



京城機電股份  
JINGCHENG MAC

# 北京京城機電股份有限公司

Beijing Jingcheng Machinery Electric Company Limited

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

(在中華人民共和國註冊成立之股份有限公司)

(H Share Stock Code H 股代號 : 0187 ; A Share Stock Code A 股代號 : 600860)

## ANNUAL REPORT 2016 年度報告



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# Important Notes

## 重要提示

- I. The Board, the Supervisory Committee and the Directors, Supervisors and senior management of the Company confirm that information contained in this annual report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.
- II. All directors of the Company have attended the meetings of the Board.
- III. ShineWing Certified Public Accountants LLP has issued a standard audited report without qualifying opinions for the Company.
- IV. Mr. Wang Jun, the person in charge of the Company, Mr. Chen Changge, the Accounting Director and Ms. Jiang Chi, Accounting Manager (accountant in charge), have declared that they guarantee the trueness, accuracy and completeness of the financial statements contained in this annual report.
- V. Resolutions of profit distribution and capitalisation from capital reserves of the Company for the Reporting Period examined and reviewed by the Board
- During the Reporting Period, as audited by the Shinewing Certified Public Accountants LLP, net profit attributable to shareholders of the Company was RMB-148,787,585.19 and undistributed profit at the end of the year was RMB-588,661,889.61. As the Company recorded negative undistributed profits at the end of the year, the Company proposed not to distribute any profit and not to capitalize from capital reserves for the year 2016. Such resolutions are required to be submitted at the AGM for consideration and approval.
- VI. Declaration on risk from forward-looking statements
- “√ Applicable” “□ Not applicable”
- The forward-looking statements involving future plans, development strategies in this annual report do not constitute substantial undertakings of the Company to investors who are advised to be cautious about investment risks.
- VII. Whether the controlling shareholders of the Company or its associates have misappropriated the Company's funds or not?
- No
- VIII. Whether any external guarantees are provided in violation of any specified decision-making procedures or not?
- No
- IX. IMPORTANT RISK WARNINGS
- “√ Applicable” “□ Not applicable”
- The relevant risks which might exist have been described in this report in detail, please refer to the discussion and analysis of future development of the Company in Section V Management Discussion and Analysis for the risks that the Company might face and the relevant countermeasures. Investors are advised to keep investment risk in mind.
- X. Others
- “□ Applicable” “√ Not applicable”
- 一、 本公司董事會、監事會及董事、監事、高級管理人員保證年度報告內容的真實、準確、完整，不存在虛假記載、誤導性陳述或重大遺漏，並承擔個別和連帶的法律責任。
- 二、 公司全體董事出席董事會會議。
- 三、 信永中和會計師事務所(特殊普通合伙)為本公司出具了標準無保留意見的審計報告。
- 四、 公司負責人王軍、主管會計工作負責人陳長革及會計機構負責人(會計主管人員)姜馳聲明：保證年度報告中財務報告的真實、準確、完整。
- 五、 經董事會審議的報告期利潤分配預案或公積金轉增股本預案
- 報告期，經信永中和會計師事務所(特殊普通合伙)審計，歸屬於上市公司股東的淨利潤為人民幣-148,787,585.19元，年末未分配利潤為人民幣-588,661,889.61元。由於公司年末未分配利潤為負，故2016年度不進行利潤分配，也不進行資本公積金轉增股本，該預案尚需提交股東大會審議。
- 六、 前瞻性陳述的風險聲明
- √適用 □不適用
- 本年度報告內容中涉及未來計劃等前瞻性陳述因存在不確定性，不構成公司對投資者的實質承諾，請投資者注意投資風險。
- 七、 是否存在被控股股東及其關聯方非經營性佔用資金情況？
- 否
- 八、 是否存在違反規定決策程序對外提供擔保的情況？
- 否
- 九、 重大風險提示
- √適用 □不適用
- 公司已在本報告中詳細描述可能存在的相關風險，敬請查閱第五節經營情況討論與分析中關於公司未來發展的討論與分析中可能面對的風險因素及對策部份的內容。敬請廣大投資者注意投資風險。
- 十、 其他
- 適用 √不適用

### 1. Definitions

Unless otherwise stated in context, the following terms should have the following meanings in this report:

### 一、釋義

在本報告書中，除非文義另有所指，下列詞語具有如下含義：

		<b>Definition of frequently used terms</b> <b>常用詞語釋義</b>
Company	means	Beijing Jingcheng Machinery Electric Company Limited (北京京城機電股份有限公司), a joint stock company incorporated in the PRC with limited liability and the shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange
公司、本公司	指	北京京城機電股份有限公司，一間於中國註冊成立之股份有限公司，其股份於聯交所主板及上交所上市
Beiren Holdings 北人股份	means 指	Beiren Printing Machinery Holdings Limited (the former name of the Company) 北人印刷機械股份有限公司(更名前本公司)
Group 本集團	means 指	the Company and its subsidiaries 本公司及其附屬公司
Jingcheng Holding (substantial shareholder and beneficial controller) 京城控股(大股東、實際 控制人)	means 指	Beijing Jingcheng Machinery Electric Holding Co., Ltd. (北京京城機電控股有限責任公司), a company established in the PRC and the controlling shareholder of the Company, holding approximately 43.30% equity interest in the Company 北京京城機電控股有限責任公司，一間於中國成立之公司，為本公司之控股股東，持有本公司約43.30%之股權
Beiren Group 北人集團	means 指	Beiren Group Corporation (北人集團公司), a company incorporated in the PRC and a subsidiary of Jingcheng Holding (the former controlling shareholder of the Company) 北人集團公司，一間於中國註冊成立之公司，京城控股之附屬子公司(原為本公司之控股股東)
Tianhai Industrial and Beijing Tianhai 天海工業及北京天海	means 指	Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司), a subsidiary of the Company 北京天海工業有限公司(本公司之子公司)
Jingcheng HK 京城香港	means 指	Jingcheng Holding (Hong Kong) Company Limited (京城控股(香港)有限公司), a subsidiary of the Company 京城控股(香港)有限公司(本公司之子公司)
Board 董事會	means 指	the board of directors of the Company 本公司董事會
AGM 股東大會	means 指	the 2015 Annual General Meeting convened on 16 June 2016 於2016年6月16日召開的2015年度股東周年大會
Supervisory Committee 監事會	means 指	the supervisory committee of the Company 本公司監事會
Director(s) 董事	means 指	the director(s) of the Company 本公司董事
Supervisor(s) 監事	means 指	the supervisor(s) of the Company 本公司監事
Shareholder(s) 股東	means 指	the holder(s) of shares 股份持有人
Connected Person 關聯人士	means 指	has the same meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞之涵義
Share(s) 股份	means 指	Unless otherwise stated, share(s) of the Company, including A share(s) and H share(s) 本公司股份，包括A股及H股，另有所指除外

# Section 1 Definition

## 第一節 釋義

### 1. Definitions (continued)

### 一、釋義(續)

		<b>Definition of frequently used terms</b>
		<b>常用詞語釋義</b>
Reporting Period 報告期	means 指	the period from 1 January 2016 to 31 December 2016 2016年1月1日至2016年12月31日
SSE 上交所	means 指	the Shanghai Stock Exchange 上海證券交易所
Stock Exchange 聯交所	means 指	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
CSRC 中國證監會	means 指	China Securities Regulatory Commission 中國證券監督管理委員會
Beijing SASAC 北京市國資委	means 指	State-owned Assets Supervision and Administration Commission of Beijing Municipal Government 北京市人民政府國有資產監督管理委員會
Beijing Securities Regulatory Bureau 北京證監局	means 指	Beijing Securities Regulatory Bureau under the CSRC 中國證券監督管理委員會北京監管局
Controlling Shareholder(s) 控股股東	means 指	has the same meaning ascribed to it under the Listing Rules 具有上市規則賦予該詞之涵義
Cryogenic equipment base in Huo County 遼縣低溫生產基地	means 指	the base for production of liquefied natural gas cylinder for vehicles and cryogenic equipment (LNG industry) 車用液化天然氣瓶與低溫設備生產(LNG產業)基地
Listing Rules 上市規則	means 指	the Rules Governing the Listing of Securities on the Shanghai Stock Exchange and the Rules Governing the Listing of Securities on the Stock Exchange 上海證券交易所上市規則和聯交所證券上市規則
PRC Accounting Standards for Business Enterprises 中國企業會計準則	means 指	PRC Accounting Standards for Business Enterprises 中國企業會計準則
RMB 人民幣	means 指	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
HK\$ 港元	means 指	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
USD 美元	means 指	United States dollars, the lawful currency of the United States of America 美利堅合眾國法定貨幣美元
DOT DOT	means 指	Abbreviation of US Department of Transportation 美國交通部(US Department of Transportation)的英文縮寫
LNG LNG	means 指	Abbreviation of liquefied natural gas 液化天然氣(liquefied natural gas)的英文縮寫
CNG CNG	means 指	Abbreviation of compressed natural gas 壓縮天然氣(Compressed Natural Gas)的英文縮寫
Station, filling station 加氣站	means 指	The station where automobiles are filled with LNG or CNG 將液化天然氣或壓縮天然氣給汽車加注的站
Industrial gas cylinder 工業氣瓶	means 指	Collective name for the cylinders that are filled with industrial gas 灌裝工業氣體的鋼瓶統稱

# Section 2 Company Profile and Key Financial Indicators

## 第二節 公司簡介和主要財務指標

### I. Information of the Company

### 一、公司信息

Chinese name of the Company 公司的中文名稱	北京京城機電股份有限公司 北京京城機電股份有限公司
Chinese abbreviation 公司的中文簡稱	京城股份 京城股份
English name of the Company 公司的外文名稱	BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED
English abbreviation 公司的外文名稱縮寫	JINGCHENG MAC JINGCHENG MAC
Company's legal representative 公司的法定代表人	Wang Jun 王軍

### II. Contact Persons and Contact Methods

### 二、聯繫人和聯繫方式

	<b>Secretary to the Board</b> 董事會秘書	<b>Representative in charge of securities affairs</b> 證券事務代表
Name 姓名	Luan Jie 樂杰	Chen Jian 陳健
Contact address 聯繫地址	No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC 中國北京市通州區漷縣鎮漷縣南三街2號	No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC 中國北京市通州區漷縣鎮漷縣南三街2號
Telephone 電話	010-67365383	010-67365383
Facsimile 傳真	010-87392058	010-87392058
E-mail 電子信箱	jcgf@btic.com.cn	jcgf@btic.com.cn

### III. Basic Information

### 三、基本情況簡介

Registered address of the Company 公司註冊地址	Room 901, No. 59 Mansion, Dongsanhuan Road Central, Chaoyang District, Beijing 北京市朝陽區東三環中路59號樓901室
Postal code of the registered address of the Company 公司註冊地址的郵政編碼	100022
Office address of the Company 公司辦公地址	No. 2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC 中國北京市通州區漷縣鎮漷縣南三街2號
Postal code of the office address of the Company 公司辦公地址的郵政編碼	101109
Company's website 公司網址	www.jingchenggf.com.cn
E-mail 電子信箱	jcgf@btic.com.cn

### IV. Dissemination of Company Information and the Place for Preparation and Reference

### 四、信息披露及備置地點

Name of media designated for information disclosure 公司選定的信息披露媒體名稱	Shanghai Securities News 《上海證券報》
Website designated by the CSRC for publishing annual report 登載年度報告的中國證監會指定網站的網址	www.sse.com.cn
Place for inspection of the Company's Annual Report 公司年度報告備置地地點	www.sse.com.cn Office of the Board of the Company 本公司董事會辦公室



## Section 2 Company Profile and Key Financial Indicators

### 第二節 公司簡介和主要財務指標

#### V. Basic Information of the Company's Shares

#### 五、公司股票簡況

##### Basic Information of the Company's Shares

##### 公司股票簡況

Type of shares 股票種類	Place of listing of the shares 股票上市交易所	Securities abbreviation 股票簡稱	Stock code 股票代碼	Stock abbreviation before change 變更前股票簡稱
A shares A股	the Shanghai Stock Exchange 上海證券交易所	京城股份	600860	京城股份
H Shares H股	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司	JINGCHENG MAC 京城機電股份	00187 00187	JINGCHENG MAC 京城機電股份

#### VI. Other Related Information

#### 六、其他相關資料

Name of the accounting firm engaged by the Company (domestic financial reporting and audit) 公司聘請的會計師事務所(境內財務報告審計)	Name 名稱	ShineWing Certified Public Accountants LLP (Special General Partnership) 信永中和會計師事務所(特殊普通合夥)
	Office address 辦公地址	9/F, Block A, Fu Hua Mansion, No. 8 Chao Yang Men Bei Da Jie, Dong Cheng District, Beijing, the PRC 中國北京市東城區朝陽門北大街8號富華大廈A座9層
	Names of signing accountant 簽字會計師姓名	Ji Sheng, Wang Xin 季晟、王欣
Name of the accounting firm engaged by the Company (domestic internal control reporting and audit) 公司聘請的會計師事務所(境內內控報告審計)	Name 名稱	BDO China Shu Lun Pan Certified Public Accounts LLP (Special General Partnership) 立信會計師事務所(特殊普通合夥)
	Office address 辦公地址	4/F, 61 Nanjing Road East, Huangpu District, Shanghai 上海市黃浦區南京東路61號四樓
	Names of signing accountant 簽字會計師姓名	Yan Yanfei, Li Mojun 顏艷飛、李模軍
Name of the domestic legal adviser engaged by the Company 公司聘請的境內法律顧問名稱	Beijing Kang Da Law Firm 北京市康達律師事務所	
Office address of the domestic legal adviser engaged by the Company 公司聘請的境內法律顧問辦公地址	No.19, Jianguomenwai Dajie, Chaoyang District, Beijing, the PRC 中國北京朝陽區建國門外大街19號	
Name of the overseas legal adviser engaged by the Company 公司聘請的境外法律顧問名稱	Woo Kwan Lee & Lo 胡關李羅律師行	
Office address of the overseas legal adviser of the Company 公司聘請的境外法律顧問辦公地址	26/F, Jardine House, Central, Hong Kong 香港中環怡和大廈26樓	
Other basic information of the Company 公司其他基本情況	Reception of shareholders' enquiries: 10th and 20th of each month (or on the following business day if it falls on a public holiday) (Closed on Saturdays and Sundays) 9:00 a.m. to 11:00 a.m. and 2:00 p.m. to 4:00 p.m. 股東接待日：每月10日及20日(節假日順延)(公司每星期六、星期日休息)上午9:00-11:00下午2:00-4:00	

## Section 2 Company Profile and Key Financial Indicators

### 第二節 公司簡介和主要財務指標

#### VII. Major Accounting Figures and Financial Indicators for the Past Three Years 七、近三年主要會計數據和財務指標

##### (i) Major accounting figures

##### (一) 主要會計數據

Unit: Yuan Currency: RMB  
單位：元幣種：人民幣

Major accounting figures		2016	2015	Changes over the same period of the preceding year (%) 本期比上年同期增減(%)	2014
主要會計數據		2016年	2015年	本期比上年同期增減(%)	2014年
Operating income	營業收入	889,525,250.25	1,076,596,258.89	-17.38	1,806,333,093.44
Net profit attributable to shareholders of listed company	歸屬於上市公司股東的淨利潤	-148,787,585.19	-207,817,373.56	Not applicable 不適用	21,416,206.70
Net profit attributable to shareholders of listed company after extraordinary items	歸屬於上市公司股東的扣除非經常性損益的淨利潤	-164,874,525.62	-216,232,928.23	Not applicable 不適用	-156,817,432.32
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-13,041,823.62	145,654,400.12	-108.95	-107,897,373.68

		At the end of 2016	At the end of 2015	Changes over the same period end of the preceding year (%) 本期末比上年同期末增減(%)	At the end of 2014
		2016年末	2015年末	本期末比上年同期末增減(%)	2014年末
Net assets attributable to shareholders of listed company	歸屬於上市公司股東的淨資產	565,197,855.29	712,663,072.55	-20.69	919,530,631.51
Total assets	總資產	1,849,908,902.76	2,077,492,109.79	-10.95	2,507,883,349.66

##### (ii) Key financial indicators

##### (二) 主要財務指標

Key financial indicators		2016	2015	Changes over the same period of the preceding year (%) 本期比上年同期增減(%)	2014
主要財務指標		2016年	2015年	本期比上年同期增減(%)	2014年
Basic earnings per share (RMB/share)	基本每股收益(元/股)	-0.35	-0.49	Not applicable 不適用	0.05
Diluted earnings per share (RMB/share)	稀釋每股收益(元/股)	-0.35	-0.49	Not applicable 不適用	0.05
Basic earnings per share after extraordinary items (RMB/share)	扣除非經常性損益後的基本每股收益(元/股)	-0.39	-0.51	Not applicable 不適用	-0.37
Returns on net assets on weighted average basis (%)	加權平均淨資產收益率(%)	-23.31	-25.46	Not applicable 不適用	2.33
Return on net assets on weighted average basis after extraordinary items (%)	扣除非經常性損益後的加權平均淨資產收益率(%)	-25.83	-26.50	Not applicable 不適用	-17.05

Explanation on the major accounting data and financial indicators of the company at the end of the Reporting Period for the past three years

報告期末公司前三年主要會計數據和財務指標的說明

“□Applicable” “√ Not applicable”

□適用 √不適用



## Section 2 Company Profile and Key Financial Indicators

### 第二節 公司簡介和主要財務指標

#### VIII. Accounting Data Differences Under Domestic and Foreign Accounting Standards

(i) **Difference in net profit and net assets attributable to shareholders of listed company in the financial statements disclosed simultaneously pursuant to the International Accounting Standards and the PRC Accounting Standards for Business Enterprises**

"Applicable" "Not applicable"

(ii) **Difference in net profit and net assets attributable to shareholders of listed company in the financial statements disclosed simultaneously pursuant to the Foreign Accounting Standards and the PRC Accounting Standards for Business Enterprises**

"Applicable" "Not applicable"

(iii) **Description of differences between PRC GAAP and foreign GAAP**

"Applicable" "Not applicable"

#### 八、境內外會計準則下會計數據差異

(一) 同時按照國際會計準則與按中國會計準則披露的財務報告中淨利潤和歸屬於上市公司股東的淨資產差異情況

適用 不適用

(二) 同時按照境外會計準則與按中國會計準則披露的財務報告中淨利潤和歸屬於上市公司股東的淨資產差異情況

適用 不適用

(三) 境內外會計準則差異的說明

適用 不適用

#### IX. Major Financial Data of 2016 By Quarter

#### 九、2016年分季度主要財務數據

Unit: Yuan Currency: RMB  
單位：元 幣種：人民幣

		First quarter (January to March) 第一季度 (1-3月份)	Second quarter (April to June) 第二季度 (4-6月份)	Third quarter (July to September) 第三季度 (7-9月份)	Fourth quarter (October to December) 第四季度 (10-12月份)
Operating income	營業收入	229,373,055.81	255,701,723.11	216,298,821.39	188,151,649.94
Net profit attributable to shareholders of listed company	歸屬於上市公司股東的淨利潤	-30,331,649.30	-31,832,578.30	-29,543,668.44	-57,079,689.15
Net profit attributable to shareholders of listed company, net of extraordinary items	歸屬於上市公司股東的扣除非經常性損益後的淨利潤	-32,787,270.48	-37,524,928.58	-33,685,943.74	-60,876,382.82
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-27,233,037.35	25,353,195.92	35,943,713.93	-47,105,696.12
Description of differences between quarterly data and data in disclosed regular reports				季度數據與已披露定期報告數據差異說明	
				<input type="checkbox"/> 適用 <input checked="" type="checkbox"/> 不適用	

## Section 2 Company Profile and Key Financial Indicators

### 第二節 公司簡介和主要財務指標

#### X. Extraordinary Items and Amounts

“√ Applicable” “□ Not applicable”

#### 十、非經常性損益項目和金額

√適用 □不適用

Unit: Yuan Currency: RMB  
單位：元幣種：人民幣

Extraordinary items 非經常性損益項目	Amount of 2016 2016年金額	Note (where applicable) 附註(如適用)	Amount of 2015 2015年金額	Amount of 2014 2014年金額
Gain or loss on disposal of non-current assets Unauthorized or informal approval documents or one-off tax returns and exemptions on tax	-2,091,562.94	七、69、70	12,045,657.31	81,540,465.35
Government subsidies included in current profit or loss, other than on-going government subsidies which are closely related to the Company's normal operation, meet the requirements of government policies and are subject to certain limits and conditions	7,623,764.63	七、69	450,032.00	1,548,580.56
Capital occupation fee received from non-financial entities included in current profit or loss			400,701.19	
Gain from the excess of the fair value of the identifiable net assets of investee companies on acquisition of the investment over the cost of investment in the Company's subsidiaries, associates and joint ventures				
Gain or loss on exchange of non-monetary assets				
Gain or loss on entrusted investments or asset under management				
Provision for impairment on assets due to force majeure events, such as natural disasters				
Gain or loss on debt restructuring	7,837,291.67	七、69		
Corporate restructuring costs, such as employee relocation expenses and integration costs				
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value				
Net gains or losses of subsidiaries for the current period from the beginning of the period to the date of combination arising from business combination under common control				
Gain or loss on other contingencies which are not related to the Company's normal operations				
Gain or loss on changes in fair value and investment income from disposal of financial assets held for trading, financial liabilities held for trading and available-for-sale financial assets, except for effective hedging transactions that are closely related to the Company's normal operation				
Reversal of the impairment provision for receivables which are tested individually for impairment				
Gain or loss on entrusted loans				
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement				
Effect of one-time adjustment to current profit or loss according to the requirements of tax and accounting laws and regulations on current profit or loss				
Entrusted fee income from entrusted operations				
Other non-operating income and expenses apart from the aforesaid items	5,461,209.00	七、69、70	-5,224,026.85	-1,129,671.91
Other gain or loss items falling within the definition of extraordinary items				
Gain or loss on transfer of long-term equity investments held				99,193,128.78
Effect of minority interest	-2,750,149.76		742,656.24	-2,925,187.60
Effect of income tax	6,387.83		534.78	6,323.84
Total	16,086,940.43		8,415,554.67	178,233,639.02

## Section 2 Company Profile and Key Financial Indicators

### 第二節 公司簡介和主要財務指標

#### XI. Items Measured at Fair Value

Applicable  Not applicable

#### XII. Others

Applicable  Not applicable

#### 十一、採用公允價值計量的項目

適用 不適用

#### 十二、其他

適用 不適用

## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period

##### 1. Scope of business:

Licensed items of operation: general logistics; professional contracting.

General scope of operation: development, design, sales, installation, adjustment and trial, maintenance of cryogenic containers for storage and transportation, compressors (piston compressor, membrane compressor and membrane compressor of nuclear grading) and accessories; machinery equipment and electrical equipment; technical consultancy and technical services; import and export of commodities and technology and acting as an agency for import and export.

Main products and applications:

The Company's main products include: liquefied natural gas (LNG) cylinders for vehicles, compressed natural gas (CNG) cylinders for vehicles, seamless steel gas cylinders, steel welded gas cylinders, welded insulated cylinders, carbon fiber full-winding compound gas cylinders, plate-type asbestos-free acetylene cylinders, ISO tank containers, aluminum carbon fiber full-winding compound gas cylinders for fuel cells as well as cryogenic tanks and LNG filling station equipment.

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明

##### 1、經營業務範圍：

許可經營項目：普通貨運；專業承包。

一般經營項目：開發、設計、銷售、安裝、調試、修理低溫儲運容器、壓縮機(活塞式壓縮機、隔膜式壓縮機、核級膜壓縮機)及配件；機械設備、電氣設備；技術諮詢、技術服務；貨物進出口、技術進出口、代理進出口。

主要產品及應用：

公司主要產品有：車用液化天然(LNG)氣瓶，車用壓縮天然氣(CNG)氣瓶，鋼質無縫氣瓶，鋼質焊接氣瓶，焊接絕熱氣瓶，碳纖維全纏繞複合氣瓶，板沖式無石棉填料乙炔瓶，ISO罐式集裝箱，燃料電池用鋁內膽碳纖維全纏繞複合氣瓶以及低溫儲罐、LNG加氣站設備等。

## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (1) LNG cylinders for vehicles

###### **High pressure direct injection HPDI tank**

HPDI tank is currently the world's top vehicle LNG storage tank. The Company is committed to global LNG project cooperation. HPDI tank is mainly developed for high-pressure natural gas engines. It can provide output pressure which cannot be provided by general LNG tank, thus making the performance of high-pressure natural gas engines more superior.

###### **Spark plug ignition SI tank**

SI tanks are low-pressure storage tanks that use spark plugs for ignition. Through comprehensive integration of technology for LNG filling stations, engines, automobile manufacturers and SI tanks, Beijing Tianhai is able to provide low-cost vehicle LNG solutions. We currently provide SI tanks to Beiqi Futian, Guiyang Bus, Haikou Bus, Dongfeng Automobile and Shaanxi Heavy Duty Automobile.



#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明

(續)

##### 1、經營業務範圍：(續)

###### (1) 車用液化天然氣LNG氣瓶

###### **高壓直噴HPDI儲罐**

高壓直噴HPDI儲罐是目前全球頂尖的車載LNG儲罐。公司致力於進行全球範圍內的LNG項目合作。HPDI儲罐主要為高壓力天然氣發動機所研製，可提供一般LNG儲罐無可匹敵的輸出壓力，配套的高壓力天然氣發動機性能更加優越。

###### **火花塞點火SI儲罐**

火花塞點火SI儲罐是利用火花塞進行點火的低壓儲罐。通過對LNG加氣站、發動機、整車廠、SI儲罐多方位技術整合，天海公司能很好的提供低成本的車用LNG解決方案。目前我們已為北汽福田、貴陽公交、海口公交、東風汽車、陝西重汽等公司提供火花塞點火SI儲罐。



## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (2) CNG cylinders for vehicles

CNG cylinders for vehicles can be classified into: aluminum liner carbon fiber full-winding compound gas cylinders (Type III), steel liner ring wrapped cylinders (Type II) and compressed natural gas cylinders (Type I), for use in storage of natural gas fuel for vehicles.

The Group has obtained ISO9001:2008, ISO/TS16949:2009 international quality management system certification, ISO14001:2004 environmental management system and OHSAS18001:1999 occupational health and safety management system certifications for its CNG cylinders for vehicles and has become a designated cylinder supplier of automobile manufacturers including FAW-Volkswagen, Dongfeng Automobile and Shanghai Volkswagen. The Group's CNG cylinders has been exported to Europe, Brazil, Argentina, India, Pakistan, Thailand, etc..

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (2)、車用壓縮天然氣CNG氣瓶

車用壓縮天然氣CNG氣瓶可分為：鋁內膽碳纖維全纏繞複合氣瓶(III型)、鋼質內膽環向纏繞氣瓶(II型)、壓縮天然氣鋼瓶(I型)，用於車用天然氣燃料儲存。

車用CNG氣瓶已經取得ISO9001：2008、ISO/TS16949：2009國際質量管理體系認證和ISO14001：2004環境管理體系、OHSAS18001：1999職業健康安全管理体系等國際質量管理體系認證，成為中國一汽大眾、二汽東風、上海大眾等汽車公司指定氣瓶供應商，車用壓縮天然氣CNG氣瓶已出口歐洲、巴西、阿根廷、印度、巴基斯坦、泰國等國。





## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (3) Seamless steel gas cylinders

The Company adopts world-class processing equipment and advanced technology. It can produce high pressure seamless cylinders of various specifications with nominal working pressure of 8-35Mpa and nominal volume of 0.4-145 litres, which are widely used in chemical, fire-fighting, medical, energy, urban construction, food, machinery, electronics and other industries. Seamless steel gas cylinders under JP brand are safe and reliable, clearly-stamped and have consistent height and good-looking appearance. They have been exported to over 40 countries and regions in five continents around the world and are recognised as products under "Famous Beijing Brand" and "Famous China Brand".



#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (3)、鋼質無縫氣瓶

公司採用國際一流的加工設備，先進的工藝流程，可生產公稱工作壓力為8-35Mpa、公稱容積0.4-145升的大、中、小型各種規格高壓無縫氣瓶，產品廣泛應用於化工、消防、醫療、能源、城建、食品、機械、電子等行業。「JP」牌鋼質無縫氣瓶安全可靠、鋼印清晰、高低一致、外觀美觀，已出口世界五大洲四十多個國家和地區，被譽為「北京名牌」產品、「中國公認名牌」產品。

## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (4) Carbon fiber full-winding compound gas cylinders

The Company has the largest design and testing centre and production line for aluminum liner and carbon fiber full-winding compound gas cylinders with the most advanced technology in Asia. Such cylinders are featured by high pressure, light weight, good safety performance, good adaptability to environment and good heat resistance. They have been widely applied in scenarios requiring light cylinders such as respirators, medical oxygen, coal mine rescue and paintball guns.



###### (5) Plate-type asbestos-free acetylene cylinders

Plate-type asbestos-free acetylene cylinders are products independently developed by the Company with world-leading standards. The bottle body adopts advanced stretching technology and is stretched from whole pieces of steel. They are characterised by Pollution-free, safe and good performance, light weight and good-looking appearance. They have passed the DOT-8AL certification in the United States, the TC-8WAM certification in Canada, and the BOC technical quality assessment in the United Kingdom. They have been sold and exported to Europe, the United States, Southeast Asia and other countries and regions.

Due to the special requirements of acetylene gas storage, the bottles must be filled with porous filler filled with acetone. Asbestos-free acetylene cylinders are designed for the storage and transportation of acetylene, and are widely used in scenarios requiring acetylene gas such as welding and industrial synthetic polymers.

由於乙炔氣體存儲的特殊要求，瓶內必須填充浸滿丙酮的多孔填料，無石棉填料乙炔瓶專門為乙炔的存儲與運輸設計而成，被廣泛應用於如焊接、工業合成高分子等需要使用乙炔氣體的場合。

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (4)、碳纖維全纏繞複合氣瓶

公司擁有亞洲地區最具規模的、技術水平最先進的鋁內膽和碳纖維全纏繞複合氣瓶的設計測試中心及生產線。具有壓力高、重量輕、安全性能好、環境適應能力強和抗熱性好等特點。現已廣泛應用於呼吸器、醫用氧、煤礦救援、彩彈槍等需要輕質氣瓶的領域應用。

###### (5)、板沖式無石棉填料乙炔瓶

板沖式無石棉填料乙炔瓶是我公司自主研發的具有國際先進水平的產品。其瓶體採用先進的拉伸工藝，由整塊鋼板經深拉伸而成，具有無公害、安全性能好、質量輕、外形美觀等特點。現已通過了美國DOT-8AL認證、加拿大TC-8WAM認證，並通過了英國BOC的技術質量評定。該產品已遠銷歐美、東南亞等國家和地區。

## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (6) Welded insulated cylinders

Welded insulated cylinders are high vacuum multi-layer insulation movable low-temperature liquid containers for use in the storage and transportation of liquefied air products (liquid oxygen, liquid argon, liquid nitrogen). High-pressure cylinders can be filled with liquid carbon dioxide and nitrous oxide media.

The Company adopts advanced process and technology and its production process is carried out in accordance with a strict quality control system, which has ensured the products' quality. Its products are safe, reliable and easy-to-use, which have a high loading rate and can be re-filled. The welded insulated cylinders developed by the Company have received awards including technology award and have obtained DOT-4L, TC-4LM, ASME and TPED certifications.



#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (6)、焊接絕熱氣瓶

焊接絕熱氣瓶用於貯存、運輸液化空氣產品(如液氧、液氫、液氮，其中高壓瓶還可以充裝液態二氧化碳和氧化亞氮介質)的高真空多層絕熱可移動式低溫液體容器。

公司採用先進的工藝和技術，且生產製造過程在嚴格的質量保證體系控制下進行，產品質量得到有效的保證，具有安全可靠、使用方便、裝載率高，可重複充裝等特點。我公司焊接絕熱氣瓶開發以來獲得技術含量獎等獎項，並取得了DOT-4L、TC-4LM、ASME及TPED認證。

# Section 3 Business Summary of the Company

## 公司業務概要

### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

#### 1. Scope of business: (continued)

##### (7) Cryogenic tanks

The Company provides fixed vertical or horizontal cryogenic tanks with volume of 3 cubic meters to 350 cubic meters for use in storage of low temperature liquid, such as liquid oxygen, liquid nitrogen, liquid argon, liquefied natural gas, and liquid carbon dioxide in accordance with customers' requirements, which are designed and manufactured in accordance with China pressure vessel; standard European Union's EN and 97/23/EC PED and Australia/New Zealand's AS1210 standards.

### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

#### 1、經營業務範圍：(續)

##### (7)、低溫儲罐

公司根據用戶要求提供不同壓力等級，容積為3立方米至350立方米的固定式立式或臥式低溫貯罐，用於儲存低溫液體，如：液氧、液氮、液氫、液化天然氣、和液體二氧化碳等，產品分別按中國壓力容器標準，歐盟EN和97/23/EC PED，澳大利亞/新西蘭AS1210等標準設計製造。



## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (8) ISO tank containers

The ISO tank containers produced by the Company are designed for the storage and transportation of low temperature liquid, such as liquid oxygen, liquid nitrogen, liquid argon, liquefied natural gas, and liquid carbon dioxide, which can be used as transport containers for global shipping, rail and road transport. They have product specifications of ISO40 feet and ISO20 feet and maximum allowable working pressure of 0.2 to 3.7MPa, and vacuum multi-layer winding insulation technology is adopted.

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (8)、ISO罐式集裝箱

公司生產的ISO罐式集裝箱是專為運輸低溫液體，如：液氧、液氮、液氫、液化天然氣、和液體二氧化碳等設計的，適用於全球範圍的船運、鐵路和公路運輸的運輸容器，產品規格有ISO40英尺和ISO20英尺，最高允許工作壓力為0.2至3.7MPa，採用真空多層纏繞絕熱技術。





# Section 3 Business Summary of the Company

## 公司業務概要

### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

#### 1. Scope of business: (continued)

##### (9) Complete sets of technology and equipment for LNG filling stations

###### **LNG filling stations**

LNG filling stations discharge LNG feed gas from LNG tankers to LNG tanks and feed LNG fuel to LNG vehicles using LNG filling machines after pressure adjustment. The main equipment includes LNG tank system, LNG cryogenic pump, unloading/tank booster, EAG heater, LNG filling machine, process piping, valve and station control system.

The LNG filling stations developed by the Company are featured by mature process, reliable system heat insulation, good adaptability to vehicle cylinder gas supply system, operation without vent loss, high degree of automation, and low site construction with integrated pump skid design.

###### **LNG gasification stations**

LNG gasification stations supply gas to urban residents, industrial furnaces and for emergency peaking by discharging LNG feed gas from LNG tankers to LNG tanks, which, following pressure boost, enter air temperature evaporators and become natural gas after heat exchange with air and temperature increase, and then are distributed to natural gas pipelines following pressure regulation, metering and adding odor. LNG gasification stations comprise LNG tanks, unloading/tank booster, air temperature main carburetor, EAG heater, odorization pressure regulating metering skid, valve and station control system.

The Company designs and produces small standard gasification skids for plants, community power generation and heating, and designs and installs large gasification stations in accordance with customers' requirements.

### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明

(續)

#### 1、經營業務範圍：(續)

##### (9)、LNG加氣站成套技術及設備

###### **LNG加氣站**

LNG加氣站是將LNG原料氣從LNG槽車卸放至LNG儲罐中，通過調壓後由LNG加氣機為LNG車輛加注LNG燃料。其主要設備為LNG儲罐系統、LNG低溫泵、卸車／儲罐增壓器、EAG加熱器、LNG加氣機、工藝管道、閥門及站控系統等。

公司開發的LNG加氣站設備具有工藝成熟、系統絕熱可靠、與車用瓶供氣系統匹配性能好、可實現無放空損耗運行、自動化程度高、泵橇集成設計現場施工量小等特點。

###### **LNG氣化站**

LNG氣化站是將LNG原料從LNG槽車泄放至LNG儲罐中，通過增壓後的LNG進入空溫式汽化器，與空氣換熱後轉化為氣態天然氣並升高溫度，最後經調壓、計量、加臭後送入天然氣管網，為城鎮居民、工業窯爐以及應急調峰供氣。由LNG儲罐、卸車／儲罐增壓器、空溫式主汽化器、EAG加熱器、調壓計量加臭橇、管道閥門及站控系統等組成。

公司專為工廠、小區發電和取暖設計生產小型標準氣化橇以及按用戶要求設計安裝各種氣化能力的大型氣化站。



## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

###### (9) Complete sets of technology and equipment for LNG filling stations (continued)

###### LNG skid-mounted stations

LNG skid-mounted stations incorporate LNG tank, cryogenic submersible pump, vacuum pump pool, carburetor, filling machine, vacuum pipe and valve into a skid, which have unloading, pressure regulation, filling and other functions.

The LNG skid-mounted stations produced by the Company are well manufactured with elaborate designs by making full use of its technology advantages. They incorporate the whole set of equipment into a container, which are easy to install. All valves are controlled by PLC and have the advantages of simultaneous unloading and filling, little heat leakage, and no frost for pump pool after long-term use.

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

###### (9)、LNG加氣站成套技術及設備(續)

###### LNG 橇裝加氣站

LNG 橇裝加氣站是將LNG儲罐、低溫潛液泵、真空泵池、氣化器、加氣機、真空管路及閥門等集成在一個橇體上，具有卸車、調壓、加氣等功能。

公司生產的LNG整體橇裝加氣站，充份利用集團的技術優勢，精心設計、精良製造，將全套設備集成在集裝箱內，安裝簡便。所有閥件採用PLC控制，具有卸車和加氣可同時進行、漏熱小、長時間使用泵池不結霜等優點。



## Section 3 Business Summary of the Company

### 公司業務概要

#### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

##### 1. Scope of business: (continued)

##### (10) Aluminum liner carbon fiber full-winding compound gas cylinders for fuel cells

The Company has the largest design and testing centre and production line for aluminum liner and carbon fiber full-winding compound gas cylinders with the most advanced technology in Asia. Such products are independently designed, have a wide range of product specifications, and can be customised based on customers' needs. Due to their high pressure, light weight, good safety performance, good adaptability to environment and good heat resistance, the 35MPa high pressure aluminum liner carbon fiber full-winding compound gas cylinders (cylinders for hydrogen storage) have been widely applied in hydrogen fuel cell vehicles, unmanned aerial vehicles and fuel cell backup power field.

#### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

##### 1、經營業務範圍：(續)

##### (10)、燃料電池用鋁內膽碳纖維全纏繞複合氣瓶

公司擁有亞洲地區最具規模的、技術水平最先進的鋁內膽碳纖維全纏繞複合氣瓶的設計測試中心及生產線，已具有自出知識產權，產品種類規格齊全，可依據客戶需求定制，由於其具有壓力高、重量輕、安全性能好、環境適應能力強和抗熱性好等特點，所生產的35MPa高壓鋁內膽碳纖維全纏繞複合氣瓶(儲氫氣瓶)已批量應用於氫燃料電池汽車、無人機及燃料電池備用電源領域。



# Section 3 Business Summary of the Company

## 公司業務概要

### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

#### 2. Business model

The Company's business model comprises links of product development, raw material procurement, production and processing, and sales, being:

- (1) Procurement model: The main raw material used in the Company's production is steel and its main product is steel cylinder. The procurement is conducted on a cash on delivery basis;
- (2) Production model: Due to the complex production process for steel cylinders of high temperature and high pressure, low temperature and negative pressure and strong continuity, its production must be kept stable for a long period of operation;
- (3) Sales model: Its products are mainly sold through direct sales and distribution models, whereby it strives to occupy the market through distributors with strong capability and extensive channels, while making direct sales to capable manufacturers and end customers in order to capture market share.

#### 3. Industry overview

The Company has the advantages of a wide range of product offering and certifications in the industry. It can produce over 800 types of products and has obtained 41 international certifications. Its products have been accepted by seven out of the world's top eight gas companies. Through a wide sales network, it has realized an extensive geographical coverage nationwide and its international operations are mainly located in the United States, Singapore, Korea, India and Australia. The Company's products have strong competitiveness and considerable market share in the industry, in particular:

The Company's asbestos-free acetylene cylinders are the first among its international counterparts to enter the high-end cylinder market in the United States.

In addition to producing cylinder products, the Company is also the first to have the ability to design and manufacture a full set of seamless cylinders.

Its domestic fire-fighting cylinders, especially subway fire-fighting cylinders, still occupy a dominant position in the market with over 70% market share.

LNG cylinders for vehicles: The market share of LNG cylinders for vehicles of the Company grew steadily since 2011 and has reached approximately 15% to 16%.

LNG tanks: Since 2012, the market share of LNG tanks of Tianhai Low Temperature has been growing at an annual rate of 2% to 3% and has reached 8%.

### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

#### 2、經營模式

公司產品經營模式為產品研發、原料採購、生產加工、銷售幾個環節，即：

- (1) 採購模式：公司生產主要原料為鋼鐵，主要產品為鋼瓶。採取貨到付款的方式採購；
- (2) 生產模式：由於鋼瓶生產工藝複雜，生產過程多是高溫高壓、低溫負壓並連續性強，所以公司生產必須保持連續穩定長周期運行；
- (3) 銷售模式：公司產品銷售模式主要採取直銷和經銷模式。通過有實力並有一定渠道的經銷商佔領市場，同時向有條件的廠家和終端客戶直接銷售，獲取部份終端市場份額。

#### 3、行業情況

公司在同行業中具有品種全，認證多的優勢，其中可生產產品已有800多種，國際認證已取得41個，公司相關產品已被全球最具影響力的八大氣體公司中的7家接受。通過完備的銷售網絡佈局，實現了全國各個地區的全覆蓋，國際業務分佈在美國、新加坡、韓國、印度、澳大利亞等多個國家。公司產品在行業中具有較強的競爭力並佔有可觀的市場份額，其中：

無石棉填料乙炔瓶是國際同行業第一家進入美國高端氣瓶市場的產品。

同行業中除生產氣瓶產品外，公司是第一家擁有設計、製造全套無縫氣瓶生產線能力的廠家。

國內消防瓶特別是地鐵消防瓶在市場中仍佔據優勢地位，約佔市場份額的70%以上。

車用LNG氣瓶：自從2011年以來，公司LNG車用瓶市場佔有率穩步上漲，目前已達到市場份額15%~16%。

LNG儲罐：自從2012年以來，天海低溫LNG儲罐所佔市場份額以每年2%~3%的速度穩步增長，目前已達到8%的市場佔比。

# Section 3 Business Summary of the Company

## 公司業務概要

### I. Principal Activities, Business Model and Industry Overview of the Company during the Reporting Period (continued)

#### 3. Industry overview (continued)

Filling stations: Due to its relatively late entry into the gas filling station business, the Company's market share is 3% to 4% only, although representing an increase of 712.9% over the same period of the preceding year.

High pressure direct injection HPDI tanks: HPDI tank is currently the world's top vehicle LNG storage tank. As the world's only HPDI tank supplier, Beijing Tianhai has supplied and exported a few thousand HPDI tanks.

CNG cylinders for vehicles: The market share of its CNG cylinders for vehicles in the taxi and bus upgrade projects across China has reached 40%.

Seamless steel gas cylinders: Its seamless steel gas cylinders have maintained a steady market share of 60% of the domestic market. Its production capacity for such product is 3.30 million, the largest in the industry.

### II. Description of material changes in major assets of the Company during the Reporting Period

Applicable  Not applicable

### III. Analysis of core competitiveness during the Reporting Period

Applicable  Not applicable

#### 1. Brand advantage

The Company has long been upholding its policy of producing world-class products in accordance with international standards in respect of manufacturing technology and management. It has successfully obtained 41 international certifications such as ISO9001:2008, ISO/TS16949:2009 quality management system, ISO14001:2004 environment management system and OHSAS18001:1999 occupational health and safety management system certifications. With over 20 years' efforts, Tianhai Industrial has established the largest product sales network in the industry and a complete and efficient after-sales service system. Its products have national coverage and are sold to more than 40 countries and regions in five continents around the world, and the sales volume of its seamless steel gas cylinders ranked first in the world.

The Company adheres to the corporate spirit of "integrity, dedication, learning, innovation and aiming at first-class" and has established a good reputation for its safe and reliable products and quality services. With its improving core competitiveness and rapidly growing performance, the Company has been awarded the honours of China's Top 100 Enterprises, Beijing Top Ten Foreign-invested Enterprises, Beijing High-tech Enterprise, Leading Enterprise in the PRC Metal Pressure Vessel Manufacturing Industry and National "Labour Day" Certificate.

### 一、報告期內公司所從事的主要業務、經營模式及行業情況說明 (續)

#### 3、行業情況 (續)

加氣站：由於我公司加氣站事業起步較晚，雖然目前市場份額僅為3%~4%，但同比增長712.9%。

高壓直噴HPDI儲罐：HPDI儲罐是目前全球頂尖的車載LNG儲罐。作為全球唯一的HPDI儲罐供應商，天海已經出口數千台HPDI儲罐。

車用CNG氣瓶：車用CNG氣瓶在各省市出租汽車和公交汽車的改造項目中市場份額已達到40%。

鋼質無縫氣瓶：鋼質無縫氣瓶多年以來保持穩定的市場份額，國內市場佔比保持在60%，產能達330萬支，行業內產量最大。

### 二、報告期內公司主要資產發生重大變化情況的說明

適用  不適用

### 三、報告期內核心競爭力分析

適用  不適用

#### 1、品牌優勢

長期以來，公司在製造技術和科學管理上始終堅持「與國際標準接軌，按國際標準生產，創國際先進水平」的方針，先後取得了四十一個國際認證、ISO9001:2008、ISO/TS16949:2009質量管理體系、ISO14001:2004環境管理體系、OHSAS18001:1999職業健康安全管理體系認證。經過二十餘年的打造，天海工業建立了氣體儲運行業最大規模的產品銷售網絡和完備高效的售後服務體系，產品覆蓋全國，遠銷世界五大洲四十多個國家和地區，其中鋼質無縫氣瓶產銷量穩居世界第一。

公司秉承「誠信、敬業、學習、創新，志在一流」的企業精神，以安全可靠的產品和優質的服務，樹立了企業的良好形象，以不斷提升的核心競爭力和快速發展的突出業績，先後榮獲中國百強企業、北京市十佳外商投資企業、北京市高新技術企業，中國金屬壓力容器製造行業排頭兵企業和全國「五一」勞動獎狀等榮譽稱號。



## Section 3 Business Summary of the Company

### 公司業務概要

#### III. Analysis of core competitiveness during the Reporting Period (continued)

##### 2. Technology advantage

The Company has A1, A2, C2, and C3 level pressure vessel design qualifications and A1, A2, B1, B2, B3, C2, C3, D1 and D2 level pressure vessel manufacturing qualifications. It can produce over 800 types of seamless steel gas cylinders, winding cylinders, accumulator shells, asbestos-free acetylene cylinders, welded insulated cylinders, carbon fiber full-winding compound gas cylinders (including those for vehicles), cryogenic tanks and filling stations. The Company's products are widely applied in automotive, chemical, fire-fighting, medical, petroleum, energy, urban construction, food, metallurgy, machinery, electronics and other industries.

With an accurate grasp of the clean energy market, the Company has combined technologies in respect of LNG cylinders for vehicles, CNG cylinders, cryogenic tanks and natural gas vehicle filling stations and is able to provide customers with LNG/CNG system solutions. The Company is also capable of manufacturing cryogenic tanks and IMO tank container products in accordance with China pressure vessel standards, EU ADM and 97/23/EC PED and Australia/New Zealand AS1210 standards.

##### 3. Sales network advantage

The Company has established a complete sales network with over 30 distribution offices scattering across the country, realizing a full geographical coverage nationwide. The Company has also set up eight overseas sales offices mainly located in the United States, Singapore, Korea, India, Australia and other countries with value of direct export accounting for around 50% of total income. Its products have been accepted by seven out of the world's top eight gas companies. In particular, its asbestos-free acetylene cylinders are the first in the global industry to enter the high-end cylinder market in the United States.

##### 4. Human resource advantage

The Company has established an internal organizational system and operational mechanism, performance appraisal mechanism and salary and welfare system meeting the requirements for market competition, in order to provide a career development platform for its management and employees to grow with the Company and share the fruits of development, to create a good corporate culture. It has established a team of talents with ability and integrity, core competence and professional quality in respect of research and development, sales, management, operation and production.

#### 三、報告期內核心競爭力分析(續)

##### 2、技術優勢

公司具有A1、A2、C2、C3級壓力容器設計資格和A1、A2、B1、B2、B3、C2、C3、D1、D2級壓力容器製造資格。可生產800餘個品種規格的鋼質無縫氣瓶、纏繞氣瓶、蓄能器殼體、無石棉填料乙炔瓶、焊接絕熱氣瓶、碳纖維全纏繞複合氣瓶(含車用)、低溫罐箱及加氣站等系列產品，公司的產品廣泛應用於汽車、化工、消防、醫療、石油、能源、城建、食品、冶金、機械、電子等行業。

憑藉對清潔能源市場的準確把握，公司通過對車用LNG氣瓶、CNG氣瓶、低溫貯罐、天然氣汽車加氣站等多方位的技術整合，可為客戶提供LNG/CNG系統解決方案。公司還可按中國壓力容器標準、歐盟ADM和97/23/EC PED、澳大利亞/新西蘭AS1210等標準設計製造不同容積和壓力等級的低溫貯罐、IMO罐式集裝箱產品。

##### 3、銷售網絡優勢

公司建立了完備的銷售網絡。在國內擁有30多個經銷網點，實現全國各個地區全覆蓋；在境外建立了8個銷售網點，主要分佈在美國、新加坡、韓國、印度、澳大利亞等國家，直接出口額約佔總收入的50%。相關產品已被全球最具影響力的八大氣體公司中的7家接受。其中，無石棉填料乙炔瓶是同行業第一家進入美國高端氣瓶市場的產品。

##### 4、人力資源優勢

公司建立了符合市場競爭要求的內部組織體系和運行機制、績效考核機制和薪酬福利體系，為幹部員工提供個人與企業共同成長、共享發展成果的事業發展平臺，創造良好的企業文化氛圍。在研發、銷售、管理、運營及生產一線等崗位，打造德才兼備、具有核心能力和職業素養的核心人才隊伍。

### I. Review

In 2016, the Chinese government actively practiced the new development concept and accelerated the process of building a well-off society in an all-round way. Supply side reform has taken important steps, and economy operation enters a new norm. By closely following the "13th Five-Year" strategy, the Company promoted reform and adjustment and transformation and upgrading, and continued to conduct quality improvement and efficiency enhancement. It strived to open up market and accelerate product research and development and establish and improve systems and process in order to build a pragmatic and efficient operating structure.

1. It formulated its "13th Five-Year" strategy which specifies clear goals and objectives for development.

The Company has formulated its "13th Five-Year" strategy which specifies clear goals and objectives for development, giving full play to the advantages of production resources of traditional products, establishing and optimising product plan, enhancing the level of intelligent manufacturing, and transforming from traditional manufacturing to advanced and intelligent manufacturing. It actively explores methods for joint venture and cooperation in the area of natural gas and partnered with gas companies to extend to the upstream of the industrial chain. It became involved in the operation and management of filling stations and inspection stations and extended to the downstream of the industrial chain, and strived to transform from product-based to service-based and from providing standalone products and to supplying system solutions.

2. It made effective use of the capital market to promote industrial restructuring and resource revitalization

It entered a strategic cooperation agreement with Yuecheng Elderly Care in relation to the Wufangqiao land development project, completed site visit and preliminary technical assessment for Type IV cylinder technology project, signed a letter of intent for strategic cooperation and is actively negotiating for recycling of land and real estate resources for the Langfang Tianhai Reform & Adjustment Project. Jiangsu Tianhai now has the ability to produce DOT cylinders and has finished relocation of certain equipment.

### 一、回顧

2016年，國家積極踐行新發展理念，加快全面建成小康社會進程，供給側改革邁出重要步伐，經濟運行步入新常態。公司緊緊圍繞「十三五」戰略，推動改革調整和轉型升級，堅持提質增效，努力開拓市場，加快產品研發，建立健全制度流程，構建務實高效的運營結構。

一是制定完成「十三五」戰略，明確發展方向和目標

公司制定完成「十三五」戰略，明確了發展方向和目標，即，充份發揮傳統產品的生產資源優勢，明晰、優化產品佈局，提升產品智能製造水平，由傳統製造向高精尖、智能化轉變。積極探索天然氣領域合資合作方式，與氣源企業合作向產業鏈上游延伸；涉足加氣站、定檢維修站運營管理向產業鏈下游拓展，由製造型向服務型轉變，由提供單件產品向系統解決方案提供商轉變。

二是有效利用資本市場，推動產業轉型和資源盤活

五方橋土地開發項目，已與樂成養老簽訂戰略合作協議；IV型瓶技術項目引進，已完成現場考察和初步技術評估；廊坊天海改革調整項目，已與合作方簽署了《戰略合作意向書》，土地房產資源再利用也正在積極接洽；江蘇天海已具備DOT瓶生產能力，完成部份設備的搬遷。



# Section 4 Chairman's Statement

## 董事長報告

### I. Review (continued)

3. It developed market despite the negative trends and managed to achieve satisfactory results

Its domestic fire-fighting cylinders, especially subway fire-fighting cylinders, still occupy a leading position in the market. Stimulated by both the government's "coal to gas" policy and its promotion strategies, its domestic fire-fighting cylinders sales recorded significant year-on-year growth. The sales of its Type III cylinders achieved a historic breakthrough. Its systematic and intelligent products opened a new chapter, and it successfully commenced sales of CNG integrated frame bundles in South America.

4. It completed the formulation of its product plan for the "13th Five-Year" period and accelerated the application of results of scientific and technological innovation.

Under the background of devising the strategic positioning in the capital city, easing the non-capital functions and creating the "advanced and intelligent" industrial structure, the Company formulated the "13th Five-Year" product planning and achieved certain results in accelerating the application of results of scientific and technological innovation. For example, Tianjin Tianhai completed with high efficiency the project approval process of Tianjin Tianhai's air energy storage project for A1 pressure vessel. The Company completed the development and certification of 117 products and 9 factory certifications. It formulated and implemented the Measures for the Administration of Specialized Technical Personnel and the New Product Development and Technological Innovation Reward Management System, which specify the technical personnel promotion channel, provide protection for the career development planning and remuneration of technical personnel and lay a solid foundation for the continuous development of its technological innovations.

5. It fully implemented measures to conduct quality improvement and efficiency enhancement and deepened its cost management.

Cost is lowered through various measures such as the decrease in procurement price, accounts receivable greatly decreased through the measures of changing the sales strategy and enhancing the effort in collecting receivables from clients, The Company decides its production volume based on sales volume to actively digest the amount of inventory; without prejudice to its normal production operation, it utilized the potential of human resources and streamlined and optimized the staff structure such that the number of employees decreased by 23.3%, which greatly reduced the labour cost.

### II. Outlook

The guiding ideology of the development of the Company is to accelerate the reform, adjustment, transformation and upgrading, integrate sales teams and actively develop market, speed up talent recruitment and continue to downsize and improve efficiency, strictly control receivables and inventories, broaden financing channels, continue to carry out in-depth cost management, actively develop common values of the organisation and establish a good corporate culture, and go all out and overcome all difficulties to promote the realization of its various tasks for 2017, by following its "13th Five-Year" strategies and using reform and innovations as the driving force, enhancing operation and management as protection and developing new business as support.

1. It will firmly implement its "13th Five-Year" strategies and accelerate the reform, adjustment, transformation and upgrading.

### 一、回顧(續)

三是市場開拓逆市而上頻閃亮點

國內消防瓶特別是地鐵消防瓶在市場中仍佔據優勢地位；國內低溫瓶在外部「煤改氣」政策及內部促銷策略的雙重刺激下，同比有較大增長；三型瓶銷售實現歷史性突破；系統化、智能化產品揭開新的篇章，南美地區成功銷售CNG集成框架集束瓶組等。

四是制定完成「十三五」產品規劃，加快科技創新成果轉化。

在首都城市戰略定位、疏解非首都功能，打造「高精類」產業結構的背景，公司制定「十三五」產品規劃，在加快科技創新成果轉化方面做了很多工作，如：天津天海以高效率完成空氣儲能發電項目壓力容器A1增項；公司完成新產品開發以及認證117項，工廠認證9項；制定實施《專業技術人員等級管理辦法》和《新產品開發和技術創新成果獎勵管理制度》，指明了技術人員的晉升通道，為技術人員的職業發展規劃和薪酬待遇提供了保障，給公司科技創新工作的持續發展打下堅實基礎。

五是全面落實提質增效，深化成本費用管理。

通過採取採購降價、讓利支付等多種措施降低成本費用；通過改變銷售策略、加大客戶欠款回收力度等措施大幅減少應收賬款；公司採取以銷定產的方式積極消化庫存；深挖人員資源潛力、精簡優化人員結構，在保障正常生產經營的情況下，在職員工人數下降了23.3%，大大降低了人工成本。

### 二、展望

公司發展的指導思想是：以公司「十三五」戰略為引領，以改革創新為動力，以強化經營管理為保障，以培育發展新動能為支撐，加快改革調整轉型升級。整合銷售團隊，積極開拓市場；加速人才引進，繼續減員增效；嚴控應收存貨；拓寬融資渠道；持續深入開展成本費用管理；積極培育組織共同價值觀，建立良好的企業文化。鼓足幹勁，排除萬難，繼續前進，全力推動2017年各項任務目標的實現。

一是堅定執行「十三五」戰略，加快改革調整和轉型升級。

### II. Outlook (continued)

First of all, it will fully integrate its strategies with annual budget, and divide its strategic goals and measures into annual business objectives meeting budget in order to maximize the guiding role of comprehensive budgeting in its operation.

In addition, it will strengthen and improve operation management, strengthen budget execution deviation analysis, problem solving and improvement tracking, and establish a monthly business communication meeting mechanism, in order to enhance the quality and efficiency of information communication between headquarters and affiliated enterprises.

Also, it will optimise its performance appraisal indicator system, adhere to the philosophy of "performance first and cash is king", increase the weight of receivables and inventory in performance assessment, and facilitate the implementation of its competition strategies. Furthermore, it will maximize the utilisation of resource by the formulation and implementation of comprehensive budgets and the optimisation of the allocation of various types of resources.

Finally, it will improve the strategic management system, deepen industry analysis and research, track, examine and assess the implementation of strategies to ensure the effective implementation of its strategies.

2. It will adhere to its market-oriented research and development to expand the economic benefits of new products.

First of all, it will focus on key business and strategic products based on its strategic positioning, go all out to develop domestic and overseas markets, maintain close relationship with customers, and keep a close eye on projects, in order to expand its market share. It will focus on order quality to pave the way for profitable growth. At the corporate level, it will focus on developing and maintaining major customers, coordinating and consolidating customer relations and building cooperation bridge by using its resources and advantages. Moreover, it will enhance the core competitiveness of products to meet customer needs, while improving customer management ability and guiding customer consumption. It will adopt effective management measures to strictly control risks. It will strengthen the development of the sales team to ensure its salespersons' loyalty to the Company and business skills.

### 二、展望(續)

首先，將戰略與年度預算充分融合，將戰略目標、戰略舉措分解落實到年度經營目標、全面預算之中，最大限度地發揮全面預算對經營工作的統領作用。

其次，加強和改進運營管理，強化預算執行偏差分析、問題質詢和改進跟蹤，建立月度經營工作溝通會議機制，提升總部與下屬企業信息溝通的質量和效率。

再次，優化績效考核指標體系，堅持效益為先、現金為王，加大應收、存貨考核權重，驅動企業競爭戰略實施。另外，通過全面預算的制定和執行，統籌優化各類資源配置，最大限度地發揮資源效用。

最後，健全完善戰略管理體系，深化行業分析研究，結合運營監管，抓好戰略執行的跟蹤、檢查與評估，確保公司戰略執行到位。

二是堅持研發與市場聯動，擴大新產品經濟效益。

首先，要按照公司戰略定位，突出關鍵業務和戰略產品，全力開拓國內外市場，緊盯客戶，緊跟項目，擴大市場份額，注重訂單質量，為「有效益的增長」奠定基礎。同時在公司層面要關注重點發展和維護的大客戶，利用公司資源優勢，協調和鞏固客戶關係，搭建合作橋梁。其次，增強產品的核心競爭力，滿足客戶需要的同時提高客戶管理能力，引導客戶消費，採取有效的管理方式，嚴格控制風險。加強銷售員隊伍建設，確保銷售員對公司的忠誠度和業務技能。

## Section 4 Chairman's Statement

### 董事長報告

#### II. Outlook (continued)

In addition, it will seize the market opportunities brought by the "coal to gas" policy to generally improve the market share of its low temperature tanks, cryogenic tanks and filling stations and active build a business model of tank, station and gas integrated operation. It will develop the application of natural gas in power generation, distributed energy, fuel cell and vehicle and marine, and adjust its product offering to meet market needs.

Also, it will treat the "13th Five-Year" product plan as its top priority by strengthening the organization, coordination and strict implementation of the annual plan to ensure the launch of new products. It will also strengthen systematic research of key products, processes and standardization to create systematic solutions. It will optimise research and development organization structure, build a market-oriented research and development system, and implement innovative remuneration and assessment mechanism to stimulate the enthusiasm of scientific and technical personnel. It will strengthen the reporting and assessment of major scientific research projects and implement process monitoring and effectiveness evaluation to ensure the projects will improve its research and development capability, product quality and performance.

Finally, it will attach great importance to the application of results of product research and development. The sales department shall actively develop new markets, new business forms and new areas and include product sales revenue in the assessment system by considering overall revenue and also revenue structure.

#### 二、展望(續)

再次，抓住「煤改氣」市場契機，全面提高低溫瓶、低溫儲罐、加氣站的市場佔有率，積極構建瓶、罐、站、氣一體化運營模式。開拓天然氣在發電、分佈式能源、燃料電池和車用、船用等方面的市場，調整產品結構以符合市場需求。

另外，將「十三五」產品規劃作為一把手工程，按照年度計劃加強組織協調，嚴格落實，確保新產品落地。加強關鍵產品、關鍵工藝技術和標準化的系統研究，形成系統化解決方案。優化研發組織架構，構建市場導向的研發體系，創新薪酬考核機制，調動科技人才積極性。加強重大科研項目申報評審、實施過程監控及實施效果評價，確保項目能提升研發能力、產品質量和效益水平。

最後，重視新產品研發的成果轉化，銷售部門要積極開發新市場、新業態、新領域，要將新產品銷售收入納入考核體系，不但要關注整體的收入，還要關注收入的結構。

## II. Outlook (continued)

3. It shall facilitate quality improvement and efficiency enhancement, deepen its cost management and improve operation quality.

It will continue to strengthen the leading role of performance assessment by linking remuneration closely to performance. The difference between the remuneration of management of loss-making enterprises and profitable ones shall be large enough to break egalitarianism and stimulate enthusiasm. The reasonableness of the changes in average employee salaries of the subsidiaries of the Company shall be re-examined based on the change in labour cost in relative terms.

All functional departments of the Company shall enhance service awareness, value creation awareness and risk prevention and control awareness, strengthen the services provided for sales department and subsidiaries, and take the initiative to go to the frontline to understand the actual problems and effectively coordinate and tackle the difficulties in order to make contribution in enhancing the operational quality of the Company.

In line with the overall budget for 2017, it will further determine the budget for selling expenses, administrative expense and finance cost, make adjustments from time to time, issue early warnings and conduct strict control based on the sales revenue. It will further conduct cost reduction measures in respect of labour cost, procurement cost and technology advance. It will continue to arrange production based on orders received, and maintain appropriate volume of inventory to avoid creating additional inventory. For the exiting overstock, it shall conduct careful analysis and utilize them in specified uses. It will regulate contract management and collect amounts due as agreed in contracts to avoid additional overdue receivables. For the recovery of the existing overdue receivables, it will set a schedule and roadmap and make collection calls accordingly. All functional departments of the Company shall enhance service awareness, value creation awareness and risk prevention awareness and strengthen their support for the sales department and subsidiaries of the Company. They shall take the initiative to understand the real issues at the grassroot level and effectively coordinate and solve difficulties, in order to contribute to the improvement in the operation of its subsidiaries.

4. It will improve information management.

In the internet era, companies no longer sell products only, they also attempt to add-value by providing after-sales services, distribution and other follow-up services using the way of Internet+ in order to improve core competitiveness. In 2017, the Company shall further make use of management software to enable smoother communication and sharing of information between the Group.

It will build a transparent platform and intelligent supply and procurement system to seek and compare quotations before procurement, realize procurement transparency and establish a standard process of supplier management and procurement, which will assist in making decisions on procurement by collecting data on procurement and products and will realize efficient procurement management through intelligent reminder and search.

It will establish a sound customer and agent credit rating management system and improve the contract order management system. For intelligent gas cylinders and internet+ projects, it will determine cooperation proposals and enter into strategic cooperation framework agreements, and will promote electronic tags for steel cylinders to domestic and overseas major customers (gas companies and automobile manufacturers).

## 二、展望(續)

三是推動提質增效，深化成本費用管理，提升運營質量。

繼續強化業績考核引領作用，薪酬與績效緊密掛鉤，虧損企業與盈利企業經營者的薪酬要拉開檔次，打破大鍋飯，調動積極性；以人事費用率相對變化率為依據，重新核定各下屬企業平均工資變化的合理性。

公司各職能部門要提升服務意識、價值創造意識和風險防控制識，加大對銷售部門、子公司的服務力度，主動深入基層，了解實際問題，切實協調解決困難，為提升公司運營質量做出貢獻。

在2017年全面預算基礎上，深入核算銷售費用、管理費用和財務費用指標，根據銷售收入完成情況實時調整，提前預警，嚴格控制。從人工成本、採購成本、科技行動降成本三個維度深入開展成本壓降行動。堅持按訂單排產，減少預投，科學儲備，避免產生新的積壓存貨；對於現有積壓存貨，要細緻分析，定向消化。規範合同管理，按合同約定回款，避免產生新的超期應收；對於現有超期存貨應收，要制定時間表、路線圖按期追繳。

四是提高信息化管理水平。

互聯網時代，企業將不再只限於進行各種產品的銷售，而是通過互聯網+的方式實現提供售後服務、配送和其他後續服務來獲取更多的附加價值，從而提升企業的核心競爭力。2017年要進一步深化和細化管理軟件的作用，集團與子公司之間的信息數據的傳遞和共享要更加全面通暢。

搭建陽光採購平臺，建立智能供應與採購系統，實現詢比價採購、招投標採購的透明化，實現供應商的管理、採購步驟的流程化。通過對採購數據、採購商品數據等不斷的積累，為採購決策提供輔助意見，並通過智能提醒、查詢等工具實現採購項目的高效管理。

建立健全客戶和代理商信用評級管理系統，完善合同訂單管理系統。確定智能氣瓶和互聯網+項目合作方案。向國內、外重大用戶（氣體公司、整車廠）推廣鋼瓶電子標籤。

## Section 4 Chairman's Statement

### 董事長報告

#### II. Outlook (continued)

5. It will strive to improve the capability of management and employees to build the core talent advantage.

First of all, the Company has established an internal organizational system and operational mechanism, performance appraisal mechanism and salary and welfare system meeting the requirements for market competition, in order to provide a career development platform for its management and employees to grow with the Company and share the fruits of development, to create a good corporate culture and to retain staff with strong prospects, competitive remuneration and loyalty. It has established a team of talents with ability and integrity, core competence and professional quality in respect of research and development, sales, management, operation and production.

Secondly, it has established a core talent pool and human resource management system, which has enabled more scientific personnel reserve, targeted training, target focus and talent selection, improved organizational efficiency and assisted it in human resource decision-making and management.

Furthermore, it adopts flexible recruitment methods and combines talent recruitment and internal cultivation, and has prepared efficient and practical human resource solutions to quickly recruit experts on Type IV cylinders and hydrogen technology, competent marketing staff and project managers to support its development.

#### 二、展望(續)

五是建設高素質幹部員工隊伍，打造核心人才優勢。

首先，建立符合市場競爭要求的內部組織體系和運行機制、績效考核機制和薪酬福利體系，為幹部員工提供個人與企業共同成長、共享發展成果的事業發展平臺，創造良好的企業文化氛圍，實現事業留人、待遇留人、感情留人。在研發、銷售、管理、運營及生產一線等崗位，打造德才兼備、具有核心能力和職業素養的核心人才隊伍。

其次，建立核心人才庫和人力資源管理系統，使人員的儲備、定向培養、目標關注、人才甄選更加科學，提升組織效率，輔助經營者進行人力資源決策和管理。

再次，採用靈活多樣的招聘方式，將人才引進和自身培養相結合，制定高效、實用的人力資源解決方案，快速引進四型瓶、氫能技術人才、優質營銷人員及項目經理，為公司發展提供人力支撐。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### I. Management Discussion and Analysis

Due to the impact of the price difference between oil and gas and the electric vehicle subsidy policy, the demand for natural gas substantially declined in 2016. The government has strengthened the supervision of environmental protection and the new energy products have a promising outlook in the long run. However, the natural gas market was not adversely affected in the short term. In view of huge challenges, the Company closely followed the “13th Five-Year” strategy, promoted reform and adjustment and transformation and upgrading, and continued to conduct quality improvement and efficiency enhancement. It strived to open-up market and accelerate product research and development and establish and use its efforts to suppress the downward trend.

During the Reporting Period, the Company adopted the following major measures:

#### 1. Regulate the operation of the Company and improve its corporate governance

During the Reporting Period, the Company amended its corporate rules including the Management Measures for Executive Performance Assessment in accordance with the requirements of the relevant laws and regulations to improve the incentive and restraint mechanism of senior management, which has realized the effective combination of remuneration distribution, performance assessment, corporate performance and shareholders' value, fully motivated the Company and its senior management and ensured its compliance operation. It convened general meetings and the meetings of the Board and of the Supervisory Committee in strict accordance with the requirements in the Articles of Association. It strictly fulfilled its information disclosure obligations to ensure the truthfulness, timeliness, accuracy and completeness of the disclosure. It enhanced the transparency of information disclosure to safeguard the interests of the Shareholders as a whole.

#### 2. Strictly implement “double reductions” to lower finance cost

Without prejudice to its normal corporate operation, the Company continued to vigorously implement refined management strategy and strictly implemented the “quality improvement and efficiency enhancement” and “double reductions” (being reduction of inventory and overdue receivables) programs to lower and save finance cost. It set goals, made classification, prepared plans and conducted special assessment, and the costs, accounts receivable and inventory were greatly reduced.

### 一、經營情況討論與分析

2016年，由於油氣差價的影響和電動車補貼政策的衝擊，天然氣市場需求大幅下降。雖然國家加大了對環保的監管力度，長遠看新能源產品前景很好，但短期內還沒有傳導到市場。在面臨很大的挑戰的時候，公司緊緊圍繞十三五戰略，推動改革調整和轉型升級，堅持提質增效，努力開拓市場，加快產品研發，努力抑制下滑趨勢。

報告期內，重點開展了以下工作：

#### 1、規範上市公司運作，提升公司治理水平

報告期內，公司根據相關法律法規的要求，對《高管績效考核管理辦法》等公司制度進行了修訂，完善公司高級管理人員激勵與約束機制，實現薪酬分配、績效考核與公司業績和股東價值的有機結合，充份調動公司及高級管理人員的積極性，保證了公司合規運作。嚴格按照《公司章程》規定的程序召集、召開股東大會、董事會、監事會。嚴格履行信息披露義務，保證信息披露的真實、及時、準確、完整，增強信息披露的透明度，維護全體股東的利益。

#### 2、嚴格實施「雙降」、降低財務成本

在未影響企業經營的情況下，繼續大力推行精細化運營管理策略，嚴格實施「提質增效」、「雙降」—降庫存降應收等要求，降低和節約財務成本，設定目標、劃分類別、擬定計劃、專項考核，成本費用、應收賬款、庫存大幅下降。



## Section 5 Management Discussion and Analysis

### 第五節 經營情況討論與分析

#### I. Management Discussion and Analysis (continued)

##### 3. Kuancheng joint venture project

Following investigations and negotiations with Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. (“Kuancheng Shenghua”), the Company decided to cooperate with Kuancheng Shenghua. A letter of intent of strategic cooperation has been signed, and agreements have been reached in relation to cooperation method, investment and shareholding percentage, corporate structure, sales right and the date of project commencement etc. For details, please refer to the announcement of the Company dated 14 November 2016 in relation to the entering into a letter of intent of strategic cooperation between Langfang Tianhai High Pressure Containers Co., Ltd., an indirect subsidiary of the Company, and Kuancheng Shenghua (No. Lin 2016-044). The signing of the letter of intent of strategic cooperation met the needs of strategic development of the Company, realized the industrial transfer of the traditional cylinder products of Beijing Tianhai Industry Co. Ltd., and made reasonable use of land resources. The Company's cooperation with a private company under the guidance by the letter of intent of strategic cooperation will allow both sides to complement each other with their own strengths, and will help to improve its product competitiveness and profitability and facilitate the mixed-ownership reform.

Risk warnings: The letter of intent has been signed by the parties through friendly negotiations based on the intent of cooperation, and the details of the cooperation in respect of the letter of intent are subject to the entering of the relevant cooperation contract. In addition, the transfer and relocation of product lines is still subject to further in-depth feasibility research at the technical level. There are still uncertainties about whether the cooperation will proceed smoothly.

##### 4. Wufangqiao land development project

On 29 December 2016, the Company entered into a letter of intent of strategic cooperation with Yuecheng Elderly Care in relation to the change of land nature, compensation and share capital of the joint venture. The signing of the letter of intent is to meet the requirements of the policy for the transfer of Beijing's non-capital core functions and industrial structural adjustment in Beijing. The strategic positioning of the Company also requires high-end industry elements that meet local development plans. The letter of intent will be conducive to the rational utilisation of land resources and facilitate the upgrading of old plants and industrial transformation of the Company. The letter of intent of strategic cooperation, once materialised, is expected to have positive impact on the results of the Company for 2017. For details, please refer to the announcement of the Company dated 29 December 2016 in relation to the signing of the letter of intent of strategic cooperation between Beijing Tianhai Industry Co. Ltd., an indirect subsidiary of the Company, and Yuecheng Elderly Business Investment Co., Ltd. (No. Lin 2016-052).

###### Information on Wufangqiao land

Company name: Beijing Tianhai Industry Co., Ltd., located at No. 9 Tianying North Rd., Chaoyang District, Beijing, Postal code: 100121

Land certificate no.: Jing Chao Guo Yong (2005) Chu No. 0242

The classification of land (land use) is industrial land use

The termination date of land is 28 October 2054.

#### 一、經營情況討論與分析(續)

##### 3、寬城合資項目

經與寬城升華壓力容器製造有限責任公司(以下簡稱:寬城升華)進行考察和洽談,公司決定與寬城升華合作,目前已簽署戰略合作意向書,並就合作模式、投資及股比、公司架構、銷售權、項目啟動時間等進行了約定。具體內容見2016年11月14日披露的關於公司孫公司廊坊天海高壓容器有限公司與寬城升華壓力容器製造有限責任公司簽署《戰略合作意向書》的公告(臨2016-044號)。戰略合作意向書的簽署符合公司的戰略發展需要,實現了公司傳統氣瓶產品的疏解和產業轉移,合理利用了土地資源。若能夠以意向書為指導,與民營企業合作,在技術和成本上,優勢互補,利於提高產品競爭力和企業盈利能力,更利於探索混合所有制改革。

風險提示:目前,簽訂的本協議僅為雙方根據合作意向,經友好協商達成的戰略性框架約定,該協議所涉及的具體合作事宜需另行簽訂相關合作合同,產品線的轉移落地還需在技術層面進行深入的可行性研究,具體的實施內容和進度能否順利推進,尚存在不確定性。

##### 4、五方橋土地開發項目

2016年12月29日,公司與樂成養老簽署了戰略合作意向書,就土地變性、補償款、合資公司股本等多方面進行了約定。本協議的簽署符合公司為適應北京疏解非首都核心功能,加快北京地區產業結構調整的政策要求,公司的戰略定位也需要導入符合區域發展導向的高端產業要素,利於公司土地資源的合理利用,推進公司舊工業廠區的改造升級和產業轉型。如簽署的戰略合作意向書可以實施,預計會對本公司2017年業績產生積極影響。具體內容見2016年12月29日披露的關於公司子公司北京天海工業有限公司與樂成老年事業投資有限公司簽訂《戰略合作意向書》的公告(臨2016-052號)。

###### 五方橋土地資料

公司名稱:北京天海工業有限公司,位於北京市朝陽區天盈北路9號郵編100121

土地證號:京朝國用(2005)出第0242號

地類(用途)為工業用地

該土地終止日期為2054年10月28日。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### I. Management Discussion and Analysis (continued)

#### 4. Wufangqiao land development project (continued)

Risk warnings: The letter of intent of strategic cooperation represents a written confirmation between the parties in relation to the cooperation and the principles for future cooperation projects, and a basic framework letter of intent entered into between the parties for the purpose of future cooperation. It does not cover all matters involved in the plan in details. However, the principal terms of the letter of intent of strategic cooperation stated in the announcement (the "Key Terms") are binding on the parties and shall not be altered unless agreed by the parties through negotiations. Save for the Key Terms, the other terms of the letter of intent are not binding on the parties. The detailed terms of the cooperation shall be agreed upon by the parties in accordance with the principles and purposes of this letter of intent and is subject to the signing of the formal agreement. In case of any differences between the terms of the letter of intent and those of the formal agreement, the latter shall prevail. The formal agreement to be entered into shall undergo the decision-making procedures of Beijing Jingcheng Machinery Electric Company Limited (the "Company") and is subject to the approval by the Shareholders. As such, there exist uncertainties.

#### 5. Development and certification of new products and quality system review

In 2016, the Company continued to cultivate new source of growth using product innovation as the driving force to promote its sustainable development. In accordance with its technology development plan for 2016, the Company mainly carried out and finished the development and certification of key new products including aluminum liner carbon fiber full-winding compound gas cylinders for military, aluminum liner carbon fiber full-winding hydrogen storage cylinders for vehicles as hydrogen fuel storage container, and the steel cylinder frame and supply system of natural gas vehicles.

It finished the renewal of ISO/TS16949:2009 certificates for Beijing Tianhai, Langfang Tianhai and Minghui Tianhai, the registration of change in address of Beijing Tianhai for ISO9001:2008, the renewal of ISO9001, ISO14001, and OHSAS18001 certificates, the DOT certification for Jiangsu Tianhai, and the quality system review for Type III cylinders and Type II pressure vessels.

#### 6. Delisting risk warning

The Company's net profit attributable to shareholders of the Company for 2015 was negative, and its net profit attributable to shareholders of the Company for 2016 was still negative. In accordance with the relevant requirements of the Rules Governing the Listing of Securities on the Shanghai Stock Exchange, a delisting risk warning has been issued for its A shares following the disclosure of its annual report for 2016 (being the day following 18 March 2017). Following the issue of the delisting risk warning, the A stock short name has become \*ST京城(stock code: 600860), and the maximum daily movement limit in price for A shares has become 5%. Following the issue of the delisting risk warning for A shares, they will be traded on the risk warning board.

### 一、經營情況討論與分析(續)

#### 4、五方橋土地開發項目(續)

風險提示：目前，本次簽訂的協議為戰略合作意向書，僅是雙方就合作關係及未來合作項目的原則所作的書面確認，是為雙方將來進一步合作之目的所作的基礎性框架意向書，且未能詳細規定計劃所涉及的所有事項。但此公告中戰略合作意向書主要內容中的條款(戰略合作意向書中簡稱「關鍵條款」)對雙方具有約束力，除非經雙方協商一致同意，不得修改關鍵條款相應約定內容。除關鍵條款外，本意向書其餘條款並不對雙方具有約束力。有關合作的具體商務條款將由雙方依據本意向書的原則和宗旨共同商定並另行簽訂具體執行協議。如本意向書有關條款與具體執行協議不一致的，以具體執行協議的條款為準。具體出資協議會履行北京京城機電股份有限公司(以下簡稱「公司」)決策程序獲得批准。因此，存在不確定性。

#### 5、新產品開發、認證及質量體系審核

2016年公司繼續以產品創新為驅動力，積極培育新經濟增長點，促進企業持續發展。結合公司2016年度科技行動計劃立項，主要開展並完成了軍用鋁內膽碳纖維全纏繞複合氣瓶、軍用鋁內膽碳纖維全纏繞儲氣氣瓶作為氫燃料的存儲容器、鋼瓶天然氣汽車瓶組框架及供氣系統等重點新產品的開發及認證工作。

完成北京天海、廊坊天海和明暉天海ISO/TS16949：2009體系的換證、北京天海ISO9001：2008地址，變更集團公司ISO9001、ISO14001、OHSAS18001三體系認證換證、江蘇天海DOT認證、三型氣瓶、第二類壓力容器製造證等質量體系審核認證等工作。

#### 6、退市風險警示

公司2015年度歸屬於上市公司股東的淨利潤為負值，公司2016年度歸屬於上市公司股東的淨利潤仍將為負值，根據《上海證券交易所股票上市規則》的有關規定，公司A股股票在2016年年度報告披露後被實施退市風險警示。A股股票實施退市風險警示的起始日：公司2016年報披露後(即2017年3月18日後)。實施退市風險警示後的A股股票簡稱為：\*ST京城；股票代碼為：600860，股票價格的日漲跌幅限制為5%。A股股票實施退市風險警示後股票將在風險警示版交易。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period

As for the principal business of the Company during the Reporting Period, in accordance with the PRC Accounting Standards for Business Enterprises, the Company recorded operating income of RMB889,525,250.25, net profit attributable to shareholders of listed company of RMB-148,787,585.19, and earnings per share of RMB-0.35.

#### (i) Analysis of principal business

Table of movement analysis on the related items in income statement and cash flow statement

Item 科目		Current year 本期數	Corresponding period of last year 上年同期數	Change (%) 變動比例 (%)
Operating income	營業收入	889,525,250.25	1,076,596,258.89	-17.38
Operating cost	營業成本	791,505,520.14	1,015,339,266.43	-22.05
Selling expense	銷售費用	70,892,546.65	75,076,845.20	-5.57
Administrative expense	管理費用	130,794,181.74	162,725,545.83	-19.62
Finance cost	財務費用	13,909,666.82	13,645,237.16	1.94
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-13,041,823.62	145,654,400.12	-108.95
Net cash flows generated from investing activities	投資活動產生的現金流量淨額	-23,812,220.42	-12,645,538.74	Not applicable
Net cash flows generated from financing activities	籌資活動產生的現金流量淨額	-38,909,015.21	-85,729,740.42	Not applicable
Research and development expense	研發支出	10,773,928.97	14,150,447.32	-23.86
Investment income	投資收益	6,819,578.37	1,563,597.03	336.15
Non-operating income	營業外收入	22,696,614.78	12,940,608.46	75.39
Non-operating expenses	營業外支出	3,865,912.42	5,668,946.00	-31.81
Other comprehensive income after tax, net	其他綜合收益的稅後淨額	2,569,657.92	1,933,450.21	32.91

#### 1. Analysis of income and cost

Applicable  Not Applicable

##### (1) Analysis of the factors driving changes in business income

During the Reporting Period, the sales of gas storage and transportation equipment dropped as compared to 2015, the main reason is that the fluctuation of downstream industries had impacts on the profitability of traditional industrial gas cylinder products. In 2016, affected by the decline of industries including smelting, shipbuilding and construction industries, in which the industrial gas was used, the demand for the industrial gas declined, leading to the excess production capacity of seamless steel gas cylinders for industrial uses. The competition in the traditional market of seamless steel gas cylinders for industrial use became increasingly fierce, leading to the decline in performance of traditional industrial gas cylinders.

### 二、報告期內主要經營情況

報告期內公司主營業務情況，按中國會計準則編製實現營業收入為人民幣889,525,250.25元，歸屬於上市公司股東的淨利潤為人民幣-148,787,585.19元，每股收益人民幣-0.35元。

#### (一) 主營業務分析

利潤表及現金流量表相關科目變動分析表

Unit: Yuan Currency: RMB

單位：元幣種：人民幣

#### 1. 收入和成本分析

適用  不適用

##### (1) 驅動業務收入變化的因素分析

報告期內，氣體儲運裝備銷售較2015年有所下滑，主要原因為下游行業波動對傳統工業氣瓶產品的盈利能力產生影響。2016年度，受冶煉、造船、建築等工業氣體主要使用行業經營下滑的影響，工業氣體市場需求呈現下滑，導致工業用鋼制無縫氣瓶產能過剩，傳統工業用鋼制無縫氣瓶市場競爭日趨激烈，導致傳統工業氣瓶業績有所下降。

## Section 5 Management Discussion and Analysis

### 第五節 經營情況討論與分析

#### II. Principal Operation during the Reporting Period (continued)

##### (i) Analysis of principal business (continued)

###### 1. Analysis of income and cost (continued)

###### (2) Analysis of the factors influencing the product income of the Company which principally engaged in the sales of products.

- ① As there is severe excess domestic production capacity within the industry, in order to compete for the limited market demand, a reduction on selling price was needed.
- ② Transportation expenses, labor costs and energy and power related expenses increased, leading to the decline of profits.

###### (3) Principal business by industry, by product and by region

Principal business by industry  
主營業務分行業情況

By industry		Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year
分行業		營業收入	營業成本	毛利率(%)	營業收入比上年增減(%)	營業成本比上年增減(%)	毛利率比上年增減
Seamless steel gas cylinders	鋼制無縫氣瓶	488,346,102.32	412,839,439.29	15.46	-6.09	-11.26	Increase of 4.92 percentage points 增加4.92個百分點
Winding cylinders	纏繞瓶	155,820,802.53	152,533,284.73	2.11	10.10	18.33	Decrease of 6.81 percentage points 減少6.81個百分點
Cryogenic gas cylinders	低溫瓶	60,332,826.66	54,305,190.50	9.99	-48.40	-61.56	Increase of 30.81 percentage points 增加30.81個百分點

#### 二、報告期內主要經營情況(續)

##### (一) 主營業務分析(續)

###### 1. 收入和成本分析(續)

###### (2) 以實物銷售為主要的公司產品收入影響因素分析。

- ① 行業國內產能嚴重過剩，為了爭奪有限的市場需求不得不降價銷售。
- ② 運輸費用、人工成本、能源動力等費用提高，導致利潤下滑。

###### (3) 主營業務分行業、分產品、分地區情況

Unit: Yuan Currency: RMB  
單位：元幣種：人民幣

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 1. Analysis of income and cost (continued)

##### (3) Principal business by industry, by product and by region (continued)

Principal businesses by product  
主營業務分產品情況

By product		Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year
分產品		營業收入	營業成本	毛利率(%)	營業收入比上年增減(%)	營業成本比上年增減(%)	毛利率比上年增減
Cryogenic devices for storage and transportation	低溫儲運裝備	63,767,750.90	72,077,223.53	-13.03	-9.25	12.16	Decrease of 21.58 percentage points 減少21.58個百分點
Others	其他	95,439,593.65	83,685,962.29	12.32	-49.44	-52.75	Increase of 6.13 percentage points 增加6.13個百分點
Total	合計	863,707,076.06	775,441,100.34	10.22	-16.75	20.61	Increase of 4.36 percentage points 增加4.36個百分點

Principal business by region  
營業務分地區情況

By region		Operating income	Operating cost	Gross profit margin (%)	Increase/decrease in operating income over last year (%)	Increase/decrease in operating cost over last year (%)	Increase/decrease in gross profit margin over last year
分地區		營業收入	營業成本	毛利率(%)	營業收入比上年增減(%)	營業成本比上年增減(%)	毛利率比上年增減
Domestic	國內	517,904,447.35	482,608,650.02	6.82	-13.32	-16.88	Increase of 4 percentage points 增加4個百分點
Overseas	國外	345,802,628.71	292,832,450.32	15.32	-21.42	-26.07	Increase of 5.33 percentage points 增加5.33個百分點
Total	合計	863,707,076.06	775,441,100.34	10.22	-16.75	-20.61	Increase of 4.36 percentage points 增加4.36個百分點

Description of principal business by industry, by product and by region

√ Applicable □ Not Applicable

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 1. 收入和成本分析(續)

##### (3) 主營業務分行業、分產品、分地區情況(續)

主營業務分行業、分產品、分地區情況的說明

√ 適用 □ 不適用

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 1. Analysis of income and cost (continued)

##### (3) Principal business by industry, by product and by region (continued)

The domestic operating income dropped by 13.32% as compared with the corresponding period of last year, which was mainly affected by the decline in the operating income of steel gas cylinder and LNG gas cylinder. For the international market, with the gradual recovery of the economy in the US and Europe, the Company's business in the overseas market is steadily increasing in the second half of the year, although the operating income dropped by 21.42% as compared with the corresponding period of last year.

Tianhai Industry has been actively developing new products so as to explore new markets, and the sales of new products such as system integration cylinder products, Type III cylinder, Type IV cylinder and "coal to gas" products exceeded RMB50 million.

##### (4) Analysis of production and sales volume

Applicable  Not Applicable

Principal product	主要產品	Production volume 生產量	Sales volume 銷售量	Inventory volume 庫存量	Increase/ decrease in production volume over last year (%) 生產量 比上年增減(%)	Increase/ decrease in sales volume over last year (%) 銷售量 比上年增減(%)	Increase/ decrease in inventory volume over last year (%) 庫存量 比上年增減(%)
Seamless steel gas cylinders	鋼質無縫氣瓶	1,053,005	1,203,130	71,068	-0.90%	13%	-7.8%
Winding cylinders	纏繞瓶	58,873	59,503	13,080	-20.23%	-21%	-2.3%
Cryogenic gas cylinders	低溫瓶	7,837	7,920	522	16.67%	1.2%	-21%

##### Description of production and sales volume

As the domestic and foreign economic environment in 2016 was complicated, most industries did not show a sign of recovery. The sales volume of Tianhai Industry's industrial steel gas cylinders and cryogenic gas cylinders slightly increased as compared with the corresponding period of last year while the sales volume of winding cylinders dropped. Looking at the inventory statistics, the inventory volume of principal products in 2016 significantly decreased as compared with the corresponding period of last year. The sales volume of our new product, the Type III cylinder which is also the key product of the Company in 2017, increased by 20 times.

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 1. 收入和成本分析(續)

##### (3) 主營業務分行業、分產品、分地區情況(續)

國內地區營業收入同比下降了13.32%，主要是受鋼瓶及LNG氣瓶營業收入下降的影響。國際市場方面，隨著美國和歐洲經濟的逐步復蘇，公司業務在海外市場下半年開始穩步上升，但同比去年營業收入下降21.42%。

為打開市場公司積極開發新產品，系統集成瓶類產品、三型瓶、四型瓶、「煤改氣」產品等新興產品銷售量有較大增長，銷售額超過人民幣5,000萬。

##### (4) 產銷量情況分析表

適用  不適用

##### 產銷量情況說明

2016年國內、外經濟複雜，多數行業復蘇跡象疲軟，天海工業鋼瓶及低溫瓶銷售量同比略有增長，纏繞瓶銷量下滑。從庫存統計結果上看，2016年主要產品庫存量同比大幅下降。新產品三型瓶的銷量增加了20倍，這也是公司2017年的主推產品。



# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 1. Analysis of income and cost (continued)

##### (5) Cost analysis

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 1. 收入和成本分析(續)

##### (5) 成本分析表

Unit: Yuan  
單位：元

By product  
分產品情況

By product	Component of cost		Current period	Proportion over total cost for the current period (%)	Corresponding period of last year	Proportion over total cost for the corresponding period of last year (%)	Change in amount over last year (%)	Description
分產品	成本構成項目		本期金額	本期佔總成本比例(%)	上年同期金額	上年同期佔總成本比例(%)	本期金額較上年同期變動比例(%)	情況說明
Seamless steel gas cylinders 鋼製無縫氣瓶	Materials	材料	222,933,297.22	54.00	324,808,577.71	69.82	-31.36	
	Labour cost	人工費	37,155,549.54	9.00	31,448,094.89	6.76	18.15	
	Manufacturing cost	製造費	152,750,592.54	37.00	108,951,831.71	23.42	40.20	
	Total	合計	412,839,439.29	100.00	465,208,504.31	100.00	-11.26	
Winding cylinders 纏繞瓶	Materials	材料	88,469,305.14	58.00	61,022,089.07	47.34	44.98	
	Labour cost	人工費	18,303,994.17	12.00	24,246,419.42	18.81	-24.51	
	Manufacturing cost	製造費	45,759,985.42	30.00	43,633,242.82	33.85	4.87	
	Total	合計	152,533,284.73	100.00	128,901,751.30	100.00	18.33	
Cryogenic gas cylinders 低溫瓶	Materials	材料	34,212,270.02	63.00	85,088,081.32	60.23	-59.79	
	Labour cost	人工費	4,344,415.24	8.00	14,183,701.42	10.04	-69.37	
	Manufacturing cost	製造費	15,748,505.25	29.00	42,000,143.75	29.73	-62.50	
	Total	合計	54,305,190.50	100.00	141,271,926.49	100.00	-61.56	
Cryogenic devices for storage and transportation 低溫儲運裝備	Materials	材料	44,687,878.59	62.00	30,717,675.59	47.80	45.48	
	Labour cost	人工費	10,090,811.29	14.00	10,892,564.88	16.95	-7.36	
	Manufacturing cost	製造費	17,298,533.65	24.00	22,652,679.18	35.25	-23.64	
	Total	合計	72,077,223.53	100.00	64,262,919.65	100.00	12.16	

Other information on cost analysis

✓ Applicable □ Not Applicable

成本分析其他情況說明

✓ 適用 □ 不適用

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 1. Analysis of income and cost (continued)

###### (5) Cost analysis (continued)

The "Funds Allocation System", "Fund Utilization Management System", "External Invoice Management Approach" and "Management Approach of Repayment of Debts by Goods" are established and implemented, systems and procedures such as "Materials Procurement Management System", "Procurement Contract Payment System" and "OA Funds and Budget Management System" are amended and enhanced such that relevant businesses are regulated and risks of control are lowered. The accumulated reduction in costs by RMB26.97 million was due to the procurement price reduction. The number of staff of the Group decreased by 318, or 23.3%, from 2,002 in the beginning of the year to 1,684, which greatly reduced the labour cost.

###### (6) Information on major customers and major suppliers

Applicable  Not Applicable

Sales to five largest customers amounted to RMB142.6041 million, representing 16.03% of total annual sales, of which sales to related parties was RMB0, representing 0% of total annual sales.

Procurement from five largest suppliers amounted to RMB182.3821 million, representing 26.88% of total annual procurement cost, of which procurement from related parties were RMB65.8445 million, representing 9.70% of total annual procurement cost.

##### 2. Expenses

Applicable  Not Applicable

Item 科目		Current year 本期數	Corresponding period of last year 上年同期數	Change (%) 變動比例 (%)
Selling expense	銷售費用	70,892,546.65	75,076,845.20	-5.57
Administrative expense	管理費用	130,794,181.74	162,725,545.83	-19.62
Finance cost	財務費用	13,909,666.82	13,645,237.16	1.94

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 1. 收入和成本分析(續)

###### (5) 成本分析表(續)

建立實施了《資金分配制度》、《資金佔用費管理制度》、《外來發票管理辦法》、《以物抵債管理辦法》, 修訂完善了《物資採購管理制度》、《採購合同付款制度》、《OA資金預算管理制度》等制度流程, 規範了相關業務, 降低了管控風險。採購降價累計降低成本費用人民幣2,697萬元, 集團在職人數由年初的2,002人下降到1,684人, 下降了318人, 下降了23.3%, 大大降低了人工成本。

###### (6) 主要銷售客戶及主要供應商情況

適用  不適用

前五名客戶銷售額人民幣14,260.41萬元, 佔年度銷售總額16.03%; 其中前五名客戶銷售額中關聯方銷售額人民幣0元, 佔年度銷售總額0%。

前五名供應商採購額人民幣18,238.21萬元, 佔年度採購總額26.88%; 其中前五名供應商採購額中關聯方採購額人民幣6,584.45萬元, 佔年度採購總額9.70%。

##### 2. 費用

適用  不適用

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 3. Research and development expenditure Breakdown of research and development expenditure

Applicable  Not Applicable

Research and development expenditure recorded in expenses during the period	本期費用化研發投入	10,773,928.97
Research and development expenditure capitalised during the period	本期資本化研發投入	
Total research and development expenditure	研發投入合計	10,773,928.97
Percentage of total research and development expenditure over operating income (%)	研發投入總額佔營業收入比例(%)	1.21
Number of research and development staff	公司研發人員的數量	62
Number of research and development staff over total number of staff (%)	研發人員數量佔公司總人數的比例(%)	
Percentage of research and development expenditure capitalised (%)	研發投入資本化的比重(%)	

##### Description

Applicable  Not Applicable

During the Reporting Period, combining the 13th Five-year Plan of Tianhai companies and the technology development plan for 2016, various key research and development projects were formulated to continue to transform towards the gas storage and transportation equipment manufacturing and service areas. Taking the three leading industries, "cylinder, can, station", as the core, the capabilities of independent product research and development as well as technological innovation were further strengthened. Products such as the 35MPa Type III high pressure aluminum liner carbon fiber full-winding compound gas cylinder for hydrogen fuel vehicles, large volume Type III gas cylinder for natural gas vehicles, various kinds of seamless steel gas cylinder and welding cylinder for fire-fighting, large volume LNG gas cylinder for vehicles, LNG tank container, LNG tank for vessels, "coal to gas" gasification station and L-CNG filling station were developed. In the meantime, the Company has systematic solutions and service capabilities for natural gas, hydrogen and industrial gas storage and transportation equipment. In 2016, nearly a hundred tasks in various products' research and development, certification and services were completed.

