of Taxation issued the "Notice on promoting the employment of the disabled of preferential tax policies" (tax [2007]92) provisions of welfare enterprises to obtain value-added tax rebate income exempt from enterprise income tax.

(2) The subsidiary of the company, Vietnam Hailiang Metal Products Co.,Ltd is a subsidiary of Zhejiang Hailiang Co.,Ltd, within 15 years from the date of beginning of production and operation, the annual income tax rate is 10%, the year after the expiration of the period, annual income tax rate is 25%. Since the profit-making year, enjoy the "exemption for the next first four years and half rate reduction for the next subsequent seven years" preferential tax policy, The year 2014 Vietnam Hailiang Metal Products Co., Ltd belongs to the half rate reduction period under the policy, and annual income tax rate is 5%.

(3) The subsidiary of the company, Hailiang (Vietnam)Copper Industry Co.,Ltd is a subsidiary of Zhejiang Hailiang Co.,Ltd, within 15 years from the date the beginning of production and operation ,the annual income tax rate is 10%, the year after the expiration of the period, income tax

rate is 25%. Since the profit-making year, enjoy the “exemption for the next first four years and half rate reduction for the next subsequent nine years” preferential tax policies, this period the Hailiang (Vietnam) Copper Co., Ltd belongs to the exemption period.

(4) According to the "Measures on the ascertainment of hi-tech enterprises " (National Science combustion No. [2008]172) and "Management guidelines on the ascertainment of high-tech enterprises" (National Science combustion No. [2008]362) and "Notice on the relevant matters of high-tech enterprise changed its name and review etc." (National Science fire word "2011 No. 123) the relevant provisions, the subsidiary company Zhejiang institute of copper processing Co.,Ltd, Zhejiang Hailiang Environmental Materials Co.,Ltd enterprise the high and new technology cognizance and its subsidiary Zhejiang Keyu Metallic Material Co.,Ltd through the high and new technology qualification review, valid for a period of 3 years, enterprise income tax preferential period from January 1, 2014 to December 31, 2016, to enjoy the reduction preferential tax treatment of enterprise income tax levied on a tax rate of 15%.

5. Enterprise merger and consolidated financial statements

5.1 The condition of the subsidiaries and the structured body in consolidation scope

No.	Full name of the subsidiary	Place of incorporation	Main place of operating	Nature of business	The proportion of shareholding (%)	Proportion of voting power(%)	Acquired way
1	Zhejiang Hailiang Co.,Ltd	Zhuji, Zhejiang	Zhuji, Zhejiang	Brass, copper strip, copper foil and other copper products manufacturing, and processing	49.75	49.75	investments
2	Hailiang Metal Trading Group Co.,Ltd	Shanghai	Shanghai	Metal trading	100	100	investments
3	Zhejiang Hailiang Education Group Co.,Ltd	Zhuji, Zhejiang	Zhuji, Zhejiang	Education	100	100	investments
4	Zhejiang Zhengmao Venture Capital Investment Co.,Ltd	Zhuji, Zhejiang	Zhuji, Zhejiang	Investment management	99	99	investments
5	Zhejiang Hailiang capital investment and management Co.,Ltd	Zhuji, Zhejiang	Zhuji, Zhejiang	Investment management	100	100	investments
6	Hailiang International Investment (HK) LTD	Hongkong, China	Hongkong, China	Mineral Investment	100	100	investments
7	HAILIANG FINANCE CO.,LTD	Zhuji, Zhejiang	Zhuji, Zhejiang	Financial industry	100	100	investments
8	Hangzhou Hailiang Real Estate Co., Ltd	Hangzhou, Zhejiang	Hangzhou, Zhejiang	Real estate	90	90	investments
9	Rich Pro investment limited	British Virgin Islands	Hongkong, China	Investment management	100	100	investments
10	Beipiao Beita Oil Shale Comprehensive Development and Utilization Co., Ltd	Beipiao, Liaoning	Beipiao, Liaoning	Shale oil processing and sales, semi coke sales	55	55	Business combinations involving enterprises not under uncommon control
11	Shanghai Zhepu real estate Co.,Ltd	Shanghai	Shanghai	Real estate	70	70	Business combinations involving enterprises under common control

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No.	Full name of the subsidiary	Place of incorporation	Main place of operating	Nature of business	The proportion of shareholding (%)	Proportion of voting power(%)	Acquired way
12	Zhejiang Mingkanghui Livestock Industry Development Co.,Ltd	Zhoushan, Zhejiang	Zhoushan, Zhejiang	Animal husbandry	85	85	investments
13	Zhuji Hailiang Hospital	Zhuji, Zhejiang	Zhuji, Zhejiang	Medical service	100	100	investments
14	Hong Kong International Agricultural Investment Co.,Ltd	Hongkong, China	Australia	Agriculture	100	100	Business combinations involving enterprises under common control

5.2 The subsidiary that its half or less than half voting power is held by the company included in the consolidation scope

Name	Proportion of voting power (%)	The reason of including in the consolidation scope
Zhejiang Hailiang Co., Ltd	49.75	Substantial control

5.3 The subsidiary that its half or more than half voting power is not held by the company included in the consolidation scope

Name	Proportion of voting power (%)	The reason of not including in the consolidation scope
Beijing Zhongrun Jade Culture Development Co., Ltd	100	Disposal

5.4 Related information for significant non wholly owned subsidiary

5.4.1 Minority shareholders

No.	Full name of the subsidiary	Minority shareholder's stake percentage(%)	The current profit or loss attributable to minority shareholder	Dividends paid to minority shareholders in current period	Accumulated minority interests at balance sheet day
1	Zhejiang Hailiang Co., Ltd	50.25	281,081,623.60	50,390,549.16	2,198,733,281.28
2	Hangzhou Hailiang Real Estate Co., Ltd	10.00	30,995,643.90		42,781,992.08

5.4.2 Major financial information (except for holdings for sale)

Items	Amount in current period		Amount in prior period	
	Zhejiang Hailiang Co., Ltd	Hangzhou Hailiang Real Estate Co., Ltd	Zhejiang Hailiang Co., Ltd	Hangzhou Hailiang Real Estate Co., Ltd
Current assets	7,806,491,308.83	4,209,595.37	4,544,085,239.83	1,024,028.70
Non-current assets	4,957,803,156.41	1,013,046,263.69	4,675,642,088.19	479,674,649.96
Total Assets	12,764,294,465.24	1,017,255,859.06	9,219,727,328.02	480,698,678.66
Current liabilities	7,730,330,087.64	475,520,533.41	3,950,816,357.69	190,126,101.19
Non-current liabilities	385,105,359.33	113,915,404.88	1,135,575,984.48	191,000,000.00
Total liabilities	8,115,435,446.97	589,435,938.29	5,086,392,342.17	381,126,101.19
Operating income	17,999,619,717.57	4,331,845.71	13,616,345,105.04	
Net profit	565,318,125.86	309,956,438.98	478,644,124.76	3,056.64
Total comprehensive income	620,117,197.11	309,956,438.98	496,013,340.05	3,056.64

Items	Amount in current period		Amount in prior period	
	Zhejiang Hailiang Co., Ltd	Hangzhou Hailiang Real Estate Co., Ltd	Zhejiang Hailiang Co., Ltd	Hangzhou Hailiang Real Estate Co., Ltd
Cash flow from operating activities	886,716,661.35	96,411,929.52	609,835.01	-30,067.69

5.5 The changes in current consolidated scope

5.5.1 The new subsidiaries and or structured body included in the consolidation scope in current period

Name	Net assets in closing balance	Net profit in current period
Hong Kong International Agricultural Investment Co.,Ltd	-34,888,546.48	-5,769,172.89
Zhuji Hailiang Hospital	18,972,737.34	-1,027,262.66

5.5.2 The subsidiaries and or structured body did not include in the consolidation scope in current period

Name	Net assets in the date of disposal	Net profit in the period between the date of disposal and the beginning of the period
Zhuji Fengmiaoshang Garment Co.,Ltd	-768,403.71	-135,096.85

5.6 The business combination involving enterprises under common control in current period

Investee	Combining date	Net assets	Trading price	The actual controller	between the date of Combining and the beginning of the period			
					Operating income	Net profit	Net increase in cash and cash equivalents	Net cash flows from operating activities
Hong Kong International Agricultural Investment Co.,Ltd	Dec. 2016	-34,053,936.72	695,000.00	Feng Hailiang	39,609,129.90	-5,769,172.89	22,268,796.20	26,884,886.62

6. Notes to the financial statements

6.1 Cash at bank and on hand

6.1.1 Cash at bank and on hand are listed as follows according to category

Item	Closing balance		Opening balance	
	Amount	Foreign currency	Amount	Foreign currency
Cash on hand	996,970.44	111,793.79	862,577.01	121,389.21
Cash at bank	2,220,996,366.99	424,005,703.28	1,799,465,755.61	591,979,983.90
Other monetary funds	1,391,876,023.39	277,677,144.53	1,208,288,459.46	43,746.21
Deposits with central bank	301,231,830.17		298,850,496.40	
Deposit money	1,205,362,187.54		1,183,072,087.65	
Total	5,120,463,378.53	701,794,641.60	4,490,539,376.13	592,145,119.32

6.1.2 The detail of the other currency funds

Item	Closing balance	Opening balance
Credit card deposit	342,664,272.47	404,215,486.09
The guarantee deposit	18,241,354.11	15,978,339.43
Acceptance deposit	579,999,176.39	426,523,759.88
Futures deposits	92,656,946.27	9,068,908.89
Mortgage deposit	303,679,790.01	352,501,965.17
Other	54,634,484.14	
Total	1,391,876,023.39	1,208,288,459.46

6.2 Financial assets measured at fair value through profit or loss for the current period

Item	Closing balance	Opening balance
1. Financial assets held for trading	157,584,078.60	22,502,221.58
Including: Derivative financial asset	157,584,078.60	22,502,221.58
Others		
Total	157,584,078.60	22,502,221.58

6.3 Notes receivable

Item	Closing balance	Opening balance
Bank acceptance bills	811,478,710.84	472,767,362.85
Trade acceptance bills	677,121,529.27	6,321,492.00
Total	1,488,600,240.11	479,088,854.85

6.4 Accounts receivable

Category	Closing balance			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Significant single amount and individual provision for bad debts of accounts receivable	792,137,380.23	17.52		
Account receivable according to the combination of provision for bad debts	3,684,686,340.93	81.48	69,497,568.21	1.89
Although not significant single amount but individual provision for bad debts of accounts receivable	45,567,922.44	1.01	30,248,394.97	66.38
Total	4,522,391,643.60	100.00	99,745,963.18	2.21

Category	Opening balance			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Significant single amount and individual provision for bad debts of accounts receivable				
Account receivable according to the combination of provision for bad debts	1,836,905,845.54	93.14	60,021,970.81	3.27
Although not significant single amount but individual provision for bad debts of accounts receivable	135,257,797.86	6.86	24,838,426.41	18.36
Total	1,972,163,643.40	100.00	84,860,397.22	4.30

6.4.1 Account receivable according to the combination of provision for bad debts

① Situation of accounts receivable drawing bad debts according to the aging analysis method

Aging	Closing balance			Opening balance		
	Book balance	Percentage (%)	Reserve for bad debts	Book balance	Percentage (%)	Reserve for bad debts
Within 1 year	2,706,783,788.13	0.30	8,125,434.85	1,026,072,543.50	0.84	8,567,886.68
1 to 2 years	126,252,295.44	9.66	12,193,645.90	85,244,957.72	13.14	11,202,653.60
2 to 3 years	9,781,783.17	72.28	7,070,557.88	4,226,580.65	99.25	4,194,890.43
More than 3 years	21,443.54	72.65	15,578.04	9,712.54	100.00	9,712.54
Total	2,842,839,310.28	0.96	27,405,216.67	1,115,553,794.41	2.15	23,975,143.25

② Situation of accounts receivable drawing bad debts according to the percentage of balance

Name	Closing balance			Opening balance		
	Book balance	Percentage (%)	Reserve for bad debts	Book balance	Percentage (%)	Reserve for bad debts
Aging combination	841,847,030.65	5.00	42,092,351.54	721,352,051.13	5.00	36,046,827.56
Total	841,847,030.65	5.00	42,092,351.54	721,352,051.13	5.00	36,046,827.56

6.4.2 Individual provision for bad debts of accounts receivable

① Receivables that are individually significant and for which bad debt provision is individually assessed by the end of 31 Dec. 2016

Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
Shanghai Weize Invest Holding Limited company	792,137,380.23		Within 1 year		No signs of impairment
Total	792,137,380.23		---	---	---

② Receivables that are not individually significant and for which bad debt provision is individually assessed by the end of 31 Dec. 2016

Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
Zhejiang Kexing Copper Industry Co.,Ltd	11,534,115.35	11,534,115.35	More than 2 years	100%	Company bankrupt
Foshan Shunde sanjun copper industry Co.,Ltd	4,598,812.17	4,598,812.17	More than 2 years	100%	Estimated can not be recovered
Beijing Guoxin Hengrun Energy Environment engineering technology Co.,Ltd	2,783,734.00	2,783,734.00	More than 2 years	100%	Estimated can not be recovered
Foshan Shunde Kupaer copper industry Co.,Ltd	2,760,528.87	2,760,528.87	More than 2 years	100%	Estimated can not be recovered
Wenzhou Weiliduo Sanitary Ware Co.,Ltd	1,573,315.60	1,573,315.60	More than 2 years	100%	Estimated can not be recovered
Zhuji Tianrui Copper Industry Co.,Ltd	1,342,460.10	1,342,460.10	More than 2 years	100%	Estimated can not be recovered
Wenzhou Jingyi Sanitary Ware Co.,Ltd	1,293,848.35	1,293,848.35	More than 2 years	100%	Estimated can not be recovered
Sichuan Jiajiang Guiju Characteristic Cement Co.,Ltd	1,185,345.97	1,185,345.97	More than 2 years	100%	Estimated can not be recovered
Other sporadic customers	18,495,762.03	3,176,234.56	More than 2 years	17.17%	Estimated part can not be recovered
Total	45,567,922.44	30,248,394.97	—	—	—

6.4.3 Top five companies with the largest balances of accounts receivable

Name	Relationship with the company	Amount	Aging	Proportion of the amount to the total accounts receivable (%)
No.1	Customer	792,137,380.23	Within 1 year	17.52
No.2	Customer	354,185,536.75	Within 1 year	7.83
No.3	Customer	264,806,275.18	Within 1 year	5.86
No.4	Customer	243,610,790.86	Within 2 year	5.39
No.5	Customer	180,858,656.58	Within 1 year	4.00
Total	—	1,835,598,639.60	—	40.59

6.5 Prepayments

6.5.1 Prepayments disclosed by ageing

Aging	Closing balance		Opening balance	
	Balance	PCT(%)	Balance	PCT(%)
Within 1 year	2,820,997,914.15	90.36	2,195,055,170.13	88.66
1-2 years	174,697,063.72	5.60	90,340,606.33	3.65
2-3 years	69,125,220.39	2.21	57,188,464.21	2.31
More than 3 years	57,234,019.28	1.83	133,192,486.56	5.38
Total	3,122,054,217.54	100.00	2,475,776,727.23	100.00

6.5.2 The top five prepayments are as follows:

Company name	Relationship with the company	Balance as at 31/12/2016	Aging	Percentage in total prepayment (%)
No.1	Supplier	454,861,314.77	Within 1 year	14.57
No.2	Supplier	275,896,185.14	Within 1 year	8.84
No.3	Supplier	191,994,948.89	Within 1 year	6.15
No.4	Supplier	116,352,926.13	Within 1 year	3.73
No.5	Supplier	90,770,533.68	Within 1 year	2.90
Total	---	1,129,875,908.61	---	36.19

6.6 Interest receivable

Items of interest receivable

Item	Closing balance	Opening balance	Date of overdue	Reason for overdue	Whether impaired and determination basis
Loans and advances	64,686,483.36	28,067,368.83			No
Interest of finance leases	54,161,817.21	40,306,797.52			No
Trust interest	591,780.83	1,066,666.67			No
Total	119,440,081.40	69,440,833.02			

