



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)

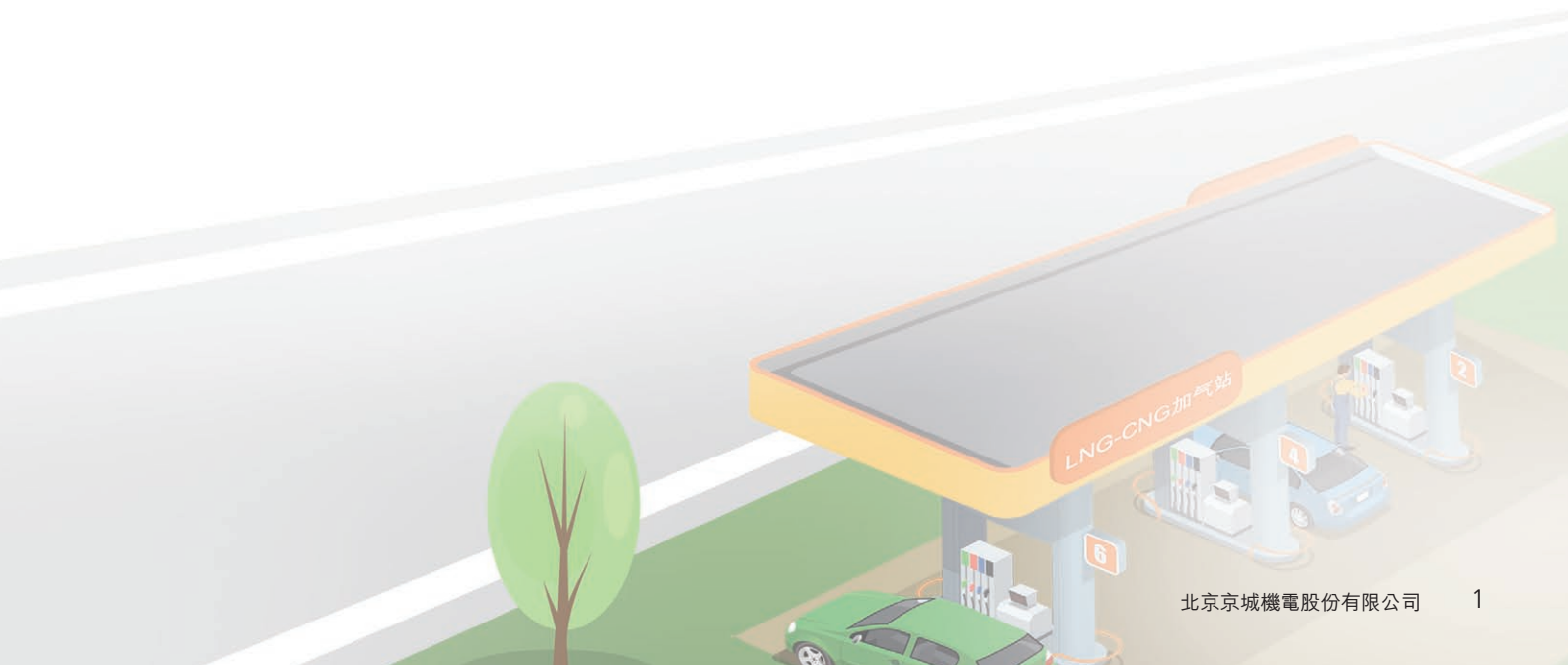
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Important Notes

重要提示

- | | |
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| <p>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.</p> | <p>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。</p> |
| <p>II. All directors of the Company have attended the meetings of the Board.</p> | <p>二、公司全體董事出席董事會會議。</p> |
| <p>III. ShineWing Certified Public Accountants LLP has issued a standard audited report without qualifying opinions for the Company.</p> | <p>三、信永中和會計師事務所(特殊普通合夥)為本公司出具了標準無保留意見的審計報告。</p> |
| <p>IV. Wang Jun, the person in charge of the Company, Jiang Chi, the Accounting Director and Wang Yan Dong, Accounting Manager (accountant in charge), have declared that they guarantee the trueness, accuracy and completeness of the financial statements contained in this annual report.</p> | <p>四、公司負責人王軍、主管會計工作負責人姜馳及會計機構負責人(會計主管人員)王艷東聲明：保證年度報告中財務報告的真實、準確、完整。</p> |
| <p>V. Resolutions of profit distribution and capitalisation from capital reserves of the Company for the Reporting Period examined and reviewed by the Board</p> <p>During the Reporting Period, as audited by the Shinewing Certified Public Accountants LLP, net profit attributable to shareholders of the Company was RMB20,868,364.01 and undistributed profit at the end of the year was RMB-567,793,525.60. 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 2017. Such resolutions are required to be submitted at the AGM for consideration and approval.</p> | <p>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</p> <p>報告期，經信永中和會計師事務所(特殊普通合夥)審計，歸屬於上市公司股東的淨利潤為20,868,364.01元，年末未分配利潤為-567,793,525.60元。由於公司年末未分配利潤為負，故2017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。</p> |
| <p>VI. Declaration on risk from forward-looking statements</p> <p>“√ Applicable” “□ Not applicable”</p> <p>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.</p> | <p>六、前瞻性陳述的風險聲明</p> <p>√適用 □不適用</p> <p>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。</p> |
| <p>VII. Whether the controlling shareholders of the Company or its associates have misappropriated the Company's funds or not?</p> <p>No</p> | <p>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</p> <p>否</p> |
| <p>VIII. Whether any external guarantees are provided in violation of any specified decision-making procedures or not?</p> <p>No</p> | <p>八、是否存在違反規定決策程序對外提供擔保的情況？</p> <p>否</p> |
| <p>IX. IMPORTANT RISK WARNINGS</p> <p>Pursuant to the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the audited net profit of the Company continues to be negative in 2017, the Shanghai Stock Exchange may suspend the listing of the Company's A shares.</p> | <p>九、重大風險提示</p> <p>根據《上海證券交易所股票上市規則》的有關規定，公司若2017年經審計的淨利潤繼續為負值，公司A股股票將被暫停上市。</p> |
| <p>X. Others</p> <p>“□ Applicable” “√ Not applicable”</p> | <p>十、其他</p> <p>□適用 √不適用</p> |



Section 1 Definition

第一節 釋義

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：

		Definition of frequently used terms
		常用詞語釋義
AGM 股東大會	means 指	the 2016 Annual General Meeting convened on 26 June 2017 於2017年6月26日召開的2016年年度股東大會
BAC 天海美洲	means 指	BTIC America Corporation, a non wholly-owned subsidiary of Tianhai Industrial 天海美洲公司(天海工業之非全資子公司)
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
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)
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)
Board 董事會	means 指	the board of directors of the Company 本公司董事會
CNG CNG	means 指	Abbreviation of compressed natural gas 壓縮天然氣(Compressed Natural Gas)的英文縮寫
Company 公司、本公司	means 指	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 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
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
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 灤縣低溫生產基地	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
CSRC 中國證監會	means 指	China Securities Regulatory Commission 中國證券監督管理委員會
Director(s) 董事	means 指	the director(s) of the Company 本公司董事
DOT DOT	means 指	Abbreviation of US Department of Transportation 美國交通部(US Department of Transportation)的英文縮寫
Group 本集團	means 指	the Company and its subsidiaries 本公司及其附屬公司
HK\$ 港元	means 指	Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元
Hong Kong Listing Rules 香港上市規則	means 指	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司證券上市規則

Section 1 Definition

第一節 釋義

1. Definitions (continued)

一、釋義(續)

Definition of frequently used terms 常用詞語釋義

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
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)
Jingcheng Holding (controlling shareholder and beneficial controller) 京城控股(控股股東、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
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
LNG LNG	means 指	Abbreviation of liquefied natural gas 液化天然氣(liquefied natural gas)的英文縮寫
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
Reporting Period 報告期	means 指	the period from 1 January 2017 to 31 December 2017 2017年1月1日至2017年12月31日
RMB 人民幣	means 指	Renminbi, the lawful currency of the PRC 中國法定貨幣人民幣
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
Shareholder(s) 股東	means 指	the holder(s) of shares 股份持有人
SSE 上交所	means 指	the Shanghai Stock Exchange 上海證券交易所
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
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
Supervisor(s) 監事	means 指	the supervisor(s) of the Company 本公司監事
Supervisory Committee 監事會	means 指	the supervisory committee of the Company 本公司監事會
Tianhai Cryogenic 天海低溫	means 指	Beijing Tianhai Cryogenic Equipment Co., Ltd., a non wholly-owned subsidiary of the Company 北京天海低溫設備有限公司(本公司之非全資子公司)
Tianhai Industrial/ Beijing Tianhai 天海工業/北京天海	means 指	Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司), a wholly-owned subsidiary of the Company 北京天海工業有限公司(本公司之全資子公司)
Tianjin Seamless 天津大無縫	means 指	Tianjin Seamless Investment Co. Ltd., a wholly-owned company of Tianjin Pipe Group Co. Ltd. 天津大無縫投資有限公司(天津鋼管集團股份有限公司之全資附屬公司)
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



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

	Secretary to the Board 董事會秘書	Representative in charge of securities affairs 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 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 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	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 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 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 101109
Company's website 公司網址	www.jingchenggf.com.cn www.jingchenggf.com.cn
E-mail 電子信箱	jcgf@btic.com.cn 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 www.sse.com.cn
Place for inspection of the Company's Annual Report 公司年度報告備置地地點	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

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	*ST京城 *ST京城	600860 600860	京城股份 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) 公司聘請的會計師事務所(境內)	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 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	Da Hua Certified Public Accountants (Special General Partnership) 大華會計師事務所(特殊普通合夥)
	Office address 辦公地址	8/F, Xihai International Center, Building 1, No.99 Courtyard, Beisanhuan West Road, Haidian District, Beijing City 北京市海澱區北三環西路99號院1號樓西海國際中心8層
	Names of signing accountant 簽字會計師姓名	Liu Guoqing Wei Wei 劉國清、魏瑋
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

(i) Major accounting figures

Unit: Yuan Currency: RMB
單位：元 幣種：人民幣

Major accounting figures		2017	2016	Changes over the same period of the preceding year (%) 本期比上年同期增減(%)	2015
主要會計數據		2017年	2016年	本期比上年同期增減(%)	2015年
Operating income	營業收入	1,203,496,955.02	889,525,250.25	35.30	1,076,596,258.89
Net profit attributable to shareholders of listed company	歸屬於上市公司股東的淨利潤	20,868,364.01	-148,787,585.19	Not applicable 不適用	-207,817,373.56
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	-60,775,640.60	-164,874,525.62	Not applicable 不適用	-216,232,928.23
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-226,658,464.95	-13,041,823.62	Not applicable 不適用	145,654,400.12

		At the end of 2017	At the end of 2016	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 2015
		2017年末	2016年末	本期末比上年同期末增減(%)	2015年末
Net assets attributable to shareholders of listed company	歸屬於上市公司股東的淨資產	588,375,286.55	565,197,855.29	4.10	712,663,072.55
Total assets	總資產	1,925,062,021.12	1,849,908,902.76	4.06	2,077,492,109.79

(ii) Key financial indicators

Changes over the same period of the preceding year (%)
本期比上年同期增減(%)

Key financial indicators		2017	2016	Changes over the same period of the preceding year (%) 本期比上年同期增減(%)	2015
主要財務指標		2017年	2016年	本期比上年同期增減(%)	2015年
Basic earnings per share (RMB/share)	基本每股收益(元/股)	0.05	-0.35	Not applicable 不適用	-0.49
Diluted earnings per share (RMB/share)	稀釋每股收益(元/股)	0.05	-0.35	Not applicable 不適用	-0.49
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)	-0.14	-0.39	Not applicable 不適用	-0.51
Returns on net assets on weighted average basis (%)	加權平均淨資產收益率(%)	3.61	-23.31	Not applicable 不適用	-25.46
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(%)	-10.53	-25.83	Not applicable 不適用	-26.50

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

“□ Applicable” “√ Not applicable”

報告期末公司前三年主要會計數據和財務指標的說明

□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 2017 By Quarter

九、2017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	270,438,514.09	265,367,571.14	312,561,346.07	355,129,523.72
Net profit attributable to shareholders of listed company	歸屬於上市公司股東的淨利潤	-18,848,577.87	-25,201,413.83	-24,909,337.72	89,827,693.43
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	-20,698,394.36	-26,143,448.29	-29,081,057.24	15,147,259.29
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-39,191,315.10	-23,291,087.16	-16,016,553.19	-148,159,509.50

Description of differences between quarterly data and data in disclosed regular reports

"□Applicable" "√ Not applicable"

季度數據與已披露定期報告數據差異說明

□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

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 2017 2017年金額	Note (where applicable) 附註(如適用)	Amount of 2016 2016年金額	Amount of 2015 2015年金額
Gain or loss on disposal of non-current assets Unauthorized or informal approval documents or oneoff tax returns and exemptions on tax	59,103,357.51	非流動資產處置損益 越權審批，或無正式批准文件，或偶發性的稅收返還、減免	-2,091,562.94	12,045,657.31
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	18,578,401.03	計入當期損益的政府補助，但與公司正常經營業務密切相關，符合國家政策規定、按照一定標準定額或定量持續享受的政府補助除外	7,623,764.63	450,032
Capital occupation fee received from non-financial entities included in current profit or loss		計入當期損益的對非金融企業收取的資金佔用費		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		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		
Gain or loss on exchange of non-monetary assets		非貨幣性資產交換損益		
Gain or loss on entrusted investments or asset under management		委託他人投資或管理資產的損益		
Provision for impairment on assets due to force majeure events, such as natural disasters	13,998,858.16	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	7,837,291.67	
Gain or loss on debt restructuring		債務重組損益		
Corporate restructuring costs, such as employee relocation expenses and integration costs		企業重組費用，如安置職工的支出、整合費用等		
Gain or loss on transactions with obviously unfair transaction price for amount which exceeds fair value		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		
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		同一控制下企業合併產生的子公司期初至合併日的當期淨損益		
Gain or loss on other contingencies which are not related to the Company's normal operations		與公司正常經營業務無關的或有事項產生的損益		
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		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		
Reversal of the impairment provision for receivables which are tested individually for impairment		單獨進行減值測試的應收款項減值準備轉回		
Gain or loss on entrusted loans		對外委託貸款取得的損益		
Gain or loss arising from changes in fair value of investment properties under fair value model on subsequent measurement		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		
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		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		
Entrusted fee income from entrusted operations		受託經營取得的托管費收入		
Other non-operating income and expenses apart from the aforesaid items	3,062,739.88	除上述各項之外的其他營業外收入和支出	5,461,209.00	-5,224,026.85
Other gain or loss items falling within the definition of extraordinary items		其他符合非經常性損益定義的損益項目		
Effect of minority interest	-12,184,088.16	少數股東權益影響額	-2,750,149.76	742,656.24
Effect of income tax	-915,263.81	所得稅影響額	6,387.83	534.78
Total	81,644,004.61	合計	16,086,940.43	8,415,554.67

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

第三節 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.

Photos of major products:

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，板沖式無石棉填充乙炔瓶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。

主要產品圖示：



Section 3 Business Summary of the Company

第三節 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

LNG cylinders for vehicles 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, the Company 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

車用液化天然氣LNG氣瓶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，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

第三節 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 ISO9001:2015, ISO/TS16949:2009 international quality management system certification, ISO14001:2015 environmental management system and OHSAS18001:2007 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

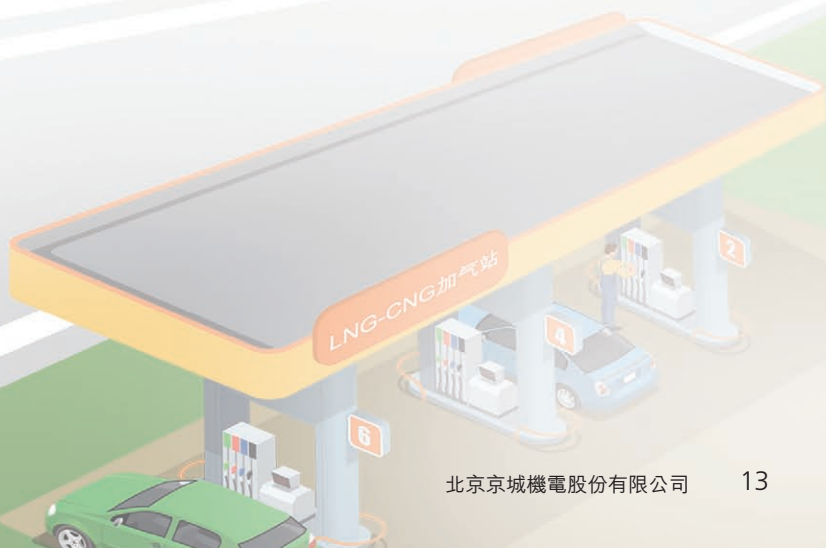
(續)

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。

車用壓縮天然氣CNG氣瓶已經取得ISO9001:2015、ISO/TS16949:2009國際質量管理體系認證和ISO14001:2015環境管理體系、OHSAS18001:2007職業健康安全體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

第三節 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

第三節 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 fullwinding 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.

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。



Section 3 Business Summary of the Company

第三節 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)

(5) Plate-type asbestos-free acetylene cylinders

Plate-type asbestos-free acetylene cylinders are products independently developed by the Company with worldleading 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.

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)

(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。

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。



Section 3 Business Summary of the Company

第三節 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

第三節 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

第三節 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ISO 40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

第三節 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、泵撬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、調壓計量加臭撬、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撬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

第三節 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，充分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

第三節 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 fullwinding 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 fullwinding 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

第三節 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

It is pointed out in the Central Economic Working Conference that in 2017, the GDP increased by 6.9%, and the economic situation of China performed better than estimation. As structural reform of supply-side has made achieved substantial progress, represented by the continuous optimization of economic structure, the accelerated transition from old to new drivers and the improved quality effectiveness, it is expected that the development momentum would maintain stable and positive in 2018.

(1) Industrial Gas Industry

The industry gas industry has made excellent progress over the past decade, however, as compared to those of developed countries, the per capita industry gas consumption in China remained at a comparatively low level, which represented the great potential for future development, and is expected to maintain a steady rise in 2018. In addition, the transportation and storage methods of industry gas industry gradually shifted to the mode of low-temperature liquefied, and this resulted in the continuously increased market demand for low temperature tank and cryogenic tanks.

(2) Liquefied Natural Gas Industry

In 2017, supported by the national environment protection policies, the consumption of natural gas in China increased by 20%, while downstream demand of LNG market increased by over 45%, and both the supply amount and price increased in LNG market. Entered the heating supply period, the consumption of natural gas in northern area continuously ascended, and this caused the supply shortage of natural gas. The inflation of LNG price, in a short term, caused adverse impact on LNG device market. Looking forward 2018, the accelerated policy support would propel the development of the utilization of natural gas, and the application of clean energy in transportation field (LNG heavy truck and vessel) would be the mainstream in the future.

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

中央經濟工作會指出，2017年GDP增長6.9%左右，中國經濟形勢好於預期，供給側結構性改革取得實質性進展，經濟結構不斷優化，新舊動能加快轉換，質量效益有所提升，預計2018年將保持穩中向好的發展態勢。

(1) 工業氣體行業

中國工業氣體行業在過去10餘年獲得了長足的發展，但與發達國家相比，我國人均工業氣體消費量還處在較低水平，未來仍有很大的發展潛力，預計2018年仍將保持穩中有升的態勢。此外，工業氣體的運輸、貯存的方式逐步向低溫液體化轉變，將帶動低溫瓶和低溫儲罐的市場需求持續增加。

(2) 液化天然氣行業

2017年，在國家環保政策支持下，我國天然氣的消費量擴大了20%，LNG市場下游需求增長45%以上，LNG市場供應量與價格呈現雙增長狀態。進入供暖季之後，北方部分地區天然氣的消費量持續擴大，造成天然氣短缺現象，LNG價格暴漲，短期內對LNG裝備市場造成了不利影響。展望2018年，政策支持加快推進天然氣利用仍將持續發展，清潔能源在交通運輸領域(LNG重卡車、船)的應用仍是未來的趨勢。

Section 3 Business Summary of the Company

第三節 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)

(3) Hydrogen and Fuel Cell Industry

During recent years, attention has been paid by the state to the development of hydrogen, and national policy documents, such as the Outline of the National Strategy of Innovation-Driven Development Background Briefing(《國家創新驅動發展戰略綱要》), the “13th Five-Year” National Science And Technology Innovation Planning(《「十三五」國家科技創新規劃》), the “13th Five-Year” National Development Planning on Emerging Sectors of Strategic Importance (《「十三五」國家戰略性新興產業發展規劃》), the “Made in China 2025” (《中國製造2025》), the Medium and Long Term Development Planning of Automobile Industry (《汽車產業中長期發展規劃》) and the “13th Five-Year” Special Planning for Science and Technology Innovation in Transportation Sector(《「十三五」交通領域科技創新專項規劃》), targeted the development of hydrogen and fuel cell technology as key task, and considered the fuel cell car as key support project. Currently, 5 demonstrative cities of hydrogen in China, namely Beijing, Shanghai, Zhengzhou, Foshan and Yancheng set up 7 hydrogen refueling stations. Some automobile manufacturers, including Saic Motor, Yutong, Foton and Dongfeng owned fuel car models that obtained announcements. The development of fuel cell industry was proactively promoted in Foshan and Wuhan, while a demonstrative application project of hydrogen economy was established in Rugao, Jiangsu Province. In Guangdong, the construction of a hydrogenation refueling station jointly invested by CNPC and Sinopec also officially commenced. It is expected the hydrogen industry would enter a booming period in the next 3 to 5 years.