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 3. 研發投入 研發投入情況表

適用  不適用

Unit: Yuan  
單位：元

本期費用化研發投入	10,773,928.97
本期資本化研發投入	
研發投入合計	10,773,928.97
研發投入總額佔營業收入比例(%)	1.21
公司研發人員的數量	62
研發人員數量佔公司總人數的比例(%)	
研發投入資本化的比重(%)	

##### 情況說明

適用  不適用

報告期內，結合天海公司「十三五」規劃及2016年科技行動計劃制定的各項重點研發項目繼續向氣體儲運裝備製造和服務領域轉型，以「瓶、罐、站」三大主導產業為核心進一步加強產品自主研發及技術創新能力。先後研發出了氫燃料汽車用35MPa高壓III型鋁內膽碳纖維全纏繞複合氣瓶、天然氣汽車用大容積III型氣瓶、各類消防用鋼質無縫氣瓶及焊接瓶、車用大容積LNG氣瓶、LNG罐式集裝箱、船用LNG儲罐、「煤改氣」氣化站、L-CNG加氣站等產品。同時具備天然氣、氫能、工業氣體等儲運裝備的系統化解決方案和服務能力。2016年完成各類產品開發、認證及服務近百餘項。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (i) Analysis of principal business (continued)

##### 4. Cash flows

Applicable  Not Applicable

Item 科目		Current year 本期數	Corresponding period of last year 上年同期數	Change (%) 變動比例 (%)
Cash inflows from operating activities	經營活動現金流入	657,865,810.63	959,857,929.16	-31.46
Cash outflows from operating activities	經營活動現金流出	670,907,634.25	814,203,529.04	-17.60
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-13,041,823.62	145,654,400.12	-108.95
Cash inflows from investing activities	投資活動現金流入	3,000.00	83,300.00	-96.40
Cash outflows from investing activities	投資活動現金流出	23,815,220.42	12,728,838.74	-87.10
Net cash flows generated from investing activities	投資活動產生的現金流量淨額	-23,812,220.42	-12,645,538.74	Not applicable 不適用
Cash inflows from financing activities	籌資活動現金流入	238,332,769.00	508,675,565.00	-53.15
Cash outflows from financing activities	籌資活動現金流出	277,241,784.21	594,405,305.42	-53.36
Net cash flows generated from financing activities	籌資活動產生的現金流量淨額	-38,909,015.21	-85,729,740.42	Not applicable 不適用

Description:

- Net cash flows from operating activities decreased by RMB158.6962 million as compared to the corresponding period of last year, mainly due to the significant decrease in net cash inflows from operating activities during the period, which was much higher than the decrease in cash outflows from operating activities during the period;
- Net cash flows generated from investing activities decreased by RMB11.1667 million as compared to the corresponding period of last year, mainly due to the settlement of the outstanding payment for the LNG industry base project and the investment in Type III cylinders during the period;
- Net cash flows generated from financing activities increased by RMB46.8207 million as compared to the corresponding period of last year, mainly because the net repayment of borrowings made during the period was lower than that during the corresponding period of last year.

#### (ii) Description of material change in profit due to non-principal business

Applicable  Not Applicable

### 二、報告期內主要經營情況(續)

#### (一) 主營業務分析(續)

##### 4. 現金流

適用  不適用

說明：

- 經營活動現金淨額同比減少人民幣15,869.62萬元,主要是本期經營活動現金流入減少幅度遠遠大於經營活動現金流出減少幅度,使本期經營活動現金流量淨額大幅下降;
- 投資活動產生的現金流量淨額同比減少人民幣1,116.67萬元,主要是本期支付LNG產業基地工程尾款以及投資三型瓶所致;
- 籌資活動產生的現金流量淨額同比增加人民幣4,682.07萬元,主要是本期借款的淨償還額小於上年同期所致。

#### (二) 非主營業務導致利潤重大變化的說明

適用  不適用

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (iii) Analysis of assets and liabilities

√ Applicable □ Not Applicable

##### 1. Assets and liabilities

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the previous period	Balance at the end of the previous period over total assets (%)	Change in amount over the previous period (%)	Description
項目名稱	本期末數	本期末數佔總資產的比例(%)	上期末數	上期末數佔總資產的比例(%)	本期末金額較上期末變動比例(%)	情況說明
Monetary funds 貨幣資金	118,829,271.77	6.42	182,276,574.47	8.77	-34.81	Mainly due to the repayment of bank borrowings and loan from the holding company, and the significant decrease in cash inflows from operating activities during the year 主要是由於償還銀行、控股公司借款以及本年經營活動現金流入大幅減少所致
Notes receivable 應收票據	16,314,951.71	0.88	3,228,891.44	0.16	405.28	Mainly due to the decrease in notes endorsed and transferred for goods payment and the increase in notes received during the period 主要是由於本期用於支付貨款背書轉讓的票據減少，收到的票據增加所致
Prepayments 預付款項	36,211,833.81	1.96	19,166,811.68	0.92	88.93	Mainly due to the increase in prepayments as a result of the payment policy of steel suppliers during the period 主要是受鋼材供應商付款政策影響所致，本期預付款增加
Other receivables 其他應收款	4,580,549.80	0.25	1,776,665.84	0.09	157.82	Mainly due to the increase in export tax refund 主要是出口退稅款增加所致
Other current assets 其他流動資產	54,172,565.88	2.93	7,082,519.02	0.34	664.88	Mainly due to the reversal of provision for value-added tax in accordance with the value-added tax accounting treatment rules issued by the Ministry of Finance 主要是根據財政部下發的增值稅會計處理規定，將留抵增值稅轉入所致
Construction in progress 在建工程			8,037,077.84	0.39	-100.00	Mainly due to the transfer of construction in progress to fixed assets upon completion 主要是在建工程項目完工轉固所致
Long-term deferred expenses 長期待攤費用	14,852,487.39	0.80	280,524.60	0.01	5,194.54	Mainly due to the recognition of recycling cylinders as long-term deferred expenses during the period 主要是本期將周轉瓶作為長期待攤費用所致
Notes payable 應付票據	30,000,000.00	1.62				Mainly due to the issuance of bank acceptance bills by the subsidiaries of the Company during the year 主要是子公司本年開具銀行承兌匯票所致
Accounts payable 應付賬款	268,518,401.08	14.52	398,349,980.01	19.17	-32.59	Mainly due to the decrease in procurement volume as a result of the decline in the production of the Company, as well as the Company's adoption of debt restructuring policy to settle goods payment. 主要是公司產品產量下降，採購量降低，另外，公司對供應商採用債務重組政策支付貨款所致。
Advances from customers 預收款項	43,159,742.00	2.33	29,870,362.75	1.44	44.49	Mainly due to the Company's adoption of preferential policies for customers who made advance payment, without adjusting sell price despite the increase in steel price 主要是由於鋼材價格上漲，公司年未調整銷售價格，對提前付款客戶採取優惠政策所致
Taxes payable 應交稅費	4,755,774.34	0.26	-42,085,395.89	-2.03	-111.3	Mainly due to the transfer of provision for value-added tax to other current assets in accordance with the value-added tax accounting treatment rules issued by the Ministry of Finance 主要是根據財政部下發的增值稅會計處理規定，將留抵增值稅轉入其他流動資產所致
Interest payable 應付利息	26,583.33	0.00	74,800.00	0.00	-64.46	Mainly due to the decrease in loans and resulting decrease in interest payable 主要是貸款減少，應付利息減少

Unit: Yuan  
單位：元

### 二、報告期內主要經營情況(續)

#### (三) 資產、負債情況分析

√ 適用 □ 不適用

##### 1. 資產及負債狀況

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (iii) Analysis of assets and liabilities (continued)

Applicable  Not Applicable

##### 1. Assets and liabilities (continued)

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the previous period	Balance at the end of the previous period over total assets (%)	Change in amount over the previous period (%)	Description
項目名稱	本期末數	本期末數佔總資產的比例(%)	上期末數	上期末數佔總資產的比例(%)	本期期末金額較上期期末變動比例(%)	情況說明
Other current liabilities 其他流動負債	279,193.40	0.02				Mainly due to the incorporation of value-added tax for which revenue has been recognised but the relevant obligation to pay value-added tax has not yet occurred and which is required to be recognised as output tax in accordance with the value-added tax accounting treatment rules issued by the Ministry of Finance 主要是根據財政部下發的增值稅會計處理規定，將已確認收入尚未發生增值稅納稅義務而需以後期間確認為銷項稅額的增值稅額並入所致
Other comprehensive income 其他綜合收益	2,390,915.53	0.13	1,068,547.60	0.05	123.75	Mainly due to the change in exchange rate 主要是匯率變化影響所致
Undistributed profit 未分配利潤	-588,661,889.61	-31.82	-439,874,304.42	-21.17	33.83	Mainly due to the increase in loss for the year 主要是本年虧損增加所致

##### 2. Major restricted assets at the end of the Reporting Period

Applicable  Not Applicable

Item	Ending carrying amount	Reasons for restrictions
項目	年末賬面價值	受限原因
Monetary funds 貨幣資金	16,248,660.00	Bill margin, letter of credit 票據保證金、信用證保證金
Fixed assets 固定資產	95,720,999.35	Pledged to secure bank borrowings and bills 為取得銀行借款、票據抵押
Intangible assets 無形資產	17,807,844.08	Pledged to secure bank borrowings and bills 為取得銀行借款、票據抵押

##### 3. Other descriptions

Applicable  Not Applicable

#### (iv) Analysis of industry operation

Applicable  Not Applicable

The principal business of the Company is the manufacturing of gas storage and transportation equipment. For specific industry-related information, please refer to the sections headed "Business Summary of the Company" and "Management Discussion and Analysis" in this year's annual report.

### 二、報告期內主要經營情況(續)

#### (三) 資產、負債情況分析(續)

適用  不適用

##### 1. 資產及負債狀況(續)

##### 2. 截至報告期末主要資產受限情況

適用  不適用

##### 3. 其他說明

適用  不適用

#### (四) 行業經營性信息分析

適用  不適用

公司主營業務為氣體儲運裝備製造，行業相關的具體信息見本年度報告中「公司業務概要」及「經營情況討論與分析」章節內容。



# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (v) Analysis of investments

##### 1. General analysis of external equity investments

Applicable  Not Applicable

During the Reporting Period, the Company had no new external equity investments.

##### (1) Material equity investments

Applicable  Not Applicable

##### (2) Material non-equity investments

Applicable  Not Applicable

##### (3) Financial assets measured at fair value

Applicable  Not Applicable

#### (vi) Material disposal of assets and equity interest

Applicable  Not Applicable

#### (vii) Analysis of major subsidiaries and associates

Applicable  Not Applicable

Company name 公司名稱	Business nature 業務性質	Principal products or services 主要產品或服務	Registered capital 註冊資本	Total assets 總資產	Net assets 淨資產	Net profit 淨利潤
Beijing Tianhai Industry Co. Ltd. 北京天海工業有限公司	Production 生產	Production and sale of gas cylinders accumulator shells, pressure vessels and auxiliary equipment, etc. 生產、銷售氣瓶、蓄能器、壓力容器及配套設備等	US\$61,401,800 6,140.18萬美元	1,846,663,538.40	613,395,422.31	-183,732,615.62
Jingcheng Holding (Hong Kong) Company Limited 京城控股(香港)有限公司	Trading and investment 貿易投資	Import and export trade, investment holding and consultancy services, etc. 進出口貿易、投資控股及顧問服務等	HK\$1,000 1,000港元	160,501,355.89	160,120,941.70	70,806.99

### 二、報告期內主要經營情況(續)

#### (五) 投資狀況分析

##### 1. 對外股權投資總體分析

適用  不適用

報告期內，公司沒有新增對外股權投資。

##### (1) 重大的股權投資

適用  不適用

##### (2) 重大的非股權投資

適用  不適用

##### (3) 以公允價值計量的金融資產

適用  不適用

#### (六) 重大資產和股權出售

適用  不適用

#### (七) 主要控股參股公司分析

適用  不適用

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### II. Principal Operation during the Reporting Period (continued)

#### (viii) Structured entities under the control of the Company

Applicable  Not Applicable

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company

#### (I) Industry structure and trends

Applicable  Not Applicable

##### 1. Competition within the industry

In 2016, China's economic situation has not improved much. The economic growth and recovery in China and most international economies for 2016 were fragile. While the PRC manufacturing industry was struggling and seeking way out amid the difficult and highly uncertain market and policy environment, the consumption of industrial gas, in particular those of large industrial users did not rise but fell. Most of the counterparts in the industrial gas industry and application have shifted their focus from industrial cylinders to other areas. As for natural gas, under the pressure of severe environment pollution, the Chinese government adjusted the target percentage of natural gas consumption specified in China's 13th Five-Year Plan by raising planned natural gas consumption as a percentage of primary energy consumption in the next five years to more than 10%. This was a big good news for the production and sales of natural gas cylinders by the Company.

##### (1) Industrial gas market:

Statistics shows that the air separation unit operating rate in the PRC was 52.88% as at the end of 2016, representing a decrease of 0.34% from previous period. Sampling data shows that 54% enterprises had air separation unit operating rates at medium-and-low-level and low level, representing an increase of 2% from last period, of which the percentage of the enterprises with air separation unit operating rates at medium-and-low-level decreased by 1%, and the percentage of the enterprises with high level of air separation unit operating rates was 27%, remaining flat compared with that of last period. The percentage of the enterprises with high air separation unit operating rates was 19%, representing a decrease of 2% from last period.

##### (2) Natural gas market:

Under the guidance of the government's policy to deepen reform, the development environment for the natural gas industry will experience significant changes. This year was an important year for the implementation of the plan for the 13th Five-Year period (2016 to 2020) and a critical period for China to build a well-off society in an all-round way and realize the Chinese Dream of the great rejuvenation of the Chinese nation. During the special period, energy development will face unprecedented opportunities and challenges, and natural gas plays a very important role in China's energy revolution.

### 二、報告期內主要經營情況(續)

#### (八) 公司控制的結構化主體情況

適用  不適用

### 三、公司關於公司未來發展的討論與分析

#### (一) 行業格局和趨勢

適用  不適用

##### 1、行業競爭格局

2016年全年，國家的經濟狀況並沒有更大的改善，國家和國際多數經濟體2016年的增長和恢復非常脆弱，而在國內製造業在持續艱難和高度不確定的市場和政策環境中掙扎、尋找出路的過程中，2016年工業氣體產品消耗應用，特別是大型工業用戶的氣體消耗應用不升反降。同行企業大部份已將發展重心從工業氣瓶轉至其他方面。天然氣方面，在受到環境污染嚴重的壓力影響下，國家在十三五戰略發展規劃中將天然氣的發展比重進行了調整，在今後的五年中，天然氣在一次能源消費中的比重將提高到10%以上。

##### 第一、工業氣體市場：

據數據監測，截至2016年底國內空分開工率在52.88%，較上期下滑0.34%。抽樣數據顯示，目前空分開工率在中低以及低位水平的企業佔比54%，環比增加2%，其中中低佔比率減少1%；空分開工率高位負荷者佔比27%，環比持平。空分開工率中高負荷者佔比19%，環比減少2%。

##### 第二、天然氣市場：

當前，在國家繼續深化改革的政策指引下，天然氣行業的發展環境將發生顯著變化。今年是「十三五」(2016年—2020年)規劃實施的重要一年，這將是我國全面建成小康社會，實現中華民族偉大復興中國夢的關鍵時期。能源的發展在這個特別的時期裏面臨前所未有的機遇和挑戰，天然氣在我國能源革命中佔據非常重要的地位。

## Section 5 Management Discussion and Analysis

### 第五節 經營情況討論與分析

#### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

##### (I) Industry structure and trends (continued)

###### 1. Competition within the industry (continued)

###### (2) Natural gas market: (continued)

With the mounting pressure on environmental protection, the trend of low carbon energy consumption in the world is becoming more and more obvious. Natural gas will become an important bridge for global energy to transform from high carbon emission to low carbon emission, and its growth rate will be much higher than that of coal and oil. During the 13th Five-Year period, energy structure optimization and environmental pollution control at the national level will become the main driving force of natural gas consumption. In accordance with the Action Plan for Energy Development Strategy (2014-2020) issued by the State Council, by 2020 the percentage of natural gas consumption as a percentage of primary energy consumption will increase to over 10%.

As stated in the Several Opinions of the National Development and Reform Commission on Establishing a Long-term Mechanism to Guarantee the Steady Supply of Natural Gas, by 2020 China's natural gas supply capacity will reach 400 billion cubic metres, and hopefully 420 billion cubic metres. The Action Plan for Energy Development Strategy (2014-2020) further stipulates that by 2020 China's conventional gas production volume will reach 185 billion cubic metres while the production volume of shale gas and coalbed methane are targeting to exceed 30 billion cubic metres and reach 30 billion cubic metres, respectively, and that the government will actively and steadily carry out coal gas demonstration projects.

#### 三、公司關於公司未來發展的討論與分析(續)

##### (一) 行業格局和趨勢(續)

###### 1、行業競爭格局(續)

###### 第二、天然氣市場:(續)

隨著環保壓力的不斷增加，全球能源消費低碳化趨勢日益明顯，天然氣將成為全球能源由高碳向低碳轉變的重要橋梁，發展速度將明顯高於煤炭和石油。「十三五」期間，國家層面的能源結構優化和環境污染治理將成為天然氣消費最主要的推動力，按照國務院《能源發展戰略行動計劃(2014-2020年)》，到2020年天然氣在一次能源消費中的比重將提高到10%以上。

國家發改委《關於建立保障天然氣穩定供應長效機制的若干意見》中提出，到2020年我國天然氣供應能力達到4000億立方米，力爭達到4200億立方米。《能源發展戰略行動計劃(2014-2020年)》進一步提出，到2020年國產常規氣達到1850億立方米，葉岩氣產量力爭超過300億立方米，煤層氣產量力爭達到300億立方米，並積極穩妥地實施煤制氣示範工程。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (I) Industry structure and trends (continued)

##### 1. Competition within the industry (continued)

###### (3) Gas storage and transportation market:

Many private capital, listed companies and upstream raw material manufacturers entered the gas storage and transportation industry in recent years. In particular, with frenzied investments in the natural gas market in the past few years, the competition landscape is deteriorating. China now has 33 CNG cylinder manufacturers with a total annual capacity of over 2 million units and more than 80 LNG cylinder manufacturers with a total annual capacity of nearly 500,000 units. There has been fierce industry competition as the production capacity is much higher than the demand. However, the period of economic downturn is the key period for reshaping industry landscape and for enterprises to take the leading position by improving competitiveness. The industrial gas industry remained depressed and the LNG industry continued its downward trend due to low oil price. However, the LNG industry still has a promising prospect as China faces the pressure for environment protection and treating smog. China's resolution on adjusting energy structure is unwavering. As the plan for natural gas application continued to be implemented, there is sufficient supply of natural gas in the PRC. Non-piped natural gas will further develop, and many private enterprises in several provinces voluntarily invested in the LNG industry. Automobile manufacturers have a growing demand for light vehicles and modular system solutions for spare parts, which is beneficial for the high-end vehicle gas cylinder market.

##### 2. Industry development trend

In 2017, the industrial gas market will grow steadily. Due to many factors such as the restrictions imposed on production and traffic in 2016, the prices of industrial gases experienced wide fluctuations. In particular, the price of liquid argon experienced radical changes in the fourth quarter of 2016. As these temporary factors disappeared, the prices of industrial gases will restore to reasonable levels and their market demand will remain relatively stable. The consumption of industrial gas usually grew at a pace 2 times that of GDP growth, and the expected positive economic situations in the PRC in 2017 is conducive to the healthy development of the industrial gas industry.

As learned from the National Energy Administration on 5 January 2017, the National Development and Reform Commission and the National Energy Administration formally issued the 13th Five-year Plan for Energy Development.

### 三、公司關於公司未來發展的討論與分析(續)

#### (一) 行業格局和趨勢(續)

##### 1、行業競爭格局(續)

###### 第三、氣體儲運市場：

近幾年，不斷有民營資本、上市公司、上游原材料廠家加入氣體儲運行業。特別是天然氣市場在歷經前幾年的瘋狂投資後，競爭態勢在不斷惡化。目前國內CNG氣瓶生產廠達33家，年產能超過200萬支，LNG氣瓶生產企業達80餘家，年產能接近50萬台，產能已遠遠大於需求，行業競爭激烈。但經濟下行時期，是行業格局重塑的關鍵時期，是各企業練好內功，搶佔先機的關鍵時期。工業氣體行業持續低迷，LNG行業受低油價影響繼續下行。但國家因環保霧霾治理壓力，LNG未來發展還是較為樂觀。國家能源結構調整的決心非常堅定，天然氣應用規劃正在不斷推進落實，國內供應能力充足。非管輸天然氣會進一步發展，民營企業自發介入LNG產業的現象已經在多省份抬頭。汽車主機廠對於車輛輕量化，零部件模块化的系統解決方案訴求越來越高，有利於高端車用氣瓶市場。

##### 2、行業發展趨勢

2017年工業氣體市場將穩步上升，因2016年限產限行等諸多因素的影響，工業氣體價格波動較大，特別是液氫，在第四季度整個經歷了一次大起大落。然而隨著這些臨時的影響因素的消失，工業氣體價格依然會恢復合理的價格水平，市場需求量也會相對穩定，工業氣體的增長速度基本上為GDP增長速度的2倍左右。2017年國家的經濟形勢預期較好，這有利於工業氣體行業的健康發展。

2017年1月5日國家發展改革委、國家能源局正式發佈《能源發展「十三五」規劃》。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (I) Industry structure and trends (continued)

##### 2. Industry development trend (continued)

The Plan proposed that by 2020 total energy consumption be controlled at less than 5 billion tons of standard coal, in line with the Outline of the National Economic and Social Development Plan. As for annual average growth rate, total energy consumption during the 13th Five-Year Period is expected to grow at an average annual rate of 2.5%, 1.1 percentage points lower than that during the 12th Five-Year Period and in line the new trend of energy consumption under the new norm. As for energy intensity, energy consumption per unit of GDP during the 13th Five-Year Period is scheduled to decrease by more than 15%, which can meet the limiting requirement stated in the Outline. In order to ensure energy safety and cope with possible fast growth of energy demand and likely tight supply in certain areas, the Outline proposed the relevant countermeasures to leave a certain leeway and flexibility in protecting energy safety and supply, mainly by way of improving the utilisation rate of the existing generation units, the cross-region transport capability and the ability to secure supply with mutual support to ensure sufficient and steady supply of energy.

The Outline proposed that during the 13th Five-Year Period the percentage of non-fossil energy consumption shall increase to more than 15%; the percentage of natural gas consumption shall increase to 10%; and the percentage of coal consumption shall be lowered to below 58%. As calculated in accordance with the relevant planned indicators, the growth of non-fossil energy and natural gas will be more than three times that of coal and account for over 68% of the additional total energy consumption. It can be said that the low carbon clean energy will account for the majority of additional energy supply during the 13th Five-Year Period.

As such, China attaches much greater importance to natural gas development in the 13th Five-Year Plan, which indicated that natural gas industry and its upstream and downstream industries will receive policy support and realize healthy development.

#### (ii) Development strategies of the Company

✓ Applicable    □ Not Applicable

Strategic positioning: To build the world's leading gas storage and transportation equipment manufacturing and service enterprise

Overall strategic thinking:

- (1) Change of the concept of development, from the expansion of scale to the pursuit of quality and performance.
- (2) Transformation from a standalone cylinder manufacture to a system solution provider and service provider.
- (3) Research and development of high-end products, and upgrade of the existing products by leveraging the Internet of Things and Internet+ technologies to improve the competitiveness of future products.
- (4) Revitalization of land and property resources to promote the transformation and upgrade of the Company.

### 三、公司關於公司未來發展的討論與分析(續)

#### (一) 行業格局和趨勢(續)

##### 2、行業發展趨勢(續)

《規劃》提出「到2020年把能源消費總量控制在50億噸標準煤以內」，與國民經濟和社會發展規劃《綱要》保持一致。從年均增速看，「十三五」能源消費總量年均增長2.5%左右，比「十二五」低1.1個百分點，符合新常態下能源消費變化新趨勢。從能源強度看，按照規劃目標測算，「十三五」期間單位GDP能耗下降15%以上，可以完成《綱要》提出的約束性要求。為確保能源安全，應對能源需求可能回升較快和局部地區可能出現的供應緊張局面，《規劃》考慮了相關對策，給保障能源安全供應留有了有一定餘地和彈性，主要是通過提高現有發電機組利用率、提升跨區調運和協同互濟保供能力等措施，確保能源充足穩定供應。

《規劃》提出，「十三五」時期非化石能源消費比重提高到15%以上，天然氣消費比重力爭達到10%，煤炭消費比重降低到58%以下。按照規劃相關指標推算，非化石能源和天然氣消費增量是煤炭增量的3倍多，約佔能源消費總量增量的68%以上。可以說，清潔低碳能源將是「十三五」期間能源供應增量的主體。

由此可見，國家對天然氣發展的重視程度，在十三五的規劃中有了明顯的加強，這標誌著天然氣行業以及其上下游行業均將得到政策的支持，健康發展是必然的結果。

#### (二) 公司發展戰略

✓ 適用    □ 不適用

戰略定位：打造全球領先的氣體儲運裝備製造和服務企業

總體戰略思路：

- (1) 轉變發展理念，由規模擴張型向質量效益型轉變。
- (2) 由單一氣瓶製造商向系統解決方案提供商和服務商轉變。
- (3) 研發高端產品，通過物聯網和互聯網+技術的應用，對現有產品進行升級，提升未來產品競爭力。
- (4) 盤活土地房產資源，促進公司轉型升級。



# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (iii) Operating plan

Applicable  Not Applicable

2017 is an important year for the Company to implement the “13th Five-Year” strategies. Firstly, for principal business, the Company will continue to strengthen the traditional product market, maintain its leading edge in product technology, improve product quality and enhance profitability; adjust the spatial layout, revitalize enterprises’ production capacity, enhance the level of intelligent manufacturing and do upstream and downstream expansion within the industry; highlight key business and key products, and go all out to develop domestic and overseas sales markets; enlarge the effort in and expenditure on technological innovation, enhance the technological content and added value of products and accelerate the application of results of scientific and technological innovation. Secondly, for reasonable use of land resources, the Company will promote the revitalization and development of land resources, which can benefit the sustainable development of enterprises.

#### (iv) Potential risks

Applicable  Not Applicable

##### (1) Risks from the constant expansion of production capacity in the industry to the operating results

Due to the optimism for domestic natural gas markets, large investment companies set up factories to produce the natural gas storage and transportation equipment, and existing factories continued to expand the production scale, creating serious excess production capacity and competition in the industry. According to industry association statistics, in the PRC, currently there are over 80 enterprises with LNG cylinder production qualifications with total annual capacity of nearly 500,000 units, and more than 30 CNG cylinder manufacturers with total annual capacity of over 2 million units. The production capacity is far greater than demand, resulting in fierce competition. As such, the Company will face strong pressure in its operation in 2017.

##### (2) Risk relating to the decrease in oil price and the “gas-to-electricity” policy affecting product profitability

Due to continuous significant decrease in fuel oil price in the PRC and failure to adjust the PRC natural gas price in a timely manner, the economic advantages of natural gas vehicles are no longer obvious. In addition, as the PRC economy entered the new normal and its economic growth slowed down, the growth of automobiles also slowed down, resulting in the decrease in the demand for operating vehicles. Furthermore, the government strongly promoted new energy buses by providing large subsidies and administrative measures, the “gas-to-electricity” policy was adopted in certain areas, leading to the decline in the procurement volume of natural gas buses. With the substantial decrease in the sales volume of natural gas for vehicles, the sales of vehicle natural gas cylinders were also adversely affected.

### 三、公司關於公司未來發展的討論與分析(續)

#### (三) 經營計劃

適用  不適用

2017年是公司實施「十三五」戰略的重要一年。一、主營業務方面：公司將繼續鞏固傳統產品市場，保持產品技術領先優勢、提升產品質量、提高盈利能力；調整空間佈局、盤活企業產能，提升智能製造水平，並向產業上下游延伸拓展；突出關鍵業務和關鍵產品，全力開拓國內外銷售市場；加大技術創新力度和投入，提升產品科技內涵及附加值，加快科技創新成果轉化。二、土地資源的合理利用方面：推進土地資源的盤活與開發，助力企業可持續發展。

#### (四) 可能面對的風險

適用  不適用

##### (1) 行業產能持續擴大給經營成果帶來的風險

由於看好國內天然氣市場，大的投資公司紛紛圈地建廠生產天然氣儲運裝備，而原有生產廠家也不斷擴大生產規模，使行業產能嚴重過剩，行業競爭日趨激烈。根據行業協會的統計，目前國內有LNG氣瓶生產資質的企業達80餘家，年產能接近50萬台，CNG氣瓶生產企業30餘家，年產能超過200萬支。產能已遠遠大於需求，行業競爭激烈，因此2017年公司經營面臨較大壓力。

##### (2) 油價下跌及「以電代氣」政策對產品的盈利帶來的風險

受國內燃油價格連續大幅度下跌、國內天然氣氣價未能及時調整影響，天然氣汽車經濟優勢已經不再明顯。另外，國家經濟進入新常態、經濟發展減速，汽車增速減緩，營運車輛的需求減少。再加上國家採取高額補貼和行政措施強力推廣新能源公交車，致使部份地區「以電代氣」，使天然氣公交車等車輛採購量下降。車用天然氣的銷售量增長幅度大幅下降，隨之的車用天然氣氣瓶的銷售也非常受影響。



# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (v) Others

Applicable  Not Applicable

Analysis of financial position and operating results of the Company during the Reporting Period

#### 1. Analysis of operating results

During the Reporting Period, total profit of the Company increased by RMB111.8716 million over the same period last year. Operating income decreased by 17.38% over the same period last year; operating cost decreased by 22.05% over the same period last year; and operating profit increased by RMB100.3125 million year-on-year.

Increase in product profitability: On one hand, as the market gradually recovered, the increase in material prices had led to the increase in the sale price of finished goods. On the other hand, the Company implemented strict control over the procurement of materials and mainly consumed inventory in the year. As a result, production cost was less affected by the increase in the price of raw materials in the second half of the year. Further, the Company lowered labour cost and increased its efficiency through downsizing, thus its hourly rated decreased.

During the Reporting Period, expenses decreased by RMB35.8512 million over the same period last year, mainly due to the decrease in sales revenue and selling expenses directly related to sales revenue in the year, such as: the significant decrease in expenses including transportation cost, warehousing and storage fees and travel expenses. The decrease in administrative expense on one hand, was a result of the pilot implementation of the conversion of business tax to value-added tax, the relevant taxes previously recognised as administrative expense, including property tax, land use tax, travel tax, stamp tax and other related taxes, are included in taxes and surcharges, which resulted in the decrease in administrative expense of RMB8.2982 million. Moreover, the Company conducted strict performance appraisal, and management's remuneration included in administrative expense during the period decreased by RMB8.4314 million year-on-year.

### 三、公司關於公司未來發展的討論與分析(續)

#### (五) 其他

適用  不適用

報告期內公司財務狀況經營成果分析

#### 1、經營成果分析

本報告期公司利潤總額比上年同期增加人民幣11,187.16萬元。營業收入比上年同期減少17.38%，營業成本比上年同期減少22.05%，營業利潤同比增加人民幣10,031.25萬元。

產品盈利能力的上升：一方面市場逐步回暖，材料價格上漲帶動終極產品的售價有所上升。另一方面本年公司嚴格控制新增材料採購，以消化庫存為主，生產成本受今年下半年原材料價格上漲影響較小，同時公司通過減員增效，降低了人工成本，使得工時費率下降。

本報告期期間費用較上年同期減少人民幣3,585.12萬元，主要是由於本年度銷售收入下降，與銷售業務量直接相關的銷售費用減少，如：運輸費、倉儲保管費、差旅費等費用大幅降低；管理費用減少：一方面受政策影響，試行營改增後，將在管理費用中核算的房產稅、土地使用稅、車船使用稅、印花稅等相關稅費調整到稅金及附加核算，該因素影響減少管理費用人民幣829.82萬元；另外，公司嚴格績效考核，本期在管理費用中列支的管理人員薪酬同比下降人民幣843.14萬元。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (v) Others (continued)

##### 1. Analysis of operating results (continued)

During the Reporting Period, impairment loss on assets decreased by RMB24.1988 million over the same period last year, because 1. provision for inventory impairment loss decreased; As the market picked up, product prices have risen. In addition, the Company lowered hourly rate and increased its efficiency through downsizing, and mainly consumed raw material inventory. As such, it was less affected by the increase in the prices of raw materials in the second half of the year. As a result, the difference between the net realisable value of inventory and inventory cost narrowed, and the provision for inventory impairment loss made during the year was lower than that of last year. 2. Provision for impairment of fixed assets: During the year, certain subsidiaries of the Company valued their fixed assets for which there is evidence of impairment. According to the valuation results, provision for impairment of RMB37.73 million was made for certain machinery and electrical equipment. 3. During the year, following impairment testing of goodwill arising from merger of corporations not under common control, provision for impairment of RMB2.88 million was made.

Investment income increased by RMB5.2560 million during the Reporting Period, mainly due to the substantial improvement in the profitability of Shandong Tianhai High Pressure Containers Co., Ltd., a joint venture of the Company.

Non-operating income increased by RMB9.7560 million during the Reporting Period, mainly due to the receipt of government subsidies including the subsidy received under the Policy of Tianjin Port Free Trade Zone for Facilitating Enterprises Affected by 12 August Incident to Conduct Self-help and Resume Production, and the subsidies from National Development and Reform Commission of Chaoyang District of Beijing in 2015 for adjustment and exit of the second batch of pollution enterprises enterprises. In addition, the Company adopted debt restructuring policy for suppliers to settle goods payment, which increased the gain on debt restructuring and, accordingly, non-operating income.

##### 2. Analysis of assets, liabilities and shareholders' equity

Total assets and total liabilities as at the end of the Reporting Period both decreased as compared to the beginning of the year.

As at the end of the Reporting Period, total assets were RMB1,849.9089 million, representing a decrease of 10.95% as compared with the beginning of the year, of which: monetary funds decreased by 34.81%, accounts receivable decreased by 21.26%, inventories decreased by 18.84%, fixed assets decreased by 12.33%, construction in progress decreased by 100%, and long-term equity investment increased by 9.98%.

Total liabilities were RMB878.0236 million, representing a decrease of 5.34% as compared with the beginning of the year, of which short-term borrowings decreased by 7.7% and accounts payable decreased by 32.59%.

### 三、公司關於公司未來發展的討論與分析(續)

#### (五) 其他(續)

##### 1、經營成果分析(續)

報告期資產減值損失較上年同期減少人民幣2,419.88萬元，1、存貨跌價損失計提減少：市場回暖，產品售價有所上漲，同時公司通過減員增效，降低了工時費率，原材料以消化庫存為主，受今年下半年原材料價格上漲影響較小。使得存貨可變現淨值與庫存成本差距縮小，計提存貨跌價準備小於去年。2、固定資產減值準備：本年本公司下屬公司對存在減值跡象的固定資產進行評估，根據評估結果，對部份機器設備和電氣設備計提減值準備人民幣3,773萬元。3、本年對非同一控制下企業合併形成的商譽進行減值測試計提減值準備人民幣288萬元。

本報告期投資收益增加人民幣525.60萬元，主要是合營公司一山東天海高壓容器有限公司盈利能力大幅上升等因素影響增加。

本報告期營業外收入增加人民幣975.60萬元，主要是本年收到《天津港保稅區關於促進8.12受災企業開展生產自救全力恢復生產支持政策》、北京市朝陽區發改委2015年第二批污染企業調整退出補助金等政府補貼；另外，公司對供應商採用債務重組政策支付貨款，增加債務重組利得等因素影響營業外收入增加。

##### 2、資產、負債及股東權益分析

本報告期末總資產、總負債較年初均有所減少。

本報告期末資產總額人民幣184,990.89萬元，比年初減少10.95%，其中：貨幣資金減少34.81%、應收賬款減少21.26%、存貨減少18.84%、固定資產減少12.33%，在建工程減少100%，長期股權投資增加9.98%。

負債總額人民幣87,802.36萬元，比年初減少5.34%，其中短期借款減少7.7%，應付賬款減少32.59%。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (v) Others (continued)

##### 2. Analysis of assets, liabilities and shareholders' equity (continued)

Total shareholders' equity amounted to RMB971,885.3 million, representing a decrease of RMB178,088.2 million or 15.49% as compared with the beginning of the year, mainly due to net loss for the year of RMB180,657.9 million.

##### 3. Analysis of financial position

By implementing its prudent financial policies, the Company established a strict risk control system for investment, financing and cash management to maintain a sound capital structure and solid financing channels. The Company kept its loan scale under strict control such that it can satisfy the capital need of operating activities while minimizing its finance cost and preventing against financial risks in a timely manner by fully utilizing financial instruments, for purposes of achieving sustainable development of the Company and maximizing its shareholders' value.

##### Liquidity and capital structure

(1) Gearing ratio	(1) 資產負債率
(2) Quick ratio	(2) 速動比率
(3) Current ratio	(3) 流動比率

##### 4. Bank loans

The Company seriously implemented its annual capital budget plan in accordance with the market conditions and requirement of customers to control the bank loan scale strictly. The Company fully utilized financial tools to timely reduce finance cost and prevent against financial risks. In so doing, the Company improved the profit of the Company and shareholders while satisfying the capital need of operating activities. As at the end of the Reporting Period, the Company had short-term loan amounting to RMB190 million, representing a decrease of 7.7% as compared with the beginning of the year. Long-term loan was nil.

##### 5. Foreign exchange risk management

The Company held a relatively small amount of deposits in foreign currencies. In addition to the payment of dividends of H shares and fees payable to the Hong Kong Stock Exchange and paper for information disclosure, the partial export and import business of the Company is settled in US dollars and Jingcheng Hong Kong and Tianhai America adopt US dollars as their recording currency. Therefore, the Company is exposed to the foreign exchange risk arising from the fluctuation of exchange rate between RMB and US dollars. The Company actively adopted such measures to reduce the foreign exchange risk.

### 三、公司關於公司未來發展的討論與分析(續)

#### (五) 其他(續)

##### 2、資產、負債及股東權益分析(續)

股東權益總額人民幣97,188.53萬元，比年初減少人民幣17,808.82萬元，降低15.49%，主要是本年淨利潤虧損人民幣18,065.79萬元所導致。

##### 3、財務狀況分析

公司實施謹慎的財務政策，對投資、融資及現金管理等建立了嚴格的風險控制體系，一貫保持穩健的資本結構和良好的融資渠道，公司嚴格控制貸款規模，在滿足公司經營活動資金需求的同时，充份利用金融工具及時努力減少財務費用和防範財務風險，以實現公司持續發展和股東價值的最大化。

##### 流動性和資本結構

	2016 2016年	2015 2015年
(1) Gearing ratio	47.46%	44.65%
(2) Quick ratio	60.19%	61.44%
(3) Current ratio	103.05%	110.76%

##### 4、銀行借款

公司認真執行年度資金收支預算並依據市場環境變化和客戶要求，嚴格控制銀行貸款規模。在滿足公司經營活動資金需求的同时充份利用金融工具及時努力減少財務費用和防範財務風險，提高公司及股東收益。報告期末，公司短期借款19,000萬元，比年初減少7.7%。長期借款為零。

##### 5、外匯風險管理

本公司外匯存款金額較小，除支付H股股息、香港聯交所及報刊信息披露等費用外，還有部份出口及進口業務以美元結算，京城香港和天海美洲公司採用美元作為記賬本位幣。因此可能面臨美元與人民幣匯率變動引起的外匯風險，公司積極採取措施，降低外匯風險。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (v) Others (continued)

##### 5. Foreign exchange risk management (continued)

*Principal Sources of Fund and Its Use*

###### 1. Cash flows from operating activities

The Company's cash inflows during the Reporting Period are mainly derived from the income of product sales. Cash outflow was mainly related to the production and operating activities. The Company's cash inflows from operating activities during the Reporting Period amounted to RMB657.8658 million, while cash outflow amounted to RMB670.9076 million. Net cash flow during the Reporting Period from operating activities amounted to RMB-13.0418 million.

###### 2. Cash flows from investment activities

Cash inflows from investment activities during the Reporting Period amounted to RMB3 thousand while cash outflows from investment activities amounted to RMB23.8152 million which was mainly used for capital expense on the purchase of fixed assets. Net cash flows from investment activities during the Reporting Period amounted to RMB-23.8122 million.

###### 3. Cash flows from financing activities

Cash inflows from financing activities during the Reporting Period amounted to RMB238.3328 million, which was mainly derived from bank loans. Cash outflows from financing activities during the Reporting Period amounted to RMB277.2418 million, which was mainly due to the repayment of bank loans and borrowings from banks and Jingcheng Holding and interest. Net cash flow from financing activities for the Reporting Period amounted to RMB-38.909 million.

In 2016, net cash flows from operating activities decreased by RMB158.6962 million as compared to the corresponding period of last year, mainly due to the significant decrease in net cash flows from operating activities during the period, as the decrease in cash inflows from operating activities was much higher than the decrease in cash outflows from operating activities during the period. Net cash flows generated from investing activities decreased by RMB11.1667 million as compared to the corresponding period of last year, mainly due to the settlement of the outstanding payment for the LNG industry base project and the investment in Type III cylinders during the period. Net cash flows generated from financing activities increased by RMB46.8207 million as compared to the corresponding period of last year, mainly because the net repayment of borrowings made during the year was lower than that during the corresponding period of last year.

During the Reporting Period, the Company mainly financed its operations through internally generated cash flows, bank loans, etc.

### 三、公司關於公司未來發展的討論與分析(續)

#### (五) 其他(續)

##### 5、外匯風險管理(續)

*資金主要來源和運用*

###### 1、經營活動現金流量

報告期公司經營活動產生的現金流入主要來源於銷售商品業務收入，現金流出主要用於生產經營活動有關的支出。報告期經營活動產生的現金流入人民幣65,786.58萬元，現金流出人民幣67,090.76萬元，報告期經營活動產生的現金流量淨額-1,304.18萬元。

###### 2、投資活動現金流量

報告期公司投資活動產生的現金流入人民幣0.30萬元，投資活動支出的現金人民幣2,381.52萬元，主要用於購建固定資產等資金支出。報告期投資活動產生的現金流量淨額為人民幣-2,381.22萬元。

###### 3、籌資活動現金流量

報告期籌資活動現金流入人民幣23,833.28萬元，主要來源於銀行借款，報告期籌資活動現金流出人民幣27,724.18萬元，主要是用於歸還銀行及京城控股借款及借款利息的支付，報告期籌資活動現金流量淨額人民幣-3,890.90萬元。

2016年經營活動產生的現金流量淨額比上年同期減少人民幣15,869.62萬元，主要是本期經營活動現金流入減少幅度遠遠大於經營活動現金流出減少幅度，使本期經營活動現金流量淨額大幅下降。投資產生的現金流量淨額同比減少人民幣1,116.67萬元，主要是本期支付LNG產業基地工程尾款以及投資三型瓶所致。籌資活動產生的現金流量淨額比上年同期增加人民幣4,682.07萬元，主要是本年借款的淨償還額小於上年同期。

報告期內，本公司主要通過內部產生的現金流、銀行貸款等籌集營運所需資金。

# Section 5 Management Discussion and Analysis

## 第五節 經營情況討論與分析

### III. Discussion and Analysis of the Company Concerning the Future Development of the Company (continued)

#### (v) Others (continued)

##### 5. Foreign exchange risk management (continued)

###### Capital Structure

The Company's capital structure consists of shareholders' equity and liabilities during the Reporting Period. Shareholders' equity amounted to RMB971.8853 million, of which minority interests amounted to RMB406.6875 million, and total liabilities amounted to RMB878.0236 million. Total assets amounted to RMB1,849.9089 million. As at the end of the year, the Company's gearing ratio was 47.46%.

###### Capital structure by liquidity

Total current liabilities 流動負債合計	RMB739,830,500 人民幣 739,830,500 元	Percentage of assets 佔資產比重	39.99%
Total shareholders' equity 股東權益合計	RMB971,885,300 人民幣 971,885,300 元	Percentage of assets 佔資產比重	52.54%
Of which: minority interest 其中：少數股東權益	RMB406,687,500 人民幣 406,687,500 元	Percentage of assets 佔資產比重	21.98%

###### Contingent Liabilities

As at the end of the Reporting Period, the Company did not have any significant contingent liabilities.

###### Details of the Group's charge on assets

Item 項目	Book value at the end of year 年末賬面價值	Reason for restriction 受限原因
Monetary funds 貨幣資目	16,248,660.00	Bill margin, letter of credit 票據保證金，信用證保證金
Fixed assets 固定資產	95,720,999.35	Pledged to secure bank borrowings and bills 為取得銀行借款、票據抵押
Intangible assets 無形資產	17,807,844.08	Pledged to secure bank borrowings and bills 為取得銀行借款、票據抵押

### IV. Description of and explanations for disclosure not in compliance with standards due to standards not applicable or special reasons including state or business secrets

Applicable  Not Applicable

### V. Material acquisition and disposal of subsidiaries and affiliated companies

During the Reporting Period, the Company did not have any material acquisition or disposal of subsidiaries or affiliated companies.

### 三、公司關於公司未來發展的討論與分析(續)

#### (五) 其他(續)

##### 5、外匯風險管理(續)

###### 資本結構

報告期公司資本結構由股東權益和債務構成。股東權益人民幣97,188.53萬元，其中，少數股東權益人民幣40,668.75萬元；負債總額人民幣87,802.36萬元。資產總額人民幣184,990.89萬元，期末資產負債率47.46%。

###### 按流動性劃分資本結構

Percentage of assets 佔資產比重	39.99%
Percentage of assets 佔資產比重	52.54%
Percentage of assets 佔資產比重	21.98%

###### 或有負債

報告期末公司沒有重大或有負債。

###### 集團資產押記詳情

### 四、公司因不適用準則規定或國家秘密、商業秘密等特殊原因，未按準則披露的情況和原因說明

適用  不適用

### 五、重大收購及出售附屬公司及聯屬公司

報告期內，公司並無進行任何附屬公司及聯屬公司之重大收購及出售。



## I. Details of Board meetings and resolutions

During the Reporting Period, a total of 12 board meetings were convened and the details of the meetings and resolutions were as follows:

- (1) The 14th extraordinary meeting of the eighth session of the Board was held on 4 January 2016, at which the resolution on the amendment to the terms of reference for the audit committee of the Board was considered and passed.
- (2) The 15th extraordinary meeting of the eighth session of the Board was held on 26 January 2016, at which the resolution in relation to Beijing Tianhai waiving its right of first refusal under the Capital Increase Agreement of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd and connected transactions were considered and passed.
- (3) The 16th extraordinary meeting of the eighth session of the Board was held on 3 February 2016, at which the resolution in relation to the issue of shares and payment of cash in consideration of asset purchase and fund raising in compliance with the requirements as stipulated in relevant laws and regulations, the resolution in relation to the issue of shares and payment of cash in consideration of asset purchase and fund raising to specific targets whom satisfied the conditions, the resolution in relation to the issue of shares and payment of cash in consideration of asset purchase and fund raising of the Company constitute connected transaction, the resolution on the entering into of "the Agreement of the Issuance of Shares and Purchase of Assets between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited" and "the Conditional Non-Public Offering Share Subscription Agreement between Beijing Jingcheng Machinery Electric Holding Co. and Beijing Jingcheng Machinery Electric Company Limited", the resolution in relation to the issue of shares and payment of cash to purchase assets and related fund raising and connected transaction proposal, the resolution in relation to the compliance of this asset reorganization with the requirement of Article 4 of the Regulation in relation to Certain Issues of Material Asset Reorganization of Listed Companies, the resolution in relation to the compliance of the Transaction with the requirement of Article 43 of the Measures on the Administration of Material Asset Restructuring of Listed Companies, the resolution in relation to the completeness and compliance of legal procedures performed and the validity of legal documents submitted for the Transaction, the resolution in relation to the Transaction constitute a material asset reorganization but not constitute backdoor listing, the resolution in relation to whether the share price fluctuation of the Company reached the relevant standard under Article 5 of "notice of standardization of information disclosure of listed companies and act of each relevant party", the resolution in relation to the authorization of the Board at the general meeting to deal with matters related to the share issue and purchase of assets for fund raising, and the resolution in relation to not convening general meeting after this board meeting were considered and passed.

## 一、董事會會議情況及決議內容

報告期公司董事會共召開12次會議，會議情況及決議內容如下：

- (一) 第八屆董事會十四次臨時會議於2016年1月4日召開，審議通過審議修訂董事會審計委員會職權範圍的議案。
- (二) 第八屆董事會第十五次臨時會議於2016年1月26日召開，審議通過北京天海放棄其北京明暉天海氣體儲運裝備銷售有限公司之增資協議項下之優先購買權及關聯交易的議案。
- (三) 第八屆董事會第十六次臨時會議於2016年2月3日召開，審議通過審議《關於本次發行股份及支付現金購買資產並募集配套資金符合相關法律、法規規定的議案》；審議《關於向符合條件的特定對象發行股份及支付現金購買資產並募集配套資金方案的議案》；審議《關於公司本次發行股份及支付現金購買資產並募集配套資金構成關聯交易的議案》；審議《關於公司簽署〈北京京城機電股份有限公司與北京京城機電股份有限公司之發行股份購買資產協議〉、〈北京京城機電股份有限公司與北京京城機電股份有限公司與北京京城機電股份有限公司之附條件生效的非公開發行股份認購協議〉的議案》；審議《關於公司〈發行股份及支付現金購買資產並募集配套資金暨關聯交易預案〉的議案》；審議《關於本次資產重組符合〈關於規範上市公司重大資產重組若干問題的規定〉第四條規定的議案》；審議《關於本次交易符合〈上市公司重大資產重組管理辦法〉第四十三條規定的議案》；審議《關於本次交易履行法定程序完備性、合規性及提交法律文件的有效性的議案》；審議《關於公司本次交易構成重大資產重組及不構成借殼上市的議案》；審議《關於公司股票價格波動是否達到〈關於規範上市公司信息披露及相關各方行為的通知〉第五條相關標準的議案》；審議《關於提請股東大會授權董事會全權辦理本次發行股份及支付現金購買資產並募集配套資金相關事宜的議案》；審議《關於本次董事會後暫不召集股東大會的議案》。



# Section 6 Report of the Directors

## 第六節 董事會報告

### I. Details of Board meetings and resolutions (continued)

- (4) The seventh meeting of the eighth session of the Board was held on 14 March 2016, at which the 2015 Annual Report of the Company and its summary, the 2015 Annual Work Report of the Board, the 2015 audited financial report of the Company, details of which are set out in the Annual Report, the 2015 Self Assessment Report on the Company's internal control, details of which are set out in the Annual Report, the 2015 Internal Control Audit Report of the Company, details of which are set out in the Annual Report, the 2015 Social Responsibility Report of the Company, details of which are set out in the Annual Report, the resolution on the report of the independent non-executive Directors for the year 2015, the resolution on the performance of functions by the Audit Committee for 2015, the resolution on the payment for the audit fee for 2015 to ShineWing Certified Public Accountants LLP (hereinafter "ShineWing"), the resolution on the payment for the audit fee for 2015 to Shu Lun Pan Certified Public Accountants LLP (hereinafter "Shu Lun Pan") were considered and passed; the reappointment of ShineWing as the audit organization for the 2016 financial report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment with ShineWing and determine its remuneration at the annual general meeting was proposed; the reappointment of Shu Lun Pan as the audit organization for the 2016 internal control report of the Company was considered and approved, and the authorization of the Board to enter into letter of appointment with Shu Lun Pan and determine its remuneration at the annual general meeting was proposed; the 2015 proposal of the Company not to distribute profit, the resolution on provision for impairment of the Company for the year 2015, the 2016 Audit Plan of the Company, the 2016 Internal Control Plan of the Company, the 2016 Business Plan of the Company, the 2016 Research and Development Plan of the Company, the 2016 Budget Report of the Company, the 2016 Financing Guarantee Plan of the Company and the resolution on the result of remuneration and performance assessment for the senior management of the Company in 2015 were considered and passed; the resolution regarding the convening of the 2015 annual general meeting of the Company on Thursday, 16 June 2016 was considered and approved.
- (5) The 17th extraordinary meeting of the eighth session of the Board was held on 29 March 2016, at which the resolution in relation to providing bridging loan of RMB50 million to Beijing Tianhai by Jingcheng Holding, was considered and passed.
- (6) The eighth meeting of the eighth session of the Board was held on 29 April 2016, at which the 2016 First Quarterly Report of the Company, the resolution in relation to the amendment of "Management Measures on remuneration and performance assessment for the Senior Management" by the Company, the resolution in relation to the annual basic salary and position coefficient of the senior management staff of the Company for the year 2016, and the resolution in relation to the "Performance Assessment Contract for the Senior Management" of the Company for the year 2016 were considered and passed.

### 一、董事會會議情況及決議內容(續)

- (四) 第八屆董事會第七次會議於2016年3月14日召開，審議通過公司2015年年度報告全文及摘要；公司2015年度董事會工作報告；公司2015年度經審計的財務報告，詳細內容見年報全文；公司2015年度內部控制的自我評價報告，詳細內容見年報全文；公司2015年度內部控制審計報告，詳細內容見年報全文；公司2015年度社會責任報告，詳細內容見年報全文；公司獨立非執行董事2015年度述職報告的議案；審計委員會2015年年度履職情況的議案；支付信永中和會計師事務所(特殊普通合夥)(以下簡稱「信永中和」)2015年度審計費用的議案；支付立信會計師事務所(特殊普通合夥)(以下簡稱「立信」)2015年度審計費用的議案；續聘信永中和為公司2016年度財務報告的審計機構，並提請股東周年大會授權董事會負責與其簽署聘任協議以及決定其酬金事項；續聘立信為公司2016年度內部控制報告的審計機構，並提請股東周年大會授權董事會負責與其簽署聘任協議以及決定其酬金事項；公司2015年度不進行利潤分配的預案；公司2015年度計提減值準備的議案；公司2016年度審計計劃；公司2016年度內部控制方案；公司2016年度經營計劃；公司2016年研發計劃；公司2016年度預算報告；公司2016年度融資擔保計劃；公司2015年度高級管理人員薪酬與績效考核結果的議案；公司將於2016年6月16日(星期四)召開2015年度股東周年大會的議案。
- (五) 第八屆董事會第十七次臨時會議於2016年3月29日召開，審議通過控股股東北京京城機電控股有限責任公司向公司子公司北京天海工業有限公司提供過橋貸款人民幣5000萬元(伍仟萬元整)的議案。
- (六) 第八屆董事會第八次會議於2016年4月29日召開，審議通過公司2016年第一季度報告；審議通過公司修訂《高級管理人員薪酬與績效考核管理辦法》的議案；審議通過公司高級管理人員2016標準年薪及崗位系數的議案；公司2016年度《高級管理人員績效考核業績合同》。

## Section 6 Report of the Directors

### 第六節 董事會報告

#### I. Details of Board meetings and resolutions (continued)

- (7) The 18th extraordinary meeting of the eighth session of the Board was held on 2 June 2016, at which resolution on change of director and chairman of Beijing Tianhai and the resolution on the change of director and chairman of Jingcheng Holding (Hong Kong) Company Limited, a subsidiary of the Company, were considered and passed.
- (8) The 19th extraordinary meeting of the eighth session of the Board was held on 30 June 2016, at which the resolution in relation to the termination of the assets reorganisation and the resolution in relation to entering into termination agreement for the purchase of assets by share issuance and payment in cash by Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd., and termination agreement for the conditional share subscription agreement of Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. were considered and passed.
- (9) The ninth meeting of the eighth session of the Board was held on 11 August 2016, at which the 2016 Interim Report of the Company and its summary, the resolution on provision for impairment of the Company for the first half of 2016, the resolution on the 2016 finance budget of BTIC America Corporation, a subsidiary of Beijing Tianhai, and the resolution on the financial assistance provided by the Company to Beijing Tianhai were considered and passed.
- (10) The tenth meeting of the eighth session of the Board was held on 28 October 2016, at which the 2016 Third Quarterly Report of the Company, the resolution on the amendment of the "Rules of Procedure of the General Meeting of Shareholders", the resolution on the amendment of the "Fund Raising Management Measures", the resolution on the amendment of the "Working System of Annual Report for Independent Directors" and the "Annual Report Procedures of the Audit Committee of the Board" and the resolution on the implementation of the "Assets Disposal Management System" were considered and passed.
- (11) The 20th extraordinary meeting of the eighth session of the Board was held on 18 November 2016, at which the resolution on the appointment of the secretary of the Board of the Company, the resolution on the change of authorized representative of the Company in Hong Kong, the resolution on the change of the heads of the Secretariat of the Strategic Committee, Secretariat of the Audit Committee, Secretariat of the Remuneration and Monitoring Committee of the Board, the resolution on providing bridging loan of RMB45 million to Beijing Tianhai by Jingcheng Holding, the resolution in relation to the provision of RMB290 million to Beijing Tianhai, as working capital, and the resolution on loan secured by properties and land of Tianjin Tianhai High Pressure Co., Ltd., an indirect subsidiary of the Company were considered and passed.
- (12) The 21st extraordinary meeting of the eighth session of the Board was held on 29 December 2016, at which the resolution on the entering into of letter of content for the strategic cooperation between Beijing Tianhai and Yuecheng Senior Living Investment Company Limited were considered and passed.

#### 一、董事會會議情況及決議內容(續)

- (七) 第八屆董事會第十八次臨時會議於2016年6月2日召開，審議通過公司子公司北京天海工業有限公司董事、董事長變更的議案；公司子公司京城控股(香港)有限公司董事、董事長變更的議案。
- (八) 第八屆董事會第十九次臨時會議於2016年6月30日召開審議通過《關於終止資產重組事項的議案》；《關於簽訂〈北京京城機電股份有限公司與北京京城機電控股有限責任公司之發行股份及支付現金購買資產協議終止協議〉、〈北京京城機電股份有限公司與北京京城機電控股有限責任公司之附條件生效的非公開發行股份認購協議終止協議〉的議案》。
- (九) 第八屆董事會第九次會議於2016年8月11日召開，審議通過公司2016年年中報告全文及摘要；公司2016年半年度計提減值準備的議案；關於北京天海工業有限公司下屬子公司美洲天海公司2016年融資預算的議案；公司為子公司北京天海工業有限公司提供財務資助的議案。
- (十) 第八屆董事會第十次會議2016年10月28日召開，審議通過公司2016年第三季度報告；關於修訂《股東大會議事規則》的議案；關於修訂《募集資金管理辦法》的議案；關於修訂《獨立董事年報工作制度》、《董事會審計委員會年報工作規程》的議案；關於制定《資產處置管理制度》的議案。
- (十一) 第八屆董事會第二十次臨時會議於2016年11月18日召開，審議通過聘任本公司董事會秘書的議案；公司變更香港授權代表的議案；董事會戰略委員會秘書處、審計委員會秘書處、薪酬與考核委員會秘書處主任變更的議案；控股股東北京京城機電控股有限責任公司向公司子公司北京天海工業有限公司提供過橋貸款人民幣4500萬元(肆仟伍佰萬元整)的議案；關於公司向控股子公司北京天海工業有限公司提供貳億玖仟萬元流動資金借款的議案；公司孫公司天津天海高壓容器有限責任公司抵押房產及土地辦理貸款的議案。
- (十二) 第八屆董事會第二十一次臨時會議於2016年12月29日召開，審議通過關於公司子公司北京天海工業有限公司與樂成老年事業投資有限公司簽訂戰略合作意向書的議案。

## Section 6 Report of the Directors

### 第六節 董事會報告

#### II. Discussion and analysis of the Board concerning the principal operation during the Reporting Period

For details, please refer to Part II of Section 5.

#### III. Discussion and analysis of the Board concerning the future development of the Company

##### 1. Competition and development trend within the industry

For details, please refer to Part III of Section 5.

##### 2. Development strategies of the Company

For details, please refer to Part III of Section 5.

##### 3. Operating plans

For details, please refer to Part III of Section 5.

##### 4. Fund requirement for maintaining existing business and establishing a project company in progress

The Company has no newly added large amount investment projects under construction in 2017. The outstanding project payment (for Minghui Tianhai) can be basically settled with privately-owned funds.

##### 5. Potential risks

For details, please refer to Part III of Section 5.

#### IV. Explanation of the Board on "Non-Standard Auditors' Report" issued by the auditors

For details, please refer to Part IV of Section 7.

#### V. Profit distribution proposal or plan to convert surplus reserves into share capital

For details, please refer to Section 7.

#### VI. Financial information

##### 1. Fixed Assets

Movements in fixed assets for the year are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

##### 2. Construction in Progress

Particulars and movements in construction-in-progress for the year are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

##### 3. Investments in Subsidiaries

Particulars of the subsidiaries are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

##### 4. Interest in Associated Company

Particulars of the associated companies are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

##### 5. Other Assets

Particulars of other assets are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

#### 二、董事會關於報告期內主要經營情況的討論與分析。

詳見第五節第二項。

#### 三、董事會關於公司未來發展的討論與分析

##### 1、行業競爭格局和發展趨勢

詳見第五節第三項。

##### 2、公司發展戰略

詳見第五節第三項。

##### 3、經營計劃

詳見第五節第三項。

##### 4、因維持當前業務並完成在建投資項目公司所需的資金需求

本公司在2017年度無大額新增在建投資項目，尚未支付的工程款項（明暉天海）基本可以使用自有資金予以解決。

##### 5、可能面對的風險

詳見第五節第三項。

#### 四、董事會對會計師事務所「非標準審計報告」的說明

詳見第七節第四項。

#### 五、利潤分配或資本公積金轉增預案

詳見第七節。

#### 六、財務信息

##### 1、固定資產

本年度內固定資產之變動情況載列於根據中國會計準則編製之會計報表附註。

##### 2、在建工程

本年度內在建工程之資料及變動情況載列於根據中國會計準則編製之會計報表附註。

##### 3、附屬公司

投資有關附屬公司之資料載列於根據中國會計準則編製之會計報表附註。

##### 4、聯營公司權益

有關聯營公司之資料載列於根據中國會計準則編製之會計報表附註。

##### 5、其他資產

有關其他資產之資料載列於根據中國會計準則編製之會計報表附註。

## VI. Financial information (continued)

### 6. Reserves

Movements in reserves for the year are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

### 7. Bank Loan

Details of bank loans as at 31 December 2016 are set out in the notes to the financial statements prepared according to the PRC Accounting Standards.

### 8. Tax Relief

The Company is not aware of any relief from taxation available to shareholders by reason of their holdings in the Shares.

## VII. The Company's pension scheme

In accordance with the relevant regulations of the "State Council's Decisions Regarding Reform of Employee Retirement Insurance Scheme", the Company is required to pay the PRC government an amount equivalent to 20% of the total amount of salary as the basic contribution to the Employee Retirement Insurance Scheme. In 2016, a total of RMB11.98 million was contributed to the Employee Retirement Insurance Scheme. Apart from the said contribution, the Company has no other commitments or liabilities related to pensions.

Beijing Tianhai has established enterprise annuities for its employees for the period from January 2011 to August 2014. The company bore the barber and bath fees and housing allowances for employees who retired before December 2010 at the rates of RMB50 and RMB70 to RMB90 per month respectively, totaling RMB0.95 million incurred in 2016.

## VIII. Connected transactions

- Please refer to the notes to the financial statements prepared according to the PRC Accounting Standards for the particulars of the connected transactions during the year.
- Each independent non-executive director confirmed that all connected transactions were entered on the normal commercial terms in the ordinary and usual course of business of the relevant members of the Company. All the terms were either normal business terms or not less favorable than the preferential treatments offered to the third parties, and were fair and reasonable as far as the Company's shareholders were concerned.

## IX. Staff quarters

The Company did not sell any public housing flats to staff in 2016. In accordance with State policies, the Company contributed to the public housing fund on the basis for 12% of the average monthly salary of the existing employees for the previous year, which did not pose any significant impact on the Company's business performance. In accordance with the spirit of the "(2000) Jing Fang Gai Ban, Zi Document No. 080", Notice in relation to issues of the Increase in Beijing's Public Housing Rentals and Allowances, issued by the Housing Reform Office of Beijing Municipal Government, the Beijing Financial Bureau, the Beijing State Land Resources Bureau and the Housing Administration Bureau, and the Commodity Price Bureau of Beijing, as well as integrating with the Company's actual situation, the Company provided a housing allowance of RMB70 to RMB90 per month to its staff since 1 April 2000.

Beijing Tianhai established special housing subsidies for its youth and middle-aged core technical members at RMB200 to RMB2,000 per month in November 2000 and issued subsidies for housing rent to non-local employees of RMB130 to RMB300 per month.

The student's apartment was canceled and the subsidy of RMB1,000 per month was issued in May 2015.

## 六、財務信息(續)

### 6、儲備

本年度內儲備之變動情況載列於根據中國會計準則編製之會計報表附註。

### 7、銀行貸款

於2016年12月31日之銀行貸款情況載列於根據中國會計準則編製之會計報表附註。

### 8、稅項減免

本公司並不知悉有任何因股東持有股份而使其獲得之稅項減免。

## 七、公司退休金計劃

本公司按照《國務院關於企業職工養老保險制度改革之決定》的有關規定，需繳付中國政府相等於工資總額的20%的費用，作為員工基本養老保險金。2016年基本養老保險金總支出人民幣1,198萬元。除上述費用外，本公司並無其他有關退休金的承擔或責任。

北京天海公司自2011年1月—2014年8月為員工建立了企業年金。公司為2010年12月以前退休人員負擔每月人民幣50元洗理費和人民幣70元至人民幣90元住房補貼，2016年支出人民幣95萬元。

## 八、關聯交易

- 本年度之關聯交易詳情載列於根據中國會計準則編製之會計報表附註。
- 各獨立非執行董事確認所有關聯交易是按一般商業條款在本公司有關成員公司之日常及一般業務中進行，有關條款均為正常商業條款或不差於提供予第三者之優惠條款，並對本公司股東而言乃屬公平及合理。

## 九、員工住房

本公司2016年度未出售公有住房給予員工。公司按照國家規定為現有員工按上年月平均工資總額的12%繳納住房公積金，對公司的業績並無重大影響。根據北京市人民政府房改辦公室、北京市財政局、北京市國土資源和房屋管理局、北京市物價局(2000)京房改辦字第080號《關於北京市提高公有住房租金，增發補貼有關問題的通知》的精神，本公司結合實際情況，對公司員工自2000年4月1日發放每月人民幣70元至人民幣90元住房租金補貼。

北京天海公司自2000年11月為中青年專業技術骨幹建立了特殊住房補貼，補貼標準為人民幣200元至人民幣2,000元/月，向外埠員工每月發放人民幣130元至人民幣300元租房補貼。

公司於2015年5月取消大學生公寓，並給予原公寓人員人民幣1,000元/月補貼。



## Section 6 Report of the Directors

### 第六節 董事會報告

#### X. Employees' basic medical insurance

Since October 2001, the Company has been implementing the "Provision regarding Basic Medical Insurance in Beijing", and implementing employees' basic medical insurance system in accordance with the provisions. The Company is required to pay the basic medical insurance calculated as 9% of employees' total wages, and the large medical expenses mutual fund calculated as 1% of employees' total wages out of the staff welfare fund. The provision of supplementary medical insurance shall be prepared on the basis for 4% of employees' total wages for medical expenses in accordance with supplementary qualifications on reimbursement of medical insurance set out in Provision regarding Basic Medical Insurance in Beijing. The employee welfare is expensed according to actual situation with the amount in total not exceeding 14% of the total payroll of employees.

#### XI. Annual general meeting

The Board of Directors proposed that the Annual General Meeting for 2016 to be held on Monday, 26 June 2017, for details of which please refer to the Notice of 2016 Annual General Meeting.

#### XII. Report on performance of social responsibility and environmental policy by the Company

For details, please refer to Part XVII of section 7

#### XIII. Important relationships with employees, suppliers and customers

The Company looks for a long term strategic cooperation with customers and suppliers and aims to achieve good quality. The Company puts emphasis on quality and supply of goods management. It has strengthened the construction of mechanism and tightened the control over product quality and goods supply cycle. Through holding seminars with suppliers, site assessment, training and annual evaluation, the Company has innovated demanding-supplying mode and continuously improved product quality to ensure that the products meet the demand of the company and market.

#### XIV. Legal compliance with laws and regulations

During the Reporting Period, the Company operated strictly in compliance with laws, regulations, Articles of Association and other relevant regulatory requirements with lawful decision making procedures and discipline operation.

#### XV. Management contracts

During the Reporting Period, no contract concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

#### XVI. Permitted indemnity provision

The Company has arranged for appropriate insurance cover for Directors' and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities.

#### XVII. Equity-linked agreement

Saved as disclosed above/in this annual report, no equity-linked agreement was made during the year or subsisted at the end of the year.

#### XVIII. Distributable reserves

As at 31 December 2016, the distributable reserves of the Company which could be distributed to the shareholders of the Company amounted to RMB0.

#### 十、關於員工基本醫療保險

本公司於2001年10月起執行《北京市基本醫療保險規定》，並依此「規定」實施員工基本醫療保險。公司按照全部員工繳費工資基數之和的9%繳納基本醫療保險費；按照全部員工繳費工資基數之和的1%繳納大額醫療費用互助資金，按照員工工資總額4%從成本費用中提取補充醫療保險留在企業，用於符合《北京市基本醫療保險規定》中關於補充醫療保險報銷條件的醫療費用的支出。員工福利費據實列支，總額不超過在職員工工資總額的14%。

#### 十一、股東周年大會

董事會擬定2017年6月26日(星期一)召開2016年度股東周年大會，具體召開時間詳見2016年度股東周年大會通知。

#### 十二、積極履行社會責任的及環境政策工作情況

詳見第七節第十七項

#### 十三、公司與其僱員、顧客及供應商的重要關係

公司立足於與客戶及供應商的長期戰略合作，實現品質雙贏。重點圍繞質量和供貨管理，加強機制建設，加大了產品質量和供貨周期的管控力度，通過與供應商座談、現場評審、培訓和年度評價，創新供貨模式，持續改進產品質量，確保產品滿足公司及市場需求。

#### 十四、遵守法律及規例

在報告期內公司嚴格按照法律、法規、《公司章程》及其他監管規定的要求開展各項工作，決策程序合法、運作規範。

#### 十五、管理合約

報告期內，本公司並無訂立或存在任何與本公司全部或任何重大部份業務的管理及行政有關的合約。

#### 十六、獲准許的彌償條文

本公司已就其董事及高級管理人員可能面對因企業活動產生之法律訴訟，為董事及行政人員之職責作適當之投保安排。

#### 十七、權益掛鈎協議

除上文／本年報所披露者外，概無權益掛鈎協議於年內訂立或於年末仍然生效。

#### 十八、可供分派儲備

於二零一六年十二月三十一日，本公司有可供分派儲備約人民幣0元，可供分派予本公司股東。

## Section 6 Report of the Directors

### 第六節 董事會報告

#### XIX. Donations

During the Reporting Period, the Group made donations for charitable purposes and other purposes amounting to RMB0.

#### XX. Directors' rights to acquire shares or debentures

At no time during the Reporting Period was the Company, its parent company, or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate.

#### XXI. Directors' interests in contracts

No contracts of significance in relation to the Company's business to which the Company, its holding company, its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

#### XXII. Environmental policies and performance

The Group is subject to certain laws, rule and regulations concerning environmental protection in PRC including those in relation to the discharge of gaseous waste, liquid waste and solid waste, the disposal of hazardous substances and noise pollution during production.

The Group emphasizes on complying with relevant environmental laws and regulations and requires its own staff and contractors to comply with the relevant laws and regulations relating to the operation and quality of construction including environmental, labour, social and safety regulations, as well as its own standards.

The Directors believe that the Group is compliance in all material respects with applicable environmental laws and regulations in PRC. The Group recognises environmental protection is of vital importance to the long-term development of the Group. In order to minimise the environmental impact, the Group will continue to review and improve the effectiveness of its management practices from time to time.

Further details on the environmental policy and performance are set out in the environmental, social and governance report which forms a part of this annual report.

#### 十九、捐款

報告期內，本集團作出的慈善及其他捐款之金額為人民幣0元。

#### 二十、董事購買股份或債權證之權利

於報告期內，本公司、其母公司或其任何附屬公司均無訂立任何安排，使董事可透過收購本公司或任何企業股份或債權證而取得利益。

#### 二十一、董事於合約的權益

本公司其控股公司或其附屬公司概無訂立與本公司業務有關，而公司董事可於合約中直接或間接擁有重大權益且於年底或年內任何時間仍然有效的重大合約。

#### 二十二 環保政策及表現

本集團遵守部分關於中國環境保護法律、法規及法例，包括生產期間有關廢氣、液體廢物及固體廢物的排放、有害物質的處理及噪音污染。

本集團著力遵守相關環境保護法律法規，並要求員工及合約方遵守相關法律法規，例如環境保護、勞工保護、社會及安全規定以及自訂的標準。

董事會相信，本集團於各重大方面已遵守所有目前中國生效的適用環境保護法律及法規。本集團了解環境保護對本集團的長期發展至關重要。為盡量減輕對環境的影響，本集團將繼續不時檢討及改善管理常規的成效。

有關環境政策及表現的更多披露載於構成本年報一部分的環境、社會及管治報告。



## Section 7 Important Matters

### 第七節 重要事項

#### I. Profit Distribution Plan or Plan to Convert Surplus Reserves into Share Capital

##### (i) Formulation, implementation or adjustment of cash dividend policy

Applicable  Not applicable

##### (ii) Dividends distribution plan or pre-arranged plan or plan or pre-arranged plan to convert surplus reserves into share capital in the previous three years (inclusive of the Reporting Period)

#### 一、普通股利潤分配或資本公積金轉增預案

##### (一) 現金分紅政策的制定、執行或調整情況

適用  不適用

##### (二) 公司近三年(含報告期)的普通股股利分配方案或預案、資本公積金轉增股本方案或預案

Unit: Yuan Currency: RMB  
單位：元 幣種：人民幣

Year of distribution		Number of shares to be distributed for every ten shares (share)	Amount to be distributed for every ten shares (RMB) (tax inclusive)	Number of shares to be converted into share capital for every ten shares (share)	Amount of cash dividend (inclusive of tax)	Net profit attributable to ordinary shareholders of listed company in the consolidated financial statement during the year of distribution	Percentage of the net profit attributable to ordinary shareholders of the listed companies in the consolidated financial statement (%)
分紅年度		每10股送紅股數(股)	每10股派息數(元)(含稅)	每10股轉增數(股)	現金分紅的數額(含稅)	分紅年度合併報表中歸屬於上市公司普通股股東的淨利潤	佔合併報表中歸屬於上市公司普通股股東的淨利潤的比率(%)
2016	2016年	0	0	0	0	-148,787,585.19	0
2015	2015年	0	0	0	0	-207,817,373.56	0
2014	2014年	0	0	0	0	21,416,206.70	0

##### (iii) Repurchase of shares under cash offer included in cash dividend

Applicable  Not applicable

##### (三) 以現金方式要約回購股份計入現金分紅的情況

適用  不適用

##### (iv) If the Company records profits and the parent company records a positive undistributed profit during the Reporting Period but there is no resolution for cash dividend, the Company shall disclose the reasons and the usage of the undistributed profits and the usage plan in detail

Applicable  Not applicable

##### (四) 報告期內盈利且母公司可供普通股股東分配利潤為正，但未提出普通股現金利潤分配方案預案的，公司應當詳細披露原因以及未分配利潤的用途和使用計劃

適用  不適用

# Section 7 Important Matters

## 第七節 重要事項

### II. Fulfillment of Undertakings

#### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period

“√Applicable” “□ Not applicable”

### 二、承諾事項履行情況

#### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項

√適用 □不適用

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否履行期限	是否及時嚴格履行	如未能及時履行應說明未完成履行的具體原因	如未能及時履行應說明下一步計劃
Undertaking relating to the material asset reorganisation	Settlement of connected transactions	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "As for the connected transactions for us and the companies under our control with the Listed Company and the companies under its control that cannot be avoided or have reasonable grounds, these connected transactions will be conducted in the principles of openness, fairness and justice for market transactions at fair and reasonable prices by us and the companies under our control, and the decision-making procedures for and information disclosure obligations in respect of connected transactions will be performed in accordance the requirements of laws, regulations and regulatory documents. We warrant that we and the companies under our control will not obtain any improper benefits or subject the Listed Company or any of the companies under its control to any improper obligations by way of any connected transactions with the Listed Company or any of the companies under its control. We will indemnify the Listed Company and any of the companies under its control against any losses incurred by them as a result of any transaction with them in violation of the undertakings above."	Long term	Yes	Yes		
與重大資產重組相關的承諾	解決關聯交易	大股東北京京城機電控股有限責任公司	京城控股承諾：「就本公司及本公司控制的其他企業與上市公司及其控制的企業之間將來無法避免或有合理原因而發生的關聯交易事項，本公司及本公司控制的其他企業將遵循市場交易的公開、公平、公正的原則，按照公允、合理的市場價格進行交易，並依據有關法律、法規及規範性文件的規定履行關聯交易決策程序，依法履行信息披露義務。本公司保證本公司及本公司控制的其他企業將不通過與上市公司及其控制的企業的關聯交易取得任何不正當的利益或使上市公司及其控制的企業承擔任何不正當的義務。如違反上述承諾與上市公司及其控制的企業進行交易，而給上市公司及其控制的企業造成損失，由本公司承擔賠償責任。」	長期	是	是		
	Solving the issues concerning competition in the same industry	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "In relation to the businesses or business opportunities similar to those of the Listed Company including that we and other companies under our control anticipate or substantially in place to conduct, and assets and businesses of such businesses or business opportunities that may constitute potential competition."	Long term	Yes	Yes		
	解決同業競爭	大股東北京京城機電控股有限責任公司	京城控股承諾：「針對本公司以及本公司控制的其他企業未來擬從事或實質性獲得上市公司同類業務或商業機會，且該等業務或商業機會所形成的資產和業務與上市公司可能構成潛在同業競爭的情況。」	長期	是	是		

## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

##### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

#### 二、承諾事項履行情況(續)

##### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明未完成履行的具體原因	如未能及時履行應說明下一步計劃
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "that after the completion of this Material Asset Reorganisation, it will warrant the independence of the personnel, assets, finances, organizations, businesses of the Listed Company. Jingcheng Holding makes concrete undertaking in the areas of personnel independence, asset independence, financial independence, organizational independence, business independence. That undertaking continues to be valid, cannot be altered and is irrevocable during the period in which Jingcheng Holding is the controlling shareholder (or beneficial controller) of the Listed Company. If Jingcheng Holding is in violation of the above undertaking and causes economic losses to the Listed Company, Jingcheng Holding will compensate the Listed Company."	Long term	Yes	Yes		
	其他	大股東北京京城機電控股有限責任公司	京城控股承諾：「本次重大資產重組完成後，將保證上市公司在人員、資產、財務、機構、業務等方面的獨立性。京城控股分別就人員獨立、資產獨立、財務獨立、機構獨立、業務獨立等方面作出具體的承諾。該承諾在京城控股作為上市公司的控股股東(或實際控制人)期間內持續有效且不可變更或撤銷。如違反上述承諾，並因此給上市公司造成經濟損失，京城控股將向上市公司進行賠償。」	長期	是	是		

# Section 7 Important Matters

## 第七節 重要事項

### II. Fulfillment of Undertakings (continued)

#### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

### 二、承諾事項履行情況(續)

#### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明未完成的具體原因	如未能及時履行應說明下一步計劃
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "1. Within 30 days from the receipt of a notice on this matter of Material Asset Reorganisation of Beiren Holdings by the creditors of Beiren Holdings, within 45 days from the date of the first announcement on this matter of Material Asset Reorganisation of Beiren Holdings in case of no receipt of the notice, if they demand Beiren Holdings to make early repayment of liabilities or provide security, and Beiren Holdings has not repaid the liabilities or provided the security, the Company undertakes that it will bear the responsibilities of making early repayment of liabilities or providing security; 2. If Beiren Holdings cannot reach the creditors, and for those creditors who have not expressed clear opinion after the receipt of the notice or the expiry of the notice period, if they have expressed clearly disagreement opinion before the completion of this Material Asset Reorganisation, and Beiren Holdings has not repaid the liabilities nor provided security upon their demand, the Company undertakes that it will bear the responsibilities of making early repayment of liabilities or providing security; 3. For those creditors that Beiren Holdings really cannot reach, and those creditors who have not yet expressed clear opinion after the receipt of the notice or the expiry of the notice period, if after the completion of this Material Asset Reorganisation, the recipient of the Outgoing Assets cannot repay its liabilities, the Company is in charge of the repayment. After the Company has been liable for guarantee responsibility and repayment responsibility, it has the right to seek repayment from the recipient of the Outgoing Assets."	Long term	Yes	Yes	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and has undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company has not suffered from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.	
	其他	大股東北京京城機電控股有限責任公司	京城控股承諾：「1、北人股份的債權人自接到北人股份有關本次重大資產重組事宜的通知書之日起三十日內，未接到通知書的自北人股份就其本次重大資產重組事宜首次公告之日起四十五日內，如果要求北人股份提前清償債務或提供擔保，而北人股份未清償債務或提供擔保的，本公司承諾將承擔對該等債務提前清償或提供擔保的責任；2、對於北人股份無法聯繫到的債權人，以及接到通知或公告期滿後仍未發表明確意見的債權人，如其在本次重大資產重組完成前又明確發表不同意見，而北人股份未按其要求清償債務或提供擔保的，本公司承諾將承擔對該等債務提前清償或提供擔保的責任；3、對於北人股份確實無法聯繫到的債權人，以及接到通知或公告期滿後仍未發表明確意見的債權人，如本次重大資產重組完成後，置出資產的承接主體無法清償其債務的，由本公司負責清償。本公司承擔擔保責任或清償責任後，有權對置出資產的承接主體進行追償。」	長期	是	是	截至本披露日，京城控股已督促北人集團償還債務並承諾如果北人集團沒有及時清償，京城控股將負責清償及提供擔保。本公司目前沒有因被追索而遭受損失，京城控股未出現違背該承諾的行為。	

## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

##### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

#### 二、承諾事項履行情況(續)

##### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明未完成履行的具體原因	如未能及時履行應說明下一步計劃
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "If, in the future, the production workshops of Tianhai Industry in Mulin Town is needed to be relocated due to real estate problems in defects of the lease, the Company will fully compensate in cash the Listed Company after the completion of this transaction for all the losses of Tianhai Industry caused by the relocating process."	Long term	Yes	Yes		
	其他	大股東北京京城機電控股有限責任公司	京城控股承諾：「若未來天海工業木林鎮生產車間因租賃瑕疵房產的問題而導致搬遷，本公司將向本次交易完成後的上市公司全額現金賠償天海工業在搬遷過程中導致的全部損失。」	長期	是	是		
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Jingcheng Holding undertakes: "The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes that when this reorganisation is implemented and the relevant shareholders of some of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities."	Long term	Yes	Yes		
	其他	大股東北京京城機電控股有限責任公司	京城控股承諾：「本公司已充分知悉置出資產目前存在的上述問題，並承諾若本次重組實施時北人股份上述部份下屬公司相關股東行使優先購買權，則本公司同意接受上述置出資產中的長期股權投資變更為相等價值的現金資產，不會因置出資產形式的變化要求終止或變更各方之前已簽署的重大資產置換協議或要求北人股份賠償任何損失或承擔法律責任。」	長期	是	是		

## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

##### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

#### 二、承諾事項履行情況(續)

##### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明未完成履行的具體原因	如未能及時履行應說明下一步計劃
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	According to the "Supplementary Confirmation Letter of the Settlement of 17.01% equity interest of Beijing Beijing Casting Co., Ltd." jointly signed by listed company, Jingcheng Holding and Beiren Group, they jointly confirmed "Each party confirms that the equity transfer is deemed to be completed. Jingcheng Machinery would no longer record such equity interest as a long-term investment which means that all shareholder's rights (including but not limited to equity return, voting right and election right), obligations, risks and liabilities of shareholders under such equity interest have been enjoyed or assumed by Beiren Group and Jingcheng Machinery has to act correspondingly. Given that the change in shareholders does not have defensive power against a third party prior to the completion of the commerce and industry registration for changing shareholders, all parties have unanimously agreed that all liabilities assumed or loss suffered by Jingcheng Machinery as a result of lacking defensive power shall be actually taken by Jingcheng Holding."	Long term	Yes	Yes	Jingcheng Holding completed the transfer of 17.01% equity interests in Beijing Beijing on 18 December 2015, and it has not committed any act in violation of the undertaking.	
	其他	大股東北京京城機電控股有限責任公司	根據上市公司與京城控股以及北人集團共同簽署的《關於北京北瀛鑄造有限責任公司17.01%的股權交割的補充確認函》，共同確認「各方認可股權交割視同已完成，京城股份賬面不再記錄該股權長期投資，即該股權對應的全部股東權利(包括但不限於股權收益、股東表決權、選舉權等)、股東義務、風險及責任等全部由北人集團實際享有或承擔，京城股份予以必要配合。鑒於在完成工商變更登記前，上述股東變更尚不具有對抗第三人的效力，為此各方一致同意：因不具對抗效力導致京城股份承擔任何責任或損失，均由京城控股實際承擔責任及損失。」	長期	是	是	京城控股關於北瀛鑄造17.01%股權交割已於2015年12月18日變更完成，未出現違反上述承諾的情形。	



## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

##### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

#### 二、承諾事項履行情況(續)

##### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明未完成履行的具體原因	如未能及時履行應說明下一步計劃
	Others	Recipient of the Outgoing Assets (Beiren Group)	Beiren Group undertakes: "The Company is fully aware of the existing defects of the Outgoing Assets, and the Company will bear any losses or legal liabilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal liabilities due to the defects of the Outgoing Assets."	Long term	Yes	Yes	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and has undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company has not suffered from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.	
	其他	置出資產承接主體(北人集團)	北人集團承諾：「本公司充份知悉擬置出資產目前存在的瑕疵，本公司將承擔因擬置出資產瑕疵而產生的任何損失或法律責任，不會因擬置出資產瑕疵要求北人股份承擔任何損失或法律責任。」	長期	是	是	截至本披露日，京城控股已督促北人集團償還債務並承諾如果北人集團沒有及時清償，京城控股將負責清償及提供擔保。本公司目前沒有因被追索而遭受損失，京城控股未出現違背該承諾的行為。	

## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

##### (i) Undertakings made by the beneficial controller, shareholders, connected persons, buyers and the relevant parties of the Company during or up to the Reporting Period (continued)

#### 二、承諾事項履行情況(續)

##### (一) 公司實際控制人、股東、關聯方、收購人以及公司等承諾相關方在報告期內或持續到報告期內的承諾事項(續)

Background	Type of undertaking	Undertaking party	Content of undertaking	Date and duration of undertaking	Whether there is a deadline for performance	Whether strictly performed in a timely manner	If not performed in a timely manner, describe the specific reasons	If not performed in a timely manner, describe plans in next steps
承諾背景	承諾類型	承諾方	承諾內容	承諾時間及期限	是否有履行期限	是否及時嚴格履行	如未能及時履行應說明具體原因	如未能及時履行應說明下一步計劃
	Others	Recipient of the Outgoing Assets (Beiren Group)	Beiren Group undertakes: "The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes that when this reorganisation is implemented and the relevant shareholders of some of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities."	Long term	Yes	Yes		
	其他	置出資產承接主體(北人集團)	北人集團承諾：「本公司已充份知悉置出資產目前存在的上述問題，並承諾若本次重組實施時北人股份上述部份下屬公司相關股東行使優先購買權，則本公司同意接受上述置出資產中的長期股權投資變更為相等價值的現金資產，不會因置出資產形式的變化要求終止或變更各方之前已簽署的重大資產置換協議或要求北人股份賠償任何損失或承擔法律責任。」	長期	是	是		
Other undertakings made to minority shareholders of the Company	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	Due to the unusual price fluctuations in domestic securities market, and the healthy development of the capital markets is closely related to the development of the state-owned enterprises and holding companies, in order to create a favorable market environment for enterprise reformation and development, protect the legitimate rights of all kinds of investors, Jingcheng Holding has undertaken not to dispose of any shares of the Company via the secondary market within 6 months, and intends to increase its shareholding in the Company after 6 months of the Company's shares resumed trading.	10 July 2015, 6 months after the shares of the Company resumed trading	Yes	Yes	Jingcheng Holding purchased 2,115,052 A shares of the Company through the trading system of the Shanghai Stock Exchange on 3 August 2016, representing 0.50% of total shares of the Company.	
其他對公司中小股東所作承諾	其他	大股東北京京城機電控股有限責任公司	近期境內證券市場出現異常波動，資本市場的健康發展與國有企業及所控股上市公司的發展息息相關，為營造企業改革發展的良好市場環境，保護各類投資者合法權益，京城控股承諾6個月內不會通過二級市場減持所持有公司股票，並擬在復牌後6個月內增持公司股票。	2015年7月10日，公司股票復牌後6個月內	是	是	京城控股已於2016年8月3日通過上海證券交易所交易系統增持了公司股份2,115,052 A股，佔公司總股份比例為0.50%。	

## Section 7 Important Matters

### 第七節 重要事項

#### II. Fulfillment of Undertakings (continued)

(ii) **There have been profit forecast for the assets or projects of the Company and the Reporting Period is still in the period of profit forecast, explanations as to whether the profit forecast has been met and its reasons**

Yes"  No"  Not applicable"

#### III. Embezzlement of funds and repayment of debt during the Reporting Period

Applicable"  Not applicable"

#### IV. Explanation of the Company on "Non-Standard Auditors' Report" issued by the auditors

Applicable"  Not applicable"

#### V. Analysis and explanation of the Company on the reasons and impact of the change in accounting policy, accounting estimates or correction of significant accounting errors

(I) **Analysis and explanation of the Company on the reasons and impact of the change in accounting policy and accounting estimates**

Applicable"  Not applicable"

(ii) **Analysis and explanation of the Company on the reasons and impact of the correction of significant accounting errors**

Applicable"  Not applicable"

(iii) **Communication with previous accounting firm**

Applicable"  Not applicable"

(iv) **Other descriptions**

Applicable"  Not applicable"

#### 二、承諾事項履行情況(續)

(二) 公司資產或項目存在盈利預測，且報告期仍處在盈利預測期間，公司就資產或項目是否達到原盈利預測及其原因作出說明

已達到 未達到 不適用

#### 三、報告期內資金被佔用情況及清欠進展情況

適用 不適用

#### 四、公司對會計師事務所「非標準意見審計報告」的說明

適用 不適用

#### 五、公司對會計政策、會計估計變更或重大會計差錯更正原因和影響的分析說明

(一) 公司對會計政策、會計估計變更原因及影響的分析說明

適用 不適用

(二) 公司對重大會計差錯更正原因及影響的分析說明

適用 不適用

(三) 與前任會計師事務所進行的溝通情況

適用 不適用

(四) 其他說明

適用 不適用

## Section 7 Important Matters

### 第七節 重要事項

#### VI. Appointment and dismissal of accounting firms 六、聘任、解聘會計師事務所情況

Unit: Ten Thousand Yuan Currency: RMB  
單位：萬元 幣種：人民幣

Currently appointed 現聘任	
Name of domestic accounting firm 境內會計師事務所名稱	ShineWing Certified Public Accountants LLP 信永中和會計師事務所(特殊普通合夥)
Compensation of domestic accounting firm 境內會計師事務所報酬	90
Number of years of audit by domestic accounting firm 境內會計師事務所審計年限	10

	Name 名稱	Compensation 報酬
Accounting firm for internal control audit 內部控制審計會計師事務所	BDO China Shu Lun Pan Certified Public Accounts LLP 立信會計師事務所(特殊普通合夥)	38

**Description of appointment and dismissal of accounting firms**  
“ Applicable” “ Not applicable”

聘任、解聘會計師事務所的情況說明  
適用 不適用

**Description of change of accounting firms during the audit period**  
“ Applicable” “ Not applicable”

審計期間改聘會計師事務所的情況說明  
適用 不適用

During the Reporting Period, there was no change and dismissal of accounting firms during the audit period.

報告期內，未發生在審計期間改聘、解聘會計師事務所的情況。

#### VII. Risk for suspended listing

##### (i) Risk for possible suspending listing

“ Applicable” “ Not applicable”

#### 七、面臨暫停上市風險的情況

##### (一) 導致暫停上市的原因

適用 不適用

##### (ii) Countermeasures to be adopted by the Company

“ Applicable” “ Not applicable”

##### (二) 公司擬採取的應對措施

適用 不適用

#### VIII. Possible termination of listing and reason thereof

“ Applicable” “ Not applicable”

#### 八、面臨終止上市的情況和原因

適用 不適用

#### IX. Matters relating to bankruptcy and reorganisation

“ Applicable” “ Not applicable”

#### 九、破產重整相關事項

適用 不適用

#### X. Material litigations and arbitrations

“ The Company has material litigations and arbitrations during the year”  
“ The Company has no material litigations or arbitrations during the year”

#### 十、重大訴訟、仲裁事項

本年度公司有重大訴訟、仲裁事項  
本年度公司無重大訴訟、仲裁事項

#### XI. Punishment and Rectification against Listed Company and its Directors, Supervisors, Senior Management, Controlling Shareholders, Beneficial Controller and Buyer

“ Applicable” “ Not applicable”

#### 十一、上市公司及其董事、監事、高級管理人員、控股股東、實際控制人、收購人處罰及整改情況

適用 不適用

## Section 7 Important Matters

### 第七節 重要事項

#### XII. Description of the reputation of the Company and its controlling shareholders, beneficial controller during the Reporting Period

Applicable  Not applicable

During the Reporting Period, the Company and the controlling shareholders had good reputation.

#### XIII. Share incentive scheme, employee share scheme or other incentive measures for employees and their impacts

##### (i) Incentives disclosed in extraordinary announcements without progress or change in the follow-up implementation

Applicable  Not applicable

##### (ii) Incentives not disclosed in extraordinary announcements or with progress in the follow-up implementation

###### Share incentive

Applicable  Not applicable

###### Other descriptions

Applicable  Not applicable

###### Employee share scheme

Applicable  Not applicable

###### Other incentive measures

Applicable  Not applicable

#### XIV. Material connected transactions

##### (i) Connected transactions related to daily operation

###### 1. Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation

Applicable  Not applicable

###### 2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

Applicable  Not applicable

###### 3. Matters which were not disclosed in extraordinary announcements

Applicable  Not applicable

##### (ii) Connected transactions in relation to the acquisition or disposal of assets or equity interests

###### 1. Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation

Applicable  Not applicable

#### 十二、報告期內公司及其控股股東、實際控制人誠信狀況的說明

適用  不適用

報告期內，公司及控股股東誠信狀況良好。

#### 十三、公司股權激勵計劃、員工持股計劃或其他員工激勵措施的情況及其影響

##### (一) 相關激勵事項已在臨時公告披露且後續實施無進展或變化的

適用  不適用

##### (二) 臨時公告未披露或有後續進展的激勵情況

###### 股權激勵情況

適用  不適用

###### 其他說明

適用  不適用

###### 員工持股計劃情況

適用  不適用

###### 其他激勵措施

適用  不適用

#### 十四、重大關聯交易

##### (一) 與日常經營相關的關聯交易

###### 1. 已在臨時公告披露且後續實施無進展或變化的事項

適用  不適用

###### 2. 已在臨時公告披露，但有後續實施的進展或變化的事項

適用  不適用

###### 3. 臨時公告未披露的事項

適用  不適用

##### (二) 資產或股權收購、出售發生的關聯交易

###### 1. 已在臨時公告披露且後續實施無進展或變化的事項

適用  不適用

## XIV. Material connected transactions (continued)

## (ii) Connected transactions in relation to the acquisition or disposal of assets or equity interests (continued)

## 2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation

"Applicable"  "Not applicable"

- The sixth meeting of the eighth session of the Board was held on 26 November 2015, at which the resolution in relation to the issue of shares in consideration of asset purchase and fund raising and connected transaction and other relevant resolutions were considered and passed, and the relevant announcement was made. In order not to trigger the requirements under the Hong Kong Takeovers Code, the 16th extraordinary meeting of the eighth session of the Board was held on 3 February 2016, at which the revised resolution and other relevant resolutions were considered and passed. The 19th extraordinary meeting of the eighth session of the Board was held on 30 June 2016, at which the resolution in relation to terminating assets reorganisation and the resolution in relation to entering into termination agreement for the purchasing assets by share issuance and payment in cash by Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd., and termination agreement for the conditional share subscription agreement of Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. were considered and passed. For details, please refer to the announcements of the Company dated 26 November 2015, 3 February 2016 and 30 June 2016 published on the website of the Shanghai Stock Exchange at <http://www.sse.com.cn>, the Hkexnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and Shanghai Securities News.

## 十四、重大關聯交易(續)

## (二) 資產或股權收購、出售發生的關聯交易(續)

## 2. 已在臨時公告披露，但有後續實施的進展或變化的事項

適用  不適用

- 2015年11月26日，公司召開第八屆董事會第六次會議，審議通過了《關於公司<發行股份購買資產並募集配套資金暨關聯交易預案>的議案》及其他相關議案並對外公告。為保證不觸發香港收購守則規定，2016年2月3日，公司召開第八屆董事會第十六次臨時會議審議通過了修改後的預案及相關議案並進行了公告。2016年6月30日，公司召開第八屆董事會第十九次臨時會議審議通過《關於終止資產重組事項的議案》和《關於簽訂<北京京城機電股份有限公司與北京京城機電控股有限責任公司之發行股份及支付現金購買資產協議終止協議>、<北京京城機電股份有限公司與北京京城機電控股有限責任公司之附條件生效的非公開發行股份認購協議終止協議>的議案》。詳細內容見2015年11月26日、2016年2月3日和2016年6月30日上海證券交易所網站<http://www.sse.com.cn>；香港聯合交易所披露易網站<http://www.hkexnews.hk>《上海證券報》公告。



## Section 7 Important Matters

### 第七節 重要事項

#### XIV. Material connected transactions (continued)

##### (ii) Connected transactions in relation to the acquisition or disposal of assets or equity interests (continued)

###### 2. Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation (continued)

2. The 15th extraordinary meeting of the eighth session of the Board was held on 26 January 2016, and the 2015 annual general meeting was held on 16 June 2016, at which the resolution in relation to Beijing Tianhai waiving its right of first refusal and connected transactions under the Capital Increase Agreement of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. were considered and passed. The relevant share exchange agreement was entered into and the relevant announcement was made.

On 25 July 2016, the Company was informed that the share transfer in Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd. was not approved and the relevant application would be revoked from the State Council. As such, the share transfer agreement with conditions precedent entered into by the controlling shareholder was terminated.

For details, please refer to the announcements of the Company dated 26 January 2016, 16 June 2016 and 25 July 2016 published on the website of the Shanghai Stock Exchange at <http://www.sse.com.cn>, the Hkexnews website of the Hong Kong Stock Exchange at <http://www.hkexnews.hk> and Shanghai Securities News.