6.7 Other receivables

Category	Closing balance			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Significant single amount and individual provision for bad debts of accounts receivable	2,534,614,221.24	33.97		
Account receivable according to the combination of provision for bad debts	1,385,397,937.59	18.57	75,305,329.01	5.44
Although not significant single amount but individual provision for bad debts of accounts receivable	3,541,362,734.82	47.46	9,622,363.24	0.27
Total	7,461,374,893.65	100.00	84,927,692.25	1.14

Category	Opening balance			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
Significant single amount and individual provision for bad debts of accounts receivable	4,077,713,588.48	53.94		
Account receivable according to the combination of provision for bad debts	1,593,333,775.52	21.08	92,516,900.98	5.81
Although not significant single amount but	1,889,093,144.58	24.99	64,536,563.45	3.42

Category	Opening balance			
	Book balance		Provision for bad debts	
	Amount	Proportion (%)	Amount	Proportion (%)
individual provision for bad debts of accounts receivable				
Total	7,560,140,508.58	100.00	157,053,464.43	2.08

6.7.1 Other receivable according to the combination of provision for bad debts

6.7.1.1 Situation of other receivable drawing bad debts according to the aging analysis method

Aging	Closing balance			Opening balance		
	Book balance	Percentage (%)	Reserve for bad debts	Book balance	Percentage (%)	Reserve for bad debts
Within 1 year	211,474,427.99	2.50	5,286,939.72	37,777,123.45	2.87	1,082,741.74
1 to 2 years	4,147,734.50	29.55	1,225,792.99	39,064,114.55	10.54	4,116,570.01
2 to 3 years	16,183,295.54	52.85	8,552,692.85	20,716,874.73	60.36	12,504,228.66
More than 3 years	5,409,599.03	52.33	2,831,054.42	43,283.03	61.78	26,741.52
Total	237,215,057.06	7.54	17,896,479.98	97,601,395.76	18.17	17,730,281.93

6.7.1.2 Situation of other receivable drawing bad debts according to the percentage of balance

Name	Closing balance			Opening balance		
	Book balance	Percentage (%)	Reserve for bad debts	Book balance	Percentage (%)	Reserve for bad debts
Aging combination	1,148,182,880.53	5.00	57,408,849.03	1,495,732,379.76	5.00	74,786,619.05
Total	1,148,182,880.53	5.00	57,408,849.03	1,495,732,379.76	5.00	74,786,619.05

6.7.2 Individual provision for bad debts of other receivable

6.7.2.1 Other receivables that are individual significant and for which bad debt provision is individually assessed by the end of 31 Dec. 2016

Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
Ganzhou Hailiang Real Estate Co.,Ltd	894,438,997.41		Within 1 year		No signs of impairment
Shandong Hailiang Real Estate Development Co.,Ltd	599,847,328.03		Within 1 year		No signs of impairment
Hengzhongda Construction Co.,Ltd	568,817,781.80		Within 1 year		No signs of impairment
Fuyang Haikuo Fuhe Real Estate Co.,Ltd	471,510,114.00		Within 1 year		No signs of impairment
Total	2,534,614,221.24		---	---	---

6.7.2.2 Other receivables that are not individual significant and for which bad debt provision is individually assessed by the end of 31 Dec. 2016

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Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
Chengdu Hailiang Jinsha Real Estate Development Co.,Ltd	416,565,799.01		Within 1 year		No signs of impairment
Shaoxing Haixing Real Estate Co.,Ltd	291,232,979.43		Within 1 year		No signs of impairment
Zhejiang Mingxuan architectural engineering Co.,Ltd	233,324,919.99		Within 1 year		No signs of impairment
Mingkanghui Healthy Food Group Co.,Ltd.	220,786,107.00		Within 1 year		No signs of impairment
Ningbo Dunshi Investment Co.,Ltd	210,050,425.27		Within 1 year		No signs of impairment
Zhejiang Yongseng Real Estate Co., Ltd.	107,803,787.69		Within 1 year		No signs of impairment
Xining Hailiang Real Estate Development Co.,Ltd	195,891,330.60		Within 1 year		No signs of impairment
Yinchuan Shihai Real Estate Co.,Ltd	154,962,200.00		Within 1 year		No signs of impairment
Yantai Third Cement Works	6,422,138.40	6,422,138.40	More than 3 years	100.00%	estimated can not be recovered
Panzhuhua Dadi Cement Factory	3,200,224.84	3,200,224.84	More than 3 years	100.00%	estimated can not be recovered
Other sporadic customers	1,701,122,822.59		Within 3 year		No signs of impairment
Total	3,541,362,734.82	9,622,363.24	---	---	---

6.8 Inventories

6.8.1 Inventories by categories

Category	Closing balance			Opening balance		
	Book balance	Provision for diminution in value	Carrying amount	Book balance	Provision for diminution in value	Carrying amount
Raw materials	365,898,104.51		365,898,104.51	369,365,581.76		369,365,581.76
Outside processing materials	44,267,864.22		44,267,864.22	22,205,439.91		22,205,439.91
Low priced and easily worn articles	57,118,828.84		57,118,828.84	33,283,084.93		33,283,084.93
Self-made semi-finished goods	339,631,937.29		339,631,937.29	164,593,974.79		164,593,974.79
Work in progress	56,321,436.90		56,321,436.90	43,527,493.42		43,527,493.42
Commodity Stocks	1,560,332,248.23	3,337,446.47	1,556,994,801.76	806,306,678.83	3,385,476.64	802,921,202.19
Products of development	1,299,083,825.23		1,299,083,825.23	1,546,229,557.29		1,546,229,557.29
Cost of development	11,081,936,097.71		11,081,936,097.71	13,918,546,795.56		13,918,546,795.56
Engineering construction	113,929,879.78		113,929,879.78	62,579,209.24		62,579,209.24
Total	14,918,520,222.71	3,337,446.47	14,915,182,776.24	16,966,637,815.73	3,385,476.64	16,963,252,339.09

6.8.2 Provision for diminution in value of inventories

Category	Opening balance	Provision for the year	Reductions during the year		Closing balance
			Reversal	Write-down	
Commodity Stocks	3,385,476.64	132,690.21		180,720.38	3,337,446.47
Total	3,385,476.64	132,690.21		180,720.38	3,337,446.47

6.9 Non-current assets due within one year

Item	Closing balance	Opening balance
Long-term receivables within one year	2,011,202,634.13	896,879,635.17
Total	2,011,202,634.13	896,879,635.17

6.10 Other current assets

Item	Closing balance	Opening balance
Non-cleared funds of hedging tools	9,709,923.69	26,897,144.21
Fair value of hedging tools	3,973,310.69	676,353.44
Income tax paid in advance	683,937,072.32	604,395,289.50
Others	8,991,603.97	117,395,122.45
Total	706,611,910.67	749,363,909.60

6.11 Loans and advances

6.11.1 Details of loans and advances

Item	Closing balance	Opening balance
Loans and advances	1,460,365,604.01	2,429,939,813.22
minus: loan loss reserves	57,397,275.38	49,263,067.80
Net loans and advances	1,402,968,328.63	2,380,676,745.42

6.11.2 Loans and advances are classified as follows according to guarantee

Item	Closing balance	Opening balance
Credit loan	510,000,000.00	
Loan on guarantee	347,350,727.54	1,624,495,401.56
Loan on mortgage	581,414,876.47	670,662,240.94
Pledge loans	21,600,000.00	134,782,170.72
Total	1,460,365,604.01	2,429,939,813.22

6.12 Available-for-sale financial assets

6.12.1 Available-for-sale financial assets are listed as follows:

Item	Closing balance	Opening balance
1.Available-for-sale financial assets measured by cost method	1,816,449,079.37	2,038,890,857.83
Equity instrument investment	1,408,891,236.64	1,627,291,490.42
Others	407,557,842.73	411,599,367.41
2.Available-for-sale financial assets measured by fair value method	87,549,229.87	
Equity instrument investment	87,549,229.87	
Total	1,903,998,309.24	2,038,890,857.83

6.12.2 Available-for-sale financial assets measured at cost are listed as follows:

Item	Opening balance	Change	Closing balance	Share proportion(%)	impairment
Jinchuan Group Co.,Ltd	815,999,997.86		815,999,997.86	1.12	
Zhejiang Huaxin New Material Co.,Ltd.	160,000,000.00	-4,059,000.00	155,941,000.00	10.52	
Chengdu Jianfeng Forestry Co.,Ltd	40,000,000.00	-4,000,000.00	36,000,000.00		
Guangdong Haomei Aluminum Co., Ltd	70,000,000.00		70,000,000.00	4.32	
Zhejiang Huayan Mine Construction Group Co., Ltd.	50,000,000.00	-6,000,000.00	44,000,000.00	4.17	
Tianjin Donggao Membrane Technology Co.,Ltd.	12,000,000.00	-2,000,000.00	10,000,000.00		
Zhejiang Huatie foundation engineering Co.,Ltd	18,000,000.00	-18,000,000.00			
Anhui Longhua bamboo industry Co.,Ltd	25,492,600.00	-24,292,500.00	1,200,100.00		
Wuxi natural textile industry Co.,Ltd	33,200,000.00		33,200,000.00	6.72	
Zhejiang Goldensea Environmental Technology Co.,Ltd	15,000,000.00	-7,000,000.00	8,000,000.00	3.57	
Henan Funik Ultrahard Material Co.,Ltd	32,500,000.00	-19,216,371.22	13,283,628.78		
Hefei Taihe Optoelectronic Technology Co.,Ltd	19,500,000.00		19,500,000.00	4.90	
Zhejiang Pangolin(Chuanshanjia) Material supply chain Co.,Ltd	38,100,000.00		38,100,000.00	0.74	
Jiansheng Food Co.,Ltd	15,000,000.00		15,000,000.00	2.50	
Golden Dragon Precise Copper Tube Group Inc.	190,832,382.56	-190,832,382.56			
HANGYIN CONSUMER FINANCE CO.,LTD	50,000,000.00		50,000,000.00	10.00	
Qinghai Western Magnesium industry Co.,Ltd	23,466,510.00		23,466,510.00		
Hailiang Organic agriculture (Xichuan) Co.,Ltd	2,000,000.00		2,000,000.00	10.00	
Hailiang Organic agriculture (Jiangdankou) Co.,Ltd	2,000,000.00	-2,000,000.00			
Hailiang Organic agriculture (Xianju) Co.,Ltd	1,000,000.00		1,000,000.00	10.00	
Hailiang Organic agriculture (Haifeng) Co.,Ltd	1,000,000.00	-1,000,000.00			
Beijing Hailiang Organic agriculture research institute Co.,Ltd	4,000,000.00		4,000,000.00	20.00	
Hailiang Healthy food Co.,Ltd	2,000,000.00		2,000,000.00	20.00	

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Item	Opening balance	Change	Closing balance	Share proportion(%)	impairment
Hailiang Organic agriculture (Qinghai) Co.,Ltd	600,000.00		600,000.00	10.00	
Mingguang Hailiang Organic agriculture Co.,Ltd	600,000.00		600,000.00	10.00	
Hailiang Ecological Agriculture (Jiangxi) Group Co.,Ltd.	5,000,000.00	-5,000,000.00			
XianTao First Middle School		40,000,000.00	40,000,000.00	80.00	
Fuyang Hailiang Yinquan Real Estate Co.,Ltd		25,000,000.00	25,000,000.00	10.00	
Total	1,627,291,490.42	-218,400,253.78	1,408,891,236.64	—	

6.12.3 Available-for-sale financial assets measured at fair value

Category of available-for-sale financial assets	Available-for-sale equity instrument	Available-for-sale debt instrument	Total
Cost of equity instrument/ amortized cost of debt instrument	101,719,007.73		101,719,007.73
Fair value	87,549,229.87		87,549,229.87
Accumulated change of fair value in other comprehensive income	-14,169,777.86		-14,169,777.86
Impairment provision			

6.13 Long-term receivables

Long-term receivables

Item	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for bad debts %	Book balance	Provision for bad debts %	Book balance	Provision for bad debts %	
Finance Leases	5,060,570,764.27	1.28	64,889,468.96	3,904,795,905.14	1.1	43,035,955.40	
Services rendering by instalments				2,740,000.00			
Others	3,780,000.00						
Total	5,064,350,764.27	—	64,889,468.96	3,907,535,905.14	—	43,035,955.40	

6.14 Long-term equity investments

Item	Opening balance	Increase	Decrease	Closing balance
Investment to subsidiaries	129,891,364.89			129,891,364.89
Investment to joint ventures and associates	1,538,667,302.05	37,081,846.96	329,633,766.02	1,246,115,382.99
Sub-total	1,668,558,666.94	37,081,846.96	329,633,766.02	1,376,006,747.88
Minus: impairment of long-term equity investment				
Total	1,668,558,666.94	37,081,846.96	329,633,766.02	1,376,006,747.88

6.14.1 Long-term equity investment is listed as follows:

Investee	Accounting method	Investment cost	Opening balance	Changes	Closing balance	Proportion of ownership interests in the investee (%)	Proportion of voting power in the investee (%)	Provision for impairment losses	Provision for impairment losses for the period	Cash dividends for the period
I. Subsidiary										
Beijing Zhongyou cradle Xinliang Zhenle Technology Co., Ltd	Cost method	110,000,000.00	109,891,364.89		109,891,364.89	47	47			
Beijing Zhongrun Jiade Culture Development Co., Ltd	Cost method	20,000,000.00	20,000,000.00		20,000,000.00	100	100			
II. Associates										
Hubei Danjiang Electric Power Co., Ltd	Equity method	28,875,000.00	58,446,231.04	-3,000,000.00	55,446,231.04	20	20			3,000,000.00
Xinanneng Hailiang Mineral exploitation Co., Ltd	Equity method	10,000,000.00	10,000,000.00		10,000,000.00	49	49			
Anhui Qimen Huangshan Yaogu Biotech Co., Ltd	Equity method	25,900,000.00	26,282,349.27	-26,282,349.27		35	35			
Guangxi Jimmao Titanium industry Co., Ltd	Equity method	128,800,000.00	159,557,678.76	11,967,982.96	171,525,661.72	20.91	20.91			
Shaoxing Haixing Real Estate Co., Ltd	Equity method	303,864,000.00	253,304,996.19	-253,304,996.19		48	48			
Chongqing Haiyu Property Management Co., Ltd	Equity method	1,000,000.00	2,039,790.89	-636,888.47	1,402,902.42	20	20			
Zhejiang Yongheng Real Estate Co., Ltd.	Equity method	350,000,000.00	313,973,002.78	-32,162,480.07	281,810,522.71	50	50			
Ningxia Bank Co., Ltd	Equity method	264,000,000.00	641,563,253.12	25,113,864.00	666,677,117.12	6.49	6.49			14,400,000.00
Yinchuan Haimao Real Estate Co., Ltd	Equity method	49,000,000.00	49,000,000.00	-14,247,052.02	34,752,947.98	49	49			
Yinchuan Shihai Real Estate Co., Ltd	Equity method	24,500,000.00	24,500,000.00		24,500,000.00	49	49			
Total		1,315,939,000.00	1,668,558,666.94	-292,551,919.06	1,376,006,747.88	—	—			

6.15 Investment property

6.15.1 Investment property measured by cost

Item	Opening balance	Increase	Decrease	Closing balance
1.Total original cost	32,190,924.14	11,205,836.83		43,396,760.97
Buildings/Plants	31,157,328.35	11,205,836.83		42,363,165.18
Land use right	1,033,595.79			1,033,595.79
2.Total accumulated depreciation and amortization	4,043,875.92	1,856,080.43		5,899,956.35
Buildings/Plants	3,792,940.56	1,824,689.39		5,617,629.95
Land use right	250,935.36	31,391.04		282,326.40
3.Total accumulated amount of provision for impairment losses of investment property	1,956,213.23	131,709.93		2,087,923.16
Buildings/Plants	1,956,213.23	131,709.93		2,087,923.16
Land use right				
4.Total carrying value of investment property	26,190,834.99			35,408,881.46
Buildings/Plants	25,408,174.56			34,657,612.07
Land use right	782,660.43			751,269.39