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)

(3) 氫能和燃料電池行業

近年來我國高度重視氫能產業發展，《國家創新驅動發展戰略綱要》、《「十三五」國家科技創新規劃》、《「十三五」國家戰略性新興產業發展規劃》、《中國製造2025》、《汽車產業中長期發展規劃》、《「十三五」交通領域科技創新專項規劃》等國家政策文件紛紛將發展氫能和燃料電池技術列為重點任務，將燃料電池汽車列為重點支持領域。目前，我國已有北京、上海、鄭州、佛山、鹽城五個氫能示範城市，7個加氫站。上汽、宇通、福田、東風等汽車生產廠商已經具有取得公告的燃料電池車型，佛山市、武漢市等正在積極推動燃料電池產業發展，江蘇如皋市還建立了氫能經濟示範應用項目。在廣東，中石油與中石化共同參與的加氫加油合建站也已正式開建。預計在未來的三到五年時間內，氫能產業會進入一個爆發期。



Section 3 Business Summary of the Company

第三節 公司業務概要

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

“√ Applicable” “□ Not applicable”

On 21 July 2017, the Company disclosed the Announcement on the Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd, a Sub-subsidiary of the Company through Public Tender (Announcement No.: Temp2017-031). On 5 September 2017, the Company disclosed the Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd. through Public Tender. On 6 September 2017, relevant assets were started for public tender on China Beijing Equity Exchange (“CBEX”) (see announcement for details), while the public tender period ended on 9 October 2017. Upon qualification review by CBEX, Beijing Liandong Jintai Investment Company Limited* (北京聯東金泰投資有限公司) (“Party B”) was the sole qualified transferee for the asset transfer. Party B has no connected relationship with the Company. According to the result of public tender, the property assets would be transferred through public tender for a consideration of RMB215,000,000 (ie RMB two hundred and fifteen million) (the “Transfer Consideration”). In addition to the aforementioned consideration, Party B shall pay Langfang Tianhai High Pressure Containers Co., Ltd. (“Langfang Tianhai”) a compensation fee of RMB15,000,000 (ie RMB fifteen million) (the “Compensation Fee”) for vacating the land. Such fee shall be payable with the consideration in one lump sum. On 11 October 2017, both parties entered into the Contract of Transfer of Tangible Assets (實物資產交易合同) in relation to the asset transfer. On 27 December 2017, the Company disclosed the Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd., in order to fulfill the obligation of transfer of subject assets, both parties entered into the Real Estate Transfer Confirmation Letter (“Transfer Confirmation Letter”) after negotiations (see announcement for details, Announcement No.: Temp2017-045). On 28 December 2017, the Company and Party B have completed the delivery procedure of subject assets, and the registration of the real property ownership transfer in respect of such assets has been completed. Party B has obtained the Real Property Ownership Certificate (Certificate No.: Qi (2017) Langfang Development Zone Real Property Ownership No.0017278) issued by the relevant authorities. The Company has received a total of RMB230,000,000 (ie RMB two hundred and thirty million) as the Transfer Consideration and the Compensation Fee paid by Party B.

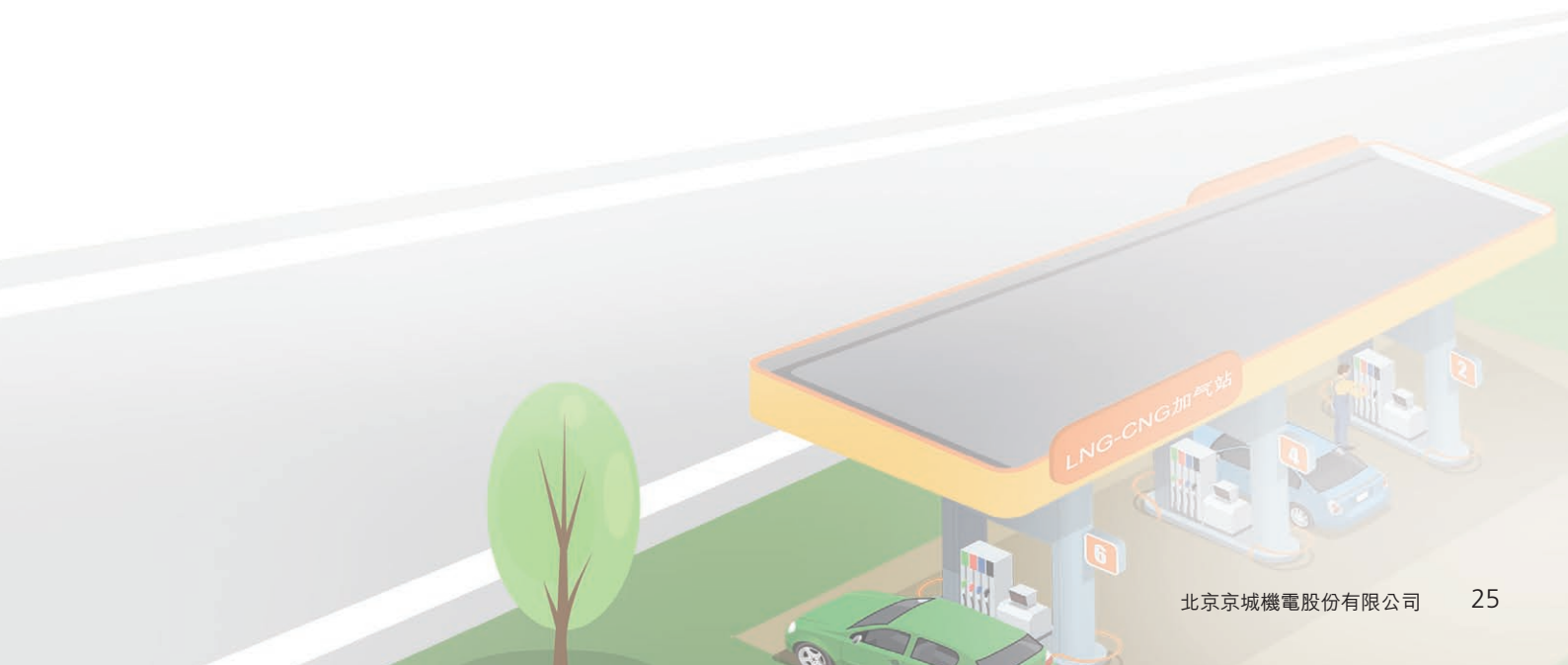
Including: Overseas assets of 0 (Unit: Yuan Currency: RMB), accounting for 0% of the total assets.

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

2017年7月21日，公司披露了《關於公司孫公司廊坊天海高壓容器有限公司公開掛牌轉讓房地產資產的公告》(公告編號：臨2017-031)。2017年9月5日，公司披露了《關於廊坊天海高壓容器有限公司公開掛牌轉讓房地產資產的進展公告》，2017年9月6日，相關資產在北京產權交易中心公開掛牌(具體內容詳見公告)，2017年10月9日掛牌期滿。經北交所資格審核，北京聯東金泰投資有限公司(以下簡稱「乙方」)是此次資產轉讓唯一的合規受讓方，乙方與公司無關聯關係。根據公開掛牌結果，公開掛牌轉讓的標的資產以人民幣(大寫)貳億壹仟伍佰萬元(即：人民幣(小寫)21,500萬元)(以下簡稱轉讓價款)轉讓。除上述轉讓價款外，乙方應當另行向廊坊天海高壓容器有限公司(以下簡稱「廊坊天海」)支付騰退補償款人民幣(大寫)壹仟伍佰萬元(即：人民幣(小寫)1,500萬元)(以下簡稱騰退補償款)。該款應當於支付轉讓價款的同時一次性支付。2017年10月11日雙方就資產轉讓事宜簽訂了《實物資產交易合同》。2017年12月27日，公司披露了《關於廊坊天海高壓容器有限公司轉讓房地產資產的進展公告》，雙方為履行標的資產的交付義務，協商並簽署《房地交接確認書》(具體內容詳見公告，編號：臨2017-045)。2017年12月28日，公司與乙方辦理了標的資產交割手續。並就本次轉讓的標的資產辦理完畢不動產轉移登記，乙方已領取了相關部門頒發的《不動產權證書》(證書編號：冀(2017)廊坊開發區不動產權第0017278號)。公司也已收到乙方支付的轉讓價款及騰退補償款，合計人民幣23,000萬元(貳億三千萬元整)，本次交易價款全部支付完畢。

其中：境外資產0(單位：元 幣種：人民幣)，佔總資產的比例為0%。



Section 3 Business Summary of the Company

第三節 公司業務概要

III. Analysis of core competitiveness during the Reporting Period

“√ Applicable” “□ Not applicable”

1. Scale and Brand Advantages

The company is a group company consisted of 8 production bases manufacturing of professional gas storage and transportation equipment (including Beijing Tianhai, Minghui Tianhai, Tianhai Low Temperature, Tianjin Tianhai, Shanghai Tianhai, Langfang Tianhai, Shandong Tianhai and Jiangsu Tianhai), a vehicle chassis re-assembled base (Beijing Pioneer Up Lifter Co., Ltd.) and an American Company. With 20 years' operation development, the Company has established a corporate image of fine technology basis and product stability and reliability and the brand Tianhai has become one of the well-known brands.

2. Technology Advantages

Relied on continuously technology research and development, 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 gas 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.

Meanwhile, 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.

三、報告期內核心競爭力分析

√適用 □不適用

1、規模與品牌優勢

公司是一個具有八個專業氣體儲運裝備生產基地(北京天海、明暉天海、天海低溫、天津天海、上海天海、廊坊天海、山東天海、江蘇天海)，及一個汽車底盤改裝基地(北京攀尼高空作業設備有限公司)和一個美國公司的集團公司。經過二十多年的經營發展，公司在行業內樹立了技術基礎優良、產品穩定可靠的企業形象，天海品牌已成為行業內知名品牌之一。

2、技術優勢

經過持續不斷的技術研發創新，目前公司已具有具有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。現可生產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。

同時，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。



Section 3 Business Summary of the Company

第三節 公司業務概要

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

3. Sales System Advantages

The Company has established a complete sales network equipped with over 30 distribution offices scattering across the country, realizing a full geographical coverage nationwide, and is capable of offering spare parts to largest-scaled automobile manufacturer of national automobile among the supply chain of spare parts for domestic mainstream automobile manufacturers. The Company has also set up eight overseas sales offices mainly located in the United States, Singapore, Korea, India, Australia and other countries. Its products have been accepted by seven out of the world's top eight gas companies. To build a bridge between the basic unit and the market, and to increase the vitality of the strategy execution unit and results of operation, the Company carried out transformation and upgrade of the internal management and control so that each of its subsidiaries could establish a business model of unifying research, production, supply and sales, so as to fully unleash the potential of the organization, make flexible and quick responses to the changes in the market and effectively enhance the results of operation.

Leveraging on advanced technology, outstanding management, reliable products and completed aftersales services system, the Company is keeping its pace of becoming a global leading manufacturing and service enterprise of energy gas storage devices.

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 aimed to retain talents with our 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.

三、報告期內核心競爭力分析(續)

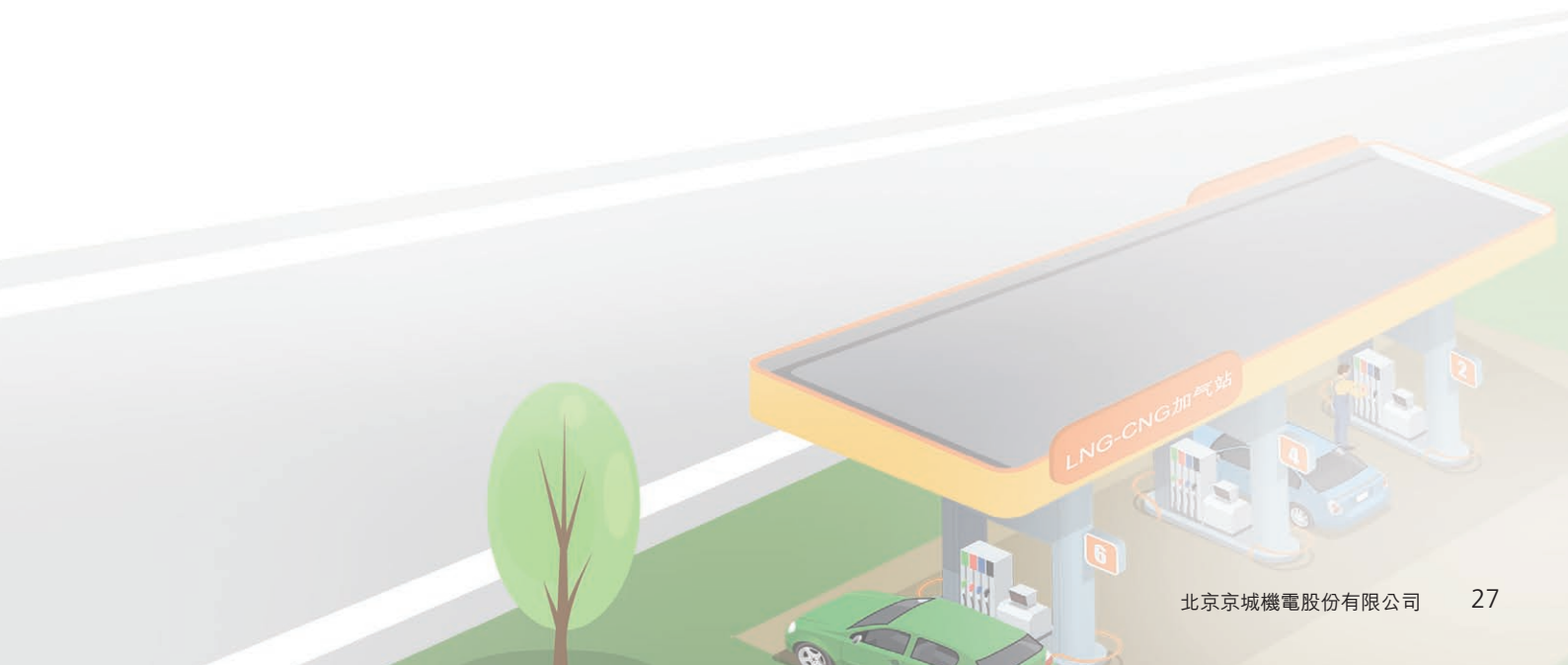
3、銷售體系優勢

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，在國內主流車廠的零部件供應鏈中，為國內汽車行業規模最大的汽車廠商等提供零部件；在境外建立了8個銷售網點，主要分布在美國、新加坡、韓國、印度、澳大利亞等國家，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；為了打通基層與市場的鏈接，提高戰略執行單元的活力和經營業績，公司對內部的管控模式進行了轉型升級，使各下屬公司建立起研產供銷為一體的事業部模式；充分釋放組織活力，能夠針對市場變化靈活快速的做出反應，切實提升經營業績。

公司憑藉先進的技術、優良的管理水平、可靠的產品質量和完善的售後服務體系，穩步向成為全球領先的能源氣體儲運裝備製造及服務企業邁進。

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台，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。



Section 4 Chairman's Statement

第四節 董事長報告

I. Review

2017, the second year of the "13th Five-Year" strategy, is full of challenges and is the year to consolidate and make adjustment in accordance with national industry policies. Upholding the strategic positioning "to build the world's leading gas storage and transportation equipment manufacturing and service enterprise", the Company carried out business under two major principles, namely "cost reduction, innovation and cessation of loss" and "reform and adjustment". Deepened reform and innovation and accelerated product structure transformation and upgrading, the Company strived to seek internal growth potential from all aspects, realizing the completion and achievement of all levels, such as development and production operation, and product research as well as corporate governance.

1. Business Entity-substantial improvement of Tianhai Company's major business result

Tianhai Industrial achieved operating income of RMB1,204 million, representing an increase of 35.52% over the same period of the preceding year. The total profit amounted to RMB23.5059 million, which successively completed the task of turning losses into gains in respect of the principal business, and the Company's principal business is developing positively and healthily in a stable and high-quality manner.

2. Implementation of multiple measures to reduce costs

In 2017, the Company continued to reduce costs through reduction of purchase cost, discounted payments and increased technology activities, and strived to further lower product cost expenditures and enhance the overall product profitability through substantial reduction of period charge.

In particular, the accumulated purchase amount saved for the year amounted to approximately RMB18.53 million in respect of purchase, and the Company greatly promoted the operation of the Sunshine Procurement Platform at the same time so that the purchase cost could be further reduced. By conducting extensive measures for cost reduction in respect of technology advance, the gross profit margin of top five series products, including aluminum liner, accumulator, winding cylinders, cryogenic tanks and normal cryogenic gas cylinders, achieved a positive figure as compared with the same period of the preceding year. With the enhancement of comprehensive budget management and strict control of costs, the expenses reduced by RMB6.4376 million over the same period of the preceding year.

3. Reform adjustment under strategic guidance with remarkable effects

On 7 April 2017, Beijing Tianhai and Kuancheng Shenghua collaborated to incorporate Kuancheng Tianhai by capital contribution. Currently, Kuancheng Tianhai has completed installation of production line and equipment test, obtained manufacturing license for products and has officially commenced operation. In December 2017, Langfang Tianhai and Beijing Liandong Jintai Investment Company Limited have completed the delivery procedure of property assets of Langfang Tianhai, and the registration of the real property ownership transfer in respect of such assets has been completed. The Company has also received a total of RMB230 million as the consideration of transfer and the compensation fee. The gain from the property resource transfer project of Langfang Tianhai has greatly helped the Company turn profitable.

一、回顧

2017年是「十三五」戰略規劃的第二年，是按照國家產業政策進行疏解調整的一年，也是充滿挑戰的一年。公司堅定「打造全球領先的能源氣體儲運裝備製造及服務企業」的戰略定位，緊緊圍繞著「降成本、抓創新、扭虧損」和「改革調整」兩大主線開展工作，深化改革創新，推進產品結構轉型升級，全方位深挖內生增長潛力，實現了生產經營、產品研發及公司治理等各個層面的完善和突破。

1、經營實體—天海公司主營業績大幅改善

天海工業實現營業收入12.04億元，同比增長35.52%，利潤總額2,350.59萬元，主營業務實現扭虧為盈。公司主營業務正朝著積極健康的方向穩步、高質量地發展。

2、多措並舉壓縮成本費用

2017年公司通過持續降低採購成本、讓利支付、廣泛開展科技行動降成本及大幅減少期間費用等方式進一步降低了產品的成本費用，提高產品綜合盈利能力。

其中，採購方面全年累計節約採購資金1,853萬元。同時大力推動陽光採購平台運行，進一步推動採購成本的降低。通過廣泛開展科技行動降成本的活動，使鋁內膽、蓄能器、纏繞瓶、低溫儲罐、常規低溫瓶等五大系列產品與去年同期相比，均實現毛利率由負變正。通過加強全面預算管理、嚴格控制費用支出，實現期間費用同比降低643.76萬元。

3、戰略引領改革調整，實施效果顯著

2017年4月7日，北京天海與寬城升華合作，共同出資註冊成立寬城天海。目前，寬城天海已完成生產線安裝、調試，取得產品製造許可證，並已正式投產；2017年12月，廊坊天海已與北京聯東金泰投資有限公司辦理完畢廊坊天海房地資產的交割手續，並辦理完不動產轉移登記。公司也已收到轉讓價款及騰退補償款合計23,000萬。廊坊天海房地轉讓項目的收益為公司扭虧做出巨大貢獻。



Section 4 Chairman's Statement

第四節 董事長報告

I. Review (continued)

4. Fruitful achievements in key research and development projects and certification programs

The Company made fruitful achievements in hydrogen industry, and made significant progress on numerous new product developments. Jiangsu Tianhai passed the TC factory certification and obtained the certificate; Tianjin Tianhai completed the renewal of DOT and TS and obtained the TS16949 certificate.

5. Scientific planning and integrated arrangement on the promotion of healthy development of cadre and staff teams

The Company attached great importance to the building of talent team, and carried out work closely following the "13th Five-Year" human resource planning and the main tasks of "division of talents and core construction". Aiming at realization of strategic planning goal, the Company constructed a strategic human resource management system, implemented the mechanism of human resource efficiency management, and preliminarily completed the construction of core talent selection model. The Company implemented organization structural adjustment in accordance with the Company's need, further modified the situation of low efficiency positions, undefined sections and unclear power and responsibility. Meanwhile, personnel dismissed from the Company were well treated. The smooth dismiss of personnel laid a solid foundation for the further transformation and upgrading of enterprise.