###### 3. Matters which were not disclosed in extraordinary announcements

Applicable  Not applicable

###### 4. Results which are relating to result agreements and shall be disclosed for the Reporting Period

Applicable  Not applicable

#### 十四、重大關聯交易(續)

##### (二) 資產或股權收購、出售發生的關聯交易(續)

###### 2. 已在臨時公告披露，但有後續實施的進展或變化的事項(續)

- 2、2016年1月26日公司召開第八屆董事會第十五次臨時會議，2016年6月16日公司召開2015年年度股東大會，分別審議通過公司子公司北京天海工業有限公司放棄其北京明暉天海氣體儲運裝備銷售有限公司之增資協議項下之優先購買權及關聯交易的議案，簽定相關股權置換協議並對外公告。

2016年7月25日，公司獲悉北京明暉天海氣體儲運裝備銷售有限公司換股項目未獲批准，將從國務院國資委撤回相關資料，因此終止公司控股股東簽署附生效條件的股份轉讓協議。

詳細內容見2016年1月26日、2016年6月16日和2016年7月25日上海證券交易所網站<http://www.sse.com.cn>；香港聯合交易所披露易網站<http://www.hkexnews.hk>《上海證券報》公告。

###### 3. 臨時公告未披露的事項

適用  不適用

###### 4. 涉及業績約定的，應當披露報告期內的業績實現情況

適用  不適用

## Section 7 Important Matters

### 第七節 重要事項

#### XIV. Material connected transactions (continued)

##### (iii) Material connected transactions relating to common external investments

1. **Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation**  
“ Applicable” “ Not applicable”
2. **Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation**  
“ Applicable” “ Not applicable”
3. **Matters which were not disclosed in extraordinary announcements**  
“ Applicable” “ Not applicable”

##### (iv) Related creditor's right and debt transactions

1. **Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation**  
“ Applicable” “ Not applicable”
2. **Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation**  
“ Applicable” “ Not applicable”
3. **Matters which were not disclosed in extraordinary announcements**  
“ Applicable” “ Not applicable”

#### 十四、重大關聯交易(續)

##### (三) 共同對外投資的重大關聯交易

1. 已在臨時公告披露且後續實施無進展或變化的事項  
適用 不適用
2. 已在臨時公告披露，但有後續實施的進展或變化的事項  
適用 不適用
3. 臨時公告未披露的事項  
適用 不適用

##### (四) 關聯債權債務往來

1. 已在臨時公告披露且後續實施無進展或變化的事項  
適用 不適用
2. 已在臨時公告披露，但有後續實施的進展或變化的事項  
適用 不適用
3. 臨時公告未披露的事項  
適用 不適用

Unit: Yuan Currency: RMB  
單位：元 幣種：人民幣

Related party 關聯方	Relationship 關聯關係	Provision of funding to related party 向關聯方提供資金			Provision of funding by related party to listed company 關聯方向上市公司提供資金		
		Beginning balance 期初餘額	Amount occurred 發生額	Ending balance 期末餘額	Beginning balance 期初餘額	Amount occurred 發生額	Ending balance 期末餘額
Shandong Tianhai High Pressure Containers Co., Ltd. 山東天海高壓容器有限公司	Joint venture 合營公司	6,938,282.87	-5,493,226.14	1,445,056.73	2,056,366.20	-2,053,026.20	3,340.00
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Associate 聯營公司	7,301,886.17	1,846,001.28	9,147,887.45			
Beijing Jingcheng Industrial Logistics Co., Ltd. 北京京城工業物流有限公司	Wholly-owned subsidiary of parent company 母公司的全資子公司				1,202,227.27		1,202,227.27
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Controlling Shareholder(s) 控股股東				252,900,000.00	-5,000,000.00	247,900,000.00
Tianjin Steel Pipe and Steel Trade Co., Ltd. ("Tianjin Pipe") 天津鋼管鋼鐵貿易有限公司 ("天津鋼管")	Other related party 其他關聯人				38,407,665.90	-16,955,372.55	21,452,293.35
Tianjin Seamless Investment Co. Ltd. ("Tianjin Seamless") 天津大無縫投資有限責任公司 ("天津大無縫")	Other related party 其他關聯人				1,917,312.44	-213,108.91	1,704,203.53
Total 合計		14,240,169.04	-3,647,224.86	10,592,944.18	296,483,571.81	-24,221,507.66	272,262,064.15
Reasons for occurrence of related creditor's right and debt transactions 關聯債權債務形成原因		Under normal operation 正常經營					
Effects of related creditors' rights and debts on the Company 關聯債權債務對公司的影響		None 無					

## Section 7 Important Matters

### 第七節 重要事項

#### XIV. Material connected transactions (continued)

##### (v) Others

“√Applicable” “□ Not applicable”

As at 31 December 2016, the Group has entered into connected transactions with the following entities which was regarded as the connected person of the Company according to the Listing Rules.

- (1) Beijing Kerui Nike Science Trading Co., Ltd. (“Kerui Nike”) is a substantial shareholder of Tianhai Cryogenic, holding 25% interest in Tianhai Cryogenic. Tianhai Cryogenic is an indirect non-wholly-owned subsidiary of the Company. As such, Kerui Nike is a connected person of the Company.
- (2) Tianhai Seamless is a controlling shareholder of Tianjin Tianhai holding 45% interest in Tianjin Tianhai. Both Tianhai Seamless and Tianjin Pipe are the wholly-owned subsidiaries of Tianjin Pipe Group. Therefore, Tianjin Pipe is an associate of Tianjin Seamless and also a connected person of the Company.
- (3) Asset Management Company is a wholly-owned subsidiary of Jingcheng Holding, which in turn is a controlling shareholder of the Company holding 43.30% interest in the Company. Accordingly, Asset Management Company is an associate of Jingcheng Holding and a connected person of the Company.
- (4) Jingcheng Tianyi is 80% owned by Beijing Xihai, and Beijing Xihai is a wholly-owned subsidiary of Jingcheng Holding. Hence, Jingcheng Tianyi is an associate of Jingcheng Holding and a connected person of the Company.

The details of the connected transaction and the continuing connected transaction for the year ended 31 December 2016 were set out below:

On 15 January 2015, Tianhai Cryogenic, an indirect non-wholly owned subsidiary of the Company, as the transferee and Kerui Nike as the transferor entered into the Technology Transfer Agreement pursuant to which Tianhai Cryogenic will purchase from Kerui Nike the special technology ownership in design, manufacturing technology and patent application rights for the cryogenic tank equipment with volume over 100m<sup>3</sup>. This transaction is made for the purpose of the steady development of Tianhai Cryogenic, upgrading the product and increasing the core competitiveness. The total consideration for the Technology Transfer Agreement is RMB20,000,000. The material terms of the Technology Transfer Agreement are that Kerui Nike will sell the design and manufacturing technology for the cryogenic tank equipment with volume over 100m<sup>3</sup> to Tianhai Cryogenic. Kerui Nike guaranteed that the transfer of Cryogenic Tank Technology will be completed before 31 December 2019. After the technical information in relation to the cryogenic tank equipment with volume over 100m<sup>3</sup> are delivered to the project inspection team of Tianhai Cryogenic, Tianhai Cryogenic will pay the consideration to Kerui Nike under the Technology Transfer Agreement in five years by yearly installments of RMB4,000,000 each.

#### 十四、重大關聯交易(續)

##### (五) 其他

√適用 □不適用

2016年12月31日，本集團已與下列根據上市規則被視為本公司關聯人士的實體訂立關聯交易。

- (1) 北京科瑞尼克科貿有限公司(以下簡稱「科瑞尼克」)為天海低溫的主要股東，擁有天海低溫的25%權益。天海低溫為本公司的間接非全資附屬公司，因此科瑞尼克為本公司關聯人士。
- (2) 天津大無縫為天津天海的控股股東，持有天津天海45%權益。天津大無縫及天津鋼管均為天津鋼管集團的全資附屬公司。因此，天津鋼管為天津大無縫的聯繫人及本公司關聯人士。
- (3) 資產管理公司為京城控股的全資附屬公司，而京城控股為持有本公司43.30%權益的控股股東。因此，資產管理公司為京城控股的聯繫人及為本公司關聯人士。
- (4) 京城天義由北京西海擁有80%，而北京西海為京城控股的全資附屬公司。因此，京城天義為京城控股的聯繫人及本公司關聯人士。

截至2016年12月31日止年度的關聯交易及持續關聯交易詳情載列如下：

2015年1月15日，本公司間接非全資附屬公司天海低溫(作為承讓人)與科瑞尼克(作為轉讓人)訂立技術轉讓合同，據此，天海低溫將向科瑞尼克購買100立方米以上低溫儲罐設備的設計及製造技術的特別技術擁有權及專利申請權。本次交易的目的是為了天海低溫穩步發展，提升產品檔次，增強核心競爭力。技術轉讓合同的總代價為人民幣20,000,000元。轉讓的主要條款，科瑞尼克向天海低溫出售100立方米以上的低溫儲罐設備的設計及製造技術。科瑞尼克保證，低溫技術於2019年12月31日前完成轉讓。有關100立方米以上的低溫儲罐設備的技術資料交付天海低溫的項目驗收小組後，天海低溫將根據技術轉讓合同向科瑞尼克支付代價，於五年內每年支付人民幣4,000,000元。

## XIV. Material connected transactions (continued)

## (v) Others (continued)

**Continuing connected transaction**

On 3 March 2014, Tianjin Tianhai, a subsidiary of the Company, entered into the Gas Cylinder Pipe Sale and Purchase Framework Agreement with Tianjin Pipe, pursuant to which Tianjin Tianhai will purchase gas cylinder pipes from Tianjin Pipe for a term of one year commencing 1 January 2014 to 31 December 2014 with a cap of RMB300,000,000. On 27 March 2014, Tianjin Pipe entered into a supplemental agreement to the Gas Cylinder Pipe Sale and Purchase Framework Agreement with Tianjin Tianhai to extend the term of the Gas Cylinder Pipe Sale and Purchase Framework Agreement from the original 1 year ending 31 December 2014 to 3 years ended 31 December 2016. On 26 June 2014, the continuing connected transaction in relation to the Gas Cylinder Pipe Sale and Purchase Framework Agreement and the supplemental agreement were considered and passed in the general meeting. As a long-term co-operation partner of the Group, Tianjin Pipe guarantees the supply and the quality of gas cylinder pipes. It would be conducive to a better co-operation between Tianjin Tianhai and Tianjin Pipe, which in turn would minimise the cost of raw materials and enhance the market competitiveness of the products of Tianjin Tianhai.

On 3 March 2014, Asset Management Company (as lessor) and Tianhai Industry (as lessee), a wholly-owned subsidiary of the Company, entered into a contract with respect to the lease of plants and equipment of Asset Management Company for certain plants and production facilities for a period of three years from 1 January 2014 to 31 December 2016. The annual rent is RMB680,000 and the rent for half a year is RMB340,000. The plant of Asset Management Company rented by Tianhai Industrial is located in Mulin Town, Shunyi District, with reasonable location and suitable rent, which are beneficial to lowering the Group's production cost, raising product margins, and enhancing the market competitiveness of products.

On 3 March 2014, Jingcheng Compressor, a wholly-owned subsidiary of the Company (as lessor) and Jingcheng Tianyi (as lessee), entered into a contract with respect to the lease of a property located at Badaling Economic Development Zone Side A production base East side, Yanqing County, Beijing for a term of three years commencing from 1 January 2014 to 31 December 2016. The annual rent is RMB924,362.5. Renting out idle factories by Jingcheng Compressor is beneficial to revitalizing the assets, enhancing the utilization rate of non-current assets and generating a stable cash flow for the Group to assist in major business development.

## 十四、重大關聯交易(續)

## (五) 其他(續)

**持續關聯交易**

2014年3月3日，本公司的附屬公司天津天海與天津鋼管訂立氣瓶管購銷框架合同，據此天津天海於自2014年1月1日開始至2014年12月31日止一年期內向天津鋼管採購氣瓶管，並以人民幣300,000,000元為上限。2014年3月27日，天津鋼管與天津天海就氣瓶管購銷框架合同訂立補充協議，將氣瓶管購銷框架合同的年期由原先截至2014年12月31日止為期一年延長至截至2016年12月31日止，為期三年。2014年6月26日，股東大會審議通過有關氣瓶管購銷框架合同及補充協議的持續關聯交易。作為本集團的長期合作夥伴，天津鋼管的產品供應有保證及質量有保障。這有利於天津天海及天津鋼管之間的更好合作，進而將原材料成本降低到最低水平，並提升天津天海產品的市場競爭力。

2014年3月3日，資產管理公司(作為出租人)與本公司全資附屬公司天海工業(作為承租人)就若干廠房及生產設施訂立資產管理公司廠房及設備租賃合同。年限：自2014年1月1日開始至2016年12月31日止，為期三年。年租金為人民幣680,000元及半年租金為人民幣340,000元。天海工業租用之資產管理公司廠房位於順義區木林鎮，位置合理及租金合適，有利於降低本集團的生產成本、提高產品利潤及提升產品的市場競爭力。

於二零一四年三月三日，本公司全資附屬公司京城壓縮機(作為出租人)與京城天義(作為承租人)就位於北京市延慶縣八達嶺經濟開發區甲方生產基地東側的一項物業訂立租賃合同，自2014年1月1日開始至2016年12月31日止，為期三年。年租金為人民幣924,362.5元。京城壓縮機出租閒置廠房有利於盤活資產、提高非流動資產利用率及為本集團產生穩定的現金流量，輔助主要業務發展。

## Section 7 Important Matters

### 第七節 重要事項

#### XIV. Material connected transactions (continued)

##### (v) Others (continued)

###### Continuing connected transaction (continued)

During the Reporting Period, the above continuing connected transactions were processed in accordance with their contractual agreements. The independent non-executive directors have reviewed each continuing connected transaction and confirmed that:

- (1) it was entered into by the Group in the ordinary and usual course of business;
- (2) it was entered into on normal commercial terms;
- (3) it was carried out in accordance with the terms of the relevant transaction agreement, which were fair and reasonable and in the interests of the Company's shareholders as a whole.

The auditors have issued letters without reservation in relation to the disclosed continuing connected transactions of the Group during the Reporting Period in accordance with Rule 14A.56 of the Listing Rules, which contain their findings and conclusions.

Such transactions were entered into in the ordinary and usual course of business of the Group, which were necessary for and continued during the operation of the Company. Also, such connected transactions would in no way affect the independence of the Company and harm the interests of the Company and shareholders, and in particular, the medium-sized shareholders and the minority shareholders.

#### XV. Contracts of significance and their execution

##### (i) Trust, contracting and lease matters

1. **Trust**  
"  Applicable " "  Not applicable "
2. **Contracting**  
"  Applicable " "  Not applicable "
3. **Lease**  
"  Applicable " "  Not applicable "

##### (ii) Guarantee

"  Applicable " "  Not applicable "

##### (iii) Cash assets entrusted to be managed by others

1. **Entrusted wealth management**  
"  Applicable " "  Not applicable "
2. **Entrusted loans**  
"  Applicable " "  Not applicable "
3. **Other investments in wealth management products and derivatives**  
"  Applicable " "  Not applicable "

##### (iv) Other contracts of significance

"  Applicable " "  Not applicable "

#### 十四、重大關聯交易(續)

##### (五) 其他(續)

###### 持續關聯交易(續)

報告期內，上述持續關聯交易遵守上述合同的約定執行。本公司獨立非執行董事已審核本公司各項持續關聯交易，並確認該交易：

- (1) 乃由本集團在日常及正常業務過程中訂立；
- (2) 乃按正常商業條款進行；
- (3) 是根據有關交易的協議條款進行，而交易條款公平合理並符合本公司股東的整體利益。

根據香港《上市規則》第14A.56條，審計師已就報告期內本集團披露的持續關聯交易，發出無保留意見的函件，並載有其發現和結論。

該等交易在本公司日常業務過程中進行，在本公司業務運營中有必要性和持續性。該等關聯交易不會影響本公司獨立性。該等關聯交易不存在損害本公司及其股東，特別是中小股東利益的情形。

#### 十五、重大合同及其履行情況

##### (一) 托管、承包、租賃事項

- 1、**託管情況**  
適用 不適用
- 2、**承包情況**  
適用 不適用
- 3、**租賃情況**  
適用 不適用

##### (二) 擔保情況

適用 不適用

##### (三) 委托他人進行現金資產管理的情況

1. **委托理財情況**  
適用 不適用
2. **委托貸款情況**  
適用 不適用
3. **其他投資理財及衍生品投資情況**  
適用 不適用

##### (四) 其他重大合同

適用 不適用

## Section 7 Important Matters

### 第七節 重要事項

#### XVI.Explanation on other important matters

“√Applicable” “□ Not applicable”

##### 1. Receipt of government subsidies

#### 十六、其他重大事項的說明

√適用 □不適用

##### 1、獲得政府補貼情況

Item 項目	Amount for the year 本年金額	Source 來源和依據
Government subsidies for “double independent” enterprises 「雙自主」企業政府補貼	750,296.00	Government subsidies for “double independent” enterprises 「雙自主」企業政府補貼
Energy audit award from Beijing Energy Conservation and Environmental Protection Centre 北京節能環保中心的能源審計獎勵	1,485,396.00	Energy audit award from Beijing Energy Conservation and Environmental Protection Centre 北京節能環保中心的能源審計獎勵
Patent funds of Chaoyang District 朝陽區專利權資助	251,390.00	Finance Bureau of Chaoyang district – The subsidy for the patent right for hi-tech enterprises, Chao Zhi Fu [2016] No. 11 – Notice on the Funds for Patented Technology Industrialization Projects of Chaoyang District in 2016, The Approach of Patent Funds and Incentives of Chaoyang District, Chao Zheng Fa [2010] No. 8, The Management Approach of Patent Funds of Beijing 朝陽區財政局一朝陽區專利權資助高新技術企業、朝知服[2016]11號——關於朝陽區2016年度專利技術產業化項目資助的通知、朝陽區專利資助及獎勵辦法朝政發[2010]8號、北京市專利資助金管理辦法
Incentives for the implementation of intellectual property policies 知識產權政策落實獎勵	17,300.00	Incentives for the implementation of intellectual property policies 知識產權政策落實獎勵
Supporting fund for short-term export credit insurance 短期出口信用險保費支持資金	52,015.00	Supporting fund for short-term export credit insurance of Beijing Municipal Commission of Commerce 北京商務委員會短期出口信用險保費支持資金
Beijing government subsidies for the development of foreign trade and economic cooperation 北京外經貿發展政府補助	430,674.00	Regulations on the Implementation of Project Funds for the Development of Foreign Trade of Beijing, Beijing Municipal Commission of Commerce’s Notice on the Provision of the Guidance Funds for the Development of Foreign Trade and Economic Cooperation and the List of Enterprises Proposed to be Supported by the Assurance Services Platform 北京市外貿發展專項資金管理實施細則、北京市商務委員會關於提供北京外經貿發展引導基金和擔保服務平臺擬重點支持企業名錄的通知
Subsidies from National Development and Reform Commission of Chaoyang District of Beijing’s in 2015 for adjustment and exit of the second batch of pollution enterprises 北京市朝陽區發改委2015年第二批污染企業調整退出補助金	3,000,000.00	The Management Approach of Incentives for the Adjustment and Exit of Industrial Polluting Enterprises 工業污染企業調整退出獎勵資金管理辦法



## Section 7 Important Matters

### 第七節 重要事項

#### XVI.Explanation on other important matters (continued)

#### 十六、其他重大事項的說明(續)

##### 1. Receipt of government subsidies (continued)

##### 1、獲得政府補貼情況(續)

Item 項目	Amount for the year 本年金額	Source 來源和依據
The Policy of Tianjin Port Free Trade Zone for Facilitating Enterprises Affected by 12 August Incident to Conduct Self-help 《天津港保稅區關於促進8.12受災企業開展生產自救全力恢復生產支持政策》	1,239,961.93	Jin Bao Guan Fa [2015] No. 57 津保管發[2015]57號
Stabilizing employment subsidy 穩崗補貼	167,600.00	Ji Ren She Fa [2015] No. 57 冀人社發[2015]57號
Social insurance subsidy 社保補貼	92,930.98	The Approval Form from the Application of Social Insurance by College Graduates who are employed by the small and medium enterprises in Langfang City 廊坊市中小微型企業招用擇業期內高校畢業生申請社會保險補貼審核認定表
Employment subsidy 就業補貼	75,111.72	The Approval Form from the Application of Social Insurance by College Graduates who are employed by the small and medium enterprises in Langfang City 廊坊市中小微型企業招用擇業期內高校畢業生申請社會保險補貼審核認定表
Financial incentives funds for responsive projects 響應項目財政獎勵資金	43,906.00	The Management Approach of Financial Incentives Funds for the Work of Management of Urban Comprehensive Pilots for Beijing Electric Power Demand 北京市電力需求側管理城市綜合試點工作財政獎勵資金管理辦法
Financial Incentive Funds for Projects Corresponding to Winter Demand in 2015 2015年冬季需求相應項目財政獎勵金	17,183.00	Notice from Beijing Municipal Commission of Development and Reform about the Fourth Batch of Projects for Management of Urban Comprehensive Pilots for Beijing Electric Power Demand 北京市發展和改革委員會關於組織申報北京市電力需求側管理城市綜合試點第四批項目的通知
Total 合計	7,623,764.63	—

XVI.Explanation on other important matters  
(continued)

- |   |   |
|---|---|
| <p><b>2. Change in subsidiaries included in the scope of consolidation during the Reporting Period</b><br/>None.</p>  | <p>2、報告期子公司納入合併範圍變更情況<br/>無。</p>  |
| <p><b>3. The applicable rate of enterprise income tax for the Company was 25% during the Reporting Period.</b></p>  | <p>3、報告期公司企業所得稅的適用稅率為25%。</p>   |
| <p><b>4. The Audit Committee reviews the financial report during Reporting Period</b><br/>The Audit Committee of the Board of the Company has reviewed and confirmed the financial report of 2016.</p>  | <p>4、審計委員會審閱報告期財務報告情況<br/>公司董事會之審計委員會已審閱並確認2016年財務報告。</p>   |
| <p><b>5. The Corporate Governance Practices</b><br/>The Company has always complied with the Listing Rules of Shanghai Stock Exchange and The Stock Exchange of Hong Kong Limited during the Reporting Period.</p>  | <p>5、企業管治常規守則<br/>公司於報告期內一直遵守上海證券交易所、香港聯合交易所有限公司證券上市規則。</p>   |
| <p><b>6. The Model Code for Securities Transactions by Directors and Supervisors</b><br/>During the Reporting Period, the Company has adopted a Model Code which the standard is not lower than the Model Code for Securities Transactions set out in Appendix 10 of the Listing Rules as the code of conduct for Directors and Supervisors' securities transactions. After making specific enquiries with all Directors and Supervisors, the Company confirmed that all Directors and Supervisors had complied with the requirements as set out in the Model Code in relation to the securities transactions for the twelve months ended 31 December 2016.</p> | <p>6、董事及監事進行證券交易的標準守則<br/>於本報告期內，本公司就董事及監事的證券交易，已採納一套不低於上市規則附錄十所載的《標準守則》所規定的標準行為守則。經特別與全部董事及監事作出查詢後，本公司確認，在截止2016年12月31日之12個月，各董事及監事已遵守該標準守則所規定有關董事進行證券交易的標準。</p> |

## Section 7 Important Matters

### 第七節 重要事項

#### XVI. Explanation on other important matters

(continued)

##### 7. Share capital

- (1) During the Reporting Period, there was no change in the total number of shares and shareholding structure of the Company.
- (2) During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

#### XVII. Report on Performance of Social Responsibility by the Company

##### (i) Poverty alleviation measures of the listed company

Applicable  Not applicable

##### (ii) Social responsibility work

Applicable  Not applicable

##### Environmental, Social and Governance Report

In 2016, the Company strictly complied with the Labor Laws and the Articles of Association of the Company and protected the legal interests of its staff in accordance with the relevant laws. The Company has established an effective quality control system and focused on the enhancement of product quality. In the meantime, we, together with the party, organized different caring activities to listen to the thoughts of staff and do actual work for staff. The Company actively participated in the community welfare activities and made donations to charity in order to make a positive contribution to the construction of a harmonious society. The information on the performance of major social responsibilities is as follows:

##### 1. Environment protection and sustainable development

The Company actively responded to the call of China's clean energy policies, actively promoted industrial planning and the adjustment of product structure, accelerated the transformation and upgrading of enterprises, and vigorously explored the natural gas storage and transportation equipment market. It took the market opportunities brought by the "coal-to-gas" program to comprehensively improve the market share of cryogenic gas cylinders, cryogenic tanks and gas filling stations and actively build the operation model integrating gas, cylinders and stations. It has made a positive contribution to China's energy-saving and emission reduction and the development of the environmental protection industry.

#### 十六、其他重大事項的說明(續)

##### 7、股本

- (1) 報告期內，本公司股份總數及股本結構未發生變化。
- (2) 報告期內，本公司及附屬公司均沒有購買、出售、或贖回任何本公司之上市證券。

#### 十七、積極履行社會責任的工作情況

##### (一) 上市公司扶貧工作情況

適用  不適用

##### (二) 社會責任工作情況

適用  不適用

##### 環境、社會及管治報告

2016年，公司嚴格遵守《勞動法》和公司《章程》，依法保護職工合法權益；建立健全有效的質量管理體系，注重產品質量提升；黨群系統廣泛開展各類關愛活動，傾聽職工心聲，切實為職工辦實事。積極參與社會公益活動、愛心捐款等活動，為和諧社會建設作出積極貢獻。重點社會責任履職情況如下：

##### 1、環境保護與可持續發展

公司積極響應國家清潔能源政策的號召，積極推進產業空間佈局和產品結構調整，加快企業轉型升級步伐，大力開拓天然氣儲運裝備市場，抓住「煤改氣」市場契機，全面提高低溫瓶、低溫儲罐、加氣站產品市場佔有率，積極構建氣、瓶、站一體化運營模式。為國家節能減排和環保產業的發展做出了積極貢獻。

## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 1. Environment protection and sustainable development (continued)

As a state-owned enterprise in the capital of China, the Company actively fulfills social responsibility. Beijing Tianhai has extensive experience in natural gas storage and transportation equipment and station construction. During the year, the Company reached cooperation with Beijing Gas Group Yanqing Branch and successfully completed the work for residential gas supply before winter. The “coal-to-gas” program was implemented at 15 villages of seven townships in Yanqing District, including Jingzhuang, Jiuxian and Shenjiaying. Household natural gas can be used for daily cooking and heating in winter. The “coal-to-gas” program improved the clean energy utilization ratio in the district and significantly reduced air pollution, allowing the public to get tangible benefits. It continued to develop deep cooperation with Beijing Public Transportation Group to provide supporting products of LNG cylinders for Beiqi Foton clean energy demonstration buses. The Company's LNG products are safely used in the buses in Beijing, and play an irreplaceable role in the environment control in the capital and represent a good social image of the Company.

The Company has formulated its “13th Five-Year” strategy which specifies clear goals and objectives for development, being transforming from traditional manufacturing to advanced and intelligent manufacturing, from manufacturing-based to service-oriented, and from providing a single product to system solution provider. It will make effective use of the capital market to promote industrial restructuring and resource revitalization and pave the way for mass production of high-end gas storage and transportation products. In line with the positioning of the core functions of the capital, the Company took the initiative to relocate and accelerate its transformation and upgrading. It partnered with Nanjing Bibo Industry and Trade Co., Ltd., a private enterprise, to establish Jiangsu Tianhai Special Equipment Co., Ltd., in order to combine the brand advantage, quality advantage and technology advantage of Tianhai Industry with the regional advantage and cost advantage of Nanjing Bibo, which signals that the Company's pace to realize strategic transformation and upgrading and accelerate reform has entered a new stage. In addition, the relocation of the production lines of Beijing Tianhai and its subsidiaries has achieved steady progress.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 1、環境保護與可持續發展(續)

作為首都國企，公司積極履行社會責任，北京天海公司具有豐富的天然氣儲運設備及整站施工經驗。在今年與北京燃氣集團延慶分公司達成合作，順利完成入冬前的居民供氣保障工作，延慶區對井莊、舊縣、沈家營等七個鄉鎮的15個村開展「煤改氣」工作。入戶的天然氣可用於日常做飯和冬季取暖。煤改氣正在不斷提升全區清潔能源利用率，大幅減少空氣污染，也讓市民切實從中得到實惠。另外繼續和北京公交集團開展深入合作，為北汽福田清潔能源示範公交車提供LNG瓶配套產品。公司LNG產品在北京公車上的安全服役，為首都環境治理發揮了不可替代的作用，展示了企業良好的社會形象。

公司制定完成「十三五」戰略，明確了發展方向和目標，即由傳統製造向「高精尖」、智能化轉變，由製造型向服務型轉變，由提供單件產品向系統解決方案提供商轉變，有效利用資本市場，推動產業轉型和資源盤活，為氣體儲運高端產品的規模生產創造了有利條件。圍繞首都核心功能定位，主動疏解產業，加快推進企業轉型升級，與民營企業—南京畢博工貿實業有限公司合作，成立江蘇天海特種裝備有限公司，實現了天海工業的品牌優勢、質量優勢、技術優勢與南京畢博工貿的區域優勢、成本優勢的有機融合，標志著公司實現戰略轉型升級、加快改革步伐進入了嶄新階段。同時，北京天海與各子公司間的生產線搬遷工作穩步推進。

## Section 7 Important Matters

### 第七節 重要事項

#### XVII. Report on Performance of Social Responsibility by the Company (continued)

##### (ii) Social responsibility work (continued)

###### 1. Environment protection and sustainable development (continued)

###### 1.1 Sound Environmental Management System

The major products of the Company are: liquefied natural gas (LNG) cylinders for vehicles, compressed natural gas (CNG) cylinders for vehicles, seamless steel gas cylinders, steel welded gas cylinders, welded insulated cylinders, carbon fiber full-winding compound gas cylinders, plate-type asbestos-free acetylene cylinders, ISO tank containers, aluminum liner carbon fiber full-winding gas cylinders for fuel cells, as well as cryogenic tanks and LNG filling station equipment, etc. The Company designs and manufactures in strict compliance with relevant environmental protection and pollutant emission laws and regulations and industry standards of the PRC, its place of operation and the gas filling industry, such as ISO14001:2004, The Requirements of Environmental Management System and User's Guide, OHSAS18001:2007 Occupational Health and Safety Management System: Standards, etc. Based on these, the Company has established the environmental management system and procedures, such as the Environmental and Occupational Health and Safety Management System Procedures, the Environmental Factors Identification and Evaluation Form and List of Important Environmental Factors, and the Solid Waste List. The Company has also set up the Safety and Environmental Department and developed the Energy Saving and Emission Reduction Steering Group to provide staff with trainings on the knowledge of environmental protection in order to enhance their environmental protection awareness, and supervise and manage the environmental protection related work focusing on energy saving and emission reduction to manage the environmental factors and waste emission and hence ensure the Company's orderly production and operation.

#### 十七、積極履行社會責任的工作情況

(續)

##### (二) 社會責任工作情況(續)

###### 1、環境保護與可持續發展(續)

###### 1.1、健全環境管理制度

公司主要產品有：車用液化天然(LNG)氣瓶，車用壓縮天然氣(CNG)氣瓶，鋼質無縫氣瓶，鋼質焊接氣瓶，焊接絕熱氣瓶，碳纖維全纏繞複合氣瓶，板沖式無石棉填料乙炔瓶，ISO罐式集裝箱，燃料電池用鋁內膽碳纖維全纏繞氣瓶以及低溫儲罐、LNG加氣站設備等。作為壓力容器，公司嚴格遵守中國及業務所在地、充裝氣體的特性相關環境保護與污染物排放的法律法規和行業標準進行設計和製造，如ISO14001:2004《環境管理體系要求及使用指南》、OHSAS18001:2007《職業健康安全管理体系規範》等，並以此為依據在公司建立了《環境、職業健康安全管理体系程序文件》、《環境因素識別及評價表和重要環境因素清單》、《固體廢棄物名錄》等環境管理的制度和規程，設立安全環保部，創建節能減排領導小組，對員工進行環保知識培訓，提高環保意識並監督、管理以節能減排為重點的環境保護相關工作，對環境因素、廢棄物排放等進行管理，保障公司有序生產經營。

## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 1. Environment protection and sustainable development (continued)

##### 1.2 Project Construction Management

At the beginning stage of project construction, the Company refers to the government's industry policies and identifies the processes and emission-generating segments. The Company engages environmental assessment companies to assess the environment, sets up treatment equipment for possible emission and applies to relevant government departments for total emission indicators. Only after meeting the local emission standards and obtaining local approval regarding environmental assessment can the project construction be carried out. After project completion, the acceptance on environmental assessment is needed. After obtaining acceptance, mass production is permitted and subject to the supervision of local environmental departments. Meanwhile, in accordance with the system requirements of the Company's ISO14001:2004 The Requirements of Environmental Management System and User's Guide, the Company carries out thorough checking and testing to control emission and conducts planning for water and soil conservation so as to meet the local governments' requirements.

##### 1.3 Proper Treatment of Waste

The waste generated from production and daily operation of the Company is treated in strict compliance with the local governments' Solid Waste Management Solution. The waste is classified for collection and treatment within the Company. Domestic waste is transferred to municipal departments for treatment and the Company entrusts qualified units with permits from environmental departments of the government with the treatment of hazardous waste. In the meantime, the Company has issued the Notice on Strengthening Environmental Protection Work requiring various segments, including technical, supply, sales, equipment, production, etc. to formulate standards, enhance communication and reduce hazardous waste from sources.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 1、環境保護與可持續發展(續)

##### 1.2、項目建設管理

公司在項目建設之初對照政府產業政策,對工藝過程及產生排放環節進行識別,聘請環評公司對環境進行評價,對可能的排放過程配置處理設備,向政府有關部門申領總量指標,達到屬地排放標準,並獲得屬地環評批復後才可進行項目建設,項目完成後進行環評驗收,驗收許可後進行批量生產,並納入屬地環保部門的監管;同時依據公司ISO14001:2004《環境管理體系要求及使用指南》體系要求,公司進行摸底檢測,使排放受控,符合屬地政府的要求。對水土保持進行規劃,符合屬地政府的要求。

##### 1.3、妥善處理廢棄物

公司在生產及日常運作中產生的廢棄物,嚴格按照屬地政府的固體廢棄物管理辦法執行;對廢棄物進行分類,公司內分類收集,分類處理;對生活垃圾交市政處理,危險廢棄物委託具有政府環保部門許可資質的單位處理,同時公司發佈《加強環保工作的通知》要求公司技術、供應、銷售、設備、生產等各環節從源頭做起,制定規範、加強溝通,減少危險廢棄物。



## Section 7 Important Matters

### 第七節 重要事項

#### XVII. Report on Performance of Social Responsibility by the Company (continued)

##### (ii) Social responsibility work (continued)

###### 2. Protection of employees' interests

###### 2.1 Emphasis on the protection of employee rights

The labor union completely fulfils its function to represent the interests of employees. Representatives of the labor union and employees participate in formulating, revising or deciding rules or systems related to work compensation which directly involve the interests of the employees and other important matters; the Company has assiduously implemented the "Rules and Regulations of the Labor Contract Law" and entered into a "Collective Contract" for the year to further clarify the interests and rights of the employees. It adopted reasonable advices in the form of corporate newspaper and advice box, listened to the opinions and suggestions of the staff and workers and accepted supervision by employees. In 2016, the Company twice amended the details rules for the employee management rules, which has been approved at the staff representative meeting.

The Company has intensified labor protection to safeguard the safety and health of its employees. Under the guideline of "safety first, precaution crucial", the Company has established and improved the life safety-focused safe production responsibility system and material technology support system to protect the interest of the employees. In order to protect the health of its employees, the Company provided physical examination for all the servicing employees and occupational health examination to the employees taking dangerous work, as well as pre-service health examination and off-job health examination to employees who contact occupational hazard factors.

The Company has been actively protecting the rights and interests of off-farm workers. Most of off-farm workers of the Company have worked for rather long time in the Company and have become key persons in the production posts. All of the workers have signed labour contract with the Company. The Company pays various insurance for them according to regulations. The Company has not delayed any payment for the salaries of the off-farm workers. All salaries are paid on time and in right amount to the personal bank card of the workers every month.

In accordance with laws, regulations and rules, the Company participates in pension and social insurances such as medical, unemployment, work injuries and pregnancy insurances etc and housing fund. The Company pays the social insurance fees on time, fulfils the fees payments obligations on behalf of the employees, discloses the payment of social insurance fees every month and accepts the supervision of the employees.

#### 十七、積極履行社會責任的工作情況

(續)

##### (二) 社會責任工作情況(續)

###### 2、職工權益保護情況

###### 2.1 重視員工權利的保護

工會充份履行代表職工利益的職能，在制定、修改或者決定有關勞動報酬等直接涉及職工切身利益的規章制度或者重大事項時，皆有工會和員工代表參與。公司認真貫徹落實《勞動合同法實施細則》，簽訂《集體合同》，進一步明確職工的利益和權利，並採用合理化建議、企業報紙、意見箱等形式，廣泛聽取職工意見和建議，接受職工的監督。2016年根據形勢的變化兩次修改了職工管理規則細則。獲得職代會通過。

加強勞動保護，保障職工安全健康。公司貫徹「安全第一，預防為主」的方針，建立健全以生命安全為核心的安全生產責任體系和物質技術保障體系，切實維護職工權益。為保護勞動者的身體健康，公司對全體在職職工進行健康體檢，對從事職業危害崗位作業的人員進行崗中職業健康體檢，對接觸職業危害因素的職工進行崗前和離崗體檢。

積極做好農民工權益維護工作。公司農民工大部份人員來企業工作時間較長，是各生產崗位的生產骨幹。全部人員均與企業簽訂勞動合同，企業按規定給他們交納各項保險。公司沒有拖欠農民工工資現象，全部按時、足額發放，每月定期劃賬到個人銀行卡內。

公司依照法律、法規和規章的規定，參加養老、醫療、失業、工傷、生育等社會保險以及住房公積金，按時足額繳納社會保險費，依法履行代扣代繳的義務，每月公佈繳納社會保險費的情況，並接受職工的監督。

## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 2. Protection of employees' interests (continued)

##### 2.2 Emphasis on staff training

In the training of employees, the Company has established an effective training mechanism and carried out trainings on staff quality and special skills. Since the beginning of the year, the Company has organized another mentorship program, with a total of 16 pairs of master and apprentice formed. Based on the platform of enterprise-school cooperation, the Company continuously provides professional technicians to the front line of production and its technical expert team is increasingly enlarged. The Company has formulated a rewarding system toward the employees who obtained technical grades, which greatly motivated the passion of frontline employees to learn techniques and increase abilities. The Company actively constructed the platform for its employees to realize their own value and organized welder skills contest within the Company and the job exercising and skill competition activities in the affiliated company. In order to meet the innovation and development requirements from the LNG market in which the Company's new products were promoted and do better in identifying, developing and reserve of skillful talents in weld, the Company held the second session "Tianhai Cup" Welder Skill Contest so as to set up a platform for our staffs to display their talents and inspired their work enthusiasm.

##### 2.3 Colorful cultural activities and life for employees

Active organization of cultural and sport activities strengthens the cultural construction of the company. During the year, the Company organized various cultural and sport activities according to the corporate features and its employees' demands in different time. It provided a pool room to employees and held the first billiards game. It also established a reading room for production staff and a mommy's room, classroom and chairman room were set up by the labour union this year, which had innovations in the form and content of activities. Through these activities, the Company better met the increasing spirit demands of employees, built an up-beat environment and the employees were encouraged to accept difficulties and challenges and became more motivated, cohesive and inspired.

##### 2.4 Public welfare and caring

In 2016, in the activity of "Communist party members show love" and through the wide propaganda and organization of various levels of the party organizations, the communist party members, activists and other people made 400 donations which raised RMB14,270.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 2、職工權益保護情況(續)

##### 2.2 重視員工培訓工作

在職工培訓方面，建立有效的培訓機制，實施職工素質培訓與專項技能培訓。從年初開始，組織了新一輪的拜師學藝，先後共有16對師徒結對。充份利用校企合作聯合辦學的平台，為一線不斷輸送專業技術工人，技術骨幹隊伍不斷壯大；制定了對取得技術等級和職稱等級職工的獎勵制度，極大地鼓舞了一線職工學技術、長本領的熱情。積極搭建員工實現自身價值的平臺，組織了公司內部的焊工技能大賽和以分會為單位的崗位練兵及技術比賽活動。為滿足公司新產品LNG市場的創新發展需要，做好焊工技能人才才發現、培養、儲備工作，公司舉辦了第二屆「天海杯」焊工工種技能大賽，為員工搭建了施展才華的平臺，激發了公司焊工的工作熱情。

##### 2.3 豐富員工業餘文化生活

積極開展文體活動，加強企業文化建設。分時段、貫穿全年組織開展了適合企業特點和員工需求的多項文體活動。為職工增加檯球活動室，並舉辦了首屆檯球比賽。同時開闢生產部員工閱覽室，公司工會也在今年新建立了媽咪屋、電教室、和工會主席接待室等活動場所。在活動形式和內容上進行了創新。通過開展豐富多彩的員工文化體育活動，更好地滿足了廣大員工日益增長的精神文化需求，營造了蓬勃向上的良好氛圍，面對困難和挑戰，起到了鼓舞士氣、凝聚力量，振奮精神的積極作用。

##### 2.4 公益事業和關愛情況

2016年，在「共產黨員獻愛心」捐獻活動中，在各級黨組織的廣泛宣傳和組織下，公司共產黨員、積極分子及群眾共400人次捐款人民幣14,270元。

# Section 7 Important Matters

## 第七節 重要事項

### XVII. Report on Performance of Social Responsibility by the Company (continued)

#### (ii) Social responsibility work (continued)

##### 2. Protection of employees' interests (continued)

###### 2.4 Public welfare and caring (continued)

The Company takes care of the livelihood of its staff and creates a harmonious atmosphere. The Company continued on "heart-warming" activities, personally visited model workers, overseas Chinese, retired executives and employees with difficulties or serious illness. In 2016, the Company made 121 family visits and 92 hardship grants with total amount of grants provided of RMB41 thousand. The Company organized "Jingcheng learning-assistance" activity under the call of the government, and issued RMB9,000 to each of the nine employees who have children entering university, showing our encouragement to children's education and eased their actual difficulties.

##### 3. Personnel Management

###### 3.1 Employment and Promotion

The human resources department of the Company implements unified personnel planning and recruitment selection. It compared the research results of staffing needs with current staff, and formulated the Personnel Planning and Recruitment Plan accordingly. It selects talents by various means such as online recruitment, campus recruitment, large-scale recruitment, fairs. Also, it screens and hires external candidates by comprehensive capability evaluation with reference to the job requirements and working standards of positions.

The Company regards its staff as its most important asset. The Company is committed to providing employees with a fair and good working environment and room for personal development. In the process of promotion, we offer fair opportunities to each employee, uphold the impartial attitude and issue promotion announcement for the staff to be promoted in order to ensure the fairness and openness of promotion and that our staff enjoy fair remuneration and benefits.

###### 3.2 Remuneration Policy

The Company implements a diversified remuneration system with job performance salary as the main body. Based on fixed job positions, the job performance salary determines the relative value of the position by position evaluation, and determines the salary level with reference to the labour market price level in order to ensure both the internal and external fairness of remuneration. On this basis, we implement a diversified remuneration policy with hierarchical classification in accordance with the staff's differences in work nature: technical grade assessment and technical innovation incentive measures for technical staff, sales performance commission measures for marketing staff, piece-rate salary system for basic production workers and annual salary system for the senior management.

### 十七、積極履行社會責任的工作情況

(續)

#### (二) 社會責任工作情況(續)

##### 2、職工權益保護情況(續)

###### 2.4 公益事業和關愛情況(續)

關心員工生活，營造和諧氛圍。公司繼續開展「送溫暖」活動，對勞動模範、統戰對象、退離休老幹部、家庭困難及身患重病的職工進行了重點家訪，2016年，共進行家訪121人次；實施困補92人次，發放困補款人民幣4.1萬元。積極響應上級號召，開展了「京城助學」活動，對9名子女升入大學的職工發放了「京城助學」補助金人民幣9,000元，表達了對職工子女教育的鼓勵，也緩解了這些職工的一些實際困難。

##### 3、人員管理

###### 3.1、僱員及晉升

公司由人力資源部實施統一的人員規劃及招聘選拔，將人員需求調研結果與現有人員進行比較，據此制定《人員規劃和招聘計劃》，通過網絡招聘、校園招聘、大型招聘會等多種方式選拔人才，並參照崗位任職要求和工作標準，對外部應聘人員進行綜合能力評價篩選和錄用。

員工被視為公司最重要的財富，公司致力於為員工提供公平良好的工作環境和開放的個人發展空間，在晉升環節，我們提供公平的機會給每位員工，秉持公正的態度，會對要晉升的人員進行晉升公示，保證晉升的公正、公開性，使員工享受到公平的薪酬和福利待遇。

###### 3.2、薪酬政策

公司實施以崗位績效工資為主體的多元化薪酬制度，崗位績效工資按照在定崗定編的基礎上，通過崗位評價確定崗位相對價值並參考勞動力市場價位確定工資水平，以保證薪酬的內外部公平性。在此基礎上，對技術人員實施技術等級評聘和技術創新獎勵辦法，對營銷人員實施銷售業績提成辦法，對基本生產工人實施計件工資制度，對高級管理人員實施年薪制，按照不同人員不同工作性質，採取分層分類的多元化的薪酬政策。

## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 3. Personnel Management (continued)

##### 3.3 Incentive Policy

To enhance the work enthusiasm and innovation ability of the staff, the Company has established a diversified incentive mechanism by setting up awards and honorary titles such as Management Innovation Award, Technical Innovation Award, QC Achievement Award, Year-end Award, Top Ten Pacesetters, Expert, Advanced Working Group, etc. The award-winning staff members are given certain material incentives.

##### 3.4 Labour Standards

All work is voluntary rather than the use of forced labour, indebted labour, labour bound by contracts or involuntary prison labour. All employees are entitled to resign freely upon providing reasonable notice to the Company. The Company does not allow child labour to work in any workplaces. "Child labour" refers to labour who are under the age of 16 (or the age prohibited by laws). The number of working hours does not exceed the local legal maximum working hours to ensure that our employees get enough rest.

The Company does not take into account one's ethnicity, colour of skin, age, gender, sexual orientation, race, disability, pregnancy, faith, political faction, union membership or marital status in employment and hiring practices such as promotion, rewards, trainings and demotion. All staff are not forced to work nor discriminated illegally.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 3、人員管理(續)

##### 3.3、激勵政策

為提高員工工作積極性和創新能力，本公司建立了多元化的激勵機制，設立了管理創新獎、技術創新獎、QC成果獎、年終獎、十大標兵、能手、先進工作集體等獎項和榮譽稱號，並對獲獎人員給予一定的物質獎勵。

##### 3.4、勞動準則

所有工作都是自願而不是使用強迫、抵償或用契約束縛的勞工或者是非自願的監獄勞工。所有員工在合理通知的情況下擁有自由離職的權利。公司不容許有童工在任何工作場所工作。「童工」是指未滿16歲(或法律不准許童工勞動歲數)。工作時間不會超出當地法律最高工時，以保證員工充分的休息。

公司不會因人種、膚色、年齡、性別、性傾向、種族、殘疾、懷孕、信仰、政治派別、工會成員或婚姻狀況在聘請上和僱用實務如：晉升、獎勵、接受培訓和降級。所有員工在沒有強迫下工作和非法歧視。

## Section 7 Important Matters

### 第七節 重要事項

#### XVII. Report on Performance of Social Responsibility by the Company (continued)

##### (ii) Social responsibility work (continued)

#### 4. Production, Supply and Sales Management

##### 4.1 Safe Production

Based on the people-oriented principle, the Company implements the Safe Production Law of the People's Republic of China, Safe Production Regulations of local governments and specific requirements on safe production. The Company has established the Safe Production Management System and Safe Production Contingency Plan with 72 guidelines in order to implement the system in real work.

In respect of safe production, "Single Position, Double Responsibilities; the Party and the Government are Both Responsible", the Company has established the safe production responsibility system for various levels and various position of staff members, and in the beginning of every year, the Letter of Safe Production Responsibility is signed by them such that the safety responsibility falls on each employee. In accordance with the requirements of safety control standardization, the Company self-examines and rectifies the Company's safe production and hence the Company and its subsidiaries received the Safety Standardization Level 1 – Level 3 certificates to further foster safe production. Taking preventive measures ahead of danger, the Company carries out identification of sources of danger and formulates specific measures in the beginning of every year according to the requirements of OHSAS18001:2007 Occupational Health and Safety Management System: Standards. In accordance with "One Enterprise One Standard, One Position One List", the Company investigates and manages potential safety risks, carries out monthly summary and analysis and implements the rectification work. The Company organizes the safety month activities and "119" emergency drills to equip the staff with the ability to deal with emergencies so as to avoid severe injury or accidents and minimize the occurrence of minor injury in the Company.

##### 4.2 Occupational Hazard Protection

During project construction, the Company identifies the process and sets up treatment and protection equipment for processes which generate occupational hazards such as dust, noise, benzene, welding smoke and dust, etc. It also carries out pre-evaluation and control evaluation regarding safe production and occupational health for the project such that it meets the requirements of occupational health. Operational staff members are equipped with labour protection supplies that are anti-dust, anti-virus and anti-noise. The Company conducts checking, testing and evaluation on the factors of occupational hazard in the operational site every year and arranges pre-job, on-the-job and post-job body checks for employees who are exposed to and engages in jobs that are exposed to the factors of occupational hazard in order to protect their health.

#### 十七、積極履行社會責任的工作情況

(續)

##### (二) 社會責任工作情況(續)

#### 4、產供銷管理情況

##### 4.1、安全生產

公司本著以人為本，落實《中華人民共和國安全生產法》屬地政府《安全生產條例》和有關安全生產的具體要求；公司建立了《安全生產管理制度&安全生產應急預案》72項，在現實工作中貫徹制度的落實。

安全生產一崗雙責，黨政通責，公司建立各級各類人員的安全生產責任制，每年初簽訂《安全生產責任書》，將安全責任落實到每個員工身上，公司按照安全治量標準化的要求，自查整改公司的安全生產情況，公司及所屬子公司取得安全標準化1級-3級證書，進一步促進安全生產；超前設防，防患於未然，公司每年初按OHSAS18001:2007《職業健康安全管理體系規範》要求進行危險源辨識，制定具體措施，依據「一企一標準，一崗一清單」排查治理安全隱患，每月匯總分析，落實整改情況；安全月和「119」進行應急預按演練，培養應對突發事件的能力，避免公司重傷及以上事故，減輕輕傷事故的發生。

##### 4.2、職業危害防護

公司在項目建設同時，對工藝過程進行識別，對於產生粉塵、噪聲、苯系物、焊接煙塵等職業危害的工藝過程配備處理和防護設備，並對項目進行安全生產和職業衛生預評價和控制評價，使其符合職業衛生的要求；對作業人員配備防塵、毒、噪聲的勞動保護用品，每年對作業現場職業危害因素進行檢測評價，對接觸和從事接觸職業危害因素的員工進行崗前、崗中、離崗體檢，保護員工的職業健康。



## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 4. Production, Supply and Sales Management (continued)

##### 4.3 Safety Education and Training

The Company provides newly joined staff with company-level, factory-level and team-level safety education. They are qualified to work after passing the examination. The Company provides all staff with safety education so as to develop their safety awareness and ability to identify sources of danger, and enhance their protection ability. It provides middle-level and above staff with education on safety and environmental protection regulations such that they know the laws, understand the laws and respect the laws during the implementation of work. It provides team leaders with safety education such that government regulations and the Company's system can be correctly transferred from the superior to subordinates and that they can lead the employees to enhance protection ability. It provides employees who are exposed to occupational hazards with occupational disease prevention knowledge trainings in order to raise their self-awareness to comply with regulations and requirements. The Company's major persons in charge, supervisory persons in charge and persons in charge of the safety department are the professional safety personnel who participated in professional trainings held by higher-level departments and government organizations and obtained certificates.

##### 4.4 Operation Procedure Training

The Company provides employees of the operational sites with trainings on safe operational procedures and positional (process) standardization so that employees can carry out operation safely and correctly. New employees receive one-to-one training from master by way of apprenticeship. When there are new materials, new equipment, new technology and new process, the Company's equipment department, technical department and relevant parties provide employees who are related to the "Four New" with "Four New Education".

##### 4.5 Emergency Rescue

For better prevention, control and proper handling of potential accidents or emergencies, as well as minimization of the impact of the accidents, the Company has formulated regulations for the preparatory work and response measures of emergency rescue in terms of preventive warnings, emergency handling, emergency protection, etc. The Company also mobilizes production line staff to form a voluntary fire brigade during the safety month activities and "119" and carries out emergency drills to develop their ability to deal with emergencies.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 4、產供銷管理情況(續)

##### 4.3、安全教育培訓

公司對新入職員工進行公司級、車間級、班組級安全教育，考核合格上崗，每年對全員進行安全教育，培養安全意識和辨識危險源的能力，提高防護能力；對中層及以上幹部進行安全和環保法規方面的教育，使其知法、懂法、尊法，落實在工作中；對班組長進行安全教育，政府法規公司制度能正確上傳下達，帶領員工提高防護能力；對職業危害崗位員工進行職業病防護知識培訓，提高自覺遵守法規和要求的意識。公司主要負責人、主管負責人和安全部門負責人專職安全人員，參加上級部門和政府組織的專門培訓取得證書。

##### 4.4、操作規程培訓

對作業現場員工培訓安全操作規程和崗位(工序)標準規範，使員工能安全正確操作，對新員工以師傅帶徒弟方式，進行一對一培訓；當出現新材料、新設備、新技術、新工藝是有公司設備部門、技術部門及相關方對涉及四新的員工進行四新教育。

##### 4.5、應急救援

為更好的做到預防、控制和妥善處理潛在事故或緊急情況，最大限度地減輕事故影響，公司在防範預警、應急處置、應急保障、等多方面對應急救援的準備工作和響應措施進行了規定，並在公司的安全月和「119」組織公司義務消防隊生產線員工，進行應急預按演練，培養應對突發事件的能力。



## Section 7 Important Matters

### 第七節 重要事項

#### XVII. Report on Performance of Social Responsibility by the Company (continued)

##### (ii) Social responsibility work (continued)

##### 4. Production, Supply and Sales Management (continued)

##### 4.6 Supply Chain Management

The materials that the Company has to procure during the production and operation process include: major materials such as steel plate, aluminum plate, steel pipe, valve and meter, outsourced processing part, all kinds of joint, non-metallic materials, etc. and the procurement of various kinds of auxiliary materials. In order to standardize the procurement of materials and ensure the incorruptible nature and efficient operation of the procurement of materials, the Company has developed the materials procurement management system and classified the procurement of materials into three ways: tendering procurement, price comparison procurement and bargaining procurement.

Main scope of tendering procurement: engineering projects and civil projects which are of value higher than RMB0.2 million need to be proceeded with selected tendering and comprehensive tendering and projects which are of value exceeding RMB1 million need to be proceeded with public tendering; network construction projects with the estimated price of a single contract higher than RMB0.2 million; service and consulting type with the estimated price of a single contract higher than RMB0.2 million; equipment and facility type with the estimated price of a single contract higher than RMB0.2 million; the procurement of materials is carried out by tendering according to the List of Materials for Tendering designated by the Company. The tendering procurement procedures are carried out according to the tendering management system designated by the Company. Price comparison procurement is applicable when the material is not included in the List of Materials for Tendering and there are various qualified suppliers, and price comparison is needed for the procurement. Bargaining procurement is mainly for the procurement of materials when there is only one qualified supplier.

For the establishment of a standardized supplier entry mechanism with reasonable procedures and orderly competition and the formation of a reliable supplier services network, the Company has formulated the supplier development and evaluation control program to ensure that the suppliers included meet our product requirements in terms of qualification and reputation, supply performance, supply capability, quality assurance and price system. The Company conducts evaluation and assessment on the supply services provided by the shortlisted suppliers to ensure a healthy and orderly supply chain with continuous improvement.

#### 十七、積極履行社會責任的工作情況

(續)

##### (二) 社會責任工作情況(續)

##### 4、產供銷管理情況(續)

##### 4.6、供應鏈管理

公司在生產運營過程中需要採購的物資包括：鋼板、鋁板、鋼管、閥門儀錶、外協加工件、各種接頭、非金屬材料等主要物資，另有各種輔材類物資採購。為規範物資採購工作，保證物資採購的廉潔、高效運作，公司制定了物資採購管理制度，將物資採購分為招標採購、比價採購及議價採購三種採購方式。

招標採購主要範圍：工程項目、土建項目人民幣20萬以上需要進行邀請招標或綜合招標方式進行，超過人民幣100萬以上需要進行公開招標；網絡建設項目單項合同估算價在人民幣20萬元以上的；服務諮詢類單次合同估算價在人民幣20萬元以上的；設備設施類單次合同估算價在人民幣20萬元以上的；物資採購按照公司規定的《招標物資清單》進行招標採購。招標採購流程按照集團公司規定的招標管理制度進行。比價採購適用於未在招標物資清單內，且有多家合格供方，採購時需進行比價採購。議價採購主要針對於只有一家合格供方的物資採購。

為建立規範、程序合理、競爭有序的供應商准入機制，形成可靠的供應商服務網絡，集團公司制定了供方開發和評價控制程序，確保了納入的供應商在資質信譽、供貨業績、供貨能力、質量保證及價格體系方面符合我司產品需求。公司每年會對入圍供應商供貨服務方面進行評價考核，確保供應鏈健康有序，不斷提高。

## XVII. Report on Performance of Social Responsibility by the Company (continued)

### (ii) Social responsibility work (continued)

#### 4. Production, Supply and Sales Management (continued)

##### 4.7 Customer Services

To enhance the connection with customers and understand customers' needs timely, the Company has established an after-sales system and set up an after-sales department to provide customers with services in the aspects of packaging guidance, repair, information consultation, complaint, etc. When the after-sales department receives a call from the customer, firstly, the customer's information is recorded and then the preliminary handling approach is determined based on the content of the complaint and simple guidance on repair is provided on the phone. Those cases which cannot be dealt with on the phone are handled with the corresponding handling procedures in accordance with the Company's regulations. After the completion of each after-sales handling, the problem situation, handling results, responsible department and responsible person, preventive and corrective measures, etc. are recorded.

##### 4.8 Product Quality

The Company has obtained the ISO14001:2004 and OHSAS18001:1999 certificates for Environmental and Occupational Health and Safety Management System. In 2000, the Company obtained the ISO9001:1994 Quality Management System certification for the first time. Following the Company's development of CNG and LNG products for vehicles, it obtained the ISO/TS16949:2002 certificate in April 2007. All products have obtained the pressure vessel manufacturing permit issued by AQSIQ.

The implementation and operation of the three systems namely ISO9001, ISO14001 and OHSMS18001 will enable the Company to establish a scientific and effective risk control system in terms of the management of quality, environment and occupational health and safety, which creates good economic benefits for itself and makes due contributions for social responsibility at the same time.

## 十七、積極履行社會責任的工作情況

(續)

### (二) 社會責任工作情況(續)

#### 4、產供銷管理情況(續)

##### 4.7、客戶服務

為增加與客戶的聯繫，及時瞭解客戶需求，公司建立了售後服務體系，並設立了售後服務部門，為客戶提供報裝指導、報修、信息諮詢、投訴等各方面的服務。售後服務部門接到客戶電話後，首先記錄客戶信息，之後依據投訴內容初步判定處理方法，簡單的電話指導客戶維修，不能電話指導完成的，按照公司規定執行相應處理流程。每單售後處理完畢後，將問題情況、處理結果、責任部門及責任人、預防與糾正措施等一併記錄。

##### 4.8、產品質量

公司已取得ISO14001:2004和OHSAS18001:1999環境和職業健康安全管理体系證書。於2000年首次取得ISO9001:1994質量管理体系認證。隨著公司車用CNG、LNG產品的開發，於2007年4月取得了ISO/TS16949:2002證書。全部產品均已取得國家質檢總局頒發的壓力容器製造許可證。

ISO9001、ISO14001和OHSMS18001三合一體系的實施運行將使公司在質量、環境和職業健康安全管理方面，建立起科學有效的風險預控制度，給自身創造良好的經濟效益，同時也為社會責任做出應有的貢獻。

## Section 7 Important Matters

### 第七節 重要事項

#### XVII. Report on Performance of Social Responsibility by the Company (continued)

##### (ii) Social responsibility work (continued)

##### 4. Production, Supply and Sales Management (continued)

##### 4.9 Operating Business Honestly

The Company and its subsidiaries have always attached great importance to resisting corruption and operating business honestly, and have formulated regulations and systems for combating corruption and fostering incorruptibility. Senior management are required to participate in trainings on integrity education. Senior management, cadre personnel, personnel who have the business disposal rights and party branch secretaries are required to sign the "Letter of Responsibility for Construction of Incorruptibility" every year. Cadre personnel and personnel who have the business disposal rights are required to join the work meetings for the construction of incorruptibility every year and they are given integrity education by the personnel of Supreme People's Procuratorate. An inspection team is specifically established for the annual inspection of the incorruptibility of the Company's departments and subsidiaries.

##### (iii) Description on the environment protection of the Company and its subsidiaries falling under key sewage emission entities announced by the environment protection authorities of the PRC

Applicable  Not applicable

##### (v) Other descriptions

Applicable  Not applicable

#### 十七、積極履行社會責任的工作情況

(續)

##### (二) 社會責任工作情況(續)

##### 4、產供銷管理情況(續)

##### 4.9、廉潔從業

公司及附屬公司對抵制腐敗、廉潔從業一貫高度重視，制定了反腐倡廉的規章制度。要求高管參加關於的廉政教育的培訓。高管、幹部人員、有業務處置權的人員、黨支部書記每年都要簽署「黨風廉政建設責任書」。要求幹部人員和有業務處置權人員每年參加廉政建設工作會議，並請檢察院人員對其進行廉政教育。專門成立巡查組每年對公司各部門及子公司的廉政情況進行巡查。

##### (三) 屬環境保護部門公佈的重點排污單位的公司及其子公司的環保情況說明

適用  不適用

##### (四) 其他說明

適用  不適用

## XVIII. Convertible bonds of the Company

**(i) Issue of convertible bonds**

Applicable  Not applicable

**(ii) Holders of convertible bonds and guarantors during the Reporting Period**

Applicable  Not applicable

**(iii) Changes in convertible bonds during the Reporting Period**

Applicable  Not applicable

Conversion into shares from convertible bonds during the Reporting Period

Applicable  Not applicable

**(iv) Adjustments to conversion price of convertible bonds**

Applicable  Not applicable

**(v) Liabilities, change in credit rating and cash arrangement for repayment of the Company in the next year**

Applicable  Not applicable

**(vi) Other information on convertible bonds**

Applicable  Not applicable

## 十八、可轉換公司債券情況

**(一) 轉債發行情況**

適用  不適用

**(二) 報告期轉債持有人及擔保人情況**

適用  不適用

**(三) 報告期轉債變動情況**

適用  不適用

報告期轉債累計轉股情況

適用  不適用

**(四) 轉股價格歷次調整情況**

適用  不適用

**(五) 公司的負債情況、資信變化情況及在未來年度還債的現金安排**

適用  不適用

**(六) 轉債其他情況說明**

適用  不適用

## Section 8 Changes in Ordinary Shares and Information of Shareholders

### 第八節 普通股股份變動及股東情況

#### I. Changes in ordinary shares

##### (i) Statement of changes in ordinary shares

- 1. Statement of changes in ordinary shares**  
There was no change in the total number of ordinary shares and structure of share capital of the Company during the Reporting Period.
- 2. Explanation on the changes in ordinary shares**  
“Applicable” “ Not applicable”
- 3. Effect of changes in ordinary shares on financial indicators such as earnings per share and net assets per share for the most recent year and most recent period (if any)**  
“Applicable” “ Not applicable”
- 4. Other disclosure deemed necessary by the Company or required by securities regulatory authorities**  
“Applicable” “ Not applicable”

##### (ii) Changes in trade-restricted shares

“Applicable” “ Not applicable”

#### II. Issuance and listing of securities

##### (i) Issuance of securities during the Reporting Period

“Applicable” “ Not applicable”

Description of securities issued during the Reporting Period (please specify the bonds with different interest rates during their duration):

“Applicable” “ Not applicable”

##### (ii) Changes in the total number of ordinary shares of the Company and shareholders' structure and changes in the asset and liability structure of the Company

“Applicable” “ Not applicable”

##### (iii) Existing internal employee shares

“Applicable” “ Not applicable”

#### 一、普通股股本變動情況

##### (一) 普通股股份變動情況表

- 1、普通股股份變動情況表**  
報告期內，公司普通股股份總數及股本結構未發生變化。
- 2、普通股股份變動情況說明**  
適用 不適用
- 3、普通股股份變動對最近一年和最近一期每股收益、每股淨資產等財務指標的影響（如有）**  
適用 不適用
- 4、公司認為必要或證券監管機構要求披露的其他內容**  
適用 不適用

##### (二) 限售股份變動情況

適用 不適用

#### 二、證券發行與上市情況

##### (一) 截至報告期內證券發行情況

適用 不適用

截至報告期內證券發行情況的說明（存續期內利率不同的債券，請分別說明）：

適用 不適用

##### (二) 公司普通股股份總數及股東結構變動及公司資產和負債結構的變動情況

適用 不適用

##### (三) 現存的內部職工股情況

適用 不適用

## Section 8 Changes in Ordinary Shares and Information of Shareholders

### 第八節 普通股股份變動及股東情況

#### III. Shareholders and beneficial controllers

##### (i) Total numbers of shareholders

Total number of ordinary shareholders as at the end of the Reporting Period

截止報告期末普通股股東總數(戶)

Total number of ordinary shareholders as at the end of the month preceding the date of publication of annual report

年度報告披露日前上一月末的普通股股東總數(戶)

Total number of shareholders of preference shares with restored voting right as at the end of the Reporting Period

截止報告期末表決權恢復的優先股股東總數(戶)

Total number of shareholders of preference shares with restored voting right as at the end of the month preceding the date of publication of annual report

年度報告披露日前上一月末表決權恢復的優先股股東總數(戶)

#### 三、股東和實際控制人情況

##### (一) 股東總數

30,260, including 30,194 holders of A shares, 66 holders of H shares

30,260 · 其中A股股東30,194戶 · H股股東66戶

23,121

0

0

##### (ii) Shareholding of top ten shareholders, top ten shareholders of circulating shares (or holders of shares not subject to trading moratorium) as at end of the Reporting Period

##### (二) 截止報告期末前十名股東、前十名流通股股東(或無限售條件股東)持股情況表

Unit: share  
單位: 股

##### Shareholding of top ten shareholders 前十名股東持股情況

Name of shareholder (full name)		Increase/decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged or frozen	Share status	Shareholder(s) Nature
股東名稱(全稱)		報告期內增減	期末持股數量	比例(%)	持有有限售條件股份數量	質押或凍結情況	數量	股東性質
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	北京京城機電控股有限責任公司	2,115,052	182,735,052	43.30	0	None	0	State-owned legal-person 國有法人
HKSCC NOMINEES LIMITED	HKSCC NOMINEES LIMITED	62,000	99,217,200	23.51	0	Unknown	-	Unknown
Wang Xueli	王學利	900,034	900,034	0.21	0	Unknown	-	Unknown
He Yong	何勇	354,300	892,000	0.21	0	Unknown	-	Unknown
Lou Meiyu	婁美玉	850,000	850,000	0.20	0	Unknown	-	Unknown
Chen Huannan	陳華南	711,355	711,355	0.17	0	Unknown	-	Unknown
Chen Mei	陳梅	700,913	700,913	0.17	0	Unknown	-	Unknown
Liu Shuizhen	劉水鎮	138,500	696,000	0.16	0	Unknown	-	Unknown
Zang Boxiong	臧伯雄	493,200	670,000	0.16	0	Unknown	-	Unknown
Zeng Youquan	曾佑泉	-1,018,874	665,700	0.16	0	Unknown	-	Unknown



# Section 8 Changes in Ordinary Shares and Information of Shareholders

## 第八節 普通股股份變動及股東情況

### III. Shareholders and beneficial controllers (continued)

### 三、股東和實際控制人情況(續)

#### Particulars of top ten holders of shares not subject to trading moratorium

##### 前十名無限售條件股東持股情況

Name of shareholder 股東名稱		Number of tradable shares held not subject to selling restrictions 持有無限售條件 流通股的數量	Type 種類	Class and number of shares 股份種類及數量	Number 數量
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	北京京城機電控股有限責任公司	182,735,052	Ordinary shares denominated in RMB 人民幣普通股		182,735,052
HKSCC NOMINEES LIMITED	HKSCC NOMINEES LIMITED	99,217,200	Overseas listed foreign shares 境外上市外資股		99,217,200
Wang Xueli	王學利	900,034	Ordinary shares denominated in RMB 人民幣普通股		900,034
He Yong	何勇	892,000	Ordinary shares denominated in RMB 人民幣普通股		892,000
Lou Meiyu	婁美玉	850,000	Ordinary shares denominated in RMB 人民幣普通股		850,000
Chen Huannan	陳華南	711,355	Ordinary shares denominated in RMB 人民幣普通股		711,355
Chen Mei	陳梅	700,913	Ordinary shares denominated in RMB 人民幣普通股		700,913
Liu Shuizhen	劉水鎮	696,000	Ordinary shares denominated in RMB 人民幣普通股		696,000
Zang Boxiong	臧伯雄	670,000	Ordinary shares denominated in RMB 人民幣普通股		670,000
Zeng Youquan	曾佑泉	665,700	Ordinary shares denominated in RMB 人民幣普通股		665,700

Explanation on the relationship or acting in concert among the aforesaid shareholders

As of the Reporting Period, shares subject to trading moratorium held by the Company were all listed for circulation in the market. The Company is not aware of any connected relationship among the aforesaid shareholders, nor is the Company aware of any parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders.

上述股東關聯關係或一致行動的說明

截止本報告期，本公司所有有限售條件股份全部上市流通。本公司未知上述股東之間有無關聯關係，也未知其是否屬《上市公司股東持股變動信息披露管理辦法》規定的一致行動人。

Explanation on shareholders of preference shares with restoration of voting rights and their shareholding table decision recovery of the preference shareholders and the number of shares held

Not applicable

#### Description:

- (1) Among the top ten shareholders of the Company, Beijing Jingcheng Machinery Electric Holding Co., Ltd. is the controlling shareholder of the Company.
- (2) HKSCC Nominees Limited held H Shares on behalf of its clients and the Company has not received notification from HKSCC Nominees Limited that any of the single clients has held more than 5% of the total share capital of the Company.
- (3) Save as disclosed above, the Directors have not been informed that any persons (neither Directors nor chief executives) who have interests and short positions in the shares and underlying shares of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the designated register required to be kept by the Company under Section 336 of the SFO.
- (4) Purchase, sale or redemption of the Company's listed shares Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed shares during the reporting period.
- (5) Pre-emptive rights There is no provision for pre-emptive rights under the laws of the PRC and the Articles of Association of the Company
- (6) Convertible securities, options, warrants or other similar rights As at 31 December, 2016, the Company did not issue any convertible securities, options, warrants or any other similar rights.

#### 說明：

- (1) 公司前十名股東中北京京城機電控股有限責任公司為本公司控股股東。
- (2) HKSCC NOMINEES LIMITED為香港中央結算(代理人)有限公司所持股份是代理客戶持股，本公司未接獲香港中央結算(代理人)有限公司通知本公司任何單一H股股東持股數量有超過本公司總股本5%情況。
- (3) 除上文所披露者外，董事並無獲告知有任何人士(並非董事或主要行政人員)於本公司股份或相關股份擁有權益或持有淡倉而需遵照證券及期貨條例第XV部第2及第3分部之規定向本公司作出披露，或根據證券及期貨條例第336條規定，須列入所指定之登記冊之權益或淡倉。
- (4) 購買、出售或贖回本公司上市股份 報告期內，本公司及附屬公司均沒有購買、出售或贖回任何本公司之股票。
- (5) 優先購股權 根據中國有關法律及本公司之章程，並無優先購股權之條款。
- (6) 可換股證券、購股權、認股證券或類似權利 截至2016年12月31日止，本公司並無發行任何可換股證券、購股權、認股證券或類似權利。

Top ten holders of shares subject to selling restriction and conditions

前十名有限售條件股東持股數量及限售條件

"□Applicable" "√ Not applicable"

□適用 √不適用

## Section 8 Changes in Ordinary Shares and Information of Shareholders

### 第八節 普通股股份變動及股東情況

#### III. Shareholders and beneficial controllers (continued)

##### (iii) Strategic investors or general legal persons who have become one of the top ten shareholders as a result of the placing of new shares

"□Applicable" "√ Not applicable"

#### 三、股東和實際控制人情況(續)

##### (三) 戰略投資者或一般法人因配售新股成為前十名股東

□適用 √不適用

#### IV. Controlling shareholders and beneficial controller

##### (i) Controlling shareholder

###### 1. Legal person

"√Applicable" "□Not applicable"

##### (一) 控股股東情況

###### 1 法人

√適用 □不適用

<b>Name</b> 名稱	<b>Beijing Jingcheng Machinery Electric Holding Co., Ltd.</b> 北京京城機電控股有限責任公司
The person in charge of the unit or legal representative 單位負責人或法定代表人	Ren Yaguang 任亞光
Date of establishment 成立日期	8 September 1997 1997年9月8日
Principal businesses 主要經營業務	Within the scope of authorization, management of state-owned assets; management of equities; external fundraising and investment. The Company has six major business sectors including numerical control machine, engineering machine, storage and transportation of gas, environment protection industry, new energy and thermal power generation. It has six business units including logistics industry, hydraulic industry, switch industry, printing machine, electrical machine industry and electric wires and cables. It combines engineering design, product development, manufacture of equipment and technical service together, provides high quality professional integrated mechanics and electrics equipment and services to industrial fields such as electricity, metallurgy, shipping, transportation, engineering construction, manufacture of machines and aerospace. 授權內的國有資產經營管理；產權(股權)經營；對外融資、投資。旗下擁有數控機床、工程機械、氣體儲運、環保產業、新能源、火力發電等六大業務板塊，物流產業、液壓產業、開關產業、印刷機械、電機產業、電線電纜等六大業務單元，及工程設計、產品開發、設備製造和技術服務為一體，為電力、冶金、船舶、交通、工程建設、機械製造、航空航天等多個工業領域提供高質量的專業機電一體化設備與服務。
Shareholdings in other domestic and overseas listed companies of which it has holding rights and joint-stocks during the Reporting Period 報告期內控股和參股的其他境內外上市公司的股權情況	None 無
Other matters 其他情況說明	None 無
<b>2. Natural person</b> "□Applicable" "√ Not applicable"	<b>2 自然人</b> □適用 √不適用
<b>3. Special description concerning no controlling shareholder of the Company</b> "□Applicable" "√ Not applicable"	<b>3 公司不存在控股股東情況的特別說明</b> □適用 √不適用
<b>4. Index and date of changes of controlling shareholder of the Company during the Reporting Period</b> "□Applicable" "√ Not applicable"	<b>4 報告期內控股股東變更情況索引及日期</b> □適用 √不適用

## Section 8 Changes in Ordinary Shares and Information of Shareholders

### 第八節 普通股股份變動及股東情況

#### IV. Controlling shareholders and beneficial controller (continued)

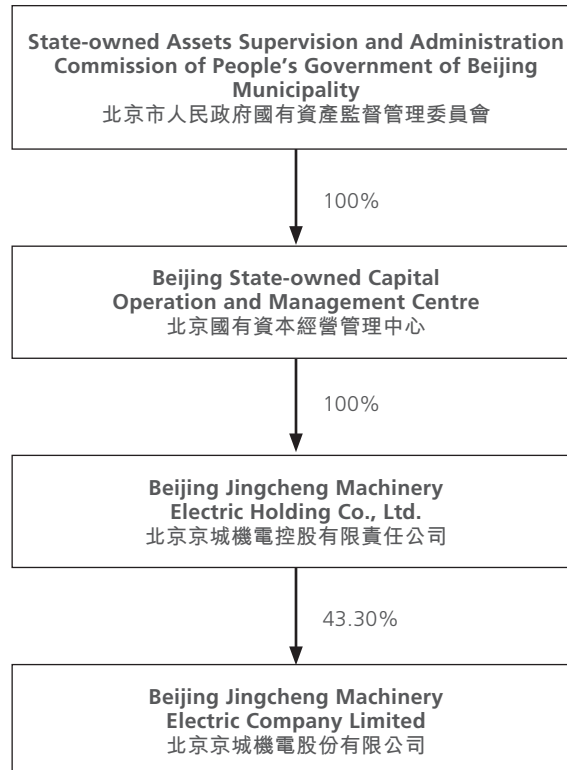
##### (i) Controlling shareholder (continued)

5. Ownership and controlling relationship between the Company and controlling shareholder  
"√Applicable" "□Not applicable"

#### 四、控股股東及實際控制人情況

##### (一) 控股股東情況(續)

- 5 公司與控股股東之間的產權及控制關係的方框圖  
√適用 □不適用



### IV. Controlling shareholders and beneficial controller (continued)

#### (ii) Information on beneficial controller

1. **Legal person**  
"  Applicable " "  Not applicable "
2. **Natural person**  
"  Applicable " "  Not applicable "
3. **Special description concerning no beneficial controller of the Company**  
"  Applicable " "  Not applicable "
4. **Index and date of changes of beneficial controller of the Company during the Reporting Period**  
"  Applicable " "  Not applicable "
5. **Ownership and controlling relationship between the Company and beneficial controller**  
"  Applicable " "  Not applicable "
6. **Beneficial controller exercises control over the Company through trust or other asset management plan**  
"  Applicable " "  Not applicable "

#### (iii) Other information on controlling shareholder and beneficial controller

"  Applicable " "  Not applicable "

### V. Other legal person shareholders with 10% or more shareholding

"  Applicable " "  Not applicable "

### VI. Description of restrictions in reduction of shareholding

"  Applicable " "  Not applicable "

### 四、控股股東及實際控制人情況

#### (二) 實際控制人情況

- 1 法人  
 適用  不適用
- 2 自然人  
 適用  不適用
- 3 公司不存在實際控制人情況的特別說明  
 適用  不適用
- 4 報告期內實際控制人變更情況索引及日期  
 適用  不適用
- 5 公司與實際控制人之間的產權及控制關係的方框圖  
 適用  不適用
- 6 實際控制人通過信托或其他資產管理方式控制公司  
 適用  不適用

#### (三) 控股股東及實際控制人其他情況介紹

適用  不適用

### 五、其他持股在百分之十以上的法人股東

適用  不適用

### 六、股份限制減持情況說明

適用  不適用

## Section 9 Information about Preference Shares

### 第九節 優先股相關情況

“Applicable” “Not applicable”

適用 不適用

# Section 10 Directors, Supervisors, Senior Management Officers and Employees

## 第十節 董事、監事、高級管理人員和員工情況

### I. Change of shareholding and remuneration (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period

“√ Applicable” “□ Not applicable”

### 一、持股變動情況及報酬情況

#### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況

√適用 □不適用

Unit: share  
單位：股

Name	Position (note)	Gender	Age	Date of appointment	Date of expiry of office	Number of shares held at the beginning of the year	Number of shares held at the end of the year	Change in the number of shares held in the year	Reason for change	Total remuneration before tax received from the Company during the Reporting Period (RMB'0'000)	Total remuneration receivable from the Shareholders during the Reporting Period	Whether receiving compensation from related parties of the Company or not
姓名	職務(註)	性別	年齡	任期起始日期	任期終止日期	年初持股數	年末持股數	年度內股份增減變動量	增減變動原因	報告期內從公司獲得的稅前報酬總額(萬元)	報告期內其股東單位領薪情況	是否在公司關聯方獲取報酬
Wang Jun 王軍	Chairman 董事長	Male 男	45	2015.12.11	2017.06.25	0	0	0	—	0	34.54	Yes 是
Chen Changde 陳長革	Executive Director, General Manager 執行董事、總經理	Male 男	49	2015.12.11	2017.06.25	0	0	0	—	48.58	0	No 否
Li Junjie 李俊杰	Executive Director 執行董事	Male 男	38	2014.06.26	2017.06.25	0	0	0	—	48.58	0	No 否
Du Yuexi 杜躍熙	Executive Director 執行董事	Male 男	57	2015.12.11	2017.06.25	0	0	0	—	0	67.49	Yes 是
Xia Zhonghua 夏中華	Non-executive Director 非執行董事	Male 男	52	2014.06.26	2017.06.25	0	0	0	—	0	41.09	Yes 是
Jin Chunyu 金春玉	Non-executive Director 非執行董事	Female 女	45	2015.06.09	2017.06.09	0	0	0	—	0	33.81	Yes 是
Fu Hongquan 付宏泉	Non-executive Director 非執行董事	Male 男	52	2015.06.09	2017.06.09	0	0	0	—	0	37.08	Yes 是
Wu Yan 吳燕	Independent non-executive Director 獨立非執行董事	Female 女	69	2014.06.26	2017.06.25	43,001	43,001	0	—	6	0	No 否
Liu Ning 劉寧	Independent non-executive Director 獨立非執行董事	Male 男	58	2014.06.26	2017.06.25	0	0	0	—	6	0	No 否
Yang Xiaohui 楊曉輝	Independent non-executive Director 獨立非執行董事	Male 男	48	2014.06.26	2017.06.25	0	0	0	—	6	0	No 否
Fan Yong 樊勇	Independent non-executive Director 獨立非執行董事	Male 男	44	2014.06.26	2017.06.25	0	0	0	—	6	0	No 否
Chang Yun 常昀	Chairman of the Supervisory Committee 監事長	Female 女	42	2015.06.09	2017.06.09	0	0	0	—	0	32.18	Yes 是
Liu Zhe 劉哲	Supervisor 監事	Female 女	38	2015.12.10	2017.06.09	0	0	0	—	48.35	0	No 否
Wang Yiqing 王義青	Supervisor 監事	Male 男	44	2015.01.04	2017.06.09	0	0	0	—	39.68	0	No 否
Luan Jie 樂杰	Secretary to the Board 董事秘書	Male 男	35	2016.11.18	2017.06.25	0	0	0	—	7.87	0	No 否
Jiang Chi 姜馳	Chief accountant 總會計師	Female 女	41	2014.06.26	2017.06.25	0	0	0	—	48.35	0	No 否
Shi Fengwen 石鳳文	Chief Engineer 總工程師	Male 男	46	2015.10.23	2017.06.25	0	0	0	—	47.49	0	No 否
Total 合計	/	/	/	/	/	43,001	43,001	0	/	312.85	246.19	/



# Section 10 Directors, Supervisors, Senior Management Officers and Employees

## 第十節 董事、監事、高級管理人員和員工情況

### I. Change of shareholding and remuneration (continued)

#### (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

Note:

- (1) The remuneration of Luan Jie is the aggregate amount for two months.
- (2) The remuneration of other Directors, Supervisors and chief executives is the aggregate amount for 12 months.
- (3) During the Reporting Period, no Directors, Supervisors and chief executives were granted any incentive shares by the Company.
- (4) Save as disclosed above, as at 31 December 2016, none of the directors, supervisors or chief executives of the Company nor their respective associates, had any interests in the shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) and none of the directors or supervisors, or their respective spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such rights.
- (5) Save as those set out in the register required to be maintained by directors and supervisors under the SFO of Hong Kong, during the year, the Company did not engage in any arrangement which would enable the directors or supervisors of the Company or any other corporation to acquire any interest in any shares or debt securities of the Company, nor did the directors or supervisors had any interest which was required to be recorded in the register under the SFO.
- (6) Save as disclosed above, as at 31 December 2016, none of the directors, supervisors or chief executives of the Company nor their respective associates, had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or deemed to have taken under such provisions), or which were required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to the Company and the Stock Exchange.
- (7) Save as disclosed above, none of the directors, supervisors or chief executives of the Company nor their respective associates, nor their respective subsidiaries were granted the rights to acquire Company's shares or debentures, or have exercised such rights before 31 December 2016.