6.15.2 Investment property measured by fair value

Item	Opening balance	Increase			Decrease		Closing balance
		Purchase	From property or inventory	Changes in fair value recognized in profit or loss	Disposal	Transferto properties	
1. costs	4,621,432,587.40	50,057,322.58	1,381,572,174.90		235,962,472.68		5,817,099,612.20
(1)plants, buildings	4,162,485,521.25	50,057,322.58	1,103,289,913.30		235,962,472.68		5,079,870,284.45
(2)right of land	458,947,066.15		278,282,261.60				737,229,327.75
2. Changes in fair value	6,355,116,349.79			398,017,040.21	9,356,310.66		6,743,777,079.34
(1)plants, buildings	6,355,116,349.79			398,017,040.21	9,356,310.66		6,743,777,079.34
(2)right of land							
3. Balance book value	10,976,548,937.19	50,057,322.58	1,381,572,174.90	398,017,040.21	245,318,783.34		12,560,876,691.54
(1)plants, buildings	10,517,601,871.04	50,057,322.58	1,103,289,913.30	398,017,040.21	245,318,783.34		11,823,647,363.79
(2)right of land	458,947,066.15		278,282,261.60				737,229,327.75

6.16 Fixed assets

Movement of fixed assets

Item	Opening balance	Increase	Decrease	Closing balance
1.Total original cost	3,247,929,854.29	2,948,082,260.39	262,219,792.45	5,933,792,322.23
Buildings/Plants	1,233,859,895.99	2,104,947,350.36	64,579,869.31	3,274,227,377.04

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Item	Opening balance	Increase	Decrease	Closing balance
Transportation on vehicles	122,718,608.51	7,248,274.60	46,109,044.73	83,857,838.38
Electronic equipment	113,194.73	3,555,928.05	295,501.13	3,373,621.65
Machinery equipment	1,615,052,527.78	269,715,259.80	97,399,647.89	1,787,368,139.69
Others	276,185,627.28	562,615,447.58	53,835,729.39	784,965,345.47
2.Total accumulated depreciation	1,290,865,478.94	386,441,508.75	135,552,264.15	1,541,754,723.54
Buildings/Plants	386,360,113.96	80,732,148.03	21,734,661.69	445,357,600.30
Transportation on vehicles	65,153,920.23	6,990,462.92	22,841,065.65	49,303,317.50
Electronic equipment	27,981.37	2,733,326.23	249,535.76	2,511,771.84
Machinery equipment	680,023,639.69	188,992,131.21	57,889,978.69	811,125,792.21
Others	159,299,823.69	106,993,440.36	32,837,022.36	233,456,241.69
3. Total provision for impairment losses	30,149,945.17	1,731,864.01	1,866,194.74	30,015,614.44
Buildings/Plants	9,987,434.44		131,709.93	9,855,724.51
Transportation equipment	1,482,825.01		1,312,800.00	170,025.01
Electronic equipment or Others				
Machinery equipment	17,952,828.93	1,731,864.01	419,064.01	19,265,628.93
Others	726,856.79		2,620.80	724,235.99
4. Total carrying value of fixed assets	1,926,914,430.18			4,362,021,984.25
Buildings/Plants	837,512,347.59			2,819,014,052.23
Transportation on vehicles	56,081,863.27			34,384,495.87
Electronic equipment	85,213.36			861,849.81
Machinery equipment	917,076,059.16			956,976,718.55
Others	116,158,946.80			550,784,867.79

6.17 Construction in process

Construction in process

Item	Cost			Provision for impairment		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Hailiang Education Park Project	38,612,214.02		38,612,214.02	1,802,582,689.26		1,802,582,689.26
Hangzhou Hailiang Building				199,851,887.32		199,851,887.32
Other (odd project)	343,778,994.16	10,400,247.51	333,378,746.65	186,755,649.42	10,400,247.51	176,355,401.91
Total	382,391,208.18	10,400,247.51	371,990,960.67	2,189,190,226.00	10,400,247.51	2,178,789,978.49

6.18 Intangible assets

Item	Opening balance	Increase	Decrease	Closing balance
1.Total original cost	2,893,179,979.76	47,759,554.69	289,919,878.93	2,651,019,655.52
Land use rights	1,121,028,669.98	43,928,237.47	289,254,042.93	875,702,864.52
Brand right	16,540,000.00			16,540,000.00
Mining right	1,323,597,829.26	19,000.00		1,323,616,829.26
encryption software	36,977,304.69	2,368,288.34	665,836.00	38,679,757.03
Others	395,036,175.83	1,444,028.88		396,480,204.71
2.Total accumulated amortization	174,018,842.50	53,843,768.00	290,363.76	227,572,246.74
Land use rights	64,852,038.21	26,382,401.38	25,481.76	91,208,957.83
Brand right				
Mining right	11,440,471.35	3,202,959.72		14,643,431.07
encryption software	18,086,307.39	10,199,595.13	264,882.00	28,021,020.52
Others	79,640,025.55	14,058,811.77		93,698,837.32
3.Total accumulated provision for impairment	56,273.12			56,273.12
Land use rights	56,273.12			56,273.12
Brand right				
Mining right				
encryption software				
Others				
4.Total carrying value	2,719,104,864.14			2,423,391,135.66
Land use rights	1,056,120,358.65			784,437,633.57
Brand right	16,540,000.00			16,540,000.00
Mining right	1,312,157,357.91			1,308,973,398.19
encryption software	18,890,997.30			10,658,736.51
Others	315,396,150.28			302,781,367.39

6.19 Goodwill

Name of investee	Opening balance	Opening impairment	Increase	Decrease	Closing balance	Closing impairment
Zhuji Hailiang Garden Hotel	3,070,107.23				3,070,107.23	
Hailiang International Holdings Limited	260,346,708.19				260,346,708.19	
Hong Kong International Mining Investment Co.,Ltd	62,045,740.00				62,045,740.00	
Sichuan Golden Summit (Group) Joint Co., Ltd	590,898,079.65				590,898,079.65	
Zhejiang Haibo Micro-credit Co.,Ltd	150,785,361.15				150,785,361.15	
JMF Company			63,905,540.10		63,905,540.10	
Total	1,067,145,996.22		63,905,540.10		1,131,051,536.32	

6.20 Deferred tax assets and deferred tax liabilities

6.20.1 Deferred tax assets and deferred tax liabilities before offsetting

Item	Closing balance		Opening balance	
	Deferred tax assets or liabilities	Deductable or taxable temporary differences	Deferred tax assets or liabilities	Deductable or taxable temporary differences
Deferred tax assets:				
Provisions for impairment of assets	72,045,844.50	257,303,015.25	73,384,316.09	291,855,143.01
Deductible tax losses	41,070,307.64	160,191,652.14	84,015,568.11	333,573,247.19
Unrealized profit and loss in consolidated financial statements	16,439,837.01	65,759,348.04	11,066,672.97	57,452,268.84
Others	6,597,941.17	28,074,833.49	992,644.16	2,495,290.67
Sub-total	136,153,930.32	511,328,848.92	169,459,201.33	685,375,949.71
Deferred tax liabilities:				
Fair value change in investment property	1,467,854,439.72	3,741,958,632.77	1,447,931,069.17	5,791,724,276.68
Fair value change of hedging tools	1,119,122.92	4,476,491.69	980,335.86	3,921,343.44
Others	144,547,322.02	578,189,288.05	3,145,446.75	12,558,825.18
Sub-total	1,613,520,884.66	4,324,624,412.51	1,452,056,851.78	5,808,204,445.30

6.20.2 The items not recognized deferred tax assets

Item	Closing balance	Opening balance
Deductible temporary differences	32,612,463.76	55,635,623.69
Deductible tax losses	285,339,898.82	239,039,857.64
Total	317,952,362.58	294,675,481.33

6.21 Limited ownership of the assets

Item	Closing balance
I. Assets for collateral	
II. Other reasons cause	947,896,204.36
Including: 1. Deposits in central bank	299,994,103.58
2. For the letter of credit and financial guarantees issued	448,800,160.00
3. For factoring pledge loans	56,101,940.78
4. For mortgage credit	143,000,000.00
Total	947,896,204.36

6.22 Short-term loans

Short-term loans by categories:

Borrowing condition	Closing balance	Opening balance
Pledge loans	620,000,000.00	14,412,600.00
Mortgage loans	1,247,000,000.00	1,714,826,830.00
Guarantee loans	2,303,768,610.39	3,081,197,143.35
Loans on credit		600,000,000.00
Discount of native Credit card	352,346,535.69	747,838,717.44
Factoring loans	50,491,746.71	402,323,414.69
Total	4,573,606,892.79	6,560,598,705.48

6.23 Deposits from customers and interbank

Item	Closing balance	Opening balance
current deposit		
—company	330,247,457.79	633,132,210.54
—person		
Total current deposit	330,247,457.79	633,132,210.54
fixed term deposit		
—company	120,950,000.00	292,656,972.43
—person		
Total fixed term deposit	120,950,000.00	292,656,972.43
margin deposit for security	98,540.87	
Total margin deposit for security	98,540.87	
One-day notice deposit	1,500,000.00	
Seven-day notice deposit	125,201,459.13	99,000,000.00
Total	577,997,457.79	1,024,789,182.97

6.24 Notes payable

Item	Closing balance	Opening balance
Bank acceptance notes	2,764,500,000.00	3,555,833,747.54
Commercial acceptance notes	70,000,000.00	
Total	2,834,500,000.00	3,555,833,747.54

6.25 Accounts payable

Item	Closing balance	Opening balance
Within 1 year	5,886,310,672.12	2,829,721,806.12
1 to 2 years	626,498,684.50	610,909,046.92

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Item	Closing balance	Opening balance
2 to 3 years	145,857,983.71	35,468,181.52
More than 3 years	84,123,705.67	81,540,970.72
Total	6,742,791,046.00	3,557,640,005.28

Significant accounts payable with aging over 1 year

Creditor	Amount	Aging	Outstanding reason
Chongqing construction engineering Co., Ltd.	104,381,565.04	within 2 years	No settlement
Jiangsu Nantong No.2 Construction Engineering (Gourp) Co.,Ltd	158,915,730.21	within 2 years	No settlement
China state construction engineering Corporation	71,887,267.62	within 3 years	No settlement
Zhejiang Jiujian construction Co.,Ltd	23,958,530.60	within 3 years	No settlement
Total	359,143,093.47		

6.26 Advances from customers

Item	Closing balance	Opening balance
Within 1 year(including 1 year)	3,664,488,556.62	4,104,249,584.98
More than 1 year	173,584,649.25	445,820,245.49
Total	3,838,073,205.87	4,550,069,830.47

6.27 Employee benefits payable

6.27.1 Movement of employee benefits payable

Item	Opening balance	Increase	Decrease	Closing balance
I. Short-term employee benefits	107,030,220.57	1,139,296,606.92	1,132,184,547.12	114,142,280.37
II.Post-employment benefits-defined contribution plans	1,825,645.98	70,268,721.67	69,600,255.61	2,494,112.04
III. Termination benefits	22,410.99		22,410.99	
IV.Other benefits due within one year				
Total	108,878,277.54	1,209,565,328.59	1,201,807,213.72	116,636,392.41

6.27.2 Details of the short-term employee benefits

Item	Opening balance	Increase	Decrease	Closing balance
1. Salaries, bonus, and allowances	101,659,081.87	1,026,479,534.58	1,018,938,703.34	109,199,913.11
2. Staff welfare		38,473,779.64	37,342,494.38	1,131,285.26
3. Social insurances	1,477,621.38	37,918,304.01	38,286,584.58	1,109,340.81
Including: Medical insurance	1,293,627.49	31,045,193.49	31,442,299.98	896,521.00
Work injury insurance	142,477.15	4,712,989.87	4,682,885.90	172,581.12
Maternity insurance	41,516.74	2,160,120.65	2,161,398.70	40,238.69
4. Housing Fund	77,984.13	27,754,822.47	27,692,143.63	140,662.97

Item	Opening balance	Increase	Decrease	Closing balance
5.Union funds and employee education fee	3,815,533.19	8,133,516.59	9,426,722.28	2,522,327.50
6.Others		536,649.63	497,898.91	38,750.72
Total	107,030,220.57	1,139,296,606.92	1,132,184,547.12	114,142,280.37

6.27.3 Defined contribution plans

Item	Opening balance	Accrued	Paid	Closing balance
1. Primary endowment insurance	1,700,170.05	65,992,156.41	65,290,864.15	2,401,462.31
2. Unemployment insurance	125,475.93	4,276,565.26	4,309,391.46	92,649.73
Total	1,825,645.98	70,268,721.67	69,600,255.61	2,494,112.04

6.28 Taxes and surcharges payable

Category	Closing balance	Opening balance
Value-added tax	92,673,925.20	34,534,502.47
Business tax		31,968,478.93
Urban maintenance and construction tax	7,233,244.54	2,768,074.66
Business income tax	320,684,803.62	306,801,055.47
Estate tax	5,327,444.06	6,741,491.19
Tax in use of land	506,128.80	2,334,190.87
Individual Income Tax	6,653,985.82	7,091,046.06
Stamp Tax	5,150,462.86	2,881,902.91
Educational surtax	4,462,336.26	2,031,698.95
Foundation for water works	1,830,154.48	11,745,957.88
Tax on increment of land value	38,919,165.53	25,458,488.02
Other taxes and surcharges	697,121.43	2,230,665.59
Total	484,138,772.60	436,587,553.00

6.29 Interest payable

Category	Closing balance	Opening balance
Interest for long-term loan	2,492,538.65	2,704,115.20
Interest on corporate bonds	400,872,783.42	353,298,090.22
Interest payable for short-term loan	31,349,857.85	21,094,592.48
Interest of deposits loan	86,289.03	16,765.27
Total	434,801,468.95	377,113,563.17

6.30 Other payables

Item	Closing balance		Opening balance	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	1,374,197,521.02	56.75	1,698,529,221.91	57.11
1 to 2 years	697,697,040.16	28.81	1,158,606,045.44	38.95
2 to 3 years	260,362,657.01	10.75	55,652,484.17	1.87
More than 3 years	89,372,329.99	3.69	61,542,604.98	2.07
Total	2,421,629,548.18	100.00	2,974,330,356.50	100

Significant other payables aging over 1 year:

Company name	Amount	Nature or content
Beibei Xincheng Construction Co.,Ltd	63,426,781.34	Accounts current
Chongqing beibei transportation construction development Co.,Ltd	58,171,800.00	Accounts current
Beipiao coal industry Co.,Ltd	50,000,000.00	Accounts current
Beijing Zhongyou cradle Xinliang Zhenle Technology Co., Ltd	28,768,300.00	Accounts current
Total	200 366 881.34	—

6.31 Non-current liabilities due within one year

Item	Closing balance	Opening balance
Long-term loans due within one year	2,930,395,098.54	1,642,149,688.73
Long-term loans due within one year	1,996,415,064.24	999,177,425.99
Long-term payables due within one year	201,340.66	231,920.00
Total	4,927,011,503.44	2,641,559,034.72

6.32 Other current liabilities

Item	Closing balance	Opening balance
Short-term bonds payable	2,796,145,669.80	3,993,890,099.80
Others	79,419,867.45	2,766,874.59
Total	2,875,565,537.25	3,996,656,974.39

6.33 Long-term loans

Borrowing condition	Closing balance	Opening balance
Pledge loans	3,000,000.00	63,000,000.00
mortgage loan	943,200,000.00	549,800,000.00
Guarantee loans	4,418,563,889.54	1,741,301,328.99
Loans on credit	292,902,200.00	2,412,394,616.54
Total	5,657,666,089.54	4,766,495,945.53

6.34 Bonds payable

Movement of bonds payable (excluding other financial instruments like preference shares, perpetual loans etc.)