II. Outlook

In 2018, the Company will closely follow its goals and tasks, and deepen the reformat of its system and mechanism. Under the guidance of "13th five-year plan" strategy, it will be committed to implementing the deployment of "four battles", namely, enhancing the effort in the reform of adjustment and transformation and upgrade, expanding and consolidating the market, driving development with innovation, promoting an in-depth integration between information and industry. By keeping the reform and innovation in mind, the Company takes on responsibility and strives for a full completion of each goal and task during 2018.

1. Firmly promote the reform and adjustment

Comprehensively make a layout and optimize the resource structure. In 2018, the Company will continue to follow corporate development strategies to develop cutting-edge products. By clinging to strength instead of weakness and adhering to the control of development pace, it focuses on developing products with high added value and future industrial prospect, decisively gets rid of inefficient assets, accelerates the pace of transformation. It will promote adjustment of special layout and reallocation of production capacity and make great efforts in Wufanqiao development.

2. Take initiative in expanding the industry based on traditional market

(1) For international market, the Company will increase its presence in the American market and actively expand the European market; attach great focus on the trend in emerging market such as India, South America and Russia to adapt to the national policy of "One Belt, One Road", and develop international cooperation for tapping into areas like industry and natural gas to achieve breakthroughs.

一、回顧(續)

4、重點研發和認證項目取得豐碩成果

公司在氫能領域成果豐碩，有多項新產品開發取得突破；江蘇天海通過TC工廠認證，取得證書；天津天海完成DOT、TS換證工作，並取得TS16949證書。

5、科學規劃，統籌安排，推動幹部職工隊伍健康發展

公司高度重視人才隊伍建設，圍繞「十三五」人力資源規劃和「人員分流、核心建設」的工作主線開展工作。以實現戰略規劃目標為根本，構建戰略人力資源管理體系，推進人力資源效能管理機制，初步搭建完成核心人才選拔模型；結合公司需要進行組織結構調整，進一步改變了職能冗餘，節點不清晰、權責不明確的現狀。同時退出企業的人員得到妥善安置，人員穩定退出，為下一步企業的轉型升級打下堅實的基礎。

二、展望

2018年，公司將緊緊圍繞目標與任務，深化體制機制改革，以「十三五」戰略為引領，認真落實「打好四場攻堅戰」的部署，加大改革調整和轉型升級力度，打好市場開拓攻堅戰，創新驅動發展，推動信息化與產業深度融合，以改革創新的精神、敢於擔當的勇氣，為全面完成2018年各項目標任務而努力奮鬥。

1、堅定不移地推進改革調整工作

全面佈局、優化資源結構。2018年，公司將繼續圍繞企業發展戰略，發展高精尖產品，謀長舍短，堅持有進有退，重點開發和發展高附加值、具有產業未來前景的產品，果斷清理低效資產，加速轉型步伐。推進空間佈局調整和產能疏解工作，全力做好五方橋開發工作。

2、以抓好傳統市場為基礎，主動進行產業延伸

(1) 國際市場，要做大做強美國市場、積極拓展歐洲市場；要高度關注印度、南美、俄羅斯等新興市場的動態，順應國家「一帶一路」政策，大力開展國際合作，在工業、天然氣等領域多點開花，實現新突破。

Section 4 Chairman's Statement

第四節 董事長報告

II. Outlook (continued)

2. Take initiative in expanding the industry based on traditional market (continued)

- (2) For natural gas market, the Company should grasp the opportunities in each city to construct gas peak-shaving station and develop ultra-large natural gas tank storage and tank container business while also actively expanding marine tanks. Next, it should take an active role and strive to provide quality products, expand the market and develop full-diameter LNG cylinders into a major, profitable product for the Company for the fields of CNG and LNG in order to become a major supplier of automobile manufacturers.
- (3) For hydrogen energy market, the Company should pay close attention to relevant national industrial policies. It will extend its cooperation with automobile manufacturers and system integrators based on the "high-tech" industrial development planning of the capital city and continuously develop new products to form economies of scale as early as possible.

3. Innovation drives development, creates cutting-edge industrial structure and strives for transformation and upgrade

- (1) The Company should accelerate the marketization of hydrogen system, seek for developing the industry chain of gas, cylinder and stations based on existing hydrogen cylinder and hydrogen system, and extend to the areas such as hydrogen refueling station and liquid hydrogen storage tank.
- (2) Oriented by the market, the Company should take initiative to get around and look into customers' real needs and competitors' situations, break routines by bold innovation. It should quickly develop products that satisfy market demands by optimizing product design and technique and constantly perfecting design concept, and raise product competitiveness.

4. Strengthen human resource construction, actively attract professional talents and enhance the construction of corporate headquarter

- (1) In order to strengthen human resource management and performance assessment system construction, the Company, on one hand, should value the training of internal personnel, conduct multi-level, cross-filed professional training, solidify internal cultivation mechanism for talents, and on the other hand, should increase its efforts in the employment of technicians, professionals specialized in capital operation and management, improve its core competitiveness of human resource, the ability in capital operation and corporate value.
- (2) The Company should continue to promote functional adjustment in its headquarter, continuously improve level of management in each department throughout headquarter and perfect managerial function to provide reserve and security in terms of labor and expertise for the Company to better its principal business and expand the development of multi-field business.

二、展望(續)

2、以抓好傳統市場為基礎，主動進行產業延伸(續)

- (2) 天然氣市場，一是要抓住各個城市建設天然氣調峰站的機遇，大力發展超大型天然氣儲罐和罐式集裝箱集成式儲存業務，同時積極開拓船用罐市場。二是在CNG和LNG領域，要積極主動做好產品、開拓市場，將大直徑LNG氣瓶培育成公司的主要產品和盈利產品，成為整車廠的主要供應商。
- (3) 氫能市場，密切關注國家相關產業政策，結合首都「高精尖」產業發展規劃，擴大與整車廠和系統集成商的合作，持續開發新產品，盡早形成規模效益。

3、創新驅動發展，打造「高精尖」產業結構，打好轉型升級攻堅戰

- (1) 加快供氫系統市場化進程，在現有氫瓶和氫系統的基礎上向氣、瓶、站一體化產業鏈發展，向加氫站、液氫儲罐等領域延伸。
- (2) 以市場為導向，主動走出去瞭解客戶的真實需求和競爭對手的情況，打破常規，敢於大膽創新，及時優化產品設計和工藝，不斷完善設計理念，快速開發滿足市場需要的產品，提升產品競爭力。

4、加強人力資源建設，積極引進專業人才，加強公司總部建設

- (1) 加強人力資源管理和績效考核體系建設，一方面要重視內部人員的培訓，開展多層次多領域的專業性培訓，夯實人才內部培養機制；另一方面加大對技術人員、資本運作專業人員、管理人員的市場化招聘力度，提升人力資源核心競爭力，提高公司資本運作的能力，提升公司的價值。
- (2) 繼續推進總部職能調整，不斷提升總部各部門的管理水平、完善管理職能，為企業做好做精主業、拓展多業務領域發展提供人力、專業知識方面的儲備和保障。



Section 4 Chairman's Statement

第四節 董事長報告

II. Outlook (continued)

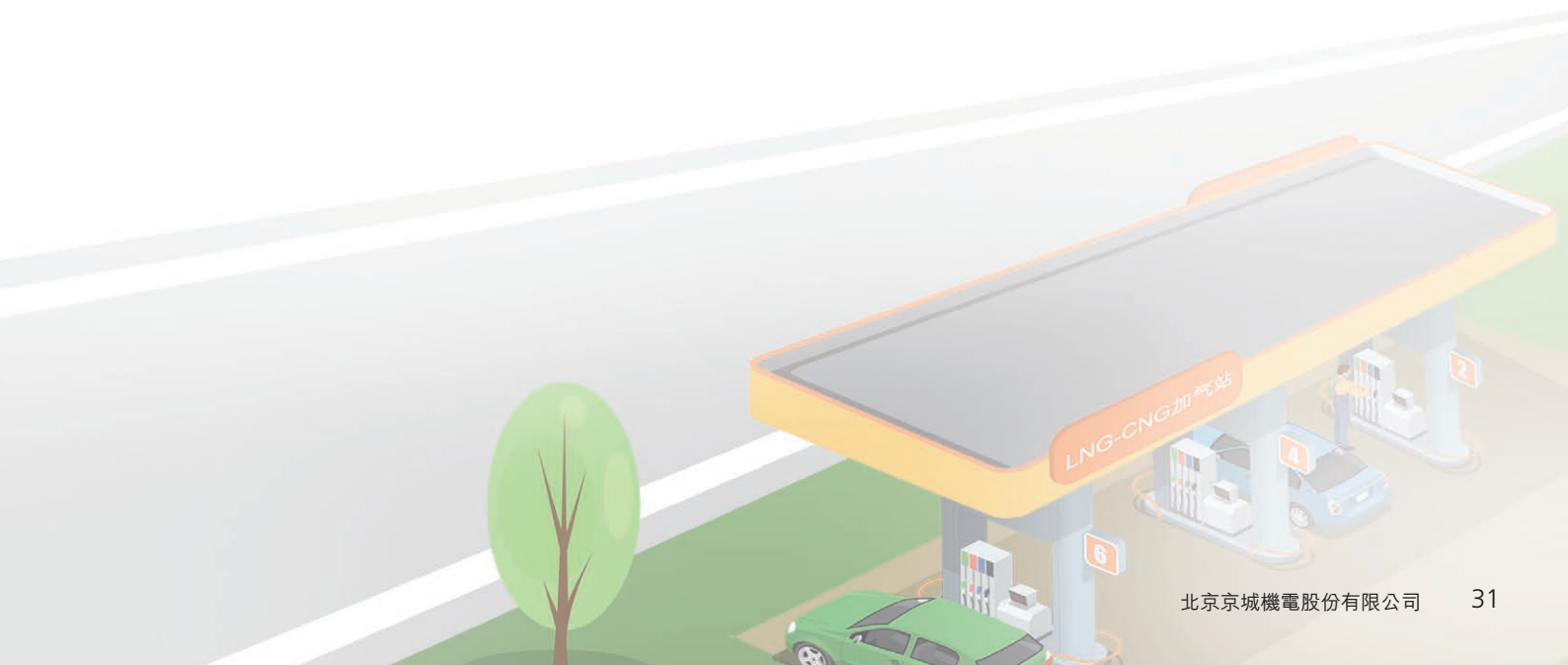
5. Enhance budget management; improve financing ability, lower capital cost

In 2018, the Company should further enhance comprehensive budget management, strictly control budget analysis and pre-warning and fully improve the accuracy and execution of comprehensive budget. Meanwhile, it should diversify financing approach and tools to increase finance ability, reduce cost, expense, inventory, receivable to improve efficiency of capital turnover, and reasonably distribute capital to meet its need in operational development.

二、展望(續)

5、加強預算管理、提升融資能力、降低資金成本

2018年，公司要進一步加強全面預算管理，嚴格預算分析和預警控制，切實提高全面預算的準確性和執行效果。同時，要豐富融資途徑和工具，提升融資能力，降低成本、費用、庫存、應收賬款，提高資金周轉效率，合理分配資金，努力滿足企業的經營發展需求。



Section 5 Management Discussion and Analysis

第五節 經營情況討論與分析

I. Management Discussion and Analysis

In 2017, faced with tough market condition, the Company still sees "Focus on profit, fully eliminate risks in delisting" as operational goal. In order to achieve such goal, in terms of principal business, the Company establishes overall sales strategies of "stabilizing industrial market, taking lead on fire control market, exploring gas market and aiming for high-end market", so as to speed up fruition of production development, actively seize market share, accelerate adjustment of product structure and spatial layout. In terms of non-principal business, the Company should look at the whole picture and properly revitalize and utilize land resources so as to lay solid foundation for its sustainable and healthy development.

During Reporting Period, the Company had focused on the following work:

1. The Company's governance has made steady progress with compliant operation

In 2017, the Company had completed re-election of the Board and the Supervisory Committee, re-appointed senior management member and mid-level management personnel to ensure proper positioning for a listed company's functional department and management, and fulfilled a listed company's management operational structure. By formulating and amending relevant system and continuously improving and micro-managing corporate management, it ensures that its operational and managerial level could keep on increasing and that related decisions have grounds to abide by.

2. New situation and new thinking for market exploration at home and abroad

The Company adjusted sales strategy and created stable and flexible pricing system. During the second half of 2017, Tianhai companies had delegated domestic right of sale to every production unit. As a result of firmly grasping opportunities in a reviving gas market, the sales of products such as tank container, Type III cylinders, LNG cylinder and winding cylinders grew quickly and became the major source for the Company's profit.

3. Enhance capital management, raise using efficiency

Confronted with increasingly difficult financing environment, the Company should plan and coordinate capital turnover, and resorts to finance limit within reason. At the same time, by revitalizing inventory assets, calling overdue receivable and disposing of overstock, other means to ensure the normal delivery of contract orders, construction investments and other aspects of large-scale use of funds in order to ensure the Company's normal production and operation.

一、經營情況討論與分析

2017年，面對嚴峻的市場形勢，堅持以「利潤為核心，全面化解退市風險」依然是公司的經營目標，為實現這一目標，主營業務方面，公司以「穩住工業市場、引領消防市場、開拓天然氣市場、瞄準高端市場」作為總體銷售策略，加快新產品的研發落地、積極搶佔市場、加速產品結構、空間佈局的調整；非主營業務方面，統籌考慮，妥善進行土地資源的盤活、利用。為公司持續健康發展奠定堅實基礎。

報告期內，重點開展了以下工作：

1、 合規運作，公司治理取得長足進步

2017年公司完成董事會、監事會的換屆選舉工作，並重新聘任公司高級管理人員、中層管理人員，確保上市公司職能機構到位、管理人員到位，做實上市公司的管理運營架構。通過制定及修訂相關制度，不斷完善、全面細化公司治理，確保公司經營管理水平不斷提高、相關決策有據可依。

2、 國內外市場開拓的新局面和新思路

公司積極調整銷售策略，制定穩健靈活的價格體系。2017年下半年，天海公司將國內銷售權下放至各生產單元，緊抓天然氣市場回暖的市場機遇，罐式集裝箱、三型瓶、LNG氣瓶、纏繞瓶等產品的銷售額增長較快，成為公司主要的利潤來源。

3、 強化資金管理、提高使用效率

面對愈加困難的融資環境，公司統籌協調資金運轉，合理使用融資額度。同時通過盤活存量資產、催繳超期應收、處置積壓物資等手段，保障合同訂單的正常交付、投資建設等多方面大額資金的使用需求，確保公司生產經營的正常運轉。



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. Kuancheng Tianhai Project

In accordance with the strategic thinking used by the Company to adjust product layout, by conducting field visit and research on Kuancheng Shenghua and through several in-depth, thorough and detailed negotiation between two parties, Beijing Tianhai decided to forge alliance with Kuancheng Shenghua, and together invested in establishing Kuancheng Tianhai on 7 April 2017, in which Beijing Tianhai would contribute with cash and the right to use technology and hold 61.1% of equity interest while Kuancheng Shenghua would contribute with benefits in kind and hold 38.9% of equity interest. The establishment of Kuancheng Tianhai can not only use the Company's strength in brand, technology and quality, but also use the advantage of Kuancheng Shenghua in cost management. In addition, the Company has achieved the relocation of its traditional cylinder and industrial transfer, and made reasonable use of land resources. The cooperation between a state-owned company and a private company not only helps improve product competitiveness and corporate profitability, and also helps explore mixed-ownership reform.

5. Property resource transfer in Langfang Tianhai

With the implementation of synergetic development policy in Beijing-Tianjin-Hebei region, Langfang Tianhai is no longer suitable as being in traditional manufacturing for industrial policy of this region. Subject to market and other factors, Langfang Tianhai recorded losses throughout the year due to idle capacity and dormant resource. Therefore, the Company decided to reform and adjusts Langfang Tianhai, and transferred properties assets of Langfang Tianhai.

6. Wufangqiao land development project

During the implementation of Wufangqiao land development project, no good progress has been made due to policy and other reasons. In the future, the Company will further research, demonstrate and confirm development solution as soon as possible to achieve effective use of resources.

一、經營情況討論與分析(續)

4、寬城天海項目

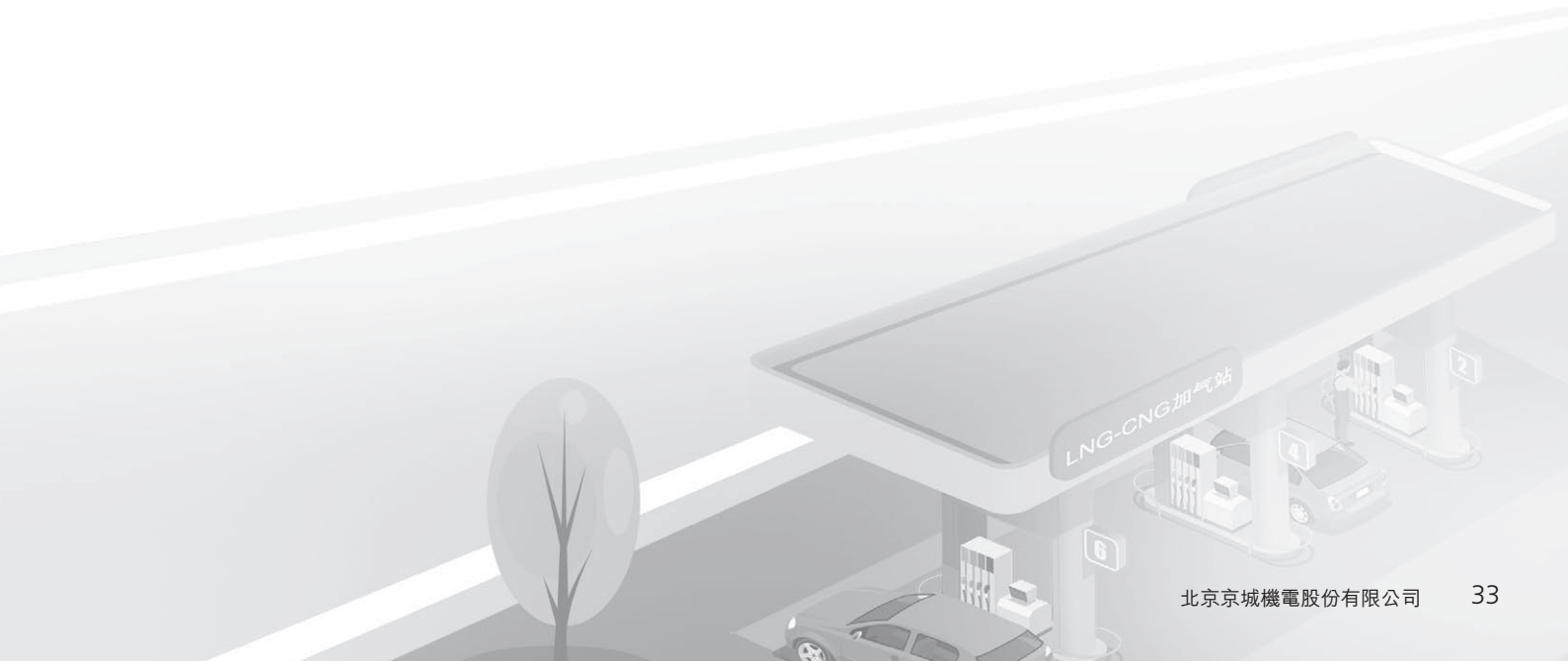
根據公司調整產品佈局的戰略思路，通過對寬城升華實地考察調研，並經過雙方多次深入、全面、細緻的溝通洽談，北京天海與寬城升華決定開展強強聯合，於2017年4月7日共同投資設立寬城天海。其中北京天海以現金和技術使用權方式出資，持有61.1%股權。寬城升華以實物方式出資，持有38.9%股權。寬城天海的成立，不僅可以利用公司產品的品牌、技術、質量優勢，又可以發揮寬城升華成本管理優勢。同時，實現公司傳統氣瓶產品的疏解和產業轉移，合理利用土地資源。國有企業與民營企業合作，不僅有利於提高產品競爭力和企業盈利能力，也利於探索混合所有制改革。

5、廊坊天海房地資源轉讓

隨著京津冀地區協同發展政策的實施，廊坊天海作為傳統製造業已經不適合此地區的產業政策，同時受到市場等因素影響，產能放空和資源閒置使廊坊天海常年虧損。因此，公司決定對廊坊天海實施改革調整，轉讓廊坊天海房地。

6、五方橋土地開發項目

五方橋土地開發項目實施過程中，由於政策和其他多方面的原因一直未取得比較好的進展。未來公司將進一步調研、論證，盡快確定開發方案，實現資源的有效利用。



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

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 RMB1,203,496,955.02, net profit attributable to shareholders of listed company of RMB20,868,364.01, and earnings per share of RMB0.05.