### 一、持股變動情況及報酬情況(續)

#### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

備註：

- (1) 樂杰薪酬為2個月的合計數。
- (2) 其他董事、監事、高級管理人員薪酬為12個月的合計數。
- (3) 報告期公司董事、監事、高級管理人員未有被本公司授予股權激勵的情況。
- (4) 除上文所披露者外，於2016年12月31日，各董事、監事及高級管理人員或彼等連系人概無與本公司或任何關聯公司(定義見《證券及期貨條例》)之股份中擁有權益，而各董事及監事或彼等之配偶或未滿十八歲子女概無認購本公司證券之權利，亦無使用該項權利。
- (5) 除上述所載各董事及監事根據香港《證券及期貨條例》而保存之登記冊所示外，在本年內，本公司均無參與任何安排，使本公司董事或監事或任何其他法人團體之股份或債券獲益，並未有何人根據《證券及期貨條例》予以記錄之權益。
- (6) 除上文所披露者外，於2016年12月31日，本公司董事、監事或高級管理人員概無於本公司或其任何相關法團(定義見《證券及期貨條例》)之股份、相關股份或債券中擁有根據《證券及期貨條例》第XV部第7及8分部之規定，彼等須知會本公司或香港聯合交易所有限公司(「聯交所」)之任何權益或淡倉，或根據《證券及期貨條例》第352條規定，須列入所指定之登記冊之權益或淡倉，或根據《上市規則》附錄十《上市公司董事進行證券交易的標準守則》通知本公司及聯交所。
- (7) 除上文所披露者外，概無其他任何董事、監事及高級管理人員或其相關人士獲公司或其附屬公司授出購入公司股份或債券之權益，或在2016年12月31日前已行使任何此等權益。

## I. Change of shareholding and remuneration

## 一、持股變動情況及報酬情況(續)

(continued)

## (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

## (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Wang Jun	Chinese, male, aged 45, Chairman. He is an economist with a bachelor's degree and MBA. Mr. Wang was a sales clerk, director of export department, director of international business department and deputy general manager of Beijing Tianhai Industry Co., Ltd., party secretary, chairman of the Board of Beijing Beikai Electric Co., Ltd., head of the office, head of the office of the Board of Directors, director of the legal affairs department, secretary to the Board of Directors, member of the party of Beijing Jingcheng Machinery Electric Holding Co., Ltd. Currently, he is a standing committee member of party committee, deputy general manager and general counsel of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. He has been an executive Director of the Company since 10 December 2015 and chairman of the Company since 11 December 2015.
王軍	中國國籍，男，45歲，董事長，大學本科、工商管理碩士，經濟師。王先生曾任北京天海工業有限公司銷售部業務員、出口處處長、國際業務部部長、副總經理，北京北開電氣股份有限公司黨委書記、董事長，北京京城機電控股有限責任公司辦公室主任、董事會辦公室主任、法律事務部部長、董事會秘書、黨委委員。現任北京京城機電控股有限責任公司黨委常委、副總經理、總法律顧問。2015年12月10日起任本公司執行董事，2015年12月11日任本公司董事長至今。
Chen Changge	Chinese, male, aged 49, executive Director, general manager. He is a senior policy advisor with a bachelor's degree and MBA. Mr. Chen was an assistant to production manager of No. 3 Factory Company of Beiren Holdings Limited, party secretary of Single and Double Color Machine Branch, manager and party secretary of Web Offset Printing Machine Manufacturing Branch Company, member of the party committee, deputy general manager of Beiren Holding Limited, officer, deputy secretary and secretary of the Youth League Committee, member of the party and deputy general manager of Beiren Group Corporation. He also was a director of human resource department, head of the office and secretary to the board of directors of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. He is the party secretary and chairman of the board of Beijing Tianhai Industry Co., Ltd.. He has been an executive Director of the Company since 10 December 2015 and general manager of the Company since 11 December 2015.
陳長革	中國國籍，男，49歲，執行董事、總經理，大學本科、工商管理碩士，高級政工師。陳先生曾任北人股份公司三廠生產廠長助理、單雙色機分公司黨委書記、捲筒紙膠印機製造分公司經理、黨委書記，北人股份公司黨委委員、副總經理，北人集團公司團委幹事、副書記、書記、黨委委員、副總經理，北京京城機電控股有限責任公司人力資源部部長、辦公室主任、董事會秘書，北京天海工業有限公司黨委書記、董事長。2015年12月10日起任本公司執行董事，2015年12月11日任本公司總經理至今。
Li Junjie	Chinese, male, aged 38, executive director. He obtained a bachelor degree in economics from Taiyuan Heavy Machinery Institute and an EMBA degree from Guanghua School of Management of Peking University. He was an accountant of finance department, salesman of marketing department, deputy manager of human resources department, deputy general manager, deputy party secretary and general manager in Beijing Tianhai Industry Co., Ltd. He served as the general manager of the Company. He is currently the party secretary of Beijing Tianhai Industry Co., Ltd. He has been an executive director of the Company since 16 December 2013 and was the general manager of the Company from 26 June 2014 to 10 December 2015.
李俊杰	中國國籍，男，38歲，執行董事，太原重型機械學院經濟學學士，北京大學光華管理學院EMBA；李先生曾任北京天海工業有限公司財務部會計、市場部業務員、人力資源部副部長、副總經理、黨委副書記、總經理。現任北京天海工業有限公司黨委書記。2013年12月16日起任本公司執行董事至今，2014年6月26日至2015年12月10日任本公司總經理。

## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### I. Change of shareholding and remuneration

(continued)

##### (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

#### 一、持股變動情況及報酬情況(續)

##### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Du Yuexi	Chinese, male, aged 57, executive Director. He is a senior policy advisor with a MBA. Mr. Du was a cadre of Beijing Tong County Maizhuang Community, vice factory director of Beijing Construction Machinery Factory, general manager of Huaxin Metal Structure Company, a Sino-Japanese joint venture, deputy general manager of Beijing Xihai Company, general manager of Chinese Party and secretary of Beijing Modern Jingcheng Construction Machinery Co., Ltd., deputy general manager and secretary of Beijing Jingcheng Heavy Industry Co., Ltd.. Currently, he is the secretary of the branch of party and general manager of Beijing Jingcheng International Financing Lease Co., Ltd.. He has been an executive director of the Company since 10 December 2015.
杜躍熙	中國國籍，男，57歲，執行董事，工商管理碩士，政工師。杜先生曾任北京通縣麥莊公社團幹部，北京建築機械廠副廠長，中日合資華新金屬結構公司總經理，北京西海公司常務副總經理，北京現代京城工程機械有限公司中方總經理、書記，北京京城重工機械有限責任公司常務副總經理、書記。現任北京京城國際融資租賃有限公司黨支部書記、總經理。2015年12月10日起任本公司執行董事至今。
Xia Zhonghua	Chinese, male, aged 52, non-executive director. He obtained a bachelor's degree in Engineering from Hefei University of Technology. He is a senior engineer. Mr. Xia was designer of construction of Beijing Metal Structure Factory (new factory) of Beijing Machinery Industrial Engineering Contract Corporation (北京機械工業建設工程承發包公司) and its technical director, project assistant manager and project manager, director in basic construction of Beijing Jingcheng Machinery Electric Holding Co. Ltd. ("Jingcheng Holding"), director of the construction project planning department of Beijing Jianji Real Estate Co., Ltd. (北京建機房地產公司) (Part-time), head of Resource Allocation and Restructuring and head of project investment of Jingcheng Holding, vice-president of Party School of Beijing Machinery Industry Administrative Bureau (北京機械工業管理局黨校), deputy minister of the asset management department and the head of the securities and reform department of Jingcheng Holding, director of Beijing Xihai Industrial and Trading Company and Beijing Jingcheng Mechanical & Electrical Asset Management Co., Ltd. He is currently the head of the property resource department of Jingcheng Holding. He has been a non-executive director of the Company since 26 June 2014.
夏中華	中國國籍，男，52歲，非執行董事，合肥工業大學工學學士，高級工程師。夏先生曾任北京機械工業建設工程承發包公司北京金屬結構廠新廠建設設計員、技術主管、項目副經理、項目經理，北京京城機電控股有限責任公司（以下簡稱「京城控股」）基本建設主管，北京建機房地產公司工程規劃建設部部長（兼），京城控股資源配置與體改主管、投資項目主管，北京機械工業管理局黨校副校長，京城控股資產管理部副部長、證券與改革部部長，北京西海工貿公司董事，北京京城機電資產管理有限責任公司董事。現任京城控股房地資源部部長。2014年6月26日任本公司非執行董事至今。
Jin Chunyu	Chinese, female, aged 45, non-executive Director. She obtained a bachelor's degree in engineering and a master's degree in business administration, and is a senior accountant. Ms. Jin previously served as clerical officer in the Finance Department and vice director of Beijing Electric Motor General Corporation, deputy director of assets, finance and audit department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., director and chief accountant (of the Chinese partner) of Babcock & Wilcox Beijing Company Ltd., and convener of Supervisory Committee of Beijing B.J. Electric Motor Co., Ltd. Currently, she is the department head of planning and finance department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. She has been a non-executive director of the Company since 9 June 2015.
金春玉	中國國籍，女，45歲，非執行董事，管理學學士，工商管理碩士，高級會計師。金女士曾任北京市電機總廠財務處科員、副處長，北京京城機電控股有限責任公司資產財務審計部副部長，北京巴布科克•威爾科克斯有限公司董事、總會計師（中方），北京畢捷電機股份有限公司監事會召集人。現任北京京城機電控股有限責任公司計劃財務部部長。2015年6月9日任本公司非執行董事至今。

I. Change of shareholding and remuneration  
(continued)

## (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

## 一、持股變動情況及報酬情況(續)

## (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Fu Hongquan	Chinese, male, aged 52, non-executive Director, a graduate and a senior engineer. Mr. Fu previously served as construction technician, smithing engineer, construction service technician of cast steel factory, deputy general engineer and deputy plant manager of Beijing Heavy Electrical and Mechanical Plant (cast steel factory), deputy general manager of general affairs of Beijing Turbine Motor Co., Ltd., deputy director of human resource department of Beijing Jingcheng Machinery Electric Holding Co., Ltd., the deputy party secretary, chairman of labour union and secretary of discipline inspection commission, deputy plant manager of Beijing No.1 Machine Tool Plant, deputy general manager of Beijing Beiyi Digital Control Machine Tool Co., Ltd. and deputy general manager of Beijing Beiyi Machine Tool Co., Ltd. Currently, he is a director of Beijing No. 1 Machine Tool (Gaobei Branch) Casting Co., Ltd., the chairman of Beiyi Heavy Machinery Casting Co., Ltd., and chairman of Beijing No. 1 Machine Tool (Gaobei Branch) Casting Co., Ltd. and the deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Beijing Beiyi Machine Tool Co., Ltd., and head of the securities and reform department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. He has been a non-executive director of the Company since 9 June 2015.
付宏泉	中國國籍，男，52歲，非執行董事，研究生，高級工程師。付先生曾任北京重型電機廠鑄鐵分廠施工技術員、鍛冶處工藝員，鑄鋼分廠施工服務技術員、副總工程師、副廠長，北京汽輪電機有限公司常務副總經理，北京京城機電控股有限責任公司人力資源部副部長，北京第一機床廠黨委副書記、工會主席兼紀委書記、副廠長，北京北一數控機床有限責任公司副總經理，北京北一機床股份有限公司副總經理。現任北一機床（高碑店）鑄造有限公司董事，北一重型機械鑄造有限公司董事長，北京第一機床（高碑店）鑄造有限責任公司董事長，北京北一機床股份有限公司黨委副書記、紀委書記、工會主席，北京京城控股有限責任公司證券與改革部部長。2015年6月9日任本公司非執行董事至今。
Wu Yan	Chinese, female, aged 69, independent non-executive director, graduated from Xi'an Jiaotong University majoring in boiler design and manufacturing. Ms. Wu was the technician of the First Research & Design Institute of Nuclear Industry (核工業第一設計研究院), technician of Tianjin Bureau of Labor, deputy director and director in the Boiler and Pressure Vessel Detection & Research Center under the Ministry of Labour, director and assistant inspector of Boiler and Pressure Vessel Safety Supervision Bureau under the State Bureau of Quality Technical Supervision, assistant inspector of Special Equipment Safety Supervision Bureau under the State Administration for Quality Supervision and Inspection and Quarantine, deputy secretary general and secretary general of China Gas Cylinders Standardization Technical Committee, and currently serves as the consultant of the committee. She has been an independent non-executive director of the Company since 26 June 2014.
吳燕	中國國籍，女，69歲，獨立非執行董事，西安交通大學鍋爐設計與製造專業畢業。吳女士曾任核工業第一設計研究院技術員；天津市勞動局技術員；勞動部鍋爐壓力容器檢測研究中心副處長、處長；國家質量技術監督局鍋爐壓力容器安全監察局處長、助理巡視員；國家質量監督檢驗檢疫總局特種設備安全監察局助理巡視員；全國氣瓶標準化技術委員會副秘書長、秘書長、現任該委員會顧問。2014年6月26日任本公司獨立非執行董事至今。

## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### I. Change of shareholding and remuneration

(continued)

##### (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

#### 一、持股變動情況及報酬情況(續)

##### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Liu Ning	Chinese, male, aged 58, independent non-executive director. He obtained a bachelor of laws from China University of Political Science and Law. He was the postgraduate in international economic law of Institute for International Economics of Nankai University and a lawyer. Mr. Liu obtained his qualification of lawyer in 1984 and have been practicing as a lawyer for over twenty years, during which he had dealt with various representative cases and legal affairs, and participated in legislation and other work. Mr. Liu served as director of Tianjin Dongfang Law Office and Beijing New Era Law Firm. He is currently the director and senior partner of B.J.H & New Era Law Firm (北京市公元博景泓律師事務所), member of the Economics Committee of All-China Lawyers Association, member of the Legislative Committee of the Central Committee of China Democratic League, researcher of Food and Drug Industry Development and Regulatory Research Center of Chinese Academy of Social Sciences, legislative consultant of Beijing Municipal People's Congress, member of the Eighth Committee of Chinese People's Political Consultative Conference of Haidian District of Beijing, member of Beijing Municipal Committee of China Democratic League, deputy director of the Social and Legal Affairs Committee of Beijing Municipal Committee of China Democratic League and executive member of Beijing Federation of Industry & Commerce. He has been an independent non-executive director of the Company since 26 June 2014.
劉寧	中國國籍，男，58歲，獨立非執行董事，中國政法大學法學學士，南開大學國際經濟研究所國際經濟法專業碩士研究生，律師。劉先生自1984年取得律師資格並開始從事律師執業二十餘年來，曾辦理諸多有代表性的案件和法律事務，並參與立法及其他工作。劉先生曾任天津東方律師事務所主任、北京市公元律師事務所主任，現任北京市公元博景泓律師事務所主任，高級合夥人；中華全國律師協會經濟專業委員會委員；民盟中央法制委員會委員；中國社會科學院食品藥品產業發展與監管研究中心研究員；北京市人大常委會立法諮詢專家；政協北京市海澱區第八屆委員會委員；民盟北京市委委員；民盟北京市社會與法制委員會副主任；北京市工商聯執委。2014年6月26日任本公司獨立非執行董事至今。
Yang Xiaohui	Chinese, male, aged 48, independent non-executive director. He has a bachelor's degree and is a certified public accountant, certified tax agent, certified public valuer (non-practicing member) and senior accountant in China. Mr. Yang was a teacher of North China University of Technology, department manager, deputy general manager and partner of Zhonghengxin, China Rightson Certified Public Accountants and RSM China Certified Public Accountants, and also served as the member of the technical committee of Beijing Institute of Certified Public Accountants. He is currently the senior partner of Ruihua Certified Public Accountants. He has been an independent non-executive director of the Company since 26 June 2014.
楊曉輝	中國國籍，男，48歲，獨立非執行董事，本科，中國註冊會計師、中國註冊稅務師、註冊資產評估師（非執業會員）、高級會計師。楊先生曾任北方工業大學教師，中恒信、中瑞華恒信、中瑞岳華會計師事務所部門經理、副總經理及合夥人，並曾兼任北京註冊會計師協會技術委員會委員；現任瑞華會計師事務所高級合夥人。2014年6月26日任本公司獨立非執行董事至今。
Fan Yong	Chinese, male, aged 44, independent non-executive director. He obtained a master degree from Tsinghua University. Mr. Fan worked as the head of Investment Banking Division in Qinghai Securities, deputy director of general office of Shengli Oil Field Dynamic Group Co., Ltd. (Dynamic), deputy general manager of Felsted (Beijing) Investment Co., Ltd. (佛爾斯特(北京)投資有限責任公司), general manager of Capital Investment Department of Rising Securities Co., Ltd., business director of Investment Bank Headquarters of Qilu Securities Co., Ltd., director of Investment Banking of Zhong De Securities Co., Ltd. He is currently a founding partner of Beijing Yi Hui Jin Tong Asset Management Co., Ltd. (北京易匯金通資產管理有限責任公司). He has been an independent non-executive director of the Company since 26 June 2014.
樊勇	中國國籍，男，44歲，獨立非執行董事，清華大學碩士研究生。樊先生曾就職於青海證券投資銀行部主管；勝利油田大明集團股份有限公司辦公室副主任；佛爾斯特（北京）投資有限責任公司副總經理；日信證券有限責任公司資本投資部總經理；齊魯證券有限公司投資銀行總部業務總監；中德證券有限公司投資銀行部董事；現任北京易匯金通資產管理有限責任公司創始合夥人。2014年6月26日任本公司獨立非執行董事至今。



I. Change of shareholding and remuneration  
(continued)

## 一、持股變動情況及報酬情況(續)

## (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

## (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Chang Yun 常昀	Chinese, female, aged 42, chairman of the Supervisory Committee. She obtained a Bachelor's Degree in economics from China Coal Economic College (中國煤炭經濟學院), and MBA of China Europe International Business School. She is a senior accountant, certified public accountant and certified tax agent. Ms. Chang was the cost accounting supervisor, deputy director of the finance department of Beijing Research Institute of Mechanical & Electrical Technology, finance manager of BMEI Co., Ltd. and chief financial officer of Beijing Jingcheng Heavy Industry Co., Ltd. She is currently the minister of the audit department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. (the headquarters). She has been a non-executive director of the Company from 26 June 2014 to 22 April 2015 and chairman of the Supervisory Committee of the Company since 9 June 2015. 中國國籍，女，42歲，監事長，中國煤炭經濟學院經濟學學士，中歐國際工商學院工商管理碩士，高級會計師、註冊會計師，註冊稅務師。常女士曾任北京市機電研究院財務處成本會計主管、副處長；北京機電院高技術股份有限公司財務部經理，北京京城重工機械有限責任公司財務總監；現任北京京城機電控股有限責任公司（本部）審計部部長。2014年6月26日至2015年4月22日任本公司非執行董事，2015年6月9日任本公司監事長至今。
Liu Zhe 劉哲	Chinese, female, aged 38, Supervisor, is a senior policy advisor with a bachelor's degree in engineering. Ms. Liu was a teacher, group leader in teaching and research, branch secretary of student party of Light Industry Branch of Beijing Industry and Trade Technicians College, Youth League secretary and director of publicity department of the party/company of Beijing Jingcheng Machinery Electric Holding Co., Ltd., Party secretary of Beijing Jingcheng Compressor Co., Ltd.. Currently she is deputy party secretary, secretary of discipline inspection commission, chairman of labour union of Beijing Tianhai Industry Co., Ltd. She is currently deputy general manager and general counsel of Beijing Tianhai Industry Co., Ltd.. She served as chairman of the Supervisory Committee of the Company from 16 December 2013 to 9 June 2015, executive Director of the Company from 9 June 2015 to 23 October 2015 and has been a Supervisor of the Company since 10 December 2015. 中國國籍，女，38歲，監事，工學學士，高級政工師。劉女士曾任北京市工貿技師學院輕工分院教師、教研組長、團委書記，北京京城機電控股有限責任公司團委書記、黨委/公司宣傳部部長，北京京城壓縮機有限公司黨委書記，北京天海工業有限公司黨委副書記、紀委書記、工會主席。現任北京天海工業有限公司副總經理、總法律顧問。2013年12月16日至2015年6月9日任本公司監事長，2015年6月9日至2015年10月23日任本公司執行董事，2015年12月10日任本公司監事至今。
Wang Yiqing 王義青	Chinese, male, aged 44, is a university graduate, engineer. Mr. Wang worked at Beijing Tianhai Industry Co., Ltd. as the technician, division head and chief engineer head of the sixth production division, chief engineer head of equipment and energy department, deputy director of human resources department, general counsel and the head of legal affairs department and at Tianjin Tianhai High Pressure Container Co., Ltd as the director of equipment and energy department. Mr. Wang is now the assistant to the general manager and the director of human resources department of Beijing Tianhai Industry Co., Ltd. as well as the director of human resources department of Beijing Jingcheng Machinery Electric Company Limited. Mr. Wang has considerable work experience in human resources management and corporate legal affairs. He has been a Supervisor of the Company since 4 January 2015. 中國國籍，男，44歲，監事，大學畢業，工程師。王先生曾任北京天海工業有限公司生產六處技術員、處長、主任工程師、設備能源處主任工程師、人力資源部副部長、總法律顧問兼法律事務部部長；天津天海高壓容器有限責任公司設備能源處處長。王先生現任北京天海工業有限公司總經理助理、人力資源部部長；北京京城機電股份有限公司人力資源部部長。王先生具有人力資源管理和企業法律事務等方面的工作經歷和經驗。2015年1月4日任本公司監事至今。



## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### I. Change of shareholding and remuneration (continued)

##### (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

#### 一、持股變動情況及報酬情況(續)

##### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

Name 姓名	Main work experiences 主要工作經歷
Luan Jie	Chinese, male, aged 35, secretary to the Board, with a bachelor's degree in law. Mr. Luan previously worked as the chief legal officer of Golden Harvest (Beijing) Cinema Management Consultancy Company Limited (北京嘉禾影城管理諮詢有限公司), manager in the securities and legal department and board secretary of Beijing Jingkelong Company Limited, legal practitioner in Beijing Jingdu Law Firm (北京市京都律師事務所) and staff in the legal department of Beijing Chaopi Trading Co., Ltd. (Jingkelong) (北京朝批商貿股份有限公司(京客隆)). He has been the secretary to the Board of the Company since 18 November 2016.
樂杰	中國國籍，男，35歲，董事會秘書，法學學士。樂先生曾任北京嘉禾影城管理諮詢有限公司法務總監，北京京客隆商業集團股份有限公司證券法務部主任、董事會秘書，北京市京都律師事務所律師，北京朝批商貿股份有限公司（京客隆）法務部職員。2016年11月18日任本公司董事會秘書至今。
Jiang Chi	Chinese, female, aged 41, chief accountant. She graduated from Beijing Technology and Business University with a degree in Economics and is a senior accountant. She worked in Beijing DoubleCrane Pharmaceutical Co., Ltd. as the accountant, Century Industry Investment Co., Ltd. as financial officer, China National Pharmaceutical Group Corporation as assistant to financial manager, Huayi Pharmaceutical Co. Ltd. as financial manager, Beijing Jingcheng Mechanical & Electrical Holding Co., Ltd. as budget financial officer and deputy head of Financial Planning Department. Ms. Jiang has served Beiren Printing Machinery Holdings Limited (currently renamed as Beijing Jingcheng Machinery Electric Company Limited) as chief accountant since October 2011. At present, Ms. Jiang is director and chief accountant of Beijing Tianhai Industry Co. Ltd. and director and financial controller of Jingcheng Holding (Hong Kong) Company Limited. She served as an executive Director of the Company from 29 May 2012 to 23 October 2015, and served as the secretary to the Board from 26 June 2014 to 18 November 2016. She has been the chief accountant of the Company since 26 June 2014.
姜馳	中國國籍，女，41歲，總會計師。畢業於北京工商大學，經濟學學士，高級會計師。姜女士曾任北京雙鶴藥業股份有限公司會計，世紀興業投資有限公司財務主管，中國藥材集團公司財務經理助理，華頤藥業有限公司財務經理，北京京城機電控股有限責任公司預算財務主管，北京京城機電控股有限責任公司計劃財務部副部長，2011年10月姜女士開始為北人印刷機械股份有限公司（現更名為北京京城機電股份有限公司）服務，任總會計師至今。現任北京天海工業有限公司董事、總會計師，京城控股（香港）有限公司董事、財務總監。2012年5月29日至2015年10月23日任本公司執行董事，2014年6月26日至2016年11月18日任本公司董事會秘書。2014年6月26日起任本公司總會計師至今。
Shi Fengwen	Chinese, male, aged 46, chief engineer. He is a senior engineer with a bachelor's degree. Mr. Shi was an assistant engineer, engineer, vice-chief and chief of technical department, vice-chief engineer and vice director of technology and quality department, vice-chief engineer and director of technology department of Beijing Tianhai Industry Co. Ltd.. Currently, he is the chief engineer and director of technology department of the board of Beijing Tianhai Industry Co., Ltd.. He has been the Chief Engineer of the Company since 23 October 2015.
石鳳文	中國國籍，男，46歲，總工程師，大學本科，高級工程師。石先生曾任北京天海工業有限公司技術處助理工程師、工程師、技術處副處長、技術處處長、副總工程師兼技術質量部副部長、副總工程師兼技術部部長。現任北京天海工業有限公司總工程師兼技術部部長。2015年10月23日任本公司總工程師至今。
Other information "√ Applicable" "□ Not applicable"	其他情況說明 √ 適用 □ 不適用

## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### I. Change of shareholding and remuneration (continued)

##### (i) Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period (continued)

###### Long position in shares

Name of director 董事姓名	Capacity 身份	Number of shares held 所持股份數目
Wu Yan 吳燕	Beneficial owner 實際擁有人	43,001 A shares 43,001 股 A 股

Save as disclosed above, as at 31 December 2016, none of the directors, the supervisors and chief executive of the Company or their respective associates had any interest or short positions in any shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

##### (ii) Information on incentive share option granted to directors and senior management during the Reporting Period

"□ Applicable" "√ Not applicable"

#### 一、持股變動情況及報酬情況(續)

##### (一) 現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(續)

###### 股份中的好倉

Approximate percentage of the shareholding in the entire share capital of the Company (A Shares and H Shares)  
於本公司全部股本(A股及H股)的概約持股百分比

0.01%  
0.01%

除上述披露者外，於2016年12月31日，本公司董事、監事及主要行政人員或彼等各自的聯繫人概無本公司或任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有任何根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定被當作或視為擁有的權益或淡倉)，或根據證券及期貨條例第352條登記在該條登記在該條提述本公司存置的登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

##### (二) 董事、高級管理人員報告期內被授予的股權激勵情況

□ 適用 √ 不適用

## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### II. Positions of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period

#### 二、現任及報告期內離任董事、監事和高級管理人員的任職情況

##### (i) Positions in Shareholder Entities

“√ Applicable” “□ Not applicable”

##### (一) 在股東單位任職情況

√ 適用 □ 不適用

Name 任職人員姓名	Name of shareholder entity 股東單位名稱	Position(s) held at Shareholder Entities 在股東單位擔任的職務	Date of appointment 任期起始日期	Date of expiry of office 任期終止日期
Wang Jun	Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Standing committee member of party committee, deputy general manager and general counsel	19 September 2011	
王軍	北京京城機電控股有限責任公司	黨委常委、副總經理、總法律顧問	2011年9月19日	
Xia Zhonghua	Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Head of the property resource department	28 April 2015	
夏中華	北京京城機電控股有限責任公司	房地產資源部部長	2015年4月28日	
Jin Chunyu	Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Head of planning and finance department	27 March 2014	
金春玉	北京京城機電控股有限責任公司	計劃財務部部長	2014年3月27日	
Fu Hongquan	Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Head of the securities department	28 April 2015	
付宏泉	北京京城機電控股有限責任公司	證券部部長	2015年4月28日	
Chang Yun	Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Head of the Audit Department	1 April 2014	
常昀	北京京城機電控股有限責任公司	審計部部長	2014年4月1日	
Description of Positions in Shareholder Entities 在股東單位任職情況的說明	Not applicable			

##### (ii) Position(s) in Other Entities

“□ Applicable” “√ Not applicable”

##### (二) 在其他單位任職情況

□ 適用 √ 不適用

#### III. Remunerations of Directors, Supervisors and Senior Management Officers

“√ Applicable” “□ Not applicable”

#### 三、董事、監事、高級管理人員報酬情況

√ 適用 □ 不適用

Decision making process of remuneration of Directors, Supervisors and Senior Management

董事、監事、高級管理人員報酬的決策程序

Resolution on the remuneration of directors and senior management officers is prepared by remuneration and monitoring committee of the Board. The remuneration of senior management officers is to be considered and approved by the Board while the remuneration of directors and supervisors are to be considered and approved by the Board and reported to the general meeting through the Board for consideration and approval.

公司董事、高級管理人員的報酬由董事會薪酬與考核委員會定方案，高級管理人員的報酬由董事會審議批准，董事的報酬由董事會審議通過報請股東大會批准。監事的報酬由監事會審議通過報請股東大會批准。

Basis for determination of remuneration of Directors, Supervisors and Senior Management

董事、監事、高級管理人員報酬確定依據

The remuneration of directors, supervisors and senior management officers is determined in accordance with the remuneration standard of directors, supervisors and senior management officers formulated by the Company, as well as the annual assessment indicators.

按照公司制定的董事、監事及高級管理人員薪酬標準，結合年度考核指標，確定董事、監事及高級管理人員報酬。

Actual payment for the remuneration of Directors, Supervisors and Senior Management Officers

董事、監事和高級管理人員報酬的實際支付情況

Please refer to the above table headed “Change in shareholding and remuneration of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period”. 見上述「現任及報告期內離任董事、監事和高級管理人員持股變動及報酬情況(表)」。

Total actual remuneration of all Directors, Supervisors and Senior Management Officers at the end of the Reporting Period  
報告期末全體董事、監事和高級管理人員實際獲得的報酬合計

RMB3.1285 million

人民幣312.85萬元

## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### IV. Changes in Directors, Supervisors and Senior Management

"√ Applicable" "□ Not applicable"

#### 四、公司董事、監事、高級管理人員變動情況

√適用 □不適用

Name 姓名	Position 擔任的職務	Change 變動情形	Reason for change 變動原因
Luan Jie 樂杰	Secretary to the Board 董事會秘書	Appointed 聘任	Appointed as secretary to the Board of the Company 聘任為本公司董事會秘書
Jiang Chi 姜馳	Former secretary to the Board 原董事會秘書	Resigned 離任	Reason for change of job 工作變動原因

#### V. Description of penalties imposed by securities regulatory bodies in the past three years

"□ Applicable" "√ Not applicable"

#### 五、近三年受證券監管機構處罰的情況說明

□適用 √不適用

#### VI. Details of staff of the Parent Company and major subsidiaries (i) Details of staff

#### 六、母公司和主要子公司的員工情況 (一) 員工情況

Number of existing employees of the Parent Company 母公司在職員工的數量	8
Number of existing employees of major subsidiaries 主要子公司在職員工的數量	1,676
Total number of existing employees 在職員工的數量合計	1,684
Number of retired staff who incurred expenses of the Parent Company and major subsidiaries 母公司及主要子公司需承擔費用的離退休職工人數	441

#### Type of professions 專業構成

Professions 專業構成類別		Number of persons 人數
Production staff 生產人員		946
Sales staff 銷售人員		113
Technical staff 技術人員		107
Financial staff 財務人員		29
Administrative staff 行政人員		189
Others 其他		300
Total 合計		1,684

#### Educational Background 教育程度

Education level 教育程度類別		Number of persons 人數
University graduates or above 大學本科及以上		293
Associate degree 大專		171
Secondary technical graduates 中專		388
Senior high school graduates and below 高中及以下		832
Total 合計		1,684

### VI. Details of staff of the Parent Company and major subsidiaries (continued)

#### (ii) Remuneration Policies

"Applicable"  "Not applicable"

The Company implemented diversified salaries system based on the performance of positions as the main remuneration system. On the basis for performance-based salary standards of positions, the salary level of each position is determined by job evaluation with reference to labour market for confirming the relative value of the post, so as to ensure the internal and external equality of salaries level. On this basis, the remuneration policy is to be implemented subject to different personnel and nature of work to undertake a diversified salaries system such as the implementation of broadband compensation and technological innovation incentives for technical staff; the sales commission approach for marketing staff; piecework wage system for production workers and annual salary system for the senior management.

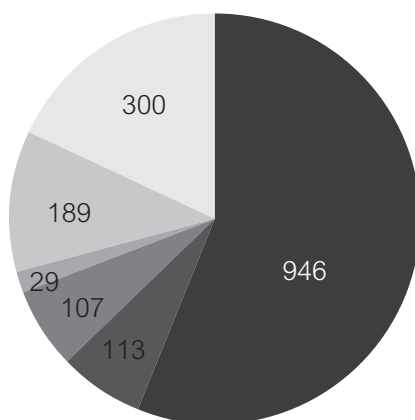
#### (iii) Training Plan

"Applicable"  "Not applicable"

Throughout 2016, a total of 122 trainings involving 1,477 persons were organized according to the annual training program, and the number of training hours per staff reached 15.62 hours. The Company started the gradual transformation and division of production staff of normal products in accordance with the requirements of the Company on transformation and upgrading, and arranged trainings on cryogenic products, trainings for staff holding key positions, and trainings for position change.

#### (iv) Chart of Professions

Type of professions  
員工專業構成



### 六、母公司和主要子公司的員工情況(續)

#### (二) 薪酬政策

適用  不適用

公司實施以崗位績效工資為主體的多元化薪酬制度，崗位績效工資按照在定崗定編的基礎上，通過崗位評價確定崗位相對價值並參考勞動力市場價位確定工資水平，以保證薪酬的內外部公平性。在此基礎上，對技術人員實施技術等級評聘和技術創新獎勵辦法，對營銷人員實施銷售業績提成辦法，對基本生產工人實施計件工資制度，對高級管理人員實施年薪制，按照不同人員不同工作性質，採取分層分類的多元化的薪酬政策。

#### (三) 培訓計劃

適用  不適用

2016年年根據《年度培訓計劃》共計完成了122場培訓，共涉及1,477培訓人次，人均培訓課時達15.62小時。根據公司轉型升級要求，常規產品生產人員逐步轉型分流，組織了專項低溫產品知識的培訓；進行了關鍵崗位人員培訓；轉崗專題培訓等等。

#### (四) 專業構成統計圖

- Production staff  
生產人員
- Sales staff  
銷售人員
- Technical staff  
技術人員
- Financial staff  
財務人員
- Administrative staff  
行政人員
- Others  
其他人員

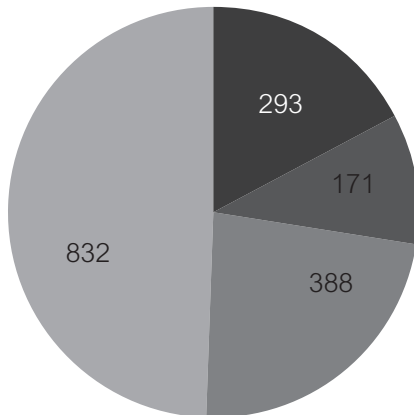
## Section 10 Directors, Supervisors, Senior Management Officers and Employees

### 第十節 董事、監事、高級管理人員和員工情況

#### VI. Details of staff of the Parent Company and major subsidiaries (continued)

##### (v) Chart of Education level

Education level  
員工教育程度



#### 六、母公司和主要子公司的員工情況(續)

##### (五) 教育程度統計圖

- University graduates or above  
本科及以上
- Associate degree  
大專
- Secondary technical graduates  
中專
- Senior high school graduates and below  
高中及以下

##### (vi) Labour outsourcing

"√ Applicable" "□ Not applicable"  
Total working hours for labour outsourcing  
勞務外包的工時總數  
Total remuneration paid for labour outsourcing  
勞務外包支付的報酬總額

##### (六) 勞務外包情況

√ 適用 □ 不適用

42,320 hours  
42,320 小時  
RMB562,800  
人民幣 562,800 元

#### VII. Others

"□ Applicable" "√ Not applicable"

#### 七、其他

□ 適用 √ 不適用



# Section 11 Corporate Governance

## 第十一節 公司治理

### I. Information on Corporate Governance

“√ Applicable” “□ Not applicable”

During the year ended 31 December 2016, the Company had fully complied with the code provisions set out in the Corporate Governance Code and Corporate Governance Report (the “Corporate Governance Code”) under Appendix 14 of the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

During the Reporting Period, the general meeting, the Board, the supervisory committee and managers of the Company well defined power and responsibilities, allowing them to maintain checks and balances and coordinate with each other. The Board of the Company and its strategic committee, the audit committee, the remuneration and monitoring committee and the nomination committee and the supervisory committee carried out their work according to their responsibilities. The information of the Company was disclosed on a true, accurate, complete and timely basis. The actual situation of the Company’s governance complied with the Company Law and the requirements of China Securities Regulatory Commission.

During the Reporting Period, the major aspects of corporate governance are as follows:

#### 1. Shareholders and general meetings

The Company was able to treat all Shareholders equally with due respect and to safeguard their interests. In particular, medium-sized and minority Shareholders were entitled to their status and to fully exercise their rights with their legal interests being protected. The Company ensured that shareholders were entitled to their right of access to information and right to participate in decision-making in respect of material events of the Company as required by laws and administrative rules and regulations. In accordance with the relevant requirements set out in the Rules of Procedure for the General Meeting, it could be ensured that general meetings were convened and held in a legal, regulated and orderly manner and, in respect of voting for connected transactions, the relevant persons were arranged to abstain from voting pursuant to the relevant requirements in such manner that connected transactions are open, equal and fair.

#### 2. Directors and the Board

The Board of Directors of the Company comprised 11 directors, of whom 4 were independent non-executive directors. The Board set up the strategic committee, the Audit Committee, the Remuneration and Monitoring Committee and the Nomination Committee. During the Reporting Period, all directors were able to strictly perform their duties of good faith and due diligence. The Board exercised its power and authority in strict compliance with the requirements of laws and regulations and the Articles of Association to ensure the regulated operation of the Company. Resolutions put forward at the Board meetings were sufficiently discussed and resolved in a scientific, prompt and cautious manner. Directors of the Company were selected and appointed in strict compliance with the required procedures set out in the Articles of Association. According to the requirements of the Standard of Corporate Governance for PRC Listed Companies, the Company gave full play to the functions of the Special Committees of the Board and the four independent non-executive directors pursuant to the relevant requirements of the Rules of Procedure for the Board of Directors, Detailed Implementation Rules for the Special Committees of the Board of Directors and Working System for Independent Directors.

The Directors are responsible for preparing the accounts. The Board seeks to give a balanced, clear and understandable assessment in annual and interim reports, other price-sensitive announcements and other financial disclosures as required by the Listing Rules. In addition, it also does so for reports to regulators and information disclosed under statutory requirements.

### 一、公司治理相關情況說明

√適用 □不適用

於截至二零一六年十二月三十一日止年度，本集團遵守了香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄 14 之《企業管治守則及企業管治報告》（「企業管治守則」）之規定。

報告期內，公司股東大會、董事會、監事會及經理層之間權責明確、各司其職、運營合規。公司董事會及下設戰略委員會、審計委員會、薪酬與考核委員會及提名委員會和監事會按各自職責開展工作。公司信息披露真實、準確、完整、及時。公司治理的實際狀況符合《公司法》和中國證監會相關規定的要求。

報告期內公司治理的主要方面如下：

#### 1、關於股東與股東大會

公司能夠平等對待所有股東，充份尊重和維護股東利益，特別是中小股東享有的地位和充份行使自己的權利，保護其合法權益。確保股東對法律、行政法規所規定的公司重大事項享有知情權和參與決策權。按照《股東大會議事規則》的有關規定，能夠保證股東大會召集、召開合法、規範、有序，對關聯交易的表決，按照有關規定採取相關人員回避，做到關聯交易能夠公開、公平、公正。

#### 2、關於董事與董事會

公司董事會由 11 名董事組成，其中獨立非執行董事 4 名，董事會下設戰略委員會、審計委員會、薪酬與考核委員會、提名委員會。報告期內各位董事能夠嚴格履行誠信與勤勉的義務；董事會嚴格按照法律、法規和《公司章程》的規定行使職權，確保公司規範運營；董事會議案能夠充份討論，科學、迅速和謹慎地作出決策；嚴格按照《公司章程》的規定程序選聘公司董事；根據《上市公司治理準則》的要求，公司按照《董事會議事規則》、《董事會專業委員會實施細則》和《獨立董事工作制度》的有關規定，充份發揮董事會專業委員會和四位獨立非執行董事的作用。

董事負責編製賬目。董事會於年度報告及中期報告、其他涉及股價敏感資料之公告及根據《上市規則》之規定須予披露之其他財務資料作出平衡、清晰及可理解的評審。此外，其亦應在向監管者提交之報告書及根據法例規定披露的資料內作出同樣之陳述。

# Section 11 Corporate Governance

## 第十一節 公司治理

### I. Information on Corporate Governance (continued)

#### 3. Supervisors and the Supervisory Committee

The Supervisory Committee of the Company comprised three supervisors, of whom two were supervisors for shareholder representatives and one was supervisor for staff representative. The supervisory committee appointed one secretary for the supervisory committee. The supervisory committee of the Company was committed to being accountable to all shareholders. Taking the financial controller as the core, the supervisory committee supervised the Directors, general managers and senior management officers of the Company to protect the safety of the assets of the Company, reduced financial risks and safeguarded the legal interests of the Company and the shareholders. The supervisory committee had the capacity to carry out extensive communication with shareholders, staff and other stakeholders so as to ensure the launch of the supervisory work. The Rules of Procedure for the supervisory committee formulated by the Company facilitated the exercising of power of all supervisors. The supervisory committee convened regular meetings and extraordinary meetings in strict compliance with the rules and procedures.

#### 4. Stakeholders

The Company can fully respect and protect the legal interests of stakeholders so as to achieve a coordinated balance among the interests of various parties including shareholders, staff and the community for purposes of jointly facilitating the continuous and healthy development of the Company.

#### 5. Information disclosure and investor relations

The secretary to the Board of Directors was designated by the Company for being responsible for handling information disclosure, and receiving shareholders' visits and enquiries. The Company disclosed the relevant information in a true, accurate, complete and timely manner in accordance with the Listing Rules of the Shanghai Stock Exchange and the Hong Kong Stock Exchange to practicably ensure that investors will be able to obtain the relevant information equally.

Whether there is any significant difference between the corporate governance and the requirements by China Securities Regulatory Commission; if so, indicate the reasons for such differences

Applicable  Not applicable

### 一、公司治理相關情況說明(續)

#### 3、關於監事和監事會

公司監事會由3名監事組成，其中2名股東代表監事和1名職工代表監事。監事會聘任監事會秘書1名。公司監事會堅持對全體股東負責，以財務監督為核心，對公司董事、總經理及高級管理人員進行監督，保護公司資產安全，降低財務風險，維護公司和股東的合法權益；具有與股東、職工和其他利益相關者進行廣泛交流的能力，保證了監督工作的開展。公司制訂的《監事會議事規則》，更有利於各位監事行使職權。監事會嚴格按規則和程序召開定期會議和臨時會議。

#### 4、關於相關利益者

公司能夠充份尊重和維護相關利益者的合法權益，實現股東、員工、社會等各方利益的協調平衡，共同推動公司持續、健康發展。

#### 5、關於信息披露和投資者關係

公司指定董事會秘書負責信息披露工作，接待股東來訪和諮詢。公司按照上海證券交易所和香港聯合交易所《上市規則》的規定，真實、準確、完整、及時地披露有關信息，切實保證投資者能平等地獲得有關信息。

公司治理與中國證監會相關規定的要求是否存在重大差異；如有重大差異，應當說明原因

適用  不適用

### II. Introduction to the General Meetings

### 二、股東大會情況簡介

Meeting 會議屆次	Date of holding 召開日期	Index for details on websites designated for publishing resolutions 決議刊登的指定網站的查詢索引	Date of disclosure of the resolutions 決議刊登的披露日期
2015 Annual General Meeting	16 June 2016	website of the Shanghai Stock Exchange (www.sse.com.cn) and Hkexnews website of the Stock Exchange (www.hkexnews.hk)	17 June 2016
2015年度股東周年大會	2016年6月16日	上交所www.sse.com.cn和聯交所披露易www.hkexnews.hk網站上	2016年6月17日

#### General meetings

Applicable  Not applicable

#### 股東大會情況說明

適用  不適用

# Section 11 Corporate Governance

## 第十一節 公司治理

### III. Performance of Duties by Directors

#### (i) Attendance of directors at the Board meetings and the general meetings

### 三、董事履行職責情況

#### (一) 董事參加董事會和股東大會的情況

Director(s) Name 董事姓名	Independent or not 是否獨立董事	Required attendance during the year 本年應參加董事會次數	Attendance in person 親自出席次數	Attendance at Board meetings 參加股東大會情況			Absence from two consecutive meetings or not 是否連續兩次未親自參加會議	Attendance at general meetings 出席股東大會的次數
				Attendance by communication equipment 以通訊方式參加次數	Attendance by proxy 委托出席次數	Number of absence 缺席次數		
Wang Jun 王軍	No 否	12	8	4	0	0	No 否	1
Chen Changge 陳長革	No 否	12	6	4	2	0	No 否	1
Li Junjie 李俊杰	No 否	12	7	4	1	0	No 否	1
Du Yuexi 杜躍熙	No 否	12	7	4	1	0	No 否	1
Xia Zhonghua 夏中華	No 否	12	7	4	1	0	No 否	1
Jin Chunyu 金春玉	No 否	12	7	4	1	0	No 否	1
Fu Hongquan 付宏泉	No 否	12	8	4	0	0	No 否	1
Wu Yan 吳燕	Yes 是	12	7	4	1	0	No 否	1
Liu Ning 劉寧	Yes 是	12	7	4	1	0	No 否	1
Yang Xiaohui 楊曉輝	Yes 是	12	7	4	1	0	No 否	1
Fan Yong 樊勇	Yes 是	12	5	4	3	0	Yes 是	0

#### Description of absence from two consecutive Board meetings in person

“√ Applicable” “□ Not applicable”

Other director(s) was/were appointed to exercise voting rights due to business commitments.

Number of Board meetings during the year

年內召開董事會會議次數

Of which: number of meetings convened on-site

其中：現場會議次數

Number of meetings convened by communication equipment

通訊方式召開會議次數

Number of meetings both on-site and by communication equipment

現場結合通訊方式召開會議次數

#### 連續兩次未親自出席董事會會議的說明

√ 適用 □ 不適用

因公務未能出席，委托其他董事行使表決權。

12

8

4

0

## III. Performance of Duties by Directors (continued)

## (ii) Objection of Independent Non-executive Directors to the Relevant Matters of the Company

Applicable  Not applicable

## (iii) Others

Applicable  Not applicable

**Appointment or removal of Directors, Supervisors and Senior Management Officers during the Reporting Period**

At the 20th extraordinary meeting of the eighth session of the Board held on 18 November 2016, the resolution in relation to the appointment of Mr. Luan Jie as the secretary to the Board was considered and passed. Ms. Jiang Chi ceased to be the secretary to the Board.

## IV. Major comments and suggestions proposed by the committees under the Board of Directors when performing their duties during the Reporting Period. Details of any objections shall be disclosed

Applicable  Not applicable

## V. Supervisory Committee's description on risks identified in the Company

Applicable  Not applicable

## VI. Statements of the Company on inability to maintain the independence or the ability of independent operations between the Company and the controlling shareholders with respect to business, personnel, assets, organization and finance

Applicable  Not applicable

**Corresponding solutions, working progress and subsequent working plans of the Company in case of horizontal competition attributable to shareholding reform, industry features, national policies, merger and acquisition**

Applicable  Not applicable

## 三、董事履行職責情況(續)

## (二) 獨立董事對公司有關事項提出異議的情況

適用  不適用

## (三) 其他

適用  不適用

報告期新聘或解聘公司董事、監事、高級管理人員的情況

本公司2016年11月18日召開的第八屆董事會第二十次臨時會議，審議通過聘任樂杰先生擔任本公司董事會秘書。姜馳女士不再擔任本公司董事會秘書。

## 四、董事會下設專門委員會在報告期內履行職責時所提出的重要意見和建議，存在異議事項的，應當披露具體情況

適用  不適用

## 五、監事會發現公司存在風險的說明

適用  不適用

## 六、公司就其與控股股東在業務、人員、資產、機構、財務等方面存在的不能保證獨立性、不能保持自主經營能力的情況說明

適用  不適用

存在同業競爭的，公司相應的解決措施、工作進度及後續工作計劃

適用  不適用

# Section 11 Corporate Governance

## 第十一節 公司治理

### VII. Establishment and implementation of appraisal and incentive mechanism for senior management officers during the Reporting Period

Applicable  Not applicable

During the Reporting Period, the Board of the Company and the senior management officers entered into and executed the Performance Assessment Contract for Senior Management Officers. The Board assessed the performance of the senior management officers every year. After the remuneration and monitoring committee of the Board has completed the appraisal of the senior management officers based on the said contract for confirmation, such appraisal may be submitted to the Board for its examination and approval.

### VIII. Whether internal control self-assessment report is disclosed

Applicable  Not applicable

For details, please refer to the internal control self-assessment report published by the Company on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on the same day.

#### Description of material defects of internal control during the Reporting Period

Applicable  Not applicable

### IX. Description of matters regarding the Internal Control Audit Report

Applicable  Not applicable

For details, please refer to the Internal Control Audit Report published on the same day.

Whether the Internal Control Audit Report is disclosed: Yes

### X. Others

Applicable  Not applicable

#### Corporate Governance Report

The Directors of the Company believe that corporate governance is crucial to the success of the Company. Therefore, the Company adopts various measures to maintain corporate governance of high standard.

The documents related to corporate governance of the Company include the Articles of Association, Rules of Procedure for the General Meeting, and Rules of Procedure for the Board of Directors, Rules of Procedure for the Supervisory Committee, Implementation Rules of the Special Committees of the Board of Directors, Code of Practice of General Managers and Code of Practice of the Secretary to the Board of Directors. To achieve the highest level of corporate governance, the Board of the Company has set up four special committees, namely, the strategic development committee, the audit committee, the remuneration and monitoring committee and the nomination committee.

### 七、報告期內對高級管理人員的考評機制，以及激勵機制的建立、實施情況

適用  不適用

報告期內，公司董事會與高級管理人員簽訂《高級管理人員績效考核業績合同》，董事會每年對其進行考核，董事會薪酬與考核委員會根據高級管理人員《業績合同》完成情況評估認可後，報董事會審批。

### 八、是否披露內部控制自我評價報告

適用  不適用

詳見公司同日披露在上海證券交易所網站 ([www.sse.com.cn](http://www.sse.com.cn)) 上的《內部控制自我評價報告》。

報告期內部控制存在重大缺陷情況的說明

適用  不適用

### 九、內部控制審計報告的相關情況說明

適用  不適用

詳見同日披露的《內部控制審計報告》。

是否披露內部控制審計報告：是

### 十、其他

適用  不適用

#### 企業管治報告

本公司董事相信企業管治對本公司之成功非常重要，故本公司在採納不同措施，確保維持高標準企業管治。

本公司有關公司治理的文件包括《公司章程》、《股東大會議事規則》、《董事會議事規則》、《監事會議事規則》、《董事會專業委員會實施細則》、《總經理工作細則》、《董事會秘書工作細則》等。力求達到最高企業管治水平，本公司董事會設立了四個專門委員會分別是：戰略委員會、審計委員會、薪酬與考核委員會及提名委員會。

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### Performance of duties by the Strategic Committee under the Board of Directors

The main duties of the Strategic Committee are to formulate the strategic rules of the Company, to supervise the implementation of strategies and to timely adjust the strategies and the governance structure of the Company.

The Strategic Committee formulates the policies regarding corporate governance with its main scope of authority and power including:

- (1) To formulate and review the policies and normal practice regarding corporate governance, and make recommendations to the Board;
- (2) To review and monitor the training and continuous professional development of the directors and senior management officers;
- (3) To review and monitor the Company's policies and normal practice regarding its observance of legal and regulatory requirements;
- (4) To formulate, review and monitor the code of conduct and compliance manual of employees and directors;
- (5) To review the Company's observance of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules (the "Code") and the disclosure in the "Corporate Governance Report".

The Strategic Committee comprises five directors. During the Reporting Period, the Strategic Committee convened one meeting. Details of such meeting are as follows:

On 18 November 2016, the resolution regarding the change of the head of the secretariat of the Strategic Committee of the Board was considered and passed.

The members of the Strategic Committee and their attendance at the meetings are as follows:

Name 姓名	Description 說明	Required attendance in 2016 2016年應出席會議次數	Actual attendance 實際出席會議次數
Wang Jun (Chairman) 董事長王軍	Chairman of the committee 委員會主席	1	1
Wu Yan (independent non-executive Director) 獨立非執行董事吳燕	Member of the committee 委員會委員	1	0 (Entrusted Liu Ning to vote) 0 (委托劉寧表決)
Li Junjie (executive Director) 執行董事李俊杰	Member of the committee 委員會委員	1	0 (Entrusted Wang Jun to vote) 0 (委托王軍表決)
Xia Zhonghua (non-executive Director) 非執行董事夏中華	Member of the committee 委員會委員	1	1
Du Yuexi (executive Director) 執行董事杜躍熙	Member of the committee 委員會委員	1	1

### 十、其他(續)

#### 企業管治報告(續)

##### 董事會下設的戰略委員會履職情況

戰略委員會的主要職責是制訂本公司戰略規則，監控戰略的執行，以及適時調整本公司戰略和管治架構。

戰略委員會制定公司企業管治政策，主要職權範圍包括：

- (1) 制定及檢討公司的企業管治政策及常規，並向董事會提出建議；
- (2) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (3) 檢討及監察公司在遵守法律及監管規定方面的政策及常規；
- (4) 制定、檢討及監察僱員及董事的操守準則及合規手冊；
- (5) 檢討公司遵守上市規則附錄十四《企業管治守則》(「守則」)的情況及在《企業管治報告》內的披露。

戰略委員會由五名董事組成，戰略委員會於報告期舉行了1次會議，會議情況如下：

2016年11月18日，審議通過董事會戰略委員會秘書處主任變更的議案。

戰略委員會成員名單及會議出席情況：



# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### Performance of duties by the Audit Committee under the Board of Directors

The authority and power of the Audit Committee was formulated in accordance with advice provided in “A Guide for Effective Audit Committees” issued by Hong Kong Institute of Certified Public Accountants, the Code and the “Code of Corporate Governance for Listed Companies in China” issued by the CSRC. Its major duties include: to review and monitor the quality and procedure of the financial reporting of the Group, to review the completeness and effectiveness of the internal control system of the Company, to appoint independent auditors, to coordinate their work and review the quality and efficiency of their work, and, lastly, to review all written reports issued by internal auditors and the management’s feedback on such reports.

The Audit Committee comprises three directors. During the Reporting Period, the Audit Committee convened eight meetings. Details of such meeting are as follows:

- (1) On 26 January 2016, the Audit Committee reviewed the 2015 consolidated financial statements of the Company, and the financial statements of the parent company and subsidiaries, and agreed with the content of the financial statements; considered and passed the resolution in relation to Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, waiving its right of first refusal and connected transactions under the Capital Increase Agreement of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd, and published the following audit opinion: 1) The connected transactions between the Company and the connected party conform to the Company’s business operations and long-term strategic development. They are in the best interest of the Company and its shareholder as a whole. In line with the principle of fair transaction and marketization, the pricing is objective, fair and reasonable as well as in compliance with the requirement of the relevant laws and regulations and the Articles of Association of the Company. The case of damaging the Company and its shareholders, especially the interest of minority shareholders would not exist. 2) Agreed to submit the resolution in relation to the connected transactions to the fifteenth extraordinary meeting of the eighth session of the board of directors of the Company for approval.
- (2) On 9 March 2016, the audit organization of financial statements and the audit organization of internal control report communicated with the Audit Committee in respect of the problems of the audit work for the 2015 Annual Report and the problems of the audit work for the internal control respectively; the Audit Committee communicated with the auditor in respect of the compilation work for the Annual Report as well as the design and implementation of the internal control procedures such as monetary funds, impairment of assets, etc.

### 十、其他(續)

#### 企業管治報告(續)

##### 董事會下設的審計委員會履職情況

審計委員會的職權範圍是依據香港會計師公會頒佈的《審核委員會有效運作指引》中所提出的建議、守則以及中國證監會頒佈的《中國上市公司治理準則》而制訂的。其主要職責包括：檢討及監察集團的財務彙報質量和程序，檢討本公司內部監控制度的健全性與有效性，負責獨立審計師的聘任、工作協調及對其工作效率和工作質量進行檢討，審閱內部審計人員發出的一切書面報告並檢討經理層對這些報告的回饋意見。

審計委員會由三名董事組成，審計委員會於報告期舉行了8次會議，會議情況如下：

- (1) 2016年1月26日，審計委員會審閱了公司2015年合併財務報表、母公司及所屬子公司的財務報表並同意財務報告內容；審議通過子公司北京天海工業有限公司放棄其北京明暉天海氣體儲運裝備銷售有限公司之增資協議項下之優先購買權及關聯交易的議案並發表如下審核意見：1) 公司與關聯方之間發生的關聯交易符合公司經營業務及長遠戰略發展需要，符合公司和全體股東的利益，本著公平交易和市場化原則，定價客觀、公允、合理，符合有關法律、法規和公司章程的規定，不存在損害公司及其股東，特別是中小股東利益的情形。2) 同意將本次關聯交易議案提交公司第八屆董事會第十五次臨時會議審議。
- (2) 2016年3月9日，財務報告的審計機構和內部控制報告的審計機構分別就2015年年報審計工作中的問題及內部控制審計工作的問題與審計委員會進行了溝通，審計委員會就年報編製工作以及貨幣資金、資產減值等多項內部控制流程的設計與執行情況與審計師進行了溝通。

## X. Others (continued)

## Corporate Governance Report (continued)

- (3) On 17 March 2016, the Audit Committee carried out the audit for the Company's audited financial statements for 2015 and the internal control audit report for 2015. After auditing, the Audit Committee considered that: 1) the content of the Company's financial statements for 2015 audited by ShineWing Certified Public Accountants is true and reliable. The financial statements fairly and accurately reflect the Company's financial position as at 31 December 2015 and operating results for 2015. The compilation of the financial statements complied with the relevant regulations and financial policies. 2) The content of the internal control audit report for 2015 issued by BDO China Shu Lun Pan Certified Public Accounts is true and reliable. The report objectively and fairly reflects Company's internal control status as at 31 December 2015 and the internal control results for 2015, and the report complies with the relevant regulations and policies. 3) Considered and passed the 2015 Self-Assessment Report on the Company's internal control. 4) Considered and passed the resolution on the performance of duties by the Audit Committee for 2015. 5) Based on the audit workload undertaken by ShineWing Certified Public Accountants in 2015 and its working performance, the Audit Committee agreed with the resolution in relation to the proposed payment of audit fees for 2015 of RMB0.9 million to it. 6) Based on the audit workload undertaken by BDO China Shu Lun Pan Certified Public Accounts in 2015 and its working performance, the Audit Committee agreed with the resolution in relation to the proposed payment of audit fees for 2015 of RMB0.38 million to it. 7) Based on the working performance of the audit services provided by ShineWing Certified Public Accountants in 2015, the Audit Committee decided to re-appoint ShineWing Certified Public Accountants as the audit organization for the 2016 financial statements of the Company. 8) Based on the working performance of the audit services provided by BDO China Shu Lun Pan Certified Public Accounts in 2015, the Audit Committee decided to re-appoint BDO China Shu Lun Pan Certified Public Accounts as the audit organization for the 2016 internal control of the Company. 9) Considered and passed the proposal for profit distribution of the Company for 2015. 10) Considered and passed the resolution on the impairment provision of the Company for 2015. 11) Considered and passed the audit plan of the Company for 2016. 12) Considered and passed the proposal for the internal control of the Company for 2016. 13) Considered and passed the operating plan of the Company for 2016. The above resolutions were submitted to the Board for consideration and approval.
- (4) On 22 April 2016, the first quarterly report of the Company for 2016 the Audit Committee was considered and passed by the Audit Committee and submitted to the Board for consideration and approval.
- (5) On 11 August 2016, the Audit Committee considered and passed the 2016 Interim Report of the Company and its summary, the resolution on the impairment provision of the Company for the half year of 2016, the resolution on the 2016 finance budget of BTIC America Corporation, a subsidiary of Beijing Tianhai, and the resolution on the provision of financial assistance by the Company to its subsidiary, Beijing Tianhai. The above resolutions were submitted to the Board for consideration and approval.
- (6) On 25 October 2016, the Audit Committee considered and passed the third quarterly report of the Company for 2016 and the resolution on revising The Working Procedures for the Annual Report by the Audit Committee of the Board. The above resolutions were submitted to the Board for consideration and approval.

## 十、其他(續)

## 企業管治報告(續)

- (3) 2016年3月17日，審計委員會對公司2015年度經審計的財務報告以及2015年度內部控制審計報告等進行審核，經過審核，審計委員會認為：1)經信永中和會計師事務所審計的公司2015年財務報告內容真實、可靠。財務報告公正、準確地反映了公司2015年12月31日的財務狀況以及2015年度的經營成果。財務報告的編製符合相關法規及財務政策。2)立信會計師事務所出具的公司2015年度內控審計報告內容真實、可靠。報告客觀公正地反映了公司2015年12月31日的內部控制狀況以及2015年度的內部控制工作成果，符合相關法規及政策。3)審議通過公司2015年度內部控制的自我評價報告。4)審議通過審計委員會2015年年度履職情況的議案。5)根據信永中和會計師事務所2015年承擔的審計工作量及工作表現，審計委員會同意擬支付其2015年審計費用共計人民幣90萬元整的議案。6)根據立信會計師事務所2015年承擔的審計工作量及工作表現，審計委員會同意擬支付其2015年審計費用共計人民幣38萬元整的議案。7)根據信永中和會計師事務所提供的2015年審計服務工作的表現，審計委員會決定繼續聘請信永中和會計師事務所為公司2016年度財務報告審計機構。8)根據立信會計師事務所提供的2015年審計服務工作的表現，審計委員會決定繼續聘請立信會計師事務所為公司2016年度內部控制審計機構。9)審議通過公司2015年度利潤分配的預案。10)審議通過公司2015年度計提減值準備的議案。11)審議通過公司2016年度審計計劃。12)審議通過公司2016年度內部控制方案。13)審議通過公司2016年度經營計劃。以上議案提交董事會審議。
- (4) 2016年4月22日，審計委員會審核通過公司2016年第一季度報告，並提交董事會審議。
- (5) 2016年8月11日，審計委員會審議通過公司2016年年中報告全文及摘要；審議通過公司2016年半年度計提減值準備的議案；審議通過關於北京天海工業有限公司下屬子公司美洲天海公司2016年融資預算的議案；審議通過公司為子公司北京天海工業有限公司提供財務資助的議案。以上議案提交董事會審議。
- (6) 2016年10月25日，審計委員會審議通過公司2016年第三季度報告；審議通過關於修訂《董事會審計委員會年報工作規程》的議案，以上議案提交董事會審議。

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

- (7) On 18 November 2016, the Audit Committee considered and passed the resolution on the change of the head of the Secretariat of the Audit Committee. Upon consideration, the Audit Committee agreed to appoint Yang Yi as the head of the Secretariat of the Audit Committee and submit the above resolution to the Board for consideration.
- (8) On 28 December 2016, the Audit Committee considered and passed the 2016 Audit Plan of the Company and the 2016 Internal Control Audit Plan of the Company. The Audit Company required the audit organization to submit the audit report according to the agreed timeframe in accordance with the requirements of the relevant laws and regulations.

The members of the Audit Committee and their attendance at the meetings are as follows:

Name 姓名	Description 說明	Required attendance in 2016 2016年應出 席會議次數	Actual attendance 實際出席 會議次數
Yang Xiaohui (independent non-executive Director) 獨立非執行董事楊曉輝	Chairman of the committee 委員會主席	8	8
Fan Yong (independent non-executive Director) 獨立非執行董事樊勇	Member of the committee 委員會委員	8	7
Jin Chunyu (non-executive Director) 非執行董事金春玉	Member of the committee 委員會委員	8	7

### 十、其他(續)

#### 企業管治報告(續)

- (7) 2016年11月18日，審計委員會審議通過董事會審計委員會秘書處主任變更的議案，經審議，同意楊易為審計委員會秘書處主任，並同意將上述議案提交董事會審議。
- (8) 2016年12月28日，審計委員會審議通過公司2016年度年報審計計劃；審議通過公司2016年度內部控制審計計劃；審計委員會要求審計機構根據有關法律、法規的規定，按照約定的時間提交審計報告。

審計委員會成員名單及會議出席情況：

## X. Others (continued)

## Corporate Governance Report (continued)

## Performance of duties by the Remuneration and Monitoring Committee under the Board of Directors

The major duties of the remuneration and monitoring committee are to study and review the Company's remuneration policy and incentive mechanism; with responsibility delegated by the Board, to determine the remuneration packages of the Company's executive Directors and senior management officers; to formulate the appraisal standard for Directors and senior management officers of the Company and to assess them; and to submit the results of assessment to the Board for review and approval.

The Remuneration and Monitoring Committee comprises three directors. During the Reporting Period, the Remuneration and Monitoring Committee convened three meetings. Details of such meeting are as follows:

- (1) On 17 March, 2016, the resolution regarding the Remuneration and Results of Performance Assessment of the senior management officers of the Company for 2015 was considered and passed, which had been submitted to the Board for consideration and approval.
- (2) On 29 April 2016, the resolutions regarding the amendments to the Administrative Measures on Remuneration and Performance Assessment for Senior Management Officers, the standard annual salary and the position coefficient of the senior management officers for 2016, and the 2016 Performance Contract of Senior Management Officers were considered and passed, which had been submitted to the Board for consideration and approval.
- (3) On 18 November 2016, the resolution regarding the change of the head of the secretariat of the Remuneration and Monitoring Committee of the Board was considered and passed, which had been submitted to the Board for consideration and approval.

In 2017, the Remuneration and Monitoring Committee of the Board will continue to strengthen their work and further intensify the assessment regarding the senior management officers of the Company so as to help the Company formulate a better remuneration and assessment system.

The members of the Remuneration and Monitoring Committee and their attendance at the meetings are as follows:

Name 姓名	Description 說明	Required attendance 2016 2016年應出席會議次數	Actual attendance 實際出席會議次數
Wu Yan (independent non-executive Director) 獨立非執行董事吳燕	Chairman of the committee 委員會主席	3	3
Liu Ning (independent non-executive Director) 獨立非執行董事劉寧	Member of the committee 委員會委員	3	3
Chen Changge (executive Director) 執行董事陳長革	Member of the committee 委員會委員	3	3

## 十、其他(續)

## 企業管治報告(續)

## 董事會下設的薪酬與考核委員會履職情況

薪酬與考核委員主要職責是研究和審議本公司薪酬政策和激勵機制，獲董事會轉授責任，釐定本公司執行董事和高級管理人員的薪酬待遇，並制定考核標準進行考核，最終提交董事會審議通過考核結果。

薪酬與考核委員會由三名董事組成，薪酬與考核委員會於報告期舉行了3次會議，會議情況如下：

- (1) 2016年3月17日，審議通過了《公司2015年高級管理人員薪酬與績效考核結果》的議案，並同意提交董事會審議。
- (2) 2016年4月29日，審議通過了修訂《高級管理人員薪酬與績效考核管理辦法》、高級管理人員2016年標準年薪及崗位系數和《高級管理人員2016年度業績合同》的議案，並同意提交董事會審議。
- (3) 2016年11月18日，審議通過了董事會薪酬與考核委員會秘書處主任變更的議案，並同意提交董事會審議。

2017年董事會薪酬與考核委員會將繼續加強工作，進一步加強公司高層管理人員的考核，協助公司制定更完善的薪酬考核體系。

薪酬與考核委員會成員名單及會議出席情況：

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### Performance of duties by the Nomination Committee under the Board of Directors

The major duties of the Nomination Committee are to study and suggest on the candidates and election standard and procedures for Directors and the senior management officers.

Pursuant to the Corporate Governance Code, the Company adopted a board diversity policy (the "Board Diversity Policy") which sets out the approach to achieve and maintain diversity in the Board in order for the Board to maintain a competitive advantage. The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to the talents, skills, regional and industry experience, background, race, age, gender and other qualities. The Nomination Committee will consider and, if appropriate, set measurable objectives to implement the Board Diversity Policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee will review the Board Diversity Policy from time to time to ensure its continued effectiveness.

The executive directors and non-executive directors of the Company have rich experience in production, operation and management and make reasonable decisions in respect of the matters proposed by the Board. Among the four independent non-executive directors, one is a fellow member in pressure container industry with rich experience in gas storage transportation equipment industry; one is a PRC solicitor with accomplishments in law; one is a PRC registered accountant with many years of experience in respect of corporate management advisory and accounting practice; and one is a researcher in securities industry with rich experience in corporate merger and acquisition as well as fining. Such independent non-executive directors have full capability of assessing internal control and reviewing financial report. The composition of the Board was in full compliance with the requirements of the relevant domestic and overseas laws and regulations and standardized documents.

The Nomination Committee comprises three directors. During the Reporting Period, the Nomination Committee convened two meetings. Details of such meetings are as follows:

- (1) Given Mr. Chen Changge no longer served as the director and chairman of the board of Beijing Tianhai Industry Co. Ltd., a subsidiary of the Company, and the director and chairman of the board of Jingcheng Holding (Hong Kong) Company Limited, on 2 June 2016, according to the provisions of Rules of Procedure of the Nomination Committee of the Company, and with the full understanding of the occupation, education background, professional titles, details of working experience and all part-time jobs of the nominees, the Nomination Committee of the Board of the Company considered and passed the resolutions in relation to the nomination of Mr. Wang Jun as candidate for director and chairman of the board of Beijing Tianhai Industry Co. Ltd., Mr. Li Junjie as candidate for chairman of the board of Jingcheng Holding (Hong Kong) Company Limited, and Mr. Tan Yiqian as candidate for director of Jingcheng Holding (Hong Kong) Company Limited, which had been submitted to the Board for consideration and approval.

### 十、其他(續)

#### 企業管治報告(續)

##### 董事會下設的提名委員會履職情況

提名委員會的主要職責是對董事和高級管理人員的人選、選擇標準和程序進行研究並提出建議。

根據企業管治守則，董事會採納董事會成員多元化政策(「多元化政策」)，其中載列本公司如何達致及保持董事會的多樣性，以保持董事會的競爭優勢。本公司旨在透過多項因素實現董事會的多樣性，包括但不限於才能、技能、地域或行業經驗、背景、種族、年齡、性別和其他素質。提名委員會將考慮及酌情訂立可衡量的目標以實行多元化政策，並檢討有關目標，以確保其仍然合適，及確定公司在實現這些目標方面取得的進展。提名委員會將不時檢討多元化政策，以確保其持續有效。

本公司執行董事及非執行董事在生產、經營、管理上都具有豐富經驗，均能合理決策董事會所議事項。四名獨立非執行董事中一名為壓力容器行業的資深人士，具有豐富的氣體儲運裝備行業經驗；一名為具有中國律師資格的律師，在法律方面造詣較深；一名為中國註冊會計師、具有多年企業管理諮詢和會計從業經驗；一名為證券行業研究員，在企業並購和融資方面具有豐富的經驗。該等獨立非執行董事完全具備評價內部控制的能力及審閱財務報告的能力。董事會構成完全符合境內外有關法律法規及規範性文件的要求。

提名委員會由三名董事組成，提名委員會於報告期舉行了2次會議，會議情況如下：

- (1) 鑒於陳長革先生工作變動的原因不再擔任公司子公司北京天海工業有限公司董事、董事長職務和京城控股(香港)有限公司董事、董事長職務，2016年6月2日，根據公司《提名委員會議事規則》規定，本公司董事會提名委員會在充分瞭解被提名人職業、學歷、職稱、詳細工作經歷、全部兼職等情況後，審議通過提名王軍先生擔任北京天海工業有限公司董事、董事長候選人的議案，審議通過提名李俊杰先生擔任京城控股(香港)有限公司董事長候選人，提名譚軼謙先生擔任京城控股(香港)有限公司董事候選人的議案，並同意提交董事會審議。



# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

(2) Given Ms. Jiang Chi no longer served as the secretary to the Board of Directors of the Company due to changes in work, on 18 November 2016, according to the provisions of Rules of Procedure of the Nomination Committee of the Company, and with the full understanding of the occupation, education background, professional titles, details of working experience and all part-time jobs of the nominees, the Nomination Committee of the Board of the Company considered and passed the resolution in relation to the nomination of Mr. Luan Jie as candidate for secretary to the Board of the Company, which had been submitted to the Board for consideration and approval.

The nomination process, recommendation procedure and the qualifications and basic requirements for directors are set out in the Rules of Procedure of the Nomination Committee of the Company. During the Reporting Period, the nomination committee supervised and guided change of the secretary to the Board of Directors of the Company and replacement of the candidates for directors of subsidiaries, and successfully completed such task.

The members of the nomination committee and their attendance at the meetings are as follows:

Name 姓名	Description 說明	Required attendance 2016 2016年應出席會議次數	Actual attendance 實際出席會議次數
Liu Ning (independent non-executive Director) 獨立非執行董事劉寧	Chairman of the committee 委員會主席	2	2
Fan Yong (independent non-executive Director) 獨立非執行董事樊勇	Member of the committee 委員會委員	2	2
Chen Changge (Director and General Manager) 董事、總經理陳長革	Member of the committee 委員會委員	2	2

During the Reporting Period, the Company was in compliance with the code provisions stipulated in the Corporate Governance Code (the "Code") as set out in Appendix 14 of the Listing Rules.

During the Reporting Period, the Company has adopted the requirements in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules. For the purposes of this Report, the Company has enquired all the Directors specifically and all of them have confirmed with the Company that they have completely complied with the requirements of the Model Code for Securities Transactions by Directors of Listed Issuers during the Reporting Period.

The Company has received the Statement Regarding the Confirmation of Independence submitted by the four independent non-executive Directors pursuant to the requirements of Rule 3.13 of the Listing Rules, and the Board considers that the said four independent non-executive Directors are independent.

### 十、其他(續)

#### 企業管治報告(續)

(2) 鑒於姜馳女士工作變動的原因不再擔任公司董事會秘書職務，2016年11月18日，根據公司《提名委員會議事規則》規定，本公司董事會提名委員會在充分瞭解被提名人職業、學歷、職稱、詳細工作經歷、全部兼職等情況後，審議通過提名樂杰先生為公司董事會秘書候選人的議案，並同意提交董事會審議。

本公司《提名委員會議事規則》中，列明了董事提名的方式、建議程序以及董事的任職資格和基本素質要求。本報告期內，提名委員會就公司董事會更換董事會秘書及子公司更換董事候選人工作進行了監督和指導，順利完成了此項工作。

提名委員會成員名單及會議出席情況：

於報告期內，本公司已遵守上市規則附錄十四《企業管治守則》(「守則」)列載的規定。

於報告期內，本公司已採納上市規則附錄十《上市發行人董事進行證券交易的標準守則》。本公司已為準備本報告的目的向所有董事作出特定查詢，所有董事已向本公司確認，在本報告期內其已完全遵守《上市發行人董事進行證券交易的標準守則》。

本公司收到四名獨立非執行董事按照上市規則第3.13條之要求提交的獨立性確認聲明書，本公司董事會認為四名獨立非執行董事均具有獨立性。



# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### Directors and Composition of the Board of Directors

The Board of the Company consists of eleven directors, including four executive directors, three non-executive directors, and four independent non-executive directors and the independent non-executive directors account for more than one-third of the total members of the Board. The members of the Board of Directors are as follows:

##### Executive Directors

###### 執行董事

Wang Jun

王軍

Chen Changge

陳長革

Li Junjie

李俊杰

Du Yuexi

杜躍熙

##### Non-executive Directors

###### 非執行董事

Xia Zhonghua

夏中華

Jin Chunyu

金春玉

Fu Hongquan

付宏泉

##### Independent non-executive Directors

###### 獨立非執行董事

Wu Yan

吳燕

Liu Ning

劉寧

Yang Xiaohui

楊曉輝

Fan Yong

樊勇

### 十、其他(續)

#### 企業管治報告(續)

##### 董事及董事會組成

本公司董事會由十一名董事組成，其中執行董事四名、非執行董事三名、獨立非執行董事四名，獨立非執行董事人數佔董事會人數的三分之一以上。董事會成員如下：

Chairman

董事長

Director and General Manager

董事、總經理

Director

董事

Director

董事

Director

董事

Director

董事

Director

董事

Director

董事

Director

董事

Director

董事

Director

董事

### X. Others (continued) Corporate Governance Report (continued) Directors and Composition of the Board of Directors (continued)

#### Description:

The executive directors and non-executive directors of the Company have rich experience in production, operation and management and make reasonable decisions in respect of the matters proposed by the Board. Among the four independent non-executive directors, one is a fellow member in pressure container industry with rich experience in gas storage transportation equipment industry; one is a PRC solicitor with accomplishments in law; one is a PRC registered accountant with many years of experience in respect of corporate management advisory and accounting practice; and one is a researcher in securities industry with rich experience in corporate merger and acquisition as well as fining. Such independent non-executive directors have full capability of assessing internal control and reviewing financial report. The composition of the Board was in full compliance with the requirements of the relevant domestic and overseas laws and regulations and standardized documents.

During the Reporting Period, to the best of the knowledge of the Board, there exists no relationship between and among the directors of the Board (including the chairman and the general manager) with respect to finance, business, family and relatives or other material/relevant relationship required to be disclosed.

The Company is in strict compliance with the relevant binding terms for securities transactions by directors as set out by the PRC and Hong Kong regulatory authorities and is always adhering to the principle of being in strict compliance with terms.

#### 1. Chairman and General Manager

The Chairman and the general manager of the Company are assumed by different persons, and their respective duties are clearly divided.

The Chairman, the legal representative of the Company, is elected by more than half of all directors of the Board. The Chairman is responsible for corporate planning and strategic decision-makings and chairing the Board, and ensuring that the Board will examine and adopt all involved matters in an appropriate manner for facilitating the effective operation of the Board.

The Chairman is entitled to preside over the general meetings, to convene and chair the Board meetings, to examine and check the implementation of the resolutions of the Board, and to sign the securities issued by the Company and other important documents. Upon authorised by the Board, the Chairman can also convene the general meetings and provide guidance to the Company's important business activities during the adjournment of the Board meetings.

The general manager is appointed by the Board and is accountable to the Board. The general manager leads the management to take charge of daily production, operation and management of the Company, and organization and implementation of all resolutions of the Board. As required by the Board or the supervisory committee, the general manager will report to the Board or the supervisory committee, on a regular basis, regarding the execution and performance of major contracts, and the utilisation of funds, as well as the profit and loss.

### 十、其他(續) 企業管治報告(續) 董事及董事會組成(續)

#### 說明：

本公司執行董事及非執行董事在生產、經營、管理上都具有豐富經驗，均能合理決策董事會所議事項。四名獨立非執行董事中一名為壓力容器行業的資深人士，具有豐富的氣體儲運裝備行業經驗；一名為具有中國律師資格的律師，在法律方面造詣較深；一名為中國註冊會計師，具有多年企業管理諮詢和會計從業經驗；一名為證券行業研究員，在企業並購和融資方面具有豐富的經驗。該等獨立非執行董事完全具備評價內部控制的能力及審閱財務報告的能力。董事會構成完全符合境內外有關法律法規及規範性文件的要求。

於報告期內，盡董事會所知董事會成員之間(包括董事長與總經理)不存在任何須予披露的關係，包括財務、業務、家屬或其他相關的關係。

本公司嚴格遵守國內及香港兩地監管機構對於董事進行證券交易有關約束條款，並始終堅持條款從嚴的原則。

#### 1、董事長及總經理

本公司董事長及總理由不同人士擔任，並有明確分工。

董事長系公司法定代表人，由董事會以全體董事的過半數選舉產生。董事長負責企業籌劃及戰略性決策，主持董事會工作，保證董事會以適當方式審議所有涉及事項，促使董事會有效運作。

董事長有權主持股東大會，召集和主持董事會會議，檢查董事會決議的實施情況，簽署公司發行的證券和其他重要文件。經董事會授權，還可以召集股東大會；在董事會閉會期間，對公司的重要業務活動給予指導。

總理由董事會聘任，對董事會負責。總經理率領管理層，負責公司日常生產經營管理事務，組織實施董事會的各項決議。根據董事會或者監事會要求，總經理定期向董事會或者監事會報告公司重大合同的簽訂、執行情況、資金運用情況和盈虧情況。

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### 2. **Executive Directors, Non-executive Directors and Independent Non-executive Directors**

Like the other directors, the existing non-executive directors and independent non-executive directors of the Company have the term of office being three years, commencing from 26 June 2014 to the conclusion of 2016 Annual General Meeting.

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

##### 3. **Authority and Powers of the Board of Directors**

The Board of Directors exercises the authority and power conferred by laws and regulations and the Articles of Association. Such powers mainly include:

To convene general meetings and implement such resolutions of the general meetings;

To decide upon the annual operating plan and material investment plan of the Company;

To formulate and prepare the financial budget, profit distribution plan, basic management mechanism and material acquisition or disposal plan of the Company;

To appoint or dismiss the Company's general manager and to appoint or dismiss the Company's senior management officers including the deputy general manager(s) and the financial controller based on such nominations made by the general manager;

To propose to the general meeting to re-appoint or replace the Company's accounting firms being responsible for the Company's audit work;

To examine and adopt the report of the Company's manager(s);

To exercise the financing and borrowing rights of the Company and decide upon such matters concerning the mortgage, lease and transfer of the Company's material assets.

### 十、其他(續)

#### 企業管治報告(續)

##### 2、**執行董事、非執行董事、獨立非執行董事**

本公司非執行董事、獨立非執行董事任期與其餘董事相同，均為三年，任期為2014年6月26日至2016年度股東周年大會止。

於應屆股東周年大會上建議重選的董事並無與本公司訂立任何於一年內倘終止則須作出賠償(法定賠償除外)之服務合約。

##### 3、**董事會職權**

董事會履行法律法規及《公司章程》賦予的職權，主要包括：

召集股東大會，執行股東大會的決議；

決定本公司年度經營計劃、重要投資方案；

制定本公司財務預算、利潤分配預案、基本管理制度、重大收購或出售方案；

聘任或者解聘本公司總經理，根據總經理提名，聘任或解聘本公司副總經理、財務負責人等高級管理人員；

向股東大會提請續聘或更換為公司審計的會計師事務所；

審議本公司經理報告；

行使本公司的融資和借款權以及決定本公司重要資產的抵押、出租和轉讓等事項。

## X. Others (continued)

## Corporate Governance Report (continued)

## 4. Remunerations of Directors and Senior Management Officers and Assessment of the Board

## (1) Service contracts of directors and supervisors

The directors and supervisors have entered into written contracts with the Company wherein the main contents thereof are as follows:

- (i) Each contract for the directors of the eighth session of the Board of Directors and Supervisors of the eighth session of the Supervisory Committee shall commence from 26 June 2014 to and until the conclusion of 2016 Annual General Meeting.
- (ii) An annual salary system is in place for senior management. The annual salary of senior management of the Company comprise four parts, being basic annual salary, quarterly performance pay, annual performance pay and special contribution income. The basic annual salary is determined by the remuneration and monitoring committee at the beginning of each year with reference to industry compensation level, the results of operation of the Company for the previous year and total remuneration. The position coefficients are determined based on position evaluation. Typically, the position coefficient of general manager is 1, and the position coefficients of deputy general manager, secretary to the Board and other senior management officers range from 0.5 to 0.9.

The basic annual salary and the quarterly performance pay are paid on a monthly basis, while the amount of annual performance pay shall be determined in accordance with the following formula: Annual performance pay = Standard annual salary x Position coefficient x 50% x Appraisal factor, which shall be determined based on the results of performance appraisal. Special contribution income may be granted to senior management officers who have made significant contribution to the implementation of the strategies of the Company or have received awards from the government or industry associations for significant innovation in management, technological innovation and strong investment income. Special contribution income shall be reviewed by the remuneration and monitoring committee under the Board before submission to the Board for consideration and approval and shall not exceed RMB0.1 million. Each new non-executive Director shall have the right to receive annual fee of no more than RMB40 thousand. Each new independent non-executive Director shall have the right to receive annual fee of no more than RMB60 thousand. Each new supervisor shall have the right to receive annual fee of no more than RMB40 thousand.

## 十、其他(續)

## 企業管治報告(續)

## 4、董事及高級管理人員的薪酬及董事會評核

## (1) 董事與監事服務合約

董事及監事與本公司訂立書面合約，主要方面如下：

- (i) 第八屆董事會董事和第八屆監事會監事每份合約由2014年6月26日開始，至2016年度股東周年大會止。
- (ii) 高管人員實行年薪制。公司高管人員的年薪由基礎年薪、季度績效薪酬、年度績效薪酬和特殊貢獻收入四部份組成。其中，標準年薪由公司薪酬與考核委員會根據行業薪酬水平、公司上年經營狀況和薪酬總額等因素在每年年初確定。崗位系數以崗位評價為基礎予以確定。通常，總經理的崗位系數為1，副總經理、董事會秘書及其他高級管理人員的崗位系數為0.5-0.9。

基礎年薪按月進行平均發放，季度績效薪酬按月進行平均發放，年度績效薪酬的額度按以下公式確定：年度績效薪酬 = 標準年薪 × 崗位系數 × 50% × 考核系數，考核系數根據績效考核結果進行確定。高管人員為公司戰略實施做出重大突出貢獻或取得重大管理創新、科技創新、投資取得顯著成效、公司獲得政府、行業等特別嘉獎的情況下，可向高管人員發放特殊貢獻收入。特殊貢獻收入由公司董事會薪酬與考核委員會審核後，報董事會審議通過，其數額最高不超過人民幣10萬元。各新任非執行董事將有權收取的年度袍金不超過人民幣4萬元。各新任獨立非執行董事將有權收取的年度袍金不超過人民幣6萬元。各新任監事將有權收取的年度袍金不超過人民幣4萬元。

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### 4. Remunerations of Directors and Senior Management Officers and Assessment of the Board (continued)

###### (2) Assessment and Motivation Mechanism for Senior Management Officers

During the Reporting Period, the Board of the Company entered into the Performance Assessment Contract for Senior Management with the senior management officers. The remuneration and monitoring committee of the Board would propose the appraisal of the senior management officers to the Board for examination and approval in accordance with the completion of the performance contracts by the senior management officers.

##### 5. Duties of the management

Pursuant to the authority and power conferred by the Articles of Association, the management level of the Company undertakes the major duties as follows:

To be responsible for organizing and implementing the Company's annual operating plan and investment plan;

To propose the establishment of internal management institution for the Company;

To propose the basic management mechanism for the Company;

To appoint or dismiss such management members whose appointment and dismissal are not subject to the Board of Directors;

To formulate the basic regulations for the Company.

##### 6. Remunerations of auditors

At the 2015 Annual General Meeting convened on 16 June 2016, the Company re-appointed ShineWing Certified Public Accountants LLP as the domestic and overseas auditors of the Company for 2016 Financial Report and appointed BDO China Shu Lun Pan Certified Public Accounts LLP as the accountant for 2016 internal control report and authorized the Board to determine the remunerations of these two auditing firms.

During the Reporting Period, ShineWing Certified Public Accountants LLP reviewed the attached financial report prepared under the PRC Accounting Standards and BDO China Shu Lun Pan Certified Public Accounts LLP reviewed the internal control report of the Company.

During the Reporting Period, none of the analysis on the remuneration of the auditor for the provision of non-audit services to the Company was provided by ShineWing Certified Public Accountants LLP and BDO China Shu Lun Pan Certified Public Accounts LLP.

During the Reporting Period, the audit fee payable to ShineWing Certified Public Accountants LLP amounted to RMB0.9 million. The audit fee includes all fees related to audit services provided to the Company by the auditors, including audit fee and review fee. The audit fee payable to BDO China Shu Lun Pan Certified Public Accounts LLP amounted to RMB380,000. The audit fee includes the review fee paid to auditor for reviewing the effectiveness of the design and implementation of the internal control contained in the Company's financial report.

### 十、其他(續)

#### 企業管治報告(續)

##### 4、董事及高級管理人員的薪酬及董事會評核(續)

###### (2) 高級管理人員的考評及激勵情況

報告期內，本公司董事會與高級管理人員簽訂《高級管理人員績效考核業績合同》，董事會薪酬與考核委員會根據高級管理人員《業績合同》完成情況評估認可後，報董事會審批。

##### 5、管理層的職責

本公司管理層根據公司章程賦予的職權，主要履行以下職責：

負責組織實施本公司年度經營計劃和投資方案；

擬訂本公司內部管理機構設置方案；

擬訂本公司的基本管理制度；

聘任或者解聘除應由董事會聘任或解聘以外的管理人員；

制訂公司基本規章等事項。

##### 6、核數師酬金

公司於2016年6月16日召開2015年度股東周年大會，審議通過了續聘信永中和會計師事務所(特殊普通合夥)為本公司2016年度境內外財務報告的審計師，審議通過了聘任立信會計師事務所(特殊普通合夥)為本公司2016年度內控報告的審計師，並授權董事會分別為兩家審計師釐定其酬金。

報告期內，信永中和會計師事務所(特殊普通合夥)，審核了隨附根據中國會計準則編製的財務報告。立信會計師事務所(特殊普通合夥)，審核了本公司內控報告。

信永中和會計師事務所(特殊普通合夥)和立信會計師事務所(特殊普通合夥)報告期內未提供非核數服務所得酬金的分析。

報告期應支付給信永中和會計師事務所(特殊普通合夥)的審計費用為人民幣90萬元，審計費用包括審計師為本公司提供的審計、審閱及有關審計工作的服務費用。應支付給立信會計師事務所(特殊普通合夥)的審計費用為人民幣38萬元，審計費用包括審計師對本公司財務報告內部控制設計與運行的有效性進行審計。

## X. Others (continued)

## Corporate Governance Report (continued)

## 6. Remunerations of auditors (continued)

As at 31 December 2016, ShineWing Certified Public Accountants LLP had provided auditing services for the Company for 10 years, and BDO China Shu Lun Pan Certified Public Accounts LLP has provided auditing services for the Company for 6 years.

A resolution regarding whether ShineWing Certified Public Accountants LLP and BDO China Shu Lun Pan Certified Accounts are to be re-appointed as the Company's auditors for the year 2017 will be submitted to the 2016 Annual General Meeting.

During the Reporting Period, directors are separately assuming the responsibilities of preparing the financial report and internal control report. Please refer to "Auditor's Report and Financial Statements" as set out in Section 12 and "Internal Control" as set out in Section 13 of this Annual Report, for the particulars of the opinions on the financial report and internal control report issued by ShineWing Certified Public Accountants and BDO China Shu Lun Pan Certified Public Accounts LLP respectively.

## 7. Internal control

Details on the internal control of the Company implemented by the Board of Directors are set out in the section headed "Internal Control" as set out in Section 13 of this Annual Report.

## 8. Delegation of authority by the Board of Directors

During the Reporting Period, any implementation of delegation of authority by the Board of Directors to the operation management level shall be subject to the approval of the Board of Directors. Such delegation also requires the operation management level to regularly report the implementation results regarding such matters under such delegation. The Board has not delegated any authority with respect to managerial or administrative functions to its committees thereunder.

## 9. Corporate governance functions

During the Reporting Period, the Board of Directors performed its duties regarding corporate governance: (1) to develop and review the Company's policies and practices on corporate governance; (2) to review and monitor the training and continuous professional development of directors and senior management; (3) to review and monitor the Company's policies and practices on the compliance with legal and regulatory requirements; (4) to develop, review and examine the staff's manual applicable to employees and directors; and (5) to review the Company's compliance with the code and disclosure in the Corporate Governance Report. Details on the implementation of the foregoing matters are set out in the section headed "Internal Control" as set out in section 13 of this Annual Report.

## 十、其他(續)

## 企業管治報告(續)

## 6、核數師酬金(續)

截止2016年12月31日，信永中和會計師事務所(特殊普通合夥)為本公司提供了10年審計服務。立信會計師事務所(特殊普通合夥)為本公司提供了6年審計服務。

有關是否續聘信永中和會計師事務所(特殊普通合夥)和立信會計師事務所(特殊普通合夥)為本公司2017年度之核數師的議案將在2016年度股東周年大會上提呈。

報告期董事分別承擔財務報告的編製責任及內控報告的編製責任。信永中和會計師事務所出具財務報告審計意見詳情請見本年度報告「第十二節財務會計報告」，立信會計師事務所出具的內部控制報告審計意見詳情請見本年度報告「第十三節內部控制」。

## 7、內部監控

董事會對公司內部控制詳情請見本年報告「第十三節內部控制」。

## 8、董事會權力轉授

報告期董事會授權給經營層任何權利通過董事會批准後方能實施，授權同時要求經營層定期彙報授權事項的實施結果。董事會不存在將其管理及行政功能方面的權力授予其轄下委員會情形。

## 9、企業管治職能

報告期董事會履行其企業管治職能：(1)制定及檢討公司的企業管治政策及常規；(2)檢討及檢查董事及高級管理人員的培訓及持續專業發展；(3)檢討及檢查公司在遵守法律及監管規定方面的政策及常規；(4)制定、檢討及檢查員工及董事的員工手冊；(5)檢討公司遵守《守則》的情況及在《企業管治報告》內的披露。上述內容執行情況詳情請見本年報告「第十三節內部控制」。



# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### 10. Secretary to the Board

- (1) The secretary to the Board is a senior management officer of the Company.
- (2) The secretary to the Board is appointed by the Board of Directors of the Company and reports duty to the Chairman.
- (3) The main duties of the secretary to the Board include: to assist the directors with their handling of the day-to-day business of the Board; to continuously provide the directors with, remind the directors of, and ensure that the directors are aware of, the domestic and foreign regulators' regulations, policies and requirements in respect of the operation of the Company; to assist the directors and managers in proper compliance with domestic and foreign laws, regulations, the Articles of Associations and other relevant rules in exercising their power and performing their functions; to be responsible for organizing and preparing the documents of the Board and of the shareholders' general meetings; to duly keep meeting minutes; to ensure that decisions made at meetings are made in accordance with statutory procedure and to know well of the implementation of the resolutions of the Board of Directors; to be responsible for arranging and coordinating the disclosure of information, coordinating the relationship with investors and enhancing the transparency of the Company; to participate in arranging for capital market financing; to handle the relationship with intermediary organisations, regulators and the media, and to promote good public relations.

##### 11. Participation in trainings by directors, supervisors and senior management officers

To further develop and update the knowledge and skills of the directors, supervisors and senior management officers such that they can better serve the Company, all directors, supervisors and senior management officers of the Company, during the Reporting Period, participated in trainings in relation to the Listing Rules, Corporate Governance, Corporate Internal Control, Prevention of Insider Trading, Information Disclosure, and Responsibilities of the Directors. During the Reporting Period, all directors and supervisors participated in professional trainings for no less than 8 learning hours.

##### 12. Statement regarding Responsibility for financial statements by the Board of Directors

This statement is made for Shareholders to differentiate the respective responsibilities of the Directors and the auditors in connection with service reports which should be read in conjunction with the statement regarding responsibility by auditors contained in the auditors' report set out in the financial statements.

The Board of Directors is of the opinion that as the Company's resources are sufficient for its operation in the foreseeable future, the financial statements have been prepared based on the going concern principle, and that in preparation of such financial statements, applicable accounting policies were completely implemented, supporting by reasonable and prudent judgment and valuation, and that the preparation of the statements is in compliance with all accounting standards the Board of Directors considers applicable.

The Directors are responsible for ensuring that the accounts record prepared by the Company reasonably and accurately reflects the Company's financial position, and that the financial statements are in compliance with relating accounting requirements in the PRC and Hong Kong.

### 十、其他(續)

#### 企業管治報告(續)

##### 10、董事會秘書

- (1) 董事會秘書是公司高級管理人員。
- (2) 董事會秘書由公司董事會聘任，向董事長彙報工作。
- (3) 董事會秘書的主要任務是協助董事處理董事會的日常工作，持續向董事提供、提醒並確保其瞭解境內外監管機構有關公司運作的法規、政策及要求，協助董事及經理在行使職權時切實履行境內外法律、法規、公司章程及其他有關規定；負責董事會、股東大會文件的有關組織和準備工作，作好會議記錄，保證會議決策符合法定程序，並掌握董事會決議執行情況；負責組織協調信息披露，協調與投資者關係，增強公司透明度；參與組織資本市場融資；處理與中介機構、監管部門、媒體的關係，搞好公共關係。

##### 11、董事、監事及高級管理人員參加培訓情況

為發展更新董事、監事及高級管理人員的知識及技能，使其更好地為公司服務，報告期公司董事、監事及高級管理人員參加了《上市規則》、《公司治理》、《公司內部控制》、《防範內幕交易》、《信息披露》、《董事責任》等相關內容的培訓。董事、監事參加了不少於8學時的專業培訓。

##### 12、董事會就財務報表之責任聲明

本聲明旨在向股東清楚區別公司董事與審計師對服務報表所分別承擔之責任，並應與財務報告所載的審計報告中的審計師責任聲明一並閱讀。

董事會認為：本公司所擁有之資源足以在可預見之將來繼續經營業務，故財務報表以持續經營作為基準編製，於編製財務報表時，本公司已使用適當之會計政策；該等政策均貫徹地運用，並有合理與審慎之判斷及估計作支持，同時亦依循董事會認為適用之所有會計標準。

董事有責任確保本公司編製之賬目記錄能夠合理、準確地反映本公司之財務狀況，並確保該財務報表符合中國及香港相關會計準則的要求。

## X. Others (continued)

## Corporate Governance Report (continued)

13. The Company maintained sufficient public float during the Reporting Period.

## 14. Shareholders' Right

## (a) To convene an extraordinary general meeting

Where Shareholders request to convene an extraordinary general meeting or class meeting, the following procedures shall be followed:

(i) Two or more Shareholders who collectively hold more than 10% (10% inclusive) of the voting shares at the proposed meeting may make a resolution to the Board on holding an extraordinary general meeting or class meeting by signing one or several written requests with same content in same format and may define the meeting agenda. The Board shall convene such meeting as soon as possible upon receipt of the aforesaid written request(s). The aforesaid number of shares held shall be calculated as of the date when the written request(s) was put forward by the shareholders.

(ii) In the event that the Board fails to give a notice of convening such meeting within thirty days upon receipt of the aforesaid written request(s), the shareholders who put forward the request(s) may convene such meeting of their own accord within four months upon receipt of the request by the Board, and the procedures for convening such meeting shall be the same as those for convening a general meeting by the Board where possible.

The expenses reasonably incurred by shareholders in convening and holding such a meeting because of the Board's failure to hold such meeting at the aforesaid request shall be borne out by the Company and shall be deducted from any payment due by the Company to directors of misconduct.

Where the shareholders decide to convene a general meeting of their own accord, it/they shall give a written notice to the Board and shall simultaneously file the case with the local office of the CSRC and the stock exchange in the locality where the Company operates for record.

Prior to the announcement of the resolution of the general meeting, the shareholding by the convening Shareholders shall be not less than 10%. When the convening shareholders deliver a notice of general meeting and make the announcement of the resolution of the general meetings, the convening shareholders shall submit the relevant evidencing materials to the local office of the CSRC and the stock exchange in the locality where the Company operates.

(b) The content of such resolution to be submitted to the general meeting shall fall in the scope of the authority and power of the locality shall have definite topics to be discussed and specific matters for resolution and shall be in compliance with the relevant provisions of the laws, administrative regulations and the Company's Articles of Association.

## 十、其他(續)

## 企業管治報告(續)

13、本公司公眾持股量在報告期內是足夠的。

## 14、股東權益

## (a) 召集臨時股東大會

股東要求召集臨時股東大會或者類別股東會議，應當按照下列程序辦理：

(i) 合計持有在該擬舉行的會議上有表決權的股份百分之十以上(含百分之十)的兩個或者兩個以上的股東，可以簽署一份或者數份同樣格式內容的書面要求，提請董事會召集臨時股東大會或者類別股東會議，並闡明會議的議題。董事會在收到前述書面要求後應當儘快召集臨時股東大會或者類別股東會議。前述持股數按股東提出書面要求日計算。

(ii) 如果董事會在收到前述書面要求後三十日內沒有發出召集會議的通告，提出該要求的股東可以在董事會收到該要求後四個月內自行召集會議，召集的程序應當儘可能與董事會召集股東會議的程序相同。

股東因董事會未應前述要求舉行會議而自行召集並舉行會議的，其所發生的合理費用，應當由公司承擔，並從公司欠付失職董事的款項中扣除。

股東決定自行召集股東大會的，應當書面通知董事會，同時向公司所在地中國證監會派出機構和證券交易所備案。

在股東大會決議公告前，召集股東持股比例不得低於10%。召集股東應在發出股東大會通知及發佈股東大會決議公告時，向公司所在地中國證監會派出機構和證券交易所提交有關證明材料。

(b) 於股東大會提呈提案提案的內容應當屬股東大會職權範圍，有明確議題和具體決議事項，並且符合法律、行政法規和公司章程的有關規定。

# Section 11 Corporate Governance

## 第十一節 公司治理

### X. Others (continued)

#### Corporate Governance Report (continued)

##### 14. Shareholders' Right (continued)

- (b) (continued)  
Shareholders that independently or collectively hold 3% or more of the shares in the Company may make a temporary resolution and submit it to the convener(s) in written form ten days prior to the convening of the general meeting. The convener(s) shall deliver a supplementary notice of the general meeting to announce the content of the temporary resolution within two days upon receipt of the resolution.

Except as provided in the preceding paragraph, after delivering a notice of general meeting, the convener(s) may not make any amendments to the resolutions included in the notice or add any new resolutions. Where the election of directors or supervisors is proposed to be discussed at a general meeting, the detailed information about the candidates for directors or supervisors shall be sufficiently disclosed in the notice of the general meeting, including:

- (i) Personal information regarding educational background, working experience and concurrent positions;
- (ii) Whether he/she has any related relationship with the Company or its controlling shareholders or beneficial controllers;
- (iii) The number of shares held in the Company to be disclosed; and
- (iv) Whether he/she has been punished by the CSRC and other authorities and penalised by the stock exchange.

A single resolution shall be made for each candidate for a director or a supervisor, except for directors or supervisors elected by way of cumulative voting system.

- (c) Shareholders may send their enquires requiring the Board's attention to the Secretary to the Board at the registered address of the Company. The contact details are set out in the "Company Profile" section of the annual report. Questions about the procedures for convening or putting forward resolutions at an AGM or extraordinary general meeting may also be put forward to the secretary to the Board in the same manner.

##### 15. During the Reporting Period, there were no material changes in the constitutional documents of the Company.

###### Joint company secretaries in Hong Kong

The Company has appointed external service provider to provide secretary services and appointed Mr. Lo Tai On ("Mr. Lo") and Mr. Luan Jie ("Mr. Luan") as joint company secretaries in Hong Kong. As disclosed in the announcement of the Company dated 18 November 2016, Mr. Luan currently does not have the professional qualifications required under Rule 3.28 of the Listing Rules. As for whether Mr. Luan is qualified for acting as a joint company secretary of the Company, the Stock Exchange has approved the waiver of Mr. Luan from the requirements of Rule 3.28 of the Listing Rules, which has been disclosed by the Company on 28 November 2016.

### 十、其他(續)

#### 企業管治報告(續)

##### 14、股東權益(續)

- (b) (續)  
單獨或者合計持有公司3%以上股份的股東，可以在股東大會召開10日前提出臨時提案並書面提交召集人。召集人應當在收到提案後2日內發出股東大會補充通知，公告臨時提案的內容。

除前款規定外，召集人在發出股東大會通知後，不得修改股東大會通知中已列明的提案或增加新的提案。股東大會擬討論董事、監事選舉事項的，股東大會通知中應當充份披露董事、監事候選人的詳細資料，至少包括以下內容：

- (一) 教育背景、工作經歷、兼職等個人情況；
- (二) 與公司或其控股股東及實際控制人是否存在關聯關係；
- (三) 披露持有公司股份數量；及
- (四) 是否受過中國證監會及其他有關部門的處罰和證券交易所懲戒。

除採取累積投票制選舉董事、監事外，每位董事、監事候選人應當以單項提案提出。

- (c) 向董事會提出查詢股東可將其查詢寄送本公司註冊地址予董事會秘書，要求董事會作出關注。聯絡資料載於年報內「公司簡介」一節。倘對召集股東周年大會或臨時股東大會，或於會上提呈提案的程序有任何疑問，亦可透過相同方式向董事會秘書提出。

##### 15、報告期內本公司章程性質文件未發生重大變動。

###### 香港聯席公司秘書

本公司外聘服務供應商提供秘書服務，並已委任羅泰安先生(「羅先生」)及樂杰先生(「樂先生」)擔任香港聯席公司秘書。誠如本公司日期為2016年11月18日之公告所披露，樂先生目前並未擁有上市規則第3.28條規定之專業資格。關於樂先生是否符合資格擔任本公司聯席秘書，聯交所已經批准豁免嚴格遵守上市規則第3.28條的規定，本公司已於2016年11月28日披露。

## X. Others (continued)

## Corporate Governance Report (continued)

## 16. Risk Management and Internal Control

The Board, through the assistance of the Audit Committee, has conducted an annual review of the effectiveness of the Group's risk management and internal control systems covering all material controls, including financial, operational and compliance controls. The Board is satisfied that such systems are effective and appropriate actions have been taken.

The process used by the Group to identify, evaluate and manage significant risks is summarized as follows:

- (1) Risk identification: identify risks that may pose a potential impact on the Group's business and operations through the Audit Committee, the management and the internal control department;
- (2) Risk evaluation: evaluate the identified risks based on the likelihood of the occurrence and impact level of the risk;
- (3) Response to risk: according to the evaluation results on the magnitude of the risk, risk management strategies are determined by the internal control department, and through appropriate mechanisms of the Company to ensure the effective implementation of internal control procedures to prevent and reduce the risks.

The main features of the Group's risk management and internal control systems are the focus on establishment of a sound internal control environment, continuous improvement in risks evaluation, activities control, information and communication, and internal supervision so as to enhance the Company's operating efficiency and ensure the reliability of financial reporting and effective compliance with applicable laws and regulations, in order to avoid any financial losses as a result of fraud.

The Board is responsible for the risk management and internal control systems and reviewing their effectiveness. However, the internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The internal control department of the Group reviews the effectiveness of the risk management and internal control systems by reviewing the annual internal control audit plan approved by the Audit Committee, it identifies internal control defects through periodic audits and special audits. With the recommendation in the audit proposal and its status of implementation, the department keeps track and resolves areas of serious internal control defects.

In relation to the handling and dissemination of inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), the Group has adopted measures including raising awareness of confidentiality in the Group, issuing notices regarding "black-out" period and restrictions on dealings to directors and employees on a regular basis to ensure compliance when handling and disclosing inside information.

According to the relevant laws and regulations, combining with the internal control system and evaluation methods of the Company, in respect of the routine supervision and special supervision over the internal control, we have evaluated the effectiveness and adequacy of the internal control of the Company from 1 January 2016 to 31 December 2016.

## 十、其他(續)

## 企業管治報告(續)

## 16. 風險管理及內部監控

董事會在審核委員會之協助下，已就本集團的風險管理及內部監控系統之成效進行年度檢討，檢討涵蓋所有重要的監控方面，包括財務監控、運作監控及合規監控。董事會確信，該等制度均為有效並已採取適當之行動。

公司用於辨認、評估及管理重大風險的程序簡介如下：

- (1) 風險識別：透過審核委員會、管理層、識別可能對本集團業務及營運構成潛在影響的風險；
- (2) 風險評估：根據風險發生之可能性及影響程度評估已識別之風險；
- (3) 風險應對：根據風險之大小評估結果，由內控部釐定風險管理策略，並透過公司有關機制保障內部監控程式的有效執行，以防止和降低風險。

本集團風險管理及內部監控系統主要特點是著重在建立良性的內控環境，風險評估、控制活動、資訊與溝通、以及內部監督上不斷提升和進步，從而促使公司經營效率的提高，盡力保障財務報告的可靠性以及有效遵守須適用的法律和條例，盡力避免公司財產免受舞弊行為帶來的損失。

本集團董事會對風險管理及內部監控系統負責，有責任檢討其有效性。然而內控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理但非絕對的保證。

本集團內控部在通過審閱由審核委員會批准的年度內部控制審計計畫以檢討風險管理及內部監控系統的有效性，通過常規審計和專項審計識別內部監控的不足，並通過審計建議書及其落實情況而跟蹤解決嚴重的內部監控不足問題。

根據上市規則及證券及期貨條例(香港法例第571章)處理及發佈內幕消息而言，本集團已採取包括提高本集團內幕消息的保密意識，定期向董事和僱員發送禁售期和證券交易限制的通知等措施，保證合規處理發佈內幕消息。

公司根據相關法律法規並結合公司內部控制制度和評價辦法，在內部控制日常監督和專項監督上，我們對公司2016年1月1日至2016年12月31日的內部控制有效性和足夠性進行了評價。

# Section 12 Financial Report

## 第十二節 財務報告

### Auditor's Report

#### 審計報告

To the shareholders of Beijing Jingcheng Machinery Electric Company Limited

北京京城機電股份有限公司全體股東：

#### I. Opinion

We have audited the financial statements of Beijing Jingcheng Machinery Electric Company Limited ("Beijing Jingcheng"), which comprise the consolidated and parent company's balance sheet as at 31 December 2016, the consolidated and parent company's income statement, the consolidated and parent company's cash flow statement and the consolidated and parent company's statement of changes in shareholders' equity for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and parent company's financial position as at 31 December 2016, the consolidated and parent company's results of operations and cash flows for the year then ended in accordance with Accounting Standards for Business Enterprises.

#### II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing for Chinese Certified Public Accountants. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of Beijing Jingcheng in accordance with the Code of Ethics for Chinese Certified Public Accountants, and we have fulfilled our other ethical responsibilities of the code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit.

#### III. Key Audit Matters

Key audit matters are those matters that we consider, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our audit opinion thereon, and we do not express a separate opinion on these matters.

##### (I) Withdrawal of inventory falling price reserves

###### 1. Key audit items

On December 31, 2016, in consolidated financial statement of Beijing Jingcheng, the book value of inventories is RMB317.1276 million, and the withdrawn provision for diminution in value of inventories is RMB57.1939 million.

On each balance sheet date, the management of the Company will compare the costs and net realizable value of each inventory item one by one, to measure the inventory with the lower one, and withdraw inventory falling price reserves according to the balance that the costs higher than its net realizable value.

#### 一、審計意見

我們審計了北京京城機電股份有限公司(以下簡稱京城股份公司)財務報表,包括2016年12月31日的合併及母公司資產負債表,2016年度的合併及母公司利潤表、合併及母公司現金流量表、合併及母公司股東權益變動表,以及相關財務報表附註。

我們認為,後附的財務報表在所有重大方面按照企業會計準則的規定編製,公允反映了京城股份公司2016年12月31日的合併及母公司財務狀況以及2016年度的合併及母公司經營成果和現金流量。

#### 二、形成審計意見的基礎

我們按照中國註冊會計師審計準則的規定執行了審計工作。審計報告的「註冊會計師對財務報表審計的責任」部份進一步闡述了我們在這些準則下的責任。按照中國註冊會計師職業道德守則,我們獨立於京城股份公司,並履行了職業道德方面的其他責任。我們相信,我們獲取的審計證據是充份、適當的,為發表審計意見提供了基礎。

#### 三、關鍵審計事項

關鍵審計事項是我們根據職業判斷,認為對本期財務報表審計最為重要的事項。這些事項的應對以對財務報表整體進行審計並形成審計意見為背景,我們不對這些事項單獨發表意見。

##### (一) 存貨跌價準備計提

###### 1、 關鍵審計事項

於2016年12月31日,京城股份公司合併財務報表中存貨賬面價值為人民幣31,712.76萬元,已計提的存貨減值準備為人民幣5,719.39萬元。

公司管理層於每個資產負債表日將每個存貨項目的成本與其可變現淨值逐一進行比較,按較低者計量存貨,並且按成本高於可變現淨值的差額計提存貨跌價準備。



# Section 12 Financial Report

## 第十二節 財務報告

### Auditor's Report

#### 審計報告

### III. Key Audit Matters (Continued)

#### (I) Withdrawal of inventory falling price reserves (Continued)

##### 1. Key audit items (Continued)

According to the accounting policies disclosed by the Company, for finished products in inventories, unfinished products and merchandise inventories which are directly sold (such as materials for sale), the net realizable value shall be determined according to estimated sale price minus estimated selling expenses and relevant taxes; for owned material inventories for production, the net realizable value shall be determined according to estimated sale price of finished product minus estimated incurred cost up to completion, estimated selling expenses and relevant taxes.