Bond name	Par value	Issue date	Bond period	issue amount	Opening Interest payable	Accrued interest	Paid the interest	Closing Interest payable	Closing balance
Enterprise bonds	600,000,000.00	2012-10-25	6 years	595,200,000.00	4,950,000.00	38,650,000.00	38,650,000.00	4,950,000.00	598,355,237.64
Enterprise bonds	400,000,000.00	2012-10-25	7 years	396,800,000.00	7,150,044.00	27,350,000.00	27,350,000.00	7,150,044.00	398,535,962.90
Medium-term notes	1,000,000,000.00	2014-3-3	3 years	991,000,000.00	71,305,220.00	85,000,000.00	85,000,000.00	71,305,220.00	
Medium-term notes	1,000,000,000.00	2014-8-26	3 years	987,100,000.00	27,475,140.00	78,500,000.00	78,500,000.00	27,475,140.00	
Medium-term notes	1,000,000,000.00	2015-4-3	3 years	996,000,000.00	48,930,856.67	65,000,000.00	65,000,000.00	48,930,856.67	
Medium-term notes	1,400,000,000.00	2015-9-24	3 years	1,395,800,000.00	20,747,222.22	77,000,000.00	77,000,000.00	20,747,222.22	1,395,132,140.76
Corporate debt	1,500,000,000.00	2015-8-10	3 years	1,490,500,000.00	31,890,833.33	80,850,000.00	80,850,000.00	31,890,833.33	1,491,324,249.98
Corporate debt	1,300,000,000.00	2016-3-10	3 years	1,294,150,000.00		56,651,111.15		56,651,111.15	1,295,647,987.30
Corporate debt	1,200,000,000.00	2016-7-27	3 years	1,194,600,000.00		24,596,666.67		24,596,666.67	1,195,337,773.18
Corporate debt	800,000,000.00	2016-7-27	5 years	796,400,000.00		17,409,555.56		17,409,555.56	796,679,711.35
Corporate debt	750,000,000.00	2016-8-22	2 years	746,625,000.00		12,827,083.33		12,827,083.33	747,216,046.48
Corporate debt	950,000,000.00	2016-8-22	3 years	945,725,000.00		18,598,361.11		18,598,361.11	946,209,089.70
Total	11,900,000,000.00			11,829,900,000.00	212,449,316.22	582,432,777.82	452,350,000.00	342,532,094.04	8,864,438,199.29

6.35 Other long-term payables

Item	Closing balance	Opening balance
Finance lease	557,826,502.44	473,080,000.00
Others	117,010,804.27	131,275,907.93
Total	674,837,306.71	604,355,907.93

6.36 Paid-in capital

Name of the investor	Opening balance		Increase	Decrease	Closing balance	
	Amount	Percentage (%)			Amount	Percentage (%)
Feng Hailiang	1,361,422,800.00	43.64			1,361,422,800.00	43.64
Zhu Zhangquan	36,182,000.00	1.16			36,182,000.00	1.16
Jiang Lirong	36,182,000.00	1.16			36,182,000.00	1.16
Tang Lu	94,073,200.00	3.02			94,073,200.00	3.02
Qian Angjun	36,182,000.00	1.16			36,182,000.00	1.16
Cao Jianguo	4,740,000.00	0.15			4,740,000.00	0.15
Wang Ming	4,740,000.00	0.15			4,740,000.00	0.15
Shanghai Weize Invest Holding Limited company	1,256,168,000.00	40.26			1,256,168,000.00	40.26
Ningbo Dunshi Investment Co.,Ltd	290,110,000.00	9.30			290,110,000.00	9.30
Total	3,119,800,000.00	100.00			3,119,800,000.00	100.00

6.37 Other equity instruments

Financial instrument	Opening balance	Increase	Decrease	Closing balance
Medium term notes with special terms	1,000,000,000.00			1,000,000,000.00
Total	1,000,000,000.00			1,000,000,000.00

6.38 Capital reserve

Category	Opening balance	Increase	Decrease	Closing balance
I. Share premiums	2,304,173,100.01			2,304,173,100.01
II. Other capital reserves	851,286,380.92	114,232,336.95		965,518,717.87
Including: shares of changes in subsidiaries' other capital reserve	651,817,170.27	114,232,336.95		766,049,507.22
Sale of subsidiary	-51,424.40			-51,424.40
Acquire a minority shareholder	132,831,684.90			132,831,684.90
Others	66,688,950.15			66,688,950.15
Total	3,155,459,480.93	114,232,336.95		3,269,691,817.88

6.39 Special reserve

Category	Opening balance	Increase	Decrease	Closing balance	Reason for the change
Safety costs	3,179,922.45	6,295,293.84	3,578,420.69	5,896,795.60	
Total	3,179,922.45	6,295,293.84	3,578,420.69	5,896,795.60	

6.40 Surplus reserve

Category	Opening balance	Increase	Decrease	Closing balance
Statutory surplus	221,951,566.88	8,582,343.76		230,533,910.64
Discretionary surplus				
Total	221,951,566.88	8,582,343.76		230,533,910.64

6.41 Retained earnings

Item	As at 31/12/2016	
	Amount	Appropriation proportion
Retained earnings as at 1/1/2016 before adjustment	5,977,960,153.49	
The total adjustment of retained earnings as at 1/1/2016 (Increase+, decrease-)		
Retained earnings as at 1/1/2016 after adjustment	5,977,960,153.49	
Add: Net profit attributable to the Company during the year	871,190,397.50	
Less: Appropriation of statutory surplus reserve	8,582,343.76	
Appropriation of discretionary surplus reserve		
Common share dividends payable		
Common share dividends converted to share capital		
Retained earnings as at 31/12/2016	6,840,568,207.23	

6.42 Operating income and operating cost

6.42.1 Operating income is listed as follows according to item.

Item	Amount in current period		Amount in prior period	
	Income	Cost	Income	Cost
I . Primary operating business	148,521,925,129.77	144,315,707,921.85	136,081,677,887.28	131,986,558,059.00
II . Other operating business	1,749,160,325.27	1,638,570,135.74	4,527,141,384.35	4,377,530,181.86
Total	150,271,085,455.04	145,954,278,057.59	140,608,819,271.63	136,364,088,240.86

6.42.2 Operating income is listed as follows according to industry

Industry Item	Amount in current period		Amount in prior period	
	Main operating income	Main operating cost	Main operating income	Main operating cost
copper processing	16,343,673,000.48	14,935,184,694.25	9,043,127,163.03	8,330,076,172.38

Industry Item	Amount in current period		Amount in prior period	
	Main operating income	Main operating cost	Main operating income	Main operating cost
Metal trade	117,202,586,719.40	117,219,381,662.54	112,016,151,842.95	111,851,759,267.80
Estate income	12,808,230,253.48	10,625,326,505.96	12,757,472,864.11	10,152,892,296.93
Others	2,167,435,156.41	1,535,815,059.10	2,264,926,017.19	1,651,830,321.89
Total	148,521,925,129.77	144,315,707,921.85	136,081,677,887.28	131,986,558,059.00

6.43 Taxes and surcharges

Item	Amount in current period	Amount in prior period
Business tax	398,193,147.66	703,864,974.67
Urban maintenance and construction tax	51,573,750.60	51,975,037.59
Educational surcharge	39,345,019.37	40,277,185.73
Foundation for water works	32,406,022.15	28,860,172.35
Tax on increment of land value	210,893,073.91	248,241,781.37
Property tax	35,512,063.72	
Vehicle and vessel tax	1,011,934.78	
Use tax of land	15,832,759.16	
Stamp duty	19,781,317.47	
Others	6,244,430.67	5,887,078.84
Total	810,793,519.49	1,079,106,230.55

6.44 Finance expenses

Item	Amount in current period	Amount in prior period
Interest expenses	1,506,941,747.62	1,014,701,778.10
Less: interest income	1,050,449,147.03	1,069,734,932.79
Losses from foreign exchange	421,076,266.61	425,354,595.76
Less: Gains from foreign exchange	307,306,158.61	235,085,972.28
Finance charges	79,900,340.06	81,448,210.01
Others	6,385,123.23	66,089,338.61
Total	656,548,171.88	282,773,017.41

6.45 Impairment on assets

Item	Amount in current period	Amount in prior period
Allowance for doubtful debts	29,461,568.38	95,386,272.81
Provision for diminution in value of inventory	132,690.21	1,209,865.71
Total	29,594,258.59	96,596,138.52

6.46 Gain from fair value changes

Source of gains/(losses) from changes in fair value	Amount in current period	Amount in prior period
Financial assets measured at fair value through profit or loss for the current period	-22,077,782.90	19,775,019.62
Including: gains from changes in fair value of derivative financial instruments	-22,077,782.90	19,674,810.87
Investment property measured by fair value	398,017,040.21	-40,488,033.77
Total	375,939,257.31	-20,713,014.15

6.47 Investment income

6.47.1 Investment income details

Category	Amount in current period	Amount in prior period
Gain/(Loss) from long-term equity investments in equity method	-5,986,716.91	27,200,591.31
Gain/(Loss) on disposal of long term equity investment	17,462,355.64	286,158,747.39
Gain/(Loss) on disposal of financial assets measured at fair value through profit or loss for the current period	67,877,499.68	23,521,062.51
Gain/(Loss) on held-to-maturity financial assets during the holding period	906,959.27	2,419,012.45
Gains on available-for-sale financial assets during the holding period	105,038,923.18	21,200,684.10
Gains on disposal of available-for-sale financial assets	82,139,136.64	25,692,197.57
Others	2,557,210.98	90,088,330.51
Total	269,995,368.48	476,280,625.84

6.47.2 Investment income in equity method

Investee	Amount in current period	Amount in prior period	Notes
Ningxia Bank Co.,Ltd	59,091,720.69	55,606,534.90	
Guangxi Jinmao Titanium industry Co.,Ltd	11,967,982.96	9,442,261.16	
Zhejiang Yongseng Real Estate Co., Ltd.	-32,162,480.07	-10,621,087.74	
Suzhou Industrial Park Shengzhe Real Estate Co.,Ltd	-30,000,000.00		
Yinchuan Haimao Real Estate Co.,Ltd	-14,247,052.02		
Chongqing Haiyu Property Management Co., Ltd	-636,888.47		
Hubei Danjiang Electric Power Co., Ltd		-2,167,778.05	
Shaoxing Haixing Real Estate Co.,Ltd		-23,558,177.67	
Ganzhou Hailiang Real Estate Co.,Ltd		-1,501,161.29	
Total	-5,986,716.91	27,200,591.31	

6.48 Non-operating income

Non-operating income by category

Item	Amount in current period	Amount in prior period
Total gains on disposal of non-current assets	1,908,061.17	669,777.40
Including: Gains on disposal of fixed assets	1,908,061.17	669,777.40
Government grants	137,123,677.72	106,349,178.74
Gains on debt restructuring	15,000.00	
Others	71,536,055.72	32,723,496.50
Total	210,582,794.61	139,742,452.64

6.49 Non-operating expenses

Item	Amount in current period	Amount in prior period
Total losses on disposal of non-current assets	4,193,640.66	7,103,584.26
Including: Losses on disposal of fixed assets	4,193,640.66	7,103,584.26
Donation	624,999.00	10,824,000.00
Others	39,211,991.07	54,396,432.30
Total	44,030,630.73	72,324,016.56

6.50 Income tax expenses

Details of income tax expenses

Item	Amount in current period	Amount in prior period
Current income tax calculated according to tax laws	467,265,352.63	551,994,167.25
Deferred income tax	179,559,506.65	-32,115,941.75
Total	646,824,859.28	519,878,225.50

6.51 Supplement to statement of cash flows

6.51.1 Supplement to statement of cash flows

Item	Amount in current period	Amount in prior period
1. Net profit adjusted to cash flows from operating activities		
Net profit	1,517,421,929.56	1,455,108,966.18
Add: Provision for asset impairment	29,594,258.59	96,596,138.52
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	388,297,589.18	312,354,627.18
Amortization of intangible assets	53,843,768.00	38,914,236.54
Amortization of long-term deferred expenses	1,904,683.49	
Losses on disposal of fixed assets, intangible assets and other long-term assets ("-" for gains)	2,285,579.49	6,433,806.86

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Item	Amount in current period	Amount in prior period
Losses on write-down of fixed assets ("-" for gains)		
Losses from changes in fair value ("-" for gains)	-375,939,257.31	20,713,014.15
Financial expenses ("-" for income)	1,506,941,747.62	997,589,170.52
Investments losses ("-" for gains)	-269,995,368.48	-476,280,625.84
Decreases in the deferred tax assets ("-" for increases)	33,305,271.01	-86,930,785.58
Increases in the deferred tax liabilities ("-" for decreases)	146,254,235.64	66,852,200.72
Decreases in inventories ("-" for increases)	2,048,069,562.85	1,453,816,272.43
Decreases in operating receivables ("-" for increases)	-6,065,129,669.58	-2,574,237,455.83
Increases in operating payables ("-" for decreases)	1,425,801,468.42	-3,825,578,178.01
Others		
Net cash flows from operating activities	442,655,798.48	-2,514,648,612.16
2. Net change in cash and cash equivalents		
Cash as at 31/12/2016	4,173,330,601.59	3,871,977,741.40
Less: cash as at 1/1/2016	3,871,977,741.40	4,846,774,683.35
Add: cash equivalents as at 31/12/2016		
Less: cash equivalents as at 1/1/2016		
Net increase in cash and cash equivalents	301,352,860.19	-974,796,941.95

6.51.2 Cash and cash equivalents

Item	Amount in current period	Amount in prior period
I. Cash	4,173,330,601.59	3,871,977,741.40
Including: Cash on hand	996,970.44	862,577.01
Unrestricted bank deposits	2,313,653,313.26	1,478,354,122.26
Unrestricted other cash and cash equivalents	652,080,403.76	1,208,288,459.46
Unrestricted deposits with central bank	1,237,726.59	1,400,495.02
Deposits with banks and other financial institutions	1,205,362,187.54	1,183,072,087.65
Loans to or from banks and other financial institutions		
II. Cash equivalents		
Including: bonds investment maturing within 3 months		
III. Cash and cash equivalents as at 31/12/2016	4,173,330,601.59	3,871,977,741.40
Including: cash and cash equivalents restricted for use in the Company or the subsidiaries	947,132,776.94	618,561,634.73

7. Other comprehensive income

7.1 The details of other comprehensive income

Item	Amount in current period			Amount in prior period		
	Amount before tax	Tax expenses	Net amount	Amount before tax	Tax expenses	Net amount
I. Other comprehensive income items which not be reclassified subsequently to profit or loss						
II. Other comprehensive income items which will be reclassified subsequently to profit or loss						
1. Under the equity method, the invested entity will share the share that come from the other comprehensive income items which will be reclassified subsequently to profit or loss	-2,140,543.79		-2,140,543.79	2,856,828.45		2,856,828.45
Less: Prior other comprehensive income transferred into profit or losses in current period						
Sub-total	-2,140,543.79		-2,140,543.79	2,856,828.45		2,856,828.45
2. The effective part of cash flow hedging gains or losses	2,423,057.36	237,144.45	2,185,912.91	5,368,070.13	-134,514.41	5,502,584.54
Less: Prior other comprehensive income transferred into profit or losses in current period						
Adjustment amount of the initially recognized amount of the hedged item						
Sub-total	2,423,057.36	237,144.45	2,185,912.91	5,368,070.13	-134,514.41	5,502,584.54
3. Translation differences of financial statements denominated in foreign currencies	22,910,789.45		22,910,789.45	763,671.03		763,671.03
Less: Prior other comprehensive income transferred into profit or losses in current period						
Sub-total	22,910,789.45		22,910,789.45	763,671.03		763,671.03
4. Others	447,661,579.44		447,661,579.44	-204,707.89		-204,707.89
III. Total	470,854,882.46	237,144.45	470,617,738.01	8,783,861.72	-134,514.41	8,918,376.13

7.2 Adjustment information for the items of other comprehensive income

Item	Amount at 2015.1.1	Amount of changes in 2015("-" for losses)	Amount at 2015.12.31	Amount of changes in 2016("-" for losses)	Amount at 2016.12.31
Under the equity method, the invested entity will share the share that come from the other comprehensive income items which will be reclassified subsequently to profit or loss	569,558.18	2,856,828.45	3,426,386.63	-2,140,543.79	1,285,842.84
The effective part of cash flow hedging gains or losses	-3,399,624.85	5,502,584.54	2,102,959.69	2,185,912.91	4,288,872.60
Translation differences of financial statements denominated in foreign currencies	-59,839,552.40	763,671.04	-59,075,881.36	22,910,789.45	-36,165,091.91
Others	824,025,930.08	-204,707.89	823,821,222.19	447,661,579.44	1,271,482,801.63
Total	761,356,311.01	8,918,376.14	770,274,687.15	470,617,738.01	1,240,892,425.16

8. Fair value

8.1 Analysis of the assets and liabilities measured at fair value according to the fair value hierarchy:

Item	Measurement by level 1	Measurement by level 2	Measurement by level 3	Balance as at 31/12/2016
I Recurring fair value measurement				
i Financial assets measured at fair value through profit or loss for the current period	157,584,078.60			157,584,078.60
Financial assets held for trading	157,584,078.60			157,584,078.60
Derivative financial asset	157,584,078.60			157,584,078.60
ii Available-for-sale financial assets	-14,169,777.86			-14,169,777.86
Equity instrument investment	-14,169,777.86			-14,169,777.86
iii Investment property		6,768,164,951.76		6,768,164,951.76
Building leased out		6,768,164,951.76		6,768,164,951.76
iv Financial liabilities measured at fair value through profit or loss for the current period	165,302,123.11			165,302,123.11
Derivative financial liabilities	165,302,123.11			165,302,123.11

8.2 Determination basis of quoted prices for recurring and non-recurring items in level 1 of fair value hierarchy

The first level of input is the unadjusted offer of the relevant asset or liability that is available on the measurement day in the active market.