(i) Analysis of principal business

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

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1,203,496,955.02元，歸屬於上市公司股東的淨利潤為人民幣20,868,364.01元，每股收益人民幣0.05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

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	1,203,496,955.02	889,525,250.25	35.30
Operating cost	營業成本	1,008,933,698.75	791,505,520.14	27.47
Selling expense	銷售費用	65,404,323.80	70,892,546.65	-7.74
Administrative expense	管理費用	119,314,949.33	130,794,181.74	-8.78
Finance cost	財務費用	24,439,493.07	13,909,666.82	75.70
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-226,658,464.95	-13,041,823.62	-1,637.94
Net cash flows generated from investing activities	投資活動產生的現金流量淨額	206,702,807.81	-23,812,220.42	968.05
Net cash flows generated from financing activities	籌資活動產生的現金流量淨額	-3,780,038.99	-38,909,015.21	90.28
Research and development expense	研發支出	10,640,445.25	10,773,928.97	-1.24
Tax and surcharges	營業稅金及附加	16,443,274.58	12,487,149.78	31.68
Impairment loss on assets	資產減值損失	27,482,124.43	74,601,011.60	-63.16
Investment income	投資收益	-4,586,130.02	6,819,578.37	-167.25
Income from disposal of assets	資產處置收益	66,140,181.07	-2,091,562.94	3,262.24
Non-operating income	營業外收入	48,430,029.67	21,809,765.04	122.06
Non-operating expenses	營業外支出	19,826,854.16	887,499.74	2,134.01
Income tax expenses	所得稅費用	8,490,684.72	1,643,345.83	416.67
Other comprehensive income after tax, net	其他綜合收益的稅後淨額	-2,424,859.82	2,569,657.92	-194.37

1. Analysis of income and cost

"√ Applicable" "□ Not applicable"

- (1) Principal business by industry, by product and by region

During the Reporting Period, the sales of gas storage and transportation equipment increased as compared to 2016, the main reason is that the faster growth rate of the orders of the products, including tank containers and cylinders for vehicles, had impacts on the profitability. In 2017, 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. The Company explored the market of tank container with a hope to turn around and achieved a historical breakthrough. At the same time, both winding cylinders and LNG cylinders showed strong growth.

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2016年有所上漲，主要因為罐式集裝箱、車用瓶等產品訂單增長較快對盈利能力產生影響。2017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，導致工業用鋼製無縫氣瓶產能過剩，傳統工業用鋼製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。為扭轉局面，公司在罐式集裝箱領域開拓市場，實現歷史性突破；同時在天然氣利好政策帶動下，纏繞瓶和LNG瓶均呈現強勁增長。



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 The production capacity of each production unit is affected by the restriction of force majeure events such as environmental protection.

(1) Principal business by industry, by product and by region

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 受到環保等不可抗因素制約，各生產單位產能受到影響。

(1) 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

		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	鋼製無縫氣瓶	487,850,148.57	402,833,894.13	17.43	-0.10	-2.42	Increase of 1.97 percentage points 增加1.97個百分點
Winding cylinders	纏繞瓶	199,270,780.58	175,840,651.75	11.76	27.88	15.28	Increase of 9.65 percentage points 增加9.65個百分點
Cryogenic gas cylinders	低溫瓶	134,008,683.64	118,928,669.76	11.25	122.12	119.00	Increase of 1.26 percentage points 增加1.26個百分點
Cryogenic devices for storage and transportation	低溫儲運裝備	228,314,625.38	174,746,644.61	23.46	258.04	142.44	Increase of 36.49 percentage points 增加36.49個百分點
Others	其他	117,027,981.80	109,096,490.66	6.78	22.62	30.36	Decrease of 5.54 percentage points 減少5.54個百分點
Total	合計	1,166,472,219.97	981,446,350.91	15.86	35.05	26.57	Increase of 5.64 percentage points 增加5.64個百分點

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)

(1) Principal business by industry, by product and by region (continued)

By region	分地區	Principal business by region 主營業務分地區情況			Increase/ decrease in operating income over last year (%) 營業收入 比上年增減(%)	Increase/ decrease in operating cost over last year (%) 營業成本比 上年增減(%)	Increase/decrease in gross profit margin over last year 毛利率比 上年增減
		Operating income 營業收入	Operating cost 營業成本	Gross profit margin (%) 毛利率(%)			
Domestic	國內	806,603,501.91	659,577,680.02	18.23	55.74	36.67	Increase of 11.41 percentage points 增加11.41個百分點
Overseas	國外	359,868,718.06	321,868,670.89	10.56	4.07	9.92	Decrease of 4.76 percentage points 減少4.76個百分點
Total	合計	1,166,472,219.97	981,446,350.91	15.86	35.05	26.57	Increase of 5.64 percentage points 增加5.64個百分點

Description of principal business by industry, by product and by region
 “√ Applicable” “□ Not applicable”

The operating income of the domestic region increased by 55.74% over the same period of the preceding year, mainly due to strong growth of winding cylinders and LNG cylinders driving by the favourable policies of natural gas. For the international market, the sales volume of cryogenic gas cylinders achieved substantial growth, the sales of cylinders for respirator achieved a breakthrough and the accumulator products had stable growth, representing a growth of operating income of 4.07% over the same period of the preceding year.

To explore the market, the Company actively developed new products, and the tank containers achieved a breakthrough, while the new products including system integration cylinder products and Type III cylinder also maintained a high growth rate.

主營業務分行業、分產品、分地區情況的說明
 √ 適用 □ 不適用

國內地區營業收入同比增長55.74%，主要是在天然氣利好政策帶動下，纏繞瓶和LNG瓶均呈現強勁增長。國際市場方面，低溫瓶銷量大幅增長，呼吸器實現「零」的突破，蓄能器產品平穩增長，同比去年營業收入增長4.07%。

為打開市場公司積極開發新產品，罐式集裝箱實現歷史性突破，系統集成瓶類產品、三型瓶等新產品也保持較快的增長速度。

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)

(1) 主營業務分行業、分產品、分地區情況(續)



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 production and sales volume

"√ 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)

(2) 產銷量情況分析表

√ 適用 □ 不適用

Principal product	Production volume	Sales volume	Inventory volume	Increase/	Increase/	Increase/
				decrease in production volume over last year (%)	decrease in sales volume over last year (%)	decrease in inventory volume over last year (%)
主要產品	生產量	銷售量	庫存量	生產量比上年增減(%)	銷售量比上年增減(%)	庫存量比上年增減(%)
Seamless steel gas cylinders	884,000	841,645	111,814	3.6%	1.5%	109%
Winding cylinders	95938	94372	4079	27%	31%	-61.4%
Tank containers	506	506	30	2310%	2876%	-26.8%
Cryogenic gas cylinders	4919	4967	1095	-28.5%	-29.5%	-14.5%

Description of production and sales volume

In 2017, the government restricted the LNG supply for industrial use during the heating season so as to ensure sufficient LNG supply for civil use, thus resulting the continuous increase in the price of LNG, substantial drop in the number of vehicles produced by automobile makers and a plunge in the number of orders of cryogenic gas cylinders. In 2017, the single product mix of the Company and over-concentration of customer resources brought adverse impact on the operation of the Company in the short term, resulting the decrease in the annual sales volume. The substantial increase in the inventory volume of seamless steel gas cylinders was mainly because the production of the subsidiaries in Tianjin and Langfang were restricted by force majeure factors such as environmental protection, thus affecting the normal production scheduling and leading to stagnation with a slowdown in the turnover of inventory.

產銷量情況說明

2017年進入供暖季後，國家為了保民過冬，限制了工業LNG供應量，導致LNG價格持續上漲，主機廠裝車數量大幅下降，低溫瓶訂單數量大幅下滑。2017年公司銷售的品種結構單一、客戶資源集中度過高給公司經營在短期內帶來不利影響，致使年銷量有所下滑。鋼製無縫氣瓶的庫存量大幅度增加主要由於天津、廊坊子公司受到環保等不可抗因素制約，影響正常排產，存貨周轉變慢，形成滯留。

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) 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)

(3) 成本分析表

Unit: Yuan
單位：元

By product	分產品	Component of cost	成本構成 項目	By product 分產品情況		Proportion over total cost for the current period			Proportion over total cost for the corresponding period of last year (%)			Change in amount over last year (%)	Description
				Current period	本期金額	Proportion over total cost for the current period (%)	本期佔總 成本比例(%)	Corresponding period of last year	上年 同期金額	Proportion over total cost for the corresponding period of last year (%)	上年同期佔 總成本比例(%)		
Seamless steel gas cylinders	鋼製無縫氣瓶	Materials	材料	226,665,178.84	56.27	222,933,297.22	54.00	1.67					
		Labour cost	人工費	33,241,307.15	8.25	37,155,549.54	9.00	-10.53					
		Manufacturing cost	製造費	142,927,408.14	35.48	152,750,592.54	37.00	-6.43					
		Total	合計	402,833,894.13	100.00	412,839,439.29	100.00	-2.42					
Winding cylinders	纏繞瓶	Materials	材料	111,528,001.10	63.43	88,469,305.14	58.00	26.06					
		Labour cost	人工費	16,183,716.96	9.20	18,303,994.17	12.00	-11.58					
		Manufacturing cost	製造費	48,128,933.69	27.37	45,759,985.42	30.00	5.18					
		Total	合計	175,840,651.75	100.00	152,533,284.73	100.00	15.28					
Cryogenic gas cylinders	低溫瓶	Materials	材料	89,217,812.58	75.02	34,212,270.02	63.00	160.78					
		Labour cost	人工費	10,113,057.49	8.50	4,344,415.24	8.00	132.78					
		Manufacturing cost	製造費	19,597,799.69	16.48	15,748,505.25	29.00	24.44					
		Total	合計	118,928,669.76	100.00	54,305,190.50	100.00	119.00					
Cryogenic devices for storage and transportation	低溫儲運裝備	Materials	材料	125,066,562.39	71.57	44,687,878.59	62.00	179.87					
		Labour cost	人工費	20,239,499.79	11.58	10,090,811.29	14.00	100.57					
		Manufacturing cost	製造費	29,440,582.42	16.85	17,298,533.65	24.00	70.19					
		Total	合計	174,746,644.61	100.00	72,077,223.53	100.00	142.44					

Other information on cost analysis

Applicable Not applicable

The accumulated purchase amount saved for the year amounted to approximately RMB18.53 million in respect of purchase, and the Company greatly promoted the operation of the Sunshine Procurement Platform at the same time so that the purchase cost could be further reduced. By conducting extensive measures for cost reduction in respect of technology advance, the gross profit margin of top five series products, including aluminum liner, accumulator, winding cylinders, cryogenic tanks and normal cryogenic gas cylinders, achieved a positive figure as compared with the same period of the preceding year. With the enhancement of comprehensive budget management and strict control of costs, the expenses reduced by RMB6.4376 million over the same period of the preceding year.

成本分析其他情況說明

適用 不適用

採購方面全年累計節約採購資金1,853萬元，同時大力推動陽光採購平台運行，進一步推動採購成本的降低。通過廣泛開展科技行動降成本的活動，使鋁內膽、蓄能器、纏繞瓶、低溫儲罐、常規低溫瓶等五大系列產品與去年同期相比，均實現毛利率由負變正。通過加強全面預算管理、嚴格控制費用支出，實現期間費用同比降低643.76萬元。



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)

(4) Information on major customers and major suppliers

Applicable Not applicable

Sales to five largest customers amounted to RMB337,589,900, representing 28.06% of total annual sales, of which sales to related parties were RMB0, representing 0% of total annual sales.

Procurement from five largest suppliers amounted to RMB258,001,000, representing 24.47% of total annual procurement cost, of which procurement from related parties were RMB119,774,300, representing 11.36% 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	65,404,323.80	70,892,546.65	-7.74
Administrative expense	管理費用	119,314,949.33	130,794,181.74	-8.78
Finance cost	財務費用	24,439,493.07	13,909,666.82	75.70

3. Research and development expenditure

Breakdown of research and development expenditure

Applicable Not Applicable

Research and development expenditure recorded in expenses during the period
 Research and development expenditure capitalised during the period
 Total research and development expenditure
 Percentage of total research and development expenditure over operating income (%)
 Number of research and development staff
 Number of research and development staff over total number of staff (%)
 Percentage of research and development expenditure capitalised (%)

本期費用化研發投入

本期資本化研發投入

研發投入合計

研發投入總額佔營業收入比例(%)

公司研發人員的數量

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(%)

10,640,445.25

—

10,640,445.25

0.88

62

—

—

LNG-CNG加氣站

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 (continued)

Description

Applicable Not Applicable

During Reporting Period, the Company stressed on carrying out the development and certification for different specification and series of 35MPa aluminum liner and carbon fiber full winding compound gas cylinders (Type III cylinder) for hydrogen fuel vehicles, and conducted the research and manufacturing of 70MPa Type III cylinder and hydrogen supply system for passenger vehicles by combining with the subject from Beijing Science Committee and has completed the research and manufacturing of 35MPa hydrogen supply system for several hydrogen fuel vehicles. For the field of natural gas application, the Company focused on the research and development of "coal-to-gas" gasification device, light CNG Type III cylinder for transportation vehicles and large-volume LNG welded insulated cylinders and LNG tank containers for transport storage. For industrial gas and fire-control fields, the Company has completed nearly a hundred of product development and certification of various types of seamless steel gas cylinder, accumulator shells, SCBA respirator cylinder, cryogenic gas cylinder and cryogenic tank in 2017.

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	806,053,274.10	657,865,810.63	22.53
Cash outflows from operating activities	經營活動現金流出	1,032,711,739.05	670,907,634.25	53.93
Net cash flows generated from operating activities	經營活動產生的現金流量淨額	-226,658,464.95	-13,041,823.62	1,637.94
Cash inflows from investing activities	投資活動現金流入	230,024,000.00	3,000.00	7,667,366.67
Cash outflows from investing activities	投資活動現金流出	23,321,192.19	23,815,220.42	-2.07
Net cash flows generated from investing activities	投資活動產生的現金流量淨額	206,702,807.81	-23,812,220.42	Not applicable 不適用
Cash inflows from financing activities	籌資活動現金流入	384,878,320.00	238,332,769.00	61.49
Cash outflows from financing activities	籌資活動現金流出	388,658,358.99	277,241,784.21	40.19
Net cash flows generated from financing activities	籌資活動產生的現金流量淨額	-3,780,038.99	-38,909,015.21	Not applicable 不適用

Description:

- Net cash flows from operating activities decreased by RMB213,616,600 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 increase in cash inflows from operating activities was lower than the increase in cash outflows from operating activities during the period;
- Net cash flows generated from investing activities increased by RMB230,515,000 as compared to the corresponding period of last year, mainly due to the disposal of properties of Langfang Tianhai, a subsidiary of Tianhai Industrial, during the period;
- Net cash flows generated from financing activities increased by RMB35,129,000 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.

說明：

- 經營活動現金淨額同比減少21,361.66萬元，主要是本期經營活動現金流入增加幅度低於經營活動現金流出增加幅度，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增加23,051.5萬元，主要是本期處置天海工業子公司廊坊天海物業所致；
- 籌資活動產生的現金流量淨額同比增加3,512.9萬元，主要是本期借款的淨償還額小於上年同期所致。

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(續)

情況說明

適用 不適用

報告期內，公司在氫能應用領域重點開展了氫燃料汽車用35MPa不同規格系列的鋁內膽纖維全纏繞複合氣瓶(三型瓶)開發及認證，以及結合北京市委課題開展了乘用車用70MPa三型瓶及供氫系統的研製工作，並完成多款氫燃料車用35MPa供氫系統的研製開發工作。在天然氣應用領域重點研發了「煤改氣」點供氣化裝備，交通運輸車用輕量化CNG三型瓶和大容積LNG焊接絕熱氣瓶，LNG運儲用罐式集裝箱等產品。在工業氣體及消防領域，2017年完成各類鋼質無縫氣瓶、蓄能器殼體、SCBA呼吸器瓶、低溫氣瓶、低溫儲罐等產品的開發和認證近百餘項。

4. 現金流

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)

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

√ Applicable □ Not Applicable

- Income from disposal of assets for the year included the profit of RMB60,327,941.31 from disposal of properties of Langfang Tianhai High Pressure Containers Co., Ltd. (hereinafter "Langfang Tianhai"), a subsidiary of the Company.
- Government subsidies of non-operating income for the year were RMB18,578,401.03, including the incentive grant for functions transfer and improvement by state-owned enterprises of RMB15,839,237.09.
- Gains from debt restructuring of non-operating income for the year increased profits of RMB13,998,858.16.

(iii) Analysis of assets and liabilities

√ Applicable □ Not Applicable

1. Assets and liabilities

Name of item	項目名稱	Balance at the end of the current period 本期期末數	Balance at the end of the current period over total assets (%) 佔總資產的比例(%)	Balance at the end of the previous period 上期期末數	Balance at the end of the previous period over total assets (%) 佔總資產的比例(%)	Change in amount over the previous period (%) 本期期末金額較上期 期末變動比例(%)	Description	情況說明
Monetary funds	貨幣資金	78,367,503.16	4.07	118,829,271.77	6.42	-34.05	Mainly due to the repayment of bank borrowings and loan from the holding company, and the significant increase in cash outflows 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出大幅增加所致
Notes receivable	應收票據	27,812,323.12	1.44	16,314,951.71	0.88	70.47	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
Receivables	應收賬款	354,933,043.81	18.44	215,185,885.26	11.63	64.94	Mainly due to the increase in operating income during the period	主要是本期營業收入增加所致
Prepayments	預付款項	49,912,905.26	2.59	36,211,833.81	1.96	37.84	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
Dividends receivable	應收股利	8,756,869.09	0.45				Mainly due to the announcement of distributing the dividends for 2016 by the Company	主要是合營公司宣布分配2016年股利所致
Construction in progress	在建工程	68,468,558.01	3.56				Mainly due to the construction in progress of Kuancheng Tianhai, a new subsidiary of Tianhai Industrial	主要是天津工業新設子公司寬城天海在建工程項目尚未完工所致
Short-term loans	短期借款	285,000,000.00	14.80	190,000,000.00	10.27	50.00	Mainly due to the increase in bank loans of subsidiaries of the Company	主要是子公司銀行貸款增加所致
Notes payable	應付票據	3,000,000.00	0.16	30,000,000.00	1.62	-90.00	Mainly due to the decrease in 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減少所致
Employee pay payable	應付職工薪酬	36,862,542.56	1.91	25,073,101.25	1.36	47.02	Mainly due to the increase in employee pay payable at the end of the year	主要是年末應付未付職工薪酬增加所致
Taxes payable	應交稅費	16,683,209.97	0.87	4,755,774.34	0.26	250.8	Mainly due to the increase in value-added tax and enterprise income tax payable by the subsidiaries of the Company	主要是子公司應交未交增值稅、企業所得稅增加所致
Interest payable	應付利息	446,534.71	0.02	26,583.33	0.00	1,579.75	Mainly due to the increase in loans and resulting increase in interest payable	主要是貸款增加，應付利息增加所致
Other payables	其他應付款	90,542,182.64	4.70	167,017,675.53	9.03	-45.79	Mainly due to the repayment of lending funds to Jingcheng Holding by the subsidiaries of the Company	主要是子公司償還京誠控股拆借資金所致
Other current liabilities	其他流動負債	5,380,893.08	0.28	279,193.40	0.02	1,827.3	Mainly due to the increase in pending changeover VAT on sales	主要是待轉銷項稅額增加所致
Other comprehensive income	其他綜合收益	1,154,074.87	0.06	2,390,915.53	0.13	-51.73	Mainly due to the change in exchange rate	主要是匯率變化影響所致

Unit: Yuan
單位：元

二、報告期內主要經營情況(續)

(二) 非主營業務導致利潤重大變化的說明

√ 適用 □ 不適用

- 本年度資產處置收益包括出售下屬公司廊坊天海高壓容器有限公司(以下簡稱廊坊天海)物業的利潤60,327,941.31元。
- 本年度營業外收入中政府補助18,578,401.03元，其中包括國有企業疏解整治獎勵補助15,839,237.09元。
- 本年度營業外收入中債務重組利得增加利潤13,998,858.16元。

(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)

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

Applicable Not Applicable

Item	項目	Book Value at the end of year 年末賬面價值	Reasons for restriction 受限原因
Monetary funds	貨幣資金	1,500,000.00	Guarantee deposits for notes 票據保證金
Fixed assets	固定資產	228,003,278.30	Pledge for obtaining bank loans 為取得銀行借款抵押
Intangible assets	無形資產	117,952,182.48	Pledge for obtaining bank loans 為取得銀行借款抵押
Construction in progress	在建工程	38,430,356.85	Pledge for obtaining bank loans 為取得銀行借款抵押
Total	合計	385,885,817.63	-

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)

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

(1) Material equity investments

Applicable Not Applicable

Beijing Tianhai Industry Co., Ltd. cooperated with Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. in the joint investment and establishment of Kuancheng Tianhai Pressure Vessel Co., Ltd. in Kuancheng Manchu Autonomous County, Chengde City, Hebei Province to produce impact extruded cylinders and large tube type cylinders. Beijing Tianhai Industry Co., Ltd. contributed in cash and patent technologies and the right of use of patent technologies in respect of impact extruded cylinders and fire-fighting cylinders management, while Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. contributed through land use rights, plants and used equipment, with a total project investment amount of RMB119,954,000. Kuancheng Tianhai Pressure Vessel Co., Ltd. was established on 7 April 2017, with a registered capital of RMB81,584,000. Beijing Tianhai Industry Co., Ltd. and Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. held 61.1% and 38.9% equity interest respectively. For details, please refer to the Announcement on the External Investment by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company, in establishing Kuancheng Tianhai Pressure Vessel Co., Ltd. (Announcement No.: Lin 2017-012) disclosed by the Company on 6 April 2017.