##### 2. Handling methods in audit

Main audit procedures we implemented are: acquire inventory list; perform inventory procedure; re-check the net realizable value of inventories and withdrawal amount to inventory impairment determined by the management of the Company.

According to the obtained audit evidence, we believe that the management's withdrawal to inventory impairment is reasonable.

#### (II) Withdrawal of idle fixed assets impairment reserves

##### 1. Key audit items

On December 31, 2016, Beijing Jingcheng withdrew provision for diminution in value for idle machinery equipment is of RMB 17,539,249.52. During the withdrawal of fixed assets impairment reserves, Beijing Jingcheng employed valuation experts to determine the recoverable amount of idle fixed assets and the impairment amount by comparing the recoverable amount with the book value of corresponding assets.

##### 2. Handling methods in audit

Our audit procedures mainly include acquisition of information about relevant assets, field investigation, evaluation of the management's assertions to idle fixed assets, rechecking principle of certainty, method and impairment withdrawal of recoverable amount, and discussion with experts. At the same time, we checked the relevant disclosures about Note VI. 9 Fixed Assets and Impairment of Fixed Assets and Note VI. 41 and Impairment of Assets.

According to the obtained audit evidence, we believe that the management's determination to the impairment amount of idle fixed assets is reasonable, and that relevant disclosure is appropriate.

### 三、關鍵審計事項(續)

#### (一) 存貨跌價準備計提(續)

##### 1、 關鍵審計事項(續)

根據公司披露的會計政策，存貨中庫存商品、在產品和用於出售的材料等直接用於出售的商品存貨，其可變現淨值按該存貨的估計售價減去估計的銷售費用和相關稅費後的金額確定；用於生產而持有的材料存貨，其可變現淨值按所生產的產成品的估計售價減去至完工時估計將要發生的成本、估計的銷售費用和相關稅費後的金額確定。

##### 2、 在審計中的處理方法

我們執行的主要審計程序包括：取得存貨清單；執行盤點程序；對公司管理層確定的存貨可變現淨值以及存貨減值計提金額進行了覆核。

我們認為，根據所取得的審計證據，管理層就存貨減值的計提是合理的。

#### (二) 閒置固定資產減值準備計提

##### 1、 關鍵審計事項

於2016年12月31日，京城股份公司對閒置機器設備計提減值準備人民幣17,539,249.52元。在計提固定資產減值準備時，京城股份公司聘請估值專家對閒置固定資產可回收金額進行了確定，並與對應資產的賬面價值進行比較，以確定減值金額。

##### 2、 在審計中的處理方法

我們的審計程序主要包括取得相關資產的資料，實地勘察，評估管理層對閒置固定資產的認定，覆核可回收金額確定原則、方法及減值計提的過程，並與專家進行討論。同時我們檢查了附註六、9固定資產與固定資產減值、附註六、41資產減值的相關披露。

我們認為，根據所取得的審計證據，管理層對閒置固定資產減值金額的確定是合理的，相關披露是恰當的。



## Section 12 Financial Report

### 第十二節 財務報告

## Auditor's Report

### 審計報告

#### IV. Other Information

The management of Beijing Jingcheng (hereinafter referred to as the "Management") is responsible for the other information. The other information comprises the information included in the Beijing Jingcheng 2016 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

#### V. Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Management is responsible for the preparation of the financial statements in accordance with Accounting Standards for Business Enterprises to achieve fair presentation; and designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing Beijing Jingcheng's ability to continue as a going concern and using the going concern basis of accounting unless the Management either intends to liquidate Beijing Jingcheng or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible to overseeing Beijing Jingcheng's financial reporting process.

#### VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are generally considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

#### 四、其他信息

京城股份公司管理層（以下簡稱管理層）對其他信息負責。其他信息包括京城股份公司2016年年度報告中涵蓋的信息，但不包括財務報表和我們的審計報告。

我們對財務報表發表的審計意見不涵蓋其他信息，我們也不對其他信息發表任何形式的鑒證結論。

結合我們對財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與財務報表或我們在審計過程中瞭解到的情況存在重大不一致或者似乎存在重大錯報。

基於我們已執行的工作，如果我們確定其他信息存在重大錯報，我們應當報告該事實。在這方面，我們無任何事項需要報告。

#### 五、管理層和治理層對財務報表的責任

管理層負責按照企業會計準則的規定編製財務報表，使其實現公允反映，並設計、執行和維護必要的內部控制，以使財務報表不存在由於舞弊或錯誤導致的重大錯報。

在編製財務報表時，管理層負責評估京城股份公司的持續經營能力，並運用持續經營假設，除非管理層計劃清算京城股份公司、終止運營或別無其他現實的選擇。

治理層負責監督京城股份公司的財務報告過程。

#### 六、註冊會計師對財務報表審計的責任

我們的目標是對財務報表整體是否不存在由於舞弊或錯誤導致的重大錯報獲取合理保證，並出具包含審計意見的審計報告。合理保證是高水平的保證，但並不能保證按照審計準則執行的審計在某一重大錯報存在時總能發現。錯報可能由於舞弊或錯誤導致，如果合理預期錯報單獨或匯總起來可能影響財務報表使用者依據財務報表作出的經濟決策，則通常認為錯報是重大的。

# Section 12 Financial Report

## 第十二節 財務報告

### Auditor's Report

#### 審計報告

#### VI. Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

During the course of audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also carry out the following works:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit 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 its internal control
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- (4) Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Beijing Jingcheng's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements in accordance with the auditing standards or, if such disclosures are inadequate, we shall modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Beijing Jingcheng to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and also whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Beijing Jingcheng to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance audit of the group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings etc., including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with those relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and related safeguards, where applicable.

#### 六、註冊會計師對財務報表審計的責任(續)

在按照審計準則執行審計工作的過程中，我們運用職業判斷，並保持職業懷疑。同時，我們也執行以下工作：

- (1) 識別和評估由於舞弊或錯誤導致的財務報表重大錯報風險，設計和實施審計程序以應對這些風險，並獲取充份、適當的審計證據，作為發表審計意見的基礎。由於舞弊可能涉及串通、造、故意遺漏、虛假陳述或凌駕於內部控制之上，未能發現由於舞弊導致的重大錯報的風險高於未能發現由於錯誤導致的重大錯報的風險。
- (2) 瞭解與審計相關的內部控制，以設計恰當的審計程序，但目的並非對內部控制的有效性發表意見。
- (3) 評價管理層選用會計政策的恰當性和作出會計估計及相關披露的合理性。
- (4) 對管理層使用持續經營假設的恰當性得出結論。同時，根據獲取的審計證據，就可能導致對京城股份公司持續經營能力產生重大疑慮的事項或情況是否存在重大不確定性得出結論。如果我們得出結論認為存在重大不確定性，審計準則要求我們在審計報告中提請報表使用者注意財務報表中的相關披露；如果披露不充份，我們應當發表非無保留意見。我們的結論基於截至審計報告日可獲得的信息。然而，未來的事項或情況可能導致京城股份公司不能持續經營。
- (5) 評價財務報表的總體列報、結構和內容(包括披露)，並評價財務報表是否公允反映相關交易和事項。
- (6) 就京城股份公司中實體或業務活動的財務信息獲取充份、適當的審計證據，以對財務報表發表審計意見。我們負責指導、監督和執行集團審計，並對審計意見承擔全部責任。

我們與治理層就計劃的審計範圍、時間安排和重大審計發現等事項進行溝通，包括溝通我們在審計中識別出的值得關注的內部控制缺陷。

我們還就已遵守與獨立性相關的職業道德要求向治理層提供聲明，並與治理層溝通可能被合理認為影響我們獨立性的所有關係和其他事項，以及相關的防範措施。

## Section 12 Financial Report

### 第十二節 財務報告

## Auditor's Report

### 審計報告

#### VI. Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation prohibited public disclosure about the matter or when, in rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This is the translation of Chinese report, relevant content of the Chinese report shall prevail.

ShineWing Certified Public Accountants LLP

CICPA: Ji Sheng (Audit Partner)  
CICPA: Wang Xin

China, Beijing  
March 17, 2017

#### 六、註冊會計師對財務報表審計的責任(續)

從與治理層溝通的事項中，我們確定哪些事項對本期財務報表審計最為重要，因而構成關鍵審計事項。我們在審計報告中描述這些事項，除非法律法規禁止公開披露這些事項，或在極少數情形下，如果合理預期在審計報告中溝通某事項造成的負面後果超過在公眾利益方面產生的益處，我們確定不應在審計報告中溝通該事項。

信永中和會計師事務所(特殊普通合夥)

中國註冊會計師：季晟(項目合夥人)  
中國註冊會計師：王欣

中國 北京  
二〇一七年三月十七日

# Consolidated Balance Sheet

## 合併資產負債表

December 31, 2016

2016年12月31日

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Closing Balance 年末餘額	Opening Balance 年初餘額
<b>Current assets:</b>	<b>流動資產：</b>			
Monetary capital	貨幣資金	VI. 1/六、1	<b>118,829,271.77</b>	182,276,574.47
Deposit reservation for balance	結算備付金			
Loans to banks and other financial institutions	拆出資金			
Financial assets calculated by fair value with its change included in loss and profit of current year	以公允價值計量且其變動計入當期損益的金融資產			
Derivative financial assets	衍生金融資產			
Notes receivable	應收票據	VI. 2/六、2	<b>16,314,951.71</b>	3,228,891.44
Receivables	應收賬款	VI. 3/六、3	<b>215,185,885.26</b>	273,293,153.87
Advance payment	預付款項	VI. 4/六、4	<b>36,211,833.81</b>	19,166,811.68
Premiums receivable	應收保費			
Reinsurance accounts receivable	應收分保賬款			
Receivables from subcontracting reserves	應收分保合同準備金			
Interests receivable	應收利息			
Dividends receivable	應收股利			
Other receivables	其他應收款	VI. 5/六、5	<b>4,580,549.80</b>	1,776,665.84
Purchase resold financial assets	買入返售金融資產			
Inventories	存貨	VI. 6/六、6	<b>317,127,619.90</b>	390,738,839.19
Divide into assets held for sale	劃分為持有待售的資產			
Non-current assets due within one year	一年內到期的非流動資產			
Other current assets	其他流動資產	VI. 7/六、7	<b>54,172,565.88</b>	7,082,519.02
<b>Total current assets</b>	<b>流動資產合計</b>		<b>762,422,678.13</b>	877,563,455.51
<b>Non-current assets:</b>	<b>非流動資產：</b>			
Loans and payments on behalf	發放貸款及墊款			
Financial assets available-for-sale	可供出售金融資產			
Held-to-maturity investment	持有至到期投資			
Long-term receivables	長期應收款			
Long-term equity investment	長期股權投資	VI. 8/六、8	<b>75,181,681.58</b>	68,362,103.21
Investment properties	投資性房地產			
Fixed assets	固定資產	VI. 9/六、9	<b>841,900,126.42</b>	960,308,435.85
Construction in progress	在建工程	VI. 10/六、10		8,037,077.84
Engineering materials	工程物資			
Disposal of fixed assets	固定資產清理			
Productive biological assets	生產性生物資產			
Oil and gas assets	油氣資產			
Intangible assets	無形資產	VI. 11/六、11	<b>151,586,583.57</b>	156,100,837.99
Development expenditures	開發支出			
Goodwill	商譽	VI. 12/六、12	<b>3,679,654.40</b>	6,562,344.06
Long-term unamortized expenses	長期待攤費用	VI. 13/六、13	<b>14,852,487.39</b>	280,524.60
Deferred income tax assets	遞延所得稅資產	VI. 14/六、14	<b>285,691.27</b>	277,330.73
Other non-current assets	其他非流動資產			
<b>Total non-current assets</b>	<b>非流動資產合計</b>		<b>1,087,486,224.63</b>	1,199,928,654.28
<b>Total assets</b>	<b>資產總計</b>		<b>1,849,908,902.76</b>	2,077,492,109.79

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Balance Sheet

## 合併資產負債表

December 31, 2016

2016年12月31日

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Closing balance 年末餘額	Opening balance 年初餘額
<b>Current liabilities:</b>	<b>流動負債：</b>			
Short-term loans	短期借款	VI. 15/六、15	<b>190,000,000.00</b>	205,844,240.00
Borrowings from central bank	向中央銀行借款			
Deposits from customers and interbank	吸收存款及同業存放			
Loans from banks and other financial institutions	拆入資金			
Financial liabilities calculated by fair value with its change included in loss and profit of current year	以公允價值計量且其變動計入當期損益的金融負債			
Derivative financial liabilities	衍生金融負債			
Notes payable	應付票據	VI. 16/六、16	<b>30,000,000.00</b>	
Payables	應付賬款	VI. 17/六、17	<b>268,518,401.08</b>	398,349,980.01
Accounts collected in advance	預收款項	VI. 18/六、18	<b>43,159,742.00</b>	29,870,362.75
Financial assets sold for repurchase	賣出回購金融資產款			
Handling charges and commissions payable	應付手續費及佣金			
Employee pay payable	應付職工薪酬	VI. 19/六、19	<b>25,073,101.25</b>	22,674,924.84
Taxes payable	應交稅費	VI. 20/六、20	<b>4,755,774.34</b>	-42,085,395.89
Interests payable	應付利息	VI. 21/六、21	<b>26,583.33</b>	74,800.00
Dividends payable	應付股利			
Other payables	其他應付款	VI. 22/六、22	<b>167,017,675.53</b>	166,579,358.42
Reinsurance accounts payable	應付分保賬款			
Reserve funds for insurance contracts	保險合同準備金			
Acting trading securities	代理買賣證券款			
Acting underwriting securities	代理承銷證券款			
Divide into liabilities held for sale	劃分為持有待售的負債			
Non-current liabilities due within one year	一年內到期的非流動負債	VI. 23/六、23	<b>11,000,000.00</b>	11,000,000.00
Other current liabilities	其他流動負債	VI. 24/六、24	<b>279,193.40</b>	
<b>Total current liabilities</b>	<b>流動負債合計</b>		<b>739,830,470.93</b>	792,308,270.13
<b>Non-current liabilities:</b>	<b>非流動負債：</b>			
Long-term loans	長期借款			
Bonds payable	應付債券			
Including: preferred shares	其中：優先股			
perpetual capital securities	永續債			
Long-term payables	長期應付款			
Long-term employee pay payable	長期應付職工薪酬	VI. 25/六、25	<b>31,163,678.50</b>	31,310,282.67
Special payables	專項應付款	VI. 26/六、26	<b>103,900,000.00</b>	103,900,000.00
Estimated liabilities	預計負債	VI. 27/六、27	<b>3,129,430.00</b>	
Deferred incomes	遞延收益			
Deferred income tax liabilities	遞延所得稅負債			
Other non-current liabilities	其他非流動負債			
<b>Total non-current liabilities</b>	<b>非流動負債合計</b>		<b>138,193,108.50</b>	135,210,282.67
<b>Total Liabilities</b>	<b>負債合計</b>		<b>878,023,579.43</b>	927,518,552.80

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Balance Sheet

## 合併資產負債表

December 31, 2016

2016年12月31日

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Closing balance 年末餘額	Opening balance 年初餘額
<b>Owner's equity</b>	<b>所有者權益：</b>			
Share capital	股本	VI. 28/六、28	422,000,000.00	422,000,000.00
Other equity instruments	其他權益工具			
Including: preferred shares	其中：優先股			
perpetual capital securities	永續債			
Capital reserves	資本公積	VI. 29/六、29	683,803,181.69	683,803,181.69
Less: treasury stocks	減：庫存股			
Other comprehensive incomes	其他綜合收益	VI. 30/六、30	2,390,915.53	1,068,547.60
Special reserves	專項儲備			
Surplus reserves	盈餘公積	VI. 31/六、31	45,665,647.68	45,665,647.68
Provisions for general risk	一般風險準備			
Undistributed profit	未分配利潤	VI. 32/六、32	-588,661,889.61	-439,874,304.42
Total shareholders' equity attributable to parent company	歸屬於母公司股東權益合計		565,197,855.29	712,663,072.55
Minority Interest	少數股東權益		406,687,468.04	437,310,484.44
<b>Total shareholders' equity</b>	<b>股東權益合計</b>		<b>971,885,323.33</b>	1,149,973,556.99
<b>Total liabilities and shareholders' equity</b>	<b>負債和股東權益總計</b>		<b>1,849,908,902.76</b>	2,077,492,109.79

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳



# Balance Sheet of Parent Company

## 母公司資產負債表

December 31, 2016

2016年12月31日

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Closing balance 年末餘額	Opening balance 年初餘額
<b>Current assets:</b>	<b>流動資產：</b>			
Monetary capital	貨幣資金		3,764,017.52	4,152,554.89
Financial assets calculated by fair value with its change included in loss and profit of current year	以公允價值計量且其變動計入 當期損益的金融資產			
Derivative financial assets	衍生金融資產			
Notes receivable	應收票據			
Receivables	應收賬款			
Advance payment	預付款項			
Interests receivable	應收利息		16,270,562.82	15,034,062.82
Dividends receivable	應收股利			
Other receivables	其他應收款	XV. 1/十五、1	345,100,000.00	342,700,000.00
Inventories	存貨			
Divide into assets held for sale	劃分為持有待售的資產			
Non-current assets due within one year	一年內到期的非流動資產			
Other current assets	其他流動資產		9,393.32	
<b>Total current assets</b>	<b>流動資產合計</b>		<b>365,143,973.66</b>	361,886,617.71
<b>Non-current assets:</b>	<b>非流動資產：</b>			
Financial assets available-for-sale	可供出售金融資產			
Held-to-maturity investment	持有至到期投資			
Long-term receivables	長期應收款			
Long-term equity investment	長期股權投資	XV. 2/十五、2	694,842,724.41	694,842,724.41
Investment properties	投資性房地產			
Fixed assets	固定資產		6,923.08	
Construction in progress	在建工程			
Engineering materials	工程物資			
Disposal of fixed assets	固定資產清理			
Productive biological assets	生產性生物資產			
Oil and gas assets	油氣資產			
Intangible assets	無形資產			
Development expenditures	開發支出			
Goodwill	商譽			
Long-term unamortized expenses	長期待攤費用			
Deferred income tax assets	遞延所得稅資產			
Other non-current assets	其他非流動資產			
<b>Total non-current assets</b>	<b>非流動資產合計</b>		<b>694,849,647.49</b>	694,842,724.41
<b>Total assets</b>	<b>資產總計</b>		<b>1,059,993,621.15</b>	1,056,729,342.12

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Balance Sheet of Parent Company

## 母公司資產負債表

December 31, 2016

2016年12月31日

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Closing balance 年末餘額	Opening balance 年初餘額
<b>Current liabilities:</b>	<b>流動負債：</b>			
Short-term loans	短期借款			
Financial liabilities calculated by fair value with its change included in loss and profit of current year	以公允價值計量且其變動計入當期損益的金融負債			
Derivative financial liabilities	衍生金融負債			
Notes payable	應付票據			
Payables	應付賬款			
Accounts collected in advance	預收款項			
Employee pay payable	應付職工薪酬		718,140.84	1,750,000.00
Taxes payable	應交稅費		15,154.89	254,990.45
Interests payable	應付利息			
Dividends payable	應付股利			
Other payables	其他應付款		5,565,688.80	4,312,825.50
Divide into liabilities held for sale	劃分為持有待售的負債			
Non-current liabilities due within one year	一年內到期的非流動負債			
Other current liabilities	其他流動負債		279,193.40	
<b>Total current liabilities</b>	<b>流動負債合計</b>		<b>6,578,177.93</b>	6,317,815.95
<b>Non-current liabilities:</b>	<b>非流動負債：</b>			
Long-term loans	長期借款			
Bonds payable	應付債券			
Including: preferred shares	其中：優先股			
perpetual capital securities	永續債			
Long-term payables	長期應付款			
Long-term employee pay payable	長期應付職工薪酬			
Special payables	專項應付款			
Estimated liabilities	預計負債			
Deferred incomes	遞延收益			
Deferred income tax liabilities	遞延所得稅負債			
Other non-current liabilities	其他非流動負債			
<b>Total non-current liabilities</b>	<b>非流動負債合計</b>			
<b>Total Liabilities</b>	<b>負債合計</b>		<b>6,578,177.93</b>	6,317,815.95
<b>Owner's equity</b>	<b>所有者權益：</b>			
Share capital	股本		422,000,000.00	422,000,000.00
Other equity instruments	其他權益工具			
Including: preferred shares	其中：優先股			
perpetual capital securities	永續債			
Capital reserves	資本公積		666,639,987.85	666,639,987.85
Less: treasury stocks	減：庫存股			
Other comprehensive incomes	其他綜合收益			
Special Reserves	專項儲備			
Surplus reserves	盈餘公積		38,071,282.24	38,071,282.24
Undistributed profits	未分配利潤		-73,295,826.87	-76,299,743.92
<b>Total shareholders' equity</b>	<b>股東權益合計</b>		<b>1,053,415,443.22</b>	1,050,411,526.17
<b>Total liabilities and shareholders' equity</b>	<b>負債和股東權益總計</b>		<b>1,059,993,621.15</b>	1,056,729,342.12

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Income Statement

## 合併利潤表

Year of 2016

2016年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>I. Total operating incomes</b>	<b>一、營業總收入</b>		<b>889,525,250.25</b>	1,076,596,258.89
Including: Operating revenues	其中：營業收入	VI. 36/六、36	<b>889,525,250.25</b>	1,076,596,258.89
Interest incomes	利息收入			
Earned premiums	已賺保費			
Incomes from handling charge and commission	手續費及傭金收入			
<b>II. Total operating costs</b>	<b>二、營業總成本</b>		<b>1,094,190,076.73</b>	1,376,317,634.86
Including: Operating costs	其中：營業成本	VI. 36/六、36	<b>791,505,520.14</b>	1,015,339,266.43
Interest expenses	利息支出			
Handling charges and commissions	手續費及傭金支出			
Surrender value	退保金			
Net payments for insurance claims	賠付支出淨額			
Net change in insurance contract reserves	提取保險合同準備金淨額			
Bond insurance expenses	保單紅利支出			
Reinsurance costs	分保費用			
Taxes and surcharges	稅金及附加	VI. 37/六、37	<b>12,487,149.78</b>	10,730,945.87
Selling expenses	銷售費用	VI. 38/六、38	<b>70,892,546.65</b>	75,076,845.20
Administrative expenses	管理費用	VI. 39/六、39	<b>130,794,181.74</b>	162,725,545.83
Financial expenses	財務費用	VI. 40/六、40	<b>13,909,666.82</b>	13,645,237.16
FAssets impairment loss	資產減值損失	VI. 41/六、41	<b>74,601,011.60</b>	98,799,794.37
Add: gains from changes of fair value (with "-" for losses)	加：公允價值變動收益(損失以「-」號填列)			
Investment incomes (with "-" for losses)	投資收益(損失以「-」號填列)	VI. 42/六、42	<b>6,819,578.37</b>	1,563,597.03
Including: investment incomes from related enterprise and joint venture	其中：對聯營企業和合營企業的投資收益		<b>6,819,578.37</b>	1,563,597.03
Exchange gains (with "-" for losses)	匯兌收益(損失以「-」號填列)			
<b>III. Operating profits (with "-" for losses)</b>	<b>三、營業利潤(虧損以「-」號填列)</b>		<b>-197,845,248.11</b>	-298,157,778.94
Add: non-operating revenues	加：營業外收入	VI. 43/六、43	<b>22,696,614.78</b>	12,940,608.46
Including: gains from disposal of non-current assets	其中：非流動資產處置利得		<b>886,849.74</b>	12,169,408.16
Less: non-operating expenses	減：營業外支出	VI. 44/六、44	<b>3,865,912.42</b>	5,668,946.00
Including: losses from disposal of non-current assets	其中：非流動資產處置損失		<b>2,978,412.68</b>	123,750.85
<b>IV. Total profits (with "-" for total losses)</b>	<b>四、利潤總額(虧損總額以「-」號填列)</b>		<b>-179,014,545.75</b>	-290,886,116.48
Less: income taxes expense	減：所得稅費用	VI. 45/六、45	<b>1,643,345.83</b>	5,833,101.10
<b>V. Net profits (with "-" for net losses)</b>	<b>五、淨利潤(淨虧損以「-」號填列)</b>		<b>-180,657,891.58</b>	-296,719,217.58
Net profits attributable to shareholders of parent company	歸屬於母公司股東的淨利潤		<b>-148,787,585.19</b>	-207,817,373.56
Minority interests income	少數股東損益		<b>-31,870,306.39</b>	-88,901,844.02

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Income Statement

## 合併利潤表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>VI. Other net comprehensive incomes after-tax</b>	<b>六、其他綜合收益的稅後淨額</b>		<b>2,569,657.92</b>	1,933,450.21
Other Comprehensive Incomes after-tax attributable to owners of parent company	歸屬母公司所有者的其他綜合收益的稅後淨額		<b>1,322,367.93</b>	949,814.60
(I) Other comprehensive incomes that can not be reclassified into loss and profit in the future.	(一)以後不能重分類進損益的其他綜合收益			
1. Changes recalculating and setting the net liabilities or net assets of benefit plan	1.重新計量設定受益計劃淨負債或淨資產的變動			
2. Under equity law, share enjoyed in other comprehensive incomes in the invested unit that can not be reclassified into loss and profit in the future	2.權益法下在被投資單位不能重分類進損益的其他綜合收益中享有的份額			
(II) Other comprehensive incomes can be reclassified into loss and profit in the future.	(二)以後將重分類進損益的其他綜合收益		<b>1,322,367.93</b>	949,814.60
1. Under equity law, share enjoyed in other comprehensive incomes in the invested unit that can be reclassified into loss and profit in the future	1.權益法下在被投資單位以後將重分類進損益的其他綜合收益中享有的份額			
2. Change loss and profit of fair value of financial assets available-for-sale	2.可供出售金融資產公允價值變動損益			
3. Mature investment reclassified to loss and profit of available-for-sale financial assets	3.持有至到期投資重分類為可供出售金融資產損益			
4. Valid part of hedging loss and profit of cash flow	4.現金流量套期損益的有效部分			
5. Converted difference in foreign currency statements for foreign currency	5.外幣財務報表折算差額	VI. 46/六、46	<b>1,322,367.93</b>	949,814.60
6. Others	6.其他			
Other comprehensive incomes after-tax attributable to minority shareholders	歸屬於少數股東的其他綜合收益的稅後淨額		<b>1,247,289.99</b>	983,635.61
<b>VII. Total comprehensive incomes</b>	<b>七、綜合收益總額</b>		<b>-178,088,233.66</b>	-294,785,767.37
Total comprehensive incomes attributable to shareholders of parent company	歸屬於母公司股東的綜合收益總額		<b>-147,465,217.26</b>	-206,867,558.96
Total comprehensive incomes attributable to minority shareholders	歸屬於少數股東的綜合收益總額		<b>-30,623,016.40</b>	-87,918,208.41
<b>VIII. Earnings per share:</b>	<b>八、每股收益：</b>			
(1) Basic earnings per share	(一)基本每股收益		<b>-0.35</b>	-0.49
(2) Diluted earnings per share	(二)稀釋每股收益		<b>-0.35</b>	-0.49

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Income Statement of Parent Company

## 母公司利潤表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>I. Operating revenues</b>	<b>一、營業收入</b>	XV. 3/十五、3	<b>2,264,150.94</b>	19,643,769.11
Less: operating costs	減：營業成本			
Taxes and surcharges	稅金及附加		<b>-207,153.62</b>	956,781.00
Selling expenses	銷售費用			
Administrative expenses	管理費用		<b>10,576,705.50</b>	17,482,732.59
Financial expenses	財務費用		<b>-13,924,036.56</b>	-76,454.84
Assets impairment loss	資產減值損失			
Add: gains from changes of fair value (with "-" for losses)	加：公允價值變動收益(損失以「-」號填列)			
Investment incomes (with "-" for losses)	投資收益(損失以「-」號填列)			
Including: investment incomes from related enterprise and joint venture	其中：對聯營企業和合營企業的投資收益			
<b>II. Operating profits (with "-" for losses)</b>	<b>二、營業利潤(虧損以「-」號填列)</b>		<b>5,818,635.62</b>	1,280,710.36
Add: non-operating revenues	加：營業外收入			
Including: gains from disposal of non-current assets	其中：非流動資產處置利得			
Less: non-operating expenses	減：營業外支出		<b>2,814,718.57</b>	
Including: losses from disposal of non-current assets	其中：非流動資產處置損失		<b>2,814,718.57</b>	
<b>III. Total profits (with "-" for total losses)</b>	<b>三、利潤總額(虧損總額以「-」號填列)</b>		<b>3,003,917.05</b>	1,280,710.36
Less: income taxes expense	減：所得稅費用			
<b>IV. Net profits (with "-" for net losses)</b>	<b>四、淨利潤(淨虧損以「-」號填列)</b>		<b>3,003,917.05</b>	1,280,710.36
<b>V. Other comprehensive incomes after-tax</b>	<b>五、其他綜合收益的稅後淨額</b>			
(1) Other comprehensive incomes that can not be reclassified into loss and profit in the future	(一)以後不能重分類進損益的其他綜合收益			
1. Changes recalculating and setting the net liabilities or net assets of benefit plan	1.重新計量設定受益計劃淨負債或淨資產 的變動			
2. Under equity law, share enjoyed in other comprehensive incomes in the invested unit that can not be reclassified into loss and profit in the future	2.權益法下在被投資單位不能重分類進損益 的其他綜合收益中享有的份額			
(2) Other comprehensive incomes can be reclassified into loss and profit in the future.	(二)以後將重分類進損益的其他綜合收益			
1 Under equity law, share enjoyed in other comprehensive incomes in the invested unit that can be reclassified into loss and profit in the future	1.權益法下在被投資單位以後將重分類進損益 的其他綜合收益中享有的份額			
2. Change loss and profit of fair value of financial assets available-for-sale	2.可供出售金融資產公允價值變動損益			
3. Mature investment reclassified to loss and profit of available-for-sale financial assets	3.持有至到期投資重分類為可供出售金融資產損益			
4. Valid part of hedging loss and profit of cash flow	4.現金流量套期損益的有效部分			
5. Converted difference in foreign currency statements for foreign currency	5.外幣財務報表折算差額			
6. Others	6.其他			
<b>VI. Total comprehensive incomes</b>	<b>六、綜合收益總額</b>		<b>3,003,917.05</b>	1,280,710.36
<b>VII. Earnings per share:</b>	<b>七、每股收益</b>			
(1) Basic earnings per share	(一)基本每股收益			
(2) Diluted earnings per share	(二)稀釋每股收益			

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Cash flow statement

## 合併現金流量表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>I. Cash flows from operating activities:</b>	<b>一、經營活動產生的現金流量：</b>			
Cash received from sales of goods or rendering services	銷售商品、提供勞務收到的現金		609,607,625.07	876,311,265.73
Net increase in customer bank deposits and due to banks and other financial institutions	客戶存款和同業存放款項淨增加額			
Net increase in borrowings from central bank	向中央銀行借款淨增加額			
Net increase in placements from other financial institutions	向其他金融機構拆入資金淨增加額			
Cash received from insurance premiums of original insurance contracts	收到原保險合同保費取得的現金			
Net cash received from reinsurance business	收到再保險業務現金淨額			
Net increase in deposits from policyholders	保戶儲金及投資款淨增加額			
Dispose the net increase of financial assets calculated by fair value with its change included in loss and profit of current year	處置以公允價值計量且其變動計入當期損益的金融資產淨增加額			
Cash received from interests, handling charges and commissions	收取利息、手續費及備金的現金			
Net increase in placements from banks and other financial institutions	拆入資金淨增加額			
Net increase in repurchase business capital	回購業務資金淨增加額			
Refunds of taxes	收到的稅費返還		26,901,420.40	24,497,361.99
Other cash received concerning operating activities:	收到其他與經營活動有關的現金	VI. 49/六、49	21,356,765.16	59,049,301.44
<b>Subtotal of cash inflow from operating activities</b>	<b>經營活動現金流入小計</b>		<b>657,865,810.63</b>	<b>959,857,929.16</b>
Cash paid for purchasing goods or receiving services	購買商品、接受勞務支付的現金		300,380,795.65	443,119,748.09
Net increase in loans and advances to customers	客戶貸款及墊款淨增加額			
Net increase in deposits with central bank and other financial institutions	存放中央銀行和同業款項淨增加額			
Cash paid for indemnity of original insurance contracts	支付原保險合同賠付款項的現金			
Cash paid for interests, handling charges and commissions	支付利息、手續費及備金的現金			
Cash paid for policy dividends	支付保單紅利的現金			
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		200,545,044.20	229,868,511.51
All taxes paid	支付的各項稅費		60,709,400.17	55,909,526.10
Other cash paid concerning operating activities	支付其他與經營活動有關的現金	VI. 49/六、49	109,272,394.23	85,305,743.34
<b>Subtotal of cash outflow from operating activities</b>	<b>經營活動現金流出小計</b>		<b>670,907,634.25</b>	<b>814,203,529.04</b>
<b>Net cash flow from operating activities</b>	<b>經營活動產生的現金流量淨額</b>		<b>-13,041,823.62</b>	<b>145,654,400.12</b>
<b>II. Cash flow from investing activities:</b>	<b>二、投資活動產生的現金流量：</b>			
Cash received from return of investment	收回投資收到的現金			
Cash received from investments income	取得投資收益收到的現金			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產收回的現金淨額		3,000.00	83,300.00
Net cash received from the disposal of subsidiaries and other business entities	處置子公司及其他營業單位收到的現金淨額			
Other cash received concerning investing activities	收到其他與投資活動有關的現金			
Subtotal of cash inflow from investing activities	投資活動現金流入小計		3,000.00	83,300.00
Cash paid for purchasing fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產支付的現金		20,097,859.00	11,587,089.56
Cash paid for investment	投資支付的現金			
Net increase in pledge loans	質押貸款淨增加額			
Net cash paid for the disposal of subsidiaries and other business entities	取得子公司及其他營業單位支付的現金淨額			
Other cash paid concerning investing activities	支付其他與投資活動有關的現金	VI. 49/六、49	3,717,361.42	1,141,749.18
<b>Subtotal of cash outflow from investing activities</b>	<b>投資活動現金流出小計</b>		<b>23,815,220.42</b>	<b>12,728,838.74</b>
<b>Net cash flow from investing activities</b>	<b>投資活動產生的現金流量淨額</b>		<b>-23,812,220.42</b>	<b>-12,645,538.74</b>

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳



# Consolidated Cash flow statement

## 合併現金流量表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>III. Net cash flow from financing activities:</b>	<b>三、籌資活動產生的現金流量：</b>			
Cash received from absorbing investment	吸收投資收到的現金			
Including: cash received from minority shareholder investment by subsidiaries	其中：子公司吸收少數股東投資收到的現金			
Cash received from borrowing	取得借款所收到的現金		238,332,769.00	370,675,565.00
Cash received from issuing bonds	發行債券收到的現金			
Other cash received concerning financing activities	收到其他與籌資活動有關的現金	VI. 49/六、49		138,000,000.00
Subtotal of cash inflow from financing activities	籌資活動現金流入小計		238,332,769.00	508,675,565.00
Cash paid for repayment of debts	償還債務所支付的現金		254,376,539.00	483,603,480.00
Cash paid for allocation of dividends, profit or interest repayment	分配股利、利潤或償付利息所支付的現金		17,865,245.21	22,801,825.42
Including: dividends and profits paid to minority shareholders by subsidiaries	其中：子公司支付給少數股東的股利、利潤			
Other cash paid concerning financing activities	支付其他與籌資活動有關的現金	VI. 49/六、49	5,000,000.00	88,000,000.00
Subtotal of cash inflow from financing activities	籌資活動現金流出小計		277,241,784.21	594,405,305.42
Net cash flow from financing activities	籌資活動產生的現金流量淨額		-38,909,015.21	-85,729,740.42
<b>IV. Effects from change of exchange rate to cash and cash equivalents</b>	<b>四、匯率變動對現金及現金等價物的影響</b>		2,567,096.55	3,034,630.18
<b>V. Net increase in cash and cash equivalent</b>	<b>五、現金及現金等價物淨增加額</b>	VI. 49/六、49	-73,195,962.70	50,313,751.14
Add: Opening balance of cash and cash equivalent	加：期初現金及現金等價物餘額	VI. 49/六、49	175,776,574.47	125,462,823.33
<b>VI. Closing balance of cash and cash equivalent</b>	<b>六、期末現金及現金等價物餘額</b>	VI. 49/六、49	102,580,611.77	175,776,574.47

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Cash Flow Statement of Parent Company

## 母公司現金流量表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Note 附註	Amount of this year 本年發生額	Amount of previous year 上年發生額
<b>I. Cash flows from operating activities:</b>	<b>一、經營活動產生的現金流量：</b>			
Cash received from sales of goods or rendering services	銷售商品、提供勞務收到的現金			
Refunds of taxes	收到的稅費返還			
Other cash received concerning operating activities:	收到其他與經營活動有關的現金		2,410,080.71	10,623,609.41
Subtotal of cash inflow from operating activities	經營活動現金流入小計		2,410,080.71	10,623,609.41
Cash paid for purchasing goods or receiving services	購買商品、接受勞務支付的現金			
Cash paid to and on behalf of employees	支付給職工以及為職工支付的現金		3,587,514.25	9,392,201.56
All taxes paid	支付的各项稅費		2,169,119.74	2,999,074.79
Other cash paid concerning operating activities	支付其他與經營活動有關的現金		7,116,522.67	4,853,929.47
Subtotal of cash outflow from operating activities	經營活動現金流出小計		12,873,156.66	17,245,205.82
Net cash flow from operating activities	經營活動產生的現金流量淨額		-10,463,075.95	-6,621,596.41
<b>II. Cash flow from Investing activities:</b>	<b>二、投資活動產生的現金流量：</b>			
Cash received from return of investment	收回投資收到的現金			
Cash Received from investments income	取得投資收益收到的現金			
Cash received from disposal of fixed assets, intangible assets and other long-term assets	處置固定資產、無形資產和其他長期資產所收回的現金淨額			
Net cash received from the disposal of subsidiaries and other business entities	處置子公司及其他營業單位收到的現金淨額			
Other cash received concerning investing activities	收到其他與投資活動有關的現金		13,800,000.00	
Subtotal of cash inflow from investing activities	投資活動現金流入小計		13,800,000.00	
Cash paid for purchasing fixed assets, intangible assets and other long-term assets	購建固定資產、無形資產和其他長期資產所支付的現金		8,100.00	
Cash paid for investment	投資支付的現金			
Net cash paid for the disposal of subsidiaries and other business entities	取得子公司及其他營業單位支付的現金淨額			
Other cash paid concerning investing activities	支付其他與投資活動有關的現金		3,717,361.42	1,141,749.18
Subtotal of cash outflow from investing activities	投資活動現金流出小計		3,725,461.42	1,141,749.18
Net cash flow from investing activities	投資活動產生的現金流量淨額		10,074,538.58	-1,141,749.18
<b>III. Net cash flow from financing activities:</b>	<b>三、籌資活動產生的現金流量：</b>			
Cash received from absorbing investment	吸收投資收到的現金			
Cash received from borrowing	取得借款收到的現金			
Cash received from issuing bonds	發行債券收到的現金			
Other cash received concerning financing activities	收到其他與籌資活動有關的現金			
Subtotal of cash inflow from financing activities	籌資活動現金流入小計			
Cash paid for repayment of debts	償還債務支付的現金			
Cash paid for allocation of dividends, profits or interest repayment	分配股利、利潤或償付利息支付的現金			
Other cash paid concerning financing activities	支付其他與籌資活動有關的現金			
Subtotal of cash outflow from financing activities	籌資活動現金流出小計			
Net cash flow from financing activities	籌資活動產生的現金流量淨額			
<b>IV. Effects from change of exchange rate to cash and cash equivalents</b>	<b>四、匯率變動對現金及現金等價物的影響</b>			
<b>V. Net increase in cash and cash equivalent</b>	<b>五、現金及現金等價物淨增加額</b>		-388,537.37	-7,763,345.59
Add: opening balance of cash and cash equivalent	加：期初現金及現金等價物餘額		4,152,554.89	11,915,900.48
<b>VI. Closing balance of cash and cash equivalent</b>	<b>六、期末現金及現金等價物餘額</b>		3,764,017.52	4,152,554.89

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Statement of Changes of Owners' Equity

## 合併所有者權益變動表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Current Year 本年											
		Total owners' equity attributable to parent company 歸屬於母公司股東權益											
		Other equity instruments 其他權益工具											
Share capital 股本	Preferred shares 優先股	Perpetual capital securities 永續債	Others 其他	Capital reserves 資本公積	Less: treasury stocks 減：庫存股	Other comprehensive incomes 其他綜合收益	Special reserves 專項儲備	Surplus reserves 盈餘公積	Provisions for general risk 一般風險準備	Undistributed profits 未分配利潤	Minority interest 少數股東權益	Total owners' equity 所有者權益合計	
I. Closing balance of the previous year	一、上年年末餘額	422,000,000.00			683,803,181.69		1,068,547.60		45,665,647.68	-	439,874,304.42	437,310,484.44	1,149,973,556.99
Add: changes in accounting policies	加：會計政策變更												
Corrections of early errors	前期差錯更正												
Business Merger under Common Control	同一控制下企業合併												
Others	其他												
II. Opening balance in the current year	二、本年年初餘額	422,000,000.00			683,803,181.69		1,068,547.60		45,665,647.68		-439,874,304.42	437,310,484.44	1,149,973,556.99
III. Increases and decreases in the current year (with "+" for increase)	三、本年增減變動金額(減少以“-”號填列)												
(I) Total comprehensive income	(一)綜合收益總額						1,322,367.93				-148,787,585.19	-30,623,016.40	-178,088,233.66
(II) Capital input and reduced by owners	(二)股東投入和減少資本						1,322,367.93				-148,787,585.19	-30,623,016.40	-178,088,233.66
1. Common shares input by shareholders	1. 股東投入普通股												
2. Input capital by other equity instrument owners	2. 其他權益工具持有者投入資本												
3. Amounts of share-based payments recorded in owner's equity	3. 股份支付計入股東權益的金額												
4. Others	4. 其他												
(III) Profits distribution	(三)利潤分配												
1. Withdrawal of surplus reserves	1. 提取盈餘公積												
2. Withdrawal of general risk reserves	2. 提取一般風險準備												
3. Distribution to owners (or shareholders)	3. 對所有者(或股東)的分配												
4. Others	4. 其他												
(IV) Internal carry-over of shareholders' equity	(四)股東權益內部結構												
1. Share capital increased from transfer of capital reserves	1. 資本公積轉增股本												
2. Share capital increased from transfer of surplus reserves	2. 盈餘公積轉增股本												
3. Losses made up with surplus reserves	3. 盈餘公積彌補虧損												
4. Others	4. 其他												
(V) Special reserves	(五)專項儲備												
1. Withdrawal for the current year	1. 本年提取												
2. Use for the current year	2. 本年使用												
(VI) Others	(六)其他												
IV. Closing balance in the current year	四、本年年末餘額	422,000,000.00			683,803,181.69		2,390,915.53		45,665,647.68		-588,661,888.61	406,687,468.04	971,885,323.33

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Consolidated Statement of Changes of Owners' Equity

## 合併所有者權益變動表

Year of 2016

2016 年度

Item	項目	Previous Year												
		上年												
		Total owners' equity attributable to parent company												
歸屬於母公司股東權益														
		Other equity instruments				Other								
		其他權益工具				其他								
		Share capital	Preferred shares	Perpetual capital securities	Others	Capital reserves	Less: treasury stocks	comprehensive incomes	Special reserves	Surplus reserves	Provisions for general risk	Undistributed profits	Minority interest	Total owners' equity
		股本	優先股	永續債	其他	資本公積	減：庫存股	其他綜合收益	專項儲備	盈餘公積	一般風險準備	未分配利潤	少數股東權益	所有者權益合計
<b>I. Closing balance of the previous year</b>	<b>一、上年年末餘額</b>	422,000,000.00				683,803,181.69		118,733.00		45,665,647.68		-232,056,930.86	525,228,692.85	1,444,759,324.36
Add: changes in accounting policies	加：會計政策變更													
Corrections of early errors	前期差錯更正													
Business merger under common control	同一控制下企業合併													
Others	其他													
<b>II. Opening balance in the current year</b>	<b>二、本年年初餘額</b>	422,000,000.00				683,803,181.69		118,733.00		45,665,647.68		-232,056,930.86	525,228,692.85	1,444,759,324.36
<b>III. Increases and decreases in the current year (with "-" for decrease)</b>	<b>三、本年增減變動金額(減少以“-”號填列)</b>													
(I) Total comprehensive income	(一)綜合收益總額							949,814.60				-207,817,373.56	-87,918,208.41	-294,785,767.37
(II) Capital input and reduced by owners	(二)股東投入和減少資本							949,814.60				-207,817,373.56	-87,918,208.41	-294,785,767.37
1. Common shares input by shareholders	1. 股東投入普通股													
2. Input capital by other equity instrument owners	2. 其他權益工具持有者投入資本													
3. Amount of stock payment included in owners' equity	3. 股份支付計入股東權益的金額													
4. Others	4. 其他													
(III) Profits distribution	(三)利潤分配													
1. Withdrawal of surplus reserves	1. 提取盈餘公積													
2. Withdrawal of general risk reserves	2. 提取一般風險準備													
3. Distribution to owners (or shareholders)	3. 對所有者(或股東)的分配													
4. Others	4. 其他													
(IV) Internal carry-over of shareholders' equity	(四)股東權益內部結轉													
1. Share capital increased from transfer of capital reserves	1. 資本公積轉增股本													
2. Share capital increased from transfer of surplus reserves	2. 盈餘公積轉增股本													
3. Losses made up with surplus reserves	3. 盈餘公積彌補虧損													
4. Others	4. 其他													
(V) Special reserves	(五)專項儲備													
1. Withdrawal for the current year	1. 本年提取													
2. Use for the current year	2. 本年使用													
(VI) Others	(六)其他													
<b>IV. Closing balance in the current year</b>	<b>四、本年年末餘額</b>	422,000,000.00				683,803,181.69		1,068,547.60		45,665,647.68		-439,874,304.42	437,310,484.44	1,149,973,556.99

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Statement of Changes of Owners' Equity of Parent Company

## 母公司所有者權益變動表

Year of 2016

2016 年度

Prepared by: Beijing Jingcheng Machinery Electric Company Limited  
編製單位：北京京城機電股份有限公司

Unit: RMB Yuan  
單位：人民幣元

Item	項目	Current Year									
		本年									
		Other equity instruments				Other					
Share capital	Preferred shares	Perpetual capital securities	Others	Capital reserves	Less: treasury stocks	comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity	
股本	優先股	永續債	其他	資本公積	減：庫存股	其他綜合收益	專項儲備	盈餘公積	未分配利潤	所有者權益合計	
I. Closing balance of the previous year	一、上年年末餘額	422,000,000.00				666,629,987.85			38,071,282.24	-76,299,743.92	1,050,411,526.17
Plus: changes in accounting policies	加：會計政策變更										
Corrections of early errors	前期差錯更正										
Others	其他										
II. Opening balance in the current year	二、本年年末餘額	422,000,000.00				666,629,987.85			38,071,282.24	-76,299,743.92	1,050,411,526.17
III. Increases and decreases in the current year (with "+" for increase)	三、本年增減變動金額(減少以“-”號填列)								3,003,917.05	3,003,917.05	
(I) Total comprehensive income	(一)綜合收益總額								3,003,917.05	3,003,917.05	
(II) Capital input and reduced by owners	(二)股東投入和減少資本										
1. Common shares input by shareholders	1. 股東投入普通股										
2. Input capital by other equity instrument owners	2. 其他權益工具持有者投入資本										
3. Amount of stock payment included in owners' equity	3. 股份支付計入股東權益的金額										
4. Others	4. 其他										
(III) Profits distribution	(三)利潤分配										
1. Withdrawal of surplus reserves	1. 提取盈餘公積										
2. Distribution to shareholders	2. 對股東的分配										
3. Others	3. 其他										
(IV) Internal carry-over of shareholders' equity	(四)股東權益內部結轉										
1. Share capital increased from transfer of capital reserves	1. 資本公積轉增股本										
2. Share capital increased from transfer of surplus reserves	2. 盈餘公積轉增股本										
3. Losses made up with surplus reserves	3. 盈餘公積彌補虧損										
4. Others	4. 其他										
(V) Special reserves	(五)專項儲備										
1. Withdrawal for the current year	1. 本年提取										
1.2. Use for the current year	2. 本年使用										
(VI) Others	(六)其他										
IV. Closing balance in the current year	四、本年年末餘額	422,000,000.00				666,629,987.85			38,071,282.24	-73,295,826.87	1,053,415,443.22

Legal representative: Wang Jun  
法定代表人：王軍

Person in charge of accounting: Chen Changge  
主管會計工作負責人：陳長革

Person in charge of the accounting firm: Jiang Chi  
會計機構負責人：姜馳

# Statement of Changes of Owners' Equity of Parent Company

## 母公司所有者權益變動表

Year of 2016

2016 年度

Item	項目	Previous Year										
		Other equity instruments					上年					
		Share capital	Preferred shares	Perpetual capital securities	Others	Capital reserves	Less: treasury stocks	Other comprehensive incomes	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
股本	優先股	永續債	其他	資本公積	減：庫存股	其他綜合收益	專項儲備	盈餘公積	未分配利潤	所有者權益合計		
<b>I. Closing balance of the previous year</b>	<b>一、上年年末餘額</b>	422,000,000.00				666,639,987.85				38,071,282.24	-77,580,454.28	1,049,130,815.81
Add: changes in accounting policies	加：會計政策變更											
Corrections of early errors	前期差錯更正											
Others	其他											
<b>II. Opening balance in the current year</b>	<b>二、本年年初餘額</b>	422,000,000.00				666,639,987.85				38,071,282.24	-77,580,454.28	1,049,130,815.81
<b>III. Increases and decreases in the current year (with "+" for increase)</b>	<b>三、本年增減變動金額(減少以“-”號填列)</b>									1,280,710.36		1,280,710.36
(I) Total comprehensive income	(一)綜合收益總額									1,280,710.36		1,280,710.36
(II) Capital input and reduced by owners	(二)股東投入和減少資本											
1. Common shares input by shareholders	1. 股東投入普通股											
2. Input capital by other equity instrument owners	2. 其他權益工具持有者投入資本											
3. Amount of stock payment included in owners' equity	3. 股份支付計入股東權益的金額											
4. Others	4. 其他											
(III) Profits distribution	(三)利潤分配											
1. Withdrawal of surplus reserves	1. 提取盈餘公積											
2. Distribution to shareholders	2. 對股東的分配											
3. Others	3. 其他											
(IV) Internal carry-over of shareholders' equity	(四)股東權益內部結轉											
1. Share capital increased from transfer of capital reserves	1. 資本公積轉增股本											
2. Share capital increased from transfer of surplus reserves	2. 盈餘公積轉增股本											
3. Losses made up with surplus reserves	3. 盈餘公積彌補虧損											
4. Others	4. 其他											
(V) Special reserves	(五)專項儲備											
1. Withdrawal for the current year	1. 本年提取											
2. Use for the current year	2. 本年使用											
(VI) Others	(六)其他											
<b>IV. Closing balance in the current year</b>	<b>四、本年年末餘額</b>	422,000,000.00				666,639,987.85				38,071,282.24	-76,299,743.92	1,050,411,526.17

Legal representative: Wang Jun  
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# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### I. Basic Information of the Company

Beijing Jingcheng Machinery Electric Company Limited (hereinafter referred to as the "Company", collectively referred to as the Group if it includes subsidiary) formerly Beiren Printing Machinery Co., Ltd is a limited company established by fund solely initiated by Beiren Group Corporation. Registered on July 13, 1993, it was transferred to a limited liability company which could publicly offer and be listed in mainland China and Hong Kong according to the approval document of T.G.S. (1993) No. 118 File issued by State Commission for Restructuring the Economic System on July 16, 1993. Upon approval by the State Council Securities Commission and other departments concerned, the Company publicly offered H-shares in Hong Kong in 1993 and A-shares in Shanghai in 1994, and was respectively listed in Stock Exchange of Hong Kong Limited in 1993 and Shanghai Stock Exchange in 1994.

After being approved in the resolutions made by the Company's general meetings of shareholders held between May 16, 2001 and June 11, 2002 and being reviewed and approved in Z.J.F.X.Z. [2002] No. 133 File issued by China Securities Regulatory Commission, the Company successfully increased issues in 22,000,000 RMB ordinary shares (A-shares) to the public stock shareholders between December 26, 2002 and January 7, 2003, with RMB 1 par value per share. After secondary public offering, the Company's total stock issue was 422,000,000 shares, of which, there were 250,000,000 state-owned legal person shares, 72,000,000 domestic public shares and 100,000,000 overseas public shares, with RMB 1 yuan par value per share.

According to J.G.Z.Q.Z. [2006] No. 25 "Reply to Problems on Equity Division Reform of Beiren Printing Machinery Co., Ltd" issued by State-owned Assets Supervision and Administration Commission of the People's Government of Beijing, the Company's sole non-circulating stock shareholder-Beiren Group Corporation paid the original 27,360,000 state-owned legal person shares to the Company's circulating A-stock shareholder by every 10 shares allotted with 3.8 shares, and the A-share equity right registration date for implementing the aforesaid equity division reform plan was on March 29, 2006.

Beiren Group Corporation sold 21,000,000 shares of the Company's non-restricted circulating stock through the block trading system of Shanghai Stock Exchange on January 6, 2010 and January 7, 2010, and publicly sold 20,000 shares of the Company's non-restricted circulating stock on December 2, 2010, accounting for 4.98% of the Company's total stock issue. As at December 31, 2011, Beiren Group Corporation held 201,620,000 state-owned legal person shares which were all non-restricted circulating stocks and accounted for 47.78% of total stock issue; 120,380,000 non-restricted domestic public shares, accounting for 28.52% of total stock issue; and 100,000,000 non-restricted overseas public shares, accounting for 23.70% of total stock issue.

The Company's controlling shareholder Beiren Group Corporation and the Company's actual controller Beijing Jingcheng Machinery Electric Holding Co., Ltd. (hereinafter referred to as Jingcheng Holding) signed the Agreement on Gratuitous Transfer of State-owned Stock Equity between Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beiren Group Corporation on June 16, 2012, under which, Beiren Group Corporation gratuitously transferred the Company's 201,620,000 A-shares to Jingcheng Holding; after the share transfer, the Company's total stock issue remained the same, and Jingcheng Holding held 201,620,000 shares of the Company stock which accounted for 47.78% of total stock issue and became the Company's controlling shareholder. The free equity transfer this time has been approved by the State-owned Assets Supervision and Administration Commission of the State Council on September 1, 2012. The Company received the Confirmation of Transfer Register issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch on December 7, 2012, and the formalities related to share transfer was completed.

### 一、公司的基本情况

北京京城機電股份有限公司(以下簡稱公司或本公司，在包含子公司時統稱本集團)原名稱為北人印刷機械股份有限公司，是由北人集團公司獨家發起設立的股份有限公司，於1993年7月13日登記註冊成立，並於1993年7月16日經國家體改委體改生(1993年)118號文件批准，轉為可在境內及香港公開發行股票並上市的社會募集股份有限公司。經國務院證券委員會等有關部門批准，本公司於1993年和1994年分別在香港和上海發行H股和A股，並分別於1993年和1994年在香港聯合交易所有限公司及上海證券交易所上市。

本公司經2001年5月16日及2002年6月11日股東大會決議批准，並經中國證券監督管理委員會證監發行字[2002]133號文件核准同意，於2002年12月26日至2003年1月7日成功向社會公眾股東增發2,200萬股人民幣普通股(A股)，每股面值人民幣1元。增發後，本公司總股本42,200萬股，其中國有法人股25,000萬股，國內公眾股7,200萬股，境外公眾股10,000萬股，每股面值人民幣1元。

根據北京市人民政府國有資產監督管理委員會京國資權字[2006]25號「關於北人印刷機械股份有限公司股權分置改革有關問題的批復」，本公司唯一非流通股股東北人集團公司以每10股配3.8股的方式，將原國有法人股2,736萬股支付給本公司流通A股股東，上述股權分置改革方案實施A股股權登記日為2006年3月29日。

北人集團公司於2010年1月6日、2010年1月7日通過上海證券交易所大宗交易系統出售本公司無限售條件流通股股份2,100萬股，2010年12月2日公開出售本公司無限售條件流通股股份2萬股，佔本公司總股本的4.98%。截止2011年12月31日北人集團公司持有國有法人股20,162萬股，佔總股本的47.78%，全部為無限售條件的流通股；無限售條件的國內公眾股為12,038萬股，佔總股本的28.52%；無限售條件的境外公眾股10,000萬股，佔總股本的23.70%。

本公司控股股東北人集團公司與公司實際控制人北京京城機電控股有限責任公司(以下簡稱京城控股)於2012年6月16日簽署了《北京京城機電控股有限責任公司與北人集團公司之國有股權無償劃轉協議》，北人集團公司將所持本公司20,162萬股A股股份無償劃轉給京城控股，股份劃轉後本公司總股本不變，其中京城控股持有20,162萬股，佔總股本的47.78%，為本公司的控股股東。本次股權無償劃轉已於2012年9月1日獲國務院國有資產監督管理委員會批復。本公司於2012年12月7日收到《中國證券登記結算有限公司上海分公司過戶登記確認書》，股份過戶相關手續已辦理完畢。

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### I. Basic Information of the Company (Continued)

The Company signed the Agreement on Replacement of Material Assets and the Supplementary Agreement under the Agreement on Replacement of Material Assets with Jingcheng Holding and Beiren Group Corporation in November 2012. Pursuant to these agreements, the Company replaced all its assets and liabilities with relevant assets of gas storage and transport equipment business owned by Jingcheng Holding, and the balance was made up by Jingcheng Holding in cash. The proposed traded-out property was the Company's all assets and liabilities, and the proposed traded-in property was 88.50% equity of Beijing Tianhai Industry Co., Ltd. held by Jingcheng Holding, 100% equity of Jingcheng Holding (Hong Kong) Co., Ltd. and 100% equity of Beijing Jingcheng Compressor Co., Ltd. whose environmental protection business was stripped.

On September 26, 2013, the Company received the Reply on Approving the Material Asset Restructuring of Beiren Printing Machinery Co., Ltd (Z.J.X.K. [2013] No. 1240) issued by China Securities Regulatory Commission, approving the Company to restructure materials assets in this time.

The Company signed the Agreement on Replacement and Settlement of Material Assets with Jingcheng Holding and Beiren Group Corporation on October 31, 2013, under which, Jingcheng Holding settled and delivered the traded-in assets to the Company, and the Company delivered the traded-out assets and relevant staff to Beiren Group Corporation.

On December 23, 2013, the Company's was renamed from Beiren Printing Machinery Co., Ltd to Beijing Jingcheng Machinery Electric Company Limited.

Jingcheng Holding reduced 21,000,000 shares of the Company's non-restricted circulating A-stock through the block trading system of Shanghai Stock Exchange on May 6, 2015, May 13, 2015 and May 14, 2015, accounting for 4.98% of the Company's total stock issue. As at December 31, 2015, Jingcheng Holding held 180,620,000 shares of the Company's non-restricted circulating A-stock, accounting for 42.80% of the Company's total stock issue.

Jingcheng Holding bought 2,115,052 shares of the Company's A-stock through the trading system of Shanghai Stock Exchange on August 3, 2016, accounting for 0.50% of the Company's total stock issue; after this increase of stock holding, Jingcheng Holding held 182,735,052 shares of the Company's non-restricted circulating A-shares, accounting for 43.30% of the Company's total stock issue.

The Company's registered address is located at Suite 901, Building 59, East Third Ring Middle Rd., Chaoyang District, Beijing, with Wang Jun serving as the legal representative. The business place is located at No. 2 Nansan Street, Huoxian Town, Huoxian County, Tongzhou District, Beijing.

The Company's business scope: General freight; development, design, sales, installation, debugging and repair of cryogenic storage transport vessel, compressor (piston compressor, membrane compressor and nuclear membrane compressor) and accessories, machinery equipment and electrical equipment; technical consulting; technical service; economic trade consulting; goods import and export; technical import and export; and agency for import and export.

Jingcheng Holding is both the controlling shareholder and actual controller of the Company.

### 一、公司的基本情況(續)

本公司於2012年11月與京城控股及北人集團公司簽署《重大資產置換協議》及《重大資產置換協議之補充協議》，協議約定本公司以公司全部資產和負債與京城控股所擁有的氣體儲運裝備業務相關資產進行置換，差額部分由京城控股以現金方式補足。擬置出資產為本公司全部資產和負債，擬置入資產為京城控股持有的北京天海工業有限公司88.50%股權、京城控股(香港)有限公司100%股權以及剝離環保業務後的北京京城壓縮機有限公司100%股權。

2013年9月26日，本公司接到中國證券監督管理委員會出具的《關於核准北人印刷機械股份有限公司重大資產重組的批復》(證監許可[2013]1240號)，核准本公司本次重大資產重組事項。

本公司於2013年10月31日與京城控股及北人集團公司簽署《重大資產置換交割協議》，京城控股將置入資產交割至本公司，本公司將置出資產及相關人員交割至北人集團公司。

2013年12月23日，公司名稱由北人印刷機械股份有限公司變更為北京京城機電股份有限公司。

京城控股於2015年5月6日、5月13日和5月14日通過上海證券交易所大宗交易系統減持所持有的公司無限售流通股A股股票2,100萬股，佔公司總股本的4.98%。截止2015年12月31日京城控股持有公司無限售流通股A股股票18,062萬股，佔公司總股本的42.80%。

京城控股於2016年8月3日通過上海證券交易所交易系統增持了本公司股份2,115,052 A股，佔本公司總股本的0.50%，本次增持後，京城控股持有本公司無限售流通股A股股票182,735,052股，佔公司總股本的43.30%。

本公司註冊地址為北京市朝陽區東三環中路59號樓901室，法定代表人王軍。經營地點為北京市通州區漷縣鎮漷縣南三街2號。

本公司經營範圍：普通貨運；開發、設計、銷售、安裝、調試、修理低溫儲運容器、壓縮機(活塞式壓縮機、隔膜式壓縮機、核級膜壓縮機)及配件、機械設備、電氣設備；技術諮詢；技術服務；經濟貿易諮詢；貨物進出口；技術進出口；代理進出口。

本公司之控股股東及實際控制人均為京城控股。

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

## II. Scope of Consolidated Financial Statements

The Company's consolidated financial statements cover Jingcheng Holding (Hong Kong) Co., Ltd., Beijing Tianhai Industry Co., Ltd. and its subsidiaries LangfangTianhai High Pressure Container Co., Ltd., Tianjin Tianhai High Pressure Container Co., Ltd., Shanghai Tianhai Composite Cylinders Co., Ltd., Beijing Tianhai Cryogenic Equipment Co., Ltd., Beijing Pioneer Up Lifter Co., Ltd., Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd. and BTIC AMERICA CORPORATION. There is no change compared to that in the previous year.

See details in the Note VII "Changes in Consolidated Scope" and Note VIII "Interests in Other Subjects".

## III. Preparation Basis of Financial Statements

### (1) Preparation Basis

The Group prepared the financial statements on the basis of continuous operation, as per the actually incurred transaction and events as well as related disclosure made according to Accounting Standards for Business Enterprises issued by the Ministry of Finance and relevant provisions and as required by Companies Ordinance of Hong Kong and Listing Rule of Hong Kong Stock Exchange, and based on the accounting policies and accounting estimates in the "Note IV. Important Accounting Policies and Accounting Estimates".

### (2) Continuous Operation

After the assessment of the capability of continuous operation for 12 months from December 31, 2016, the Group found no matters and circumstances resulting in suspect of the capability of continuous operation. Therefore, these financial statements were prepared on the basis of the assumption of continuous operation.

## IV. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates will indicate: accounting policies developed by the Group according to characteristics of actual production and operation and accounting estimates including business cycle, the recognition and measurement of provisions for bad debts from receivables, the measurement of inventory dispatched, fixed assets classification and depreciation methods, amortization of intangible assets, conditions for capitalizing R&D expenses, recognition and measurement of incomes, impairment of long term assets and estimated liabilities, etc.

### 1. Declaration on Compliance with the Accounting Standards for Business Enterprises

The Company declares that the financial statements prepared comply with the Accounting Standards for Business Enterprises, which reflect the financial position, performance result and cash flow of the Company truly and completely.

### 2. Accounting Period

The accounting period of the Group commences from January 1 to December 31 of each calendar year.

## 二、合併財務報表範圍

本公司合併財務報表範圍包括京城控股(香港)有限公司和北京天海工業有限公司及其下屬子公司廊坊天海高壓容器有限公司、天津天海高壓容器有限責任公司、上海天海複合氣瓶有限公司、北京天海低溫設備有限公司、北京攀尼高空作業設備有限公司、北京明暉天海氣瓶儲運裝備銷售有限公司、天海美洲公司。與上年相比沒有變化。

詳見本附註「七、合併範圍的變化」及本附註「八、在其他主體中的權益」相關內容。

## 三、財務報表的編製基礎

### (1) 編製基礎

本集團財務報表以持續經營為基礎，根據實際發生的交易和事項，按照財政部頒佈的《企業會計準則》及相關規定，以及香港《公司條例》和香港聯合交易所《上市規則》所要求之相關披露，並基於本附註「四、重要會計政策及會計估計」所述會計政策和會計估計編製。

### (2) 持續經營

本集團對自2016年12月31日起12個月的持續經營能力進行了評價，未發現對持續經營能力產生重大懷疑的事項和情況。因此，本財務報表系在持續經營假設的基礎上編製。

## 四、重要會計政策及會計估計

具體會計政策和會計估計提示：本集團根據實際生產經營特點制定的具體會計政策和會計估計包括營業周期、應收款項壞賬準備的確認和計量、發出存貨計量、固定資產分類及折舊方法、無形資產攤銷、研發費用資本化條件、收入確認和計量、長期資產減值和預計負債等。

### 1. 遵循企業會計準則的聲明

本公司編製的財務報表符合企業會計準則的要求，真實、完整地反映了本公司及本集團的財務狀況、經營成果和現金流量等有關信息。

### 2. 會計期間

本集團的會計期間為公曆1月1日至12月31日。

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### IV. Significant Accounting Policies and Accounting Estimates (Continued)

### 四、重要會計政策及會計估計(續)

#### 3. Business Cycle

The Group treats 12 months as a business cycle a dividing standard for the liquidity of assets and liabilities since the business cycle is too short for the Group's business.

#### 4. Recording Currency

RMB is recording currency for the Company and its subsidiaries, except for BTIC AMERICA CORPORATION and Jingcheng Holding (Hong Kong) Co., Ltd. which use USD as their recording currency.

#### 5. Accounting Treatment Method for Business Merger under Common Control and Different Control

The Group, as the merging party, obtained assets and liabilities through business merger under common control, which are measured at date of merging according to the book value of merged party in the consolidated financial statements of final controlling party. The balance between the book value of the net assets obtained and the book value of the consideration paid shall be used to adjust the capital reserves; where the capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

The identifiable assets, liabilities and contingent liabilities acquired by the acquiree in the business merger not under common control are measured at fair value at the acquisition date. The cost for merging is the sum of book value of cash or non-cash assets paid, liabilities issued or assumed, equity securities issued, etc. for obtaining the control power of the acquiree and various direct expenses in business merger (in the business merger realized step by step through several transactions, the cost for merging is the sum of the cost for each single transaction). Positive balance between the cost of merging and the fair value of the identifiable net assets of the acquiree obtained by the Group on the acquisition date shall be recognized as goodwill; if the cost of merging is less than the fair value of the identifiable net assets of the acquiree obtained, the fair value of various identifiable assets, liabilities and contingent liabilities obtained in business merger and the fair value of non-cash assets or equity security issued in the consideration of merger shall be re-checked first. If the rechecked cost of merging is still less than the fair value of identifiable net assets of the acquiree obtained, the balance shall be included into current non-operating income.

#### 3. 營業周期

本集團經營業務的營業周期較短，以12個月作為資產和負債的流動性劃分標準。

#### 4. 記賬本位幣

本公司除下屬公司天海美洲公司和京城控股(香港)有限公司以美元為記賬本位幣外，本公司及其他下屬公司以人民幣為記賬本位幣。

#### 5. 同一控制下和非同一控制下企業合併的會計處理方法

本集團作為合併方，在同一控制下企業合併中取得的資產和負債，在合併日按被合併方在最終控制方合併報表中的賬面價值計量。取得的淨資產賬面價值與支付的合併對價賬面價值的差額，調整資本公積；資本公積不足沖減的，調整留存收益。

在非同一控制下企業合併中取得的被購買方可辨認資產、負債及或有負債在收購日以公允價值計量。合併成本為本集團在購買日為取得對被購買方的控制權而支付的現金或非現金資產、發行或承擔的負債、發行的權益性證券等的公允價值以及在企業合併中發生的各項直接相關費用之和(通過多次交易分步實現的企業合併，其合併成本為每一單項交易的成本之和)。合併成本大於合併中取得的被購買方可辨認淨資產公允價值份額的差額，確認為商譽；合併成本小於合併中取得的被購買方可辨認淨資產公允價值份額的，首先對合併中取得的各項可辨認資產、負債及或有負債的公允價值、以及合併對價的非現金資產或發行的權益性證券等的公允價值進行覆核，經覆核後，合併成本仍小於合併中取得的被購買方可辨認淨資產公允價值份額的，將其差額計入合併當期營業外收入。



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2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 6. Preparation Method of Consolidated Financial Statements

The Group incorporates all subsidiaries controlled by it and structured entities into consolidated financial statements.

When preparing consolidated financial statements, if the accounting policy or the accounting period adopted is inconsistent between the subsidiaries and the Company, the financial statements of subsidiaries shall be adjusted according to the accounting policy or the accounting period of the Company when preparing the consolidated financial statement.

All significant internal transactions, current balances and unrealized profits within the scope of the merger are offset in preparing consolidated statements. Shares in owners' equity of subsidiaries but not attributed to the parent company, net profit and loss for the current period, other comprehensive income and shares attributed to minority equity in total comprehensive income shall be listed in consolidated financial statements as minority equity, profit and loss of minority shareholders, other comprehensive income attributed to minority shareholders and total comprehensive income attributed to minority shareholders.

Operating results and cash flows of subsidiaries which are acquired by business merger under common control are included into consolidated financial statements on the beginning of the current period of the merger. Upon the preparation of comparative consolidated financial statements, any adjustments to relevant items in financial statements of the previous year are considered as the subject of reports formed after merger as if it might have exist since the time when final controlling party begin to take the control.

If equity of the invested entity under the common control is obtained step by step through several transactions, which results in business merger, supplementary disclosure to treatment methods in consolidated financial statements shall be made in the reporting period of acquiring the control. For example, if equity of the invested entity under the common control is obtained step by step through several transactions, which results in business merger, such equity shall be adjusted in the preparation of consolidated financial statements as if they might have exist as the current state from the time when final controlling party takes the control. When preparing comparative accounts, relevant assets and liabilities of the acquiree are included in comparative accounts of consolidated financial statements of the Group according to the restriction that the time above shall be later than the time when the Group and the acquiree are under the common control of final controlling party, moreover, increased net assets resulting from the merger are adjusted as relevant items under owners' equity. In order to avoid repeated calculation of value of net assets of the merged party, the long-term equity investment held by the Group before the merger is achieved, the changes in relevant profits and losses, other comprehensive incomes and other net asset that have been recognized in the period from the later date, when the long-term equity investment is acquired and when the Group and the acquiree are under the final control of the same party, to the merger date, shall respectively be applied to write off the opening retained earnings or current profits and losses during the period of comparative statement.

### 四、重要會計政策及會計估計(續)

#### 6. 合併財務報表的編製方法

本集團將所有控制的子公司及結構化主體納入合併財務報表範圍。

在編製合併財務報表時，子公司與本公司採用的會計政策或會計期間不一致的，按照本公司的會計政策或會計期間對子公司財務報表進行必要的調整。

合併範圍內的所有重大內部交易、往來餘額及未實現利潤在合併報表編製時予以抵銷。子公司的所有者權益中不屬於母公司的份額以及當期淨損益、其他綜合收益及綜合收益總額中屬於少數股東權益的份額，分別在合併財務報表「少數股東權益、少數股東損益、歸屬於少數股東的其他綜合收益及歸屬於少數股東的綜合收益總額」項目列示。

對於同一控制下企業合併取得的子公司，其經營成果和現金流量自合併當期期初納入合併財務報表。編製比較合併財務報表時，對上年財務報表的相關項目進行調整，視同合併後形成的報告主體自最終控制方開始控制時點起一直存在。

通過多次交易分步取得同一控制下被投資單位的股權，最終形成企業合併的，應在取得控制權的報告期，補充披露在合併財務報表中的處理方法。例如：通過多次交易分步取得同一控制下被投資單位的股權，最終形成企業合併，編製合併報表時，視同在最終控制方開始控制時即以目前的狀態存在進行調整，在編製比較報表時，以不早於本集團和被合併方同處於最終控制方的控制之下的時點為限，將被合併方的有關資產、負債並入本集團合併財務報表的比較報表中，並將合併而增加的淨資產在比較報表中調整所有者權益項下的相關項目。為避免對被合併方淨資產的價值進行重複計算，本集團在達到合併之前持有的長期股權投資，在取得原股權之日與本集團和被合併方處於同一方最終控制之日孰晚日起至合併日之間已確認有關損益、其他綜合收益和其他淨資產變動，應分別沖減比較報表期間的期初留存收益和當期損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 6. Preparation Method of Consolidated Financial Statements (Continued)

As for subsidiaries acquired by business merger under the different control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes the control. In preparing consolidated financial statements, adjustments to financial statements of subsidiaries are based on the fair value of identifiable assets, liabilities or contingent liabilities, which is identified at the purchase date.

Under the circumstance that the equity of invested entity is obtained under the different control through multiple transactions step by step, which results in business merger, supplementary disclosure to treatment methods in consolidated financial statements shall be made in the reporting period for acquiring the control. For instance, under the circumstance that the business merger is realized under the different control through multiple transactions step by step, the equity of the acquiree obtained before the purchase date shall be recalculated as per the fair value of the equity on the purchase date when preparing the consolidated financial statements, with the balance between the fair value and its book value included into the current investment profits; if the equity of the acquiree held before the purchase date involves other comprehensive income calculated under the equity method and other change of the owner's equity except net profits and incomes, other comprehensive incomes and profit allocation, the relevant other comprehensive incomes and other change of owners' equity shall be transferred into current income of the purchase date, except other comprehensive incomes arising out from that the acquiree re-measures change of the net liabilities or net assets of the set benefit plan.

The Group disposes of the long-term equity investment against subsidiaries partially without losing control right; in the consolidated financial statements, as for the balance between the disposing amount and the net asset continuously calculated from the purchase date or date of merging of the subsidiary enjoyed correspondingly in disposing long-term equity investment, capital premium or share premium shall be adjusted; if the capital reserves are not sufficient for offset, the retained earnings shall be adjusted.

Where control right over the invested entity is lost due to the disposal of partial equity investment of the Group or other reasons, the residual equity will be re-calculated based on the fair value thereof on the day the control is lost when preparing the consolidated financial statements. The balance from the sum of the consideration obtained from the equity disposal and the fair value of the residual equity minus the net assets of the original subsidiaries calculated continuously in proportion to the original holdings from the purchase date or date of merging shall be recorded into the investment income of the current period in which the control right is lost, with goodwill written off simultaneously. Other comprehensive incomes related with the equity investment of the original subsidiaries shall be converted to the current investment profit and loss when losing the control right.

### 四、重要會計政策及會計估計(續)

#### 6. 合併財務報表的編製方法(續)

對於非同一控制下企業合併取得子公司，經營成果和現金流量自本集團取得控制權之日起納入合併財務報表。在編製合併財務報表時，以購買日確定的各項可辨認資產、負債及或有負債的公允價值為基礎對子公司的財務報表進行調整。

通過多次交易分步取得非同一控制下被投資單位的股權，最終形成企業合併的，應在取得控制權的報告期，補充披露在合併財務報表中的處理方法。例如：通過多次交易分步取得非同一控制下被投資單位的股權，最終形成企業合併，編製合併報表時，對於購買日之前持有的被購買方的股權，按照該股權在購買日的公允價值進行重新計量，公允價值與其賬面價值的差額計入當期投資收益；與其相關的購買日之前持有的被購買方的股權涉及權益法核算下的其他綜合收益以及除淨損益、其他綜合收益和利潤分配外的其他所有者權益變動，在購買日所屬當期轉為投資損益，由於被投資方重新計量設定受益計劃淨負債或淨資產變動而產生的其他綜合收益除外。

本集團在不喪失控制權的情況下部分處置對子公司的長期股權投資，在合併財務報表中，處置價款與處置長期股權投資相對應享有子公司自購買日或合併日開始持續計算的淨資產份額之間的差額，調整資本溢價或股本溢價，資本公積不足沖減的，調整留存收益。

本集團因處置部分股權投資等原因喪失了對被投資方的控制權的，在編製合併財務報表時，對於剩餘股權，按照其在喪失控制權日的公允價值進行重新計量。處置股權取得的對價與剩餘股權公允價值之和，減去按原持股比例計算應享有原有子公司自購買日或合併日開始持續計算的淨資產的份額之間的差額，計入喪失控制權當期的投資損益，同時沖減商譽。與原有子公司股權投資相關的其他綜合收益等，在喪失控制權時轉為當期投資損益。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 6. Preparation Method of Consolidated Financial Statements (Continued)

When the Group disposes of equity investment of the subsidiaries step by step through multiple transaction till losing the control right, if various transaction from disposal of equity investment of subsidiaries till losing the control right belongs to package deal, accounting treatment shall be conducted for each transaction as the transaction that disposes of subsidiary with loss of control right; Nonetheless, before loss of control right, the balance between each price disposal and the net asset share of such subsidiary enjoyed correspondingly in asset disposal is recognized in the other comprehensive income in the consolidated financial statements and turned into the current profit and loss when losing control right.

#### 7. Joint Venture Arrangements Classification and Accounting Treatment Methods of Joint Operation

Joint venture arrangements include joint operations and joint ventures. In projects for joint operation, for assets held and liabilities assumed solely which are confirmed by the Group as the joint-venture party in joint operation and assets held and liabilities assumed according to shares, their relevant income and costs shall be determined as per related individual agreements or shares. If purchase or sales related to joint operation are not construed as assets transactions of business, it only needs to determine parts which belong to other participants of joint operation in profit and loss arising from such transactions.

#### 8. Cash and Cash Equivalents

The cash of the Group in cash flow statements includes the cash on hand, the bank deposits available for pay immediately. Cash equivalents in the cash flow statement refer to highly liquid investments that are held for less than 3 months and are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

#### 9. Foreign Currency Business and Translation of Foreign Currency Financial Statements

##### (1) Foreign Currency Transaction

In foreign currency transactions of the Group, the amount in foreign currency shall be converted into RMB at the spot rate in the date of such transactions. On the balance sheet date, monetary items in foreign currency are translated into RMB at spot rate of such date, and translation balance arising from which is directly recorded into current profits and losses, except for exchange balances resulting from specific borrowings in foreign currency for purchasing and constructing or producing assets that conforms to capitalization conditions, and such exchange balances shall be treated as per the principles of capitalization.

### 四、重要會計政策及會計估計(續)

#### 6. 合併財務報表的編製方法(續)

本集團通過多次交易分步處置對子公司股權投資直至喪失控制權的，如果處置對子公司股權投資直至喪失控制權的各項交易屬於一攬子交易的，應當將各項交易作為一項處置子公司並喪失控制權的交易進行會計處理；但是，在喪失控制權之前每一次處置價款與處置投資對應的享有該子公司淨資產份額的差額，在合併財務報表中確認為其他綜合收益，在喪失控制權時一並轉入喪失控制權當期的投資損益。

#### 7. 合營安排分類及共同經營會計處理方法

本集團的合營安排包括共同經營和合營企業。對於共同經營項目，本集團作為共同經營中的合營方確認單獨持有的資產和承擔的負債，以及按份額確認持有的資產和承擔的負債，根據相關約定單獨或按份額確認相關的收入和費用。與共同經營發生購買、銷售不構成業務的資產交易的，僅確認因該交易產生的損益中歸屬於共同經營其他參與方的部分。

#### 8. 現金及現金等價物

本集團現金流量表之現金指庫存現金以及可以隨時用於支付的存款。現金流量表之現金等價物指持有期限不超過3個月、流動性強、易於轉換為已知金額現金且價值變動風險很小的投資。

#### 9. 外幣業務和外幣財務報表折算

##### (1) 外幣交易

本集團外幣交易按交易發生日的即期匯率將外幣金額折算為人民幣金額。於資產負債表日，外幣貨幣性項目採用資產負債表日的即期匯率折算為人民幣，所產生的折算差額除了為購建或生產符合資本化條件的資產而借入的外幣專門借款產生的匯兌差額按資本化的原則處理外，直接計入當期損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

### 四、重要會計政策及會計估計(續)

#### 9. Foreign Currency Business and Translation of Foreign Currency Financial Statements (Continued)

##### (2) Translation of Foreign Currency Financial Statements

Items in assets and liabilities of balance sheet in foreign currency are translated at the spot rate of the balance sheet date; except for "undistributed profits", items in ownership interests are translated at the spot rate when transactions occur; income and expenses in income statements are translated at the spot rate of the date when transactions occur. Translation balance in the financial statements of foreign currency arising from translations above shall be listed in items of other comprehensive income. Foreign currency cash flow shall be translated at the spot rate on the date that cash flow occurs. The influence of change in exchange rate on cash shall be separately presented in the cash flow statement.

#### 10. Financial Assets and Financial Liabilities

When the Group becomes a party to a financial instrument, it shall recognize a financial asset or financial liability.

##### (1) Financial Assets

###### 1) Classification, Recognition Basis and Measurement Method of Financial Assets

The Group divides the financial assets owned into four categories according to the investment purpose and economic essence, including financial assets measured at fair value with the variation included into the current profits and losses, investments held-to-maturity, accounts receivable, and available-for-sale financial assets.

Financial assets measured at fair value with the variation included into the current profits and losses include financial assets held for trading and financial assets designated to be measured at fair value upon initial recognition with the variation included into the current profits and losses.

Investments held-to-maturity refer to the non-derivative financial assets, the maturity date of which is fixed, the recovery amount of which is fixed or determinable and that the Group has an obvious intent and ability to hold to its maturity. Investments held-to-maturity shall be subsequently measured at amortized cost by effective interest method, with profits or losses arising out from amortization, impairment or de-recognition included into the current profits and losses.

Accounts receivable refer to non-derivative financial assets without quotation in the active market and with fixed or determinable recovery amount. Accounts receivable shall be subsequently measured at amortized cost by effective interest method, with profits or losses arising out from amortization, impairment or de-recognition included into the current profits and losses.

#### 9. 外幣業務和外幣財務報表折算(續)

##### (2) 外幣財務報表的折算

外幣資產負債表中資產、負債類項目採用資產負債表日的即期匯率折算；所有者權益類項目除「未分配利潤」外，均按業務發生時的即期匯率折算；利潤表中的收入與費用項目，採用交易發生日的即期匯率折算。上述折算產生的外幣報表折算差額，在其他綜合收益項目中列示。外幣現金流量採用現金流量發生日的即期匯率折算。匯率變動對現金的影響額，在現金流量表中單獨列示。

#### 10. 金融資產和金融負債

本集團成為金融工具合同的一方時確認一項金融資產或金融負債。

##### (1) 金融資產

###### 1) 金融資產分類、確認依據和計量方法

本集團按投資目的和經濟實質對擁有的金融資產分類為以公允價值計量且其變動計入當期損益的金融資產、持有至到期投資、應收款項及可供出售金融資產。

以公允價值計量且其變動計入當期損益的金融資產，包括交易性金融資產和在初始確認時指定為以公允價值計量且其變動計入當期損益的金融資產。

持有至到期投資，是指到期日固定、回收金額固定或可確定，且本集團有明確意圖和能力持有至到期的非衍生金融資產。持有至到期投資採用實際利率法，按照攤余成本進行後續計量，其攤銷或減值以及終止確認產生的利得或損失，均計入當期損益。

應收款項，是指在活躍市場中沒有報價，回收金額固定或可確定的非衍生金融資產。採用實際利率法，按照攤余成本進行後續計量，其攤銷或減值以及終止確認產生的利得或損失，均計入當期損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 10. Financial Assets and Financial Liabilities (Continued)

##### (1) Financial Assets (Continued)

##### 1) Classification, Recognition Basis and Measurement Method of Financial Assets (continued)

Financial assets available-for-sale refer to the non-derivative financial assets defined as being available for sale upon initial recognition and other financial assets that have not been divided. The equity instrument for which there is no quotation in the active market and whose fair value cannot be reliably measured as well as the derivative financial liabilities which are connected to such equity instrument and must be settled by delivering the equity instrument in these assets shall be measured subsequently on the basis of their costs; those that with quotation in the active market or that the fair value can be reliably measured though without quotation in the active market shall be measured at fair value, with the change of fair value included into other comprehensive incomes. Such financial assets shall be measured at the fair value subsequently. The variation of fair value of financial assets available-for-sale shall be directly recorded into interests of shareholders, except for impairment losses, and exchange profits and losses arising from monetary financial assets in foreign currency, when the confirmation of such financial assets are terminated, accumulated amount from the variation of the fair value which has been directly recorded into interests, shall be carried forward into current profits and losses. The interest calculated by effective interest method from the period of holding the debt instrument investment available-for-sale and cash dividends declared to be provided by the invested entity in respect of equity instrument investment available-for-sale, shall be recorded into current profits and losses as investment income. The equity instrument investment, for which there is no quotation in the active market and whose fair value cannot be reliably measured, shall be measured at cost.

### 四、重要會計政策及會計估計(續)

#### 10. 金融資產和金融負債(續)

##### (1) 金融資產(續)

##### 1) 金融資產分類、確認依據和計量方法(續)

可供出售金融資產，是指初始確認時即被指定為可供出售的非衍生金融資產，以及未被劃分為其他類型的金融資產。這類資產中，在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資以及與該權益工具掛鉤並須通過交付該權益工具結算的衍生金融資產，按成本進行後續計量；其他存在活躍市場報價或雖沒有活躍市場報價但公允價值能夠可靠計量的，按公允價值計量，公允價值變動計入其他綜合收益。對於此類金融資產採用公允價值進行後續計量，除減值損失及外幣貨幣性金融資產形成的匯兌損益外，可供出售金融資產公允價值變動直接計入股東權益，待該金融資產終止確認時，原直接計入權益的公允價值變動累計額轉入當期損益。可供出售債務工具投資在持有期間按實際利率法計算的利息，以及被投資單位宣告發放的與可供出售權益工具投資相關的現金股利，作為投資收益計入當期損益。對於在活躍市場中沒有報價且其公允價值不能可靠計量的權益工具投資，按成本計量。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 10. Financial Assets and Financial Liabilities (Continued)

##### (1) Financial Assets (Continued)

##### 2) Recognition Basis and Measurement Method of Transferred Financial Assets

The financial assets meeting one of the following conditions shall be de-recognized: ① Where the contractual rights for collecting the cash flow of the said financial asset are terminated; ② Where the said financial asset has been transferred and almost all risks and rewards of ownership of financial assets have been transferred into the transfer-in party by the Group; ③ Where the financial assets have been transferred, although the Group has neither transferred nor retained almost all risks and rewards of ownership of financial assets, the Group has given up the control to the financial assets.

Where an enterprise does not transfer or retain almost all of the risks and rewards related to the ownership of a financial asset and does not give up its control over the financial asset, it shall, according to the extent of its continuous involvement in the transferred financial asset, recognize related financial asset and recognize relevant liability accordingly.

If the transfer of an entire financial asset satisfies the conditions for de-recognition, balance on the book value of the transferred financial asset and consideration received due to transfer as well as accumulative amount of variation of the fair value that is initially included into the other comprehensive incomes shall be included into the current profits and losses.

If the transfer of partial financial asset satisfies the conditions of de-recognition, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value and the balance between the consideration received in the transfer and the accumulative amount of the changes of the fair value originally recorded in other comprehensive income and apportioned to the portion whose recognition has not been stopped and the book value before apportioning is recorded in the current profits and losses.

### 四、重要會計政策及會計估計(續)

#### 10. 金融資產和金融負債(續)

##### (1) 金融資產(續)

##### 2) 金融資產轉移的確認依據和計量方法

金融資產滿足下列條件之一的，予以終止確認：①收取該金融資產現金流量的合同權利終止；②該金融資產已轉移，且本集團將金融資產所有權上幾乎所有的風險和報酬轉移給轉入方；③該金融資產已轉移，雖然本集團既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，但是放棄了對該金融資產控制。

企業既沒有轉移也沒有保留金融資產所有權上幾乎所有的風險和報酬，且未放棄對該金融資產控制的，則按照其繼續涉入所轉移金融資產的程度確認有關金融資產，並相應確認有關負債。

金融資產整體轉移滿足終止確認條件的，將所轉移金融資產的賬面價值，與因轉移而收到的對價及原計入其他綜合收益的公允價值變動累計額之和的差額計入當期損益。

金融資產部分轉移滿足終止確認條件的，將所轉移金融資產整體的賬面價值，在終止確認部分和未終止確認部分之間，按照各自的相對公允價值進行分攤，並將因轉移而收到的對價及應分攤至終止確認部分的原計入其他綜合收益的公允價值變動累計額之和，與分攤的前述賬面金額的差額計入當期損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 10. Financial Assets and Financial Liabilities (Continued)

##### (1) Financial Assets (Continued)

##### 3) Test and Accounting Treatment Method for Financial Asset Impairment

Except the financial assets measured at fair value with the variation included into the current profits and losses, the Group would check the book value of other financial asset on the balance sheet date, and provide the impairment in case that there are some objective evidences showing the financial asset suffers from impairment.

Where a financial asset measured on the basis of post-amortization cost is impaired, impairment provisions shall be withdrawn as per the negative balance the present value of the future cash flow(excluding the loss of future credits not yet occurred) and the book value. If there are objective evidences showing that the value of such financial asset has been recovered, and the financial asset is objectively related to events occurring after the confirmation of the loss, the impairment loss confirmed previously is reversed and recorded in the current profits and losses.

If the financial assets available-for-sale go through impairment, the accumulated loss formed out of fair value decrease originally included into owners' equity shall be transferred out and included into impairment loss. With regard to the debt instrument investment available-for-sale, the impairment loss of which has been recognized, if the fair value rises in the subsequent period and it is objectively related to the matters incurred after the original impairment loss is recognized, the originally recognized impairment loss shall be transferred out and recorded in the current profits and losses. With regard to the equity instrument investment available-for-sale, the impairment loss of which has been recognized, the rise in fair value in the subsequent periods shall be directly recorded in the owners' equity.

### 四、重要會計政策及會計估計(續)

#### 10. 金融資產和金融負債(續)

##### (1) 金融資產(續)

##### 3) 金融資產減值的測試方法及會計處理方法

除以公允價值計量且其變動計入當期損益的金融資產外，本集團於資產負債表日對其他金融資產的賬面價值進行檢查，如果有客觀證據表明某項金融資產發生減值的，計提減值準備。

以攤余成本計量的金融資產發生減值時，按預計未來現金流量(不包括尚未發生的未來信用損失)現值低於賬面價值的差額，計提減值準備。如果有客觀證據表明該金融資產價值已恢復，且客觀上與確認該損失後發生的事項有關，原確認的減值損失予以轉回，計入當期損益。

當可供出售金融資產發生減值，原直接計入所有者權益的因公允價值下降形成的累計損失予以轉出並計入減值損失。對已確認減值損失的可供出售債務工具投資，在期後公允價值上升且客觀上與確認原減值損失後發生的事項有關的，原確認的減值損失予以轉回並計入當期損益。對已確認減值損失的可供出售權益工具投資，期後公允價值上升直接計入所有者權益。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 10. Financial Assets and Financial Liabilities (Continued)

##### (2) Financial Liabilities

##### 1) *Classification, Recognition Basis and Measurement Method of Financial Liabilities*

Financial liabilities of the Group shall be classified into the financial liabilities measured at fair value with the variation included into the current profits and losses and other financial liabilities when they are initially recognized.

The financial liability measured at fair value with the variation included into the current profits and losses is measured subsequently, including financial liabilities held for trading and financial liabilities designated to be measured at fair value with the variation included into current profits and losses for the current period when initially recognizing, the profit or loss occurred from change of the fair value and the relevant dividend and interest expenditure of such financial liability are recorded into the current profits and losses.

Other financial liabilities are subsequently measured at the amortized cost according to the effective interest method.

##### 2) *Condition for De-recognition of Financial Liabilities*

When all or parts of current obligations of the financial liabilities are released, such financial liabilities or a part that the obligations have been released shall be de-recognized correspondingly. Where the Company enters into an agreement with a creditor, so as to substitute the existing financial liabilities by way of any new financial liability, and if the contractual stipulations regarding the new financial liability is substantially different from that regarding the existing financial liability, it shall stop the recognition of the existing financial liability, and shall at the same time recognize the new financial liability. Substantial adjustments by the Company to all or partial terms in contracts related to existing financial liabilities shall be considered as termination of confirmation for all or parts of existing financial debts, and such financial debts after modification shall be deemed as new financial debts. Balance between the book value of the parts to be de-recognized and consideration paid shall be included into current profits and losses.

### 四、重要會計政策及會計估計(續)

#### 10. 金融資產和金融負債(續)

##### (2) 金融負債

##### 1) 金融負債分類、確認依據和計量方法

本集團的金融負債於初始確認時分類為以公允價值計量且其變動計入當期損益的金融負債和其他金融負債。

以公允價值計量且其變動計入當期損益的金融負債，包括交易性金融負債和初始確認時指定為以公允價值計量且其變動計入當期損益的金融負債，按照公允價值進行後續計量，公允價值變動形成的利得或損失以及與該金融負債相關的股利和利息支出計入當期損益。

其他金融負債採用實際利率法，按照攤余成本進行後續計量。

##### 2) 金融負債終止確認條件

當金融負債的現時義務全部或部分已經解除時，終止確認該金融負債或義務已解除的部分。公司與債權人之間簽訂協議，以承擔新金融負債方式替換現存金融負債，且新金融負債與現存金融負債的合同條款實質上不同的，終止確認現存金融負債，並同時確認新金融負債。公司對現存金融負債全部或部分的合同條款作出實質性修改的，終止確認現存金融負債或其一部分，同時將修改條款後的金融負債確認為一項新金融負債。終止確認部分的賬面價值與支付的對價之間的差額，計入當期損益。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 10. Financial Assets and Financial Liabilities (Continued)

##### (3) Methods of Recognition of Fair Value of Financial Assets and Financial Liabilities

The fair value of financial assets and financial liabilities in the Group shall be measured by the price in the primary market, and if no the primary market, such assets and liabilities shall be measured by the price in the most favorable market. And then applicable and sufficient data and valuation techniques supported by other information shall be used. Input values used for measuring the fair value shall be classified into three levels, that is to say, the input value of the first level is the unadjusted offer obtained on the measurement date for the same assets and liabilities in the active market; the input value of the second level shall be observable input values directly or indirectly related to assets or liabilities, except for the input value of the first level; the input value of the third level is the unobservable input value of relevant assets or liabilities. The Group prefers the input value of the first level, then uses the input value of the third level. The Group determines the level that the measurement result of the fair value belongs to as per the lowest level that the input value of significant importance belongs to with respect to the whole of the measurement of fair values

#### 11. Bad Debt Reserve of Receivables

The standards for the Group to recognize the receivables bad debt losses are as follows: It fails to pay the debts within the foreseeable time due to revocation, bankruptcy, insolvency, serious shortage of cash flow and serious natural disaster of the debtor; and that the debtor has not performed its repayment obligations for three years and there are relevant evidences showing that they cannot be recovered.

The Group calculates the potential bad debt losses by allowance method; and conducts impairment test separately or by combination at end of the year, with Bad Debt Provision withdrawn and included into current profits and losses. Account receivables that have been recognized for failure of collection with unambiguous evidence shall be recognized as bad debt loss and used to write off withdrawn Bad Debt Provision.