8.3 For recurring and non-recurring items in level 2 of fair value hierarchy, the adopted valuation techniques and quantity and quality information of principal inputs

The second level input value is a direct or indirect observable input value of an asset or liability other than the first level input value.

8.4 For recurring and non-recurring items in level 3 of fair value hierarchy, the adopted valuation techniques and quantity and quality information of principal inputs refers to the above table.

The third level input value is the unobservable input value of the associated asset or liability

9. Commitments and contingencies

9.1 Commitments

The related guarantee information of the subsidiaries are set out in Note 10.5.2 Guarantee activities with related parties

9.2 Contingencies

None.

10. Related parties and transactions

10.1 The parent company of the Company

Feng Hailiang is the Natural person of the Company, Shareholding 43.64% of the Company

10.2 Subsidiaries of the Company

Details of subsidiaries refer to Note 10.5 Transactions with related parties

10.3 Joint ventures and associates of the Company

Details of subsidiaries refer to Note 6.14 Long-term equity investments

10.4 Other related parties

Name of other related parties	Relationships between other related parties and the company	social credit code
Xining Hailiang Real Estate Development Co.,Ltd	Subject to significant influence by the actual controller	91630100074571957W
Zhejiang Yongseng Real Estate Co., Ltd.	Subject to significant influence by the actual controller	91330602552885636X
Shandong Hailiang Real Estate Development Co.,Ltd	Subject to significant influence by the actual controller	91370104061172068C
Chengdu Hailiang Jinsha Real Estate Development Co.,Ltd	Subject to significant influence by the actual controller	915101050833099938
Shanghai Weize Invest Holding Limited company	shareholder	91310115586790803M
Ningbo Dunshi Investment Co.,Ltd	shareholder	91330206079232268G
Zhejiang Zhongyida Investment Co., Ltd.	Controlled by the same controlling shareholder	913306815835978136
Zhejiang Hailiang Charity Foundation	Controlled by the same controlling shareholder	
Zhuji Shengzhe Investment Co.,Ltd	Subject to significant influence by the actual controller	913306813278466228
Shaoxing Haixing Real Estate Co.,Ltd	Subject to significant influence by the actual controller	9133060256237870XT
Inner Mongolia Hailiang Properties Co.,Ltd	Subject to significant influence by the actual controller	91150100761090899E
Mingkanghui Ecological Agriculture Group,Ltd.	Controlled by the same controlling shareholder	913306810555317147
Mingkanghui Healthy Food Group Co.,Ltd.	Controlled by the same controlling shareholder	913100003014137659
Ganzhou Hailiang Real Estate Co.,Ltd	Subject to significant influence by the actual controller	9136070207426405X8

Name of other related parties	Relationships between other related parties and the company	social credit code
Fuyang Hailiang Yinquan Real Estate Co.,Ltd	Subject to significant influence by the actual controller	913412000907692188
Suzhou Industrial Park Shengzhe Real Estate Co.,Ltd	Subject to significant influence by the actual controller	91320594346420678A
Chengdu Hailiang Dongyue Real Estate Development Co., Ltd	Subject to significant influence by the actual controller	91510112331986011X
Yinchuan Haimao Real Estate Co.,Ltd	Subject to significant influence by the actual controller	9164010031786523XG

10.5 Transactions with related parties

10.5.1 Purchase of goods/receipt of services and sales of goods/rendering of services

Name	Type	Content	Amount in current period		
			Amount	Percentage	Pricing policy
Purchase of goods/receipt of services:					
Chengdu Hailiang Jinsha Real Estate Development Co.,Ltd	Provision of service	Consulting service	1,000,000.00	1.67	Market price
Xining Hailiang Real Estate Development Co.,Ltd	Provision of service	Consulting service	1,500,000.00	2.51	Market price
Fuyang Hailiang Yinquan Real Estate Co.,Ltd	Provision of service	Consulting service	60,000.00	0.10	Market price
Zhejiang Yongseng Real Estate Co., Ltd.	Provision of service	Consulting service	1,000,000.00	1.67	Market price
Suzhou Industrial Park Shengzhe Real Estate Co.,Ltd	Provision of service	Consulting service	4,773,584.86	7.99	Market price
Shandong Hailiang Real Estate Development Co.,Ltd	Provision of service	Consulting service	1,000,000.00	1.67	Market price
Chengdu Hailiang Dongyue Real Estate Development Co., Ltd	Provision of service	Consulting service	943,396.20	1.58	Market price
Yinchuan Haimao Real Estate Co.,Ltd	Provision of service	Consulting service	3,956,858.81	6.62	Market price
Sales of goods/rendering of services:					
Shanghai Weize Invest Holding Limited company	Selling Goods	Selling material	3,858,822,338.64	3.29	Market price
Zhejiang Zhongyida Investment Co., Ltd.	Selling Goods	Selling material	214,743,643.16	0.18	Market price
Total	—	—	4,087,799,821.67		—

10.5.2 Guarantee activities with related parties

Guarantor	Guarantee	Amount of guarantee	Start date	Maturity date	Guarantee obligation expired or not
Hailiang Group Co., Ltd	Hong Kong Hailiang Metal Trading Limited	USD 4,600 million	2016-5-31	2018-6-14	No
Hailiang Group Co., Ltd	Hong Kong Hailiang Metal Trading Limited	USD 2,000 million	2016-7-22	2020-12-31	No
Hailiang Group Co., Ltd Feng Hailiang	Hailiang(Shanghai) Copper Industry Co.,Ltd	RMB 10,000 million	2015-4-17	2017-4-16	No
Hailiang Group Co., Ltd	Hailiang(Shanghai) Copper Industry Co.,Ltd	RMB 50,000 million	2016-1-29	2017-1-14	No
Hailiang Group Co., Ltd	Hailiang(Shanghai) Copper Industry Co.,Ltd	RMB 15,000 million	2016-11-3	2017-11-3	No
Hailiang Group Co., Ltd	Zhejiang Keyu Metallic Material Co.,Ltd	RMB 5,500 million	2016-9-14	2017-9-30	No
Hailiang Group Co., Ltd	Zhejiang Keyu Metallic Material Co.,Ltd	RMB 5,000 million	2016-10-18	2017-10-18	No

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Guarantor	Guarantee	Amount of guarantee	Start date	Maturity date	Guarantee obligation expired or not
Hailiang Group Co., Ltd	Zhejiang Hailiang Environmental Materials Co.,Ltd	RMB 2,200 million	2016-10-8	2017-9-30	No
Hailiang Group Co., Ltd	Hailiang(Vietnam)Copper Industry Co.,Ltd	USD 3,000 million	2015-10-10	2018-10-9	No
Hailiang Group Co., Ltd	Hailiang(Vietnam)Copper Industry Co.,Ltd	USD 1,200 million	2016-7-28	2017-7-27	No
Hailiang Group Co., Ltd	Hailiang American Company	USD 500 million	2015-3-24	2018-3-24	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 5,600 million	2016-11-16	Credit generation Change Day stop	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 100,000 million	2016-10-18	2017-10-18	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 25,000 million	2016-4-19	2018-4-19	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 99,000 million	2016-11-7	2017-11-7	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 40,000 million	2016-3-18	2016-12-21	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 79,200 million	2016-10-8	2017-9-30	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 178.92 million	2016-12-7	2017-3-20	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 181.125 million	2016-12-13	2017-3-20	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 121.38 million	2016-12-14	2017-3-20	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 125.58 million	2016-12-22	2017-4-6	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 315.66 million	2016-12-28	2017-3-27	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 8,000 million	2016-10-10	2017-10-9	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 9,779 million	2016-10-24	2017-10-23	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	EUR 930 million	2015-10-20	2017-9-1	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 4,900 million	2016-7-21	2017-7-21	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 4,000 million	2016-7-28	2017-7-28	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 400 million	2016-7-29	2017-1-25	No
Hailiang Group Co., Ltd Feng Hailiang Feng Yali	Zhejiang Hailiang Co.,Ltd	RMB 19,500 million	2015-12-14	2016-12-13	No
Hailiang Group Co., Ltd Feng Hailiang	Zhejiang Hailiang Co.,Ltd	RMB 30,800 million	2014-6-25	2017-6-25	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 150,000 million	2015-6-10	2017-12-31	No
Hailiang Group Co., Ltd Feng Hailiang	Zhejiang Hailiang Co.,Ltd Hailiang(Shanghai) Copper Industry Co.,Ltd Hong Kong Hailiang Metal Trading Limited	USD 7,700 million	2016-9-30	Credit generation Change Day stop	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 8,000 million	2016-1-14	2017-1-13	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 49,000 million	2016-12-8	2017-12-7	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	USD 3,500 million	2016-7-11	2018-7-10	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Education Group Co.,Ltd	RMB 50,000 million	2015-1-26	2022-1-23	No
Hailiang Group Co., Ltd	Zhejiang Hailiang Education Group Co.,Ltd	RMB 33,000 million	2015-6-30	2024-6-30	
Hailiang Group Co., Ltd	Zhejiang Hailiang Education Group Co.,Ltd	RMB 20,000 million	2015-3-24	2021-12-31	
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB 50,000 million	2015-7-30	2020-7-21	

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Guarantor	Guarantee	Amount of guarantee	Start date	Maturity date	Guarantee obligation expired or not
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB 70,000 million	2016-2-25	2017-2-24	
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB 134,800 million	2015-10-15	2019-8-28	
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB23,180 million	2016-10-25	2020-4-15	
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB 57,968.70 million	2015-11-30	2019-11-15	
Hailiang Group Co., Ltd	Zhejiang Hailiang Finance Leasing Co.,Ltd	RMB 259,100 million	2016-6-15	2020-2-20	
Hailiang Group Co., Ltd	Zhejiang Haiyuan Environment Technology Co., Ltd	RMB 8,000 million	2016-3-30	2017-3-31	
Hailiang Group Co., Ltd	Longquan Haiyuan Water&Wastewater Treatment Co.,Ltd	RMB 1,400 million	2012-9-5	2020-7-16	
Hailiang Group Co., Ltd	Zhuji Haidong Water&Wastewater Treatment Co.,Ltd	RMB 9,000million	2013-1-22	2023-1-21	
Hailiang Group Co., Ltd	Zhuji Haiyuan Water&Wastewater Treatment Co.,Ltd	RMB 2,500million	2012-3-1	2019-3-1	
Hailiang Group Co., Ltd	Mingkanghui Ecological Agriculture Group,Ltd.	RMB 100,000 million	2015-6-8	2018-6-8	
Hailiang Group Co., Ltd	Zhejiang Hailiang Co.,Ltd	RMB 67,000 million	2016-10-12	2017-10-12	
Zhejiang Hailiang Co.,Ltd	Hailiang(Shanghai) Copper Industry Co.,Ltd	USD 6,300million	2016-1-15	2016-12-31	
Zhejiang Hailiang Co.,Ltd	Hailiang(Shanghai) Copper Industry Co.,Ltd	USD 3,500 million	2016-7-11	2017-7-10	
Zhejiang Hailiang Co.,Ltd	Hong Kong Hailiang Metal Trading Limited	USD 1,000 million	2016-8-8	2017-8-7	
Zhejiang Hailiang Co.,Ltd	Hong Kong Hailiang Metal Trading Limited	EUR 200 million	2016-8-8	2017-8-7	
Zhejiang Hailiang Co.,Ltd	Hailiang Group Co., Ltd	RMB 50,000 million	2016-11-2	2017-11-1	
Zhejiang Hailiang Co.,Ltd	Hailiang Group Co., Ltd	RMB 33,000 million	2016-12-29	2017-12-29	
Hailiang Real Estate Holding (Group) Co.,Ltd	Hailiang Group Co., Ltd	RMB 8,000 million	2016-1-18	2017-1-17	
Hailiang Metal Trading Group Co.,Ltd	Hailiang Group Co., Ltd	RMB 8,000 million	2014-4-28	2016-4-28	No
Hailiang Metal Trading Group Co.,Ltd	Hailiang Group Co., Ltd	RMB 12,000 million	2016-5-27	2017-5-27	No
Hailiang Metal Trading Group Co.,Ltd	Hailiang Group Co., Ltd	RMB 11,000 million	2016-6-14	2017-6-14	No
Hailiang Metal Trading Group Co.,Ltd	Hailiang Group Co., Ltd	RMB 37,000 million	2016-9-29	2017-7-6	No

10.6 Receivables from and payables to related parties

Account name	Related party	Closing balance	Opening balance
Accounts receivable	Zhejiang Zhongyida Investment Co., Ltd.	138,701,155.90	20,979,742.96
Accounts receivable	Zhejiang Hailiang Charity Foundation	47,329.70	31,447.96
Accounts receivable	Xining Hailiang Real Estate Development Co.,Ltd	685,877.53	37,406,560.00
Accounts receivable	Shanghai Weize Invest Holding Limited company	792,137,380.23	7,493,225.08
Accounts receivable	Shandong Hailiang Real Estate Development Co.,Ltd		56,109,840.00
Prepayments	Zhejiang Zhongyida Investment Co., Ltd.	191,994,948.89	263,900,948.89
Other receivables	Zhuji Shengzhe Investment Co.,Ltd		354,074,044.44
Other receivables	Zhejiang Zhongyida Investment Co., Ltd.		60,000,000.00
Other receivables	Fuyang Haikuo Fuhe Real Estate Co.,Ltd	471,510,114.00	
Other receivables	Zhejiang Yongseng Real Estate Co., Ltd.	107,803,787.69	303,028,078.66

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Account name	Related party	Closing balance	Opening balance
Other receivables	Zhejiang Hailiang Charity Foundation	30,105,086.90	30,100,000.00
Other receivables	Xining Hailiang Real Estate Development Co.,Ltd	195,891,330.60	341,134,345.26
Other receivables	Shaoxing Haixing Real Estate Co.,Ltd	291,232,979.43	542,856,212.48
Other receivables	Shanghai Weize Invest Holding Limited company		16,680,000.00
Other receivables	Shandong Hailiang Real Estate Development Co.,Ltd	599,847,328.03	856,086,258.86
Other receivables	Inner Mongolia Hailiang Properties Co.,Ltd	48,790,000.00	
Other receivables	Mingkanghui Ecological Agriculture Group,Ltd.	41,633,609.33	306,179,823.42
Other receivables	Mingkanghui Healthy Food Group Co.,Ltd.	220,786,107.00	162,697,898.28
Other receivables	Ganzhou Hailiang Real Estate Co.,Ltd	944,438,997.41	675,765,408.34
Other receivables	Chengdu Hailiang Jinsha Real Estate Development Co.,Ltd	416,565,799.01	791,944,186.50
Other receivables	Yinchuan Shihai Real Estate Co.,Ltd	154,962,200.00	
Other receivables	Ningbo Dunshi Investment Co.,Ltd	210,050,425.27	

11. Notes to the financial statements of the Company

11.1 Accounts receivable

11.1.1 Accounts receivable by category

Category	Closing balance			
	Balance		Allowance for doubtful debts	
	Amount	PCT (%)	Amount	Allowance rate(%)
Individually significant and subject to separate allowance	1,234,713,780.87	99.98		
Allowance for doubtful debts on portfolio				
Individually insignificant but allowance for doubtful debts individually	189,687.38	0.02		
Total	1,234,903,468.25	100.00		