Beijing Tianhai Industry Co., Ltd. proposed to acquire a total of 49% of the shares, from its external individual shareholders, Bill Zheng (鄭國祥) and Susan Guo (郭志紅), each of whom held 24.5% of the shares of BTIC America Corporation with the Share Transfer Agreement signed. On 3 August 2017, the Company was informed by Beijing Municipal Commission of Commerce that the above share transfer did not meet the latest national policies, that the relevant application and information would not be considered, hence, such share transfer cannot proceed. For details, please refer to the Announcement on the External Share Transfer Agreement Relating to the Acquisition of Shares of BTIC America Corporation by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company, not taking effect (Announcement No.: Lin 2017-033) disclosed by the Company on 3 August 2017.

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

(1) 重大的股權投資

適用 不適用

北京天海工業有限公司與北寬城升華壓力容器製造有限責任公司合作，在河北省承德市寬城滿族自治縣共同投資設立寬城天海壓力容器有限公司，生產沖拔瓶和大管制瓶。北京天海工業有限公司以現金及沖拔瓶和管制消防瓶的專利技術、專有技術使用權作價出資，寬城升華壓力容器製造有限責任公司以土地使用權、廠房和利舊設備出資，項目總投資11,995.4萬元。2017年4月7日寬城天海壓力容器有限公司成立，公司註冊資本8,158.4萬元，北京天海工業有限公司佔股61.1%，寬城升華壓力容器製造有限責任公司佔股38.9%。詳細內容見公司於2017年4月6日披露的《關於公司子公司北京天海工業有限公司對外投資設立寬城天海壓力容器有限公司的公告》(公告編號：臨2017-012)。

北京天海工業有限公司擬收購天海美洲公司外方自然人股東鄭國祥和郭志紅各自持有天海美洲公司的24.5%股權，共計49%股權。《股權轉讓協議》已經簽訂，2017年8月3日，公司接到北京市商務委員會通知，上述股權轉讓項目不符合國家最新政策，相關申請及資料不予受理，因此該項目已無法繼續推進。詳細內容見公司於2017年8月3日披露的《關於公司子公司北京天海工業有限公司簽署收購天海美洲公司外方股權轉讓協議未生效的公告》(公告編號：臨2017-033)

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 (continued)

1. General analysis of external equity investments (continued)

(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

On 21 July 2017, the Company disclosed the Announcement on the Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd, a Sub-subsidiary of the Company through Public Tender (Announcement No.: Temp2017-031). On 5 September 2017, the Company disclosed the Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd. through Public Tender. On 6 September 2017, relevant assets were started for public tender on China Beijing Equity Exchange ("CBEX") (see announcement for details), while the public tender period ended on 9 October 2017. Upon qualification review by CBEX, Beijing Liandong Jintai Investment Company Limited* (北京聯東金泰投資有限公司) ("Party B") was the sole qualified transferee for the asset transfer. Party B has no connected relationship with the Company. According to the result of public tender, the property assets would be transferred through public tender for a consideration of RMB215,000,000 (ie RMB two hundred and fifteen million) (the "Transfer Consideration"). In addition to the aforementioned consideration, Party B shall pay Langfang Tianhai High Pressure Containers Co., Ltd. ("Langfang Tianhai") a compensation fee of RMB15,000,000 (ie RMB fifteen million) (the "Compensation Fee") for vacating the land. Such fee shall be payable with the consideration in one lump sum. On 11 October 2017, both parties entered into the Contract of Transfer of Tangible Assets (實物資產交易合同) in relation to the asset transfer. On 27 December 2017, the Company disclosed the Announcement on the Progress of Transfer of Property Assets by Langfang Tianhai High Pressure Containers Co., Ltd., in order to fulfill the obligation of transfer of subject assets, both parties entered into the Real Estate Transfer Confirmation Letter ("Transfer Confirmation Letter") after negotiations (see announcement for details, Announcement No.: Temp2017-045). On 28 December 2017, the Company and Party B have completed the delivery procedure of subject assets, and the registration of the real property ownership transfer in respect of such assets has been completed. Party B has obtained the Real Property Ownership Certificate (Certificate No.: Qi (2017) Langfang Development Zone Real Property Ownership No. 0017278) issued by the relevant authorities. The Company has received a total of RMB230,000,000 (ie RMB two hundred and thirty million) as the Transfer Consideration and the Compensation Fee paid by Party B.

二、報告期內主要經營情況(續)

(五) 投資狀況分析(續)

1、對外股權投資總體分析(續)

(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

2017年7月21日，公司披露了《關於公司孫公司廊坊天海高壓容器有限公司公開掛牌轉讓房地產資產的公告》(公告編號：臨2017-031)。2017年9月5日，公司披露了《關於廊坊天海高壓容器有限公司公開掛牌轉讓房地產資產的進展公告》，2017年9月6日，相關資產在北京產權交易中心公開掛牌(具體內容詳見公告)，2017年10月9日掛牌期滿。經北交所資格審核，北京聯東金泰投資有限公司(以下簡稱「乙方」)是此次資產轉讓唯一的合規受讓方，乙方與公司無關聯關係。根據公開掛牌結果，公開掛牌轉讓的標的資產以人民幣(大寫)貳億壹仟伍佰萬元(即：人民幣(小寫)21,500萬元)(以下簡稱轉讓價款)轉讓。除上述轉讓價款外，乙方應當另行向廊坊天海高壓容器有限公司(以下簡稱「廊坊天海」)支付騰退補償款人民幣(大寫)壹仟伍佰萬元(即：人民幣(小寫)1,500萬元)(以下簡稱騰退補償款)。該款應當於支付轉讓價款的同時一次性支付。2017年10月11日雙方就資產轉讓事宜簽訂了《實物資產交易合同》。2017年12月27日，公司披露了《關於廊坊天海高壓容器有限公司轉讓房地產資產的進展公告》，雙方為履行標的資產的交付義務，協商並簽署《房地交接確認書》(具體內容詳見公告，編號：臨2017-045)。2017年12月28日，公司與乙方辦理了標的資產交割手續。並就本次轉讓的標的資產辦理完畢不動產轉移登記，乙方已領取了相關部門頒發的《不動產權證書》(證書編號：冀(2017)廊坊開發區不動產權第0017278號)。公司也已收到乙方支付的轉讓價款及騰退補償款，合計人民幣23,000萬元(貳億三千萬元整)，本次交易價款全部支付完畢。



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)

二、報告期內主要經營情況(續)

(vii) Analysis of major subsidiaries and associates

(七) 主要控股參股公司分析

√ Applicable □ Not Applicable

√ 適用 □ 不適用

Company name 公司名稱	Business nature 業務性質	Principal products or services 主要產品或服務	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	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	1,918,672,801.59	657,722,311.90	15,015,218.49
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。	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	156,152,980.32	150,990,201.80	171,893.79

(viii) Structured entities under the control of the Company

(八) 公司控制的結構化主體情況

□ Applicable √ Not Applicable

□ 適用 √ 不適用

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

三、公司關於公司未來發展的討論與分析

(i) Industry structure and trends

(一) 行業格局和趨勢

√ Applicable □ Not Applicable

√ 適用 □ 不適用

1. Competition within the industry

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 was deteriorating. China now has 33 CNG cylinder manufactures with a total annual capacity of over 2 million units and more than 80 LNG cylinder manufactures 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 the 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 pressure on the environment protection and the treatment of haze. China's determination on adjusting the energy structure is steadfast. As the plan for natural gas application is gradually 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 spontaneously invest in the LNG industry.

1. 行業競爭格局

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未來還是樂觀。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。

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. Development trend

(1) Cylinder products

As it's unlikely to change the competitive landscape of standardised industrial gas cylinder, the demand for highly pure cylinders will gradually increase. In 2018, global demand for industrial gas cylinders will not be much higher than 2017, and domestic industrial gas cylinders will still be unable to escape from the situation of excessive production capacity and competition in low prices. With the adjustment in the national industrial structure, energy saving and environmental protection, electronic information and renewable energy industries experienced rapid development, leading to the significant increase in the demand for special gas and also in the demand for home-made highly pure cylinders. In the future, standardised gas cylinder products such as 219 are required to achieve the brand advantage to maintain the market share. At the same time, we will enhance the promotion of high pressure light steel cylinder products to meet the demand of the international market and promote the replacement of 15MPa gas cylinders with 20MPa gas cylinders in domestic market to upgrade the products.

The market demand for vehicle cylinders will hopefully increase. With the rally in international oil price, the economic performance of vehicle LGN was demonstrated once again. According to national policies on the requirements of vehicle weight reduction and along with the state's natural gas development policies consecutively taking effect, these factors may help to revitalize the natural gas vehicle industry. We will increase our efforts on maintaining and expanding OEM customers and establish a comprehensive service chain combining sales, technology with quality control to meet the increasing market demand for service. However, there are more liquidity problems for automobile manufacturers, so the market needs to be developed moderately.

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. 發展趨勢

(1) 瓶類產品

常規工業氣瓶競爭態勢難以改觀，高純氣瓶需求不斷增加。2018年全球工業氣瓶市場需求與2017年比不會有較大提高，國內工業氣瓶依然不能擺脫產能過剩、低價競爭的局面。隨著國家產業結構的調整，節能環保、電子信息和新能源等產業得到快速發展，對特種氣體需求明顯增加，國產高純氣瓶的需求也會不斷增加。未來對於219等常規氣瓶產品，要通過品牌優勢，保持市場份額；同時加強高壓輕質鋼瓶產品推廣，滿足國際市場需求，推動國內市場逐步以20MPa氣瓶代替15MPa氣瓶，實現產品升級。

車用瓶市場需求有望提高。隨著國際油價回升，車用LNG的經濟性再次顯現。國家政策對車輛減重的要求以及國家天然氣發展政策的相繼出台，多重因素或將重振天然氣汽車行業。未來要加強主機廠客戶的維護及開拓，建立由銷售、技術、質量管理共同組成的全方位服務鏈，以滿足不斷提高的市場服務需求。但整車廠佔壓資金較高，該市場要保持適度發展。



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. Development trend (continued)

(2) Cryogenic products

China's industrial restructuring and changes in methods of industrial gas transportation and storage to low-temperature liquids will bring continuous increase in market demand for cryogenic cylinders and cryogenic tanks. In the long term, the trend of implementing environmental control globally, China's energy-saving and emission reduction and increasing the percentage of clean energy consumption remains unchanged. In the future, natural gas as a clean energy will still be applied in transportation sector such as LNG heavy trucks and vessels. Cryogenic tanks industry is exposed to favorable market opportunities. Large cryogenic tanks are required for receiving stations, peak regulation stations, vessels, gas refueling stations and the construction of factory buildings. Meanwhile, along with the adjustment of internal mechanism of major domestic energy companies, projects previously suspended are gradually initiated. The market will gradually recover in the future. The continuous increase in the demand for peak regulating infrastructures will also stimulate the increase of demand for large LNG storage tanks.

(3) Station-related products

With a slowdown in economic growth and the shift from rapid growth to high quality, filling station enterprises are cautious about investment and slow down the market development. In addition, the cost recovery period of LNG filling stations currently continue to extend, obviously reducing the investment and slowing down the development of LNG filling stations. It will stick to implementing policies of accelerating popularization of natural gas, seize the opportunities of smog treating and promoting the "coal to gas" policy to strengthen the corporation among gas companies in all regions as well as develop bottle and integrated gasification stations to capture market share by LNG gasification skids, keeping the proper development of filling stations business.

(4) Tank container products

Undoubtedly the potential for the development of tank container industry is huge in the coming years. Its flexible transportation methods can satisfy the large demand of LNG imports market, help the upgrade of global LNG delivery methods and provide a new approach to quickly allocate LNG resources, and therefore a broad market prospect. To actively develop long-term corporation with customers is the main focus in the future.

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. 發展趨勢(續)

(2) 低溫產品

隨著國家產業結構的調整，工業氣體的運輸、貯存的方式逐步向低溫液體化轉變，將帶動低溫瓶和低溫儲罐的市場需求持續增加。從長期來看，全球推進環境治理、我國政府節能減排、逐步提高清潔能源消費比重的趨勢不會改變，天然氣作為清潔能源在交通運輸領域(LNG重卡車、船)的運用仍是未來的趨勢。低溫儲罐也面臨較好的市場機遇，接收站、調峰站、船舶、加氣站以及新建廠房等都需要大型低溫罐，同時隨著國內幾大能源公司內部機制的調整，被擱置的項目逐漸啟動，未來市場形勢將逐步好轉，各地LNG調峰基礎設施需求會持續增長，也將刺激大型LNG貯槽的需求增長。

(3) 站類產品

由於國家經濟增速下滑，由追求發展速度轉變為高質量的發展，加氣站企業投資謹慎，市場開拓速度放緩，加之目前LNG加氣站成本回收周期不斷拉長，投資關注度明顯降低，LNG加氣站增速持續放緩。而政策支持加快推進天然氣利用仍將持續發展，未來要抓住治理霧霾、推廣煤改氣的政策契機，加強與各區域燃氣公司合作，開發瓶組式及集成式加氣站，繼續通過LNG氣化撬產品搶佔市場，保持加氣站業務的適度發展。

(4) 罐式集裝箱產品

LNG罐式集裝箱行業未來幾年的發展無疑是巨大的，其靈活多樣的運輸方式可以滿足中國大量LNG進口市場的需求，將助力升級全球LNG物流模式，為實現LNG資源快速分撥提供新途徑，市場前景非常廣闊。要積極尋求與客戶建立長期合作機制，是未來的重點發展方向。

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. Development trend (continued)

(5) Hydrogen energy products

China has been paying high attention to the development of hydrogen power industry in recent years. National policies including the 13th Five-Year National Science and Technology Innovation Plan (「十三五」國家科技創新規劃), “Made in China 2025” initiative (中國製造2025) and the “13th Five-Year Plan for Projects of Science and Technology Innovation for the Transportation” (「十三五」交通領域科技創新專項規劃) classified the hydrogen energy and fuel cell technology as a priority and list the fuel cell vehicles as a supporting focus, which expressly specified that the demonstration use of 5,000 public buses in certain areas is achieved and 100 hydrogen stations have been set up in 2020. By 2025, there will be 5 million buses in use and 300 hydrogen stations constructed. By 2030, there will be millions of fuel cell cars in commercial operation and the number of hydrogen stations reaches to 1,000. Currently, there are five hydrogen energy demonstration cities, including Beijing and Shanghai, and nine hydrogen stations in China. Some automobile manufacturers such as SAIC (上汽), YuTong (宇通), Foton (福田) and DongFeng (東風) have obtained fuel cell vehicles models that has obtained announcements. Several provinces have proposed hydrogen energy demonstration projects. In Guangdong, the hydrogen filling stations jointly established by PetroChina and Sinopec has commenced construction. It's expected that the hydrogen power industry shall make breakthroughs in the next three to five years, namely around 2020. By virtue of its advantage in producing gas storage and transportation equipment accumulated over years, we will seize the opportunities to develop Type III and IV cylinders and systems of hydrogen supply and to gain dominance in the area of hydrogen equipment manufacturing.

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. 發展趨勢(續)

(5) 氫能產品

近年來我國高度重視氫能產業發展，《「十三五」國家科技創新規劃》、《中國製造2025》、《「十三五」交通領域科技創新專項規劃》等國家政策文件紛紛將發展氫能和燃料電池技術列為重點任務，將燃料電池汽車列為重點支持領域，並明確提出：2020年實現5,000輛級規模在特定地區公共服務用車領域的示範應用，建成100座加氫站；2025年實現五萬輛規模的應用，建成300座加氫站；2030年實現百萬輛燃料電池汽車的商業化應用，建成1,000座加氫站。目前，我國已有北京、上海等五個氫能示範城市，9個加氫站。上汽、宇通、福田、東風等汽車生產廠商已經具有取得公告的燃料電池車型，多個省市建立了氫能經濟示範應用項目。在廣東，中石油與中石化共同參與的加氫加油合建站也已正式開建。預計在未來的三到五年時間內，即2020年左右，氫能產業會進入一個爆發期。我們要抓住機會，依託多年的氣體儲運裝備製造優勢，發展三、四型瓶及供氫系統，打造公司在氫能裝備領域的領先地位。



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)

(ii) Development strategies of the Company

Applicable Not Applicable

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

Overall strategy:

1. Strengthening the leading position of traditional product market such as industrial gas cylinders, maintaining proper scale and enhancing profitability to ensure profitability. Deeply exploring the potentials in domestic and international energy gas markets, taking full advantage of current capacity and improving the products' quality to maintain its leading edge in product technology.
2. Giving full play to the advantages of production resources of traditional products, establishing and optimizing product plan, enhancing the level of intelligent manufacturing, and transforming from traditional manufacturing to advanced and intelligent manufacturing.
3. Optimizing its product offering, no longer selling non-profitable products or transferring non-profitable products, increasing efforts on developing high value-added products and occupying domestic markets. Enlarging the effort on technological innovation and making the best of the research and development of efficient energy storage technology and the marketization application.

(iii) Operating plan

Applicable Not Applicable

2018 represents a critical year for implementing the "13th Five-Year" strategy. Study in-depth and follow the spirit of the 6th Plenary Session of the 18th Central Committee of the Communist Party of China and General Secretary Xi Jinping's speech on Party construction by state-owned enterprises to closely unite around the Party Central Committee with Comrade Xi Jinping as the core. Raising the "Four Awarenesses" and according to the material decisions and arrangements of the Party Central Committee and Beijing on the promotion of reform of state-owned enterprises, the Company will unwaveringly promote the reform and adjustment as well as the transformation and upgrade, strive to improve the overall operation, creating a good corporate culture, going all out and overcoming all difficulties to plan three aspects for the "13th Five Year Plan": the first is the principal manufacturing business; the second is the development and utilization of land resources; and the third is to well utilize the capital market and Hong Kong companies for investment and financing. Meanwhile, sub-strategies such as corresponding human resource development strategy, marketing strategy, production strategy, financial strategy, research and development strategy and information strategy are required for supports to guarantee the implementation of the strategies and promote the realization of its various tasks for 2018.

三、公司關於公司未來發展的討論與分析(續)

(二) 公司發展戰略

適用 不適用

戰略定位：打造全球領先的工業氣體和國內領先的能源氣體儲運裝備製造及服務企業。

總體戰略思路：

1. 鞏固工業氣瓶等傳統產品市場的領先地位，保持適度規模，提高盈利能力，確保盈利。深度開發國內能源氣體市場，充分發揮現有產能，提升產品質量，保持產品技術領先優勢。
2. 充分發揮傳統產品的生產資源優勢，明晰、優化產品佈局，提升智能製造水平，由傳統製造向高精尖、智能化轉變。
3. 優化產品結構，退出或轉移不盈利產品，提升高附加值產品開發力度，佔領國內市場；加大技術創新力度，做好高效儲能技術研發和市場化應用。

(三) 經營計劃

適用 不適用

2018年是公司實施「十三五」戰略的關鍵之年，要深入學習貫徹黨的十八屆六中全會精神和習近平總書記在國企黨建工作會的講話精神，緊密團結在以習近平同志為核心的黨中央周圍，增強「四個意識」，按照黨中央和北京市推進國有企業改革的重大決策部署，堅定不移推進公司改革調整轉型升級工作，努力提升整體經營水平，建立良好的企業文化，鼓足幹勁，排除萬難，繼續前進，分三塊籌劃好「十三五」，一是製造主業；二是土地資源的開發利用；三是利用上市公司、香港公司做好投融資工作。同時，要有相應人力資源開發策略、營銷策略、生產策略、財務策略、研究開發策略、信息策略等子戰略作為支撐，確保戰略的落地，全力推動2018年各項任務目標的實現。

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)

(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 60 enterprises with LNG cylinder production qualifications with total annual capacity of nearly 400,000 units, and more than 30 CNG cylinder manufacturers with total annual capacity of over 2 million units. As such, the Company will face strong pressure in its operation in 2018.

(2) Risks relating to the increase in gas price and the “gas-to-electricity” policy affecting product profitability

Due to the decrease in fuel oil price and the significant increase in natural gas price in the PRC, the economic advantages of natural gas vehicles are no longer obvious, enabling customers losing confidence in using natural gas vehicles. In addition, as China's economy enters the new normal and its economic growth slows down, so does the growth of the automobile industry, resulting in the decrease in the demand for operating vehicles. Furthermore, the government strongly promoted new energy buses by providing huge subsidies and introducing administrative measures, the “gas-to-electricity” policy was adopted in certain areas, resulting in the decline of the procurement of natural gas buses. Due to the substantial decrease in the growth of the sales volume of natural gas for vehicles, the sales of natural gas cylinders for vehicles were also adversely affected. The natural gas storage and transportation industry was materially affected.