### 四、重要會計政策及會計估計(續)

#### 10. 金融資產和金融負債(續)

##### (3) 金融資產和金融負債的公允價值確定方法

本集團金融資產和金融負債以主要市場的價格計量金融資產和金融負債的公允價值，不存在主要市場的，以最有利市場的價格計量金融資產和金融負債的公允價值，並且採用當時適用並且有足夠可利用數據和其他信息支持的估值技術。公允價值計量所使用的輸入值分為三個層次，即第一層次輸入值是計量日能夠取得的相同資產或負債在活躍市場上未經調整的報價；第二層次輸入值是除第一層次輸入值外相關資產或負債直接或間接可觀察的輸入值；第三層次輸入值是相關資產或負債的不可觀察輸入值。本集團優先使用第一層次輸入值，最後再使用第三層次輸入值。公允價值計量結果所屬的層次，由對公允價值計量整體而言具有重大意義的輸入值所屬的最低層次決定。

#### 11. 應收款項壞賬準備

本集團將下列情形作為應收款項壞賬損失確認標準：債務單位撤銷、破產、資不抵債、現金流量嚴重不足、發生嚴重自然災害等導致停產而在可預見的時間內無法償付債務等；債務單位逾期未履行償債義務超過3年；其他確鑿證據表明確實無法收回或收回的可能性不大。

對可能發生的壞賬損失採用備抵法核算，年末單獨或按組合進行減值測試，計提壞賬準備，計入當期損益。對於有確鑿證據表明確實無法收回的應收款項，經本集團按規定程序批准後作為壞賬損失，沖銷提取的壞賬準備。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued) 四、重要會計政策及會計估計(續)

#### 11. Bad Debt Reserve of Receivables (Continued)

##### (1) Receivables which single amount is significant with single bad debt provision

Judgment basis or amount standard for significant single amount

單項金額重大的判斷依據或金額標準

Withdrawing method of receivables which single amount is significant with single bad debt reserve

單項金額重大並單項計提壞賬準備的計提方法

#### 11. 應收款項壞賬準備(續)

##### (1) 單項金額重大並單獨計提壞賬準備的應收款項

The Group considers the receivables with the single amount exceeding RMB 5 million yuan as the significant receivables

將單項金額超過500萬元的應收款項視為重大應收款項

The Group withdraws bad debt reserve based on negative balance of presentvalue of future cash flow and book value

根據其未來現金流量現值低於其賬面價值的差額,計提壞賬準備

##### (2) Receivables which bad debts are withdrawn by combination of credit risk features

Withdrawing method of bad debt reserve by combination (aging analysis method)

按組合計提壞賬準備的計提方法(賬齡分析法)

Combination by aging

賬齡組合

Proportion of withdrawing of Bad Debt Provision for receivables by aging analysis method is as follows:

##### (2) 按信用風險特徵組合計提壞賬準備的應收款項

Withdrawing of Bad Debt Provision by aging analysis method

按賬齡分析法計提壞賬準備

採用賬齡分析法的應收款項壞賬準備計提比例如下:

Aging	賬齡	Proportion of Withdrawing of Receivables (%) 應收賬款計提比例(%)	Proportion of Withdrawing of Other Receivables (%) 其他應收款計提比例(%)
Within one year	一年以內	1	1
One to two years	一至二年	10	10
Two to three years	二至三年	20	20
Three to four years	三至四年	50	50
Four to five years	四至五年	80	80
More than five years	五年以上	100	100

##### (3) Receivables which single amount is insignificant with single bad debt reserve

Reasons for single withdrawal of Bad Debt Provision

單項計提壞賬準備的理由

Withdrawing method of Bad Debt Provision

壞賬準備的計提方法

##### (3) 單項金額不重大但單獨計提壞賬準備的應收款項

Receivables with insignificant single amount and whose risk characteristics cannot be reflected through bad debt reserve accrued in combinations

單項金額不重大且按照組合計提壞賬準備不能反映其風險特徵的應收款項

The Group withdraws bad debt reserve based on negative balance of presentvalue of future cash flow and book value

根據其未來現金流量現值低於其賬面價值的差額,計提壞賬準備

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 12. Inventories

The Group's inventory mainly includes raw materials, packing materials, low-value consumables, goods in process, finished goods, goods shipped in transit, etc.

The perpetual inventory system shall be adopted. Inventories shall be priced as per actual cost when acquired. For the inventories requisitioned or in transit, the actual costs thereof shall be recognized by weighted average method. Low-value consumables and packing materials shall be amortized by the one-off amortization method.

For the merchandise inventories, unfinished products, materials for sale and other merchandise inventories directly for sale, the net realizable values thereof shall be recognized at the balance after the estimated selling price of such inventories deducts the estimated sales expenses and relevant taxes. For the material inventories held for production, the net realizable values thereof shall be recognized at the balance after the estimated selling price of the finished product deducts the estimated costs to be incurred upon completion, estimated sales expenses and related taxes.

#### 13. Assets Classified as Assets Held-for-Sale

The Group classifies assets as assets held-for-sale based on the followings: the assets may be sold immediately just as per the usual and common terms for selling the assets; the Group has made resolution with respect to disposal of the parts, signed the irrevocable transfer agreement with the transferee and the transfer will be finished within one year.

#### 14. Long-term Equity Investment

The long-term equity investment of the Group is mainly aimed to subsidiaries, associated enterprises and joint ventures.

The Group judges the common control based on that: all the participants or group of participants collectively control the arrangement; and policies for the activities related to the arrangement must be agreed by participants who collectively control the arrangement.

When the Group directly holds or indirectly holds more than 20% (inclusive) but less than 50% of the voting right of the invested entity through subsidiaries, then it shall be deemed usually having significant influence to the invested entity. When the Group holds less than 20% voting right of the invested entity, it shall comprehensively consider the facts and conditions that whether a representative has been sent to the board of directors or similar authority body in the invested entity, or whether participating in formulation of financial and operating policies of the invested entity, significant transaction happened with the invested entity, dispatching managers to the invested entity or providing key technical data to the invested entity, etc., to judge whether the Group has significant influence to the invested entity.

The invested entity under the control of the Group shall be deemed as the subsidiaries of the Group. If the long-term equity investment is obtained from the business merger under the common control, the share of book value of owners' equity of the merged party in consolidated financial statements of the ultimate controlling party on the date of merger shall be deemed as the initial investment cost of the long-term equity investment. If the book value of the net asset of the merged party on the date of merging is negative, then cost of long-term equity investment shall be determined as zero.

### 四、重要會計政策及會計估計(續)

#### 12. 存貨

本集團存貨主要包括原材料、包裝物、低值易耗品、在產品、庫存商品、發出商品等。

存貨實行永續盤存制,存貨在取得時按實際成本計價。領用或發出存貨,採用加權平均法計算確定;低值易耗品和包裝物採用一次轉銷法進行攤銷。

庫存商品、在產品和用於出售的材料等直接用於出售的商品存貨,其可變現淨值按該存貨的估計售價減去估計的銷售費用和相關稅費後的金額確定;用於生產而持有的材料存貨,其可變現淨值按所生產的產成品的估計售價減去至完工時估計將要發生的成本、估計的銷售費用和相關稅費後的金額確定。

#### 13. 劃分為持有待售資產

本集團將資產劃分為持有待售資產的依據是:資產在當前狀態下僅根據出售此類資產的通常和慣用條款即可立即出售,本集團已經就處置該組成部分作出決議、與受讓方簽訂了不可撤銷的轉讓協議並且該項轉讓將在一年內完成。

#### 14. 長期股權投資

本集團長期股權投資主要是對子公司的投資、對聯營企業的投資和對合營企業的投資。

本集團對共同控制的判斷依據是所有參與方或參與方組合集體控制該安排,並且該安排相關活動的政策必須經過這些集體控制該安排的參與方一致同意。

本集團直接或通過子公司間接擁有被投資單位20%(含)以上但低於50%的表決權時,通常認為對被投資單位具有重大影響。持有被投資單位20%以下表決權的,還需要綜合考慮在被投資單位的董事會或類似權力機構中派有代表、或參與被投資單位財務和經營政策制定過程、或與被投資單位之間發生重要交易、或向被投資單位派出管理人員、或向被投資單位提供關鍵技術資料等事實和情況判斷對被投資單位具有重大影響。

對被投資單位形成控制的,為本集團的子公司。通過同一控制下的企業合併取得的長期股權投資,在合併日按照取得被合併方在最終控制方合併報表中淨資產的賬面價值的份額作為長期股權投資的初始投資成本。被合併方在合併日的淨資產賬面價值為負數的,長期股權投資成本按零確定。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 14. Long-term Equity Investment (Continued)

Under the circumstance that the equity of the invested entity is obtained under the different control through multiple transactions step by step, which results in business merger, supplementary disclosure to treatment methods for long-term equity investment in consolidated financial statements shall be made in the reporting period for acquiring the control. For instance, under the circumstance that the equity of invested entity is obtained under the common control through multiple transactions step by step, which results in the business merger, the Group will conduct accounting treatment on each transaction as one that the control right has been obtained if the transaction belongs to "package deal". If the transactions do not belong to "package deal", the share of book value of owners' equity of the merged party in consolidated financial statements of the ultimate controlling party on the date of merging shall be deemed as the initial investment cost of the long-term equity investment. The balance between the initial investment cost and the sum of the book value of long-term equity investment which has reached the amount before the merger and the book value of new payment consideration obtained under the date of merging shall be applied to adjust capital reserve. If the capital reserve is insufficient to set it off, the retained earnings shall be written down.

For long-term equity investment obtained through business merger under different control, consolidated cost shall be recognized as initial investment cost.

Under the circumstance that the equity of the invested entity is obtained under the different control through multiple transactions step by step, which results in business merger, supplementary disclosure to treatment methods for long-term equity investment in financial statements of parent company shall be made in the reporting period for acquiring the control. For instance, under the circumstance that the equity of invested entity is not obtained under the common control through multiple transactions step by step, which results in the business merger, the Group will conduct accounting treatment on each transaction as one that the control right has been obtained if the transaction belongs to "package deal". Where it does not belong to "package deal", the sum of the book value of equity investment held originally and additional investment costs shall be initial investment costs of long-term equity investment if the accounting method is changed as cost method. If the equity held before the purchase date is calculated by equity method, other related comprehensive incomes calculated by the original equity method shall not be adjusted; and the accounting treatment shall be conducted as per the same basis as that of disposing related assets or liabilities of the invested entity when disposing the investment. Where the equity held before the purchase date is calculated by fair value in the financial assets available-for-sale, then accumulative change of the fair value originally included into other comprehensive income shall be transferred into current investment profits and losses on the date of merging.

### 四、重要會計政策及會計估計(續)

#### 14. 長期股權投資(續)

通過多次交易分步取得同一控制下被投資單位的股權，最終形成企業合併的，應在取得控制權的報告期，補充披露在母公司財務報表中的長期股權投資的處理方法。例如：通過多次交易分步取得同一控制下被投資單位的股權，最終形成企業合併，屬於一攬子交易的，本集團將各項交易作為一項取得控制權的交易進行會計處理。不屬於一攬子交易的，在合併日，根據合併後享有被合併方淨資產在最終控制方合併財務報表中的賬面價值的份額作為長期股權投資的的初始投資成本。初始投資成本與達到合併前的長期股權投資賬面價值加上合併日進一步取得股份新支付對價的賬面價值之和的差額，調整資本公積，資本公積不足沖減的，沖減留存收益。

通過非同一控制下的企業合併取得的長期股權投資，以合併成本作為初始投資成本。

通過多次交易分步取得非同一控制下被投資單位的股權，最終形成企業合併的，應在取得控制權的報告期，補充披露在母公司財務報表中的長期股權投資成本處理方法。例如：通過多次交易分步取得非同一控制下被投資單位的股權，最終形成企業合併，屬於一攬子交易的，本集團將各項交易作為一項取得控制權的交易進行會計處理。不屬於一攬子交易的，按照原持有的股權投資賬面價值加上新增投資成本之和，作為改按成本法核算的初始投資成本。購買日之前持有的股權採用權益法核算的，原權益法核算的相關其他綜合收益暫不做調整，在處置該項投資時採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理。購買日之前持有的股權在可供出售金融資產中採用公允價值核算的，原計入其他綜合收益的累計公允價值變動在合併日轉入當期投資損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 14. Long-term Equity Investment (Continued)

Except long-term equity investment obtained through business merger, for those obtained by cash, purchase amount actually paid shall be used as its initial investment amount; for those obtained through issuing equity security, the fair value of equity security issued shall be used as the initial investment cost; and for those obtained through contribution by the investor, the value agreed as per the investment contract or agreement shall be used as the initial investment cost; for those obtained through debt restructuring, non-monetary assets exchange, etc by the company, then investment cost shall be recognized as per related accounting standards for business enterprises and by combining with actual condition of the company.

The Group calculates the investment to the subsidiaries by cost method, with equity method adopted for associated enterprises and joint ventures.

Long-term equity investment subsequently measured by cost method shall be calculated at fair value of cost paid for the additional investment and book value of the cost of the long-term equity investment added through related transaction fees happened. Cash dividends or profits that the invested entity declares to distribute shall be recognized as the current investment profits as per the cost enjoyed.

For long-term equity investment subsequently measured by equity method, the book value of long-term equity investment shall be accordingly increased or decreased as the owners' equity of the invested entity changes. Wherein, the Group shall, when recognizing the shares of the net losses of the invested entity that shall be enjoyed by the Group, calculate the portion that belongs to the Group based on the fair value of each identifiable asset of the invested entity upon acquisition in accordance with the shareholding ratio by offsetting profits and losses of unrealized internal transaction incurred between the joint venture and associated enterprise, then recognize the net profits of the invested entity after adjustment.

When disposing of long-term equity investment, the balance between the book value and actual price for acquisition shall be included into the current investment profits. If the long-term equity investment calculated by equity method is included into owners' equity due to the other change of the owners' equity of the invested entity besides net profits and losses, the portion previously included in the owners' equity shall, when disposing of a long-term equity investment measured by the equity method, be transferred to the current profits and losses according to a certain proportion.

Where the Company's common control or significant influence over the invested entity is lost due to the disposal of partial equity investment, the residual equity after disposal will be calculated as per the financial assets available-for-sale, the balance between the fair value and book value thereof on the date the common control or significant influence is lost shall be included into the current profits and losses. Other comprehensive income recognized by calculating original equity investment by equity method shall go through accounting treatment on the same basis on which the invested unit directly disposes the relevant assets or liabilities when ceasing to use equity method;

### 四、重要會計政策及會計估計(續)

#### 14. 長期股權投資(續)

除上述通過企業合併取得的長期股權投資外，以支付現金取得的長期股權投資，按照實際支付的購買價款作為投資成本；以發行權益性證券取得的長期股權投資，按照發行權益性證券的公允價值作為投資成本；投資者投入的長期股權投資，按照投資合同或協議約定的價值作為投資成本；公司如有以債務重組、非貨幣性資產交換等方式取得的長期股權投資，應根據相關企業會計準則的規定並結合公司的實際情況披露確定投資成本的方法。

本集團對子公司投資採用成本法核算，對合營企業及聯營企業投資採用權益法核算。

後續計量採用成本法核算的長期股權投資，在追加投資時，按照追加投資支付的成本額公允價值及發生的相關交易費用增加長期股權投資成本的賬面價值。被投資單位宣告分派的現金股利或利潤，按照應享有的金額確認為當期投資收益。

後續計量採用權益法核算的長期股權投資，隨著被他投資單位所有者權益的變動相應調整增加或減少長期股權投資的賬面價值。其中在確認應享有被投資單位淨損益的份額時，以取得投資時被投資單位各項可辨認資產等的公允價值為基礎，按照本集團的會計政策及會計期間，並抵銷與聯營企業及合營企業之間發生的內部交易損益按照持股比例計算歸屬於投資企業的部分，對被投資單位的淨利潤進行調整後確認。

處置長期股權投資，其賬面價值與實際取得價款的差額，計入當期投資收益。採用權益法核算的長期股權投資，因被投資單位除淨損益以外所有者權益的其他變動而計入所有者權益的，處置該項投資時將原計入所有者權益的部分按相應比例轉入當期投資損益。

因處置部分股權投資等原因喪失了對被投資單位的共同控制或重大影響的，處置後的剩餘股權改按可供出售金融資產核算，剩餘股權在喪失共同控制或重大影響之日的公允價值與賬面價值之間的差額計入當期損益。原股權投資因採用權益法核算而確認的其他綜合收益，在終止採用權益法核算時採用與被投資單位直接處置相關資產或負債相同的基礎進行會計處理。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued) 四、重要會計政策及會計估計(續)

#### 14. Long-term Equity Investment (Continued)

When the Group loses the control over invested entity for disposal of partial long-term equity investment, the accounting method shall be changed to equity method if the remaining shares after disposal still have joint control or significant impacts on the invested entity, with the balance between the book value of equity to be disposed and consideration of disposal included into the investment profits. While the remaining shares after disposal do not have joint control or significant impacts on invested entity anymore, the accounting treatment shall be conducted as per regulations related to recognition and measurement standards of financial instruments and its balance between fair value and book value on the date of losing the control shall be included into current losses and profits.

For various transactions where the Group loses equity through disposing of equity step by step that do not belong to "package deal", accounting treatment shall be conducted for each transaction. If the transactions belong to "package deal", then the Group shall conduct accounting treatment on the transaction which shall be taken as a transaction for disposing subsidiaries with control right lost; however, before loss of control right, the balance between each price disposal and the book value of long-term equity investment correspondingly in equity disposed shall be firstly recognized in the other comprehensive income and then wholly transferred into the current profit and loss when losing control right.

#### 15. Investment Properties

The investment properties of the Group include the right to use any land which has already been rented, the right to use any land which is held and prepared for transfer after appreciation and the right to use any building which has already been rented. The Group makes subsequent measurement on the investment real estate at cost.

Investment properties of the Group shall be depreciated or amortized by straight-line method. The estimated service life, net residual value rate and yearly depreciation (amortization) of investment properties are presented as follows:

Category	類別	Depreciation life (year) 折舊年限(年)	Estimated Residuals Rate (%) 預計殘值率(%)	Annual Depreciation Rate (%) 年折舊率(%)
Land Use Right	土地使用權	50	-	2.000
Houses and Buildings	房屋建築物	40	5	2.375

#### 14. 長期股權投資(續)

因處置部分長期股權投資喪失了對被投資單位控制的，處置後的剩餘股權能夠對被投資單位實施共同控制或施加重大影響的，改按權益法核算，處置股權賬面價值和處置對價的差額計入投資收益，並對該剩餘股權視同自取得時即採用權益法核算進行調整；處置後的剩餘股權不能對被投資單位實施共同控制或施加重大影響的，改按可供出售金融資產的有關規定進行會計處理，處置股權賬面價值和處置對價的差額計入投資收益，剩餘股權在喪失控制之日的公允價值與賬面價值間的差額計入當期投資損益。

本集團對於分步處置股權至喪失控制權的各項交易不屬於一攬子交易的，對每一項交易分別進行會計處理。屬於「一攬子交易」的，將各項交易作為一項處置子公司並喪失控制權的交易進行會計處理，但是，在喪失控制權之前每一次交易處置價款與所處置的股權對應的長期股權投資賬面價值之間的差額，確認為其他綜合收益，到喪失控制權時再一並轉入喪失控制權的當期損益。

#### 15. 投資性房地產

本集團投資性房地產包括已出租的土地使用權、持有並準備增值後轉讓的土地使用權和已出租的房屋建築物。本集團對投資性房地產採用成本模式進行後續計量。

本集團投資性房地產採用平均年限法計提折舊或攤銷。各類投資性房地產的預計使用壽命、淨殘值率及年折舊(攤銷)率如下：



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#### 16. Fixed Assets 16. 固定資產

The fixed assets of the Group refer to those tangible assets held for production of commodities, rendering labor services, lease or management with its service life more than one year.

No fixed asset may be recognized unless it simultaneously meets the conditions as follows: The economic benefits pertinent to the fixed asset are likely to flow into the enterprise; and the cost of the fixed asset can be measured reliably. Fixed assets include houses and building, machinery equipment, transportation equipment, office equipment and other equipment.

Except for the fixed assets that have been fully depreciated but are still in use, the Group shall carry out depreciation on all fixed assets. The depreciation is withdrawn by straight-line-method. The category, depreciation life, estimated residuals rate and depreciation rate of the fixed assets of the Group are as follows:

Category	類別	Depreciation Life (Year) 折舊年限(年)	Estimated Residuals Rate (%) 預計殘值率(%)	Annual Depreciation Rate (%) 年折舊率(%)
Houses and Buildings	房屋建築物	40	5	2.375
Machinery Equipment	機器設備	10	5-10	9-9.5
Electronic Equipment	電氣設備	5-10	5-10	9-19
Transportation Equipment	運輸設備	5	5-10	18-19
Office Equipment and Others	辦公設備和其他	5	5-10	18-19

The Group will review the estimated service life, estimated net salvage value and depreciation method at the end of current year for fixed assets. In case of change, it shall be treated as change of accounting estimates for handling.

The Group will record the lower one of the fair value of the leased asset and the present value of the minimum lease payments as the entering value in an account for fixed assets under financial lease. The balance between the entering value of leased assets and the minimum lease payment shall be deemed unrecognized financial fee.

The fixed assets under financial lease shall be depreciated according to the same depreciation policy as that for self-owned fixed assets. If it is reasonable to confirm that the lessee will obtain the ownership of the leased asset when the lease term expires, the leased fixed asset shall be depreciated over its estimated service life; otherwise, the leased fixed asset shall be depreciated over the shorter one of the lease term or its service life.

#### 16. 固定資產

本集團固定資產是指同時具有以下特徵，即為生產商品、提供勞務、出租或經營管理而持有的，使用年限超過一年的有形資產。

固定資產在與其有關的經濟利益很可能流入本集團、且其成本能夠可靠計量時予以確認。固定資產包括房屋及建築物、機器設備、電氣設備、運輸設備、辦公設備和其他。

除已提足折舊仍繼續使用的固定資產外，本集團對所有固定資產計提折舊。計提折舊時用平均年限法。本集團固定資產的分類折舊年限、預計淨殘值率、折舊率如下：

每年年度終了，對固定資產的預計使用壽命、預計淨殘值和折舊方法進行覆核，如發生改變，則作為會計估計變更處理。

融資租入固定資產以租賃資產的公允價值與最低租賃付款額的現值兩者中的較低者作為租入資產的入賬價值。租入資產的入賬價值與最低租賃付款額之間的差額作為未確認融資費用。

融資租入的固定資產採用與自有固定資產相一致的折舊政策。能夠合理確定租賃期屆滿時將取得租入資產所有權的，租入固定資產在其預計使用壽命內計提折舊；否則，租入固定資產在租賃期與該資產預計使用壽命兩者中較短的期間內計提折舊。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

### 四、重要會計政策及會計估計(續)

#### 17. Projects under Construction

Projects under construction shall be transferred into fixed assets at the estimated value as per the project budget, construction cost or actual cost of the projects from the date that they reach the estimated serviceable condition, and be depreciated from the next month and be adjusted for difference from the original value of fixed asset after the completion settlement procedures have been handled.

#### 18. Borrowing Costs

The borrowing costs incurred that can be directly attributable fixed assets, investment properties and inventories, etc. that can reach scheduled usable and salable status through the acquisition and construction or production for over one year shall be capitalized when the following conditions are met: Where the asset disbursements have already incurred; where the borrowing costs have already incurred; and where the construction activities which are necessary to prepare the asset for its intended use or sale have already started. When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the capitalization of the borrowing costs shall be ceased, with the subsequently happened borrowing cost included into current profits and losses. Where the acquisition and construction or production of a qualified asset is interrupted abnormally and the interruption period lasts for more than 3 months, the capitalization of the borrowing costs shall be suspended until the construction or production events of asset begin again.

The actual interest cost incurred of the specially borrowed loan at the present period minus the income of interests earned on the unused borrowing liabilities as a deposit in the bank or as a temporary investment shall be capitalized. The Group shall calculate and determine the to-be-capitalized amount of interests on the general borrowing by multiplying the weighted average asset disbursement of the part of the accumulative asset disbursements minus the specific borrowing by the capitalization rate of the general borrowing used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

#### 17. 在建工程

在建工程在達到預定可使用狀態之日起，根據工程預算、造價或工程實際成本等，按估計的價值結轉固定資產，次月起開始計提折舊，待辦理了竣工決算手續後再對固定資產原值差異進行調整。

#### 18. 借款費用

發生的可直接歸屬於需要經過一年以上的購建或者生產活動才能達到預定可使用或者可銷售狀態的固定資產、投資性房地產和存貨等的借款費用，在資產支出已經發生、借款費用已經發生、為使資產達到預定可使用或可銷售狀態所必要的購建或生產活動已經開始時，開始資本化；當購建或生產符合資本化條件的資產達到預定可使用或可銷售狀態時，停止資本化，其後發生的借款費用計入當期損益。如果符合資本化條件的資產在購建或者生產過程中發生非正常中斷、且中斷時間連續超過3個月，暫停借款費用的資本化，直至資產的購建或生產活動重新開始。

專門借款當期實際發生的利息費用，扣除尚未動用的借款資金存入銀行取得的利息收入或進行暫時性投資取得的投資收益後的金額予以資本化；一般借款根據累計資產支出超過專門借款部分的資產支出加權平均數乘以所佔用一般借款的資本化率，確定資本化金額。資本化率根據一般借款加權平均利率計算確定。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 19. Intangible Assets

The intangible assets of the Group include land use right, patented technology, non-patented technology, etc, which shall be measured at actual cost when being obtained; wherein, for the intangible assets purchased, price actually paid and related other expenditure shall be deemed as actual cost; for the intangible assets invested by the investor, value agreed in accordance with investment contract or agreement is recognized as actual cost, except value agreed in the contract or agreement is unfair, in such case, the actual cost shall be recognized at fair value.

The land use right shall be amortized at average as per the years of transfer from the date of transferring the land use right; intangible assets such as patented technology and non-patented technology shall be amortized at average as per the shortest of the estimated service life, benefit year stipulated in the contract and effective service life stipulated by law. Amortized amount shall be included into related asset cost and current profits and losses as per the benefit object. It is necessary to review the estimated service life and amortization method of the intangible asset with limited service life at the end of each year. In case of any change, it shall be treated as changes in accounting evaluation for handling.

The Group shall, at the end of each accounting period, re-check the estimated service life of intangible assets with uncertain service life.

The expenditure of R&D of the Group shall be divided into expenditures for research and development as per its nature and that whether the intangible assets finally formed from R&D have a relative uncertainty.

Research expenditures shall be recorded into current profits and losses when incurring.

Development expenditures shall be recognized as intangible assets when the following conditions are met:

- (1) Where it is feasible technically to finish intangible assets for use or sale;
- (2) Where the management is intended to finish and use or sell the intangible assets;
- (3) Where the usefulness of methods for intangible assets to generate economic benefits shall be proved, including being able to prove that there is a potential market for the products manufactured by applying the intangible assets or there is a potential market for the intangible assets themselves or the intangible assets will be used internally;
- (4) Where it is able to finish the development of the intangible assets, and able to use or sell the intangible assets, with the support of sufficient technologies, financial resources and other resources; and
- (5) Where the development expenditures of the intangible assets can be reliably measured.

### 四、重要會計政策及會計估計(續)

#### 19. 無形資產

本集團無形資產包括土地使用權、專利技術、非專利技術等，按取得時的實際成本計量，其中，購入的無形資產，按實際支付的價款和相關的其他支出作為實際成本；投資者投入的無形資產，按投資合同或協議約定的價值確定實際成本，但合同或協議約定價值不公允的，按公允價值確定實際成本。

土地使用權從出讓起始日起，按其出讓年限平均攤銷；專利技術、非專利技術等無形資產按預計使用年限、合同規定的受益年限和法律規定的有效年限三者中最短者分期平均攤銷。攤銷金額按其受益對象計入相關資產成本和當期損益。對使用壽命有限的無形資產的預計使用壽命及攤銷方法於每年年度終了進行覆核，如發生改變，則作為會計估計變更處理。

在每個會計期間，本集團對使用壽命不確定的無形資產的預計使用壽命進行覆核。

本集團的研究開發支出根據其性質以及研發活動最終形成無形資產是否具有較大不確定性，分為研究階段支出和開發階段支出。

研究階段的支出，於發生時計入當期損益。

開發階段的支出，同時滿足下列條件的，確認為無形資產：

- (1) 完成該無形資產以使其能夠使用或出售在技術上具有可行性；
- (2) 管理層具有完成該無形資產並使用或出售的意圖；
- (3) 無形資產產生經濟利益的方式，包括能夠證明運用該無形資產生產的產品存在市場或無形資產自身存在市場，無形資產將在內部使用的，能夠證明其有用性；
- (4) 有足夠的技術、財務資源和其他資源支持，以完成該無形資產的開發，並有能力使用或出售該無形資產；及
- (5) 歸屬於該無形資產開發階段的支出能夠可靠地計量。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

### 四、重要會計政策及會計估計(續)

#### 19. Intangible Assets (Continued)

Development expenditures not meeting the said conditions will be included into current profits and losses when incurring. The development expenditures that have been included in the profits and losses previously shall not be recognized as assets in the subsequent period. The capitalized expenditures in the development stage shall be presented as development expenditures on the balance sheet and shall be transferred into intangible assets from the date when the project meets the expected conditions for use.

#### 20. Long-term Impairment of Assets

As for fixed asset, projects under construction, the intangible asset with limited service life, the investment properties measured at cost pattern, the long term equity investment on subsidiaries, joint ventures and associated enterprises, the Group will make impairment test if there exists indication of impairment on assets on the balance sheet date. Where the measurement result of the impairment test indicates that an asset's book value exceeds the recoverable amount, impairment provision shall be withdrawn based on its balances and recorded into the impairment loss. The recoverable amount of assets refers to the higher one of the net amount of the fair value of the asset minus the disposal expenses and the present value of the expected future cash flow of the asset. Asset impairment provision is calculated and recognized base on single asset. In case of the difficulty to estimate the recoverable amount of single asset, the recoverable amount of asset group is recognized in accordance with the asset group that such asset belongs to. The asset group refers to the minimum combination of asset that can independently generate cash inflow.

Goodwill separately listed in the financial statements shall be tested for impairment at least once each year no matter whether there exists impairment indication. When conducting impairment test, the book value of goodwill shall be amortized to the beneficial assets group or combination of asset groups according to the synergy of business merger. If the test result indicates that the recoverable amount of the asset group or the combination of asset groups of the goodwill apportioned is lower than its book value, corresponding impairment loss is recognized. The amount of the impairment loss shall first be used to charge against the book value of the goodwill of asset group or combination of asset groups then charge it against the book value of other assets in proportion to the weight of other assets in the asset group or combination of asset groups with the goodwill excluded.

Once any loss of asset impairment is recognized, it shall not be reversed in the future accounting periods.

#### 21. Long-term Unamortized Expenses

Long-term unamortized expense of the Group includes turnover fees and property insurance fees. Such fees shall be amortized during the benefit period at average; if long-term unamortized expenses cannot make benefits in the future accounting period, its amortized value of the project that has not been amortized shall be fully transferred into the current profits and losses.

#### 19. 無形資產(續)

不滿足上述條件的開發階段的支出，於發生時計入當期損益。前期已計入損益的開發支出在以後期間不再確認為資產。已資本化的開發階段的支出在資產負債表上列示為開發支出，自該項目達到預定可使用狀態之日起轉為無形資產。

#### 20. 長期資產減值

本集團於每一資產負債表日對固定資產、在建工程、使用壽命有限的無形資產、以本模式計量的投資性房地產及對子公司、合營企業、聯營企業的長期股權投資等，於資產負債表日存在減值跡象的，進行減值測試。減值測試結果表明資產的賬面價值超過其可收回金額的，按其差額計提減值準備並計入減值損失。資產的可收回金額是指資產的公允價值減去處置費用後的淨額與資產預計未來現金流量的現值兩者之間的較高者。資產減值準備按單項資產為基礎計算並確認，如果難以對單項資產的可收回金額進行估計的，以該資產所屬的資產組確定資產組的可收回金額。資產組是指能夠獨立產生現金流入的最小資產組合。

在財務報表中單獨列示的商譽，無論是否存在減值跡象，至少每年進行減值測試。減值測試時，商譽的賬面價值分攤至預期從企業合併的協同效應中受益的資產組或資產組組合。測試結果表明包含分攤的商譽的資產組或資產組組合的可收回金額低於其賬面價值的，確認相應的減值損失。減值損失金額先抵減分攤至該資產組或資產組組合的商譽的賬面價值，再根據資產組或資產組組合中除商譽以外的其他各項資產的賬面價值所佔比重，按比例抵減其他各項資產的賬面價值。

上述資產的減值損失一經確認，在以後會計期間不予轉回。

#### 21. 長期待攤費用

本集團的長期待攤費用包括周轉瓶和財產保險費用。該等費用在受益期內平均攤銷，如果長期待攤費用項目不能使以後會計期間受益，則將尚未攤銷的該項目的攤餘價值全部轉入當期損益。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 22. Employees' Remuneration

The employee remuneration includes the short-term employee remuneration, post-employment benefit, dismissal welfare and other long-term benefits.

Short-term employee remuneration includes employee salary, employee benefit, medical insurance, etc.; the Group shall recognize the short-term remuneration actually incurred as liability and record it in the current profits and losses or relevant asset costs during the accounting period when employees provide services.

Post-employment benefit mainly includes basic pension insurance, unemployment insurance, etc., which shall be classified into defined contribution plan and defined benefit plan as per the risk and obligation assumed by the Company. Contribution that paid to individual subject for the services provided by the employees in the accounting period on the balance sheet date as per the defined contribution plan shall be recognized as liabilities, and included into current profits and losses or related asset cost as per the benefit object.

For the defined benefit plan, the Group shall make estimate on the demographic variables and financial variables, measure obligations for set benefit plan and recognize the belonging period of related obligations through consistent actuarial assumptions without prejudice as per the estimated cumulative welfare institutions method. The obligations incurred from the defined benefit plan shall be discounted as per the discount rate, to recognize the present value of obligations of the set benefit plan and cost of the current services.

Dismissal welfare refers to compensation provided to employees for terminating the labor relationship with employees before the expiration of the labor contract between the Group and the employee, or for encouraging the employees to voluntarily accept the reduction.

Other long-term benefit refers to all employee remuneration except short-term employee remuneration, post-employment benefit and dismissal welfare.

#### 23. Estimated Liabilities

The Group shall recognize businesses pertinent to contingencies such as external guarantee, commercial acceptance bill discount, pending action or arbitration, assurance on product quality as liabilities when the following conditions are satisfied simultaneously: That obligation is a current obligation of the enterprise; It is likely to cause any economic benefit to flow out of the enterprise as a result of performance of the obligation; and The amount of the obligation can be measured in a reliable way.

Estimated liabilities are initially measured according to the best estimated number of expenditure needed for implementing relevant actual liability with comprehensive consideration on contingency related risks, uncertainties and currency time value, etc. If the time value of money is of great significance, the best estimate shall be determined after discounting the relevant future cash outflow. The increased amount of the book value of the estimated liabilities due to discount with the passage of time shall be recognized as interest costs.

Book value of estimated liabilities shall be reviewed on each balance sheet date, which shall also be adjusted to reflect the current optimal estimation.

### 四、重要會計政策及會計估計(續)

#### 22. 職工薪酬

本集團職工薪酬包括短期薪酬、離職後福利、辭退福利和其他長期福利。

短期薪酬主要包括職工工資、職工福利費、醫療保險費等，在職工提供服務的會計期間，將實際發生的短期薪酬確認為負債，並按照受益對象計入當期損益或相關資產成本。

離職後福利主要包括基本養老保險費、失業保險費等，按照公司承擔的風險和義務，分類為設定提存計劃、設定受益計劃。對於設定提存計劃在根據在資產負債表日為換取職工在會計期間提供的服務而向單獨主體繳存的提存金確認為負債，並按照受益對象計入當期損益或相關資產成本。

對於設定受益計劃，本集團根據預期累計福利單位法，採用無偏且相互一致的精算假設對有關人口統計變量和財務變量等做出估計，計量設定受益計劃所產生的義務，並確定相關義務的歸屬期間。按照折現率將設定受益計劃所產生的義務予以折現，以確定設定受益計劃義務的現值和當期服務成本。

辭退福利是指本集團在職工勞動合同到期之前解除與職工的勞動關係，或者為鼓勵職工自願接受裁減而給予職工的補償。

其他長期福利，是指除短期薪酬、離職後福利、辭退福利之外所有的職工薪酬。

#### 23. 預計負債

當與對外擔保、商業承兌匯票貼現、未決訴訟或仲裁、產品質量保證等或有事項相關的業務同時符合以下條件時，本集團將其確認為負債：該義務是本集團承擔的現時義務；該義務的履行很可能導致經濟利益流出企業；該義務的金額能夠可靠地計量。

預計負債按照履行相關現時義務所需支出的最佳估計數進行初始計量，並綜合考慮與或有事項有關的風險、不確定性和貨幣時間價值等因素。貨幣時間價值影響重大的，通過對相關未來現金流出進行折現後確定最佳估計數。因隨著時間推移所進行的折現還原而導致的預計負債賬面價值的增加金額，確認為利息費用。

每個資產負債表日對預計負債的賬面價值進行覆核並進行適當調整以反映當前最佳估計數。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 24. Stock Payment

The stock payment settled by equity for obtaining services of employees shall be measured according to the fair value on the date when granting the equity instrument to employees; In situations where the amount of fair value is only vested after completing services in waiting period or reaching specific performance conditions, the amount fair value calculated by the method of line based on the optimal estimation of the quantity of vesting equity instruments in waiting period shall be include it into relevant cost or expense, with capital reserves increased correspondingly.

Stock payment settled by cash shall be measured at the fair value of liabilities recognized based on stocks or other equity instruments assumed by the Group. For the stock payment with immediate vesting after it is granted, its relevant cost or expenditure shall be included on the date when it is vested with increasing the liabilities correspondingly; for the stock payment vesting only after the services in the waiting period is completed or the specified performance conditions are satisfied, the services obtained in the current period shall be recorded into costs or expenditures based on the optimal estimation of the vesting and at the fair value of the liabilities assumed by the Company on each balance sheet date within the waiting period, and the liabilities shall be adjusted correspondingly.

On each balance sheet date and settlement date before settlement of relevant liabilities, the fair value of liabilities shall be re-measured, and its changes shall be included in the current profits and losses.

If the Group cancels the equity instruments granted in the waiting period (except for those canceled due to unsatisfaction to the vesting conditions), such a cancellation shall be treated as accelerated vesting as that stock payment plan in the remaining waiting period has fully met the vesting conditions; and the Group will recognize all expenses in the remaining waiting period on the current period of canceling vested equity instrument.

### 四、重要會計政策及會計估計(續)

#### 24. 股份支付

用以換取職工提供服務的以權益結算的股份支付，以授予職工權益工具在授予日的公允價值計量。該公允價值的金額在完成等待期內的服務或達到規定業績條件才可行權的情況下，在等待期內以對可行權權益工具數量的最佳估計為基礎，按直線法計算計入相關成本或費用，相應增加資本公積。

以現金結算的股份支付，按照本集團承擔的以股份或其他權益工具為基礎確定的負債的公允價值計量。如授予後立即可行權，在授予日以承擔負債的公允價值計入相關成本或費用，相應增加負債；如需完成等待期內的服務或達到規定業績條件以後才可行權，在等待期的每個資產負債表日，以對可行權情況的最佳估計為基礎，按照本集團承擔負債的公允價值金額，將當期取得的服務計入成本或費用，相應調整負債。

在相關負債結算前的每個資產負債表日以及結算日，對負債的公允價值重新計量，其變動計入當期損益。

本集團在等待期內取消所授予權益工具的(因未滿足可行權條件而被取消的除外)，作為加速行權處理，即視同剩餘等待期內的股權支付計劃已經全部滿足可行權條件，在取消所授予權益工具的當期確認剩餘等待期內的所有費用。



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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 25. Recognition Principle and Measurement Method of Revenues

The operating revenues of the Group mainly cover revenues from selling goods, rendering labor services and alienating of right to use assets; and the policies for income recognition are as follows:

##### (1) Incomes from Sales of Goods

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied: the Group has transferred to the buyer the significant risks and rewards of ownership of the goods; the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the economic benefits associated with the transaction will flow to the Group; and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### (2) Incomes from Rendering Labor Services

The revenues from services rendering will be recognized when total incomes and costs for rendering services can be reliably measured; economic benefits related to transaction can flow into the Group and completeness degree of service rendered can be reliably determined.

If the results of rendering labor services can be reliably estimated, the Group shall, on the balance sheet date, recognize the related income from rendering labor services by employing completion percentage method; while recognize the completion percentage as per the percentage of the completed work to the total estimated cost; if the results of labor transaction provided cannot be reliably estimated and the cost of labor services incurred is expected to be compensated, then the revenue from rendering labor services shall be recognized in accordance with the amount of the cost of labor services incurred, and the cost of labor services shall be carried forward at the same amount. If the result of a labor transaction provided cannot be evaluated and all costs of labor incurred are not expected to be compensated, the cost of labor incurred shall be included into current profits and losses, without labor incomes recognized.

##### (3) Alienating the Right to Use Assets

The incomes from alienating of right to use assets will be recognized when incomes from right to use from alienating of right to use assets can be recognized as per the charging time and method stipulated in relevant contract or agreement; the relevant economic benefits related to transaction are likely to flow into the Group; and the amount of revenues can be measured reliably.

### 四、重要會計政策及會計估計(續)

#### 25. 收入確認原則和計量方法

本集團的營業收入主要包括銷售商品收入、提供勞務收入、讓渡資產使用權收入，收入確認政策如下：

##### (1) 銷售商品收入

在已將商品所有權上的主要風險和報酬轉移給購貨方、既沒有保留通常與所有權相聯繫的繼續管理權、也沒有對已售出的商品實施有效控制、收入的金額能夠可靠地計量、相關的經濟利益很可能流入本集團、相關的已發生或將發生的成本能夠可靠地計量時，確認銷售商品收入的實現。

##### (2) 提供勞務收入

在勞務總收入和總成本能夠可靠地計量、與勞務相關的經濟利益很可能流入本集團、勞務的完成進度能夠可靠地確定時，確認勞務收入的實現。

在資產負債表日，提供勞務交易的結果能夠可靠估計的，按完工百分比法確認相關的勞務收入，完工百分比按已經發生的成本佔估計總成本的比例確定；提供勞務交易結果不能夠可靠估計、已經發生的勞務成本預計能夠得到補償的，按已經發生的能夠得到補償的勞務成本金額確認提供勞務收入，並結轉已經發生的勞務成本；提供勞務交易結果不能夠可靠估計、已經發生的勞務成本預計全部不能得到補償的，將已經發生的勞務成本計入當期損益，不確認提供勞務收入。

##### (3) 讓渡資產使用權

讓渡資產使用權而產生的使用費收入按照有關合同或協議規定的收費時間和收費方法計算確定，並當與交易相關的經濟利益很可能流入本集團、收入的金額能夠可靠地計量時，確認讓渡資產使用權收入的實現。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

### 四、重要會計政策及會計估計(續)

#### 26. Government Subsidies

The government subsidies of the Group are divided into government subsidies related to assets and government subsidies related to incomes.

Where the government subsidy is monetary asset, it shall be measured at the amount received; for subsidy granted as per the fixed quota standard, when there are unambiguous evidences showing that related conditions as stipulated in the financial supporting policies are met and it is expected that the financial supporting assets can be obtained, such subsidy shall be measured as per the receivable amount; where the government subsidy is non-monetary asset, it shall be measured at the fair value; if the fair value cannot be obtained, then it shall be measured at its nominal amount (RMB 1).

The governmental subsidies related to assets shall be recognized as deferred incomes; and shall be included into the current profits and losses when they are allocated at average within the service life of related asset. The governmental subsidies related to income shall be recognized as deferred incomes and included into the current profits and losses when determining the related expenses if they is used for compensating the subsequent related expenses or losses; should they are used for compensating the related expenses or losses that have incurred, they shall be included into the current profits and losses.

#### 27. Deferred Income Tax Assets and Deferred Income Tax Liabilities

The deferred income tax assets and deferred income tax liabilities of the Group shall be calculated and recognized as per the taxation base of assets and liabilities and the balance of their book values (temporary balance). As for deductible loss that can claim a credit against the taxable income in the subsequent years as per the provisions of the tax laws, relevant deferred income assets shall be recognized. As of temporary balance arising out from initial recognition of goodwill, no relevant deferred income tax liabilities shall be recognized. As for temporary balance arising out from the initial recognition of assets or liabilities from the transactions of non-business merger that cannot influence accounting profits nor taxable income (or deductible loss), no relevant deferred income tax assets and deferred income tax liabilities shall be recognized. On the balance sheet date, the deferred income tax assets and deferred income tax liabilities shall be measured at the tax rate applicable to the period during which the assets are expected to be recovered or the liabilities are expected to be settled.

The Group recognizes the deferred income tax asset to the extent of any deductible temporary balance, deductible loss or tax deduction that are likely obtained.

#### 26. 政府補助

本集團的政府補助分為與資產相關的政府補助和與收益相關的政府補助。

政府補助為貨幣性資產的，按照實際收到的金額計量，對於按照固定的定額標準撥付的補助，或對年未有確鑿證據表明能夠符合財政扶持政策規定的相關條件且預計能夠收到財政扶持資金時，按照應收的金額計量；政府補助為非貨幣性資產的，按照公允價值計量，公允價值不能可靠取得的，按照名義金額(1元)計量。

與資產相關的政府補助確認為遞延收益，在相關資產使用壽命內平均分配計入當期損益。與收益相關的政府補助，用於補償以後期間的相關費用或損失的，確認為遞延收益，並在確認相關費用的期間計入當期損益；用於補償已發生的相關費用或損失的，直接計入當期損益。

#### 27. 遞延所得稅資產和遞延所得稅負債

本集團遞延所得稅資產和遞延所得稅負債根據資產和負債的計稅基礎與其賬面價值的差額(暫時性差異)計算確認。對於按照稅法規定能夠於以後年度抵減應納稅所得額的可抵扣虧損，確認相應的遞延所得稅資產。對於商譽的初始確認產生的暫時性差異，不確認相應的遞延所得稅負債。對於既不影響會計利潤也不影響應納稅所得額(或可抵扣虧損)的非企業合併的交易中產生的資產或負債的初始確認形成的暫時性差異，不確認相應的遞延所得稅資產和遞延所得稅負債。於資產負債表日，遞延所得稅資產和遞延所得稅負債，按照預期收回該資產或清償該負債期間的適用稅率計量。

本集團以很可能取得用來抵扣可抵扣暫時性差異、可抵扣虧損和稅款抵減的未來應納稅所得額為限，確認遞延所得稅資產。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued) 四、重要會計政策及會計估計(續)

#### 28. Lease

The Group divides the lease into financial lease and operating lease.

The Company, as the lessee of the finance lease shall, on the lease beginning date, record the lower one of the fair value of the leased asset and the present value of the minimum lease payments on the lease beginning date as the entering value in an account, recognize the amount of the minimum lease payments as the entering value in an account of long-term account payable, and treat the balance between the recorded amount of the leased asset and the long-term account payable as unrecognized financing charges.

The rents from operating leases of the Group as lessee of operating lease shall be included into relevant asset cost or current profits and losses by straight-line method in each period.

#### 29. Other Significant Accounting Policies and Accounting Estimates

When preparing financial statements, the management shall apply estimate and assumption which will influence application of accounting policies and amount of assets, liabilities, income and expenses. And the actual fact might be different from the estimates. The management of the Group will continuously assess the judgment on the key assumption and uncertain factors involved in the estimates. Influence from change of accounting estimates shall be recognized in the current period and future period of change.

The accounting estimates and key assumption suffer from significant risks for material adjustment on the book value of assets and liabilities in the future period.

##### (1) Impairment for Receivables

The Group will measure the receivables at the amortized cost on the balance sheet date to assess whether there exists impairment; and assess the specific amount of impairment loss when impairment incurs. Objective evidences of impairment include showing data for judging whether the future cash flow of individual receivables or receivable combination might drop greatly as estimated, and data to judge significant negative influence on financial status of the debtors in the individual receivables or receivable combination. If there are evidences showing that the value of the receivables has been recovered, and the receivables is objectively related to events occurring after the confirmation of the loss, the impairment loss confirmed previously is reversed.

#### 28. 租賃

本集團在租賃開始日將租賃分為融資租賃和經營租賃。

本集團作為融資租賃承租方時，在租賃開始日，按租賃開始日租賃資產的公允價值與最低租賃付款額的現值兩者中較低者，作為融資租入固定資產的入賬價值，將最低租賃付款額作為長期應付款的入賬價值，將兩者的差額記錄為未確認融資費用。

本集團作為經營租賃承租方的租金在租賃期內的各個期間按直線法計入相關資產成本或當期損益。

#### 29. 其他重要的會計政策和會計估計

編製財務報表時，本集團管理層需要運用估計和假設，這些估計和假設會對會計政策的應用及資產、負債、收入及費用的金額產生影響。實際情況可能與這些估計不同。本集團管理層對估計涉及的關鍵假設和不確定性因素的判斷進行持續評估。會計估計變更的影響在變更當期和未來期間予以確認。

下列會計估計及關鍵假設存在導致未來期間的資產及負債賬面值發生重大調整的重要風險。

##### (1) 應收款項減值

本集團在資產負債表日按攤余成本計量的應收款項，以評估是否出現減值情況，並在出現減值情況時評估減值損失的具體金額。減值的客觀證據包括顯示個別或組合應收款項預計未來現金流量出現大幅下降的可判斷數據，顯示個別或組合應收款項中債務人的財務狀況出現重大負面的可判斷數據等事項。如果有證據表明該應收款項價值已恢復，且客觀上與確認該損失後發生的事項有關，則將原確認的減值損失予以轉回。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 29. Other Significant Accounting Policies and Accounting Estimates (Continued)

##### (2) Provision for Impairment of Inventories

The Group will regularly estimate realizable net value of estimated inventory, and recognize loss of falling price of inventory as per the positive balance between the cost of inventory and realizable net value. When the Group estimates the net realizable value, it will recognize the realizable value as per the amount after deducting the estimated cost of completion, estimated sale expense and relevant taxes from the estimated sale price of similar inventories. When the actual selling price or cost is different from the previous estimate, the management will adjust accordingly the realizable net value. Therefore, the result estimated based on the current experience may be different from the actual result, resulting in the adjustment of the book value of inventory in the balance sheet. So the amount for the provision for falling price of inventory may be changed due to the above reason. The adjustment for the provision of falling price of inventory will affect the current profits and losses of estimate change.

##### (3) Accounting Estimate of Impairment Provision for Goodwill

This Group conducts impairment test on goodwill every year. The recoverable amount of the asset group and combination of asset groups including goodwill is the present value of the estimated future cash flow, it shall be calculated by employing accounting estimates.

If the gross margin used in the calculation of the future cash flow in the asset group and combination of asset groups is amended by the management and the gross margin after amendment is below the current one, then the Group will increase impairment provision for the goodwill.

If the pretax discount rate applied in the discounted cash flow is revised by the management and the pretax discount rate is above the current one, then the Group will increase impairment provision for the goodwill.

If the actual gross margin or pretax discount rate is above or below the estimate of the management, the Group cannot reverse the impairment provision for the goodwill that have been accrued.

### 四、重要會計政策及會計估計(續)

#### 29. 其他重要的會計政策和會計估計(續)

##### (2) 存貨減值準備

本集團定期估計存貨的可變現淨值，並對存貨成本高於可變現淨值的差額確認存貨跌價損失。本集團在估計存貨的可變現淨值時，以同類貨物的預計售價減去完工時將要發生的成本、銷售費用以及相關稅費後的金額確定。當實際售價或成本費用與以前估計不同時，管理層將會對可變現淨值進行相應的調整。因此根據現有經驗進行估計的結果可能會與之後實際結果有所不同，可能導致對資產負債表中的存貨賬面價值的調整。因此存貨跌價準備的金額可能會隨上述原因而發生變化。對存貨跌價準備的調整將影響估計變更當期的損益。

##### (3) 商譽減值準備的會計估計

本集團每年對商譽進行減值測試。包含商譽的資產組和資產組組合的可收回金額為其預計未來現金流量的現值，其計算需要採用會計估計。

如果管理層對資產組和資產組組合未來現金流量計算中採用的毛利率進行修訂，修訂後的毛利率低於目前採用的毛利率，本集團需對商譽增加計提減值準備。

如果管理層對應用於現金流量折現的稅前折現率進行重新修訂，修訂後的稅前折現率高於目前採用的折現率，本集團需對商譽增加計提減值準備。

如果實際毛利率或稅前折現率高於或低於管理層的估計，本集團不能轉回原已計提的商譽減值損失。

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 29. Other Significant Accounting Policies and Accounting Estimates (Continued)

##### (4) Accounting Estimates for Impairment Provision for Fixed Assets

The Group will conduct impairment test on the fixed assets, like houses and buildings, machinery equipment on the balance sheet date that have the indication of impairment. If the recoverable amount of fixed asset is the higher one of the present value of the estimated future cash flow and fair value of the assets minus the disposal expense, it shall be calculated by employing accounting estimates.

If the gross margin used in the calculation of the future cash flow in the asset group and combination of asset groups is amended by the management and the gross margin after amendment is below the current one, then the Group will increase impairment provision for the fixed assets.

If the pretax discount rate applied in the discounted cash flow is revised by the management and the pretax discount rate is above the current one, then the Group will increase impairment provision for the fixed assets.

If the actual gross margin or pretax discount rate is above or below the estimate of the management, the Group cannot reverse the impairment provision for the fixed assets that have been accrued.

##### (5) Accounting Estimate for Recognition of Deferred Income Tax Assets

For the estimate of the deferred income tax assets, it is required to estimate the taxable income and applicable tax rate of each year. The realization of the deferred income tax assets depends on the possibility of the company's obtaining adequate taxable income in the future. The change of the future tax rate and the reverse time of the temporary balance may also affect the income tax expense(profits) and the balance of deferred income tax. The change in the above estimate may lead to the significant adjustment of the deferred income tax.

##### (6) Service Life for Fixed Assets and Intangible Assets

The Group shall check the expected service life of fixed assets and intangible assets at least at the end of each year. The expected service life is determined by the management based on the similar asset history and referring to the estimates applied generally by the same industry and combination of the expected technology update. When the past estimates have been materially changed, the depreciation cost and amortization cost of future period shall be adjusted accordingly.

### 四、重要會計政策及會計估計(續)

#### 29. 其他重要的會計政策和會計估計(續)

##### (4) 固定資產減值準備的會計估計

本集團在資產負債表日對存在減值跡象的房屋建築物、機器設備等固定資產進行減值測試。固定資產的可收回金額為其預計未來現金流量的現值和資產的公允價值減去處置費用後的淨額中較高者，其計算需要採用會計估計。

如果管理層對資產組和資產組組合未來現金流量計算中採用的毛利率進行修訂，修訂後的毛利率低於目前採用的毛利率，本集團需對固定資產增加計提減值準備。

如果管理層對應用於現金流量折現的稅前折現率進行重新修訂，修訂後的稅前折現率高於目前採用的折現率，本集團需對固定資產增加計提減值準備。

如果實際毛利率或稅前折現率高於或低於管理層估計，本集團不能轉回原已計提的固定資產減值準備。

##### (5) 遞延所得稅資產確認的會計估計

遞延所得稅資產的估計需要對未來各個年度的應納稅所得額及適用的稅率進行估計，遞延所得稅資產的實現取決於公司未來是否很可能獲得足夠的應納稅所得額。未來稅率的變化和暫時性差異的轉回時間也可能影響所得稅費用(收益)以及遞延所得稅的餘額。上述估計的變化可能導致對遞延所得稅的重要調整。

##### (6) 固定資產、無形資產的可使用年限

本集團至少於每年年度終了，對固定資產和無形資產的預計使用壽命進行覆核。預計使用壽命是管理層基於同類資產歷史經驗、參考同行業普遍所應用的估計並結合預期技術更新而決定的。當以往的估計發生重大變化時，則相應調整未來期間的折舊費用和攤銷費用。



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## 財務報表附註

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### IV. Significant Accounting Policies and Accounting Estimates (Continued)

#### 29. Other Significant Accounting Policies and Accounting Estimates (Continued)

##### (7) Accounting Estimates for Product Quality Assurance

The Group shall estimate the quality assurance responsibility for the products with a guarantee period on the balance sheet date, and the provision for the after-sale service expense is based on the 4.25% of the operation revenue of the product in the current year. The estimated provision proportion is determined by the years of liability for the quality assurance under the sales contract and historical experience. When the past estimates have been materially changed, the future after-sales service expense shall be adjusted accordingly.

#### 30. Change of Significant Accounting Policies and Accounting Estimates

##### (1) Change of Significant Accounting Policies

In accordance with relevant provisions of the Accounting Estimates quality assurance under the salesions on the Accounting Treatment for Value-Added Tax", CK [2016] No. 22 Document, which is implemented from December 3, 2016, the date of issuance of this document, if the amount of assets and liabilities is affected by transactions occurred from May 1, 2016 to the date of implementation of the Provisions, adjustments shall be made according to the Provisions.

In accordance with provisions of the above document, the Group adjusts the name of the item the salesions on the Accounting Treatment for Value-Add the item "tax and surcharges". Meanwhile, it will reclassify the house property tax, land use tax, vehicle and vessel use tax, stamp tax and other relevant taxes arising from operating activities from "administrationfeenistrationwithprovisionsstaxes" from December 3, 2016.

The change of accounting policies will have the following cumulative effects on the Group's consolidated financial statements of the year 2016: The tax and surtaxes increased by RMB 8,298,221.90, and the administration fee was reduced by RMB 8,298,221.90. The changes will produce no effect on the Group's net profit and net assets.

##### (2) Change of Significant Accounting Estimate

None.

### 四、重要會計政策及會計估計(續)

#### 29. 其他重要的會計政策和會計估計(續)

##### (7) 產品質量保證的會計估計

本集團在資產負債表日對有質保期的產品質量保證責任進行預計，按照該產品當年度營業收入的4.25%計提售後服務費。預計計提比例是管理層基於銷售合同中對質量保證責任的承擔年限和歷史經驗而決定的。當以往的估計發生重大變化時，則相應調整未來期間的售後服務費用。

#### 30. 重要會計政策和會計估計變更

##### (1) 重要會計政策變更

根據財政部「關於印發《增值稅會計處理規定》的通知」財會[2016]22號的有關規定，從該文件發佈之日起即2016年12月3日起實施，2016年5月1日至該規定施行之間發生的交易由於該規定而影響資產、負債等金額的，應按該規定調整。

根據該文件規定，本集團將利潤表中「營業稅金及附加」科目名稱調整為「稅金及附加」科目。同時，將自2016年12月3日起經營活動產生的房產稅、土地使用稅、車船使用稅、印花稅等相關稅費從「管理費用」重分類至「稅金及附加」項目。

本次會計政策變更對本集團2016年度合併財務報表累計影響為：稅金及附加增加8,298,221.90元，管理費用減少8,298,221.90元。本次會計政策變更對本集團淨利潤和淨資產不產生影響。

##### (2) 重要的會計估計變更

無。



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### V. Taxes

#### 1. Main Tax Types and Tax Rate

### 五、稅項

#### 1. 主要稅種及稅率

Tax Types 稅種	Taxation Basis 計稅依據	Tax Rate 稅率
Added-value Tax 增值稅	Taxable Added Value 應納稅增值額	17%
Urban Maintenance and Construction Tax 城市維護建設稅	VAT Payable 應納增值稅額	5%, 7%
Educational Surtax 教育費附加	VAT Payable 應納增值稅額	3%
Local Educational Surtax 地方教育費附加	VAT Payable 應納增值稅額	2%
Property Tax 房產稅	70%-80% of the original value of the property Income from House Leasing 房產原值的70%-80%和房產租賃收入	1.2% and 12%
Corporate Income Tax 企業所得稅	Taxable Income 應納稅所得額	25%
Hong Kong Profits Tax 香港利得稅	Taxable Income 應納稅所得額	16.50%

Taxpayer's description of the tax rate of different business income tax:

不同企業所得稅稅率納稅主體說明：

Names of the Taxpayer 納稅主體名稱		Income Tax Rate 所得稅稅率
The Company	本公司	25%
Beijing Tianhai Industry Co., Ltd.	北京天海工業有限公司	15%
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	25%
Langfang Tianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	25%
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	25%
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	15%
Beijing Pioneer Up Lifter Co., Ltd.	北京攀尼高空作業設備有限公司	25%
Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運裝備銷售有限公司	25%
BTIC AMERICA CORPORATION	BTIC AMERICA CORPORATION (天海美洲公司)	Progressive Tax Rate 累進制稅率
Jingcheng Holding (Hong Kong) Co., Ltd.	京城控股(香港)有限公司	16.50%

BTIC AMERICA CORPORATION is a company incorporated in America, whose corporate income tax is based on the surtax system, and the tax rate of taxable income ranges from 15% to 39%.

BTIC AMERICA CORPORATION (天海美洲公司)為在美國註冊的公司，其企業所得稅採取超額累計稅率，不同應納稅所得額的稅率從15%-39%不等。

# Notes to the Financial Statements

## 財務報表附註

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### V. Taxes (Continued)

#### 2. Tax Preference

Beijing Tianhai Industry Co., Ltd, the subsidiary of the Company, has obtained the High-tech Enterprise Certificate on December 22, 2016 jointly issued by Beijing Municipal Science & Technology Commission, Beijing Fiscal Bureau, Beijing Municipal Office, SAT and Beijing Local Taxation Bureau, with the Certificate NO.GR201611003805. The validity of the certificate is three years. The provision for corporate income tax for the time being is based on the 15% of its preferential tax rate for the year 2016.

Beijing Tianhai Cryogenic Equipment Co., Ltd., the subsidiary of the Company, has obtained the High-tech Enterprise Certificate on December 22, 2016 jointly issued by Beijing Municipal Science & Technology Commission, Beijing Fiscal Bureau, Beijing Municipal Office, SAT and Beijing Local Taxation Bureau, with the Certificate NO. GR201611004210. The validity of the certificate is three years. The provision for corporate income tax for the time being is based on the 15% of its preferential tax rate for the year 2016.

### 五、稅項(續)

#### 2. 稅收優惠

本公司之子公司北京天海工業有限公司2016年12月22日取得由北京市科學技術委員會、北京市財政局、北京市國家稅務局、北京市地方稅務局聯合頒發的證書號為GR201611003805的高新技術企業證書，證書有效期為三年，2016年度按15%的企業所得稅優惠稅率計提企業所得稅。

本公司之子公司北京天海低溫設備有限公司於2016年12月22日取得了北京市科學技術委員會、北京市財政局、北京市國家稅務局、北京市地方稅務局聯合頒發的編號為GR201611004210的高新技術企業證書，證書有效期為三年，2016年度按15%的企業所得稅優惠稅率計提企業所得稅。

### VI. Notes to Main Items of the Consolidated Financial Statements

For the data on the Financial Statement disclosed below, unless otherwise specifically stated, "opening" refers to January 1, 2016, "closing" is December 31, 2016, "the current year" means the year of 2016 from January 1 to December 31, and "the last year" refers to the year of 2015 from January 1 to December 31. The monetary unit is RMB yuan.

#### 1. Monetary Capital

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Cash	現金	81,483.39	65,972.56
Deposit in Bank	銀行存款	102,499,128.38	175,710,601.91
Other Monetary Capital	其他貨幣資金	16,248,660.00	6,500,000.00
<b>Total</b>	<b>合計</b>	<b>118,829,271.77</b>	<b>182,276,574.47</b>
Wherein: total amount deposited overseas	其中：存放在境外的款項總額	<b>13,156,280.25</b>	11,012,062.02

For the balance of the other monetary fund, RMB 1,248,660.00 yuan is the deposit of letter of credit, and RMB 15,000,000.00 yuan for deposit of bank acceptance bill with limited use.

### 六、合併財務報表主要項目註釋

下列所披露的財務報表數據，除特別註明之外，「年初」系指2016年1月1日，「年末」系指2016年12月31日，「本年」系指2016年1月1日至12月31日，「上年」系指2015年1月1日至12月31日，貨幣單位為人民幣元。

#### 1. 貨幣資金

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Cash	現金	81,483.39	65,972.56
Deposit in Bank	銀行存款	102,499,128.38	175,710,601.91
Other Monetary Capital	其他貨幣資金	16,248,660.00	6,500,000.00
<b>Total</b>	<b>合計</b>	<b>118,829,271.77</b>	<b>182,276,574.47</b>
Wherein: total amount deposited overseas	其中：存放在境外的款項總額	<b>13,156,280.25</b>	11,012,062.02

其他貨幣資金餘額中1,248,660.00元為信用證保證金，15,000,000.00元為銀行承兌匯票保證金，使用受限。

# Notes to the Financial Statements

## 財務報表附註

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2016年1月1日至2016年12月31日(本財務報表附註除特別註明外,均以人民幣元列示)

### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 2. Notes Receivable

##### (1) Type of Notes Receivable

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Bank Acceptance Bill	銀行承兌匯票	16,314,951.71	3,228,891.44

(2) There is no receivable note as pledge at the end of the year.

(3) Notes receivable that has been endorsed or discounted and have not yet been expired on the balance sheet date

Item	項目	Closing Derecognized Amount 年末終止 確認金額	Closing Underecognized Amount 年末未終止 確認金額
Bank Acceptance Bill	銀行承兌匯票	134,489,679.20	0.00

(4) There are no notes that shall be transferred into receivables due to the drawer's failure of performance.

(5) The closing receivable notes mentioned above are aged within 180 days.

#### 2. 應收票據

##### (1) 應收票據種類

Closing Balance 年末餘額	Opening Balance 年初餘額
16,314,951.71	3,228,891.44

(2) 年末無用於質押的應收票據。

(3) 年末已經背書或貼現且在資產負債表日尚未到期的應收票據

Closing Derecognized Amount 年末終止 確認金額	Closing Underecognized Amount 年末未終止 確認金額
134,489,679.20	0.00

(4) 年末無因出票人未履約而將其轉應收賬款的票據。

(5) 本集團上述年末應收票據的賬齡在180天之內。

#### 3. Receivables

##### (1) Aging Analysis of Receivables

Aging	賬齡	Receivables 應收賬款	Closing Balance 年末餘額 Bad Debt Reserves 壞賬準備	Proportion of Withdrawing (%) 計提比例(%)
Within 1 Year	1年以內	168,459,143.80	1,684,591.43	1.00
1-2 Years	1-2年	17,304,999.74	1,730,499.98	10.00
2-3 Years	2-3年	33,814,665.70	6,762,933.14	20.00
3-4 Years	3-4年	9,734,919.15	4,867,459.58	50.00
4-5 Years	4-5年	4,588,205.00	3,670,564.00	80.00
More than 5 Years	5年以上	2,691,401.00	2,691,401.00	100.00
<b>Total</b>	<b>合計</b>	<b>236,593,334.39</b>	<b>21,407,449.13</b>	<b>-</b>

#### 3. 應收賬款

##### (1) 應收賬款賬齡分析

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 3. Receivables (Continued)

#### 3. 應收賬款(續)

##### (1) Aging Analysis of Receivables (Continued) (Con't)

##### (1) 應收賬款賬齡分析(續) (續表)

Aging	賬齡	Receivables 應收賬款	Opening Balance	Proportion of Withdrawing (%) 計提比例(%)
			年初餘額	
			Bad Debt Reserves 壞賬準備	
Within 1 Year	1年以內	215,162,586.59	2,151,625.87	1.00
1-2 Years	1-2年	50,006,694.43	5,000,669.45	10.00
2-3 Years	2-3年	15,789,647.69	3,157,929.54	20.00
3-4 Years	3-4年	5,210,443.80	2,605,221.90	50.00
4-5 Years	4-5年	196,140.60	156,912.48	80.00
More than 5 Years	5年以上	2,520,261.70	2,520,261.70	100.00
<b>Total</b>	<b>合計</b>	<b>288,885,774.81</b>	<b>15,592,620.94</b>	<b>-</b>

##### (2) Classification of Receivables

##### (2) 應收賬款分類

Category	類別	Closing Balance				Book Value 賬面價值
		Book Balance		Bad Debt Reserves		
		Amount	Proportion (%)	Amount	Proportion of Withdrawing (%)	
Receivables which single amount is significant with single bad debt reserve	單項金額重大並單項計提壞賬準備的應收賬款	0.00	0.00	0.00	0.00	0.00
Receivables which bad debts are provided by combination of credit risk features Including: combination by aging	按信用風險特徵組合計提壞賬準備的應收賬款 其中:賬齡組合	236,593,334.39	100.00	21,407,449.13	9.05	215,185,885.26
Receivables which single amount is insignificant but with single bad debt reserve	單項金額不重大但單項計提壞賬準備的應收賬款	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>236,593,334.39</b>	<b>100.00</b>	<b>21,407,449.13</b>	<b>-</b>	<b>215,185,885.26</b>

(Con't)

(續表)

Category	類別	Opening Balance				Book Value 賬面價值
		Book Balance		Bad Debt Reserves		
		Amount	Proportion (%)	Amount	Proportion of Withdrawing (%)	
Receivables which single amount is significant with single bad debt reserves	單項金額重大並單項計提壞賬準備的應收賬款	0.00	0.00	0.00	0.00	0.00
Receivables which bad debts are provided by combination of credit risk features Including: combination by aging	按信用風險特徵組合計提壞賬準備的應收賬款 其中:賬齡組合	288,885,774.81	100.00	15,592,620.94	5.40	273,293,153.87
Receivables which single amount is insignificant but with single bad debt reserves	單項金額不重大但單項計提壞賬準備的應收賬款	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>288,885,774.81</b>	<b>100.00</b>	<b>15,592,620.94</b>	<b>-</b>	<b>273,293,153.87</b>

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 3. Receivables (Continued)

##### (2) Classification of Receivables (Continued)

Receivables which bad debts are provided by approach of aging analysis in combination:

Aging	賬齡	Closing Balance		Proportion of Withdrawing (%)
		Receivables	Bad Debt Reserves	
		應收賬款	壞賬準備	計提比例(%)
Within 1 Year	1年以內	168,459,143.80	1,684,591.43	1.00
1-2 Years	1-2年	17,304,999.74	1,730,499.98	10.00
2-3 Years	2-3年	33,814,665.70	6,762,933.14	20.00
3-4 Years	3-4年	9,734,919.15	4,867,459.58	50.00
4-5 Years	4-5年	4,588,205.00	3,670,564.00	80.00
More than 5 Years	5年以上	2,691,401.00	2,691,401.00	100.00
<b>Total</b>	<b>合計</b>	<b>236,593,334.39</b>	<b>21,407,449.13</b>	<b>-</b>

#### 3. 應收賬款(續)

##### (2) 應收賬款分類(續)

組合中，按賬齡分析法計提壞賬準備的應收賬款：

##### (3) Provision, reverse (or recovery) of the bad debt reserve of this current year

The amount of the bad debt reserve this year is RMB 5,807,555.75 yuan, of which the foreign currency translation affected is RMB 7,272.44yuan,without bad debt reserve recovered or reversed this year.

##### (3) 本年度計提、轉回(或收回)的壞賬準備情況

本年計提壞賬準備金額5,807,555.75元，外幣折算影響7,272.44元；本年無收回或轉回的壞賬準備。

##### (4) Receivables with top five balance as collected as per the debtors

##### (4) 按欠款方歸集的年末餘額前五名的應收賬款情況

Name of Company	Closing Balance	Aging	Proportion to Total Amount of Closing Balance of Receivable (%)	Impairment Provisions Closing Amount
單位名稱	年末餘額	賬齡	佔應收賬款年末餘額合計數的比例(%)	壞賬準備年末餘額
Zhengzhou Yutong Bus Co., Ltd, Branch of New energy Bus 鄭州宇通客車股份有限公司 新能源客車分公司	9,262,699.68	Within 1 Year 1年以內	3.92	92,627.00
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	8,765,614.27	Within 1 Year 1年以內	3.70	87,656.14
Chengdu Huaqi Houpu Holding Co., Ltd. 成都華氣厚普機電設備股份有限公司	8,048,104.09	Within 1 Year 1年以內	3.40	80,481.04
Wuhan Tianhai Tenglong Technology Development Co., Ltd. 武漢天海騰龍科技發展有限公司	7,212,844.43	Within 1 Year 1年以內	3.05	72,128.44
Shiyan Junwang Industry & Trade Co., Ltd. 十堰軍旺工貿有限公司	6,007,548.00	2-3 Years 2-3年	2.54	1,201,509.60
<b>Total 合計</b>	<b>39,296,810.47</b>	<b>-</b>	<b>16.61</b>	<b>1,534,402.22</b>

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 4. Advance Payment

#### 4. 預付款項

##### (1) Aging of Advance Payment

##### (1) 預付款項賬齡

Item	項目	Closing Balance 年末餘額		Opening Balance 年初餘額	
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion (%) 比例(%)
Within 1 Year	1年以內	32,186,913.36	88.89	16,644,522.81	86.84
1-2 Years	1-2年	2,207,094.35	6.09	1,434,743.97	7.49
2-3 Years	2-3年	1,383,945.85	3.82	161,344.00	0.84
More than 3 Years	3年以上	433,880.25	1.20	926,200.90	4.83
<b>Total</b>	<b>合計</b>	<b>36,211,833.81</b>	<b>100.00</b>	<b>19,166,811.68</b>	<b>100.00</b>

The main reason for the aging over one year and some key advance payment not settled in time is that the procurement has not yet finished.

賬齡超過一年且金額重要的預付款項未及時結算的原因主要為尚未完成採購。

##### (2) Advance payment with top five balance as collected as per the objects of advance payment

##### (2) 按預付對象歸集的年末餘額前五名的預付款情況

Name of Company	Closing Balance	Aging	Proportion to total amount of closing balance of prepayment (%) 佔預付款項年末餘額合計數的比例(%)
單位名稱	年末餘額	賬齡	
State Grid Beijing Electric Power Company 國網北京市電力公司	3,077,201.79	Within 1 Year 1年以內	8.50
Shanxi Taigang Stainless Steel Co., Ltd. 山西太鋼不銹鋼股份有限公司	2,314,473.58	Within 1 Year 1年以內	6.39
Beijing Zhisheng Cryogenic Equipment Maintenance Co., Ltd. 北京質聖低溫設備維修有限公司	1,511,333.30	Within 1 Year 1年以內	4.17
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	1,423,876.73	Within 1 Year 1年以內	3.93
Huai'an Zhenda Steel Pipe Manufacturing Co., Ltd. 淮安市振達鋼管製造有限公司	1,302,065.10	Within 1 Year 1年以內	3.60
<b>Total 合計</b>	<b>9,628,950.50</b>	<b>-</b>	<b>26.59</b>



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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

#### 5. Other Receivables

##### (1) Type of Other Receivables

Category	類別	Closing Balance 年末餘額		Bad Debt Reserves 壞賬準備		Book Value 賬面價值
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion of Withdrawing (%) 計提比例(%)	
Other receivables which single amount is significant with single bad debt reserves	單項金額重大並單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
Other receivables which bad debts are provided by combination of credit risk features	按信用風險特徵組合計提壞賬準備的其他應收款	3,711,774.42	56.91	1,941,356.00	52.30	1,770,418.42
Other receivables which single amount is insignificant but with single bad debt reserves	單項金額不重大但單項計提壞賬準備的其他應收款	2,810,131.38	43.09	0.00	0.00	2,810,131.38
<b>Total</b>	<b>合計</b>	<b>6,521,905.80</b>	<b>100.00</b>	<b>1,941,356.00</b>	<b>-</b>	<b>4,580,549.80</b>

(Con't)

Category	類別	Opening Balance 年初餘額		Bad Debt Reserves 壞賬準備		Book Value 賬面價值
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Proportion of Withdrawing (%) 計提比例(%)	
Other receivables which single amount is significant with single bad debt reserves	單項金額重大並單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
Other receivables which bad debts are provided by combination of credit risk features	按信用風險特徵組合計提壞賬準備的其他應收款	3,159,295.79	100.00	1,382,629.95	43.76	1,776,665.84
Other receivables which single amount is insignificant but with single bad debt reserves	單項金額不重大但單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>3,159,295.79</b>	<b>100.00</b>	<b>1,382,629.95</b>	<b>-</b>	<b>1,776,665.84</b>

Other receivables which bad debts are provided by approach of aging analysis in combination

組合中，按賬齡分析法計提壞賬準備的其他應收款

Aging	賬齡	Closing Balance 年末餘額		Proportion of Withdrawing (%) 計提比例(%)
		Other Receivables 其他應收款	Bad Debt Reserves 壞賬準備	
Within 1 Year	1年以內	1,609,408.55	16,094.10	1.00
1-2 Years	1-2年	144,188.92	14,418.89	10.00
2-3 Years	2-3年	44,831.18	8,966.24	20.00
3-4 Years	3-4年	15,386.00	7,693.00	50.00
4-5 Years	4-5年	18,880.00	15,104.00	80.00
More than 5 Years	5年以上	1,879,079.77	1,879,079.77	100.00
<b>Total</b>	<b>合計</b>	<b>3,711,774.42</b>	<b>1,941,356.00</b>	<b>-</b>

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 5. Other Receivables (Continued)

(2) **Provision and recovery (or reverse) of the bad debt this year**

The amount of bad debt reserves withdrawn for the current year is RMB 558,726.05 yuan and the bad debt reserves recovered or reversed is RMB 0.00 yuan.

(3) **The category of other receivables as per the nature of amount**

Nature of Amount	款項性質	Closing Book Balance 年末賬面餘額	Opening Book Balance 年初賬面餘額
Imprest	備用金	648,132.84	1,658,549.02
Deposit, Security etc.	押金、保證金等	810,500.00	213,946.52
Export Rebates	出口退稅	2,810,131.38	0.00
Prepayment More than 5 Years	5年以上預付賬款	513,574.62	0.00
Current Account	往來款	1,739,566.96	1,286,800.25
<b>Total</b>	<b>合計</b>	<b>6,521,905.80</b>	<b>3,159,295.79</b>

#### 5. 其他應收款(續)

(2) 本年度計提、轉回(或收回)壞賬準備情況

本年計提壞賬準備金額558,726.05元;本年收回或轉回壞賬準備金額0.00元。

(3) 其他應收款按款項性質分類情況

(4) **Other receivables with top five closing balances as collected as per the debtors:**

(4) 按欠款方歸集的年末餘額前五名的其他應收款情況:

Name of Company	Nature of Amount	Closing Balance	Aging	Proportion to total amount of closing balance of other receivable (%) 佔其他應收款年末餘額合計數的比例(%)	Closing balance of bad debt reserves 壞賬準備年末餘額
單位名稱	款項性質	年末餘額	賬齡		
Export Rebates 出口退稅	Export Rebates 出口退稅	2,810,131.38	Within 1 Year 1年以內	43.09	0.00
Baogang Steel Union Sales Co., Ltd. 包鋼鋼聯銷售有限公司	Prepaid Goods Payment 預付貨款	400,648.84	More than 5 Years 5年以上	6.14	400,648.84
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Current Account 往來款	382,273.18	1-2 Years 1-2年	5.86	5,096.13
Beijing Xingjian Hangyong Valve Co., Ltd. 北京星箭航甬閥門有限公司	Material Payment 材料款	233,006.21	More than 5 Years 5年以上	3.57	233,006.21
Beijing Gas Co., Ltd. 北京燃氣有限公司	Margins 保證金	130,000.00	Within 1 Year 1年以內	1.99	1,300.00
<b>Total 合計</b>		<b>3,956,059.61</b>		<b>60.65</b>	<b>640,051.18</b>

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 6. Inventories

#### 6. 存貨

##### (1) Classification of Inventory

##### (1) 存貨分類

Item	項目	Closing Amount		
		Book Balance	Falling Price Reserves	Book Value
		賬面餘額	跌價準備	賬面價值
Raw Materials	原材料	165,018,648.27	25,525,950.82	139,492,697.45
Goods in Process	在產品	67,855,698.43	15,699,021.15	52,156,677.28
Merchandise Inventories	庫存商品	141,016,628.39	15,867,362.65	125,149,265.74
Goods in Transit	發出商品	430,499.67	101,520.24	328,979.43
<b>Total</b>	<b>合計</b>	<b>374,321,474.76</b>	<b>57,193,854.86</b>	<b>317,127,619.90</b>

(Con't)

(續表)

Item	項目	Opening Amount		
		Book Balance	Falling Price Reserves	Book Value
		賬面餘額	跌價準備	賬面價值
Raw Materials	原材料	212,208,627.92	45,774,630.45	166,433,997.47
Goods in Process	在產品	103,752,611.92	29,431,179.99	74,321,431.93
Merchandise Inventories	庫存商品	171,309,166.78	21,325,756.99	149,983,409.79
Goods in Transit	發出商品	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>487,270,406.62</b>	<b>96,531,567.43</b>	<b>390,738,839.19</b>

##### (2) Inventory Falling Price Reserves

##### (2) 存貨跌價準備

Item	項目	Opening Balance	Increase in the Current Year		Decrease in the Current Year		Closing Balance
			Withdrawal	Other	Reverse or Resales	Other Transfer-out	
		年初餘額	本年增加	本年減少	本年增加	本年減少	年末餘額
Raw Materials	原材料	45,774,630.45	8,126,749.79	0.00	28,375,429.42	0.00	25,525,950.82
Goods in Process	在產品	29,431,179.99	7,563,335.68	0.00	21,295,494.52	0.00	15,699,021.15
Merchandise Inventories	庫存商品	21,325,756.99	11,825,806.14	0.00	16,016,085.51	1,268,114.97	15,867,362.65
Goods in Transit	發出商品	0.00	101,520.24	0.00	0.00	0.00	101,520.24
<b>Total</b>	<b>合計</b>	<b>96,531,567.43</b>	<b>27,617,411.85</b>	<b>0.00</b>	<b>65,687,009.45</b>	<b>1,268,114.97</b>	<b>57,193,854.86</b>

The reduction of the other transfer-out this year for the capital turnover of the cylinders transferred in shall be deemed as long-term unamortized expenditures, the corresponding provision of falling price of inventory shall be transferred-out.

本年減少的其他轉出為周轉用氣瓶轉入長期待攤費用核算,對應存貨跌價準備一並轉出。

##### (3) Refer to Note IV.12 for withdrawal method of inventory falling price reserves.

##### (3) 存貨跌價準備的計提方法詳見本附註四、12所述。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 7. Other Current Assets

#### 7. 其他流動資產

Item 項目	Closing Balance 年末餘額	Opening Balance 年初餘額	Nature 性質
Added-value Tax Retained 留抵增值稅	54,170,822.29	0.00	Added-value Tax Retained 留抵增值稅
Added-Value Tax without Deduction 未抵扣增值稅			Added-Value Tax without Deduction 未抵扣增值稅
Input Tax to Be Identified 待認證進項稅	1,743.59	0.00	Input Tax to Be Identified 待認證進項稅
Pre-paid Corporate Income Tax 預繳企業所得稅	0.00	6,215,611.17	Pre-paid Corporate Income Tax 預繳企業所得稅
Total 合計	54,172,565.88	7,082,519.02	-

#### 8. Long-term Equity Investment

#### 8. 長期股權投資

##### (1) Classification of Long-term Equity Investment

##### (1) 長期股權投資分類

Invested Equity 被投資單位	Opening Balance 年初餘額	Increase and Decrease for the Current Year 本年增減變動								Closing Balance 年末餘額	Closing Balance of Impairment Provisions 減值準備 年末餘額	
		Added Investment 追加投資	Reduced Investment 減少投資	Investment Profits and Losses Recognized under Equity Approach 權益法下確認的投資損益	Adjustment to Other Comprehensive Incomes 其他綜合收益調整	Variation in Other Equities 其他權益變動	Declared Distribution of Cash Dividends or Profit 宣告發放現金股利或利潤	Withdrawing of Reserves for Impairment 計提減值準備	Other 其他			
I. Associated Enterprises 一、合營企業												
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	56,411,619.44	0.00	0.00	6,750,187.92	0.00	0.00	0.00	0.00	0.00	0.00	63,161,807.36	0.00
II. Joint Ventures 二、聯營企業												
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	11,950,483.77	0.00	0.00	69,390.45	0.00	0.00	0.00	0.00	0.00	0.00	12,019,874.22	0.00
Total 合計	68,362,103.21	0.00	0.00	6,819,578.37	0.00	0.00	0.00	0.00	0.00	0.00	75,181,681.58	0.00

##### (2) Analysis of Long-term Equity Investment

##### (2) 長期股權投資的分析

Item 項目	Closing Amount 年末金額	Opening Amount 年初金額
<b>Listed</b>		
China (excluding Hong Kong) 中國(香港除外)	0.00	0.00
Hong Kong 香港	0.00	0.00
Other Regions 其他地區	0.00	0.00
Subtotal 小計	0.00	0.00
<b>Non-listed</b>		
非上市	75,181,681.58	68,362,103.21
<b>Total</b>	<b>75,181,681.58</b>	<b>68,362,103.21</b>

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 9. Fixed Assets

#### 9. 固定資產

##### (1) List of Fixed Assets

##### (1) 固定資產明細表

Item	項目	Houses and Building 房屋建築物	Machinery Equipment 機器設備	Transportation Equipment 運輸設備	Office Equipment 辦公設備	Electronic Equipment 電氣設備	Total 合計
I. Original Book Value	一、賬面原值						
1. Opening Balance	1. 年初餘額	661,687,707.94	819,480,161.76	29,841,727.35	11,646,915.06	25,003,029.20	1,547,659,541.31
2. Increase for the Current Year	2. 本年增加金額						
(1) Purchase	(1) 購置	10,517,652.95	-5,241,541.20	225,319.72	883,166.97	611,101.36	6,995,699.80
(2) Transfer from Projects under Construction	(2) 在建工程轉入	0.00	476,489.09	225,319.72	241,357.33	0.00	943,166.14
(3) Other (Note 2)	(3) 其他(說明2)	0.00	7,390,175.59	0.00	0.00	0.00	7,390,175.59
3. Decrease for the Current Year	3. 本年減少金額						
(1) Disposal or Scrapping	(1) 處置或報廢	0.00	8,616,434.59	1,221,324.74	0.00	0.00	9,837,759.33
4. Closing Balance	4. 年末餘額	672,205,360.89	805,622,185.97	28,845,722.33	12,530,082.03	25,614,130.56	1,544,817,481.78
II. Accumulated Depreciation	二、累計折舊						
1. Opening Balance	1. 年初餘額	133,204,400.39	404,538,975.89	24,355,831.44	6,613,753.79	16,325,849.30	585,038,810.81
2. Increase for the Current Year	2. 本年增加金額						
(1) Withdrawing	(1) 計提	15,034,312.97	66,200,723.94	1,459,664.02	1,274,736.35	1,283,929.90	85,253,367.18
3. Decrease for the Current Year	3. 本年減少金額						
(1) Disposal or Scrapping	(1) 處置或報廢	0.00	6,325,133.31	1,096,612.26	0.00	0.00	7,421,745.57
4. Closing Balance	4. 年末餘額	148,238,713.36	464,414,566.52	24,718,883.20	7,888,490.14	17,609,779.20	662,870,432.42
III. Provision for Impairment	三、減值準備						
1. Opening Balance	1. 年初餘額	0.00	2,312,294.65	0.00	0.00	0.00	2,312,294.65
2. Increase for the Current Year	2. 本年增加金額						
(1) Withdrawing	(1) 計提	0.00	34,589,975.53	0.00	0.00	3,144,652.76	37,734,628.29
3. Decrease for the Current Year	3. 本年減少金額						
(1) Withdrawing	(1) 計提	0.00	0.00	0.00	0.00	0.00	0.00
4. Closing Balance	4. 年末餘額	0.00	36,902,270.18	0.00	0.00	3,144,652.76	40,046,922.94
IV. Book Value	四、賬面價值						
1. Closing Book Value	1. 年末賬面價值	523,966,647.53	304,305,349.27	4,126,839.13	4,641,591.89	4,859,698.60	841,900,126.42
2. Opening Book Value	2. 年初賬面價值	528,483,307.55	412,628,891.22	5,485,895.91	5,033,161.27	8,677,179.90	960,308,435.85

(2) The depreciation of the fixed assets recognized to be profits is RMB 85,253,367.18 yuan (the last year: RMB 87,299,077.77 yuan).

(2) 本年確認為損益的固定資產的折舊為85,253,367.18元(上年金額:87,299,077.77元)。

(3) In the added fixed assets, the amount transferred in from the project under construction is RMB 7,390,175.59 yuan.

(3) 本年增加的固定資產中,由在建工程轉入的金額為7,390,175.59元。

(4) The profit from the sale of the fixed assets is RMB -2,091,562.94 yuan.

(4) 本年出售固定資產的利得為-2,091,562.94元。

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## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

## VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

## 六、合併財務報表主要項目註釋(續)

### 9. Fixed Assets (Continued)

- (5) Taking December 31, 2016 as the base date, China Alliance Appraisal Co., Ltd evaluates the fixed assets that have the indication of depreciation in the subsidiaries of the Company, that is, Beijing Tianhai Industry Co., Ltd, Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd. and LangfangTianhai High Pressure Container Co., Ltd. by the asset-based approach respectively; and issued ZTHPB ZI (2017) No. 86, (2017) No. 87 and (2017) No. 88 Appraisal Reports respectively on February 28, 2017. According to the results of the evaluation, the reserves for impairment of the part of the machinery equipment and electrical equipment withdrawn by the managements amount to RMB 37,734,628.29 yuan.

Note 1: The Housing Ownership Certificate (J.Z.No. 115031501859 and Land-use Right No.32-2) for the closing fixed assets of Tianjin Tianhai High Pressure Container Co., Ltd., the subsidiary of the Company, is used as the mortgage to HuaxiaBank Co., Ltd, Tianjin Branch, involving RMB110.13 million yuan of the assessed value. The land is located on NO. 268 Jinbin Road, Port Bonded Area, with the area of 50378.4 square meter. Loan Contract No. is TJ0310120160075, with the loan amount RMB20 million yuan. The term of the loan is from November 23, 2016 to October 20, 2017. The fixed assets Housing Ownership Certificate (J.Z.No.1150211201217 and Land-use Right No. 31-6) is used as loan on bills to Huaxia Bank Co., Ltd, Tianjin Branch, involving RMB75.74 million yuan. The land is located on 306 Xingang Avenue, Port Bonded Area, with the area of 45489.2 square meters. The maximum amount of debt is RMB40 million yuan and Bill Mortgage Contract number is TJ03(Gaorong)20160049. The financing period is from June 29, 2016 to June 29, 2017.

Note 2: The other increase is based on the Financial Statement Audit Report (No. XYZH/2016TJA20140) issued by ShineWing Certified Public Accountants for the subsidiary of the Company-Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd., and the original estimated value is adjusted based on the actual cost for the relative fixed assets of the Project on the base of liquefied natural gas cylinder in vehicles and cryogenic equipment manufacturing (LNG industry).

### 9. 固定資產(續)

- (5) 北京中同華資產評估有限公司以2016年12月31日為基準日，按照資產基礎法分別對本公司之下屬公司北京天海工業有限公司、北京明暉天海氣體儲運裝備銷售有限公司和廊坊天海高壓容器有限公司存在減值跡象的固定資產進行評估，並於2017年2月28日分別出具了中同華評報字(2017)第86號、中同華評報字(2017)第87號和中同華評報字(2017)第88號評估報告。根據評估結果，管理層對部分機器設備和電氣儲備計提減值準備合計37,734,628.29元。

說明1：本公司之下屬公司天津天海高壓容器有限責任公司年末固定資產房屋建築物房地證津字第115031501859號，土地使用權地號保-32-2，面積50378.4平方米，座落於保稅區津濱大道268號，用於向華夏銀行股份有限公司天津分行提供貸款抵押，涉及評估價值為11,013萬元。貸款合同編號為TJ0310120160075號，貸款金額為2,000萬元，貸款期限自2016年11月23日至2017年10月20日。固定資產房屋建築物房地證津字第1150211201217號，土地使用權地號保-31-6，面積45489.2平方米，座落於保稅區新港大道306號，用於向華夏銀行天津分行提供票據抵押，涉及評估價值為7,574萬元，最高債權額度為4,000萬元，票據抵押合同編號為TJ03(高融)20160049號，融資期限自2016年6月29日至2017年6月29日。

說明2：其他增加為本公司之下屬公司北京明暉天海氣體儲運裝備銷售有限公司本年根據信永中和會計師事務所天津分所出具的XYZH/2016TJA20140財務決算審核報告，對車用液化天然氣瓶與低溫設備生產(LNG產業)基地建設項目涉及的固定資產按實際成本調整原來的暫估價值。



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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 9. Fixed Assets (Continued)

(6) The analysis of the houses and buildings based on the location and age is as follows:

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Within China	位於中國境內	<b>523,966,647.53</b>	528,483,307.55
Long-term (More than 50 years)	長期(50年以上)	<b>0.00</b>	0.00
Middle-term (10-50 Years)	中期(10-50年)	<b>523,966,647.53</b>	528,483,307.55
Short-term (Within 10 years)	短期(10年以內)	<b>0.00</b>	0.00
Outside China	位於中國境外	<b>0.00</b>	0.00
Long-term (More than 50 years)	長期(50年以上)	<b>0.00</b>	0.00
Middle-term (10-50 Years)	中期(10-50年)	<b>0.00</b>	0.00
Short-term (Within 10 years)	短期(10年以內)	<b>0.00</b>	0.00
<b>Total</b>	<b>合計</b>	<b>523,966,647.53</b>	<b>528,483,307.55</b>

#### 9. 固定資產(續)

(6) 房屋建築物按所在地區及年限分析如下：

(7) Unused fixed assets for the time being

Item	項目	Original Book Value 賬面原值	Accumulated Depreciation 累計折舊	Provision for Impairment 減值準備	Book Value 賬面價值	Remark 備註
Houses and Buildings	房屋建築物	102,725,021.29	76,532,413.59	17,872,748.21	8,319,859.4	-

(7) 暫時閒置的固定資產

(8) Fixed Assets that the Certificate of Property Has Not Been Yet Completed

Item 項目	Book Value 賬面價值	Reason about why certificate of property has not been yet completed 未辦妥產權證書原因
Properties of LNG Industry Base LNG產業基地項目房產	285,373,864.87	Under processing 正在辦理中

(8) 未辦妥產權證書的固定資產

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 10. Projects under Construction

#### 10. 在建工程

##### (1) Breakdown of Projects under Construction

##### (1) 在建工程明細表

Item	項目	Closing Balance			Opening Balance		
		Book Balance	Provision for Impairment	Book Value	Book Balance	Provision for Impairment	Book Value
		賬面餘額	減值準備	賬面價值	賬面餘額	減值準備	賬面價值
Equipment	設備	0.00	0.00	0.00	8,037,077.84	0.00	8,037,077.84

##### (2) Change of Significant Projects under Construction

##### (2) 重大在建工程項目變動情況

Name of Project	工程名稱	Opening Balance	Increase in the Current Year	Decrease in the Current Year		Closing Balance
				年年初餘額	本年增加	
Type III Bottle Loading & Unloading Machine for Cylinder Valve of Natural Gas Cylinder	三型瓶	5,284,115.99	2,625,506.75	3,651,373.47	4,258,249.27	0.00
Air Tightness Testing Machine Cluster Bottle Set	天然氣氣瓶閥裝卸機	33,025.70	0.00	33,025.70	0.00	0.00
Steel Outer Wall Shot Blasting Machine	氣密性試驗機	39,224.70	0.00	39,224.70	0.00	0.00
Phase II High Pressure Air Piping Engineering	集束瓶組	51,955.20	0.00	51,955.20	0.00	0.00
CNC Bending Machine	鋼瓶外壁拋丸機	125,839.43	0.00	125,839.43	0.00	0.00
Other Equipment	二期高壓空氣管路工程	500,000.00	501,000.00	1,001,000.00	0.00	0.00
	數控折彎機	0.00	169,230.76	169,230.76	0.00	0.00
	其他設備	2,002,916.82	534,524.51	2,318,526.33	218,915.00	0.00
<b>Total</b>	<b>合計</b>	<b>8,037,077.84</b>	<b>3,830,262.02</b>	<b>7,390,175.59</b>	<b>4,477,164.27</b>	<b>0.00</b>

(Con't)

(續表)

Name of Project	工程名稱	Budget Amount (RMB 10,000 yuan)	Proportion of Project Investment to Budget (%)	Project Progress (%)	Accumulated Amount of Capitalization of Interests	Wherein: Accumulated Amount of Capitalization of Interests in the Current Year	Capitalization Rate of Interest in the Current Year (%)	Sources of Funds
		預算數 (萬元)	工程投入 佔預算 比例 (%)	工程 進度 (%)	利息 資本化 累計金額	本年利息 資本化 金額	本年利息 資本化率 (%)	資金來源
Type III Bottle Loading & Unloading Machine for Cylinder Valve of Natural Gas Cylinder	三型瓶	365	100	100				自籌借款
Air Tightness Testing Machine Cluster Bottle Set	天然氣氣瓶閥裝卸機	3.3	100	100				自籌借款
Steel Outer Wall Shot Blasting Machine	氣密性試驗機	4	100	100				自籌借款
Phase II High Pressure Air Piping Engineering	集束瓶組	5.2	100	100				自籌借款
CNC Bending Machine	鋼瓶外壁拋丸機	12.58	100	100				自籌借款
Other Equipment	二期高壓空氣管路工程	100	100	100				自籌借款
	數控折彎機	17	100	100				自籌借款
	其他設備	231.85	100	100				-
<b>Total</b>	<b>合計</b>	<b>738.93</b>	<b>-</b>	<b>-</b>				<b>-</b>

# Notes to the Financial Statements

## 財務報表附註

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2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 11. Intangible Assets

#### 11. 無形資產

##### (1) Breakdown of Intangible Assets

##### (1) 無形資產明細

Item	項目	Land Use Right 土地使用權	Patent Rights 專利權	Software 軟件	Total 合計
I. Original Book Value	一、賬面原值				
1. Opening Balance	1. 年初餘額	165,755,637.08	11,707,050.00	769,294.28	178,231,981.36
2. Increase in the Current Year	2. 本年增加金額	0.00	0.00	0.00	0.00
3. Decrease in the Current Year	3. 本年減少金額	0.00	0.00	0.00	0.00
4. Closing Balance	4. 年末餘額	165,755,637.08	11,707,050.00	769,294.28	178,231,981.36
II. Accumulated Amortization	二、累計攤銷				
1. Opening Balance	1. 年初餘額	14,492,579.74	7,136,142.09	502,421.54	22,131,143.37
2. Increase in the Current Year	2. 本年增加金額	3,427,667.55	999,999.96	86,586.91	4,514,254.42
(1) Withdrawing	(1) 計提	3,427,667.55	999,999.96	86,586.91	4,514,254.42
3. Decrease in the Current Year	3. 本年減少金額	0.00	0.00	0.00	0.00
4. Closing Balance	4. 年末餘額	17,920,247.29	8,136,142.05	589,008.45	26,645,397.79
III. Provision for Impairment	三、減值準備				
1. Opening Balance	1. 年初餘額	0.00	0.00	0.00	0.00
2. Increase in the Current Year	2. 本年增加金額	0.00	0.00	0.00	0.00
3. Decrease in the Current Year	3. 本年減少金額	0.00	0.00	0.00	0.00
4. Closing Balance	4. 年末餘額	0.00	0.00	0.00	0.00
IV. Book Value	四、賬面價值				
1. Closing Book Value	1. 年末賬面價值	147,835,389.79	3,570,907.95	180,285.83	151,586,583.57
2. Opening Book Value	2. 年初賬面價值	151,263,057.34	4,570,907.91	266,872.74	156,100,837.99

There are no intangible assets formed through internal R&D in the Company.