Category	Opening balance			
	Balance		Allowance for doubtful debts	
	Amount	PCT (%)	Amount	Allowance rate(%)
Individually significant and subject to separate allowance	418,840,688.31	87.40		
Allowance for doubtful debts on portfolio	24,000,000.00	5.01	1,200,000.00	5.00
Individually insignificant but allowance for doubtful debts individually	36,363,178.05	7.59		
Total	479,203,866.36	100.00	1,200,000.00	0.25

11.1.2 Accounts receivable whose doubtful debts is made by balance percentage method:

Category	Closing balance			Opening balance		
	Balance	Allowance rate(%)	Allowance for doubtful debts	Balance	Allowance rate(%)	Allowance for doubtful debts
Aging combination				24,000,000.00	5.00	1,200,000.00
Total				24,000,000.00	5.00	1,200,000.00

11.1.3 Accounts receivable that are individually significant and subject to separate allowance

Company name	Book Balance	Allowance for doubtful debts	Aging	Allowance rate(%)	Allowance reason
Shanghai Weize Invest Holding Limited company	705,787,747.68		Within 1year		No signs of impairment
Other sporadic customers	528,926,033.19		Within 1year		No signs of impairment
Total	1,234,713,780.87		—	—	—

11.2 Other receivables

11.2.1 Other receivables

Category	Closing balance			
	Balance		Allowance for doubtful debts	
	Amount	PCT (%)	Amount	Allowance rate(%)
Individually significant and subject to separate allowance	6,136,608,125.03	45.02		
Allowance for doubtful debts on portfolio	271,818,191.16	1.99	13,590,909.56	5.00
Individually insignificant but allowance for doubtful debts individually	7,221,200,467.38	52.98		
Total	13,629,626,783.57	100.00	13,590,909.56	0.10

Category	Opening balance			
	Balance		Allowance for doubtful debts	
	Amount	PCT (%)	Amount	Allowance rate(%)
Individually significant and subject to separate allowance	7,326,652,895.62	49.36		
Allowance for doubtful debts on portfolio	228,378,803.40	1.54	11,418,940.17	5.00
Individually insignificant but allowance for doubtful debts individually	7,288,791,191.95	49.10		
Total	14,843,822,890.97	100.00	11,418,940.17	0.08

11.2.2 Other receivables whose doubtful debts is made by balance percentage method:

Category	Closing balance			Opening balance		
	Balance	Allowance rate(%)	Allowance for doubtful debts	Balance	Allowance rate(%)	Allowance for doubtful debts
Aging combination	271,818,191.16	5.00	13,590,909.56	228,378,803.40	5.00	11,418,940.17
Total	271,818,191.16	5.00	13,590,909.56	228,378,803.40	5.00	11,418,940.17

11.2.3 Other receivables that are individually significant and subject to separate allowance

Company name	Book Balance	Allowance for doubtful debts	Aging	Allowance rate(%)	Allowance reason
Hailiang Real Estate Holding (Group) Co.,Ltd	3,397,372,118.60		Within 1 year		No signs of impairment
Inner Mongolia Hailiang Real Estate Development Co.,Ltd	1,844,290,759.86		Within 1 year		No signs of impairment
Ganzhou Hailiang Real Estate Co.,Ltd	894,945,246.57		Within 1 year		No signs of impairment
Total	6,136,608,125.03		—	—	—

11.2.4 Other receivables that are not individually significant and subject to separate allowance

Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
HongKong Leonit Limited	657,984,258.15		Within 1 year		No signs of impairment
Hong Kong International Agricultural Investment Co.,Ltd	600,847,125.00		Within 1 year		No signs of impairment
Hengzhongda Construction Co.,Ltd	568,740,000.00		Within 1 year		No signs of impairment
Zhejiang Hailiang Finance Leasing Co.,Ltd	562,539,724.00		Within 1 year		No signs of impairment
Zhejiang Hailiang Education Group Co.,Ltd	538,705,575.99		Within 1 year		No signs of impairment
Hailiang Metal Trading Group Co.,Ltd	418,325,909.65		Within 1 year		No signs of impairment
Shanghai Zhepu real estate Co.,Ltd	394,000,000.00		Within 1 year		No signs of impairment
Shaoxing Haixing Real Estate Co.,Ltd	291,185,942.11		Within 1 year		No signs of impairment
Anhui Hailiang Real Estate Co.,Ltd	250,000,000.00		Within 1 year		No signs of impairment
Zhejiang Haixing Investment Co.,Ltd	243,452,025.50		Within 1 year		No signs of impairment
Hangzhou Hailiang Real Estate Co., Ltd	231,463,068.07		Within 1 year		No signs of impairment
Mingkanghui Healthy Food Group Co.,Ltd.	220,799,643.00		Within 1 year		No signs of impairment
Ningbo Dunshi Investment Co.,Ltd	210,050,425.27		Within 1 year		No signs of impairment
Fuyang Hailiang Fuhe Real Estate Co.,Ltd	202,252,055.00		Within 1 year		No signs of impairment
Suzhou Hailiang Yinquan Real Estate Co.,Ltd	192,202,475.10		Within 1 year		No signs of impairment
Zhejiang Hailiang capital investme	173,410,000.00		Within 1		No signs of

Hailiang Group Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2016

Name	Book amount	Bad debt amount	Aging	Proportion of provision for bad debt	Reason
nt and management Co.,Ltd			year		impairment
Ninbo Hairao Materials Co., Ltd	152,933,838.09		Within 1 year		No signs of impairment
Xi'an Haikuo Real Estate Development Co.,Ltd	146,408,559.41		Within 1 year		No signs of impairment
Shandong Hailiang Real Estate Development Co.,Ltd	144,428,148.60		Within 1 year		No signs of impairment
Zhengzhou Hailiang Real Estate Development Co.,Ltd	111,195,007.73		Within 1 year		No signs of impairment
Other sporadic companies	910,276,686.71		Within 2 years		No signs of impairment
Total	7,221,200,467.38		---	---	---

11.3 Long-term equity investment

11.3.1 The type of Long-term equity investment is listed as follows:

Item	Opening balance	Increase	Decrease	Closing balance
Investment in subsidiaries	6,815,004,021.14	1,045,709,098.68	511,757,746.95	7,348,955,372.87
Investment to associates	2,147,687,335.75	43,961,076.16	52,727,935.25	2,138,920,476.66
Sub-total	8,962,691,356.89	1,089,670,174.84	564,485,682.20	9,487,875,849.53
Minus: impairment of long-term equity investment				
Total	8,962,691,356.89	1,089,670,174.84	564,485,682.20	9,487,875,849.53

Hailiang Group Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2016

11.3.2 Long-term equity investment is listed as follows:

Investee	Accounting method	Investment cost	Opening balance	Changes	Closing balance	Proportion of ownership interests in the investee (%)	Proportion of voting power in the investee (%)	Provision for impairment losses	Provision for impairment losses for the period	Cash dividends for the period
I. Subsidiary										
Zhejiang Hailiang Co., Ltd	Cost method	1,112,434,028.56	1,100,536,027.32		1,100,536,027.32	49.01	49.01			49,153,330.68
Hailiang Metal Trading Group Co., Ltd	Cost method	1,962,703,807.23	1,971,676,698.14		1,971,676,698.14	100	100			
Zhuji Hailiang Garden Hotel	Cost method	11,623,103.53	11,623,103.53	-11,623,103.53		100	100			
Zhejiang Hailiang Solid Waste Treatment Tech Corporation	Cost method	19,500,000.00	19,500,000.00	-19,500,000.00		65	65			
Zhuji Huadong Qipei Shuimiancheng Properties Limited	Cost method	500,000.00	500,000.00	-500,000.00		100	100			200,000.00
Zhuji Hailiang Business Hotel	Cost method	5,000,000.00	5,000,000.00	-5,000,000.00		100	100			1,500,000.00
HongKong Leonit Limited	Cost method	61,362,050.00	61,362,050.00		61,362,050.00	100	100			
Zhejiang Hailiang Investment Co., Ltd	Cost method	49,028,287.48	49,028,287.48	-49,028,287.48		47.65	47.65			
Zhejiang Hailiang Education Group Co., Ltd	Cost method	85,000,000.00	557,000,000.00		557,000,000.00	100	100			
Hailiang Mineral Holdings Co., Ltd	Cost method	76,560,000.00	76,547,822.06	-76,547,822.06		88	88			
Zhejiang Zhengmao Venture Capital Investment Co., Ltd	Cost method	229,710,000.00	229,835,593.42	231,356,470.68	461,192,064.10	58.307	58.307			
Zhuji Hailiang Sanatorium	Cost method	15,000,000.00	15,000,000.00	-15,000,000.00		100	100			
Zhejiang Zhuojin Venture Capital Investment Co., Ltd	Cost method	231,600,000.00	231,356,470.68	-231,356,470.68		60	60			
Zhejiang Hailiang capital investment and management Co., Ltd	Cost method	10,000,000.00	10,000,000.00		10,000,000.00	100	100			
Shanghai Zhepu real estate Co., Ltd	Cost method	89,326,554.38	212,751,818.39	97,720,000.00	310,471,818.39	70	70			
Beipiao Beta Oil Shale Comprehensive Development and Utilization Co., Ltd	Cost method	760,198,296.01	874,938,685.23		874,938,685.23	55	55			
Zhejiang Hailiang Energy Management Co., Ltd	Cost method	4,750,000.00	4,750,000.00		4,750,000.00	9.5	9.5			
Hailiang Finance Co., Ltd	Cost method	510,000,000.00	510,000,000.00	411,000,000.00	921,000,000.00	60	60			140,847,872.17
Ninbo Hairao Materials Co., Ltd	Cost method	100,000,000.00	100,000,000.00	-100,000,000.00		100	100			

Hailiang Group Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2016

Investee	Accounting method	Investment cost	Opening balance	Changes	Closing balance	Proportion of ownership interests in the investee (%)	Proportion of voting power in the investee (%)	Provision for impairment losses for the period	Cash dividends for the period
Beijing Zhongrun Jiade Cultural Development Co., Ltd	Cost method	20,000,000.00	20,000,000.00		20,000,000.00	100	100		
Beijing Zhongyou cradle Xinliang Zhenle Technology Co., Ltd	Cost method	110,000,000.00	109,891,364.89		109,891,364.89	47	47		
Hangzhou Hailiang Real Estate Co., Ltd	Cost method	70,000,000.00	90,000,000.00		90,000,000.00	90	90		
Rich Pro investment limited	Cost method	382,006,100.00	382,006,100.00		382,006,100.00	100	100		
Zhuji Fengmiaoshang Garment Co.,Ltd	Cost method	900,000.00	900,000.00	-900,000.00		100	100		
Xizang Huapu Investment Co., Ltd	Cost method	800,000.00	800,000.00	-800,000.00		100	100		
Zhejiang Mingkanghui Livestock Industry Development Co.,Ltd	Cost method	170,000,000.00	170,000,000.00		170,000,000.00	85	85		
Zhejiang Hailiang Finance Leasing Co.,Ltd	Cost method	283,435,564.80		283,435,564.80	283,435,564.80	19.77	19.77		
Zhuji Hailiang Hospital	Cost method	20,000,000.00		20,000,000.00	20,000,000.00	100	100		
Hong Kong International Agricultural Investment Co.,Ltd	Cost method	695,000.00		695,000.00	695,000.00	100	100		
II. associates									
Inner Mongolia Hailiang Real Estate Development Co.,Ltd	Equity method	370,000,000.00	2,036,473,169.46	47,001,076.16	2,083,474,245.62	48.05	48.05		
Hubei Danjiang Electric Power Co., Ltd	Equity method	28,875,000.00	58,446,231.04	-3,000,000.00	55,446,231.04	20	20		3,000,000.00
Zhejiang Shengjie Transport Co.,Ltd	Equity method	9,310,000.00	8,148,305.54	-8,148,305.54		49	49		
Zhuji Hengchang Breeding Poultry Co., Ltd	Equity method	294,442.20	733,541.16	-733,541.16		40	40		440,000.00
Henan Hailiang Vanadium Industry Co.,Ltd	Equity method	2,000,000.00	1,948,184.97	-1,948,184.97		20	20		
Yunnan Hailiang Potassium Industry Co.,Ltd	Equity method	4,000,000.00	3,957,883.80	-3,957,883.80		20	20		
Zhejiang Haixing Investment Co.,Ltd	Equity method	17,500,000.00	8,564,532.52	-8,564,532.52		35	35		
Henan Hailiang Potassium Industry Co.,Ltd	Equity method	30,000,000.00	29,415,487.26	-29,415,487.26		30	30		
Total		6,854,112,234.19	8,962,691,356.89	525,184,492.64	9,487,875,849.53				

11.4 Operating income and operating cost

Item	Amount in current period		Amount in prior period	
	Income	Cost	Income	Cost
I. Primary operating business	18,076,526,644.01	18,012,566,556.72	19,106,743,285.00	19,018,200,191.26
II. Other operating business	26,581,783.95	1,176,443.13	52,837,019.36	
Total	18,103,108,427.96	18,013,742,999.85	19,159,580,304.36	19,018,200,191.26

11.5 Investment income

Item	Amount in current period	Amount in prior period
Gain/(Loss) from long-term equity investments in cost method	209,355,768.12	106,655,531.20
Gain/(Loss) from long-term equity investments in equity method	53,071,686.13	19,905,304.74
Gain/(Loss) on disposal of long term equity investment	18,134,628.08	61,633,972.28
Gain/(Loss) from financial assets measured at fair value through profit and loss for the current period		2,327,774.61
Others		40,000.00
Total	280,562,082.33	190,562,582.83

11.6 Supplement to statement of cash flows

Item	Amount in current period	Amount in prior period
1. Net profit adjusted to cash flows from operating activities		
Net profit	117,689,643.43	46,444,342.14
Add: Provision for asset impairment	971,969.39	-1,913,404.89
Depreciation of fixed assets, depreciation and depletion of oil and gas assets and depreciation of productive biological assets	7,360,594.74	9,939,167.72
Amortization of intangible assets	7,802,734.56	7,802,734.56
Amortization of long-term deferred expenses	33,916.64	
Losses on disposal of fixed assets, intangible assets and other long-term assets ("- for gains)	696,364.46	1,456,758.65
Losses on write-down of fixed assets ("- for gains)		
Losses from changes in fair value ("- for gains)	4,024,686.53	13,454,721.65
Financial expenses ("- for income)	1,091,161,667.60	1,111,726,437.41
Investments losses ("- for gains)	-280,562,082.33	-190,562,582.83
Decreases in the deferred tax assets ("- for increases)	-242,992.35	478,351.22
Increases in the deferred tax liabilities ("- for decreases)		
Decreases in inventories ("- for increases)	42,088,120.09	162,939,564.44
Decreases in operating receivables ("- for increases)	533,913,302.95	-3,082,556,308.18

Hailiang Group Co., Ltd
Notes to the Financial Statements
For the year ended 31 December 2016

Item	Amount in current period	Amount in prior period
Increases in operating payables ("- " for decreases)	-1,687,033,684.53	1,635,284,443.52
Others		
Net cash flows from operating activities	-162,095,758.82	-285,505,774.59
2. Significant investing and financing activities not involving cash inflow and outflow		
Conversion of debt into capital		
Convertible corporate bonds maturing within one year		
Fixed assets acquired under financial lease		
3. Net change in cash and cash equivalents		
Cash as at 31/12/2016	1,859,986,509.24	2,836,150,408.18
Less: cash as at 1/1/2016	2,836,150,408.18	2,530,752,688.67
Add: cash equivalents as at 31/12/2016		
Less: cash equivalents as at 1/1/2016		
Net increase in cash and cash equivalents	-976,163,898.94	305,397,719.51

Hailiang Group Co., Ltd

April 26, 2017

The notes to the financial statements from page 15 to page 81 were approved by the following representatives:

	Person in charge of	Person in charge of
Legal representative	accounting function	accounting department
Signature: _____	Signature: _____	Signature: _____
Date: _____	Date: _____	Date: _____