三、公司關於公司未來發展的討論與分析(續)

(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60餘家，年產能接近40萬台，CNG氣瓶生產企業30餘家，年產能超過200萬支。因此，2018年公司經營面臨較大壓力。

(2) 氣價上漲及「以電代氣」政策對產品的盈利帶來的風險

受國內燃油價格下跌、天然氣價大幅度上漲，天然氣汽車經濟優勢已經不再明顯，用戶對使用天然氣汽車逐漸失去信心。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，致使部分地區「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也銷售也非常受影響，天然氣儲運行業遭受重創。



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 RMB210,650,900 over the same period last year. Operating income increased by 35.30% over the same period last year; operating cost increased by 27.47% over the same period last year; and operating profit increased by RMB202,970,000 year-on-year.

Increase in product profitability: Since 2017, international crude oil prices continued to increase steadily and the domestic refined oil price also caught up such increase, while the cost-effectiveness of natural gas utilisation had recovered to a certain extent. Meanwhile, with the implementation of new version of GB1589 standards in 2016, the heavy duty truck industry had relatively substantial growth as compared with last year, thus driving the production and sales of natural gas heavy duty trucks. In the meantime, the global industrial gas market and downstream hydrogen and fuel cell industries continued to recover. Under such industrial development background, the Company targeted on key regions and expanded sales channels and approaches through the establishment of leased-out storerooms and other ways. The LNG equipment market of the Company, especially the LNG cylinder, had fast growth demand, and its sales and production had relatively substantial growth as compared with the corresponding period of last year. With substantial growth of production volume, the production capacity could be generated to a large extent so as to dilute the fixed charges, reduce unit costs of products and increase the gross profit margin.

During the Reporting Period, expenses decreased by RMB6,437,600 over the same period last year, of which, selling expenses decreased by RMB5,488,200, mainly due to the adoption of acceptance and pick up of products in the plants by certain major customers for procurement of products, meanwhile, the Company and logistic companies chose to charter vehicles to deduce waste of transporting capacity and effectively reduce the transportation costs. The administrative expense decreased by RMB11,479,200. On one hand, as 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 after May 2017, which resulted in the decrease in administrative expense of RMB1,687,700. Provision for impairment of idle fixed assets was made last year and the depreciation cost for the period decreased by RMB3,358,200. The commission fees for the period decreased by RMB5,109,800 as compared with last year, which was due to the payment to an intermediary agency by the Company for the preparation of restructuring last year. The finance cost increased by RMB10,529,800, which was due to the increase in foreign exchange loss of RMB7,334,000 as a result of the appreciation of RMB, while the interest expenses increased by RMB3,508,800 as a result of the increase in finance amount and costs.

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21,065.09萬元。營業收入比上年同期增加35.30%，營業成本比上年同期增加27.47%，營業利潤同比增加20,297.00萬元。

產品盈利能力的上升：2017年以來，國際原油價格持續穩步上升，國內成品油價格亦同步上漲，天然氣應用的經濟性得到一定程度恢復；同時2016年GB1589新版標準實施，重卡行業同比出現較大幅度增長，也帶動了天然氣重卡的生產和銷售。同時全球工業氣體市場和氫能及燃料電池行業下游行業景氣度繼續提升。在此行業發展大背景下，鎖定重點區域，通過建立外租庫等方式拓展銷售渠道和銷售方式，公司的LNG應用裝備特別是LNG氣瓶市場需求增長較快，銷售及生產情況較去年同期均有較大幅度增長。產量大增，產能得到大幅釋放，固定費用攤薄，單位產品成本降低，毛利率上升。

本報告期期間費用較上年同期減少643.76萬元。其中：銷售費用減少548.82萬元，主要是本年度部分大客戶採用廠內驗收並自提的方式採購產品，同時公司與物流公司採用包車的方式解決了運力浪費的情況，有效降低了運輸成本。管理費用減少1,147.92萬元，一方面受政策影響，試行營改增後，2017年5月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168.77萬元；上年對閒置固定資產計提減值，本期折舊費減少335.82萬元；上年因公司籌劃重組事項支付中介機構費用，使得本期中介費用比上年減少510.98萬元。財務費用增加1,052.98萬元，主要是人民幣升值使得匯兌損失增加733.4萬元，融資金額及融資成本上升使利息支出增加350.88萬元。

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)

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

1. Analysis of operating results (continued)

During the Reporting Period, impairment loss on assets decreased by RMB47,118,900 over the same period last year.

1. Provision for inventory impairment loss decreased: As the market picked up, costs of product reduced. As a result, the difference between the net realisable value of inventory and carrying amount 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, fixed assets were not impaired after tests. 3. During the year, goodwill was not impaired after tests.

Investment income decreased by RMB11,405,700 during the Reporting Period, mainly due to the substantial decrease in the profitability of Shandong Tianhai High Pressure Containers Co., Ltd., a joint venture of the Company.

Gains from disposal of assets increased by RMB68,231,700 during the Reporting Period, mainly due to the income from the disposal of properties of Langfang Tianhai High Pressure Containers Co., Ltd., a subsidiary of the Company.

Non-operating income increased by RMB26,620,300 during the Reporting Period, mainly due to the receipt of government subsidies of RMB18,578,400, including the incentive grant for functions transfer and improvement by state-owned enterprises of RMB15,839,200. In addition, the Company entered into the debt restructuring agreement with suppliers, which increased the gain on debt restructuring of RMB13,998,900.

2. Analysis of assets, liabilities and shareholders' equity

Total assets and total liabilities as at the end of the Reporting Period both increased from the beginning of the year.

As at the end of the Reporting Period, total assets were RMB1,925,062,000, representing an increase of 4.06% as compared with the beginning of the year, of which: monetary funds decreased by 34.05%, fixed assets decreased by 21.93%, accounts receivable increased by 64.94%, notes receivable increased by 70.47%, prepayments increased by 37.84%, and inventories increased by 22.73%.

Total liabilities were RMB900,719,700, representing an increase of 2.58% as compared with the beginning of the year, of which short-term borrowings increased by 50% and other payables decreased by 45.79%.

Total shareholders' equity amounted to RMB1,024,342,300, representing an increase of RMB52,457,000 or 5.4% as compared with the beginning of the year, mainly due to the increase in net loss for the year and the new minority interest of Kuancheng Tianhai.

三、公司關於公司未來發展的討論與分析(續)

(五) 其他(續)

報告期內公司財務狀況經營成果分析(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4,711.89萬元，1、存貨跌價損失計提減少：市場回暖，產品成本降低，使得存貨可變現淨值與賬面價值差距縮小，計提存貨跌價準備小於去年。2、固定資產減值準備：經測試本年固定資產未發生減值。3、經測試本年商譽未發生減值。

本報告期投資收益減少1,140.57萬元，主要是合營公司—山東天海高壓容器有限公司盈利能力大幅降低等因素影響減少。

本報告期資產處置收益增加6,823.17萬元，主要是出售下屬公司廊坊天海高壓容器有限公司物業的收益。

本報告期營業外收入增加2,662.03萬元，主要是本年收到政府補助1,857.84萬元，其中包括國有企業疏解整治獎勵補助1,583.92萬元。另外，公司與供應商簽訂債務重組協議產生債務重組利得增加1,399.89萬元。

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增加。

本報告期末資產總額192,506.20萬元，比年初增加4.06%，其中：貨幣資金減少34.05%、固定資產減少21.93%、應收賬款增加64.94%、應收票據增加70.47%、預付帳款增加37.84%、存貨增加22.73%。

負債總額90,071.97萬元，比年初增加2.58%，其中短期借款增加50%，其他應付款減少45.79%。

股東權益總額102,434.23萬元，比年初增加5,245.70萬元，增長5.4%，主要是本年淨利潤增加以及新增寬城天海少數股東權益所致。



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)

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

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 RMB285,000,000, representing an increase of 50% as compared with the beginning of the year. Long-term loan was RMB5,060,000.

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, newspapers and other information disclosure costs, the partial export and import business of the Company was settled in US dollars and Jingcheng Hong Kong and Tianhai America adopted 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)

報告期內公司財務狀況經營成果分析(續)

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時，充分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

2017 2017年	2016 2016年
46.79%	47.46%
77.08%	60.19%
128.8%	103.05%

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時充分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28,500萬元，比年初增加50%。長期借款506萬元。

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，還有部分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帳本位幣。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)

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 RMB806,053,300, while cash outflow amounted to RMB1,032,711,700. Net cash flow during the Reporting Period from operating activities amounted to RMB -226,658,500.

2. Cash flows from investment activities

Cash inflows from investment activities during the Reporting Period amounted to RMB230,024,000 while cash outflows from investment activities amounted to RMB23,321,200 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 RMB206,702,800.

3. Cash flows from financing activities

Cash inflows from financing activities during the Reporting Period amounted to RMB384,878,300, which was mainly derived from bank loans. Cash outflows from financing activities during the Reporting Period amounted to RMB388,658,400, 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-3,780,000.

In 2017, net cash flows from operating activities decreased by RMB213,616,600 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 increase in cash inflows from operating activities was lower than the increase in cash outflows from operating activities during the period. Net cash flows generated from investing activities increased by RMB230,515,000 as compared to the corresponding period of last year, mainly due to the disposal of properties of Langfang Tianhai, a subsidiary of Tianhai Industrial, during the period. Net cash flows generated from financing activities increased by RMB35,129,000 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 borrowings from controlling shareholders and bank loans.

三、公司關於公司未來發展的討論與分析(續)

(五) 其他(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80,605.33萬元，現金流出103,271.17萬元，報告期經營活動產生的現金流量淨額-22,665.85萬元。

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23,002.40萬元，投資活動支出的現金2,332.12萬元，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20,670.28萬元。

3、籌資活動現金流量

報告期籌資活動現金流入38,487.83萬元，主要來源於銀行借款，報告期籌資活動現金流出38,865.84萬元，主要是用於歸還銀行、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-378.00萬元。

2017年經營活動現金淨額同比減少21,361.66萬元，主要是本期經營活動現金流入增加幅度低於經營活動現金流出增加幅度，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增加23,051.5萬元，主要是本期處置天海工業子公司廊坊天海物業所致；籌資活動產生的現金流量淨額同比增加3,512.9萬元，主要是本期借款的淨償還額小於上年同期所致。

報告期內，本公司主要通過控股股東借款、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)

三、公司關於公司未來發展的討論與分析(續)

(v) Others (continued)

(五) 其他(續)

Capital Structure

The Company's capital structure consists of shareholders' equity and liabilities during the Reporting Period. Shareholders' equity amounted to RMB1,024,342,300, of which minority interests amounted to RMB435,967,000, and total liabilities amounted to RMB900,719,700. Total assets amounted to RMB1,925,062,000. As at the end of the year, the Company's gearing ratio was 46.79%.

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102,434.23萬元，其中，少數股東權益43,596.70萬元；負債總額90,071.97萬元。資產總額192,506.20萬元，期末資產負債率46.79%。

Capital structure by liquidity**按流動性劃分資本結構**

Total current liabilities 流動負債合計	RMB752,644,300 75,264.43萬元	Percentage of assets 佔資產比重	39.10%
Total shareholders' equity 股東權益合計	RMB1,024,342,300 102,434.23萬元	Percentage of assets 佔資產比重	53.21%
Of which: minority interest 其中：少數股東權益	RMB435,967,000 43,596.70萬元	Percentage of assets 佔資產比重	22.65%

Contingent Liabilities

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

或有負債

報告期末公司沒有重大或有負債。

Details of the Group's charge on assets**集團資產押記詳情**

Item 項目	Closing book value 年末賬面價值	Reasons 受限原因
Cash at bank and on hand 貨幣資金	1,500,000.00	Guarantee deposits for notes 票據保證金
Fixed assets 固定資產	228,003,278.30	Pledge for obtaining bank loans 為取得銀行借款抵押
Intangible assets 無形資產	117,952,182.48	Pledge for obtaining bank loans 為取得銀行借款抵押
Construction in progress 在建工程	38,430,356.85	Pledge for obtaining bank loans 為取得銀行借款抵押
Total 合計	385,885,817.63	-

Section 5 Management Discussion and Analysis

第五節 經營情況討論與分析

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

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



Section 6 Report of the Directors

第六節 董事會報告

The Board is pleased to present the annual report and audited consolidated financial statements of the Group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

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.

BUSINESS REVIEW

A review of the business of the Company during the year and a discussion on the Company's future business development are provided in the section headed "Business Summary of the Company" of this annual report. Description of possible risks and uncertainties that the Company may be facing can be found in the section headed "Management Discussion and Analysis". An analysis of the Company's performance during the year using financial key performance indicators is provided in the section headed "Company Profile and Key Financial Indicators" of this annual report. Discussions on the Company's environmental policies and performance, key relationships with its employees, customers, suppliers are contained in the Environmental, Social and Governance Report of the Company. The Company's compliance with relevant laws and regulations which have a significant impact on the Company is contained in the section headed "Corporate Governance Report" of this annual report.

DIRECTORS AND SUPERVISORS

The directors and supervisors in office during the year and up to the date of this report are as follows:

董事會欣然提呈本集團截至2017年12月31日止年度的年報及經審核合併財務報表。

主要業務

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。

業務回顧

有關本公司本年度業務的回顧及本公司未來業務發展的討論載於本年報「公司業務概要」一節。有關本公司可能面臨的潛在風險及不確定因素載於「管理層討論與分析」一節。本公司採用主要財務表現指標對其本年度表現的分析載於本年報「公司簡介和主要財務指標」一節。另外，有關本公司環境政策及表現、與其僱員、客戶及供應商主要關係的討論載於本公司的環境、社會及管治報告。本公司遵守對其有重大影響的相關法律法規的情況載於本年報「企業管治報告」一節。

董事及監事

於本年度內及截至本報告日期在任董事及監事如下：

		Date of appointment 獲委任的日期
Executive Directors	執行董事	
Wang Jun	王軍	26 June 2017 2017年6月26日
Li Junjie	李俊杰	26 June 2017 2017年6月26日
Zhang Jiheng	張繼恒	26 June 2017 2017年6月26日
Non-executive Director	非執行董事	
Jin Chunyu	金春玉	26 June 2017 2017年6月26日
Du Yuexi	杜躍熙	26 June 2017 2017年6月26日
Xia Zhonghua	夏中華	26 June 2017 2017年6月26日
Li Chunzhi	李春枝	26 June 2017 2017年6月26日
Independent non-executive Director	獨立非執行董事	
Wu Yan	吳燕	26 June 2017 2017年6月26日
Liu Ning	劉寧	26 June 2017 2017年6月26日
Yang Xiaohui	楊曉輝	26 June 2017 2017年6月26日
Fan Yong	樊勇	26 June 2017 2017年6月26日
Supervisors	監事	
Li Gejun	李革軍	26 June 2017 2017年6月26日
Li Zhe	李哲	26 June 2017 2017年6月26日
Liu Guangling	劉廣嶺	26 June 2017 2017年6月26日

Section 6 Report of the Directors

第六節 董事會報告

DIRECTORS AND SUPERVISORS (continued)

During the Reporting Period, a total of 9 board meetings were convened and the details of the meetings and resolutions were as follows:

- (1) The 11th meeting of the eighth board of directors was held on 17 March 2017 for the consideration and approval of the 2016 Annual Report of the Company and its summary, the 2016 Annual Work Report of the Board, the 2016 audited financial report of the Company (details of which are set out in the Annual Report), the 2016 Self Assessment Report on the Company's internal control (details of which are set out in the Annual Report), the 2016 Internal Control Audit Report of the Company (details of which are set out in the Annual Report), the 2016 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 of the Company for the year 2016, the resolution on the performance of functions by the Audit Committee of the Company for the year 2016, the resolution on the payment for the audit fee for 2016 to Shinewing Certified Public Accountants LLP (hereinafter "Shinewing"), the resolution on the payment for the audit fee for 2016 to Shu Lun Pan Certified Public Accountants LLP (hereinafter "Shu Lun Pan"), the profit distribution proposal of the Company for 2016, the resolution on provision for impairment of the Company for the year 2016, the 2017 Audit Plan of the Company, the 2017 Internal Control Plan of the Company, the 2017 Business Plan of the Company, the 2017 Research and Development Plan of the Company, the 2017 Financial Budget Report of the Company, the 2017 Financing Guarantee Plan of the Company, the resolution on the result of remuneration and performance assessment for the senior management of the Company in 2016, the resolution of the changes in accounting policy, and the resolution regarding the convening of the 2016 annual general meeting of the Company.
- (2) The 22nd extraordinary meeting of the eighth board of directors was held on 6 April 2017 for the consideration and approval of the resolution on the acquisition of the external shares of BTIC America Corporation by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company and connected transaction, the resolution on the external investment by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, in establishing Kuancheng Tianhai Pressure Vessel Co., Ltd., the resolution on the re-appointment of SHINEWING Certified Public Accountants LLP as the auditor for the Company's 2017 financial reports and the proposal at the Annual General Meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration, the re-appointment of BDO China Shu Lun Pan Certified Public Accountants as the internal control auditor for the Company's 2017 internal control report and the proposal at the Annual General Meeting to authorise the Board to sign an appointment agreement with it and determine its remuneration, and the resolution on the purchase of liability insurance for directors, supervisors and senior management.
- (3) The 23rd extraordinary meeting of the eighth board of directors was held on 25 April 2017 for the consideration and approval of the resolution on the resignation of director and general manager and appointment of the general manager of the Company and the change in composition of the members of special committees of the Board, the resolution on the general election of the Board, the resolution on the remuneration of and written contracts to be entered into with the directors of the ninth session of the Board, and the Company's 2016 annual report submitted to the Stock Exchange.