本年末無通過公司內部研發形成的無形資產。

The depreciation and amortization amounts of the intangible assets recognized as profits and losses in the current year are RMB 4,514,254.42 yuan (RMB 4,492,508.85 yuan for the previous year).

本年確認為損益的無形資產的折舊和攤銷額為4,514,254.42元(上年金額：4,492,508.85元)。

Refer to Note VI.9 for the closing pledge of intangible assets for the Company.

本公司年末無形資產抵押情況詳見本附註六、9所述。

##### (2) Land use right is analyzed as follows by regions and years:

##### (2) 土地使用權按所在地區及年限分析如下：

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Inside China	位於中國境內	147,835,389.79	151,263,057.34
Long-term (More than 50 years)	長期(50年以上)	0.00	0.00
Middle-term (10-50 Years)	中期(10-50年)	147,835,389.79	151,263,057.34
Short-term (Within 10 years)	短期(10年以內)	0.00	0.00
Outside China	位於中國境外	0.00	0.00
Long-term (More than 50 years)	長期(50年以上)	0.00	0.00
Middle-term (10-50 Years)	中期(10-50年)	0.00	0.00
Short-term (Within 10 years)	短期(10年以內)	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>147,835,389.79</b>	<b>151,263,057.34</b>

##### (3) There is no land use right for property that certificate of title has not been handled.

##### (3) 年末無未辦妥產權證書的土地使用權。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 12. Goodwill

#### 12. 商譽

##### (1) Original Value of Goodwill

##### (1) 商譽原值

Name of Invested Entity	被投資單位名稱	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
BTIC AMERICA CORPORATION	天海美洲公司	6,562,344.06	0.00	0.00	6,562,344.06

##### (2) Impairment Provision for Goodwill

##### (2) 商譽減值準備

Name of Invested Entity	被投資單位名稱	Opening Balance 年初餘額	Provision in the Current Year 本年計提	Disposal in the Current Year 本年處置	Closing Balance 年末餘額
BTIC AMERICA CORPORATION	天海美洲公司	0.00	2,882,689.66	0.00	2,882,689.66

On the balance sheet date, Beijing Tianhai Industry Co., Ltd, the subsidiary of the Company, has conducted impairment test for the goodwill; and adopted combination of asset group related to goodwill to estimate the present value of future cash flow when the estimated input cost can be recovered.

資產負債表日，本公司之子公司北京天海工業有限公司對商譽進行減值測試，在預計投入成本可回收金額時，採用了與商譽有關的資產組組合來預計未來現金流量現值。

Recoverable amounts of asset group and combination of asset group are calculated by the cash flow forecasting method in the stable operation period from the sixth year based on the five-year budget approved by the management. Other key assumptions adopted in the impairment test include estimated selling price, sales volume, other related expenses, etc. of products. The management determines the above key assumptions as per the historical experience and forecast to market development. The management adopts pretax rate 8.26% which can reflect the specific risks of related asset groups and combination of asset group as the discount rate. The above assumptions are used to analyze recoverable amounts of each asset group and combination of asset group. The management believes that any material change of these significant assumptions might cause the book value of single asset group to exceed its recoverable amount.

資產組和資產組組合的可收回金額是依據管理層批准的資產組和資產組組合五年期預算，從第六年起為經營穩定期，採用現金流量預測方法計算。減值測試中採用的其他關鍵假設包括：產品預計售價、銷量、其他相關費用等。管理層根據歷史經驗及對市場發展的預測確定上述關鍵假設。管理層採用能夠反映相關資產組和資產組組合的特定風險的稅前利率8.26%為折現率。上述假設用以分析各資產組和資產組組合的可收回金額。管理層相信這些重要假設的任何重大變化都有可能引起單個資產組的賬面價值超過其可收回金額。

The management believes that provision for impairment for the goodwill was RMB 2,882,689.66 yuan on December 31, 2016 based on the above assessment.

管理層認為，基於上述評估於2016年12月31日對商譽計提減值準備2,882,689.66元。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 13. Long-term Unamortized Expenses

#### 13. 長期待攤費用

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Amortization in the Current Year 本年攤銷	Other Decrease in the Current Year 本年其他減少	Closing Balance 年末餘額
Amortization of Turnover Fees	周轉攤銷	0.00	16,240,888.79	1,534,274.24	0.00	14,706,614.55
Property Comprehensive Insurance	財產綜合險	280,524.60	0.00	134,651.76	0.00	145,872.84
<b>Total</b>	<b>合計</b>	<b>280,524.60</b>	<b>16,240,888.79</b>	<b>1,668,926.00</b>	<b>0.00</b>	<b>14,852,487.39</b>

#### 14. Deferred Income Tax Assets and Deferred Income Tax Liabilities

#### 14. 遞延所得稅資產和遞延所得稅負債

##### (1) Breakdown of Deferred Income Tax Assets that Have not been Offset

##### (1) 未經抵銷的遞延所得稅資產

Item	項目	Closing Balance 年末餘額		Opening Balance 年初餘額	
		Deductible Temporary balance 可抵扣暫時性差異	Deferred Income Tax Assets 遞延所得稅資產	Deductible Temporary balance 可抵扣暫時性差異	Deferred Income Tax Assets 遞延所得稅資產
Provision for Assets Impairment	資產減值準備	1,090,575.06	285,691.27	1,066,687.80	277,330.73

##### (2) Breakdown of Deferred Income Tax Assets Unrecognized

##### (2) 未確認遞延所得稅資產明細

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Deductible Temporary Difference	可抵扣暫時性差異	406,969,959.12	299,451,222.57
Deductible Loss	可抵扣虧損	123,507,533.52	114,752,425.17
Provision for Impairment for Assets	資產減值準備	530,477,492.64	414,203,647.74
<b>Total</b>	<b>合計</b>	<b>530,477,492.64</b>	<b>414,203,647.74</b>

##### (3) The deductible losses of unrecognized deferred income tax assets will be due in the following year.

##### (3) 未確認遞延所得稅資產的可抵扣虧損將於以下年度到期

Year	年份	Closing Balance 年末金額	Opening Balance 年初金額
2017	2017年度	43,261,714.43	49,307,148.50
2018	2018年度	16,422,438.17	23,571,239.03
2019	2019年度	42,853,049.96	42,853,049.96
2020	2020年度	183,719,785.08	183,719,785.08
2021	2021年度	120,712,971.48	0.00
<b>Total</b>	<b>合計</b>	<b>406,969,959.12</b>	<b>299,451,222.57</b>

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 15. Short-term Loan

#### 15. 短期借款

##### (1) Classification of Shot-term Loan

##### (1) 短期借款分類

Classification of Loans	借款類別	Closing Balance 年末餘額	Opening Balance 年初餘額
Mortgage Loan	抵押借款	20,000,000.00	45,844,240.00
Guaranteed Loan	保證借款	170,000,000.00	160,000,000.00
<b>Total</b>	<b>合計</b>	<b>190,000,000.00</b>	<b>205,844,240.00</b>

1) On October 18, 2016, Tianjin Tianhai High Pressure Container Co., Ltd., the subsidiary of the Company signed loan contract (No.: TJ0310120160075) with Tianjin Branch of Hua Xia Bank Co., Ltd., with the loan amount of RMB 20 million yuan, lasting for 11 months from November 23, 2016 to October 20, 2017 and with the loan rate of 4.785%. And Tianjin Tianhai High Pressure Container Co., Ltd. took its property (Number of Certificate of Property: FDZJZiNo.115031501859) and land (Number of Certificate of Land Use Right: DHB-32-2) worthy of RMB 110.13 million yuan as assessed in total for pledge from October 23, 2016 to the date of expiry of the debt performance under the main contract.

1) 2016年10月18日，本公司之下屬公司天津天海高壓容器有限責任公司與華夏銀行股份有限公司天津分行簽訂合同編號TJ0310120160075號貸款協議，借款金額為2,000萬元，借款期限11個月，從2016年11月23日起至2017年10月20日止，借款利率為4.785%。由天津天海高壓容器有限責任公司以評估價值為11,013萬元的房產和土地進行抵押，房產證編號房地證津字第115031501859號，土地使用權地號保-32-2，抵押期限為2016年10月23日起至主合同項下債務履行期限屆滿之日。

2) On August 14, 2016, Beijing Tianhai Industry Co., Ltd, the subsidiary of the Company signed working capital loan contract (No.: YYB1210120160066) with Beijing Guanghua Sub-branch of Hua Xia Bank Co., Ltd., with the loan amount of RMB 20 million yuan, the period from August 16, 2016 to May 13, 2017 and the loan rate of 4.785%. And Jingcheng Machinery Electric Holding Co., Ltd., the parent company of the Company will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.

2) 2016年8月14日，本公司之子公司北京天海工業有限公司與華夏銀行股份有限公司北京光華支行簽訂編號為YYB1210120160066的流動資金借款合同，借款金額為2,000萬元，借款期間從2016年8月16日起至2017年5月13日止，借款利率為4.785%。由本公司之母公司北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。



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## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

#### 15. Short-term Loan (Continued)

##### (1) Classification of Short-term Loan (continued)

- 3) On May 11, 2016, Beijing Tianhai Industry Co., Ltd signed working capital loan contract (No.: YYB1210120160036) with Beijing Guanghua Sub-branch of Hua Xia Bank Co., Ltd., with the loan amount of RMB 30 million yuan, the period is 12 months from May 13, 2016 to May 13, 2017 and the loan rate of 4.785%. And Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.
- 4) On January 21, 2016, Beijing Tianhai Industry Co., Ltd signed working capital loan contract (No.: YYB1210120160002) with Beijing Guanghua Sub-branch of Hua Xia Bank Co., Ltd., with the loan amount of RMB 20 million yuan, lasting for 12 months from January 28, 2016 to January 28, 2017 and the loan rate of 4.785%. And Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.
- 5) On December 29, 2016, Beijing Tianhai Industry Co., Ltd signed working capital loan contract (No.: YYB1210120160111) with Beijing Guanghua Sub-branch of Hua Xia Bank Co., Ltd., with the loan amount of RMB 30 million yuan, lasting for 12 months from December 29, 2016 to December 29, 2017 and the loan rate of 5.0025%. And Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.

### 六、合併財務報表主要項目註釋(續)

#### 15. 短期借款(續)

##### (1) 短期借款分類(續)

- 3) 2016年5月11日，北京天海工業有限公司與華夏銀行股份有限公司北京光華支行簽訂編號為YYB1210120160036的流動資金借款合同，借款金額為3,000萬元，借款期間為12個月，從2016年5月13日起至2017年5月13日止，借款利率為4.785%。由北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。
- 4) 2016年1月21日，北京天海工業有限公司與華夏銀行股份有限公司北京光華支行簽訂編號為YYB1210120160002的流動資金借款合同，借款金額為2,000萬元，借款期間為12個月，從2016年1月28日起至2017年1月28日止，借款利率為4.785%。由北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。
- 5) 2016年12月29日，北京天海工業有限公司與華夏銀行股份有限公司北京光華支行簽訂編號為YYB1210120160111的流動資金借款合同，借款金額為3,000萬元，借款期間為12個月，從2016年12月29日起至2017年12月29日止，借款利率為5.0025%。由北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 15. Short-term Loan (Continued)

##### (1) Classification of Short-term Loan (Continued)

- 6) On May 27, 2016, Beijing Tianhai Industry Co., Ltd signed working capital loan contract (No.:91082016228016) with Beijing Branch of Shanghai Pudong Development Bank Co., Ltd., with the loan amount of RMB 30 million yuan, lasting for 12 months from May 27, 2016 to May 26, 2017 and the loan rate being the loan prime rate of Pudong Development Bank for 1 year announced by lender on the date of loan release plus 46.5BPS. And Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.
- 7) On January 22, 2016, Beijing Tianhai Industry Co., Ltd signed loan credit contract (No.:DSZ No. 024 (2015)) with Beijing East Third Ring Sub-branch of China Merchants Bank Co., Ltd, with the loan amount of RMB 40 million yuan, lasting for 12 months from January 22, 2016 to January 21, 2017 and loan rate being the loan prime rate of 4.35% plus 5%. And Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum guarantee from the effective date of the main contract till the expiry of two years following the date of expiry of debt performance under the main contract.
- 8) The weighted average interest rate of short-term loan at the end of year is 4.77% (5.80% at the end of the previous year).

(2) There are no closing unpaid short-term loans in maturity.

#### 15. 短期借款(續)

##### (1) 短期借款分類(續)

- 6) 2016年5月27日，北京天海工業有限公司與上海浦東發展銀行股份有限公司北京分行簽訂編號為91082016228016的流動資金借款合同，借款金額為3,000萬元，借款期間為12個月，從2016年5月27日起至2017年5月26日止，借款利率按發放日貸款人公佈的1年期的浦發銀行貸款基礎利率上浮46.5BPS。由北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。
- 7) 2016年1月22日，北京天海工業有限公司與招商銀行股份有限公司北京東三環支行簽訂編號為2015年東授字第024號的貸款授信合同，貸款金額為4,000萬元，借款期間為12個月，從2016年1月22日起，至2017年1月21日止，借款利率以4.35%為基準利率上浮5%。由北京京城機電控股有限責任公司提供最高額保證，保證期限為主合同生效之日起至主合同項下債務履行期限屆滿之日後兩年。
- 8) 本年末短期借款的加權平均年利率為4.77%(上年末：5.80%)

(2) 年末不存在已逾期未償還的短期借款。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 16. Notes Payable

#### 16. 應付票據

Type of Notes	票據種類	Closing Balance 年末餘額	Opening Balance 年初餘額
Bank Acceptance Bill	銀行承兌匯票	30,000,000.00	0.00

(1) There are no closing unpaid notes payable in maturity. The aging of the closing notes payable of the Group is within 180 days.

(1) 年末無已到期未支付的應付票據。本集團上述年末應付票據的賬齡在180天之內。

(2) On June 28, 2016, Tianjin Tianhai High Pressure Container Co., Ltd., the subsidiary of the Company signed note pledge contract (No.: TJ03 (GR)20160049) with Tianjin Branch of Hua Xia Bank Co., Ltd.; where, Tianjin Tianhai High Pressure Container Co., Ltd. took its property (Number of Certificate of Property: FDZJZi No.1150211201217) and land (Number of Certificate of Land Use Right: DHB-31-6) worthy of RMB 75.74 million yuan as assessed in total for pledge from October 23, 2016 to the date of expiry of the debt performance under the main contract. And the maximum debt limit is RMB 40 million yuan, with the period for financing from June 29, 2016 to June 29, 2017. As of December 31, 2016, the actual draft amount accepted by the bank was RMB 30 million yuan.

(2) 2016年6月28日，本公司之下屬公司天津天海高壓容器有限責任公司與華夏銀行股份有限公司天津分行簽訂合同編號TJ03(高融)20160049號票據抵押合同，由天津天海高壓容器有限責任公司以評估價值為7,574萬元的房產和土地進行抵押，房產權證編號為房地證津字第1150211201217號，土地使用權地號保-31-6，抵押期限為2016年10月23日起至主合同項下債務履行期限屆滿之日。最高債權額度為4,000萬元，融資期限自2016年6月29日至2017年6月29日。截止2016年12月31日，該合同項下實際銀行承兌匯票金額為3,000萬元。

#### 17. Payables

##### (1) Payables

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Material Payment, etc.	材料款等	215,997,537.29	255,505,466.51
Project Payment	工程款	52,520,863.79	142,844,513.50
<b>Total</b>	<b>合計</b>	<b>268,518,401.08</b>	<b>398,349,980.01</b>

#### 17. 應付賬款

##### (1) 應付賬款

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 17. Payables (Continued)

##### (2) Aging Analysis of Receivables

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Within 1 Year	一年以內	170,792,265.42	337,795,661.58
1 to 2 Years	一年至二年	87,809,198.38	47,459,433.08
2 to 3 Years	二年至三年	6,809,605.43	4,759,163.51
More than 3 Years	三年以上	3,107,331.85	8,335,721.84
<b>Total</b>	<b>合計</b>	<b>268,518,401.08</b>	<b>398,349,980.01</b>

##### (3) Significant Payables with the Aging over 1 Year

Name of Company 單位名稱	Closing Balance 年末餘額	Reasons for Unrepayment or Carrying over 未償還或結轉的原因
BUCC (Tianjin) Pressure Equipment Manufacturing Co., Ltd. 巴克(天津)承壓設備製造有限公司	3,942,184.76	Unsettled 尚未結算
Beijing Guangnan Technological Development Co., Ltd. 北京光南科技發展有限公司	1,733,987.50	Unsettled 尚未結算
Beijing Yitong Huizhi Compressor Manufacturing Co., Ltd. 北京一通匯知壓縮機製造有限公司	1,227,872.00	Unsettled 尚未結算
No.1 Branch of Global Industrial Supply Co., Ltd. 北京京城工業物流有限公司第一分公司	1,202,227.27	Unsettled 尚未結算
Beijing Yatai Hongda Commerce Co., Ltd. 北京亞泰宏達商貿有限公司	1,016,602.92	Unsettled 尚未結算
<b>Total 合計</b>	<b>9,122,874.45</b>	

#### 17. 應付賬款(續)

##### (2) 應付賬款賬齡分析

##### (3) 賬齡超過1年的重要應付賬款

#### 18. Accounts Collected in Advance

##### (1) Accounts Collected in Advance

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Goods Payment Received in Advance	預收貨款	43,159,742.00	29,870,362.75
Wherein: more than 1 year	其中:1年以上	8,267,337.63	8,478,410.80

#### 18. 預收款項

##### (1) 預收款項

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 18. Accounts Collected in Advance (Continued)

#### 18. 預收款項(續)

##### (2) Significant Accounts Collected in Advance with Aging less than 1 Year

##### (2) 賬齡超過1年的重要預收款項

Name of Company 單位名稱	Closing Balance 年末餘額	Reasons for Unrepayment or Carrying over 未償還或結轉的原因
WESTPORT POWER INC. WESTPORT POWER INC.	3,669,521.14	The contract has not been fulfilled. 合同未履行完畢
Handan Futong Transportation and Sales Co., Ltd. 邯鄲市滄通運銷有限公司	880,000.00	The contract has not been fulfilled. 合同未履行完畢
Jiangsu Zhenjiang Shipyard Group Co., Ltd. 江蘇省鎮江船廠(集團)有限公司	530,000.00	The contract has not been fulfilled. 合同未履行完畢
Handan Jingsong Welding Equipment Co., Ltd. 邯鄲市金松焊材設備有限公司	213,329.00	The contract has not been fulfilled. 合同未履行完畢
Clemens (Beijing) Trading Co., Ltd. 克萊曼斯(北京)貿易有限公司	169,500.00	The contract has not been fulfilled. 合同未履行完畢
<b>Total 合計</b>	<b>5,462,350.14</b>	

#### 19. Employee Pay Payable

#### 19. 應付職工薪酬

##### (1) Classification of Employee Pay Payable

##### (1) 應付職工薪酬分類

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Short-term Compensation	短期薪酬	18,000,955.31	179,419,629.00	177,302,585.72	20,117,998.59
Post-employment Benefits-Defined Contribution Plan	離職後福利-設定提存計劃	775,541.69	23,632,857.79	23,657,516.09	750,883.39
Dismissal Welfare	辭退福利	0.00	2,071,439.56	2,071,439.56	0.00
Other Welfare Due within One Year	一年內到期的其他福利	3,898,427.84	4,204,219.27	3,898,427.84	4,204,219.27
<b>Total</b>	<b>合計</b>	<b>22,674,924.84</b>	<b>209,328,145.62</b>	<b>206,929,969.21</b>	<b>25,073,101.25</b>

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## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 19. Employee Pay Payable(continued)

#### 19. 應付職工薪酬(續)

##### (2) Short-term Compensation

##### (2) 短期薪酬

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Wage, Bonus, Allowance and Subsidy	工資、獎金、津貼和補貼	11,668,018.81	146,578,551.19	145,086,035.87	13,160,534.13
Employee Welfare	職工福利費	227,500.00	4,487,748.12	4,715,248.12	0.00
Social Insurance Expenses	社會保險費	537,425.93	13,313,836.25	13,302,013.17	549,249.01
Including: Medical Insurance Premiums	其中：醫療保險費	464,620.35	11,298,898.19	11,281,938.07	481,580.47
Industrial Injury Insurance Premium	工傷保險費	41,838.09	1,274,592.59	1,280,756.24	35,674.44
Birth Insurance Premium	生育保險費	30,967.49	740,345.47	739,318.86	31,994.10
Housing Funds	住房公積金	0.00	9,244,400.20	9,180,768.20	63,632.00
Labor-union Expenditures and Personnel Education Funds	工會經費和職工教育經費	2,989,230.57	4,207,453.24	2,985,080.36	4,211,603.45
Housing Allowance	住房補貼	2,578,780.00	1,587,640.00	2,033,440.00	2,132,980.00
<b>Total</b>	<b>合計</b>	<b>18,000,955.31</b>	<b>179,419,629.00</b>	<b>177,302,585.72</b>	<b>20,117,998.59</b>

##### (3) Defined Contribution Plan

##### (3) 設定提存計劃

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Basic Pension Insurance Premium	基本養老保險	739,036.73	22,738,307.57	22,757,814.36	719,529.94
Unemployment Insurance Expense	失業保險費	36,504.96	894,550.22	899,701.73	31,353.45
<b>Total</b>	<b>合計</b>	<b>775,541.69</b>	<b>23,632,857.79</b>	<b>23,657,516.09</b>	<b>750,883.39</b>

The Group participates the social insurance plan set by the governmental authority as stipulated. As per the plan, the Group will contribute to the plan in accordance with relevant provisions of the local government. Besides the contribution above, the Group will not assume any obligations for payment. Relevant expenditures shall be recorded into current profits and losses.

本集團按規定參加政府機構設立的社會保險計劃。根據計劃，本集團按照當地政府的有關規定向該等計劃繳存費用。除上述繳存費用外，本集團不再承擔進一步支付義務。相應的支出於發生時計入當期損益。

On December 31, 2016, there was payable contribution of RMB 750,883.39 yuan for paying the relevant payable contributions at the end of the reporting period that has been due but not paid in the reporting period.

於2016年12月31日，本集團尚有人民幣750,883.39元的應繳存費用是於本報告期間到期而未支付的，有關應繳存費用已於報告期後支付。



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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 20. Taxes Payable

#### 20. 應交稅費

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Added-value Tax	增值稅	2,417,599.54	-47,151,782.04
Business Tax	營業稅	0.00	1,028,309.73
Corporate Income Tax	企業所得稅	435,097.21	414,740.59
Individual Income Tax	個人所得稅	686,632.43	564,111.53
Urban Maintenance and Construction Tax	城市維護建設稅	253,010.06	1,507,028.39
Property Tax	房產稅	86,238.11	468,278.69
Land Use Tax	土地使用稅	131,312.64	-35,527.56
Educational Surtax	教育費附加	164,293.17	819,094.79
Local Educational Surtax	地方教育費附加	25,064.20	69,328.39
Stamp Duty	印花稅	531,250.04	204,594.26
Watercourse Management Fee	河道管理費	13,668.37	9,654.06
Flood Prevention Charge	防洪費	11,608.57	16,773.28
<b>Total</b>	<b>合計</b>	<b>4,755,774.34</b>	<b>-42,085,395.89</b>

There are no closing payable Hong Kong profits taxes.

年末應交稅費中無應交香港利得稅。

#### 21. Interests Payable

#### 21. 應付利息

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Interests Payable for Short-term Loan	短期借款應付利息	26,583.33	74,800.00

#### 22. Other Payables

#### 22. 其他應付款

##### (1) Classification of Other Payables by Nature

##### (1) 其他應付款按款項性質分類

Nature of Amount	款項性質	Closing Balance 年末餘額	Opening Balance 年初餘額
Related Party Loan	關聯方借款	133,000,000.00	138,000,000.00
Advance Money for Another, etc.	代墊款項等	33,144,677.10	20,505,807.71
Return of Social Insurance	社保金返還	16,807.95	2,781,052.71
Lease Expenses	租賃費	856,190.48	2,949,998.00
Property Insurance Indemnity	財產保險賠款	0.00	2,342,500.00
<b>Total</b>	<b>合計</b>	<b>167,017,675.53</b>	<b>166,579,358.42</b>

##### (2) Other significant payables with the aging over 1 year

##### (2) 賬齡超過1年的重要其他應付款

Name of Company 單位名稱	Closing Balance 年末餘額	Reasons for Unrepayment or Carrying over 未償還或結轉的原因
Tianjin Dawufeng Investment Co., Ltd. 天津大無縫投資有限責任公司	1,704,203.53	Invoices have not been received. 發票未到

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 23. Non-current Liabilities Due within One Year

#### 23. 一年內到期的非流動負債

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額	Remark 備註
<b>Special Payables Due within One Year</b>	<b>一年內到期的專項應付款</b>	<b>11,000,000.00</b>	11,000,000.00	
Wherein, Skid-mounted Fueling Station for Liquefied Natural Gas	其中: 撬裝式液化天然氣(LNG)加氣站產品	<b>5,000,000.00</b>	5,000,000.00	Note 1 註1
Self-compression-adding Liquefied Natural Gas (LNG) Welding Thermal Insulation Cylinder Products for Motor Vehicles	自增壓型機動車用液化天然氣焊接絕熱氣瓶產品	<b>2,000,000.00</b>	2,000,000.00	Note 2 註2
Liquefied Natural Gas Low Temperature Storage Tank Product for HPDI-T6 Motor Vehicles	HPDI-T6型機動車用液化天然氣低溫貯罐產品	<b>4,000,000.00</b>	4,000,000.00	Note 3 註3

Note 1: Beijing Tianhai Industry Co., Ltd signed "Fund Supporting Contract for Jingcheng Holding's Strategic Products and Technical R&D" with Jingcheng Holding on December 25, 2012; and Jingcheng Holding provided RMB 5 million yuan for supporting the development of skid-mounted fueling station for liquefied natural gas of Beijing Tianhai Industry Co., Ltd. Beijing Tianhai Industry Co., Ltd would return funds to Jingcheng Holding at a lump-sum within 10 working days from December 1, 2014, and those funds have not been returned at the end of the year.

註1: 北京天海工業有限公司與京城控股於2012年12月25日簽訂了「京城控股戰略產品與技術研發項目資金支持合同」,京城控股對北京天海工業有限公司的撬裝式液化天然氣(LNG)加氣站產品開發給予資金支持500萬元。北京天海工業有限公司將於2014年12月1日開始的10個工作日內一次性向京城控股返還資金,年末尚未歸還。

Note 2: Beijing Tianhai Industry Co., Ltd signed "Fund Supporting Contract for Jingcheng Holding's Strategic Products and Technical R&D" with Jingcheng Holding on December 22, 2011; and Jingcheng Holding provided RMB 2 million yuan for supporting the development of self-compression-adding liquefied natural gas welding thermal insulation cylinder products for motor vehicles of Beijing Tianhai Industry Co., Ltd. Beijing Tianhai Industry Co., Ltd would return funds to Jingcheng Holding at a lump-sum within 10 working days from December 1, 2014, and those funds have not been returned at the end of the year.

註2: 北京天海工業有限公司與京城控股於2011年12月22日簽訂了「京城控股戰略產品與技術研發項目資金支持合同」,京城控股對北京天海工業有限公司的自增壓型機動車用液化天然氣焊接絕熱氣瓶產品開發給予資金支持200萬元。北京天海工業有限公司將於2014年12月1日開始的10個工作日內一次性向京城控股返還資金,年末尚未歸還。

Note 3: Beijing Tianhai Industry Co., Ltd signed "Fund Supporting Contract for Jingcheng Holding's Strategic Products and Technical R&D" with Jingcheng Holding on December 22, 2011; and Jingcheng Holding provided RMB 4 million yuan for supporting the development of liquefied natural gas low temperature storage tank product for HPDI-T6 motor vehicles for motor vehicles of Beijing Tianhai Industry Co., Ltd. Beijing Tianhai Industry Co., Ltd transferred the closing unpaid amounts into non-current liabilities due within one year, which would be returned to Jingcheng Holding at two installment respectively within 10 working days from December 1, 2014 and within 10 working days from December 1, 2015, respectively RMB 1.2 million yuan and RMB 2.8 million yuan which have not been returned yet at the end of the year.

註3: 北京天海工業有限公司與京城控股於2011年12月22日簽訂了「京城控股戰略產品與技術研發項目資金支持合同」,對北京天海工業有限公司的HPDI-T6型機動車用液化天然氣低溫貯罐產品開發給予資金支持400萬元。北京天海工業有限公司將年末尚未歸還,調至一年內到期的非流動負債於2014年12月1日開始的10個工作日內和2015年12月1日開始的十個工作日內,分兩期向京城控股返還資金,分別返還120萬元和280萬元,年末尚未歸還。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 24. Other Current Liabilities

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Pending Changeover VAT on Sales	待轉銷項稅額	279,193.40	0.00

#### 25. Long-term Employee Pay Payable

##### (1) Classification of Long-term Employee Pay Payable

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Post-employment Benefits-Net Liabilities in Defined Benefit Plan	離職後福利—設定受益計劃淨負債	31,163,678.50	31,310,282.67

##### (2) Change of Defined Benefit Plan – Present Value of Obligation of Defined Benefit Plan

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Opening Balance	年初餘額	35,208,710.51	31,930,000.00
Defined Benefit Cost Included into the Current Profits and Losses	計入當期損益的設定受益成本	4,057,615.10	5,763,051.85
1. Current Service Cost	1. 當期服務成本	2,733,767.58	4,563,051.85
2. Previous Service Cost	2. 過去服務成本	0.00	0.00
3. Gains or Losses from Settlement (with "-" for losses)	3. 結算利得(損失以「-」表示)	0.00	0.00
4. Net Interests	4. 利息淨額	1,323,847.52	1,200,000.00
Defined Benefit Cost Included into Other Comprehensive Incomes	計入其他綜合收益的設定收益成本	0.00	0.00
1. Actuarial Gains (with "-" for losses)	1. 精算利得(損失以「-」表示)	0.00	0.00
Other Change	其他變動	-3,898,427.84	-2,484,341.34
1. Liabilities Eliminated when Settling	1. 結算時消除的負債	0.00	0.00
2. Paid Welfare	2. 已支付的福利	-3,898,427.84	-2,484,341.34
Closing Balance	年末餘額	35,367,897.77	35,208,710.51
Less: Welfare Due within One Year	減: 將於一年內到期的福利	4,204,219.27	3,898,427.84
Deduction of Closing Balance Due within One Year	扣除一年內到期後的年末餘額	31,163,678.50	31,310,282.67

#### 24. 其他流動負債

#### 25. 長期應付職工薪酬

##### (1) 長期應付職工薪酬分類

##### (2) 設定受益計劃變動情況 — 設定受益計劃義務現值

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 25. Long-term Employee Pay Payable(continued)

#### 25. 長期應付職工薪酬(續)

##### (3) Change of Defined Benefit Plan – Net Liabilities in Defined Benefit Plan (Net Assets)

##### (3) 設定受益計劃變動情況－設定受益計劃淨負債(淨資產)

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Opening Balance	年初餘額	35,208,710.51	31,930,000.00
Defined Benefit Cost Included into the Current Profits and Losses	計入當期損益的設定受益成本	4,057,615.10	5,763,051.85
Defined Benefit Cost Included into other Comprehensive Incomes	計入其他綜合收益的設定 收益成本	0.00	0.00
Other Change	其他變動	-3,898,427.84	-2,484,341.34
Closing Balance	年末餘額	35,367,897.77	35,208,710.51

##### (4) Explanations on Contents of Defined Benefit Plan and Influence from the Related Risks to Future Cash Flow, Time and Uncertainty of the Company

Obligations incurred from defined benefit plan are discounted as per the discount rate in the defined benefit plan, to determine the present value of obligations in the defined benefit plan and current service cost. The discount rate adopted for discounting is confirmed as per the market profitability matching to period of obligations in the defined benefit plan and amount on the balance sheet date.

##### (4) 設定受益計劃的內容及與之相關風險、對公司未來現金流量、時間和不確定性的影響說明

設定受益計劃按照折現率將設定受益計劃所產生的義務予以折現,以確定設定受益計劃義務的現值和當期服務成本。折現時所採用的折現率根據資產負債表日與設定受益計劃義務期限和幣種相匹配的國債的市場收益率確定。

##### (5) Explanations on Significant Actuarial Assumptions and Results of Sensitive Analysis for Defined Benefit Plan

For the defined benefit plan, the Group shall make estimate on the demographic variables and financial variables, measure obligations for set benefit plan and recognize the belonging period of related obligations through consistent actuarial assumptions without prejudice as per the estimated cumulative welfare institutions method according to the modified Accounting Standards for Business Enterprises No.9 – Employee Benefits.

##### (5) 設定受益計劃重大精算假設及敏感性分析結果說明

根據修訂的《企業會計準則第9號—職工薪酬》規定,對於設定受益計劃,根據預期累計福利單位法,採用無偏且相互一致的精算假設對有關人口統計變量和財務變量等做出估計,計量設定受益計劃所產生的義務,並確定相關義務的歸屬期間。

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 26. Special Payables

#### 26. 專項應付款

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額	Remark 備註
Project of Aluminum Lined Fully-wrapped Composite Gas Cylinder for Tianhai Vehicles	天海車用鋁內膽全纏繞複合氣瓶項目	3,900,000.00	0.00	0.00	3,900,000.00	註1
Project of Production Base Construction for Gas Storage and Transportation Equipment	天然氣儲運設備生產基地建設項目	100,000,000.00	0.00	0.00	100,000,000.00	註2
<b>Total</b>	<b>合計</b>	<b>103,900,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>103,900,000.00</b>	

Note 1: Beijing Tianhai Industry Co., Ltd signed "Fund Supporting Contract for Jingcheng Holding's Strategic Products and Technical R&D" with Jingcheng Holding in 2009; and Jingcheng Holding provided RMB 10 million yuan for supporting the Project of Aluminum Lined Fully-wrapped Composite Gas Cylinder for Tianhai Vehicles of Beijing Tianhai Industry Co., Ltd. The closing balance unpaid is RMB 3.9 million yuan.

註1: 北京天海工業有限公司與京城控股於2009年簽訂了「京城控股戰略產品與技術研發項目資金支持合同」，對北京天海工業有限公司的天海車用鋁內膽全纏繞複合氣瓶項目給予資金支持1,000萬元。年末尚未歸還的餘額為390萬元。

Note 2: State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality issued Notice about Appropriation of State-owned Capital Operation Budget on June 4, 2013 (JGZ [2013] No.96) to Jingcheng Holding and notified to arrange RMB 0.1 billion yuan for the project of production base construction for gas storage and transportation equipment. Beijing Tianhai Industry Co., Ltd received the above funds in August 2013.

註2: 北京市人民政府國有資產監督管理委員會2013年6月4日向京城控股下發了《關於撥付2013年國有資本經營預算資金的通知》(京國資[2013]96號)，通知安排1億元用於天然氣儲運設備生產基地建設項目。北京天海工業有限公司於2013年8月收到上述資金。

#### 27. Estimated Liabilities

#### 27. 預計負債

Item 項目	Closing Balance 年末餘額	Opening Balance 年初餘額	Reason of Forming 形成原因
Product Quality Assurance 產品質量保證	3,129,430.00	0.00	Quality Bond 質量保證金

Note: The management withdraws Product Quality Assurance at 4.25% by taking the annual income of LNG products as the baseline based on the years of assumption of quality warantee and historical data in the sales contract.

註: 管理層基於銷售合同中對質量保證責任的承擔年限和歷史數據，以LNG產品的年度收入為基數，按照4.25%的比例計提年度產品質量保證金。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 28. Share Capital

The change of the legal, issued and paid share capital of the Company is as follows: All the shares of the Company are ordinary one with the face value of RMB 1 yuan per share.

(Unit: RMB1,000 yuan)

#### 28. 股本

本公司的法定、已發行及繳足股本的變動表如下。所有本公司的股份均為每股面值人民幣1元的普通股。

(單位：千元)

Item	項目	Opening Amount		Change in the Current Year					Closing Amount	
		年初金額		本年變動					年末金額	
		Amount	Proportion (%)	Issuing New Shares	Share Donation	Transfer into Shares from Accumulation Funds	Other	Subtotal	Amount	Proportion (%)
Total Shares with Trading Limited	有限售條件股份合計	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Shares without Trading Limited	無限售條件股份	-	-	-	-	-	-	-	-	-
RMB Ordinary Share	人民幣普通股	322,000.00	76.30	0.00	0.00	0.00	0.00	0.00	322,000.00	76.30
Overseas Listed Foreign Share	境外上市外資股	100,000.00	23.70	0.00	0.00	0.00	0.00	0.00	100,000.00	23.70
Total Shares without Trading Limited	無限售條件股份合計	422,000.00	100.00	0.00	0.00	0.00	0.00	0.00	422,000.00	100.00
Total Shares	股份總額	422,000.00	100.00	0.00	0.00	0.00	0.00	0.00	422,000.00	100.00

#### 29. Capital Reserves

#### 29. 資本公積

Item	項目	Opening Amount	Increase in the Current Year	Decrease in the Current Year	Closing Amount
		年初金額	本年增加	本年減少	年末金額
Capital Stock Premium	股本溢價	557,838,342.74	0.00	0.00	557,838,342.74
Other Capital Reserves	其他資本公積	125,964,838.95	0.00	0.00	125,964,838.95
Total	合計	683,803,181.69	0.00	0.00	683,803,181.69



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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 30. Other Comprehensive Incomes

#### 30. 其他綜合收益

Item	項目	Amount in the Current Year 本年發生額					Closing Balance 年末餘額
		Opening Balance 年初餘額	Amount Incurred before Income Tax in the Current Year 本年所得稅前發生額	Less: Net amount that is included into other comprehensive income and transferred into the current profits and losses 減: 前期計入其他綜合收益當期轉入損益	Less: Income Taxes 減: 所得稅費用	Attributed to Parent Company after Tax 稅後歸屬於母公司	
I. Other Comprehensive Incomes that Cannot be Re-classified into Profits and Losses	一、以後不能重分類進損益的其他綜合收益	160,000.00	0.00	0.00	0.00	0.00	160,000.00
Wherein: Changes in Net Liabilities and Net Assets of Defined Benefit Plan after Re-measurement	其中: 重新計算設定受益計劃淨負債和淨資產的變動	160,000.00	0.00	0.00	0.00	0.00	160,000.00
II. Other Comprehensive Incomes that will be Re-classified into Profits and Losses	二、以後將重分類進損益的其他綜合收益	908,547.60	2,569,657.92	0.00	0.00	1,322,367.93	2,230,915.53
Translated Balance in Foreign Currency Financial Statements	外幣財務報表折算差額	908,547.60	2,569,657.92	0.00	0.00	1,322,367.93	2,230,915.53
<b>Total of Other Comprehensive Incomes</b>	<b>其他綜合收益合計</b>	<b>1,068,547.60</b>	<b>2,569,657.92</b>	<b>0.00</b>	<b>0.00</b>	<b>1,322,367.93</b>	<b>2,390,915.53</b>

#### 31. Surplus Reserves

#### 31. 盈餘公積

Item	項目	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Statutory Surplus Reserves	法定盈餘公積	41,838,334.73	0.00	0.00	41,838,334.73
Discretionary Surplus Reserves	任意盈餘公積	2,906,035.91	0.00	0.00	2,906,035.91
Reserve Funds	儲備基金	460,638.52	0.00	0.00	460,638.52
Enterprise's Development Funds	企業發展基金	460,638.52	0.00	0.00	460,638.52
<b>Total</b>	<b>合計</b>	<b>45,665,647.68</b>	<b>0.00</b>	<b>0.00</b>	<b>45,665,647.68</b>

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外,均以人民幣元列示)

### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 32. Undistributed Profits

#### 32. 未分配利潤

Item	項目	Current Year 本年	Last Year 上年
<b>Closing Balance for the Previous Year</b>	上年年末餘額	<b>-439,874,304.42</b>	-232,056,930.86
Plus: Adjustment of Opening Undistributed Profits	加: 年初未分配利潤調整數	<b>0.00</b>	0.00
Wherein: Retroactive Adjustment as Newly Stipulated in Accounting Standards for Business Enterprises	其中:《企業會計準則》新規定追溯調整		
Changes of Accounting Policies	會計政策變更	<b>0.00</b>	0.00
Correction of Major Early Error	重要前期差錯更正	<b>0.00</b>	0.00
Change in Scope of Merger under the Common Control	同一控制合併範圍變更	<b>0.00</b>	0.00
Other Adjustment Factors	其他調整因素	<b>0.00</b>	0.00
<b>Opening Balance for the Current Year</b>	本年年初餘額	<b>-439,874,304.42</b>	-232,056,930.86
Plus: Net Profits Attributable to Parent Company in the Current Year	加: 本年歸屬於母公司所有者的淨利潤	<b>-148,787,585.19</b>	-207,817,373.56
Less: Appropriation of Statutory Surplus Reserve	減: 提取法定盈餘公積	<b>0.00</b>	0.00
Appropriation of Discretionary Surplus Reserves	提取任意盈餘公積	<b>0.00</b>	0.00
Extraction of General Risk Reserves	提取一般風險準備	<b>0.00</b>	0.00
Common Stock Dividends Payable	應付普通股股利	<b>0.00</b>	0.00
Common Stock Dividends Transferred into Capital	轉作股本的普通股股利	<b>0.00</b>	0.00
<b>Closing Balance for the Current Year</b>	本年年末餘額	<b>-588,661,889.61</b>	-439,874,304.42

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 33. Net Current Assets

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Current Assets	流動資產	762,422,678.13	877,563,455.51
Less: Current Liabilities	減：流動負債	739,830,470.93	792,308,270.13
<b>Net Current Assets</b>	<b>淨流動資產</b>	<b>22,592,207.20</b>	<b>85,255,185.38</b>

#### 34. Total Assets minus Current Liabilities

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Total Assets	資產總計	1,849,908,902.76	2,077,492,109.79
Minus: Current Liabilities	減：流動負債	739,830,470.93	792,308,270.13
<b>Total Assets Minus Current Liabilities</b>	<b>總資產減流動負債</b>	<b>1,110,078,431.83</b>	<b>1,285,183,839.66</b>

#### 35. Loan

The loan of the Group is summarized as follows:

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Short-term Bank Loan	短期銀行借款	190,000,000.00	205,844,240.00
Special Payables Due within One Year	一年內到期的專項應付款	11,000,000.00	11,000,000.00
Special Payables	專項應付款	103,900,000.00	103,900,000.00
Loan from Jingcheng Holding	京城控股借款	133,000,000.00	138,000,000.00
<b>Total</b>	<b>合計</b>	<b>437,900,000.00</b>	<b>458,744,240.00</b>

#### 33. 淨流動資產

#### 34. 總資產減流動負債

#### 35. 借貸

本集團借貸匯總如下：

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 35. Loan (Continued)

#### 35. 借貸(續)

##### (1) Analysis of Debit and Credit

##### (1) 借貸的分析

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Bank Loan	銀行借款		
– Need to repay within one year	– 須在一年內償還	190,000,000.00	205,844,240.00
– Need to repay after one year	– 須在一年以後償還	0.00	0.00
Subtotal	小計	190,000,000.00	205,844,240.00
Other Loans	其他借款		
– Need to repay within one year or as required	– 須在一年內償還或 按要求償還	247,900,000.00	252,900,000.00
– Need to repay after one year	– 須在一年以後償還	0.00	0.00
Subtotal	小計	247,900,000.00	252,900,000.00
<b>Total</b>	<b>合計</b>	<b>437,900,000.00</b>	<b>458,744,240.00</b>

##### (2) Analysis of Due Date of Debit and Credit

##### (2) 借貸的到期日分析

Bank Loan:

銀行借款:

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Repay as required or repay within 1 year	按要求償還或一年以內	190,000,000.00	205,844,240.00
1 to 2 Years	一至二年	0.00	0.00
2 to 5 Years	二至五年	0.00	0.00
More than 5 Years	五年以上	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>190,000,000.00</b>	<b>205,844,240.00</b>

Other Loans:

其他借款:

Item	項目	Closing Amount 年末金額	Opening Amount 年初金額
Repay as required or repay within 1 year	按要求償還或一年以內	247,900,000.00	149,000,000.00
1 to 2 Years	一至二年	0.00	0.00
2 to 5 Years	二至五年	0.00	0.00
More than 5 Years	五年以上	0.00	103,900,000.00
<b>Total</b>	<b>合計</b>	<b>247,900,000.00</b>	<b>252,900,000.00</b>

# Notes to the Financial Statements

## 財務報表附註

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2016年1月1日至2016年12月31日(本財務報表附註除特別註明外,均以人民幣元列示)

### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 36. Business Incomes and Operating Costs

#### 36. 營業收入、營業成本

##### (1) Breakdown of Business Incomes and Operating Costs

##### (1) 營業收入、營業成本明細

Item	項目	Amount in the Current Year 本年發生額		Amount in the Previous Year 上年發生額	
		Incomes 收入	Costs 成本	Incomes 收入	Costs 成本
Prime Business	主營業務	863,707,076.06	775,441,100.34	1,037,517,319.54	976,740,403.03
Other Businesses	其他業務	25,818,174.19	16,064,419.80	39,078,939.35	38,598,863.40
<b>Total</b>	<b>合計</b>	<b>889,525,250.25</b>	<b>791,505,520.14</b>	<b>1,076,596,258.89</b>	<b>1,015,339,266.43</b>

##### (2) Gross Profits from Prime Businesses

##### (2) 主營業務毛利

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
		Prime Business Income	主營業務收入
Prime Business Costs	主營業務成本	775,441,100.34	976,740,403.03
Gross Profit	毛利	88,265,975.72	60,776,916.51

##### (3) Prime Businesses – Classified by Products

##### (3) 主營業務 – 按產品分類

Name of Industry	行業名稱	Amount in the Current Year 本年金額		Amount in the Previous Year 上年金額	
		Operating Revenue 營業收入	Operating Costs 營業成本	Operating Revenue 營業收入	Operating Costs 營業成本
Seamless steel gas cylinders	鋼質無縫氣瓶	488,346,102.32	412,839,439.29	520,020,428.88	465,208,504.31
Winding cylinders	纏繞瓶	155,820,802.53	152,533,284.73	141,525,779.70	128,901,751.30
Cryogenic gas cylinders	低溫瓶	60,332,826.66	54,305,190.50	116,927,446.22	141,271,926.49
Cryogenic devices for storage and transportation	低溫儲運裝備	63,767,750.90	72,077,223.53	70,270,824.89	64,262,919.65
Others	其他	95,439,593.65	83,685,962.29	188,772,839.85	177,095,301.28
<b>Total</b>	<b>合計</b>	<b>863,707,076.06</b>	<b>775,441,100.34</b>	<b>1,037,517,319.54</b>	<b>976,740,403.03</b>

##### (4) Other Business Incomes and Other Business Costs

##### (4) 其他業務收入和其他業務成本

Name of Business	業務名稱	Amount in the Current Year 本年金額		Amount in the Previous Year 上年金額	
		Other Business Revenues 其他業務收入	Other Business Costs 其他業務成本	Other Business Revenues 其他業務收入	Other Business Costs 其他業務成本
Sales of Materials	銷售材料	20,958,428.87	11,181,802.02	34,439,082.65	32,497,529.89
Other	其他	4,859,745.32	4,882,617.78	4,639,856.70	6,101,333.51
<b>Total</b>	<b>合計</b>	<b>25,818,174.19</b>	<b>16,064,419.80</b>	<b>39,078,939.35</b>	<b>38,598,863.40</b>

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 36. Business Incomes and Operating Costs (Continued)

#### 36. 營業收入、營業成本(續)

(5) The total business incomes from the top five companies of the Group in the current year are RMB 142,604,129.85 yuan, accounting for 16.03% of the total business incomes in the current year (Previous year: 27.34%), with the details as follows:

(5) 本年本集團前五名客戶營業收入總額142,604,129.85元，佔本年全部營業收入總額的16.03%(上年：27.34%)，具體情況如下：

Name of Company	單位名稱	Operating Revenue 營業收入	Proportion to Total Business Incomes (%) 佔全部業務收入總額的比例(%)
LEEBUCC TIANJIN HYDRAULICS EQUIPMENT CO.,LTD.	巴克立偉(天津)液壓設備有限公司	46,504,135.01	5.23
Jiangsu Tianhai Special Equipment Co., Ltd.	江蘇天海特種裝備有限公司	30,417,364.53	3.42
GT GLOBAL INCORPORATED	GT GLOBAL INCORPORATED	25,091,833.12	2.82
SING SWEE BEE ENTERPRISE PTE LTD	SING SWEE BEE ENTERPRISE PTE LTD	21,372,758.77	2.40
Beijing Orient Fulin Liquefied Gas Co., Ltd.	北京東方富林液化氣體有限公司	19,218,038.42	2.16
<b>Total</b>	<b>合計</b>	<b>142,604,129.85</b>	<b>16.03</b>

#### 37. Taxes and Surcharges

#### 37. 税金及附加

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Business Tax	營業稅	-253,309.73	1,631,853.11
Urban Maintenance And Construction Tax	城市維護建設稅	2,546,196.39	5,276,580.41
Educational Surtax	教育費附加	1,137,624.72	2,297,024.98
Local Educational Surtax	地方教育費附加	758,416.50	1,525,487.37
Property Tax	房產稅	5,120,663.06	0.00
Land Use Tax	土地使用稅	1,533,999.61	0.00
Vehicle and Vessel Use Tax	車船使用稅	1,023.60	0.00
Riverway Management Charge	河道費	143,791.25	0.00
Stamp Duty	印花稅	842,739.66	0.00
Security Funds for the Disabled	殘疾人保障金	489,293.15	0.00
Flood Prevention Tax	防洪稅	166,711.57	0.00
<b>Total</b>	<b>合計</b>	<b>12,487,149.78</b>	<b>10,730,945.87</b>



# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 38. Selling Expenses

#### 38. 銷售費用

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Employees' Compensation	職工薪酬	23,517,739.75	20,298,279.97
Operational Funds	業務經費	4,632,210.72	3,837,487.32
Transportation Expenses	運輸費	23,260,679.40	26,575,092.75
Warehousing and Maintenance Fees	倉儲保管費	1,413,736.64	2,204,031.34
Exhibition Fees	展覽費	497,284.04	221,428.99
After-sales Service Charges	售後服務費	4,079,772.29	3,214,290.40
Repair Charge	修理費	439,366.03	2,017,014.94
Office Fees	辦公費	488,952.28	1,470,460.70
Traveling Expenses	差旅費	5,304,464.86	8,039,638.07
Other	其他	7,258,340.64	7,199,120.72
<b>Total</b>	<b>合計</b>	<b>70,892,546.65</b>	<b>75,076,845.20</b>

#### 39. Administrative Expenses

#### 39. 管理費用

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Tax	稅費	1,687,746.90	8,936,711.37
Office Fees	辦公費	3,575,287.80	4,695,484.73
Traveling Expenses	差旅費	1,540,094.42	1,074,691.59
Energy Bills	能源費	1,569,744.57	3,041,770.24
Repair Charges	修理費	973,457.36	2,259,093.44
Depreciation Fees	折舊費	8,363,644.38	10,685,208.02
Employees' Compensation	職工薪酬	72,914,379.11	81,345,767.20
Vehicle Fees	車輛費用	2,044,539.98	1,408,269.51
R&D Expenditures	研發支出	10,773,928.97	14,150,447.32
Publicity Expenses	業務宣傳費	816,298.46	31,926.92
Business Entertainment Fees	業務招待費	765,664.80	828,813.25
Amortization of Intangible Assets	無形資產攤銷	3,800,995.65	4,492,508.85
Fees for Employing Intermediation	聘請中介機構費	10,441,280.51	6,516,367.75
Other	其他	11,527,118.83	23,258,485.64
<b>Total</b>	<b>合計</b>	<b>130,794,181.74</b>	<b>162,725,545.83</b>

The audit fees for the current year are RMB 900,000.00 yuan (RMB 900,000.00 yuan for the previous year).

本年度審計收費為900,000.00元(上年度為900,000.00元)。

# Notes to the Financial Statements

## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 40. Financial Expenses

#### 40. 財務費用

##### (1) Breakdown of Financial Expenses

##### (1) 財務費用明細

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Interest Expenses	利息支出	17,817,028.54	22,799,958.75
Less: Interest Incomes	減: 利息收入	525,595.63	1,005,936.37
Plus: Exchange losses	加: 匯兌損失	-4,432,532.75	-8,946,191.69
Plus: Other Expenditures	加: 其他支出	1,050,766.66	797,406.47
<b>Total</b>	<b>合計</b>	<b>13,909,666.82</b>	<b>13,645,237.16</b>

##### (2) Breakdown of Interest Expenses

##### (2) 利息支出明細

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Bank Loans and Overdraft Interests	銀行借款、透支利息	10,560,467.13	15,927,825.41
Other Interests	其他利息	5,932,713.89	5,672,133.34
Other Loan interests that shall be due and repaid within five years	須於五年內到期償還的其他借款利息	5,932,713.89	5,672,133.34
Other Loan interests that shall be due and repaid after five years	須於五年後到期償還的其他借款利息	0.00	0.00
Long-term employee pay payable withdrawn at the effective interest rate	按實際利率計提的長期應付職工薪酬利息	1,323,847.52	1,200,000.00
Subtotal	小計	17,817,028.54	22,799,958.75
Less: Capitalized Interests	減: 資本化利息	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>17,817,028.54</b>	<b>22,799,958.75</b>

##### (3) Breakdown of Interest Incomes

##### (3) 利息收入明細

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Income from Bank Deposit Interests	銀行存款利息收入	525,595.63	1,005,936.37
Interest Incomes from Receivables	應收款項的利息收入	0.00	0.00
Interest Incomes Withdrawn at the Effective Interest Rate	按實際利率計提的利息收入	0.00	0.00
Interest Incomes from Amount of Financial Lease	融資租賃款利息收入	0.00	0.00
Interest Incomes from Financial Assets that Have been Impaired	已發生減值的金融資產產生的利息收入	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>525,595.63</b>	<b>1,005,936.37</b>

# Notes to the Financial Statements

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 41. Assets Impairment Losses

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Losses on Bad Debts	壞賬損失	6,366,281.80	3,123,166.00
Inventory Falling Price Losses	存貨跌價損失	27,617,411.85	93,697,832.41
Impairment Losses for Fixed Assets	固定資產減值損失	37,734,628.29	1,978,795.96
Impairment Losses for Goodwill	商譽減值損失	2,882,689.66	0.00
<b>Total</b>	<b>合計</b>	<b>74,601,011.60</b>	<b>98,799,794.37</b>

#### 42. Investment Incomes

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Long-term Equity Investment Incomes Calculated at Equity Approach	權益法核算的長期股權投資收益	6,819,578.37	1,563,597.03

The investment incomes in the current year are all from non-listed investments.

本年度產生的投資收益全部來源於於非上市類投資。

#### 43. Non-Operating Revenues

##### (1) Breakdown of Non-Operating Revenues

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額	Amount included into non-recurring profits and losses in the current year 計入本年非經常性損益的金額
Total Gains from Disposal of Non-Current Assets	非流動資產處置利得	886,849.74	12,169,408.16	886,849.74
Wherein: Gains from Disposal of Fixed Assets	其中: 固定資產處置利得	886,849.74	375,678.66	886,849.74
Gains from disposal of intangible assets	無形資產處置利得	0.00	11,793,729.50	0.00
Gains from Debt Restructuring	債務重組利得	7,837,291.67	0.00	7,837,291.67
Government Subsidies	政府補助	7,623,764.63	450,032.00	7,623,764.63
Amount That Need Not to be Paid	無需支付的款項	6,130,328.25	0.00	6,130,328.25
Other	其他	218,380.49	321,168.30	218,380.49
<b>Total</b>	<b>合計</b>	<b>22,696,614.78</b>	<b>12,940,608.46</b>	<b>22,696,614.78</b>

#### 43. 營業外收入

##### (1) 營業外收入明細

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 43. Non-Operating Revenues (Continued)

#### 43. 營業外收入(續)

##### (2) Breakdown of Government Subsidies

##### (2) 政府補助明細

Item	Amount in the Current Year	Amount in the Previous Year	Source and Basis	Assets related/ Income Related
項目	本年發生額	上年發生額	來源和依據	與資產相關/ 與收益相關
Governmental Subsidies for "Dual-autonomous" Enterprises 「雙自主」企業政府補貼	750,296.00	0.00	Governmental Subsidies for "Dual-autonomous" Enterprises 「雙自主」企業政府補貼	Income Related 與收益相關
Energy Audit Reward Provided by Beijing Energy Conservation and Environmental Protection Center 北京節能環保中心的能源審計獎勵	1,485,396.00	0.00	Energy Audit Reward Provided by Beijing Energy Conservation and Environmental Protection Center 北京節能環保中心的能源審計獎勵	Income Related 與收益相關
Subsidies for Patent Rights in Chaoyang District 朝陽區專利權資助	251,390.00	21,120.00	Finance Bureau Chaoyang-Subsidies for Patent Rights in Chaoyang District for Hi-tech Enterprises, CZF [2016] No.11 – Notice about Subsidies for Industrialization Project with Patent Technology in 2016 in Chaoyang District, Chaoyang Patent Right Subsidies and Rewards Methods (CZF [2010] No.8) and Administrative Measures for Beijing Patent Rights Subsidies 朝陽區財政局—朝陽區專利權資助高新技術企業、朝知服[2016]11號—關於朝陽區2016年度專利技術產業化項目資助的通知、朝陽區專利資助及獎勵辦法朝政發[2010]8號、北京市專利資助金管理辦法	Income Related 與收益相關
Subsidies for Leading the Energy-saving Development in Chaoyang District 朝陽區節能發展引導資金補助	0.00	204,000.00	Subsidies for Leading the Energy-saving Development in Chaoyang District 朝陽區節能發展引導資金補助	Income Related 與收益相關
Rewards for Implementation of Intellectual Property Policies 知識產權政策落實獎勵	17,300.00	0.00	Rewards for Implementation of Intellectual Property Policies 知識產權政策落實獎勵	Income Related 與收益相關
Subsidies for Employment Position for the Disabled 殘疾人就業崗位補貼	0.00	40,000.00	Subsidies for Employment Position for the Disabled 殘疾人就業崗位補貼	Income Related 與收益相關
Funds for Supporting Short-term Export Credit Insurance Premiums 短期出口信用險保費支持資金	52,015.00	112,912.00	Funds for Supporting Short-term Export Credit Insurance Premiums Provided by Beijing Municipal Commission of Commerce 北京商務委員會短期出口信用險保費支持資金	Income Related 與收益相關
Governmental Subsidies for Development of Beijing Foreign Economic & Trade 北京外經貿發展政府補助	430,674.00	0.00	Implementation Rules of Management of Special Funds for Implementation Rules for Management of Special Funds for Beijing Foreign Trade Development, Notice from Beijing Municipal Commission of Commerce about Providing Funds for Leading the Development of Beijing Foreign Economic and Trade and List of Enterprise Enjoying Key Support Proposed at the Guarantee Service Platform 北京市外貿發展專項資金管理實施細則、北京市商務委員會關於提供北京外經貿發展引導基金和擔保服務平臺擬重點支持企業名錄的通知	Income Related 與收益相關
Governmental Subsidies for Anti-dumping and Anti-subsidy 政府「雙反」補貼	0.00	72,000.00	Beijing Municipal Commission of Commerce 北京市商務委員會	Income Related 與收益相關

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 43. Non-Operating Revenues (Continued)

#### 43. 營業外收入(續)

##### (2) Breakdown of Government Subsidies (Continued)

##### (2) 政府補助明細(續)

Item	Amount in the Current Year	Amount in the Previous Year	Source and Basis	Assets related/ Income Related 與資產相關/ 與收益相關
項目	本年發生額	上年發生額	來源和依據	
Subsidies from National Development and Reform Commission in 2015 for Adjustment and Exit of the Second Batch of Pollution Enterprises 發改委2015年第二批污染企業調整退出補助金	3,000,000.00	0.00	Management Methods of Rewards for Adjustment and Exit of the Industrial Pollution Enterprises 工業污染企業調整退出獎勵資金管理辦法	Income Related 與收益相關
Policies from Tianjin Port Free Trade Zone for Supporting Affected Enterprises in 8.12 to Unfold Production Self-help and Full Recovery of Production 《天津港保稅區關於促進8.12受災企業開展生產自救全力恢復生產支持政策》	1,239,961.93	0.00	JBGf[2015]No. 57 津保管發[2015]57號	Income Related 與收益相關
Subsidy for Stable Employment 穩崗補貼	167,600.00	0.00	JRSF [2015] No.57 冀人社發[2015]57號	Income Related 與收益相關
Subsidies for Social Security 社保補貼	92,930.98	0.00	Table for Examination and Approval of Application by Small and Micro Enterprises in Langfang City for Subsidies for Social Security for Employing College Graduates during Job Selection Period 廊坊市中小微型企業招聘擇業期內高校畢業生申請社會保險補貼審核認定表	Income Related 與收益相關
Subsidies for Employment 就業補貼	75,111.72	0.00	Table for Examination and Approval of Application by Small and Micro Enterprises in Langfang City for Subsidies for Social Security for Employing College Graduates during Job Selection Period 廊坊市中小微型企業招聘擇業期內高校畢業生申請社會保險補貼審核認定表	Income Related 與收益相關
Governmental Incentive Funds for Responding to Projects 響應項目財政獎勵資金	43,906.00	0.00	Management Measures of Financial Incentive Funds for Management of Urban Comprehensive Trial Work for Beijing Electric Power Demand 北京市電力需求側管理城市綜合試點工作財政獎勵資金管理辦法	Income Related 與收益相關
Financial Incentive Funds for Projects Corresponding to Winter Demand in 2015 2015年冬季需求相應項目財政獎勵金	17,183.00	0.00	Notice from Beijing Municipal Commission of Development and Reform about the Forth Batch of Projects for Management of Urban Comprehensive Pilots for Beijing Electric Power Demand 北京市發展和改革委員會關於組織申報北京市電力需求側管理城市綜合試點第四批項目的通知	Income Related 與收益相關
<b>Total</b> 合計	<b>7,623,764.63</b>	<b>450,032.00</b>		-

(3) The non-operating income of the Group in the current year includes profits from selling properties of RMB 886,849.74 yuan (RMB 12,169,408.16 yuan for the previous year).

(3) 本集團本年度營業外收入包括出售物業的利潤886,849.74元(上年發生額12,169,408.16元)。

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 44. Non-operating Expenditures

#### 44. 營業外支出

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額	Amount Included into Non-Recurring Profits and Losses in the Current Year 計入本年非經常性損益的金額
Losses from Disposal of Non-current Assets	非流動資產處置損失	2,978,412.68	123,750.85	2,978,412.68
Including: Losses from Disposal of Fixed Assets	其中: 固定資產處置損失	2,978,412.68	123,750.85	163,694.11
Other	其他	887,499.74	5,545,195.15	887,499.74
<b>Total</b>	<b>合計</b>	<b>3,865,912.42</b>	<b>5,668,946.00</b>	<b>3,865,912.42</b>

#### 45. Income Taxes Expense

#### 45. 所得稅費用

##### (1) Income Taxes Expense

##### (1) 所得稅費用

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Income Tax Expense for the Current Period – Corporate Income	當期所得稅費用—企業所得稅	1,651,706.37	1,054,544.72
1. China	1. 中國	1,202,216.89	-437,362.84
2. Hong Kong	2. 香港	0.00	0.00
3. Other Regions (USA)	3. 其他地區(美國)	416,472.29	1,491,907.56
4. Over-measurement in the Previous Years (Under-measurement)	4. 以前年度多計(少計)	33,017.19	0.00
Deferred Income Taxes Expense	遞延所得稅費用	-8,360.54	4,778,556.38
<b>Total</b>	<b>合計</b>	<b>1,643,345.83</b>	<b>5,833,101.10</b>

##### (2) Adjustment of Accounting Profits and Income Tax Expense

##### (2) 會計利潤與所得稅費用調整過程

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Total Profits from Consolidation in the Current Year	本年合併利潤總額	-179,014,545.75	-290,886,116.48
Income Taxes Expense Calculated at Legal or Applicable Tax Rate	按法定/適用稅率計算的所得稅費用	-44,753,636.44	-72,721,529.12
Influence from Application of Different Tax Rate to Subsidiaries	子公司適用不同稅率的影響	12,340,266.95	12,007,329.44
Influence from Adjustment of Income Tax in the Previous Period	調整以前期間所得稅的影響	33,017.19	-1,055,981.85
Influence from Costs, Expenses and Losses that cannot be Deducted	不可抵扣的成本、費用和損失的影響	14,953,211.57	126,212.97
Influence from Using the Deductible Losses of Unrecognized Deferred Income Tax Assets	使用前期未確認遞延所得稅資產的可抵扣虧損的影響	-3,298,558.73	-320,177.59
Influence from Deductible Temporary balance or Deductible Losses of Unrecognized Deferred Income Tax Assets	本年未確認遞延所得稅資產的可抵扣暫時性差異或可抵扣虧損的影響	22,369,045.29	67,797,247.25
<b>Total</b>	<b>合計</b>	<b>1,643,345.83</b>	<b>5,833,101.10</b>



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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 46. Other Comprehensive Incomes

Refer to "Note VI. 30 Other Comprehensive Incomes" for details.

#### 46. 其他綜合收益

詳見本附註「六、30其他綜合收益」相關內容。

#### 47. Depreciation and Amortization

The depreciation/amortization recognized in the income statement in the current year are RMB 91,436,547.60 yuan (RMB 93,408,688.64 yuan for previous year).

#### 47. 折舊及攤銷

本年度確認為利潤表的折舊/攤銷為91,436,547.60元(上年度為93,408,688.64元)。

#### 48. Expenditures for Operating Lease

The expenditure for operating lease in the current year is RMB 2,046,860.00 yuan (RMB 16,163,554.65 yuan for the previous year), without expenditures for rents for industrial equipment and machinery.

#### 48. 營業租金支出

本年度的營業租金支出為2,046,860.00元(上年度為16,163,554.65元)，無工業裝置及機械的租金支出。

#### 49. Items in Cash Flow Statement

##### (1) Other cashes received/paid concerning operating, investing and financing activities

##### 1) Other cash received concerning operating activities

##### 49. 現金流量表項目

##### (1) 收到/支付的其他與經營/投資/籌資活動有關的現金

##### 1) 收到的其他與經營活動有關的現金

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Margins and Imprests Recovered	收回保證金及備用金	7,762,897.39	39,889,966.08
Interest Incomes	利息收入	525,595.63	1,005,936.37
Government Subsidies	政府補助	7,623,764.63	371,992.00
Current Account	往來款	5,444,507.51	9,581,406.99
Compensations Received from Insurance Company	收保險公司賠款	0.00	8,200,000.00
<b>Total</b>	<b>合計</b>	<b>21,356,765.16</b>	<b>59,049,301.44</b>

##### 2) Other Cash Paid Concerning Operating Activities

##### 2) 支付的其他與經營活動有關的現金

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
General Expenses	各項費用	78,289,303.71	76,262,691.16
Cash Deposit	保證金	27,036,876.64	6,802,726.68
Current Account	往來款	3,946,213.88	2,240,325.50
<b>Total</b>	<b>合計</b>	<b>109,272,394.23</b>	<b>85,305,743.34</b>

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 49. Items in Cash Flow Statement (Continued)

##### (1) Other cashes received/paid concerning operating, investing and financing activities (Continued)

##### 3) Other Cashes Paid Concerning Investing Activities

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Concerned Accounts	關聯往來	0.00	1,141,749.18
Tax paid for property transfer	房產過戶支付的各項稅費	3,717,361.42	0.00
Total	合計	3,717,361.42	1,141,749.18

##### 4) Other Cashes Received Concerning Financing Activities

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Loans from Jingcheng Holding, etc.	京城控股借款等	0.00	138,000,000.00

##### 5) Other Cashes Paid Concerning Financing Activities

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Return of Loans from Jingcheng Holding	歸還京城控股借款	5,000,000.00	88,000,000.00

#### 49. 現金流量表項目(續)

##### (1) 收到/支付的其他與經營/投資/籌資活動有關的現金(續)

##### 3) 支付的其他與投資活動有關的現金

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
0.00	1,141,749.18
3,717,361.42	0.00
3,717,361.42	1,141,749.18

##### 4) 收到的其他與籌資活動有關的現金

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
0.00	138,000,000.00

##### 5) 支付的其他與籌資活動有關的現金

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
5,000,000.00	88,000,000.00

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 49. Items in Cash Flow Statement (Continued)

#### 49. 現金流量表項目(續)

##### (2) Materials Supplementary to Consolidated Cash Flow Statement

##### (2) 合併現金流量表補充資料

Item	項目	Amount in the Current Year 本年年金額	Amount in the Previous Year 上年金額
<b>1. Reconciliation from Net Profit to Cash Flows from Operating Activities:</b>	<b>1. 將淨利潤調節為經營活動現金流量：</b>		
Net Profits	淨利潤	-180,657,891.58	-296,719,217.58
Plus: Provision for assets impairment	加：資產減值準備	74,601,011.60	98,799,794.37
Depreciation of fixed assets, depletion of oil-and-gas assets and depreciation of productive biological assets	固定資產折舊、油氣資產折耗、生產性生物資產折舊	85,253,367.18	87,299,077.77
Amortization of Intangible Assets	無形資產攤銷	4,514,254.42	4,492,508.85
Amortization of Long-term Unamortized Expenses	長期待攤費用攤銷	1,668,926.00	1,617,102.02
Loss from Disposal of Fixed Assets, Intangible Assets and Other Long-term Assets (with "-" for profit)	處置固定資產、無形資產和其他長期資產的損失(收益以[-]填列)	2,091,562.94	-12,114,961.69
Losses on Retirement of Fixed Assets (with "-" for profits)	固定資產報廢損失(收益以[-]填列)	0.00	69,304.38
Losses on Variation of Fair Value (with "-" for profits)	公允價值變動損益(收益以[-]填列)	0.00	0.00
Financial Expenses (with "-" for profits)	財務費用(收益以[-]填列)	17,817,028.54	19,765,328.57
Losses on Investment (with "-" for profits)	投資損失(收益以[-]填列)	-6,819,578.37	-1,563,597.03
Decrease on Deferred Income Tax Asset (with "-" for increases)	遞延所得稅資產的減少(增加以[-]填列)	-8,360.54	4,778,556.38
Increases in Deferred Income Tax Liabilities (with "-" for decreases)	遞延所得稅負債的增加(減少以[-]填列)	0.00	0.00
Decreases on Inventory (with "-" for increases)	存貨的減少(增加以[-]填列)	112,948,931.86	92,685,835.25
Decreases on Operating Receivables (with "-" for increases)	經營性應收項目的減少(增加以[-]填列)	18,798,748.01	230,443,994.34
Increase on Operating Payables (with "-" for decreases)	經營性應付項目的增加(減少以[-]填列)	-143,249,823.68	-83,899,325.51
Other	其他	0.00	0.00
Net Cash Flow from Operating Activities	經營活動產生的現金流量淨額	-13,041,823.62	145,654,400.12
<b>2. Significant Investing and Financing Activities That Do Not Involve Cash Receipts and Payments:</b>	<b>2. 不涉及現金收支的重大投資和籌資活動：</b>		
Translation of Debt into Capital	債務轉為資本	0.00	0.00
Convertible Bonds Due within 1 Year	一年內到期的可轉換公司債券	0.00	0.00
Fixed Assets under Financial Lease	融資租入固定資產	0.00	0.00
<b>3. Net Change in Cash and Cash Equivalents:</b>	<b>3. 現金及現金等價物淨變動情況：</b>		
Closing Balance of Cash	現金的年末餘額	102,580,611.77	175,776,574.47
Less: Opening Balance of Cash	減：現金的年初餘額	175,776,574.47	125,462,823.33
Plus: Closing Balance of Cash Equivalents	加：現金等價物的年末餘額	0.00	0.00
Less: Opening Balance of Cash Equivalents	減：現金等價物的年初餘額	0.00	0.00
Net Increase in Cash and Cash Equivalents	現金及現金等價物淨增加額	-73,195,962.70	50,313,751.14

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## 財務報表附註

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

### 六、合併財務報表主要項目註釋(續)

#### 49. Items in Cash Flow Statement (Continued)

##### (3) Cash and Cash Equivalent

Item	項目	Closing Balance 年末餘額	Opening Balance 年初餘額
Cash	現金	102,580,611.77	175,776,574.47
Wherein: Cash on Hand	其中：庫存現金	81,483.39	65,972.56
Deposit in Bank Available for Payment at Any Time	可隨時用於支付的銀行存款	102,499,128.38	175,710,601.91
Other Monetary Funds Available for Payment at Any Time	可隨時用於支付的其他貨幣資金	0.00	0.00
Cash Equivalents	現金等價物		
Wherein: Bond Investment Due within Three Months	其中：三個月內到期的債券投資		
Closing Balance of Cash and Cash Equivalents	年末現金和現金等價物餘額	102,580,611.77	175,776,574.47
Wherein: Cash and Cash Equivalents That Parent Company or Subsidiaries of the Company Are Limited to Use	其中：母公司或集團內子公司使用受限制的現金和現金等價物	0.00	0.00

#### 49. 現金流量表項目(續)

##### (3) 現金和現金等價物

#### 50. Assets with Ownership or Use Right Restricted

Item	項目	Closing Book Value 年末賬面價值	Reasons of Limitations 受限原因
Monetary Capital	貨幣資金	16,248,660.00	Note Margins, L/C Guarantee 票據保證金，信用證保證金
Fixed Assets	固定資產	95,720,999.35	Pledge for Obtaining Loans and Notes from Bank 為取得銀行借款、票據抵押
Intangible Assets	無形資產	17,807,844.08	Pledge for Obtaining Loans and Notes from Bank 為取得銀行借款、票據抵押
Total	合計	129,777,503.43	

#### 50. 所有權或使用權受到限制的資產

#### 51. Foreign Currency Monetary Item

##### (1) Foreign Currency Monetary Item

Item	項目	Closing Balance of Foreign Currency 年末外幣餘額	Rate of Translation 折算匯率	Closing Converted RMB Balance 年末折算人民幣餘額
Monetary Capital	貨幣資金			28,056,898.81
Including: USD	其中：美元	4,039,897.83	6.9370	28,024,771.25
EURO	歐元	2,478.75	7.3068	18,111.73
HKD	港元	15,668.72	0.89451	14,015.83
Receivables	應收賬款			27,487,157.09
Including: USD	其中：美元	3,796,980.45	6.9370	26,339,653.38
EURO	歐元	157,046.00	7.3068	1,147,503.71
Payables	應付賬款			7,622,827.09
Including: USD	其中：美元	913,447.32	6.9370	6,336,584.08
EURO	歐元	49,456.45	7.3068	361,368.36
GBP	英鎊	108,688.59	8.5094	924,874.65
Other Payables	其他應付款			380,414.19
Including: USD	其中：美元	54,838.43	6.9370	380,414.19

#### 51. 外幣貨幣性項目

##### (1) 外幣貨幣性項目

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### VI. Notes to Main Items of the Consolidated Financial Statements (Continued)

#### 51. Foreign Currency Monetary Item (Continued)

##### (2) Overseas Business Entity

BTIC AMERICA CORPORATION, the subsidiary of the Company was registered in Houston, USA, with USD as the recording currency. Jingcheng Holding (Hong Kong) Co., Ltd, the subsidiary of the Company was registered in Hong Kong, with USD as the recording currency.

### 六、合併財務報表主要項目註釋(續)

#### 51. 外幣貨幣性項目(續)

##### (2) 境外經營實體

本公司之下屬公司天海美洲公司註冊地為美國休斯頓，公司以美元為記賬本位幣。本公司之子公司京城控股(香港)有限公司註冊地為香港，公司以美元為記賬本位幣。

### VII. Change of Scope of Merger

#### 1. Business Merger under the Different Control

There is no business merger under the different control in the current year.

#### 2. Business Merger under the Common Control

There is no business merger under the common control in the current year.

### 七、合併範圍的變化

#### 1. 非同一控制下企業合併

本年未發生非同一控制下企業合併。

#### 2. 同一控制下企業合併

本年未發生同一控制下企業合併。

### VIII. Equity in Other Entities

#### 1. Equity in the Subsidiaries

##### (1) Composition of Enterprises Group

### 八、在其他主體中的權益

#### 1. 在子公司中的權益

##### (1) 企業集團的構成

Name of Subsidiary 子公司名稱	Prime Business Place 主要經營地	Registration Place 註冊地	Registered Capital 註冊資本	Shareholding Ratio (%) 持股比例(%)		Acquisition Method 取得方式
				Direct 直接	Indirect 間接	
Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	Chaoyang District, Beijing City 北京市朝陽區	Chaoyang District, Beijing City 北京市朝陽區	USD 61,401,800 6,140.18萬美元	100.00	0.00	Business Merger under Common Control 同一控制下企業合併
LangfangTianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	Langfang City, Hebei Province 河北省廊坊市	Langfang City, Hebei Province 河北省廊坊市	RMB 301,410,000 30,141.00萬元	0.00	82.08	Business Merger under Common Control 同一控制下企業合併
Tianjin Tianhai High Pressure Container Co., Ltd. 天津天海高壓容器有限責任公司	Tianjin Port Free Trade Zone 天津港保稅區	Tianjin Port Free Trade Zone 天津港保稅區	RMB 225,578,400 22,557.84萬元	0.00	55.00	Establishment 設立
Shanghai Tianhai Composite Cylinders Co., Ltd. 上海天海複合氣瓶有限公司	Songjiang District, Shanghai City 上海市松江區	Songjiang District, Shanghai City 上海市松江區	RMB 3,017,400 301.74萬美元	0.00	87.84	Business Merger under Common Control 同一控制下企業合併
Beijing Tianhai Cryogenic Equipment Co., Ltd. 北京天海低溫設備有限公司	Daxing District, Beijing City 北京市大興區	Daxing District, Beijing City 北京市大興區	RMB 40,000,000 4,000.00萬元	0.00	75.00	Establishment 設立
Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Tongzhou District, Beijing City 北京市通州區	Tongzhou District, Beijing City 北京市通州區	RMB 20,000,000 2,000.00萬元	0.00	100.00	Business Merger under Common Control 同一控制下企業合併
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd. 北京明暉天海氣體儲運裝備銷售 有限公司	Tongzhou District Beijing City 北京市通州區	Tongzhou District Beijing City 北京市通州區	RMB 545,225,228 54,522.5228萬元	0.00	38.51	Establishment 設立
BTIC AMERICA CORPORATION 天海美洲公司	Houston, USA 美國休斯頓	Houston, USA 美國休斯頓	1,200 shares 1,200股	0.00	51.00	Business Merger not under Common Control 非同一控制下企業合併
Jingcheng Holdings (Hong Kong) Co., Ltd 京城控股(香港)有限公司	Hong Kong 香港	Hong Kong 香港	HKD 1,000 1,000港元	100.00	0.00	Business Merger under Common Control 同一控制下企業合併

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### VIII. Equity in Other Entities (Continued)

#### 1. Equity in the Subsidiaries (Continued)

##### (1) Composition of Enterprises Group (Continued) (Con't)

Name of Subsidiary 子公司名稱	Type of Enterprise 企業類型	Business Nature 業務性質	Legal Representative 法定代表人	Organization Code 組織機構代碼
Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	Limited Liability Company 有限責任公司	Production 生產	Wang Jun 王軍	911100006000036940 911100006000036940
LangfangTianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	Sino-foreign joint venture 中外合資企業	Production 生產	Li Junjie 李俊杰	91131000799569483H 91131000799569483H
Tianjin Tianhai High Pressure Container Co., Ltd. 天津天海高壓容器有限責任公司	Limited Liability Company 有限責任公司	Production 生產	Liu 劉廣嶺	91120116746652398J 91120116746652398J
Shanghai Tianhai Composite Cylinders Co., Ltd. 上海天海複合氣瓶有限公司	Sino-foreign Cooperative Enterprise 中外合作企業	Production 生產	Li Junjie 李俊杰	91310000607422234E 110000011024148
Beijing Tianhai Cryogenic Equipment Co., Ltd. 北京天海低溫設備有限公司	Limited Liability Company 有限責任公司	Production 生產	Li Junjie 李俊杰	110000011024148 91110112102485061D
Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Limited Liability Company 有限責任公司	Production 生產	Li Junjie 李俊杰	91110112102485061D 91110112057330019H
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd. 北京明暉天海氣體儲運裝備銷售有限公司	Limited Liability Company 有限責任公司	Production 生產	Li Zhe 李哲	91110112057330019H
BTIC AMERICA CORPORATION 天海美洲公司	Overseas enterprise 境外企業	Sales 銷售	Li Junjie 李俊杰	
Jingcheng Holding (Hong Kong) Co., Ltd 京城控股(香港)有限公司	Limited Liability Company 有限責任公司	Trading, Investment 貿易、投資	Li Junjie 李俊杰	

### 八、在其他主體中的權益(續)

#### 1. 在子公司中的權益(續)

##### (1) 企業集團的構成(續) (續表)



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### VIII. Equity in Other Entities (Continued)

#### 1. Equity in the Subsidiaries (Continued)

##### (2) Important Non-wholly-owned Subsidiary

Name of Subsidiary	子公司名稱	Minority Shareholders' Shareholding Ratio (%)	Profits and Losses Attributable to Minority Shareholders in the Current Year	Dividends Distributed to Minority Shareholders in the Current Year	Closing Minority Interest Balance of Equity
		少數股東持股比例(%)	本年歸屬於少數股東的損益	本年向少數股東宣告分派的股利	年末少數股東權益餘額
LangfangTianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	17.92	-5,783,979.84	0.00	2,358,502.62
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	45.00	2,560,883.20	0.00	90,090,603.57
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	12.16	400,744.32	0.00	4,934,229.14
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	25.00	-8,543,627.04	0.00	2,031,777.97
BTIC AMERICA CORPORATION	天海美洲公司	49.00	488,529.00	0.00	19,766,200.25
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運裝備銷售有限公司	61.49	-20,992,856.03	0.00	287,506,154.49

##### (3) Main Financial Information of Important Non-Wholly-Owned Subsidiary

### 八、在其他主體中的權益(續)

#### 1. 在子公司中的權益(續)

##### (2) 重要的非全資子公司

##### (3) 重要非全資子公司的主要財務信息

Name of Subsidiary	子公司名稱	Closing Balance					
		Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities
		流動資產	非流動資產	資產合計	流動負債	非流動負債	負債合計
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	144,688,914.67	199,195,973.55	343,884,888.22	143,020,391.77	0.00	143,020,391.77
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	21,723,593.35	18,345,379.59	40,068,972.94	2,876,844.41	0.00	2,876,844.41
LangfangTianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	49,262,438.67	203,492,714.04	252,755,152.71	170,201,730.62	0.00	170,201,730.62
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	72,628,518.04	6,782,818.44	79,411,336.48	71,199,308.16	0.00	71,199,308.16
BTIC AMERICA CORPORATION	天海美洲公司	45,773,948.71	329,370.01	46,103,318.72	5,764,134.49	0.00	5,764,134.49
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運裝備銷售有限公司	162,893,356.19	520,305,628.48	683,198,984.67	215,404,957.73	3,129,430.00	218,534,387.73

(Con't)

(續表1)

Name of Subsidiary	子公司名稱	Beginning Balance					
		Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities
		流動資產	非流動資產	資產合計	流動負債	非流動負債	負債合計
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	121,813,640.26	222,292,863.44	344,106,503.70	148,932,858.81	0.00	148,932,858.81
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	15,241,677.55	19,337,147.66	34,578,825.21	682,291.44	0.00	682,291.44
LangfangTianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	67,501,570.77	232,751,485.05	300,253,055.82	185,422,960.50	0.00	185,422,960.50
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	79,324,018.42	9,766,045.65	89,090,064.07	46,703,527.57	0.00	46,703,527.57
BTIC AMERICA CORPORATION	天海美洲公司	47,395,532.30	351,977.41	47,747,509.71	10,950,813.22	0.00	10,950,813.22
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運裝備銷售有限公司	132,131,753.59	545,783,269.64	677,915,023.23	179,110,149.77	0.00	179,110,149.77

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### VIII. Equity in Other Entities (Continued)

#### 1. Equity in the Subsidiaries (Continued)

##### (3) Main Financial Information of Important Non-Wholly-Owned Subsidiary (Continued) (Con't)

Name of Subsidiary	子公司名稱	Amount in the Current Year 本年發生額			Cash Flow from Operating Activities 經營活動 現金流量
		Operating Revenue	Net Profits	Total Comprehensive Incomes	
		營業收入	淨利潤	綜合收益總額	
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限 責任公司	299,695,509.87	5,690,851.56	5,690,851.56	28,139,872.99
Shanghai Tianhai Composite Cylinders Co., Ltd	上海天海複合氣瓶 有限公司	43,400,402.37	3,295,594.76	3,295,594.76	675,619.85
LangfangTianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器 有限公司	241,295,656.89	-32,276,673.23	-32,276,673.23	13,431,962.67
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備 有限公司	65,547,398.91	-34,174,508.18	-34,174,508.18	-5,781,839.70
BTIC AMERICA CORPORATION	天海美洲公司	130,655,695.62	996,997.96	3,542,487.74	9,503,335.36
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運 裝備銷售有限公司	92,775,142.39	-34,140,276.52	-34,140,276.52	21,383,297.66

(Con't)

(續表 3)

Name of Subsidiary	子公司名稱	Amount in the Previous Year 上年發生額			Cash Flow from Operating Activities 經營活動 現金流量
		Operating Revenue	Net Profits	Total Comprehensive Incomes	
		營業收入	淨利潤	綜合收益總額	
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限 責任公司	308,984,736.28	-31,154,037.86	-31,154,037.86	4,721,042.01
Shanghai Tianhai Composite Cylinders Co., Ltd	上海天海複合氣瓶有限公司	33,119,045.55	1,665,827.32	1,665,827.32	-8,845.99
LangfangTianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	304,977,184.45	-47,948,669.99	-47,948,669.99	6,033,494.37
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	70,926,302.55	-27,060,632.35	-27,060,632.35	3,639,328.10
BTIC AMERICA CORPORATION	天海美洲公司	244,969,898.70	3,881,839.49	5,889,259.10	16,299,083.26
Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.	北京明暉天海氣體儲運 裝備銷售有限公司	91,064,560.12	-101,609,491.21	-101,609,491.21	-59,669,475.84

### 八、在其他主體中的權益(續)

#### 1. 在子公司中的權益(續)

##### (3) 重要非全資子公司的主要財務信息(續) (續表 2)

# Notes to the Financial Statements

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### VIII. Equity in Other Entities (Continued)

#### 2. Equity in Associated Enterprises or Joint Ventures

##### (1) Important Associated Enterprises or Joint Ventures

Name of Associated Enterprises or Joint Ventures	Prime Business Place	Registration Place	Business Nature	Shareholding Ratio (%)		Accounting treatment method of joint ventures or associated enterprises
				Direct	Indirect	
合營企業或聯營企業名稱	主要經營地	註冊地	業務性質	持股比例(%) 直接	間接	對合營企業或聯營企業投資的會計處理方法
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Linyi City, Shandong Province 山東省臨沂市	Linyi City, Shandong Province 山東省臨沂市	Production 生產	51		Equity Approach 權益法
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Zhenjiang City, Jiangsu Province 江蘇省鎮江市	Zhenjiang City, Jiangsu Province 江蘇省鎮江市	Production 生產	35		Equity Approach 權益法

##### (2) Main Financial Information of Important Associated Enterprises or Joint Ventures

###### 1) Shandong Tianhai (Associated Enterprise)

Item	項目	Closing Balance/ Amount in the Current Year 年末餘額/ 本年發生額	Opening Balance/ Amount in the Previous Year 年初餘額/ 上年發生額
Current Assets	流動資產	101,720,186.45	62,061,593.10
Including: Cash and Cash Equivalent	其中：現金和現金等價物	1,488,481.67	3,904,963.29
Non-current Assets	非流動資產	127,737,223.67	113,300,403.94
Total Assets	資產合計	229,457,410.12	175,361,997.04
Current Liabilities	流動負債	98,686,031.30	57,826,280.80
Non-current Liabilities	非流動負債		
Total Liabilities	負債合計	98,686,031.30	57,826,280.80
Minority Interest	少數股東權益		
Shareholders' Equity Attributable to Parent Company	歸屬於母公司股東權益	130,771,378.82	117,535,716.24
Net Assets Share Calculated at Shareholding Ratio	按持股比例計算的淨資產份額	66,693,403.20	59,943,215.28
Adjustment	調整事項	-3,531,595.84	-3,531,595.84
- Goodwill	- 商譽		
- Profits Unrealized of Internal Transaction	- 內部交易未實現利潤	-3,531,595.84	-3,531,595.84
- Others	- 其他		
Book Value of Equity Investment to Associated Enterprise	對合營企業權益投資的賬面價值	63,161,807.36	56,411,619.44
Fair Value of Associated Enterprise Equity Investments with Public Offer	存在公開報價的合營企業權益投資的公允價值		
Operating Revenue	營業收入	633,814,299.86	539,210,360.91
Financial Expenses	財務費用	1,402,951.23	1,329,159.20
Income Taxes Expense	所得稅費用	2,223,753.50	1,580,334.41
Net Profits	淨利潤	13,235,662.58	2,758,515.22
Net Profits from Termination of Operation	終止經營的淨利潤		
Other Comprehensive Incomes	其他綜合收益		
Total Comprehensive Incomes	綜合收益總額	13,235,662.58	2,758,515.22
Dividends Obtained from Joint Venture of This Year	本年度收到的來自合營企業的股利		

### 八、在其他主體中的權益(續)

#### 2. 在合營企業或聯營企業中的權益

##### (1) 重要的合營企業或聯營企業

##### (2) 重要的合營、聯營企業的主要財務信息

###### 1) 山東天海(合營企業)

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### VIII. Equity in Other Entities (Continued)

#### 2. Equity in Associated Enterprises or Joint Ventures

(Continued)

##### (2) Main Financial Information of Important Associated Enterprises or Joint Ventures (Continued)

###### 2) Jiangsu Tianhai (Joint Venture)

Item	項目	Closing Balance/ Amount in the Current Year 年末餘額/ 本年發生額	Opening Balance/ Amount in the Previous Year 年初餘額/ 上年發生額
Current Assets	流動資產	14,118,211.58	9,365,981.91
Including: Cash and Cash Equivalent	其中:現金和現金等價物	181,274.33	687,397.80
Non-current Assets	非流動資產	65,828,325.67	33,039,302.15
Total Assets	資產合計	79,946,537.25	42,405,284.06
Current Liabilities	流動負債	10,049,303.14	-6,793,691.61
Non-current Liabilities	非流動負債		
Total Liabilities	負債合計	10,049,303.14	-6,793,691.61
Minority Interest	少數股東權益		
Shareholders' Equity Attributable to Parent Company	歸屬於母公司股東權益	69,897,234.11	49,198,975.67
Net Assets Share Calculated at Shareholding Ratio	按持股比例計算的淨資產份額	24,464,031.94	17,219,641.49
Adjustment	調整事項	-12,444,157.72	-5,269,157.72
- Goodwill	- 商譽		
- Profits Unrealized of Internal Transaction	- 內部交易未實現利潤	-6,193,716.23	-6,193,716.23
- Others	- 其他	-6,250,441.49	924,558.51
Book Value of Equity Investment to Associated Enterprise	對聯營企業權益投資的 賬面價值	12,019,874.22	11,950,483.77
Fair Value of Joint Venture Equity Investments with Public Offer	存在公開報價的聯營企業 權益投資的公允價值		
Operating Revenue	營業收入	50,258,619.71	20,477,456.39
Financial Expenses	財務費用	3,919.56	-49,157.35
Income Taxes Expense	所得稅費用	0	151.57
Net Profits	淨利潤	198,258.44	-445,224.33
Net Profits from Termination of Operation	終止經營的淨利潤		
Other Comprehensive Incomes	其他綜合收益		
Total Comprehensive Incomes	綜合收益總額	198,258.44	-445,224.33
Dividends Obtained from Associated Enterprise of This Year	本年度收到的來自聯營 企業的股利		

Jiangsu Tianhai Special Equipment Co., Ltd. was registered on April 27, 2015, with the registered capital of RMB 80 million yuan; wherein, Beijing Tianhai Industry Co., Ltd. contributed RMB 28 million yuan with fixed assets and intangible assets, accounting for 35%; while Nanjing Bibo Trade and Industry Co., Ltd. contributed RMB 52 million yuan with monetary capital, accounting for 65%. As of December 31, 2016, the funds contributed by Nanjing Bibo Trade and Industry Co., Ltd. by installments have been in place; and contribution made by Beijing Tianhai Industry Co., Ltd. with intangible assets has been in place but that with fixed assets not; and both parties enjoy the equity as per the contribution proportion.

江蘇天海特種裝備有限公司成立於2015年4月27日,註冊資本為8,000萬元,其中北京天海工業有限公司以固定資產和無形資產出資2,800萬元,佔35%;南京畢博工貿實業有限公司以貨幣資金出資5,200萬元,佔65%。截止2016年12月31日,南京畢博工貿實業有限公司分期繳付出資已全部到位,北京天海工業有限公司無形資產已出資到位,固定資產尚未出資,雙方按約定的出資比例享有權益。

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### IX. Risk Related to Financial Instruments

The main financial instruments of the Group include loans, receivables, payables, etc; refer to Note VI for detailed information of all financial instruments. Risks related to these financial instruments and risk management policies adopted for reducing these risks by the Group are described as follows. The Management of the Group manages and supervises these risk exposures to ensure that the above risks are controlled in the limited scope.

#### 1. Objectives and Policies of Management of Various Risks

The objective of the Group to engage in risk management is to obtain suitable balance between risk and profit, to minimize the negative influence from the risk to the business performance of the Group and to maximize the interests of shareholders and other equity investors. Based on the objective of risk management, the basic strategy of risk management of the Group is to determine and analyze all risks the Group faces and to set up suitable bottom line of risk standing and to manage risks, as well as to timely and reliably supervise all risks and control the risk into the limited scope.

### 九、與金融工具相關風險

本集團的主要金融工具包括借款、應收款項、應付款項等，各項金融工具的詳細情況說明見本附註六。與這些金融工具有關的風險，以及本集團為降低這些風險所採取的風險管理政策如下所述。本集團管理層對這些風險敞口進行管理和監控以確保將上述風險控制在限定的範圍之內。

#### 1. 各類風險管理目標和政策

本集團從事風險管理的目標是在風險和收益之間取得適當的平衡，將風險對本集團經營業績的負面影響降低到最低水平，使股東及其他權益投資者的利益最大化。基於該風險管理目標，本集團風險管理的基本策略是確定和分析本集團所面臨的各種風險，建立適當的風險承受底線並進行風險管理，並及時可靠地對各種風險進行監督，將風險控制在限定的範圍之內。

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### IX. Risk Related to Financial Instruments (Continued)

#### 1. Objectives and Policies of Management of Various Risks (Continued)

##### (1) Market Risk

##### 1) Foreign Exchange Risk

Foreign exchange risk refers to risk of loss caused by change of exchange rate. Foreign exchange risks assumed by the Group are mainly related to USD. Apart from BTIC AMERICA CORPORATION, the subsidiary of the Company that uses USD to purchase and sell, other prime business activities of the Group are priced and settled in RMB. On December 31, 2016, except balances expressed at USD, EURO, KHD and GBP of the assets and liabilities mentioned below, the balances of assets and liabilities of the Group are expressed at RMB. Foreign exchange risk of assets and liabilities of such foreign currency balances might influence the business performance of the Group.

### 九、與金融工具相關風險(續)

#### 1. 各類風險管理目標和政策(續)

##### (1) 市場風險

##### 1) 匯率風險

外匯風險指因匯率變動產生損失的風險。本集團承受外匯風險主要與美元有關,除本公司的下屬子公司天海美洲公司以美元進行採購和銷售外,本集團的其他主要業務活動以人民幣計價結算。於2016年12月31日,除下表所述資產及負債的美元餘額和零星的歐元、港元和英鎊餘額外,本集團的資產及負債均為人民幣餘額。該等外幣餘額的資產和負債產生的外匯風險可能對本集團的經營業績產生影響。

Item	項目	Closing Amount 年末金額		Opening Amount 年初金額	
		Original Currency 原幣	Equivalent to RMB 折合人民幣	Original Currency 原幣	Equivalent to RMB 折合人民幣
<b>Monetary Capital</b>	<b>貨幣資金</b>	-	28,056,898.81	-	84,569,307.58
USD	美元	4,039,897.83	28,024,771.25	12,973,120.37	84,242,254.44
EURO	歐元	2,478.75	18,111.73	43,762.81	310,505.89
HKD	港元	15,668.72	14,015.83	19,750.84	16,547.25
<b>Receivables</b>	<b>應收賬款</b>	-	27,487,157.09	-	47,689,832.66
USD	美元	3,796,980.45	26,339,653.38	7,186,206.80	46,664,352.48
EURO	歐元	157,046.00	1,147,503.71	144,531.54	1,025,480.18
<b>Advance Payment</b>	<b>預付款項</b>	-	4,474,816.62	-	3,322,702.98
USD	美元	534,336.63	3,706,693.21	511,688.89	3,322,702.98
EURO	歐元	6,111.79	44,657.63	0.00	0.00
GBP	英鎊	85,019.60	723,465.78	0.00	0.00
<b>Payables</b>	<b>應付賬款</b>	-	7,622,827.09	-	8,827,167.82
USD	美元	913,447.32	6,336,584.08	1,359,364.27	8,827,167.82
EURO	歐元	49,456.45	361,368.36	0.00	0.00
GBP	英鎊	108,688.59	924,874.65	0.00	0.00
<b>Accounts Collected in Advance</b>	<b>預收款項</b>	-	10,803,007.58	-	12,311,924.24
USD	美元	1,557,302.52	10,803,007.58	1,896,009.03	12,311,924.24
<b>Short-term Loans</b>	<b>短期借款</b>	-	0.00	-	5,844,240.00
USD	美元	0.00	0.00	900,000.00	5,844,240.00
<b>Other Payables</b>	<b>其他應付款</b>	-	380,414.19	-	16,374.65
USD	美元	54,838.43	380,414.19	2,521.66	16,374.65

The Group pays close attention to the influence from change of foreign exchange to the Group.

本集團密切關注匯率變動對本集團的影響。

##### 2) Interest Rate Risk

Loans of the Group are all with fixed interest rate.