Consolidated Balance Sheet

Company: Hailiang Group Co., Ltd

31 December, 2016

Unit: RMB yuan

Item	Notes	Balance at period-end	Balance at period-begin
CURRENT ASSETS:			
Cash at bank and on hand	VI.1	5,120,463,378.53	4,490,539,376.13
Financial assets measured at fair value through profit or loss for the current period	VI.2	157,584,078.60	22,502,221.58
Derivative financial assets			
Notes receivable	VI.3	1,488,600,240.11	479,088,854.85
Accounts receivable	VI.4	4,422,645,680.42	1,887,303,246.18
Prepayments	VI.5	3,122,054,217.54	2,475,776,727.23
Interest receivable	VI.6	119,440,081.40	69,440,833.02
Dividends receivable			
Other receivables	VI.7	7,376,447,201.40	7,403,087,044.15
Inventories	VI.8	14,915,182,776.24	16,963,252,339.09
Held-for-sale assets		183,593,627.28	173,339,015.44
Non-current assets due within one year	VI.9	2,011,202,634.13	896,879,635.17
Other current assets	VI.10	706,611,910.67	749,363,909.60
TOTAL CURRENT ASSETS		39,623,825,826.32	35,610,573,202.44
NON-CURRENT ASSETS:			
Issued entrusted loans and advances	VI.11	1,402,968,328.63	2,380,676,745.42
Available-for-sale financial assets	VI.12	1,903,998,309.24	2,038,890,857.83
Held-to-maturity investments			
Long-term receivables	VI.13	4,999,461,295.31	3,864,499,949.74
Long-term equity investments	VI.14	1,376,006,747.88	1,668,558,666.94
Investment property	VI.15	12,596,285,573.00	11,002,739,772.18
Property, plant and equipment	VI.16	4,362,021,984.25	1,926,914,430.18
Construction in process	VI.17	371,990,960.67	2,178,789,978.49
Construction materials		7,099,448.21	975,678.05
Productive biological assets		28,062,179.42	50,157,232.79
Intangible assets	VI.18	2,423,391,135.66	2,719,104,864.14
Development expenditures		523,076.92	3,129,900.36
Goodwill	VI.19	1,131,051,536.32	1,067,145,996.22
Long-term deferred expenses		8,280,427.38	10,185,110.87
Deferred tax assets	VI.20	136,153,930.32	169,459,201.33
Other non-current assets		759,555,827.37	642,304,548.43
TOTAL NON-CURRENT ASSETS		31,506,850,760.58	29,723,532,932.97
TOTAL ASSETS		71,130,676,586.90	65,334,106,135.41

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Consolidated Balance Sheet(Continued)

Company: Hailiang Group Co., Ltd

31 December,2016

Unit:RMB yuan

Item	Notes	Balance at period-end	Balance at period-begin
CURRENT LIABILITIES:			
Short-term loans	VI.22	4,573,606,892.79	6,560,598,705.48
Centrak bank loans		34,743,363.10	92,952,298.22
Deposits from customers and interbank	VI.23	577,997,457.79	1,024,789,182.97
Financial liabilities measured at fair value through profit or loss for the current period		165,302,123.11	2,842,143.76
Notes payable	VI.24	2,834,500,000.00	3,555,833,747.54
Accounts payable	VI.25	6,742,791,046.00	3,557,640,005.28
Advances from customers	VI.26	3,838,073,205.87	4,550,069,830.47
Employee benefits payable	VI.27	116,636,392.41	108,878,277.54
Taxes and surcharges payable	VI.28	484,138,772.60	436,587,553.00
Interest payable	VI.29	434,801,468.95	377,113,563.17
Dividends payable		15,591,094.60	24,833,158.13
Other payables	VI.30	2,421,629,548.18	2,974,330,356.50
Non-current liabilities due within one year	VI.31	4,927,011,503.44	2,641,559,034.72
Other current liabilities	VI.32	2,875,565,537.25	3,996,656,974.39
TOTAL CURRENT LIABILITIES		30,042,388,406.09	29,904,684,831.17
NON-CURRENT LIABILITIES:			
Long-term loans	VI.33	5,657,666,089.54	4,766,495,945.53
Bonds payable	VI.34	8,864,438,199.29	6,869,146,672.42
Other long-term payables	VI.35	674,837,306.71	604,355,907.93
Specific payables		1,000,000.00	11,415,000.00
Provisions		867,600.00	578,400.00
Deferred income		486,852,617.48	414,059,944.63
Deferred tax liabilities	VI.20	1,613,520,884.66	1,452,056,851.78
Other non-current liabilities		110,445.39	148,992.51
TOTAL NON-CURRENT LIABILITIES		17,299,293,143.07	14,118,257,714.80
TOTAL LIABILITIES		47,341,681,549.16	44,022,942,545.97
OWNERS' EQUITY:			
Paid-in capital	VI.36	3,119,800,000.00	3,119,800,000.00
Other equity instruments	VI.37	1,000,000,000.00	1,000,000,000.00
Capital reserve	VI.38	3,269,691,817.88	3,155,459,480.93
Less: Treasury stocks			
Other comprehensive income	VII.	1,240,892,425.16	770,274,687.15
Special reserve	VI.39	5,896,795.60	3,179,922.45
Surplus reserve	VI.40	230,533,910.64	221,951,566.88
Retained earnings	VI.41	6,840,568,207.23	5,977,960,153.49
Equity attributable to parent company		15,707,383,156.51	14,248,625,810.90
Minority interests		8,081,611,881.23	7,062,537,778.54
TOTAL OWNERS'EQUITY		23,788,995,037.74	21,311,163,589.44
TOTAL LIABILITIES AND OWNERS'EQUITY		71,130,676,586.90	65,334,106,135.41

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Balance Sheet of the Parent Company

Company: Hailiang Group Co., Ltd

31 December, 2016

Unit: RMB yuan

Item	Notes	Balance at period-end	Balance at period-begin
CURRENT ASSETS:			
Cash at bank and on hand		1,984,841,509.24	2,981,283,408.18
Financial assets measured at fair value through profit or loss for the current period			
Derivative financial assets			
Notes receivable		100,000,000.00	
Accounts receivable	XII.1	1,234,903,468.25	478,003,866.36
Prepayments		844,946,817.94	701,252,910.51
Interest receivable			
Dividends receivable		13,216,729.29	
Other receivables	XII.2	13,616,035,874.01	14,832,403,950.80
Inventories		45,140,305.35	87,228,425.44
Held-for-sale assets			
Non-current assets due within one year			
Other current assets		5,954,810.83	5,177,205.42
TOTAL CURRENT ASSETS		17,845,039,514.91	19,085,349,766.71
NON-CURRENT ASSETS:			
Available-for-sale financial assets		134,112,681.07	345,098,259.97
Held-to-maturity investments			
Long-term receivables			
Long-term equity investments	XII.3	9,487,875,849.53	8,962,691,356.89
Investment property		552,317,513.00	569,777,546.10
Property, plant and equipment		62,390,610.07	70,028,660.61
Construction in progress		12,424,188.10	
Construction materials			
Disposal of property, plant and equipment			
Productive biological assets			
Intangible assets		62,626,229.16	70,428,963.72
Development expenditures		523,076.92	
Goodwill			
Long-term deferred expenses		1,816,083.36	
Deferred tax assets		3,397,727.39	3,154,735.04
Other non-current assets			
TOTAL NON-CURRENT ASSETS		10,317,483,958.60	10,021,179,522.33
TOTAL ASSETS		28,162,523,473.51	29,106,529,289.04

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Balance Sheet of the Parent Company(Continued)

Company: Hailiang Group Co., Ltd

31 December, 2016

Unit: RMB yuan

Item	Notes	Balance at period-end	Balance at period-begin
CURRENT LIABILITIES:			
Short-term loans		2,827,000,000.00	4,268,886,480.00
liabilities measured at fair value through profit or loss for the current period			
Derivative financial liabilities			
Notes payable		1,017,500,000.00	1,886,480,000.00
Accounts payable		415,024,336.55	347,007,634.74
Advance from customers		60,850,994.22	148,426,686.86
Employee benefits payable		5,306,509.73	4,307,281.79
Taxes and surcharges payable		19,817,638.19	26,235,838.27
Interest payable		400,872,783.42	353,298,090.22
Dividends payable			
Other payables		632,965,709.70	1,414,699,213.35
Held-for-sale liabilities			
Non-current liabilities due within one year		1,996,415,064.24	999,177,425.99
Other current liabilities		2,796,145,669.80	3,993,890,099.80
TOTAL CURRENT LIABILITIES		10,171,898,705.85	13,442,408,751.02
NON-CURRENT LIABILITIES:			
Long-term loans		372,902,200.00	151,950,240.00
Bonds payable		8,864,438,199.29	6,869,146,672.42
Other long-term payables			
Long-term employee benefits payable			
Specific payables			
Provisions			
Deferred income			
Deferred tax liabilities		39,290,098.33	44,365,468.08
Other non-current liabilities			
TOTAL NON-CURRENT LIABILITIES		9,276,630,497.62	7,065,462,380.50
TOTAL LIABILITIES		19,448,529,203.47	20,507,871,131.52
OWNERS' EQUITY:			
Paid-in capital		3,119,800,000.00	3,119,800,000.00
Other equity instruments		1,000,000,000.00	1,000,000,000.00
Capital reserve		2,975,033,587.53	2,975,033,587.53
Less: Treasury stocks			
Other comprehensive income		4,353,718.98	6,707,249.89
Special reserve			
Surplus reserve		230,533,910.64	221,951,566.88
Retained earnings		1,384,273,052.89	1,275,165,753.22
TOTAL OWNERS'EQUITY		8,713,994,270.04	8,598,658,157.52
TOTAL LIABILITIES AND OWNERS'EQUITY		28,162,523,473.51	29,106,529,289.04

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Consolidated Income Statement

Company: Hailiang Group Co., Ltd

In 2016

Unit: RMB yuan

Item	Notes	Amount in current period	Amount in prior period
I. Operating income	VI.42	150,271,085,455.04	140,608,819,271.63
Less: Operating costs	VI.42	145,954,278,057.59	136,364,088,240.86
Taxes and surcharges	VI.43	810,793,519.49	1,079,106,230.55
Selling and distribution expenses		581,739,507.00	486,235,156.02
General and administrative expenses		886,371,941.32	848,019,344.36
Finance expenses ("-" for income)	VI.44	656,548,171.88	282,773,017.41
Impairment on assets	VI.45	29,594,258.59	96,596,138.52
Add: Gain from fair value changes ("-" for losses)	VI.46	375,939,257.31	-20,713,014.15
Investment income ("-" for losses)	VI.47	269,995,368.48	476,280,625.84
Including: Investment income from associates and joint ventures		-5,986,716.91	27,200,591.31
II. Operating profits ("-" FOR LOSSES)		1,997,694,624.96	1,907,568,755.60
Add: Non-operating income	VI.48	210,582,794.61	139,742,452.64
Including: Gain from disposal of non-current assets		1,908,061.17	669,777.40
Less: Non-operating expenses	VI.49	44,030,630.73	72,324,016.56
Including: Loss on disposal of non-current assets		4,193,640.66	7,103,584.26
III. Profit before tax ("-" FOR LOSSES)		2,164,246,788.84	1,974,987,191.68
Less: Income tax expenses	VI.50	646,824,859.28	519,878,225.50
IV. Net profit ("-" FOR LOSSES)		1,517,421,929.56	1,455,108,966.18
Including: Net profit attributable to parent company		871,190,397.50	729,016,667.37
Profit or loss attributable to minority share-holders		646,231,532.06	726,092,298.81
V. Other comprehensive income net of tax		509,309,733.74	1,756,267.97
(I) Total comprehensive income attributable to parent company		470,617,738.01	8,918,376.14
1. Comprehensive income not to be reclassified as profit or loss		-	-
2. Comprehensive income to be reclassified as profit or loss		470,617,738.01	8,918,376.14
(1) Portion of comprehensive income to be reclassified as profit or loss under equity method		-2,140,543.79	2,856,828.45
(2) Gain or loss from fair value changes of available-for-sale financial assets			
(3) Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
(4) Gain or loss on effective cash flow hedging		2,185,912.91	5,502,584.54
(5) Currency translation difference		22,910,789.46	763,671.04
(6) Others		447,661,579.43	-204,707.89
(II) Other comprehensive income attributable to minority share-holders, net of tax		38,691,995.73	-7,162,108.17
VI. Total comprehensive income		2,026,731,663.30	1,456,865,234.15
(I) Total comprehensive income attributable to equity holders of the parent		1,341,808,135.51	737,935,043.51
(II) Total comprehensive income attributable to minority share-holders		684,923,527.79	718,930,190.64
VII. Earnings per share			
(I) Basic earnings per share			
(II) Diluted earnings per share			

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Income Statement of the Parent Company

Company: Hailiang Group Co., Ltd

In 2016

Unit:RMB yuan

Item	Notes	Amount in current period	Amount in prior period
I. Operating income	XII.4	18,103,108,427.96	19,159,580,304.36
Less : Operating costs	XII.4	18,013,742,999.85	19,018,200,191.26
Taxes and surcharges		19,703,551.26	17,780,377.57
Selling and distribution expenses		164,276.00	336,452.30
General and administrative expenses		69,405,956.17	87,713,977.29
Finance expenses ("-" for income)		166,283,437.98	176,992,313.66
Impairment on assets		971,969.39	-1,913,404.89
Add : Gain from fair value changes ("-" for losses)		-4,024,686.53	-13,454,721.65
Investment income ("-" for losses)	XII.5	280,562,082.33	190,562,582.83
Including: Investment income from associates and joint ventures		53,071,686.13	19,905,304.74
II. Operating profits ("-" FOR LOSSES)		109,373,633.11	37,578,258.35
Add: Non-operating income		13,121,245.68	11,750,450.48
Including: Gain from disposal of non-current assets		2,265.00	4,273.50
Less: Non-operating expenses		735,523.33	1,488,761.38
Including: Loss on disposal of non-current assets		698,629.46	1,461,032.15
III. Profit before tax ("-" FOR LOSSES)		121,759,355.46	47,839,947.45
Less: Income tax expenses		4,069,712.03	1,395,605.31
IV. Net profit ("-" FOR LOSSES)		117,689,643.43	46,444,342.14
V. Other comprehensive income net of tax		-2,353,530.91	-12,872,578.33
1. Comprehensive income not to be reclassified as profit or loss			
2. Comprehensive income to be reclassified as profit or loss		-2,353,530.91	-12,872,578.33
(1) Portion of comprehensive income to be reclassified as profit or loss under equity method			
(2) Gain or loss from fair value changes of available-for-sale financial assets			
(3) Gain or loss from reclassification of held-to-maturity investments as available-for-sale financial assets			
(4) Gain or loss on effective cash flow hedging			
(5) Currency translation difference			
(6) Others		-2,353,530.91	-12,872,578.33
VI. Total comprehensive income		115,336,112.52	33,571,763.81
VII. Earnings per share			
(1) Basic earnings per share			
(II) Diluted earnings per share			

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Consolidated Cash Flow Statement