董事及監事(續)

報告期公司董事會共召開9次會議，會議情況及決議內容如下：

- (一) 第八屆董事會第十一次會議於2017年3月17日召開，審議通過公司2016年年度報告全文及摘要。公司2016年度董事會工作報告。公司2016年度經審計的財務報告，詳細內容見年報全文。公司2016年度內部控制的自我評價報告，詳細內容見年報全文。公司2016年度內部控制審計報告，詳細內容見年報全文。公司2016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2016年度述職報告的議案。審計委員會2016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」)2016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」)2016年度審計費用的議案。公司2016年度利潤分配的預案。公司2016年度計提減值準備的議案。公司2017年度審計計劃。公司2017年度內部控制方案。公司2017年度經營計劃。公司2017年研發計劃。公司2017年度預算報告。公司2017年度融資擔保計劃。公司2016年度高級管理人員薪酬與绩效考核結果的議案。關於會計政策變更的議案。公司2016年度股東周年大會的議案。
- (二) 第八屆董事會第二十二次臨時會議於2017年4月6日召開，審議通過關於公司子公司北京天海工業有限公司收購天海美洲公司外方股權暨關聯交易的議案。關於公司子公司北京天海工業有限公司對外投資設立寬城天海壓力容器有限公司的議案。關於聘任公司總法律顧問的議案。續聘信永中和會計師事務所(特殊普通合夥)為公司2017年財務報告的審計機構，並提請股東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。續聘立信會計師事務所為公司2017年內部控制報告的審計機構，並提請股東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。關於投保董監事及高管人員責任保險的議案。
- (三) 第八屆董事會第二十三次臨時會議於2017年4月25日召開，審議通過關於董事、總經理辭職及聘任公司總經理和董事會各委員會人員變更的議案。關於董事會換屆選舉的議案。公司第九屆董事會董事報酬及訂立書面合同的議案。公司聯交所2016年年度報告。



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- (4) The 12th meeting of the eighth board of directors was held on 28 April 2017 for the consideration and approval of the resolution on the entering into the Gas Cylinder Pipe Sale and Purchase Framework Agreements and the continuing connected transactions between Tianjin Tianhai High Pressure Containers Co., Ltd. and Tianjin Pipe Steel Trade Co., Ltd. and between Kuancheng Tianhai Pressure Vessel Co., Ltd. and Tianjin Pipe Steel Trade Co., Ltd., the 2017 first quarterly report of the Company, and the resolution on the convening of 2016 annual general meeting of the Company on 26 June 2017 (Monday).
- (5) The first meeting of the ninth board of directors was held on 27 June 2017 for the consideration and approval of the resolution on the election of the Chairman of the ninth session of the Board, the resolution on the election of members and conveners of special committees of the ninth session of the Board, the resolution on the appointment of the general manager of the Company and the secretary to the Board, the resolution on the appointment of the deputy general manager, chief accountant, chief engineer and general counsel as nominated by the general manager of the Company, the resolution on the termination of the Letter of Intent for strategic cooperation between the Company with Yuecheng Senior Living Investment Company Limited, the resolution on the establishment of the management system in recognizing and writing off of loss of accounts receivable, the resolution on the provision of bridging loan of RMB45 million (Renminbi Forty five million) to Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, by Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder, and the resolution on the adjustment of the finance budget of Beijing Jingcheng Machinery Electric Company Limited and its subsidiaries and the addition of financing bank and bank loans of RMB50 million.
- (6) The second meeting of the ninth board of directors was held on 21 July 2017 for the consideration and approval of the resolution on the transfer of property assets through public tender by Langfang Tianhai High Pressure Containers Co., Ltd. and to authorise the board of directors of Langfang Tianhai to determine the transfer-related matters including the tender price based on an asking price not less than the valuation price approved by the State-owned Assets Supervision and Administration Commission, and the resolution on the appointment of Da Hua Certified Public Accountants (Special General Partnership) as the internal control auditor for the Company's 2017 internal control report and to authorise the Board to sign a service contract with it and determine its remuneration.
- (7) The first meeting of the ninth board of directors was held on 11 August 2017 for the consideration and approval of the resolution on the 2017 interim report of the Company and its summary, and the resolution on the provision for impairment of the Company for the half year of 2017.
- (8) The third extraordinary meeting of the ninth board of directors was held on 17 October 2017 for the consideration and approval of the resolution on the application for a loan of RMB81.40 million by Langfang Tianhai High Pressure Containers Co., Ltd., a subsidiary of the Company, to Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, the resolution on the application for a bridging loan of RMB30.00 million by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, to Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, the resolution on the adjustment to other credit lines under the interbank credit of Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, and the resolution on the provision of security guarantee by Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sales Co., Ltd., a subsidiary of the Company, with its housing and land resources in favor of Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, in its application for credit line from Bank of Dalian.
- (四) 第八屆董事會第十二次會議於2017年4月28日召開，審議通過關於天津天海高壓容器有限責任公司、寬城天海壓力容器有限公司分別與天津鋼管鋼鐵貿易有限公司簽訂《氣瓶管購銷樞架合同》暨關聯交易的議案。公司2017年第一季度報告。公司將於2017年6月26日(周一)召開2016年度股東周年大會的議案。
- (五) 第九屆董事會第一次臨時會議於2017年6月27日召開，審議通過選舉公司第九屆董事會董事長；選舉公司第九屆董事會各專業委員會委員及召集人。聘任由董事長提名公司總經理和董事會秘書的議案。聘任有公司總經理提名的副總經理及總會計師、總工程師、總法律顧問的議案。關於公司解除與樂成老年事業投資有限公司《戰略合作意向書》的議案。關於制定應收賬款損失認定與核銷管理制度的議案。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4,500萬元(肆仟伍佰萬元整)的議案。關於調整北京京城機電股份有限公司及下屬公司融資預算並新增融資銀行及銀行貸款5,000萬元的議案。
- (六) 第九屆董事會第二次臨時會議於2017年7月21日召開，審議通過關於廊坊天海高壓容器有限公司公開掛牌轉讓房地資產，並授權廊坊天海董事會以不低於國資委核准後的評估值為掛牌底價釐定掛牌價格等相關轉讓事宜的議案。聘任大華會計師事務所(特殊普通合夥)為公司2017年內部控制報告的審計機構，並授權董事會與其簽署聘任協議以及決定其酬金事項。
- (七) 第九屆董事會第一次會議於2017年8月11日召開，審議通過公司2017年半年度報告及摘要；公司2017年半年度計提減值準備的議案。
- (八) 第九屆董事會第三次臨時會議於2017年10月17日召開，審議通過關於公司附屬公司廊坊天海高壓容器有限公司向控股股東北京京城機電控股有限責任公司申請借款8,140萬元的議案。關於公司子公司北京天海工業有限公司向控股股東北京京城機電控股有限責任公司申請過橋貸款3,000萬元的議案。關於調整公司子公司北京天海工業有限公司銀行間授信其他額度的議案。關於公司附屬公司北京明暉天海氣體儲運裝備銷售有限公司以房屋及土地資源為公司子公司北京天海工業有限公司向大連銀行申請授信額度提供抵押擔保的議案。

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第六節 董事會報告

(9) The second extraordinary meeting of the ninth board of directors was held on 28 October 2017 for the consideration and approval of the resolution on the 2017 third quarter report of the Company.

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

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

II. 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.

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

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

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

For details, please refer to Section 7.

V. 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.

(九) 第九屆董事會第二次會議於2017年10月28日召開，審議通過公司2017年第三季度報告。

一、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。

二、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。

三、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。

四、利潤分配或資本公積金轉增預案

詳見第七節。

五、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。



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第六節 董事會報告

V. Financial information (continued)

5. Other Assets

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

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 2017 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.

VI. 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 2017, a total of RMB29.23 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 RMB0.86 million incurred in 2017.

VII. 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.

VIII. Staff quarters

The Company did not sell any public housing flats to staff in 2017. 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.

五、財務信息(續)

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。

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2017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。

六、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的決定》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。2017年基本養老保險金總支出人民幣2,923萬元。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50元洗理費和70-90元住房補貼，2017年支出人民幣86萬元。

七、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。

八、員工住房

本公司2017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70-90元住房租金補貼。

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第六節 董事會報告

VIII. Staff quarters (continued)

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.

IX. 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.

X. Annual general meeting

The Board of Directors proposed that the Annual General Meeting for 2017 to be held on Tuesday, 12 June 2018, for details of which please refer to the Notice of 2017 Annual General Meeting.

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

For details, please refer to Part XVII of section 7

XII. 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.

XIII. 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.

XIV. 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.

八、員工住房(續)

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200-2,000元/月，向外埠員工每月發放130-300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1,000元/月補貼。

九、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、股東周年大會

董事會擬定2018年6月12日(星期二)召開2017年度股東周年大會，具體召開時間詳見2017年度股東周年大會通知。

十一、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

十二、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，創新供需模式，持續改進產品質量，確保產品滿足公司及市場需求。

十三、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。

十四、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。



Section 6 Report of the Directors

第六節 董事會報告

XV. 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.

XVI. 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.

XVII. Distributable reserves

As at 31 December 2017, the distributable reserves of the Company which could be distributed to the shareholders of the Company amounted to RMB0.

XVIII. Donations

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

XIX. 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 or fellow 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.

XX. Directors' interests in transactions, arrangements or contracts of significance

The Company has not entered into any transactions, arrangements or contracts of significance in which any of its directors had a material interest, whether directly or indirectly, at any time during the year.

Save for contracts amongst group companies, no other transactions, arrangements or contracts of significance to which the Company or its subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time of the year.

XXI. 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 of the Company.

十五、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。

十六、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。

十七、可供分派儲備

於二零一七年十二月三十一日，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。

十八、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。

十九、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或同系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、董事於重大交易、安排或合約的權益

本公司於年內任何時間無訂立與本公司董事直接及間接擁有重大權益的重要交易、安排或合約。

除集團公司間訂立的合約外，於年末或年內任何時間概無存在本公司或其子公司、同系子公司或其母公司參與訂立且本公司董事直接或間接於其中擁有重大權益的其他重要交易、安排或合約。

二十一、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。本集團瞭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本公司的環境、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)

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(%)
2017	2017年	0	0	0	0	20,868,364.01	0
2016	2016年	0	0	0	0	-148,787,585.19	0
2015	2015年	0	0	0	0	-207,817,373.56	0

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

Applicable Not applicable

(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

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

(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

(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
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		

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
	Solving the issues concerning competition in the same industry	Beijing Jingcheng Machinery Electric Holding Co., Ltd., a substantial shareholder	<p>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.</p> <p>The Company will not conduct and make efforts to cause the other companies under the control of the Company not to conduct businesses which are the same as or similar to those of the Listed Company in order to avoid direct or indirect competition with the operation of business of the Listed Company. In addition, if unfair impact may be produced on the Listed Company in the areas of market share, business opportunities and resource allocation of the Company and the other companies under the control of the Company, the Company will voluntarily give up and make efforts to cause the other companies under the control of the Company to give up business competition with the Listed Company.</p> <p>The Company undertakes that starting from the date of issue of this Letter of Undertaking, it will compensate the Listed Company for any losses suffered or expenses incurred by the Listed Company as a result of the violation of any provisions of this undertaking by the Company. This Letter of Undertaking continues to be effective during the period in which the Listed Company legally and validly subsists and the company is the controlling shareholder (or beneficial controller) of the Listed Company."</p>	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。 <p>本公司將不從事並努力促使本公司控制的其他企業不從事與上市公司相同或相近的業務，以避免與上市公司的業務經營構成直接或間接的競爭。此外，本公司或本公司控制的其他企業在市場份額、商業機會及資源配置等方面可能對上市公司帶來不公平的影響時，本公司自願放棄並努力促使本公司控制的其他企業放棄與上市公司的業務競爭。</p> <p>本公司承諾，自本承諾函出具日起，賠償上市公司因本公司違反本承諾任何條款而遭受或產生的任何損失或開支。本承諾函在上市公司合法有效存續且本公司作為上市公司的控股股東(或實際控制人)期間持續有效。」</p>	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 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未發表明確意見，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分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	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:「本公司充分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)

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 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分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		

(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

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)

(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

Section 7 Important Matters

第七節 重要事項

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

(1) Changes in Significant Accounting Polices

In 2017, the Ministry of Finance issued the “Accounting Standard for Business Enterprises No. 16 – Government Grants” (amended), effective from 12 June 2017; issued the “Accounting Standard for Business Enterprises No. 42 – Non-current Assets Held for Sale, Disposal Groups and Discontinued Operations”, effective from 28 May 2017. In accordance with the “Notice on Revising and Issuing the Format of Financial Statements of General Enterprises by the Ministry of Finance” (《財政部關於修訂印發一般企業財務報表格式的通知》) (“Cai Kuai [2017] No. 30”), corresponding adjustments shall be made on the format of financial statements of general enterprises. The Group has implemented such new accounting standards for business enterprises according to the requirements, and adjusted the comparative financial statements based on the requirements of the new standards. The description of the effect of implementation of new standards on the comparative financial statements is as follows:

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

(1) 重要會計政策變更

財政部於2017年修訂了《企業會計準則第16號—政府補助》(修訂)，自2017年6月12日起施行；頒布了《企業會計準則第42號—持有待售的非流動資產、處置組和終止經營》，自2017年5月28日起施行。根據《財政部關於修訂印發一般企業財務報表格式的通知》(財會(2017)30號)，對一般企業財務報表格式進行了相應修訂。本集團已按要求執行新的該等企業會計準則，並按照新準則的銜接規定對比較財務報表進行調整。執行新準則對比較財務報表影響說明如下：



Section 7 Important Matters

第七節 重要事項

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 (continued)

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(續)

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

(一) 公司對會計政策、會計估計變更原因及影響的分析說明(續)

(1) Changes in Significant Accounting Polices (continued)

(1) 重要會計政策變更(續)

Contents and causes of changes in accounting policy	Statement items affected	Affected amounts as at the end of 2016/ for the year 2016 2016年末/ 2016年度影響金額
會計政策變更的內容和原因	受影響的報表項目	2016年末/ 2016年度影響金額
Accounting Standards for Business Enterprises No. 42-Non-current Assets Held for Sale, Disposal Groups and Discontinued Operation made special requirements for non-current assets held for sale or the classification, measurement and presentation of disposal groups and presentation of discontinued operation after 28 May 2017, and adopted the prospective application method; Revised the presentation of financial statements and stated profits or losses from continuing operations and profits or losses from discontinued operations respectively in the consolidated income statement and the income statement. Adjusted the presentation of comparative statements: for the purpose of presentation of discontinued operations in the current period, information stated as profits or losses from originally continuing operations shall be charged into profits or losses from discontinued operations in the comparative statement.	Held-for-sale assets Held-for-sale liabilities Net profit from continuing operations Net profit from discontinuing operations	Nil Nil Nil Nil
《企業會計準則第42號—持有待售的非流動資產、處置組和終止經營》對於2017年5月28日之後持有待售的非流動資產或處置組的分類、計量和列報，以及終止經營的列報等進行了規定，並採用未來適用法進行處理； 修改了財務報表的列報，在合併利潤表和利潤表中分別列示持續經營損益和終止經營損益等。 對比較報表的列報進行了相應調整：對於當期列報的終止經營，原來作為持續經營損益列報的信息重新在比較報表中作為終止經營損益列報。	持有待售資產 持有待售負債 持續經營淨利潤 終止經營淨利潤	無 無 -180,657,891.58 0.00
The Accounting Standards for Business Enterprises No.16 – Government Grants in 2017 is implemented since 12 June 2017 and it is applicable to the government grants existed on 1 January 2017 and new government grants in 2017. In accordance with such standard, the recognition of government grants related to ordinary activities is changes from non-operating income to other income under the income statement based on the nature of business. It is unnecessary to provide comparative information for new disclosure initiatives.	Other income	Nil
《企業會計準則第16號—政府補助》(2017)自2017年6月12日起施行，2017年1月1日存在的政府補助和2017年新增的政府補助適用該準則。根據該準則，對於與日常活動相關的政府補助，在計入利潤表時，按照經濟業務實質，由原計入營業外收入改為計入其他收益。 對新的披露要求不需提供比較信息。	其他收益	無
In accordance with the Notice on Revising and Issuing the Format of Financial Statements of General Enterprises by the Ministry of Finance (Cai Kuai [2017] No. 30), the statement item of “gains from disposal of assets” was newly added in the income statement and made adjustments to the comparative financial statements accordingly. 根據《財政部關於修訂印發一般企業財務報表格式的通知》(財會〔2017〕30號)，利潤表增加「資產處置收益」項目，相應調整比較報表。	Gains from disposal of assets Non-operating income Non-operating expenses	
	資產處置收益 營業外收入 營業外支出	-2,091,562.94 -886,849.74 -2,978,412.68

(2) No Change of Significant Accounting Estimate

(2) 無重要的會計估計變更

Section 7 Important Matters

第七節 重要事項

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 (continued)

(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

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(續)

(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		0.90 million 90萬
Number of years of audit by domestic accounting firm 境內會計師事務所審計年限		11 11
		Name 名稱
		Compensation 報酬
Accounting firm for internal control audit 內部控制審計會計師事務所	Da Hua Certified Public Accountants (Special General Partnership) 大華會計師事務所(特殊普通合夥)	0.318 million 31.8萬

Description of appointment and dismissal of accounting firms

Applicable Not applicable

There has been no change to the accounting firm engaged by the Company for audit of domestic financial reports. The engagement of BDO China Shu Lun Pan Certified Public Accounts LLP, which was responsible for audit of internal control reports, was not to be renewed and the Company intended to appoint Da Hua Certified Public Accountants (Special General Partnership) as its internal control auditor. The appointment has been approved by the Board and at the annual general meeting.

Description of change of accounting firms during the audit period

Applicable Not applicable

聘任、解聘會計師事務所的情況說明

適用 不適用

公司聘任的負責境內財務報告審計的會計師事務所未發生變更，原負責內控報告審計的立信會計師事務所(特殊普通合夥)公司不再續聘，擬聘任大華會計師事務所(特殊普通合夥)為公司內控報告審計機構，聘任事項已獲董事會、股東大會審議通過。

審計期間改聘會計師事務所的情況說明

適用 不適用

VII. Risk for suspended listing

(i) Risk for possible suspending listing

Applicable Not applicable

As the net profits of the Company were negative for two consecutive accounting years of 2015 and 2016, a "delisting risk alert" was imposed on 21 March 2017 in accordance with the requirements of Provision (I) under Rule 13.2.1 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange. Pursuant to the requirements of Provision (I) under Rule 14.1.1 of Rules Governing the Listing of Stocks on Shanghai Stock Exchange, if the audited net profit of the Company continues to be negative in 2017, the Shanghai Stock Exchange may suspend the listing of the Company's A shares.

(ii) Countermeasures to be adopted by the Company

Applicable Not applicable

For principal business: With the rise in oil prices, the gradual decline of subsidies for electric vehicles, the introduction of a series of policies including the environmental protection of the country and the integration of Beijing, Tianjin and Hebei, the natural gas market rebounded. In 2017, while stabilizing its existing business, the Company actively developed a series of high value-added products, which were put into mass productions and significantly increased the sales revenue and profits of the Company.

For non-principal business: The transfer of property assets of Langfang Tianhai and government subsidies brought profits to the Company.

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

公司因2015年、2016年連續兩個會計年度的淨利潤為負值，根據《上海證券交易所股票上市規則》13.2.1條第(一)項的規定，公司股票已於2017年3月21日被實施退市風險警示。根據《上海證券交易所股票上市規則》14.1.1條第(一)項的規定，若公司2017年度經審計的淨利潤仍為負值，上海證券交易所可能暫停公司股票上市。

(二) 公司擬採取的應對措施

適用 不適用

主營業務方面：隨著油價的上調、電動汽車補貼的退坡、國家環保、京津冀一體化等一系列政策的出台，使得天然氣市場出現回暖，2017年公司在穩定現有業務的同時，積極研發出一系列高附加值產品，形成批量生產，大幅增加了銷售收入和利潤。

非主營業務方面：廊坊天海房地項目的轉讓及政府補貼為公司帶來了利潤。

Section 7 Important Matters

第七節 重要事項

VIII. Possible termination of listing and reason thereof

Applicable Not applicable

IX. Matters relating to bankruptcy and reorganization

Applicable Not applicable

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

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

Applicable Not applicable

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

八、面臨終止上市的情況和原因

適用 不適用

九、破產重整相關事項

適用 不適用

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

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

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



Section 7 Important Matters

第七節 重要事項

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

Summary of matter 事項概述

At the 12th meeting of the eighth meeting of the Board held on 28 April 2017 and the 2016 annual general meeting held on 26 June 2017, the resolution on concerning Tianjin Tianhai High Pressure Containers Co., Ltd. and Kuancheng Tianhai Pressure Containers Co., Ltd. entered into the Gas Cylinder Pipe Sale and Purchase Framework Agreement with Tianjin Steel Pipe and Steel Trade Co., Ltd. separately and connected transactions were considered and approved and made an public announcement.

2017年4月28日公司召開第八屆董事會第十二次會議，2017年6月26日公司召開2016年年度股東大會，分別審議通過了關於天津天海高壓容器有限責任公司、寬城天海壓力容器有限公司分別與天津鋼管鋼鐵貿易有限公司簽訂《氣瓶管購銷框架合同》暨關聯交易的議案並對外公告。

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、重大關連交易

(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

Index for enquiry 查詢索引

For details, please refer to the announcements published on 28 April 2017 and 26 June 2017 on the websites of the Shanghai Stock Exchange (<http://www.sse.com.cn>) and Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and Shanghai Securities News.

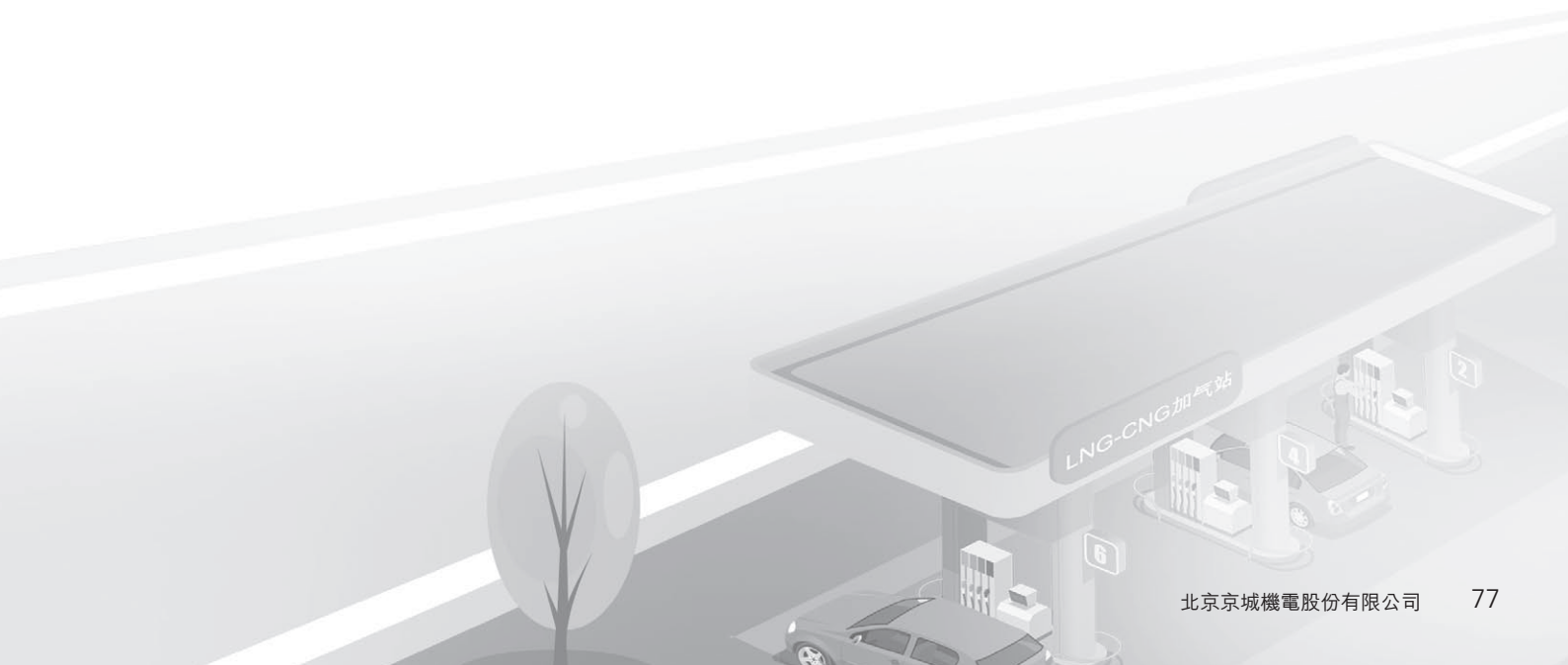
詳細內容見2017年4月28日和2017年6月26日上海證券交易所網站<http://www.sse.com.cn>；香港聯合交易所披露易網站<http://www.hkexnews.hk>；《上海證券報》公告。

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



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

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

Beijing Tianhai Industry Co., Ltd. ("Beijing Tianhai"), a subsidiary of the Company, entered into the Share Transfer Agreement on 6 April 2017 with Bill Zheng (鄭國祥) and Susan Guo (郭志紅) (the "Share Transferors"), the external individual shareholders of BTIC America Corporation ("BAC"), a controlled subsidiary of Beijing Tianhai. For details, please refer to the on the External Share Transfer Agreement Relating to the Acquisition of Shares of BTIC America Corporation by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company (Announcement No.: Lin 2017-011) disclosed by the Company on 6 April 2017. As the abovementioned share transfer constituted a connected transaction of the Company, the proposal on the acquisition of the external shares of BAC by Beijing Tianhai and connected transaction was considered and approved at the 22nd interim meeting of the eighth session of the Board on 6 April 2017.