##### 2) 利率風險

本集團全部為固定利率借款。

##### 3) Price Risk

The Group sells products at market price; therefore, it will be influenced by fluctuation of the price.

##### 3) 價格風險

本集團以市場價格銷售產品,因此受到此等價格波動的影響。



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### IX. Risk Related to Financial Instruments (Continued)

#### 1. Objectives and Policies of Management of Various Risks (Continued)

##### (2) Credit Risk

At the end of the year, the greatest credit risk exposure causing the financial loss of the Group is mainly from loss of the financial assets of the Group due to that one party of the contract failed to perform obligations.

In order to reduce credit risk, the Company organized a group to control credit line, conduct credit approval and other supervision procedures to ensure to adopt necessary measures to recover overdue creditor's rights. Besides, the Group will review the recovery of each single receivable on each balance sheet date, to ensure that Bad Debt Provision can be fully withdrawn for the receivables that cannot be recovered. Therefore, the management of the Company considers that credit risks assumed by the Group have been greatly reduced.

Current funds of the Group are deposited at the bank with higher credit grading, therefore, the credit risk of the current funds is relatively low.

Since the risk exposure of the Group is distributed at multiple contract parties and multiple customers, 3.92% (4.39% for the previous year) and 16.61% (18.83% for the previous year) balances of receivables of the Group are respectively from the top one customer and the top five customers of the Group, therefore, the Group has no significant credit-concentrated risks.

The top five receivables total to RMB 39,296,810.47 yuan.

##### (3) Liquidity Risk

The Group has managed the liquidity risk in a way by ensuring sufficient financial liquidity to perform due debts, so as to avoid causing unacceptable loss or causing damage to enterprise reputation. The Group has analyzed the liability structure and duration on a regular basis, so as to ensure sufficient fund. The Management of the Group supervises the usage of the bank loans and ensures to obey the loan agreement. Meanwhile, the Group has made financing negotiation with financial institutions, so as to maintain certain credit line and reduce liquidity risk.

The Company takes bank loans as the main sources of funds. As at December 31, 2016, the unused bank loan limit of the Group was RMB 98.8 million yuan, (On December 31, 2015, RMB 258.8 million yuan) and was all the limit of short-term loans.

### 九、與金融工具相關風險(續)

#### 1. 各類風險管理目標和政策(續)

##### (2) 信用風險

於年末，可能引起本集團財務損失的最大信用風險敞口主要來自於合同另一方未能履行義務而導致本集團金融資產產生的損失。

為降低信用風險，本公司成立了一個小組負責確定信用額度、進行信用審批，並執行其他監控程序以確保採取必要的措施回收過期債權。此外，本集團於每個資產負債表日審核每一單項應收款的回收情況，以確保就無法回收的款項計提充分的壞賬準備。因此，本公司管理層認為本集團所承擔的信用風險已經大為降低。

本集團的流動資金存放在信用評級較高的銀行，故流動資金的信用風險較低。

由於本集團的風險敞口分佈在多個合同方和多個客戶，於年末，本集團3.92% (上年：4.39%) 和16.61% (上年：18.83%) 應收賬款餘額分別來自本集團最大的客戶和前五大客戶，因此本集團沒有重大的信用集中風險。

應收賬款前五名金額合計：39,296,810.47元。

##### (3) 流動風險

本集團管理流動性風險的方法是確保有足夠的資金流動性來履行到期債務，而不至於造成不可接受的損失或對企業信譽造成損害。本集團定期分析負債結構和期限，以確保有充裕的資金。本集團管理層對銀行借款的使用情況進行監控並確保遵守借款協議。同時與金融機構進行融資磋商，以保持一定的授信額度，減低流動性風險。

本集團將銀行借款作為主要資金來源。於2016年12月31日，本集團尚未使用的銀行借款額度為9,880.00萬元，(2015年12月31日：25,880.00萬元)，全部為短期借款額度。

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### IX. Risk Related to Financial Instruments (Continued)

### 九、與金融工具相關風險(續)

#### 1. Objectives and Policies of Management of Various Risks (Continued)

#### 1. 各類風險管理目標和政策(續)

##### (3) Liquidity Risk (Continued)

Financial assets and financial liabilities held by the Group are analyzed as follows as per the expiration of undiscounted remaining contractual obligations:

##### (3) 流動風險(續)

本集團持有的金融資產和金融負債按未折現剩餘合同義務的到期期限分析如下:

Amount as at December 31, 2016:

2016年12月31日金額:

Item	項目	Within 1 Year 一年以內	1 to 2 Years 一到二年	2 to 5 Years 二到五年	More than 5 years 五年以上	Total 合計
<b>Financial Assets</b>	<b>金融資產</b>					
Monetary Capital	貨幣資金	118,829,271.77				118,829,271.77
Notes Receivable	應收票據	16,314,951.71				16,314,951.71
Receivables	應收賬款	236,593,334.39				236,593,334.39
Other Receivables	其他應收款	6,521,905.80				6,521,905.80
<b>Financial Liabilities</b>	<b>金融負債</b>					
Short-term Loans	短期借款	190,000,000.00				190,000,000.00
Notes Payable	應付票據	30,000,000.00				30,000,000.00
Payables	應付賬款	268,518,401.08				268,518,401.08
Other Payables	其他應付款	167,017,675.53				167,017,675.53
Interests Payable	應付利息	26,583.33				26,583.33
Employee Pay Payable	應付職工薪酬	25,073,101.25				25,073,101.25
Non-current Liabilities Due within One Year	一年內到期的 非流動負債	11,000,000.00				11,000,000.00
Special Payables	專項應付款	103,900,000.00				103,900,000.00

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易

#### (I) Related Party Relationships

#### (一) 關聯方關係

##### 1. Controlling Shareholder and Ultimate Controlling Party

##### 1. 控股股東及最終控制方

##### (1) Controlling Shareholder and Ultimate Controlling Party

##### (1) 控股股東及最終控制方

Name of Controlling Shareholder and Ultimate Controlling Party 控股股東及最終控制方名稱	Registration Place 註冊地	Business Nature 業務性質	Registered Capital 註冊資本	Shareholding Ratio (%) to the Company 對本公司的持股比例(%)	Proportion (%) of Voting Right to the Company 對本公司的表決權比例(%)
Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Chaoyang District, Beijing City 北京市朝陽區	State-owned Capital 國有資產	RMB 2,010,987,100 yuan 201,098.71萬元	43.30	43.30

##### (2) Registered Capital of Controlling Shareholder and the Changes (Unit: RMB 10,000 Yuan)

##### (2) 控股股東的註冊資本及其變化(單位:萬元)

Controlling Shareholder 控股股東	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	201,098.71	0.00	0.00	201,098.71

##### (3) Shareholding or Equity of Controlling Shareholder and the Changes (Unit: RMB 10,000 Yuan)

##### (3) 控股股東的所持股份或權益及其變化(單位:萬元)

Controlling Shareholder 控股股東	Amount of Shareholding 持股金額	Shareholding Ratio (%) 持股比例(%)		
		Closing Balance 年末餘額	Opening Balance 年初餘額	Closing Ratio 年末比例
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	18,273.5052	18,062.00	43.30	42.80

##### 2. Subsidiary

For detailed information of subsidiary, refer to relevant content of "Note VIII. 1. (1) Composition of the Enterprise Group".

##### 2. 子公司

子公司情況詳見本附註「八、1.(1) 企業集團的構成」相關內容。

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## 財務報表附註

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (I) Related Party Relationships (Continued)

#### (一) 關聯方關係(續)

##### 3. Associated Enterprises and Joint Ventures

For detailed information of the Company's important joint ventures or associated enterprises, refer to "Note VIII. 2. (1) Important Joint Ventures or Associated Enterprises" related content. The information of other joint ventures or associated enterprises which produced balance for conducting related-party transaction with the Company in this year or in the earlier stage is shown as follows:

##### 3. 合營企業及聯營企業

本公司重要的合營或聯營企業詳見本附註「八、2.(1)重要的合營企業或聯營企業」相關內容。本年與本公司發生關聯方交易,或前期與本公司發生關聯方交易形成餘額的其他合營或聯營企業情況如下:

##### Name of Associated Enterprises or Joint Ventures 合營或聯營企業名稱

##### Relationship with the Company 與本公司關係

Shandong Tianhai High Pressure Container Co., Ltd.  
山東天海高壓容器有限公司  
Jiangsu Tianhai Special Equipment Co., Ltd.  
江蘇天海特種裝備有限公司

Associated Enterprise  
合營企業  
Joint Venture  
聯營企業

##### 4. Other Related Parties

##### 4. 其他關聯方

##### Name of Other Related Parties 其他關聯方名稱

##### Relationship with the Company 與本公司關係

Beijing Jingcheng Mechanical and  
Electronic Assets Management Co., Ltd.  
北京京城機電資產管理有限責任公司  
Beijing No. 1 Machine Tool Plant  
北京第一機床廠  
Global Industrial Supply Co., Ltd.

北京京城工業物流有限公司  
Tianjin Steel Pipe and Steel Trading Co., Ltd.  
天津鋼管鋼鐵貿易有限公司  
Tianjin Dawufeng Investment Co., Ltd.  
天津大無縫投資有限責任公司

Other Enterprises under the Control of the Same  
Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業  
Other Enterprises under the Control of the Same  
Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業  
Other Enterprises under the Control of the Same  
Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業  
Related Party of Minority Shareholders of Subsidiary  
子公司少數股東的關聯方  
Minority Shareholders of the Subsidiary  
子公司的少數股東

# Notes to the Financial Statements

## 財務報表附註

From January 1, 2016 to December 31, 2016

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (II) Related Transaction

#### (二) 關聯交易

##### 1. Related Transaction of Sales of Commodities, Rendering and Receiving of Labor Services

##### 1. 購銷商品、提供和接受勞務的關聯交易

##### (1) Purchase of Commodities/Receiving of Labor Services

##### (1) 採購商品/接受勞務

Related Party 關聯方	Contents of Related Transaction 關聯交易內容	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Tianjin Steel Pipe and Steel Trading Co., Ltd 天津鋼管鋼鐵貿易有限公司	Raw Materials 原材料	65,844,508.50	97,339,672.26
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Gas Cylinder 氣瓶	0.00	31,513,450.83
Total 合計		65,844,508.50	128,853,123.09

##### (2) Sales of Commodities and Rendering of Labor Services

##### (2) 銷售商品/提供勞務

Related Party 關聯方	Contents of Related Transaction 關聯交易內容	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Sales of Goods 銷售商品	32,320,317.74	14,840,422.22
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Sales of Goods 銷售商品	37,993.16	0.00
Total 合計		32,358,310.90	14,840,422.22

# Notes to the Financial Statements

## 財務報表附註

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (II) Related Transaction (Continued)

#### (二) 關聯交易(續)

##### 2. Information of Related Lease

##### 2. 關聯出租情況

##### (1) Information of Accepting Lease

##### (1) 承租情況

Name of Lessor	Name of Lessee	Category of Leased Assets	Rental Expenses Recognized in Current Year 本年確認的租賃費	Rental Expenses Recognized in the Previous Year 上年確認的租賃費
出租方名稱	承租方名稱	租賃資產種類		
Beijing No. 1 Machine Tool Plant 北京第一機床廠	Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Houses 房屋	160,000.00	160,000.00
Beijing Jingcheng Mechanical and Electronic Assets Management Co., Ltd. 北京京城機電資產管理有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	Houses 房屋	680,000.00	680,000.00
Beijing Jingcheng Mechanical and Electronic Assets Management Co., Ltd. 北京京城機電資產管理有限責任公司	The Company 本公司	Houses 房屋	0.00	756,603.33

##### 3. Condition of Related Guarantee

##### 3. 關聯擔保情況

Name of Guarantor	Name of the Guaranteed	Guaranteed Amount	Start Date	Due Date	Whether the guarantee has been completed 擔保是否已經履行完畢
擔保方名稱	被擔保方名稱	擔保金額	起始日	到期日	
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	8/16/2016	5/13/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	2016-8-16	2019-5-13	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	5/13/2016	5/13/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	2016-5-13	2019-5-13	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	1/28/2016	1/28/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	2016-1-28	2019-1-28	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	12/29/2016	12/29/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	2016-12-29	2019-12-29	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	5/27/2016	5/26/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	2016-5-27	2019-5-26	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	40,000,000.00	1/22/2016	1/21/2019	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	40,000,000.00	2016-1-22	2019-1-21	否



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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (II) Related Transaction (Continued)

#### (二) 關聯交易(續)

##### 4. Fund Lending of Related Parties

##### 4. 關聯方資金拆借

Name of Related Party 關聯方名稱	Borrowing/Lending 拆入/拆出	Amount of Borrowing 拆借金額	Start Date 起始日	Due Date 到期日	Remark 備註
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	50,000,000.00	11/8/2016	5/8/2017	-
		50,000,000.00	2016-11-8	2017-5-8	-
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Langfang Tianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	83,000,000.00	9/11/2016	9/10/2017	-
		83,000,000.00	2016-9-11	2017-9-10	-

##### 5. Interest Expenses/Interest Incomes of Related Party

##### 5. 關聯方利息費用/利息收入

Name of Related Party 關聯方名稱	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Jingcheng Holding (Interest Expenses) Shandong Tianhai (Interest Incomes)	5,932,713.89 0.00	5,672,133.34 400,701.19

##### 6. Compensation of Managers

##### 6. 管理人薪酬

Items 項目名稱	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Total Compensations 薪酬合計	6,002,422.66	4,970,853.66

# Notes to the Financial Statements

## 財務報表附註

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (III) Balance of Exchange among Related Parties

#### (三) 關聯方往來餘額

##### 1. Receivable Items

##### 1. 應收項目

Items 項目名稱	Related Party 關聯方	Closing Balance 年末餘額		Opening Balance 年初餘額	
		Book Balance 賬面餘額	Bad Debt Reserves 壞賬準備	Book Balance 賬面餘額	Bad Debt Reserves 壞賬準備
Receivables 應收賬款	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	8,765,614.27	87,656.14	7,287,737.25	72,877.37
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	0.00	0.00	1,903,391.68	19,033.92
Other Receivables 其他應收款	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	382,273.18	5,096.13	14,148.92	141.49
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	21,180.00	211.80	0.00	0.00
Accounts Prepaid 預付賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	1,423,876.73	0.00	5,034,891.19	0.00

##### 2. Payable Items

##### 2. 應付項目

Items 項目名稱	Related Party 關聯方	Closing Balance 年末餘額	Opening Balance 年初餘額
Payables 應付賬款	Beijing Jingcheng Industrial Logistics Co. Ltd. 北京京城工業物流有限公司	1,202,227.27	1,202,227.27
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	0.00	2,056,366.20
	Tianjin Steel Pipe and Steel Trading Co., Ltd. 天津鋼管鋼鐵貿易有限公司	21,452,293.35	38,407,665.90
Deposits Received 預收賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	3,340.00	0.00
Other Payables 其他應付款	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	133,000,000.00	138,000,000.00
	Tianjin Dawufeng Investment Co., Ltd. 天津大無縫投資有限責任公司	1,704,203.53	1,917,312.44
Special Payables 專項應付款	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	114,900,000.00	114,900,000.00

# Notes to the Financial Statements

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### X. Related Party and Related Transactions

### 十、關聯方及關聯交易(續)

(Continued)

#### (IV) Compensation of Directors, Supervisors and Employees

#### (四) 董事、監事及職工薪酬

##### 1. The detailed compensation of directors and supervisors is shown as follows

##### 1. 董事及監事的薪酬詳情如下

Item	項目	Salary and Allowance 薪金及津貼	Social Insurance, Housing Fund and Retired Pension 社會保險、住房基金及退休金	Bonus 獎金	Stock Payment 股份支付	Total 合計
<b>Amount in the Current Year</b>	<b>本年發生額</b>					
<b>Executive Director</b>	<b>執行董事</b>					
Wang Jun	王軍	163,791.00	54,180.00	181,565.00		399,536.00
Chen Changge	陳長革	255,000.00	54,180.00	230,826.00		540,006.00
Du Yuexi	杜躍熙	195,984.00	54,180.00	478,895.00		729,059.00
Li Junjie	李俊杰	229,500.00	54,180.00	256,326.00		540,006.00
<b>Non-executive Director</b>	<b>非執行董事</b>					
Xia Zhonghua	夏中華	283,223.00	54,180.00	127,665.00		465,068.00
Fu Hongquan	付宏泉	251,743.00	51,656.16	119,050.00		422,449.16
Jin Chunyu	金春玉	222,180.00	54,180.00	115,925.00		392,285.00
<b>Independent Non-executive Director</b>	<b>獨立非執行董事</b>					
Wu Yan	吳燕			60,000.00		60,000.00
Liu Ning	劉寧			60,000.00		60,000.00
Yang Xiaohui	楊曉輝			60,000.00		60,000.00
Fan Yong	樊勇			60,000.00		60,000.00
<b>Supervisor</b>	<b>監事</b>					
Chang Yun	常昀	211,859.00	54,180.00	109,970.00		376,009.00
Liu Zhe	劉哲	183,600.00	54,180.00	299,880.00		537,660.00
Wang Yiqing	王義青	160,650.00	54,180.00	236,155.50		450,985.50
<b>Total</b>	<b>合計</b>	<b>2,157,530.00</b>	<b>539,276.16</b>	<b>2,396,257.50</b>		<b>5,093,063.66</b>
<b>Amount in the Previous Year</b>	<b>上年發生額</b>					
<b>Executive Director</b>	<b>執行董事</b>					
Wang Jun	王軍	18,944.56	1,551.12			20,495.68
Chen Changge	陳長革	27,548.23	1,551.12	26,573.00		55,672.35
Li Junjie	李俊杰	328,861.44	17,648.64	310,169.00		656,679.08
Du Yuexi	杜躍熙	19,088.56	1,551.12			20,639.68
<b>Non-executive Director</b>	<b>非執行董事</b>					
Xia Zhonghua	夏中華	335,748.40	17,648.64	54,000.00		407,397.04
Jin Chunyu	金春玉	184,066.70	10,697.04			194,763.74
Fu Hongquan	付宏泉	159,494.70	10,697.04			170,191.74
<b>Independent non-executive Director</b>	<b>獨立非執行董事</b>					
Wu Yan	吳燕			60,000.00		60,000.00
Liu Ning	劉寧			60,000.00		60,000.00
Yang Xiaohui	楊曉輝			60,000.00		60,000.00
Fan Yong	樊勇			60,000.00		60,000.00
<b>Supervisor</b>	<b>監事</b>					
Chang Yun	常昀	274,725.40	17,648.64	54,000.00		346,374.04
Liu Zhe	劉哲	252,361.38	17,648.64	260,863.00		530,873.02
Wang Yiqing	王義青	214,187.40	17,648.64	110,675.25		342,511.29
<b>Total</b>	<b>合計</b>	<b>1,815,026.77</b>	<b>114,290.64</b>	<b>1,056,280.25</b>		<b>2,985,597.66</b>

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### X. Related Party and Related Transactions

(Continued)

#### (IV) Compensation of Directors, Supervisors and Employees (Continued)

##### 2. Five Persons with the Highest Compensation

Of five persons with the highest compensation for the current year, 4 persons (4 persons for the previous year) are directors and supervisors, and their compensation is recorded in the Note "X. (iv). (1) The compensation has been reflected in the compensation of directors and supervisors. The compensation of the other 1 person (in the previous year: 1 person) is shown as follows:

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Salary and Allowance	薪金及津貼	204,000.00	220,999.98
Social Insurance, Housing Fund and Relevant Pension Costs	社會保險、住房基金及相關退休金成本	54,180.00	49,010.04
Year-end Bonus	年終獎金	279,480.00	251,601.00
<b>Total</b>	<b>合計</b>	<b>537,660.00</b>	<b>521,611.02</b>

Scope of Compensation:

Item	項目	Number of People for the Current Year 本年人數	Number of People for the Previous Year 上年人數
Within HKD 1,000,000	港元 1,000,000 以內	5	5
HKD 1,000,001 to HKD 1,500,000	港元 1,000,001 至港元 1,500,000		
HKD 1,500,001 to HKD 2,000,000	港元 1,500,001 至港元 2,000,000		
HKD 2,000,001 to HKD 2,500,000	港元 2,000,001 至港元 2,500,000		

3. At the track record period, there has been no director who gives up or agrees to give up any compensation. At the track record period, the Company has not paid any compensation to any director, supervisor or five persons with the highest compensation as the reward for attracting them to join in the Company or reward for them when joining in or as the separation allowance.

##### 4. Compensation for Key Managers

Compensation for key managers (including the amount which has been paid and shall be paid to directors, supervisors and senior management) is shown as follows:

Item	項目	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Salary and Allowance	薪金及津貼	2,592,730.00	2,733,219.22
Social Insurance, Housing Fund and Relevant Pension Costs	社會保險、住房基金及相關退休金成本	652,082.16	163,867.68
Year-end Bonus	年終獎金	2,757,610.50	2,073,766.76
<b>Total</b>	<b>合計</b>	<b>6,002,422.66</b>	<b>4,970,853.66</b>

### 十、關聯方及關聯交易(續)

#### (四) 董事、監事及職工薪酬(續)

##### 2. 五位最高薪酬人士

本年度薪酬最高的前五位中4位是董事和監事(上年度:4位),其薪酬載於附註「十、(四).(1)」。薪酬已反映在董事及監事的薪酬中。其他1位(上年度:1位)的薪酬如下:

薪酬範圍:

3. 於往績記錄期,概無任何董事放棄或同意放棄任何薪酬。於往績記錄期,本公司概無向任何董事、監事或五位最高薪酬人士支付任何薪酬,作為吸引彼等加入或於加入本公司時的獎勵或作為離職補償。

##### 4. 主要管理層薪酬

主要管理層薪酬(包括已付及應付董事、監事及高級管理層的金額)如下:

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### XI. Contingency

As of December 31, 2016, the Group has no significant contingency that needs to be disclosed.

### XII. Commitments

#### 1. Significant Commitments

The signed leasing contracts of which the implementation is under way or in ready, and financial influence of the leasing contracts

As at December 31, 2016, the Group, as the lessee, shall bear the summarized minimum rent payable in future in the following duration required for the irrevocable operating lease of the forest plant project, etc.

Duration	期間	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Within 1 Year T+1 Years	一年以內 T+1 年	1,886,860.00	1,886,860.00
1 to 2 Years T+2 Years	一至二年 T+2 年	1,886,860.00	1,886,860.00
2 to 3 Years T+3 Years	二至三年 T+3 年	1,886,860.00	1,886,860.00
After 3 Years T+3 years	三 T+3 年以後	19,517,505.00	18,868,600.00
<b>Total</b>	<b>合計</b>	<b>25,178,085.00</b>	<b>24,529,180.00</b>

2. Except for the aforesaid commitments, as at December 31, 2016, the Group has no other significant commitments.

### XIII. Events after Balance Sheet Date

#### 1. Amounts Repaid after the Balance Sheet Date

Item	項目	Repayment Amount 償還金額
Big account collected in advance with aging over one year	賬齡超過 1 年的大額應付賬款	5,176,237.03
Other payables with aging over one year	賬齡超過 1 年的大額其他應付款	872,129.45

2. Except for the aforesaid Events after Balance Sheet Date that needs to be disclosed, the Group has no other significant Events after Balance Sheet Date.

### 十一、或有事項

截止 2016 年 12 月 31 日，本集團無需要披露的重大或有事項。

### 十二、承諾事項

#### 1. 重大承諾事項

已簽訂的正在或準備履行的租賃合同及財務影響

於 2016 年 12 月 31 日，本集團作為承租人就木林廠房等項目之不可撤銷經營租賃所需於下列期間的未來最低應支付租金匯總承擔款項如下：

2. 除上述承諾事項外，截止 2016 年 12 月 31 日，本集團無其他重大承諾事項。

### 十三、資產負債表日後事項

#### 1. 資產負債表日後已償還金額

2. 除存在上述資產負債表日後事項披露事項外，本集團無其他重大資產負債表日後事項。

# Notes to the Financial Statements

## 財務報表附註

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2016年1月1日至2016年12月31日(本財務報表附註除特別註明外，均以人民幣元列示)

### XIV. Other Important Matters

### 十四、其他重要事項

1. To adapt to Beijing's dispersal of non-capital core functionality and accelerate the industrial restructuring of Beijing area, Beijing Tianhai Industry Co., Ltd. – subsidiary of the Company signed the Letter of Intent for Strategic Cooperation with LandgentSenior Living Co., Ltd. on December 29, 2016; LandgentSenior Living Co., Ltd. assisted the upgrading, reconstruction and industrial transformation of Wufangqiao old industrial plant held by BeijingTianhai Industry Co., Ltd. and jointly built pension service project by relying on its professional advantages. Both parties tried their utmost to promote to get the government's legal approval on changing land purpose of project real estate held by Beijing Tianhai Industry Co., Ltd. and promote the land purpose to be applicable to the project construction. After getting legal approval on changing the purpose of the aforesaid land, both parties jointly set up a joint venture.

Beijing Tianhai Industry Co., Ltd. subscribed capital with the status quo land usufruct and properties above ground (hereinafter collectively referred to as "the Project Real Estate") for the land located at No. 9 Tianying North Rd., Chaoyang District, Beijing, and held 45% equity of the joint venture; LandgentSenior Living Co., Ltd. made capital contribution in the monetary form and held 55% equity of the joint venture; LandgentSenior Living Co., Ltd. confirmed the amount of monetary contribution in accordance with the ratio of shares agreed and the subscribed capital of the Project Real Estate. LandgentSenior Living Co., Ltd. was fully responsible for raising fund for the joint venture's project at the later period.

To make up losses of Beijing Tianhai Industry Co., Ltd. with respect to equipment relocation, production halt, personnel dismissal, etc. arising from relocation and product change process, LandgentSenior Living Co., Ltd. compensated Beijing Tianhai Industry Co., Ltd. for RMB 0.163 billion yuan.

2. Except for the aforesaid commitments, the Group has no other important matters.

- 1、為適應北京疏解非首都核心功能，加快北京地區產業結構調整，2016年12月29日，本公司之子公司北京天海工業有限公司與樂成老年事業投資有限公司簽署戰略合作意向書，通過樂成老年事業投資有限公司的專業優勢，助力北京天海工業有限公司所持有的五方橋舊工業廠區的改造升級和產業轉型，合作建設養老服務項目。雙方盡最大努力促使北京天海工業有限公司所持有的項目地產的土地用途變更手續能夠獲得政府的合法批復，並適用項目建設。在獲得前述土地用途變更手續的合法批復後，雙方共同成立合資公司。

北京天海工業有限公司以位於北京市朝陽區天盈北路9號的現狀土地使用權及地上房產(以下統稱「項目地產」)認繳出資，持有合資公司45%的股權；樂成老年事業投資有限公司以貨幣出資，持有合資公司55%的股權，樂成老年事業投資有限公司根據約定股比及項目地產認繳出資金額確定貨幣出資金額。合資公司後期項目資金全部由樂成老年事業投資有限公司負責籌集。

為彌補北京天海工業有限公司在搬遷、轉產過程中發生的設備搬遷、停產、人員疏解等方面的損失，樂成老年事業投資有限公司一次性補償北京天海工業有限公司現金1.63億元。

- 2、除上述事項外，本集團無其他重要事項。



# Notes to the Financial Statements

## 財務報表附註

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### XV. Notes to Main Items in Financial Statements of the Company 十五、母公司財務報表主要項目註釋

#### 1. Other Receivables 1. 其他應收款

##### (1) Classification of Other Receivables (1) 其他應收款分類

Category	類別	Closing Balance 年末餘額		Bad Debt Reserves 壞賬準備		Book Value 賬面價值
		Book Balance 賬面餘額	Proportion (%)	Amount	Proportion of Withdrawing (%)	
		Amount 金額	比例(%)	金額	計提比例(%)	
Other receivables which single amount is significant with single bad debt provision	單項金額重大並單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
Other receivables which bad debts are provided by combination of credit risk features	按信用風險特徵組合計提壞賬準備的其他應收款	345,100,000.00	100.00	0.00	0.00	345,100,000.00
Combination of related parties within the scope of combination	合併範圍內關聯方組合	345,100,000.00	100.00	0.00	0.00	345,100,000.00
Other receivables which single amount is insignificant but with single bad debt reserve	單項金額不重大但單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>345,100,000.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>345,100,000.00</b>

(Con't)

(續表)

Category	類別	Opening Balance 年初餘額		Bad Debt Reserves 壞賬準備		Book Value 賬面價值
		Book Balance 賬面餘額	Proportion (%)	Amount	Proportion of Withdrawing (%)	
		Amount 金額	比例(%)	金額	計提比例(%)	
Other receivables which single amount is significant with single bad debt provision	單項金額重大並單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
Other receivables which bad debts are provided by combination of credit risk features	按信用風險特徵組合計提壞賬準備的其他應收款	342,700,000.00	100.00	0.00	0.00	342,700,000.00
Combination of related parties within the scope of combination	合併範圍內關聯方組合	342,700,000.00	100.00	0.00	0.00	342,700,000.00
Other receivables which single amount is insignificant but with single bad debt reserve	單項金額不重大但單項計提壞賬準備的其他應收款	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>合計</b>	<b>342,700,000.00</b>	<b>100.00</b>	<b>0.00</b>	<b>0.00</b>	<b>342,700,000.00</b>

Receivables which bad debts are provided by combination of credit risk features in combination

組合中,按信用風險特徵組合計提壞賬準備的應收賬款

Name of Company	單位名稱	Closing Balance 年末餘額		Provision of Withdrawing (%)
		Other Receivables 其他應收款	Bad Debt Reserves 壞賬準備	
		Amount 金額	Proportion (%)	計提比例(%)
Beijing Tianhai Industry Co., Ltd.	北京天海工業有限公司	345,100,000.00	0.00	0.00

# Notes to the Financial Statements

## 財務報表附註

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### XV. Notes to Main Items in Financial Statements of the Company (Continued) 十五、母公司財務報表主要項目註釋

#### 1. Other Receivables (Continued)

(2) The category of other receivables as per the nature of amount

Nature of Amount	款項性質	Closing Book Balance 年末賬面餘額	Opening Book Balance 年初賬面餘額
Concerned Loans	關聯借款	340,000,000.00	340,000,000.00
Concerned Accounts	關聯往來	5,100,000.00	2,700,000.00
<b>Total</b>	<b>合計</b>	<b>345,100,000.00</b>	<b>342,700,000.00</b>

(3) Other receivables collected as per the debtors:

#### 1. 其他應收款(續)

(2) 其他應收款按款項性質分類情況

(3) 按欠款方歸集的其他應收款情況:

Name of Company	Nature of Amount	Closing Balance	Aging	Proportion to Total Amount of Closing Balance of Other Receivable (%) 佔其他應收款年末餘額合計數的比例(%)	Closing Balance of Bad Debt Reserves 壞賬準備年末餘額
單位名稱	款項性質	年末餘額	賬齡		
Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	Loans 借款	340,000,000.00	2-3 Years 2-3年	98.52	0.00
Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	Concerned Accounts 關聯往來	5,100,000.00	1-2 Years 1-2年	1.48	0.00
<b>Total</b> <b>合計</b>		<b>345,100,000.00</b>	<b>-</b>	<b>100.00</b>	<b>0.00</b>

# Notes to the Financial Statements

## 財務報表附註

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(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)

2016年1月1日至2016年12月31日(本財務報表附註除特別註明外,均以人民幣元列示)

### XV. Notes to Main Items in Financial Statements of the Company (Continued)

#### 2. Long-term Equity Investment

##### (1) Classification of Long-term Equity Investment

Item	項目	Closing Balance 年末餘額			Opening Balance 年初餘額		
		Book Balance 賬面餘額	Provision for Impairment 減值準備	Book Value 賬面價值	Book Balance 賬面餘額	Provision for Impairment 減值準備	Book Value 賬面價值
Investment to Subsidiaries	對子公司投資	694,842,724.41	0.00	694,842,724.41	694,842,724.41	0.00	694,842,724.41

##### (2) Investment to Subsidiaries

Invested Equity	被投資單位	Opening Balance	Increase in the Current Year	Decrease in the Current Year	Closing Balance	Provision for Impairment in the Current Year	Closing Balance of Assets Impairment Provisions
		年初餘額	本年增加	本年減少	年末餘額	本年計提 減值準備	減值準備 年末餘額
Beijing Tianhai Industry Co., Ltd	北京天海工業有限公司	552,798,696.31	0.00	0.00	552,798,696.31	0.00	0.00
Jingcheng Holding (Hong Kong) Co., Ltd	京城控股(香港)有限公司	142,044,028.10	0.00	0.00	142,044,028.10	0.00	0.00
<b>Total</b>	<b>合計</b>	694,842,724.41	0.00	0.00	694,842,724.41	0.00	0.00

#### 3. Business Incomes and Business Costs

Item	項目	Amount in the Current Year 本年發生額		Amount in the Previous Year 上年發生額	
		Incomes 收入	Costs 成本	Incomes 收入	Costs 成本
Other Businesses	其他業務	2,264,150.94	0.00	19,643,769.11	0.00

### XVI. Approval on Financial Statements

The financial statements have been approved by the board of directors of the Company on March 17, 2017.

### 十六、財務報告批准

本財務報告於2017年3月17日由本公司董事會批准報出。

# Notes to the Financial Statements

## 財務報表附註

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### Supplementary Information to Financial Statements

### 財務報表補充資料

#### 1. Breakdown of Non-Recurring Profit and Loss for the Current Year

#### 1. 本年非經常性損益明細表

(1) In accordance with the China Securities Regulatory Commission on Information Disclosure Regulations 's Explanatory Announcement No. 1 of for Companies Offering Their Securities to the Public – Extraordinary Profit and Loss (2008), the Group's extraordinary profit and loss in 2016 is shown as follows:

(1) 按照中國證券監督管理委員會《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益(2008)》的規定,本集團2016年度非經常性損益如下:

Item	項目	Amount in the Current Year 本年年金額	Notes 說明
Profits and losses from disposal of non-current assets	非流動資產處置損益	-2,091,562.94	VI六、43、44
Unauthorized approval, or without formal approval, or occasional tax return or exemption	越權審批或無正式批准文件或偶發性的稅收返還、減免	0.00	
Government subsidies included into the current profits and losses:	計入當期損益的政府補助	7,623,764.63	VI六、43
Fund possession costs included in the current profits and losses and collected from non-financial enterprises	計入當期損益的對非金融企業收取的資金佔用費	0.00	
The enterprise's investment costs for acquisition of subsidiaries, joint venture and associated enterprises are less than the earnings from the fair value of the net identifiable assets of the invested entity that the enterprise shall enjoy upon acquisition	企業取得子公司、聯營企業及合營企業的投資成本小於取得投資時應享有被投資單位可辨認淨資產公允價值產生的收益	0.00	
Profits or losses from non-monetary assets exchange	非貨幣性資產交換損益	0.00	
Profits or losses from the assets which are invested or managed by others entrusted	委托他人投資或管理資產的損益	0.00	
Provision for asset impairments withdrawn due to force majeure, such as natural disaster	因不可抗力因素,如遭受自然災害而計提的各項資產減值準備	0.00	
Profits or losses from debt restructuring	債務重組損益	7,837,291.67	VI六、43
Enterprise restructuring charges	企業重組費用	0.00	
Profits or losses exceeding the fair value generated from the transaction with the unfair transaction price	交易價格顯失公允的交易產生的超過公允價值部分的損益	0.00	
Current profits and losses of the subsidiary from business merger under common control from the beginning of the year to the date of consolidation	同一控制下企業合併產生的子公司年初至合併日的當期淨損益	0.00	
Profits or losses from contingencies irrelevant to normal businesses of the Company	與公司正常經營業務無關的或有事項產生的損益	0.00	
Except for valid hedging business related to regular business of the Company, profit and loss from change of fair value from trading financial assets and trading financial liabilities held, and investment income from disposal of trading financial assets, trading financial liabilities and available-for-sale financial assets	除同公司正常經營業務相關的有效套期保值業務外,持有交易性金融資產、交易性金融負債產生的公允價值變動損益,以及處置交易性金融資產、交易性金融負債和可供出售金融資產取得的投資收益	0.00	
Reverse of provision for impairment of receivables under single impairment test	單獨進行減值測試的應收款項減值準備轉回	0.00	
Profits or losses from entrusted loans	對外委托貸款取得的損益	0.00	
Profits or losses from changes in fair value of investment properties subsequently measured by fair value model	採用公允價值模式進行後續計量的投資性房地產公允價值變動產生的損益	0.00	
Influence on the current profits and losses by one-off adjustment of current profits and losses according to the requirements of tax, accounting and other laws and regulations	根據稅收、會計等法律、法規的要求對當期損益進行一次性調整對當期損益的影響	0.00	
Custody fee income from entrusted operation	受托經營取得的托管費收入	0.00	
Other non-operating incomes and expenditures other than the aforesaid items	除上述各項之外的其他營業外收入和支出	5,461,209.00	VI六、43、44
Other profits and losses items in line with the definition of non-recurring profits and losses	其他符合非經常性損益定義的損益項目	0.00	
Subtotal	小計	18,830,702.36	
Influenced Amount of Income Tax	所得稅影響額	-6,387.83	
Influenced Amount of Minority Equity (After-Tax)	少數股東權益影響額(稅後)	2,750,149.76	
<b>Total</b>	<b>合計</b>	<b>16,086,940.43</b>	

# Notes to the Financial Statements

## 財務報表附註

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## Supplementary Information to Financial Statements 財務報表補充資料(續)

(Continued)

### 2. Return on Equity and Earnings Per Share

In accordance with China Securities Regulatory Commission Compilation Rules for *Information Disclosure by Companies Offering Securities to the Public No. 9 – Calculation and Disclosure of Return on Equity and Earnings Per Share* (Amendment in 2010), the Group's weighted average return on equity, basic earnings per share and diluted earnings per share in 2016 are shown as follows:

### 2. 淨資產收益率及每股收益

按照中國證券監督管理委員會《公開發行證券的公司信息披露編報規則第9號—淨資產收益率和每股收益的計算及披露(2010年修訂)》的規定，本集團2016年度加權平均淨資產收益率、基本每股收益和稀釋每股收益如下：

Profits for the Reporting period	報告期利潤	Weighted Mean Return on Equity (%) 加權平均淨資產收益率(%)	Earnings Per Share 每股收益	
			Basic Earnings per Share 基本每股收益	Diluted EPS 稀釋每股收益
Net Profits Attributable to Shareholders of Parent Company	歸屬於母公司股東的淨利潤	-23.31	-0.35	-0.35
Net Profits Attributable to Shareholders of the Parent Company after Deducting Non-Recurring Profits and Losses	扣除非經常性損益後歸屬於母公司股東的淨利潤	-25.83	-0.39	-0.39

# Notes to the Financial Statements

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### Supplementary Information to Financial Statements 財務報表補充資料(續)

(Continued)

#### 3. Other information that needs to be disclosed

##### (1) Turnover

The turnover shall include the received and receivable net sales value of different types of cryogenic storage-transport vessels and spare parts and net value of service provision, and their analysis is shown as follows:

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Seamless steel gas cylinders	鋼質無縫氣瓶	488,346,102.32	520,020,428.88
Winding cylinders	纏繞瓶	155,820,802.53	141,525,779.70
Cryogenic gas cylinders	低溫瓶	60,332,826.66	116,927,446.22
Cryogenic devices for storage and transportation	低溫儲運裝備	63,767,750.90	70,270,824.89
Others	其他	95,439,593.65	188,772,839.85
Gross Sales	銷售總額	863,707,076.06	1,037,517,319.54
Minus: Sales Tax and Other Additional Charges	減：銷售稅及其他附加費用	12,487,149.78	10,730,945.87
<b>Total</b>	<b>合計</b>	<b>851,219,926.28</b>	<b>1,026,786,373.67</b>

##### (2) Taxes

Item	項目	Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
Corporate Income Tax in the Current Year	當年企業所得稅	1,651,706.37	1,054,544.72
Deferred Income Taxes	遞延所得稅	-8,360.54	4,778,556.38
<b>Total</b>	<b>合計</b>	<b>1,643,345.83</b>	<b>5,833,101.10</b>

##### (3) Stock Dividend

In 2016, there was no paid or suggested stock dividend, and since the end of reporting period, there has been no suggested stock dividend (In 2015: No).

Beijing Jingcheng Machinery Electric Company Limited  
March 17, 2017

#### 3. 其他需要披露的信息

##### (1) 營業額

營業額是包括已收及應收不同類型低溫儲運容器銷售、備件銷售及提供服務之淨值，其分析如下：

Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
488,346,102.32	520,020,428.88
155,820,802.53	141,525,779.70
60,332,826.66	116,927,446.22
63,767,750.90	70,270,824.89
95,439,593.65	188,772,839.85
863,707,076.06	1,037,517,319.54
12,487,149.78	10,730,945.87
<b>851,219,926.28</b>	<b>1,026,786,373.67</b>

##### (2) 稅項

Amount in the Current Year 本年金額	Amount in the Previous Year 上年金額
1,651,706.37	1,054,544.72
-8,360.54	4,778,556.38
<b>1,643,345.83</b>	<b>5,833,101.10</b>

##### (3) 股息

於2016年年度中並無已付或已建議之股息由報告期間結束起並無建議任何股息(2015年：無)。

北京京城機電股份有限公司  
二〇一七年三月十七日



# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### To the Board of Directors of Beijing Jingcheng Machinery Electric Company Limited (Company)

In accordance with our agreed terms of engagement dated December 5, 2016, we have carried out procedures on the attached list of continuing related party transactions entered into by the Company and its subsidiaries (collectively referred to as "the Group") for the year ended December 31st 2016 and which the directors of the Company (the "Directors") have advised us are to be disclosed in the Company's annual report for the year ended March 17th 2017 ("the disclosed continuing Related Party Transactions").

### Directors' Responsibility

The Directors are responsible for the completeness and accuracy of disclosures of continuing related party transactions and the Company's compliance with the relative rules issued by the Stock Exchange of Hong Kong Limited in respect of such transactions. This responsibility includes designing, implementing and maintaining internal controls relevant to the identification, recording, authorization and reporting of all continuing related party transactions.

### Our independence and quality control

We abided by the requirements on independence and other moralities in Code of Ethics for Professional Accountant issued by Hong Kong Institute of Certified Public Accountants ("the Institute of Certified Public Accountants"), which are formulated based on the basic principle of honesty, impersonality, professional competence as well as required prudence, confidentiality and professional behaviors.

On account of that we applied the No. 1 Hong Kong Quality Control Code issued by the Institute of Certified Public Accountants; the maintenance of overall quality control system includes making policies and procedures required for abiding by relevant morality requirements, professional standards, applicable laws and supervisions into written documents.

### Auditor's responsibilities

It is our responsibility to express a conclusion, based on our work, on the disclosed continuing related party transactions and to report our conclusion to you.

We conducted our engagement in accordance with <China Certified Public Accountant Other Assertion Business Standards No.3101 – Assertion Business Other Than Historical Financial Information Audit or Review> issued by China Ministry of Finance and with reference to "Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by Hong Kong Institute of Certified Public Accountant. We have planned and implemented our works to obtain limited assurances for expressing our following conclusions.

Our work consisted of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures and testing transactions on a sample basis where we considered appropriate. Our work was substantially less in scope than an audit conducted in accordance with China Audit Standards, consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the disclosed continuing connected transactions.

The nature and operation time of procedures implemented in limited assurance business may be different from that of procedures implemented in reasonable assurance business, and less than that in reasonable assurance business. Therefore, the assurance level obtained in limited assurance business substantially is lower than that obtained in implemented reasonable assurance business.

### 致北京京城機電股份有限公司(以下簡稱 貴公司)的董事局

根據我們於2016年12月5日簽訂的約定書中約定的條款，我們已對附件內持續關連交易清單中由貴公司及附屬公司(以下簡稱為 貴集團)截止2016年12月31日所進行的持續關連交易執行了有關程序，而 貴公司的董事通知我們此持續關連交易將在 貴公司截止2017年3月17日的年度報告中予以披露(以下簡稱披露的持續關連交易)。

### 董事的責任

董事須負責披露的持續關連交易的完整性和準確性，及 貴公司應遵守香港聯合交易所有限公司就有關該等交易所頒佈的上市規則。此等責任包括設計、實施及保持與證明、記錄、授權和報告所有持續關連交易相關的內部控制。

### 我們的獨立性和質量控制

我們已遵守香港會計師公會(「會計師公會」)頒佈的職業會計師道德守則中對獨立性及其他道德的要求，有關要求是基於誠信、客觀、專業勝任能力和應有的審慎、保密及專業行為的基本原則而制定的。

本所應用會計師公會頒佈的香港質量控制準則第1號，因此維持全面的質量控制制度，包括將有關遵守道德要求、專業準則以及適用的法律及監管要求的政策和程序記錄為書面文件。

### 審計師的責任

我們的責任是根據我們所進行的工作，對披露的持續關連交易做出結論，並向你們報告。

我們已根據中國財政部頒佈的《中國註冊會計師其他鑒證業務準則第3101號—歷史財務信息審計或審閱以外的鑒證業務》及參照香港會計師公會頒佈的Practice Note 740, Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules《實務說明第740號—關於香港《上市規則》所述持續關連交易的核數師函件》執行了我們的約定。我們已計劃和執行了我們的工作以取得有限保證來表達以下我們的結論。

我們的工作包括向負責財務和會計事項的人士做出有關查詢，進行分析和其他審閱程序，以及按我們認為適當的樣本為基準，對交易進行測試。由於我們的工作範圍較按照中國審計準則進行審計的範圍小，因此不能使我們保證會注意到在審計中可能會被發現的所有重大事項。因此，我們不會對披露的持續關連交易發表任何審計意見。

在有限保證業務中所執行的程序的性質和運行時間會不同於合理保證業務，並且相比合理保證業務為少。因此，在有限保證業務中所取得之保證級別實質上相比在已執行的合理保證業務中所取得之保證級別為低。

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### Inherent limitation

Furthermore, due to the nature of related parties and transactions, it was not practical for us to determine whether the disclosed continuing connected transactions and the books and records of the Group include all continuing related party transactions. It was impracticable for us to quantify the potential impact of this on the disclosures of continuing related party transactions in the Company's annual report. Accordingly, our report relates solely to the continuing related party transactions that have been disclosed to us and in the books and records of the Group made available to us.

### Conclusion

Based on the foregoing, in respect of the disclosed continuing related party transactions:

- Nothing has come to our attention that causes us to believe that the disclosed continuing related party transactions have not been approved by the Company's board of directors.
- For transactions involving the exchange of goods or services by the Group, nothing has come to our attention that causes us to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company.
- Nothing has come to our attention that causes us to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- With respect to the aggregate amount of the continuing related party transactions set out in the attached list of continuing related party transactions, nothing has come to our attention that causes us to believe that the disclosed continuing related party transactions have exceeded the maximum aggregate annual value disclosed in the previous announcement dated March 3rd 2014 and March 27th 2014, made by the Company in respect of the disclosed continuing related party transactions.

### Restrictions on the use of this letter

This letter is intended solely for the purpose of assisting you in respect of your obligations under the Listing Rule 14A.38 with respect of continuing related party transactions. This letter is not intended to be, and should not be, used for any other purpose and we expressly disclaim any liability or duty to any other party in this respect including The Stock Exchange of Hong Kong Limited.

This letter should not be distributed to any other parties save that we agree that a copy of this letter may be provided by the Company to The Stock Exchange of Hong Kong Limited without further comment from us.

#### ShineWing Certified Public Account

**Ji Sheng**  
季晟  
China Certified Public Accountant  
中國註冊會計師

Beijing, China  
March 17, 2017.

### 固有的限制

此外，由於關聯人士和交易的性質，我們難以確定所披露的持續關連交易以及貴集團的賬簿和記錄是否已包括所有持續關連交易，亦難以量化其對貴公司在年報中披露的持續關連交易的潛在影響。因此，我們僅按照已向我們披露的持續關連交易以及已提供給我們的賬簿和記錄中記載的持續關連交易作出報告。

### 結論

根據以上所述，就已披露的持續關連交易而言：

- 我們並沒有注意到任何事項，使我們相信已披露的持續關連交易未獲得貴公司董事局的批准。
- 對於涉及貴集團提供商品或服務的交易，我們並沒有注意到任何事項，使我們相信該等交易在所有重大方面未符合貴公司的定價政策。
- 我們並沒有注意到任何事項，使我們相信該等交易在所有重大方面未遵守影響該等交易的相關協議而進行。
- 就附屬的持續關連交易列表中載述的每項持續關連交易的總金額而言，我們並沒有注意到任何事項，使我們相信披露的持續關連交易已超過貴公司先前對該項已披露的持續關連交易於2014年3月3日和2014年3月27日作出的公告中所披露的最高年度總價值。

### 關於使用本函件的限制

本函件僅為協助貴公司遵守上市規則第14A.38條中規定有關持續關連交易的責任而編製。本函件不得用作任何其他用途。我們明確地拒絕對任何其他方承擔任何責任或義務，包括香港聯合交易所有限公司。

除了我們同意貴公司可向香港聯合交易所有限公司提交一份本函件的副本而無須再次徵詢我們的意見外，你們不得向任何其他方提供本函件。

#### 信永中和會計師事務所(特殊普通合伙)

**Wang Xin**  
王欣  
China Certified Public Accountant  
中國註冊會計師

中國，北京  
2017年3月17日

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### List of Continuous Related Party Transactions As at December 31st 2016

截至2016年12月31日止年度  
持續關連交易清單

RMB thousand  
人民幣千元

Counterparty name 交易方名稱	Announcement date 公告日期	Transaction type 類型交易	Maximum annual upper limit 最高年度上限	Amount incurred in this year 本年發生額
Tianjin Pipe Steel Trade Co., Ltd. 天津鋼管鋼鐵貿易有限公司	March 3, 2014/March 27, 2014 2014年3月3日/2014年3月27日	Procurement of cylinder pipe 採購氣瓶管	Not exceed 300,000 不超過300,000	65,844
The No. 1 Branch of Beijing Global Industrial Supply 北京京城工業物流有限公司第一分公司	March 3, 2014 2014年3月3日	Procurement of cylinder billet 採購氣瓶、鋼坯	Not exceed 26,000 不超過26,000	0
Beijing Jincheng Machinery Electric Asset Management Co. Ltd 北京京城機電資產管理有限責任公司	March 3, 2014 2014年3月3日	House rental (rented) 房屋租賃(租入)	680	680

## 1. Related Party and Related Transactions

## 一、關聯方及關聯交易

### (I) Related Party Relationships

### (一) 關聯方關係

#### 1. Controlling Shareholder and Ultimate Controlling Party

#### 1. 控股股東及最終控制方

##### (1) Controlling Shareholder and Ultimate Controlling Party

##### (1) 控股股東及最終控制方

Name of Controlling Shareholder and Ultimate Controlling Party 控股股東及最終控制方名稱	Registration Place 註冊地	Business Nature 業務性質	Registered Capital 註冊資本	Shareholding Ratio (%) to the Company 對本公司的持股比例(%)	Proportion (%) of Voting Right to the Company 對本公司的表決權比例(%)
Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Chaoyang District, Beijing City 北京市朝陽區	State-owned Capital 國有資產	RMB 2,010,987,100 yuan 201,098.71萬元	43.30	43.30

##### (2) Registered Capital of Controlling Shareholder and the Changes (Unit: RMB 10,000 Yuan)

##### (2) 控股股東的註冊資本及其變化(單位:萬元)

Controlling Shareholder 控股股東	Opening Balance 年初餘額	Increase in the Current Year 本年增加	Decrease in the Current Year 本年減少	Closing Balance 年末餘額
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	201,098.71	0.00	0.00	201,098.71

##### (3) Shareholding or Equity of Controlling Shareholder and the Changes (Unit: RMB 10,000 Yuan)

##### (3) 控股股東的所持股份或權益及其變化(單位:萬元)

Controlling Shareholder 控股股東	Amount of Shareholding 持股金額		Shareholding Ratio (%) 持股比例(%)	
	Closing Balance 年末餘額	Opening Balance 年初餘額	Closing Ratio 年末比例	Opening Ratio 年初比例
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	18,273.5052	18,062.00	43.30	42.80

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (I) Related Party Relationships (Continued)

##### 2. Subsidiary

Name of Subsidiary 子公司名稱	Prime Business Place 主要經營地	Registration Place 註冊地	Registered Capital 註冊資本	Shareholding Ratio (%) 持股比例(%)		Acquisition Method 取得方式
				Direct 直接	Indirect 間接	
Beijing Tianhai Industry Co., Ltd 北京天海工業有限公司	Chaoyang District, Beijing City 北京市朝陽區	Chaoyang District, Beijing City 北京市朝陽區	USD61,401,800 6,140.18萬美元	100.00	0.00	Business Merger under Common Control 同一控制下企業合併
Langfang Tianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	Langfang City, Hebei Province 河北省廊坊市	Langfang City, Hebei Province 河北省廊坊市	RMB301,410,000 30,141.00萬元	0.00	82.08	Business Merger under Common Control 同一控制下企業合併
Tianjin Tianhai High Pressure Container Co., Ltd. 天津天海高壓容器有限責任公司	Tianjin Port Free Trade Zone 天津港保稅區	Tianjin Port Free Trade Zone 天津港保稅區	RMB225,578,400 22,557.84萬元	0.00	55.00	Establishment 設立
Shanghai Tianhai Composite Cylinders Co., Ltd. 上海天海複合氣瓶有限公司	Songjiang District, Shanghai City 上海市松江區	Songjiang District, Shanghai City 上海市松江區	USD3,017,400 301.74萬美元	0.00	87.84	Business Merger under Common Control 同一控制下企業合併
Beijing Tianhai Cryogenic Equipment Co., Ltd. 北京天海低溫設備有限公司	Daxing District, Beijing City 北京市大興區	Daxing District, Beijing City 北京市大興區	RMB40,000,000 4,000.00萬元	0.00	75.00	Establishment 設立
Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Tongzhou District, Beijing City 北京市通州區	Tongzhou District, Beijing City 北京市通州區	RMB20,000,000 2,000.00萬元	0.00	100.00	Business Merger under Common Control 同一控制下企業合併
Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd. 北京明暉天海氣體儲運裝備銷售有限公司	Tongzhou District Beijing City 北京市通州區	Tongzhou District Beijing City 北京市通州區	RMB545,225,228 54,522.5228萬元	0.00	38.51	Establishment 設立
BTIC AMERICA CORPORATION 天海美洲公司	Houston, USA 美國休斯頓	Houston, USA 美國休斯頓	1,200 shares 1,200股	0.00	51.00	Business Merger not under Common Control 非同一控制下企業合併
Jingcheng Holdings (Hong Kong) Co., Ltd 京城控股(香港)有限公司	Hong Kong 香港	Hong Kong 香港	HKD1,000 1,000港元	100.00	0.00	Business Merger under Common Control 同一控制下企業合併

##### 3. Associated Enterprises and Joint Ventures

The information of other joint ventures or associated enterprises which produced balance for conducting related-party transaction with the Company in this year or in the earlier stage is shown as follows:

##### Name of Associated Enterprises or Joint Ventures 合營或聯營企業名稱

Shandong Tianhai High Pressure Container Co., Ltd.  
山東天海高壓容器有限公司

Jiangsu Tianhai Special Equipment Co., Ltd.  
江蘇天海特種裝備有限公司

### 一、關聯方及關聯交易 (續)

#### (一) 關聯方關係 (續)

##### 2. 子公司

##### 3. 合營企業及聯營企業

本年與本公司發生關聯方交易，或前期與本公司發生關聯方交易形成餘額的其他合營或聯營企業情況如下：

##### Relationship with the Company 與本公司關係

Associated Enterprise  
合營企業

Joint Venture  
聯營企業

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (I) Related Party Relationships (Continued)

##### 4. Other Related Parties:

##### Name of Other Related Parties 其他關聯方名稱

Beijing Jingcheng Mechanical and Electronic Assets Management Co., Ltd.  
北京京城機電資產管理有限責任公司

Beijing No. 1 Machine Tool Plant  
北京第一機床廠

Global Industrial Supply Co., Ltd.  
北京京城工業物流有限公司

Tianjin Steel Pipe and Steel Trading Co., Ltd.  
天津鋼管鋼鐵貿易有限公司

Tianjin Dawufeng Investment Co., Ltd.  
天津大無縫投資有限責任公司

### 一、關聯方及關聯交易 (續)

#### (一) 關聯方關係 (續)

##### 4. 其他關聯方

##### Relationship with the Company 與本公司關係

Other Enterprises under the Control of the Same Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業

Other Enterprises under the Control of the Same Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業

Other Enterprises under the Control of the Same Controlling Shareholder and Final Controller  
受同一控股股東及最終控制方控制的其他企業

Related Party of Minority Shareholders of Subsidiary  
子公司少數股東的關聯方

Minority Shareholders of the Subsidiary  
子公司的少數股東

#### (II) Related Transaction

##### 1. Related Transaction of Sales of Commodities, Rendering and Receiving of Labor Services

##### (1) Purchase of Commodities/Receiving of Labor Services

Related Party 關聯方	Contents of Related Transaction 關聯交易內容	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Tianjin Steel Pipe and Steel Trading Co., Ltd. 天津鋼管鋼鐵貿易有限公司	Raw Materials 原材料	10,230,228.55	97,339,672.26
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Gas Cylinder 氣瓶	0.00	31,513,450.83
Total 合計		65,844,508.50	128,853,123.09

##### (2) Sales of Commodities and Rendering of Labor Services

Related Party 關聯方	Contents of Related Transaction 關聯交易內容	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Sales of Goods 銷售商品	32,320,317.74	14,840,422.22
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Sales of Goods 銷售商品	37,993.16	0.00
Total 合計		32,358,310.90	14,840,422.22

#### (二) 關聯交易

##### 1. 購銷商品、提供和接受勞務的關聯交易

##### (1) 採購商品/接受勞務

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
10,230,228.55	97,339,672.26
0.00	31,513,450.83
65,844,508.50	128,853,123.09

##### (2) 銷售商品/提供勞務

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
32,320,317.74	14,840,422.22
37,993.16	0.00
32,358,310.90	14,840,422.22

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (II) Related Transaction (Continued)

##### 2. Information of Related Lease

###### (1) Information of Accepting Lease

Name of Lessor 出租方名稱	Name of Lessee 承租方名稱	Category of Leased Assets 租賃資產種類	Rental Expenses Recognized in Current Year 本年確認的租賃費	Rental Expenses Recognized in the Previous Year 上年確認的租賃費
Beijing No. 1 Machine Tool Plant 北京第一機床廠	Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Houses 房屋	160,000.00	160,000.00
Beijing Jingcheng Mechanical and Electronic Assets Management Co., Ltd. 北京京城機電資產管理有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	Houses 房屋	680,000.00	680,000.00
Beijing Jingcheng Mechanical and Electronic Assets Management Co., Ltd. 北京京城機電資產管理有限責任公司	The Company 本公司	Houses 房屋	0.00	756,603.33

##### 3. Condition of Related Guarantee

Name of Guarantor 擔保方名稱	Name of the Guaranteed 被擔保方名稱	Guaranteed Amount 擔保金額	Start Date 起始日	Due Date 到期日	Whether the guarantee has been completed 擔保是否已經履行完畢
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	8/16/2016	5/13/2019	No 否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	5/13/2016	5/13/2019	No 否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	20,000,000.00	1/28/2016	1/28/2019	No 否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	12/29/2016	12/29/2019	No 否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	30,000,000.00	5/27/2016	5/26/2019	No 否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	40,000,000.00	1/22/2016	1/21/2019	No 否

### 一、關聯方及關聯交易 (續)

#### (二) 關聯交易 (續)

##### 2. 關聯出租情況

###### (1) 承租情況

##### 3. 關聯擔保情況



# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (II) Related Transaction (Continued)

##### 4. Fund Lending of Related Parties

Name of Related Party 關聯方名稱	Borrowing/Lending 拆入/拆出	Amount of Borrowing 拆借金額	Start Date 起始日	Due Date 到期日	Remark 備注
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	50,000,000.00	11/8/2016	5/8/2017	-
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Langfang Tianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	83,000,000.00	9/11/2016	9/10/2017	-

##### 5. Interest Expenses/Interest Incomes of Related Party

Name of Related Party 關聯方名稱	Amount in the A Current Year 本年金額	Amount in the Previous Year 上年金額
Jingcheng Holding (Interest Expenses) Shandong Tianhai (Interest Incomes)	5,932,713.89 0.00	5,672,133.34 400,701.19

##### 6. Compensation of Managers

Items 項目名稱	Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
Total Compensations 薪酬合計	6,002,422.66	4,970,853.66

#### (III) Balance of Exchange among Related Parties

##### 1. Receivable Items

Items 項目名稱	Related Party 關聯方	Closing Balance 年末餘額		Opening Balance 年初餘額	
		Book Balance 賬面餘額	Bad Debt Reserves 壞賬準備	Book Balance 賬面餘額	Bad Debt Reserves 壞賬準備
Receivables 應收賬款	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	8,765,614.27	87,656.14	7,287,737.25	72,877.37
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	0.00	0.00	1,903,391.68	19,033.92
Other Receivables 其他應收款	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	382,273.18	5,096.13	14,148.92	141.49
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	21,180.00	211.80	0.00	0.00
Accounts Prepaid 預付賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	1,423,876.73	0.00	5,034,891.19	0.00

### 一、關聯方及關聯交易(續)

#### (二) 關聯交易(續)

##### 4. 關聯方資金拆借

##### 5. 關聯方利息費用/利息收入

##### 6. 管理人薪酬

#### (三) 關聯方往來餘額

##### 1. 應收項目

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

### 一、關聯方及關聯交易 (續)

(Continued)

#### (III) Balance of Exchange among Related Parties

#### (三) 關聯方往來餘額 (續)

##### 2. Payable Items

##### 2. 應付項目

Items 項目名稱	Related Party 關聯方	Closing Balance 年末餘額	Opening Balance 年初餘額
Payables 應付賬款	Beijing Jingcheng Industrial Logistics Co. Ltd. 北京京城工業物流有限公司	1,202,227.27	1,202,227.27
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	0.00	2,056,366.20
	Tianjin Steel Pipe and Steel Trading Co., Ltd. 天津鋼管鋼鐵貿易有限公司	21,452,293.35	38,407,665.90
Deposits Received 預收賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	3,340.00	0.00
Other Payables 其他應付款	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	133,000,000.00	138,000,000.00
	Tianjin Dawufeng Investment Co., Ltd. 天津大無縫投資有限責任公司	1,704,203.53	1,917,312.44
Special Payables 專項應付款	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	114,900,000.00	114,900,000.00

#### (IV) Compensation of Directors, Supervisors and Employees

#### (四) 董事、監事及職工薪酬

##### 1. The detailed compensation of directors and supervisors is shown as follows

##### 1. 董事及監事的薪酬詳情如下

Item 項目	Salary and Allowance 薪金及津貼	Social Insurance, Housing Fund and Retired Pension 社會保險、住房基金及退休金	Bonus 獎金	Stock Payment 股份支付	Total 合計
<b>Amount in the Current Year</b>					
<b>Executive Director</b>					
Wang Jun 王軍	163,791.00	54,180.00	181,565.00		399,536.00
Chen Changge 陳長革	255,000.00	54,180.00	230,826.00		540,006.00
Du Yuexi 杜躍熙	195,984.00	54,180.00	478,895.00		729,059.00
Li Junjie 李俊杰	229,500.00	54,180.00	256,326.00		540,006.00
<b>Non-executive Director</b>					
Xia Zhonghua 夏中華	283,223.00	54,180.00	127,665.00		465,068.00
Fu Hongquan 付宏泉	251,743.00	51,656.16	119,050.00		422,449.16
Jin Chunyu 金春玉	222,180.00	54,180.00	115,925.00		392,285.00
<b>Independent Non-executive Director</b>					
Wu Yan 吳燕			60,000.00		60,000.00
Liu Ning 劉寧			60,000.00		60,000.00
Yang Xiaohui 楊曉輝			60,000.00		60,000.00
Fan Yong 樊勇			60,000.00		60,000.00
<b>Supervisor</b>					
Chang Yun 常昀	211,859.00	54,180.00	109,970.00		376,009.00
Liu Zhe 劉哲	183,600.00	54,180.00	299,880.00		537,660.00
Wang Yiqing 王義青	160,650.00	54,180.00	236,155.50		450,985.50
<b>Total</b>	<b>2,157,530.00</b>	<b>539,276.16</b>	<b>2,396,257.50</b>		<b>5,093,063.66</b>

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (IV) Compensation of Directors, Supervisors and Employees (Continued)

##### 1. The detailed compensation of directors and supervisors is shown as follows (Continued)

Item		Salary and Allowance	Social Insurance, Housing Fund and Retired Pension	Bonus	Stock Payment	Total
項目		薪金及津貼	社會保險、住房基金及退休金	獎金	股份支付	合計
<b>Amount in the Previous Year</b>	<b>上年發生額</b>					
<b>Executive Director</b>	<b>執行董事</b>					
Wang Jun	王軍	18,944.56	1,551.12			20,495.68
Chen Changge	陳長革	27,548.23	1,551.12	26,573.00		55,672.35
Li Junjie	李俊杰	328,861.44	17,648.64	310,169.00		656,679.08
Du Yuexi	杜躍熙	19,088.56	1,551.12			20,639.68
<b>Non-executive Director</b>	<b>非執行董事</b>					
Xia Zhonghua	夏中華	335,748.40	17,648.64	54,000.00		407,397.04
Jin Chunyu	金春玉	184,066.70	10,697.04			194,763.74
Fu Hongquan	付宏泉	159,494.70	10,697.04			170,191.74
<b>Independent non-executive Director</b>	<b>獨立非執行董事</b>					
Wu Yan	吳燕			60,000.00		60,000.00
Liu Ning	劉寧			60,000.00		60,000.00
Yang Xiaohui	楊曉輝			60,000.00		60,000.00
Fan Yong	樊勇			60,000.00		60,000.00
<b>Supervisor</b>	<b>監事</b>					
Chang Yun	常昀	274,725.40	17,648.64	54,000.00		346,374.04
Liu Zhe	劉哲	252,361.38	17,648.64	260,863.00		530,873.02
Wang Yiqing	王義青	214,187.40	17,648.64	110,675.25		342,511.29
<b>Total</b>	<b>合計</b>	<b>1,815,026.77</b>	<b>114,290.64</b>	<b>1,056,280.25</b>		<b>2,985,597.66</b>

### 一、關聯方及關聯交易 (續)

#### (四) 董事、監事及職工薪酬 (續)

##### 1. 董事及監事的薪酬詳情如下 (續)

##### 2. Five Persons with the Highest Compensation

Of five persons (4 persons for the previous year) with the highest compensation for the current year, 4 persons are directors and supervisors, and their compensation is recorded in the Note "X. (iv). (1) The compensation has been reflected in the compensation of directors and supervisors. The compensation of the other 1 person (in the previous year: 1 person) is shown as follows:

Item		Amount in the Current Year	Amount in the Previous Year
項目		本年發生額	上年發生額
Salary and Allowance	薪金及津貼	204,000.00	220,999.98
Social Insurance, Housing Fund and Relevant Pension Costs	社會保險、住房基金及相關退休金成本	54,180.00	49,010.04
Year-end Bonus	年終獎金	279,480.00	251,601.00
<b>Total</b>	<b>合計</b>	<b>537,660.00</b>	<b>521,611.02</b>

##### 2. 五位最高薪酬人士

本年度薪酬最高的前五位中4位是董事和監事(上年度:4位),其薪酬載於附註「十、(四).(1)」。薪酬已反映在董事及監事的薪酬中。其他1位(上年度:1位)的薪酬如下:

# Independent Auditor's Letter on Continuing Related Party Transactions

## 持續關連交易的獨立審計師函件

### 1. Related Party and Related Transactions

(Continued)

#### (IV) Compensation of Directors, Supervisors and Employees (Continued)

##### 2. Five Persons with the Highest Compensation (Continued)

Scope of Compensation:

Item 項目	
Within HKD 1,000,000	港元1,000,000以內
HKD 1,000,001 to HKD 1,500,000	港元1,000,001至港元1,500,000
HKD 1,500,001 to HKD 2,000,000	港元1,500,001至港元2,000,000
HKD 2,000,001 to HKD 2,500,000	港元2,000,001至港元2,500,000

3. At the track record period, there has been no director who gives up or agrees to give up any compensation. At the track record period, the Company has not paid any compensation to any director, supervisor or five persons with the highest compensation as the reward for attracting them to join in the Company or reward for them when joining in or as the separation allowance.

##### 4. Compensation for Key Managers

Compensation for key managers (including the amount which has been paid and shall be paid to directors, supervisors and senior management) is shown as follows:

Item 項目	
Salary and Allowance	薪金及津貼
Social Insurance, Housing Fund and Relevant Pension Costs	社會保險、住房基金及相關退休金成本
Year-end Bonus	年終獎金
Total	合計

### 一、關聯方及關聯交易 (續)

#### (四) 董事、監事及職工薪酬 (續)

##### 2. 五位最高薪酬人士 (續)

薪酬範圍：

Number of People for the Current Year 本年人數	Number of People for the Previous Year 上年人數
5	5

3. 於往績記錄期，概無任何董事放棄或同意放棄任何薪酬。於往績記錄期，本公司概無向任何董事、監事或五位最高薪酬人士支付任何薪酬，作為吸引彼等加入或於加入本公司時的獎勵或作為離職補償。

##### 4. 主要管理層薪酬

主要管理層薪酬(包括已付及應付董事、監事及高級管理層的金額)如下：

Amount in the Current Year 本年發生額	Amount in the Previous Year 上年發生額
2,592,730.00	2,733,219.22
652,082.16	163,867.68
2,757,610.50	2,073,766.76
6,002,422.66	4,970,853.66

## Section 13 Internal Control

### 第十三節 內部控制

#### I. Responsibility statement and development of internal control system

Beijing Jingcheng Machinery Electric Holding Co., Ltd.  
2016 Internal Control Evaluation Report

To all shareholders of Beijing Jingcheng Machinery Electric Company Limited:

According to the provisions of the Basic Standard for Enterprise Internal Control, the internal control and its supporting guidance as well as the other the internal control regulation requirements (hereinafter referred to as "Corporate Internal Control Standard System"), combining with the internal control system and evaluation methods of the Company, based on the routine supervision and special supervision over the internal control, we have evaluated the effectiveness of the internal control of the Company as of 31 December 2016 (being the benchmark date of the internal control evaluation report).

##### 1. Important statement

According to the requirements of Corporate Internal Control Standard System, Board of Directors of the Company is responsible for establishing, improving and effectively implementing the internal control, evaluating the effectiveness of the internal control and disclosing the internal control evaluation report truly. The supervisory committee shall supervise the internal control established and implemented by the Board of Directors. The Management is responsible for organizing and leading the routine operation of the internal control of the Company. The Board, the supervisory committee and the Directors, supervisors and senior management officers of the Company confirm that information contained in this report is true, accurate, and complete without any false and misleading statements or material omissions, and assume several and joint liability for the above.

#### 一、內部控制責任聲明及內部控制制度建設情況

北京京城機電股份有限公司  
2016年度內部控制評價報告

北京京城機電股份有限公司全體股東：

根據《企業內部控制基本規範》及其配套指引的規定和其他內部控制監管要求(以下簡稱企業內部控制規範體系)，結合本公司(以下簡稱公司)內部控制制度和評價辦法，在內部控制日常監督和專項監督的基礎上，我們對公司2016年12月31日(內部控制評價報告基準日)的內部控制有效性進行了評價。

##### 一、重要聲明

按照企業內部控制規範體系的規定，建立健全和有效實施內部控制，評價其有效性，並如實披露內部控制評價報告是公司董事會的責任。監事會對董事會建立和實施內部控制進行監督。經理層負責組織領導企業內部控制的日常運行。公司董事會、監事會及董事、監事、高級管理人員保證本報告內容不存在任何虛假記載、誤導性陳述或重大遺漏，並對報告內容的真實性、準確性和完整性承擔個別及連帶法律責任。

### I. Responsibility statement and development of internal control system (continued)

#### 1. Important statement (continued)

The objectives of the Company's internal control are to reasonably guarantee the authenticity and completeness of information of the compliance, asset security, financial report and relevant information of operation and management of the Company, improve the operating efficiency and results, and promote the realization of development strategies. Owing to the inherent limitations of the internal control, reasonable guarantees shall only be provided for realizing the above objectives. In addition, changes in situation may result in that the internal control becomes inappropriate or the extent to which the compliance with policies and process is lessened. There may be certain risks in presuming the effectiveness of future internal control according to the evaluation results of the internal control.

#### 2. Conclusion of the internal control evaluation

According to the recognition of material deficiencies in the internal control over the Company's financial reporting, on the benchmark date of the internal control evaluation report, there are no material deficiencies in the financial reporting. The Board is of the opinion that, the Company has maintained, in all material respects, effective internal control over financial reporting in accordance with the requirements of Corporate Internal Control Standard System and the relevant provisions.

According to the recognition of material deficiencies in the internal control over the Company's non-financial reporting, on the benchmark date of the internal control evaluation report, the Company has not identified any material deficiencies in the internal control over non-financial reporting.

From the benchmark date of the internal control evaluation report to the date of issuing the internal control evaluation report, there are no factors that may impose any impacts on the result of the effectiveness of the internal control.

### 一、內部控制責任聲明及內部控制制度建設情況(續)

#### 一、重要聲明(續)

公司內部控制的目標是合理保證經營管理合法合規、資產安全、財務報告及相關信息真實完整，提高經營效率和效果，促進實現發展戰略。由於內部控制存在的固有局限性，故僅能為實現上述目標提供合理保證。此外，由於情況的變化可能導致內部控制變得不恰當，或對控制政策和程序遵循的程度降低，根據內部控制評價結果推測未來內部控制的有效性具有一定的風險。

#### 二、內部控制評價結論

根據公司財務報告內部控制重大缺陷的認定情況，於內部控制評價報告基準日，不存在財務報告內部控制重大缺陷，董事會認為，公司已按照企業內部控制規範體系和相關規定的要求在所有重大方面保持了有效的財務報告內部控制。

根據公司非財務報告內部控制重大缺陷認定情況，於內部控制評價報告基準日，公司未發現非財務報告內部控制重大缺陷。

自內部控制評價報告基準日至內部控制評價報告發出日之間未發生影響內部控制有效性評價結論的因素。



## Section 13 Internal Control

### 第十三節 內部控制

#### I. Responsibility statement and development of internal control system (continued)

##### 3. Internal control evaluation

###### (i) Scope of the internal control evaluation

The Company determines the main units, business and events and high-risk areas that are included in the scope of the internal control evaluation based on the risk-oriented principle. Main entities included in the scope of evaluation include: Beijing Jingcheng Machinery Electric Company Limited' headquarters, Beijing Tianhai Industry Co., Ltd. and its subordinate companies. The subordinate units of Beijing Tianhai Industry Co., Ltd. includes: Beijing Minghui Tianhai Gas Storage and Transportation Equipment Co., Ltd. ("Minghui Tianhai"), Beijing Tianhai Cryogenic Equipment Co., Ltd. ("Tianhai Cryogenic"), Langfang Tianhai High Pressure Containers Co., Ltd. ("Langfang Tianhai") and Tianjin Tianhai High Pressure Container Co., Ltd. ("Tianjin Tianhai"). The total assets included in the evaluation scope accounts for 97.50% of the consolidated total assets of the Company, and the total operating income accounts for 87.54% of the consolidated total operating income of the Company; main business and events included in the evaluation scope include: fund activities, procurement business, asset management, sales, research and development, guarantee business, financial reporting, comprehensive budget, information systems and human resources. Fund activities mainly include financing activities (namely, preparation and approval of financing scheme, formulation and implementation of financing plan, assessment and accountability of financing activities, repayment of funds raised), investing activities (namely, preparation and approval of investment scheme, formulation and implementation of investment plan, disposal of investment assets), collection, payment and custody of monetary funds (approval, re-check, balance point, bookkeeping, reconciliation, bank account management, bills and seal management), operating of funds (namely, the links in monetary funds, reserves, production funds, new reserves, new monetary fund) and other matters; procurement businesses mainly included preparation of demand and supply plan, application for procurement, selection of suppliers, pricing, entering into framework agreement or purchase contract, management of supply process, acceptance, payment and vendor information management, etc.; asset management mainly included inventories (namely acceptance warehousing, warehousing and deposition, acquiring and sending out, stock-tacking, disposal of inventories and accounting treatment), fixed assets (acceptance, registration, insurance, maintenance, technical improvement, check, mortgage, lease, elimination, sell, lease and accounting treatment), intangible assets (acceptance, use, disposal, accounting treatment) and other matters; sales business mainly included sales program management, customer development and credit management, sales pricing, entering into sales contract, delivery of goods, receiving payment, customer service, customer information management and other matters; research and development mainly included project initialization, R&D process management, conclusion and acceptance, core R&D personnel management, development and protection of results of R&D, evaluation of R&D activities. The high-risk areas to which required to pay great attention mainly included preparation and approval of financing scheme, formulation and implementation of financing plan, assessment and accountability of financing activities, repayment of funds raised under financing activities, and

#### 一、內部控制責任聲明及內部控制制度建設情況(續)

##### 三、內部控制評價工作情況

###### (一) 內部控制評價範圍

公司按照風險導向原則確定納入評價範圍的主要單位、業務和事項以及高風險領域。納入評價範圍的主要單位包括：北京京城機電股份有限公司本部、北京天海工業有限公司。北京天海工業有限公司下屬單位分別為：北京明暉天海氣體儲運裝備銷售有限公司(簡稱「明暉天海」、北京天海低溫設備有限公司(簡稱「天海低溫」、廊坊天海高壓容器有限公司(簡稱「廊坊天海」、天津天海高壓容器有限責任公司(簡稱「天津天海」、納入評價範圍單位資產總額佔公司合併報表範圍內單位資產總額的97.50%，營業收入合計佔公司合併報表範圍內單位營業收入總額的87.54%；納入評價範圍的主要業務和事項包括：資金活動、採購業務、資產管理、銷售業務、研究與開發、擔保業務、財務報告、全面預算、法律事務管理、信息系統、人力資源。資金活動主要包括籌資活動(即籌資方案的編製及審批、制定籌資計劃、實施籌資、籌資活動評價與責任追究、歸還籌資)、投資活動(即投資方案編製與審批、制定投資計劃、實施投資方案、投資資產處置)、貨幣資金收付及保管(即審批、覆核、收支點、記賬、對賬、銀行賬戶管理、票據與印章管理)、資金營運(即貨幣資金環節、儲備資金環節、生產資金環節、新的儲備資金環節、新的貨幣資金環節)等事項；採購業務主要包括編製需求計劃與採購計劃、請購、選擇供應商、確定採購價格、訂立框架協議或採購合同、管理供應過程、驗收、付款、供應商信息管理等事項；資產管理主要包括存貨(即驗收入庫、倉儲保管、領用發出、盤點清查、存貨處置、賬務處理)、固定資產(即驗收、登記、投保、維護、技改、清查、抵押、租賃、淘汰處置、出售、出租、賬務處理)、無形資產(即驗收、使用、處置、賬務處理)等事項；銷售業務主要包括銷售計劃管理、客戶開發與信用管理、銷售定價、訂立銷售合同、發貨、收款、客戶服務、客戶信息管理等事項。研究與開發主要包括立項、研發過程管理、結題驗收、核心研發人員的管理、研究成果開發、研究成果保護、研發活動評估等事項。重點關注的高風險領域主要包括資金活動中籌資活動的籌資方案的編製及審批、制定籌資計劃、實施籌資、籌資活動評價與責任追究、歸還

I. Responsibility statement and development of internal control system (continued)

3. Internal control evaluation (continued)

(i) Scope of the internal control evaluation (continued)

preparation and approval of investment scheme, formulation and implementation of investment plan and disposal of investment assets under investment activities; preparation of demand and supply plan, application for procurement, selection of suppliers, pricing, entering into framework agreement or purchase contract, management of supply process, acceptance, payment and vendor information management under procurement businesses; sales program management, customer development and credit management, sales pricing, entering into sales contract, delivery of goods, receiving payment, customer service, customer information management and other matters under sales businesses.

The entities, businesses and events and high-risk areas that are included in the above-mentioned evaluation scope cover the main aspects of the Company's operation and management without material omission.

(ii) Working basis of internal control evaluation and recognition standards for deficiencies

The Company organized and conducted its internal control evaluation in accordance with the Basic Standards for Corporate Internal Control.

In view of the size of the company, industry characteristics, risk preference and tolerance, the Board of Directors, in accordance with the requirements for material, major and general deficiencies as specified in the enterprise internal control standard system, differentiated financial reporting related and non-financial reporting related and formulated specific standards for recognition of deficiencies that is applicable to the Company, which are in consistent with those of past years. The recognition standards of internal control deficiencies defined by the Company are as follows:

1. The recognition standards of financial reporting related internal control deficiencies

Quantitative standards for evaluation of financial reporting related internal control deficiencies defined by the Company are as follows:

Material deficiencies: potential misstatement of operating income: misstatement  $\geq 0.5\%$  of the total operating income; potential misstatement of total profit: misstatement  $\geq 5\%$  of the total profit; potential misstatement of total assets: misstatement  $\geq 0.5\%$  of the total assets; potential misstatement of equity: misstatement  $\geq 0.5\%$  of the total equity.

一、內部控制責任聲明及內部控制制度建設情況(續)

三、內部控制評價工作情況(續)

(一) 內部控制評價範圍(續)

籌資及投資活動中投資方案的編製與審批、制定投資計劃、實施投資方案、投資資產處置；採購業務中編製需求計劃與採購計劃、請購、選擇供應商、確定採購價格、訂立框架協議或採購合同、管理供應過程、驗收、付款、供應商信息管理等等事項；銷售業務中銷售計劃管理、客戶開發與信用管理、銷售定價、訂立銷售合同、發貨、收款、客戶服務、客戶信息管理等等事項。

上述納入評價範圍的單位、業務和事項以及高風險領域涵蓋了公司經營管理的主要方面，不存在重大遺漏。

(二) 內部控制評價工作依據及內部控制缺陷認定標準

公司依據企業內部控制規範體系組織開展內部控制評價工作。

公司董事會根據企業內部控制規範體系對重大缺陷、重要缺陷和一般缺陷的認定要求，結合公司規模、行業特徵、風險偏好和風險承受度等因素，區分財務報告內部控制和非財務報告內部控制，研究確定了適用於本公司的內部控制缺陷具體認定標準，並與以前年度保持一致。公司確定的內部控制缺陷認定標準如下：

1. 財務報告內部控制缺陷認定標準

公司確定的財務報告內部控制缺陷評價的定量標準如下：

重大缺陷：營業收入潛在錯報錯報  $\geq$  營業收入總額的  $0.5\%$ ；利潤總額潛在錯報錯報  $\geq$  利潤總額的  $5\%$ ；資產總額潛在錯報錯報  $\geq$  資產總額  $0.5\%$ ；所有者權益潛在錯報錯報  $\geq$  所有者權益總額的  $0.5\%$ 。

# Section 13 Internal Control

## 第十三節 內部控制

### I. Responsibility statement and development of internal control system (continued)

#### 3. Internal control evaluation (continued)

##### (ii) Working basis of internal control evaluation and recognition standards for deficiencies (continued)

##### 1. The recognition standards of financial reporting related internal control deficiencies (continued)

Major deficiencies: 0.2% of the total operating income  $\leq$  misstatement <0.5% of the total operating income; 2% of the total profit  $\leq$  misstatement <5% of the total profit; 0.2% of the total assets  $\leq$  misstatement <0.5% of the total assets; 0.2% of the total equity  $\leq$  misstatement <0.5% of the total equity.

General deficiencies: misstatement <0.2% of the total operating income; misstatement <2% of the total profit; misstatement <0.2% of the total assets; misstatement <0.2% of the total equity.

Qualitative standards for evaluation of financial reporting related internal control deficiencies defined by the Company are as follows:

Material deficiencies: Separate deficiency or together with other deficiencies lead to the failure to avoid, identify or correct the material misstatement in the financial reporting on a timely basis. In case of the occurrence of the following situations, material deficiencies are recognised:

Ineffective control environment;

The misconduct committed by directors, supervisors and members of senior management officers;

The external audit identifies material misstatement in the current financial report which has not been identified by the Company during its operation;

Material deficiencies identified and reported to the management have not been rectified after a reasonable period of time;

The supervision of the Company's audit committee and department of audit and legal affairs over the internal control is proved to be ineffective;

Other deficiencies which may affect the correct judgment of the statement users.

Major deficiencies: Separate deficiency or together with other deficiencies lead to the failure to avoid, identify or correct the misstatement in the financial reporting on a timely basis, which does not reach or exceed the level of importance but is still worth the attention of the management.

General deficiencies: Other internal control deficiencies that do not constitute material or major deficiencies.

### 一、內部控制責任聲明及內部控制制度建設情況(續)

#### 三、內部控制評價工作情況(續)

##### (二) 內部控制評價工作依據及內部控制缺陷認定標準(續)

##### 1. 財務報告內部控制缺陷認定標準(續)

重要缺陷：營業收入總額的0.2% $\leq$ 錯報營業收入總額的<0.5%；利潤總額的2% $\leq$ 錯報利潤總額的<5%；資產總額0.2% $\leq$ 錯報資產總額<0.5%；所有者權益總額的0.2% $\leq$ 錯報所有者權益總額的<0.5%。

一般缺陷：錯報營業收入總額的<0.2%；錯報利潤總額的<2%；錯報資產總額<0.2%；錯報所有者權益總額的<0.2%。

公司確定的財務報告內部控制缺陷評價的定性標準如下：

重大缺陷：單獨缺陷或連同其他缺陷導致不能及時防止、發現並糾正財務報告中的重大錯報。出現下列情形的，認定為重大缺陷：

控制環境無效；

董事、監事和高級管理人員舞弊行為；

外部審計發現當期財務報告存在重大錯報，公司在運行過程中未能發現該錯報；

已經發現並報告給管理層的重大缺陷在合理的時間後未加以改正；

公司審計委員會和審計部對內部控制的監督無效；

其他可能影響報表使用者正確判斷的缺陷。

重要缺陷：單獨缺陷或連同其他缺陷導致不能及時防止、發現並糾正財務報告中雖然未達到和超過重要性水平，但仍應引起管理層重視的錯報。

一般缺陷：不構成重大缺陷或重要缺陷的其他內部控制缺陷。

I. Responsibility statement and development of internal control system (continued)

3. Internal control evaluation (continued)

(ii) Working basis of internal control evaluation and recognition standards for deficiencies (continued)

2. The recognition standards of non-financial reporting related internal control deficiencies

Quantitative standards for evaluation of non-financial reporting related internal control deficiencies defined by the Company are as follows:

Material deficiencies: Direct property losses amount was more than RMB10 million and have material adverse effects on the Company and are disclosed by way of announcement;

Major deficiencies: Direct property losses amount of between RMB1 million and RMB10 million (inclusive) or the imposition of punishment by national government authority which does not adversely affect the Company;

General deficiencies: Direct property losses amount of less than RMB1 million (inclusive) or the imposition of punishment by government authority at or below provincial level which does not adversely affect the Company.

Qualitative standards for evaluation of non-financial reporting related internal control deficiencies defined by the Company are as follows:

Material deficiencies:

In case of the occurrence of the following situations, material deficiencies are recognised:

Violation of the State's laws, regulations or regulatory documents;

Unscientific material decision-making process;

Lack of systems are likely to result in systemic failures;

Material or major deficiencies are not rectified;

Other situations that materially affect the Company.

Major deficiencies: Save for above, deficiencies for which the severity and economic consequences are less than material deficiencies but which still shall be taken seriously by the Board and management, shall be regarded as major deficiencies.

General deficiencies: Other internal control deficiencies that do not constitute material or major deficiencies.

一、內部控制責任聲明及內部控制制度建設情況(續)

三、內部控制評價工作情況(續)

(二) 內部控制評價工作依據及內部控制缺陷認定標準(續)

2. 非財務報告內部控制缺陷認定標準

公司確定的非財務報告內部控制缺陷評價的定量標準如下：

重大缺陷：直接財產損失金額1,000萬元以上，對公司造成較大負面影響並以公告形式對外披露；

重要缺陷：直接財產損失金額100萬元至1,000萬元(含1,000萬元)，或受到國家政府部門處罰但未對公司造成負面影響；

一般缺陷：直接財產損失金額100萬元(含100萬元)以下，或受到省級(含省級)以下政府部門處罰但未對公司造成負面影響。

公司確定的非財務報告內部控制缺陷評價的定性標準如下：

重大缺陷：

出現下列情形的，認定為重大缺陷：

違反國家法律、法規或規範性文件；

重大決策程序不科學；

制度缺失可能導致系統性失效；

重大或重要缺陷不能得到整改；

其他對公司影響重大的情形。

重要缺陷：除上述情形外，嚴重程度和經濟後果低於重大缺陷但仍應引起董事會和管理層重視的缺陷，應將該缺陷認定為重要缺陷。

一般缺陷：不構成重大缺陷或重要缺陷的其他內部控制缺陷。

## Section 13 Internal Control

### 第十三節 內部控制

#### I. Responsibility statement and development of internal control system (continued)

##### 3. Internal control evaluation (continued)

###### (iii) Recognition of internal control deficiencies and rectifications

###### 1. Recognition of internal control deficiencies in financial reporting and rectifications

According to the standards for recognition of internal control deficiencies in financial reporting, during the Reporting Period, the Company has no material and major deficiencies in the internal control over financial reporting.

###### 2. Recognition of internal control deficiencies in non-financial reporting and rectifications

According to the above-mentioned standards for recognition of internal control deficiencies in non-financial reporting, during the Reporting Period, the Company has no material or major deficiency in the internal control over non-financial reporting.

##### 4. Explanation on other significant matters concerning internal control

None

Beijing Jingcheng Machinery Electric Company Limited  
The Board of Directors

17 March 2017

#### II. Auditors' Report on Internal Control Over Financial Reporting

##### Internal Control Over Financial Reporting

Xin Kuai Shi Bao Zi [2017] No. ZB10248

##### To all shareholders of Beijing Jingcheng Machinery Electric Company Limited:

We have audited the effectiveness of internal control over financial reporting of Beijing Jingcheng Machinery Electric Company Limited (hereinafter referred to as "the Company") as of 31 December 2016 based on criteria established in Audit Guidelines for Enterprise Internal Control and related standards established in the Professional Standards for Certified Public Accountants of China.

#### 一、內部控制責任聲明及內部控制制度建設情況(續)

##### 三、內部控制評價工作情況(續)

###### (三) 內部控制缺陷認定及整改情況

###### 1. 財務報告內部控制缺陷認定及整改情況

根據上述財務報告內部控制缺陷的認定標準，報告期內公司不存在財務報告內部控制重大、重要缺陷。

###### 2. 非財務報告內部控制缺陷認定及整改情況

根據上述財務報告內部控制缺陷的認定標準，報告期內公司不存在非財務報告內部控制重大、重要缺陷。

#### 四、其他內部控制相關重大事項說明

無

北京京城機電股份有限公司  
董事會

2017年03月17日

#### 二、內部控制審計報告的相關情況說明

##### 內部控制審計報告

信會師報字[2017]第ZB10248號

北京京城機電股份有限公司全體股東：

按照《企業內部控制審計指引》及中國註冊會計師執業準則的相關要求，我們審計了北京京城機電股份有限公司(以下簡稱“貴公司”)2016年12月31日的財務報告內部控制的有效性。



## II. Auditors' Report on Internal Control Over Financial Reporting (continued)

### 1. The Company's responsibilities regarding the internal control

According to Basic Standards for Enterprise Internal Control, Implementation Guidelines for Enterprise Internal Control and Guidelines for Evaluation and Assessment on Effectiveness of Enterprise Internal Control, the Company's board of directors is responsible for maintaining effective internal control over financial reporting and assessment of the effectiveness of internal control over financial reporting.

### 2. Responsibilities of Certified Public Accountants

Our responsibility is to express an opinion on the effectiveness of the Company's internal control over financial reporting and to disclose any material weaknesses of internal control over non-financial reporting matters we noticed based on our audit.

### 3. Inherent Limitations of Internal Control

Because of its inherent limitations, internal control over financial reporting may not prevent and detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk wherein controls may become inadequate because of changes in conditions, or wherein the degree of compliance with the policies or procedures may deteriorate.

### 4. Opinion on Audit regarding the internal control over financial reporting

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of 31 December 2016, based on Basic Standards for Enterprise Internal Control and the relevant provisions.

**BDO China Shu Lun Pan**  
立信會計師事務所（特殊普通合伙）

Shanghai, China  
中國•上海

17 March 2017  
二〇一七年三月十七日

## 二、內部控制審計報告的相關情況說明(續)

### 一、企業對內部控制的責任

按照《企業內部控制基本規範》、《企業內部控制應用指引》、《企業內部控制評價指引》的規定，建立健全和有效實施內部控制，並評價其有效性是貴公司董事會的責任。

### 二、註冊會計師的責任

我們的責任是在實施審計工作的基礎上，對財務報告內部控制的有效性發表審計意見，並對注意到的非財務報告內部控制的重大缺陷進行披露。

### 三、內部控制的固有局限性

內部控制具有固有局限性，存在不能防止和發現錯報的可能性。此外，由於情況的變化可能導致內部控制變得不恰當，或對控制政策和程序遵循的程度降低，根據內部控制審計結果推測未來內部控制的有效性具有一定風險。

### 四、財務報告內部控制審計意見

我們認為，貴公司於2016年12月31日按照《企業內部控制基本規範》和相關規定在所有重大方面保持了有效的財務報告內部控制。

Certified Public Accountant of China: **Yan Yanfei**  
中國註冊會計師：顏艷飛

Certified Public Accountant of China: **Li Mojun**  
中國註冊會計師：李模軍



## Section 14 Corporate Bonds

### 第十四節 公司債券相關情況

“Applicable” “ Not applicable”

適用 不適用

## Section 15 Five Years' Financial Summary

### 第十五節 五年業績摘要

The audited consolidated operating results and the audited balance sheet of the Company for each of the five years ended 31 December 2016 were summarized as follows:

本公司截至2016年12月31日止年度前五年每年之審定後綜合經營成果及審定後資產及負債情況匯總如下：

#### (1) Operating Results (Prepared under PRC Accounting Standards)

#### 一、經營結果(根據中國會計準則編製)

		2016 RMB'0,000 人民幣萬元	2015 RMB'0,000 人民幣萬元	2014 RMB'0,000 人民幣萬元	2013 RMB'0,000 人民幣萬元 (after adjustment) (調整後)	2013 RMB'0,000 人民幣萬元 (before adjustment) (調整前)	2012 RMB'0,000 人民幣萬元
Turnover	營業額	88,952.53	107,659.63	180,633.31	282,819.43	282,819.43	304,527.55
Total profit	利潤總額	-17,901.45	-29,088.61	1,804.62	-10,462.44	-10,500.44	-10,952.77
Taxation	所得稅費用	164.33	583.31	503.42	454.78	454.78	1,421.36
Net profit attributable to shareholders of parent company	歸屬於母公司股東的淨利潤	-14,878.76	-20,781.74	2,141.62	-10,759.77	-10,823.90	-12,445.69
Equity attributable to the shareholders of parent company	歸於母公司股東權益	56,519.78	71,266.31	91,953.06	77,527.17	80,357.33	143,675.01
Minority equity	少數股東權益	40,668.75	43,731.05	52,522.87	35,852.66	36,006.50	17,509.81

#### (2) Assets and liabilities (Prepared under PRC Accounting Standards)

#### 二、資產及負債(根據中國會計準則編製)

		2016 RMB'0,000 人民幣萬元	2015 RMB'0,000 人民幣萬元	2014 RMB'0,000 人民幣萬元	2013 RMB'0,000 人民幣萬元 (after adjustment) (調整後)	2013 RMB'0,000 人民幣萬元 (before adjustment) (調整前)	2012 RMB'0,000 人民幣萬元
Assets	資產						
Current assets	流動資產	76,242.27	87,756.35	123,966.10	157,073.98	157,073.98	218,324.16
Non-current assets	非流動資產	108,748.62	119,992.87	126,822.24	125,862.10	125,862.10	161,969.04
Total assets	總資產	184,990.89	207,749.21	250,788.33	282,936.09	282,936.09	380,293.20
Liabilities	負債						
Current liabilities	流動負債	73,983.05	79,230.83	92,885.40	153,581.46	153,425.46	212,766.38
Non-current liabilities	非流動負債	13,819.31	13,521.03	13,427	15,974.80	13,146.80	6,342.00
Total liabilities	總負債	87,802.36	92,751.86	106,312.40	169,556.26	166,572.26	219,108.38
Shareholders' Equity	股東權益						
Equity attributable to the shareholders of parent company	歸於母公司股東權益	56,519.78	71,266.31	91,953.06	77,527.17	80,357.33	143,675.01
Minority equity	少數股東權益	40,668.75	43,731.05	52,522.87	35,852.66	36,006.50	17,509.81
Shareholders' Equity	股東權益	97,188.53	114,997.36	144,475.93	113,379.83	116,363.83	161,184.82

## Section 16 Documents Available for Inspection

### 第十六節 備查文件目錄

1. Original copy of the annual report, which has been signed by the Chairman.  
1、載有董事長親筆簽名的年度報告正本。
2. Original copy of the auditors' report signed and chopped by the certified public accountant and under the seal of the accountant firm.  
2、載有會計師事務所蓋章、註冊會計師簽名並蓋章的審計報告原件。
3. The original copies of all documents and announcements of the Company publicly disclosed during the Reporting Period in Shanghai Securities News and the websites of Shanghai Stock Exchange and The Stock Exchange of Hong Kong.  
3、報告期內在《上海證券報》、上海交易所網站、香港聯合交易所有限公司披露易網站上公開披露過的所有公司文件的正本及公告原稿。
4. The Articles of Association of the Company.  
4、公司章程。

The above documents are available for inspection at the Office of the Board of Directors of the Company, situated at No.2 Huo Xian Nan San Road, Huo Xian Town, Tongzhou District, Beijing, the PRC.

以上備查文件可到本公司董事會辦公室查閱，地址為中國北京市通州區漷縣鎮漷縣南三街2號。

Chairman: **Wang Jun**

董事長：王軍

Date of approval by the Board for submission: 17 March 2017

董事會批准報送日期：2017年3月17日

#### Information on amendment

“Applicable” “ Not applicable”

#### 修訂信息

適用 不適用