Company: Hailiang Group Co., Ltd

In 2016

Item	Notes	Amount in current period	Amount in prior period
I. Cash Flows from Operating Activities:			
Cash received from sales and services		170,993,679,216.17	139,965,999,810.76
Increase in customer deposits and interbank deposit payment			966,067,963.62
Increase in borrowings from the central bank			13,352,298.22
Net reduction of central bank deposits and inter-bank deposits.			156,851,676.95
Increase from interest, fee and commission in cash		345,032,764.19	274,073,296.96
Net reduction of Customer loans and advances		110,054,747.72	180,750,314.11
Taxes and surcharges refunds		87,134,342.36	30,971,799.99
Cash received related to other operating activities		906,422,246.67	1,048,418,926.87
Total cash inflows from operating activities		172,442,323,317.11	142,636,486,087.48
Cash paid for goods and services		167,227,304,329.24	140,388,281,757.24
Net increase of Customer loans and advances		318,488,912.32	713,875,803.72
Net reduction of Borrowing from the central bank		58,208,935.12	
Net increase of central bank deposits and inter-bank deposits.		17,023,769.52	
Cash in payment of interests, Fees and commissions		71,426,980.39	173,694,203.64
Cash paid to and for employees		1,201,784,802.73	1,019,559,934.87
Taxes and surcharges cash payments		1,533,483,812.73	1,893,752,831.08
Cash paid related to other operating activities		1,571,945,976.58	961,970,169.09
Total cash outflows from operating activities		171,999,667,518.63	145,151,134,699.64
Net cash flows from operating activities		442,655,798.48	-2,514,648,612.16
II. Cash Flows from Investing Activities:			
Cash received from withdraw of investments		2,885,649,506.50	51,853,527.04
Cash received from investment income		298,203,435.89	138,162,614.56
Net cash received from disposal of \property, plant and equipment, intangible assets and other long-term assets		4,873,000.30	369,422,268.83
Net cash received from disposal of subsidiaries and other business units		4,545,846.40	552,000,000.00
Cash received related to other investing activities		88,901,717.36	733,154,574.43
Total cash inflows from investing activities		3,282,173,506.45	1,844,592,984.86
Cash paid for property, plant and equipment, intangible assets and other long-term assets		1,506,505,880.01	1,348,180,212.81
Cash payments for investments		2,808,764,915.08	342,798,892.56
Net cash paid for acquiring subsidiaries and other business units		165,363,132.72	312,788,254.71
Other cash paid relating to investing activities		133,676,569.63	2,827,779,388.64
Total cash outflows from investing activities		4,614,310,497.44	4,831,546,748.72
Net cash flows from investing activities		-1,332,136,990.99	-2,986,953,763.86
III. Cash Flows from Financing Activities:			
Cash received from investments by others		460,887,002.80	
Including: cash received by subsidiaries from minority shareholders' investments		382,166,202.80	
Cash received from borrowings		5,218,044,836.17	5,547,245,452.60
Cash received from bonds		11,800,000,000.00	10,861,702,533.00
Cash received related to other financing activities		294,311,138.68	
Total cash inflows from financing activities		17,773,242,977.65	16,408,947,985.60
Cash repayments for debts		14,752,277,921.36	9,702,454,936.80
Cash payments for distribution of dividends, profit and interest expenses		1,394,438,107.13	2,196,800,222.31
Including: dividends or profit paid by subsidiaries to minority shareholders			316,578,898.88
Cash paid related to other financing activities		464,323,075.94	
Total cash outflows from financing activities		16,611,039,104.43	11,899,255,159.11
Net cash flows from financing activities		1,162,203,873.22	4,509,692,826.49
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		28,630,179.48	17,112,607.58
V. Net increase in cash and cash equivalents		301,352,860.19	-974,796,941.95
Add: beginning balance of cash and cash equivalents		3,871,977,741.40	4,846,774,683.35
VI. Ending balance of cash and cash equivalents		4,173,330,601.59	3,871,977,741.40

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Cash Flow Statement of the Parent Company

Company: Hailiang Group Co., Ltd

In 2016

Unit:RMB yuan

Item	Notes	Amount in current period	Amount in prior period
I. Cash Flows from Operating Activities:			
Cash received from sales and services		20,875,390,633.77	22,563,636,209.24
Taxes and surcharges refunds		12,501,616.70	
Cash received related to other operating activities		6,497,491,070.47	1,327,107,330.48
Total cash inflows from operating activities		27,385,383,320.94	23,890,743,539.72
Cash paid for goods and services		22,001,768,171.82	23,856,218,321.44
Cash paid to and for employees		26,891,120.22	30,997,629.91
Taxes and surcharges cash payments		41,421,483.21	31,766,483.90
Cash paid related to other operating activities		5,477,398,304.51	257,266,879.06
Total cash outflows from operating activities		27,547,479,079.76	24,176,249,314.31
Net cash flows from operating activities		-162,095,758.82	-285,505,774.59
II. Cash Flows from Investing Activities:			
Cash received from withdraw of investments		248,146,840.20	
Cash received from investment income		218,753,164.70	109,023,305.81
Net cash received from disposal of property, plant and equipment,intangible assets and other long-term assets		1,001,126.03	11,342,526.51
Net cash received from disposal of subsidiaries and other business units		4,545,846.40	813,833,972.28
Cash received related to other investing activities			1,415,455,166.30
Total cash inflows from investing activities		472,446,977.33	2,349,654,970.90
Cash paid for property, plant and equipement,intangible assets and other long-term assets		16,406,540.79	984,001.62
Cash payments for investments			1,314,472,832.77
Net cash paid for acquiring subsidiaries and other business units		814,419,412.00	
Cash paid related to other investing activities			5,153,682,535.54
Total cash outflows from investing activities		830,825,952.79	6,469,139,369.93
Net cash flows from investing activities		-358,378,975.46	-4,119,484,399.03
III. Cash Flows from Financing Activities:			
Cash received from investments by others			
Cash received from borrowings		15,707,000,000.00	16,329,766,439.00
Cash received related to other financing activities			
Total cash inflows from financing activities		15,707,000,000.00	16,329,766,439.00
Cash repayments for debts		15,137,884,340.00	10,616,039,789.02
Cash payments for distribution of dividends, profit and interest expenses		972,070,589.70	1,002,294,529.55
Cash paid related to other financing activities		52,812,740.38	
Total cash outflows from financing activities		16,162,767,670.08	11,618,334,318.57
Net cash flows from financing activities		-455,767,670.08	4,711,432,120.43
IV. Effect of Foreign Exchange Rate Changes on Cash and Cash Equivalents		78,505.42	-1,044,227.30
V. Net increase in cash and cash equivalents		-976,163,898.94	305,397,719.51
Add: beginning balance of cash and cash equivalents		2,836,150,408.18	2,530,752,688.67
VI. Ending balance of cash and cash equivalents		1,859,986,509.24	2,836,150,408.18

Legal Representative:

Person in Charge of the Accounting Works:

Chief Accountant:

Consolidated Statement of Changes in Owners' Equity

Company: Halliang Group Co., Ltd

In 2016

Unit: RMB yuan

Item	Amount in this period										Total Owners' Equity	
	Attributable to owners of the parent											
	Paid-in capital	Other equity instruments	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Others	Sub-total		Minority interests
I. Balance as at the end of last year	3,119,800,000.00	1,000,000,000.00	3,154,842,730.93	-	774,825,175.24	3,179,922.45	221,951,566.88	5,998,552,107.70	-	14,273,155,503.20	7,062,943,243.28	21,336,098,746.48
Add: Changes in accounting policies	-	-	-	-	-	-	-	-	-	-	-	-
Corrections of errors in prior periods	-	-	-	-	-	-	-	-	-	-	-	-
Business combinations involving enterprises under common control	-	-	616,750.00	-	4,554,488.09	-	-	-20,591,954.21	-	-24,529,692.30	-405,464.74	-24,995,157.04
II. Balance at the beginning of the year	3,119,800,000.00	1,000,000,000.00	3,155,459,480.93	-	770,274,687.15	3,179,922.45	221,951,566.88	5,977,960,153.49	-	14,248,625,810.90	7,062,537,778.54	21,311,163,589.44
III. Movement during the year ("-" for decrease)	-	-	114,232,336.95	-	470,617,738.01	2,716,873.15	8,682,343.76	862,608,053.74	-	1,458,757,345.61	1,019,074,102.89	2,477,831,448.50
(I) Comprehensive income for the year	-	-	-	-	470,617,738.01	-	-	871,190,997.50	-	1,341,808,135.51	684,923,527.79	2,026,731,663.30
(II) Paid-in capital injected by or returned to investors	-	-	114,232,336.95	-	-	-	-	-	-	114,232,336.95	334,150,574.90	448,382,911.85
1. Paid-in capital injected by investors	-	-	-	-	-	-	-	-	-	-	-	-
2. Paid-in capital injected by the holders of other equity instruments	-	-	-	-	-	-	-	-	-	-	-	-
3. Share-based payments charged to equity	-	-	-	-	-	-	-	-	-	-	-	-
4. Others	-	-	114,232,336.95	-	-	-	-	-	-	114,232,336.95	334,150,574.90	448,382,911.85
(III) Profit distribution	-	-	-	-	-	-	8,582,343.76	-8,582,343.76	-	-	-	-
1. Transfer to surplus reserve	-	-	-	-	-	-	8,582,343.76	-8,582,343.76	-	-	-	-
2. Distribution to owners	-	-	-	-	-	-	-	-	-	-	-	-
3. Others	-	-	-	-	-	-	-	-	-	-	-	-
(IV) Special reserves	-	-	-	-	-	-	-	-	-	-	-	-
1. Withdrawn in the period	-	-	-	-	-	-	-	-	-	2,716,873.15	-	2,716,873.15
2. Utilized in the period	-	-	-	-	-	-	-	-	-	6,295,293.84	-	6,295,293.84
(V) Equity transfer among equity accounts	-	-	-	-	-	-	-	-	-	3,578,420.69	-	3,578,420.69
1. Capital reserves transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
2. Surplus reserves transferred to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-
3. Surplus reserves used to offset losses	-	-	-	-	-	-	-	-	-	-	-	-
4. Carry-over the re-measured changes in the defined benefit plan's net assets or net	-	-	-	-	-	-	-	-	-	-	-	-
5. Others	-	-	-	-	-	-	-	-	-	-	-	-
IV. Closing balance of the year	3,119,800,000.00	1,000,000,000.00	3,269,691,817.88	-	1,240,892,425.16	5,896,795.60	230,533,910.64	6,840,568,207.23	-	15,707,383,156.51	8,081,611,881.23	23,788,995,037.74

Person in Charge of the Accounting Works:

Chief Accountant:

Legal Representative:

Consolidated Statement of Changes in Owners' Equity (Continued)

Company: Haitiang Group Co., Ltd

In 2016

Unit: RMB yuan

Item	Amount in last period										Total Owners' Equity
	Attributable to owners of the parent					Others					
	Paid-in capital	Other equity instruments	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Minority interests	
I. Balance as at the end of last year	3,119,800,000.00		3,125,822,650.55		761,356,311.01	2,768,956.65	217,320,330.78	5,278,992,811.75	12,506,061,060.74	7,106,750,061.94	19,612,811,122.68
Add: Changes in accounting policies											
Corrections of errors in prior periods											
Business combinations involving enterprises under common control			280,030.77								
II. Balance at the beginning of the year	3,119,800,000.00		3,125,102,681.32		761,356,311.01	2,768,956.65	217,320,330.78	5,253,574,722.22	12,480,923,001.98	7,080,686,418.95	19,561,609,420.93
III. Movement during the year ("+" for decrease)	-	1,000,000,000.00	29,356,799.61		8,918,376.14	410,965.80	4,631,236.10	724,395,431.27	1,767,702,908.92	-18,148,640.41	1,749,654,168.51
(I) Comprehensive income for the year					8,918,376.14			729,016,667.37	737,935,043.51	718,930,180.64	1,456,865,234.15
(II) Paid-in capital injected by or returned to investors			29,356,799.61						29,356,799.61	-737,078,831.05	-707,722,031.44
1. Paid-in capital injected by investors											
2. Paid-in capital injected by the holders of other equity instruments											
3. Share-based payments charged to equity											
4. Others			29,356,799.61								
(III) Profit distribution											
1. Transfer to surplus reserve			29,356,799.61				4,631,236.10	-4,631,236.10	29,356,799.61	-737,078,831.05	-707,722,031.44
2. Distribution to owners							4,631,236.10	-4,631,236.10			
3. Others											
(IV) Special reserves						410,965.80			410,965.80		410,965.80
1. Withdrawn in the period						4,332,706.50			4,332,706.50		4,332,706.50
2. Utilized in the period						3,921,740.70			3,921,740.70		3,921,740.70
(V) Equity transfer among equity accounts		1,000,000,000.00							1,000,000,000.00		1,000,000,000.00
1. Capital reserves transferred to paid-in capital											
2. Surplus reserves transferred to paid-in capital											
3. Surplus reserves used to offset losses											
4. Carry-over the re-measured changes in the defined benefit plan's net assets or net											
5. Others		1,000,000,000.00									
IV. Closing balance of the year	3,119,800,000.00	1,000,000,000.00	3,155,459,480.93		770,274,687.15	3,179,922.45	221,951,566.88	5,977,960,153.49	14,248,625,810.90	7,062,537,778.54	21,311,163,589.44

Person in Charge of the Accounting Works:

Chief Accountant:

Legal Representative:

Statement of Changes in Owners' Equity of the Parent Company

Company: Hailiang Group Co., Ltd

In 2016

Unit: RMB yuan

Item	Amount in this period								
	Paid-in capital	Other equity instruments	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total Owners' Equity
I. Balance as at the end of last year	3,119,800,000.00	1,000,000,000.00	2,975,033,587.53		6,707,249.89		221,951,566.88	1,275,165,753.22	8,598,658,157.52
Add: Changes in accounting policies									
Corrections of errors in prior periods									
II. Balance at the beginning of the year	3,119,800,000.00	1,000,000,000.00	2,975,033,587.53	-	6,707,249.89	-	221,951,566.88	1,275,165,753.22	8,598,658,157.52
III. Movement during the year ("-" for decrease)	-	-	-	-	-2,353,530.91	-	8,582,343.76	109,107,299.67	115,336,112.52
(I) Comprehensive income for the year					-2,353,530.91			117,689,643.43	115,336,112.52
(II) Paid-in capital injected by or returned to investors	-	-	-	-	-	-	-	-	-
1. Paid-in capital injected by investors									
2. Paid-in capital injected by the holders of other equity instruments									
3. Share-based payments charged to equity									
4. Others									
(III) Profit distribution	-	-	-	-	-	-	8,582,343.76	-8,582,343.76	-
1. Transfer to surplus reserve							8,582,343.76	-8,582,343.76	-
2. Distribution to owners									
3. Others									
(IV) Special reserves	-	-	-	-	-	-	-	-	-
1. Withdrawn in the period									
2. Utilized in the period									
(V) Equity transfer among equity accounts	-	-	-	-	-	-	-	-	-
1. Capital reserves transferred to paid-in capital									
2. Surplus reserves transferred to paid-in capital									
3. Surplus reserves used to offset losses									
4. Carry-over the re-measured changes in the defined benefit plan's net assets or net liabilities									
5. Others									
IV. Closing balance of the year	3,119,800,000.00	1,000,000,000.00	2,975,033,587.53	-	4,353,718.98	-	230,533,910.64	1,384,273,052.89	8,713,994,270.04

Legal Representative :

Person in Charge of the Accounting Works:

Chief Accountant :

Statement of Changes in Owners' Equity of the Parent Company(Continued)

Company: Hailiang Group Co., Ltd

In 2016

Unit:RMB yuan

Item	Amount in last period									
	Paid-in capital	Other equity instruments	Capital reserve	Less: Treasury stocks	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total Owners' Equity	
I. Balance as at the end of last year	3,119,800,000.00		2,975,033,587.53		19,579,828.22		217,320,330.78	1,233,352,647.18	7,565,086,393.71	
Add: Changes in accounting policies										
Corrections of errors in prior periods										
II. Balance at the beginning of the year	3,119,800,000.00	-	2,975,033,587.53	-	19,579,828.22	-	217,320,330.78	1,233,352,647.18	7,565,086,393.71	
III. Movement during the year ("-" for decrease)	-	1,000,000,000.00	-	-	-12,872,578.33	-	4,631,236.10	41,813,106.04	1,033,571,763.81	
(I) Comprehensive income for the year					-12,872,578.33			46,444,342.14	33,571,763.81	
(II) Paid-in capital injected by or returned to investors	-	-	-	-	-	-	-	-	-	
1. Paid-in capital injected by investors										
2. Paid-in capital injected by the holders of other equity instruments										
3. Share-based payments charged to equity										
4. Others										
(III) Profit distribution	-	-	-	-	-	-	4,631,236.10	-4,631,236.10	-	
1. Transfer to surplus reserve							4,631,236.10	-4,631,236.10	-	
2. Distribution to owners										
3. Others										
(IV) Special reserves	-	-	-	-	-	-	-	-	-	
1. Withdrawn in the period										
2. Utilized in the period										
(V) Equity transfer among equity accounts	-	1,000,000,000.00	-	-	-	-	-	-	1,000,000,000.00	
1. Capital reserves transferred to paid-in capital										
2. Surplus reserves transferred to paid-in capital										
3. Surplus reserves used to offset losses										
4. Carry-over the re-measured changes in the defined benefit plan's net assets or net liabilities										
5. Others		1,000,000,000.00								
IV. Closing balance of the year	3,119,800,000.00	1,000,000,000.00	2,975,033,587.53	-	6,707,249.89	-	221,951,566.88	1,275,165,753.22	8,598,658,157.52	

Legal Representative :

Person in Charge of the Accounting Works:

Chief Accountant :