On 3 August 2017, the Company was informed by Beijing Municipal Commission of Commerce that the above share transfer did not meet the latest national policies, that the relevant application and information would not be considered, hence, such share transfer cannot proceed. The Company made an announcement on the above matter, and for details, please refer to the Announcement on the External Share Transfer Agreement Relating to the Acquisition of Shares of BTIC America Corporation by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company, not taking effect (Announcement No.: Lin 2017-033) disclosed by the Company on 3 August 2017.

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、重大關連交易(續)

(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

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

公司子公司北京天海工業有限公司(以下簡稱「北京天海」)與北京天海控股子公司天海美洲公司(以下簡稱「天海美洲」或「BAC」)外方自然人股東鄭國祥和郭志紅(以下簡稱「股權轉讓方」)於2017年4月6日簽署了《股權轉讓協議》。具體內容詳見2017年4月6日披露的《關於公司子公司北京天海工業有限公司收購天海美洲公司外方股權暨關聯交易的公告》(公告編號：臨2017-011號)。因上述股權轉讓事項構成了關聯交易，2017年4月6日經公司第八屆董事會第二十二次臨時會議審議通過關於公司子公司北京天海工業有限公司收購天海美洲公司外方股權暨關聯交易的議案。

2017年8月3日，公司接到北京市商務委員會通知，上述股權轉讓項目不符合國家最新政策，相關申請及資料不予受理，因此該項目已無法繼續推進。8月3日，對上述事項進行了公告，具體內容見公告《關於公司子公司北京天海工業有限公司簽署收購天海美洲公司外方股權轉讓協議未生效的公告》(公告編號：臨2017-033)

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

- Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation**
 Applicable Not applicable
- Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation**
 Applicable Not applicable
- Matters which were not disclosed in extraordinary announcements**
 Applicable Not applicable

(iv) Related creditor's right and debt transactions

- Matters disclosed in extraordinary announcements without progress or change in the follow-up implementation**
 Applicable Not applicable
- Matters disclosed in extraordinary announcements with progress or change in the follow-up implementation**
 Applicable Not applicable
- Matters which were not disclosed in extraordinary announcements**
 Applicable Not applicable

十四、重大關連交易(續)

(三) 共同對外投資的重大關聯交易

- 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
- 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
- 臨時公告未披露的事項
 適用 不適用

(四) 關聯債權債務往來

- 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
- 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
- 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	1,445,056.73	9,180,048.36	10,625,105.09	3,340.00	1,577,452.28	1,580,792.28
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Associate 聯營公司	9,147,887.45	4,516,478.49	13,664,365.94		5,191,239.08	5,191,239.08
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. 北京京城控股有限責任公司	Controlling Shareholder(s) 控股股東				247,900,000.00	-83,000,000.00	164,900,000.00
Beijing No. 1 Machine Tool 北京第一機床	Wholly-owned subsidiary of parent company 母公司的全資子公司					395,000.00	395,000.00
Tianjin Steel Pipe and Steel Trade Co., Ltd. 天津鋼管鋼鐵貿易有限公司	Other related party 其他關聯人				21,452,293.35	-17,391,570.91	4,060,722.44
Tianjin Seamless Investment Co. Ltd. 天津大無縫投資有限責任公司	Other related party 其他關聯人				1,704,203.53	41,676.30	1,745,879.83
Total 合計		10,592,944.18	13,696,526.85	24,289,471.03	272,262,064.15	-93,186,203.25	179,075,860.90

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 2017, the Group has entered into connected transactions with the following entities which was regarded as the connected persons of the Company according to the Hong Kong 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) The Company holds 100% interest in Beijing Tianhai, which in return holds 51% interest in BAC and thus a controlling shareholder of BAC. Each of Bill Zheng (鄭國祥) and Susan Guo (郭志紅) currently holds 24.5% interest in BAC, therefore, Bill Zheng (鄭國祥) and Susan Guo (郭志紅) are the substantial shareholders of BAC and thus the connected persons of the Company at the subsidiary level.
- (3) Tianhai Seamless is a controlling shareholder of Tianjin Tianhai holding 45% interest in Tianjin Tianhai. Both Tianhai Seamless and Tianjin Pipe Steel Trade Co., Ltd ("Tianjin Pipe") are the wholly-owned subsidiaries of Tianjin Pipe Group Co. Ltd.. Therefore, Tianjin Pipe is an associate of Tianjin Seamless and also a connected person of the Company at the subsidiary level.

The details of the connected transaction and the continuing connected transaction for the year ended 31 December 2017 were set out below:

Connected transactions

- (1) 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 100m³. 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 100m³ 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 100m³ 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、重大關連交易(續)

(五) 其他

適用 不適用

截至2017年12月31日，本集團已與下列根據香港上市規則被視為本公司關連人士的實體訂立關連交易：

- (1) 北京柯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連人士。
- (2) 公司持有北京天海100%股權，北京天海持有天海美洲51%股權，為天海美洲的控股股東；鄭國祥和郭志紅現各持有天海美洲24.5%股權，因此鄭國祥和郭志紅分別為本公司之主要股東且為本公司附屬公司層面的關連人士。
- (3) 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鋼鐵貿易有限公司(「天津鋼管」)均為天津鋼管集團股份有限公司的全資附屬公司。因此，天津鋼管為天津大無縫的聯繫人及本公司附屬公司層面的關連人士。

截至2017年12月31日止年度的關連交易及持續關連交易詳情載列如下：

關連交易

- (1) 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。



Section 7 Important Matters

第七節 重要事項

XIV. Material connected transactions (continued)

(v) Others (continued)

- (2) On 6 April 2017, pursuant to the Share Transfer Agreement Beijing Tianhai intended to acquire a total of 49% equity interest of BAC from Bill Zheng (鄭國祥) and Susan Guo (郭志紅) at an amount of US\$3,430,000. The cash consideration in the sum of US\$3,430,000 will be paid in two installments (i) 20% of the consideration, being US\$686,000, shall be paid within 20 Business Days after the date of the Share Transfer Agreement; and (ii) 80% of the consideration, being US\$2,744,000, shall be paid within 20 Business Days after Bill Zheng and Susan Guo have delivered each of their share certificates of BAC to the escrow agent. On 3 August 2017, as the related application and information of the Share Transfer Agreement were not considered by the Beijing Municipal Commission of Commerce, the Share Transfer Agreement entered into between Beijing Tianhai and Bill Zheng and Susan Guo has not taken effect.

Continuing connected transactions

- (1) On 28 April 2017, Tianjin Tianhai and Kuancheng Tianhai, both wholly-owned subsidiaries of the Company, entered into the Gas Cylinder Pipe Sale and Purchase Framework Agreements with Tianjin Pipe, pursuant to which the annual caps of Tianjin Tianhai and Kuancheng Tianhai for procurement of gas cylinder pipes from Tianjin Pipe for a term of 3 years commencing from 1 January 2017 to 31 December 2019 are RMB300 million and RMB200 million respectively. On 26 June 2017, the resolution on the entering into the Gas Cylinder Pipe Sale and Purchase Framework Agreements and the continuing connected transactions between Tianjin Tianhai and Tianjin Pipe and between Kuancheng Tianhai and Tianjin Pipe was considered and approved at the general meeting.

During the Reporting Period, the above continuing connected transactions were carried out in accordance with the above 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 Hong Kong 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.

Save as disclosed above, the Directors consider that those material related party transactions disclosed in Note X to the financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Hong Kong Listing Rules which are required to comply with any of the reporting, announcement or independent shareholders' approval requirements under the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements under Chapter 14A of the Listing Rules.

十四、重大關連交易(續)

(五) 其他(續)

- (2) 2017年4月6日，根據股權轉讓協議北京天海擬以3,430,000美元收購鄭國祥和郭志紅將持有天海美洲共計49%的股權。總額3,430,000美元的現金代價將分兩期支付：(i) 20%的代價(即686,000美元)將於股權轉讓協議日期後20個工作日內支付；及(ii) 80%的代價(即2,744,000美元)將於及鄭國祥和郭志紅向托管機構遞交彼等於天海美洲之股票後20個工作日內支付。於2017年8月3日，由於股權轉讓協議的相關申請及資料北京市商務委員會未予受理，所以北京天海與鄭國祥和郭志紅簽署的股權轉讓協議未生效。

持續關連交易

- (1) 2017年4月28日，本公司的附屬公司天津天海、寬城天海分別與天津鋼管訂立氣瓶管購銷框架合同，據此自2017年1月1日至2019年12月31日止三年期內，天津天海向天津鋼管採購氣瓶管的年度金額上限為3億元人民幣，寬城天海向天津鋼管採購氣瓶管的年度金額上限為2億元人民幣。2017年6月26日，股東大會審議通過關於天津天海、寬城天海分別與天津鋼管簽訂《氣瓶管購銷框架合同》暨關連交易的議案。

報告期內，上述持續關連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連交易，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連交易，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。該等關連交易不會影響本公司獨立性。該等關連交易不存在損害本公司及其股東，特別是中小股東利益情形。

除上文所披露者外，董事認為財務報表附註X所披露的重大關連方交易並不屬於香港上市規則第14A章中須遵守香港上市規則項下的任何申報、公佈或獨立股東批准規定的「關連交易」或「持續關連交易」(視情況而定)的界定。董事確認本公司已遵從香港上市規則第14A章的披露規定。

Section 7 Important Matters

第七節 重要事項

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**
 - (1) **Overview of entrusted wealth management**
 Applicable Not applicable

Others
 Applicable Not applicable
 - (2) **Single entrusted wealth management**
 Applicable Not applicable

Others
 Applicable Not applicable
 - (3) **Impairment provision for entrusted wealth management**
 Applicable Not applicable
2. **Entrusted loans**
 - (1) **Overview of entrusted loans**
 Applicable Not applicable

Others
 Applicable Not applicable
 - (2) **Single entrusted loan**
 Applicable Not applicable

Others
 Applicable Not applicable
 - (3) **Impairment provision for entrusted loans**
 Applicable Not applicable
3. **Others**
 Applicable Not applicable

(iv) Other contracts of significance

- Applicable Not applicable

十五、重大合同及其履行情况

(一) 托管、承包、租賃事項

1. **托管情況**
 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) 委託他人進行現金資產管理的情況

1. **委託理財情況**
 - (1) **委託理財總體情況**
 適用 不適用

其他情況
 適用 不適用
 - (2) **單項委託理財情況**
 適用 不適用

其他情況
 適用 不適用
 - (3) **委託理財減值準備**
 適用 不適用
2. **委託貸款情況**
 - (1) **委託貸款總體情況**
 適用 不適用

其他情況
 適用 不適用
 - (2) **單項委託貸款情況**
 適用 不適用

其他情況
 適用 不適用
 - (3) **委託貸款減值準備**
 適用 不適用
3. **其他情況**
 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

Item 項目	Amount for the year 本年金額
Incentive grant for functions transfer and improvement by state-owned enterprises 國有企業疏解整治獎補	15,839,237.09
Suspension subsidies 停產補貼費用	1,383,800.00
Subsidies for occupational training and benefit plans 職業培訓福利計劃補貼	507,600.00
Incentive grant by Beijing Municipal Commission of Commerce 北京市商委會獎勵資金	250,256.00
Subsidies for outstanding enterprises and scientific and technological innovation teams 突出企業和科技創新團隊補貼	200,000.00
Subsidies of Beijing Environmental Protection Bureau for elimination and upgrade of old and used vehicles 北京環保局老舊車更新淘汰補助	85,500.00
Subsidies for economic growth of industries and enterprises in the first half of 2017 2017上半年工業企業經濟增長獎補資金	67,000.00
Technical standard funds of Science and Technology Committee of Chaoyang of Beijing 北京朝陽科學技術委員會技術標準資助	54,000.00
Outstanding Contribution Award for Addressing Employment Issue 解決勞動力就業突出貢獻獎	50,000.00
Subsidies for providing positions for disabled persons for the year 2015 to 2016 2015-2016年安置殘疾人崗位補貼	41,000.00
Employment subsidies for university students 大學生就業補助	35,007.94
Subsidies for addressing overcapacity of steel enterprises and providing positions for their employees 化解鋼鐵過剩產能企業人員安置補貼	25,000.00
Subsidies for occupational training and benefit plans, subsidies for personnel training and benefit plans 職業培訓福利計劃補貼、人才培訓福利計劃補貼	25,000.00
Incentive grant for energy conservation 節能獎勵基金	15,000.00
Development project of cylinders for hydrogen of 70MPa 70MPa氫氣瓶開發項目	2,000,000.00
Total 合計	20,578,401.03

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

Source 來源和依據
"Notice of Granting 2017 Capital Budget for National Capitals Operation" 《關於撥付2017年國有資本經營預算資金的通知》
The Finance Bureau of Langfang Economic and Technology Development Zone 廊坊市經濟技術開發區財政局
Jin Ren She Ju Fa [2015] No. 6 (津人社局發[2015]6號), Jin Zheng Fa [2014] No. 31 (津政發[2014]31號)
津人社局發[2015]6號、津政發[2014]31號
Appropriation from Beijing Municipal Commission of Commerce 來自北京市商務委員會的撥款
Lang Kai Gong [2017] No. 13 (廊開工【2017】13號)
廊開工【2017】13號
"Proposal for further promotion of elimination and upgrade of old and used motor vehicles of Beijing City" 《北京市進一步促進老舊機動車淘汰更新方案》
Jin Bao Fa Gai Bao [2017] No. 71 (津保發改報[2017]71號)
津保發改報[2017]71號
Notice in relation to the publishment of "Incentives for Establishment (Amendment) of Technical Standard of Chaoyang District" by Intellectual Property Office of Chaoyang district, Beijing 北京市朝陽區知識產權局關於印發《朝陽區技術標準制(修)訂資助辦法》的通知
Tongzhou District Huoxianzhen People's Government 通州區漣縣鎮人民政府
Appropriation from Disabled Persons' Federation of Chaoyang district, Beijing 北京市朝陽區殘疾人聯合會撥款
Ji Ren She Fa [2015] No. 57 (冀人社發【2015】57號)
冀人社發【2015】57號
Jin Ren She Ju Fa [2016] No. 80 (津人社局發[2016]80號)
津人社局發[2016]80號
Jin Ren She Ju Fa [2015] No. 6 (津人社局發[2015]6號), Jin Zheng Fa [2014] No. 31 (津政發[2014]31號)
津人社局發[2015]6號、津政發[2014]31號
Beijing Energy Conservation and Environmental Protection Centre 北京節能環保中心
Beijing Municipal Science & Technology Commission (北京市科學技術委員會)
北京市科學技術委員會

Section 7 Important Matters

第七節 重要事項

XVI.Explanation on other important matters

(continued)

2. Change in subsidiaries included in the scope of consolidation during the Reporting Period

There is one new subsidiary in respect of the consolidation scope as a result of the newly established Kuancheng Tianhai for the year.

On 7 April 2017, Beijing Tianhai Industry Co., Ltd. and Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. established Kuancheng Tianhai Pressure Vessel Co., Ltd. by way of joint contribution. The registered capital and paid-up capital of Kuancheng Tianhai Pressure Vessel Co., Ltd. are RMB81.5840 million and RMB81.5840 million respectively. Beijing Tianhai Industry Co., Ltd. contributed RMB49.8478 million in monetary capital and the right of use of technologies, holding 61.10% equity interests; while Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd. contributed RMB31.7362 million in the land use right, buildings and machinery equipment, holding 38.90% equity interests. Both parties owned equity interests based on the agreed capital contribution proportion.

3. The applicable rate of enterprise income tax for the Company was 25% during the Reporting Period.

4. The Audit Committee reviews the financial report during Reporting Period

The Audit Committee of the Board of the Company has reviewed and confirmed the financial report of 2017.

5. The Corporate Governance Practices

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.

6. The Model Code for Securities Transactions by Directors and Supervisors 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 2017.

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 shares.

十六、其他重大事項的說明(續)

2、報告期子公司納入合併範圍變更情況

本年因新設寬城天海壓力容器有限公司，合併範圍增加1戶。

2017年4月7日，北京天海工業有限公司與寬城升華壓力容器製造有限公司共同出資成立寬城天海壓力容器有限公司，寬城天海壓力容器有限公司註冊資本8,158.40萬元，實收資本8,158.40萬元。北京天海工業有限公司以貨幣資金、技術使用權出資4,984.78萬元，出資比例為61.10%；寬城升華壓力容器製造有限公司以土地使用權、房屋建築物及機器設備出資3,173.62萬元，出資比例為38.90%，雙方按約定的出資比例享有權益。

3、報告期公司企業所得稅的適用稅率為25%。

4、審計委員會審閱報告期財務報告情況

公司董事會之審計委員會已審閱並確認2017年財務報告。

5、企業管治常規守則

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。

6、董事及監事進行證券交易的標準守則於本報告期內，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2017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。

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股票。



Section 7 Important Matters

第七節 重要事項

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 2017, the Company further improved its corporate governance structure, filed the amendments to Articles of Association and specified the dominant role the Party plays in the state-owned enterprises to standardize the operation of the Company and enhance its internal control system. The Company strictly complied with the related requirements of CSRC to perform its corporate responsibilities and protect the interests of its shareholders and creditors. 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 a healthy and effective quality control system and focused on the enhancement of product quality. In the meantime, the Company, together with the party, organized various caring activities to listen to the thoughts of staff and do practical things for staff. The Company actively participated in the community welfare activities, such as planting trees, protecting green plants (植綠護綠活動) and making donations to charity, in order to make a positive contribution to the construction of a harmonious society.

1. Environment Protection

Along with the deterioration of air pollution in China, Beijing took the air quality improvement, which focused on the control of PM 2.5 (particular matters), as a significant livelihood project and put it in the first place. As a State-owned enterprise based in the capital, the Company actively fulfilled its social responsibilities. Beijing Tianhai has extensive experience in natural gas storage and transportation equipment and station construction. During the year, the Company developed deep cooperation with Beijing Gas Group Yanqing Branch, to vigorously promote LNG gas supply, improve the clean energy utilization ratio and significantly reduce air pollution, allowing the public to get tangible benefits. In addition, the Company continued to develop cooperation with Beijing Public Transportation Group to provide supporting products of LNG cylinders for Beiqi Foton clean energy demonstration buses. Currently, buses operated on Changan Street and Tiananmen routes are equipped with LNG automobile cylinders produced by the Company. The Company's LNG products are safely served in the buses in Beijing, and play an irreplaceable role in the environment control of the capital. Furthermore, the Company accomplished several supporting systems of passenger vehicle hydrogen supply, succeeded in obtaining the Type III cylinder orders of hydrogen fuel cell buses' demonstration routes in the Winter Olympics and made contributions to the idea of "athlete-oriented, sustainability and simple organization for the events (以運動員為中心、可持續發展、節儉辦賽)", demonstrating a good social image of the Company.

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

2017年，公司進一步完善了法人治理結構，完成了公司章程的修訂備案，明確了黨組織在國企中的領導作用，公司運作更加規範，內控制度更加完善健全；嚴格按照中國證監會相關要求，認真履行企業職責，較好地保護了股東和債權人權益；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、植綠護綠活動、愛心捐款等活動，為和諧社會建設做出積極貢獻。

1. 環境保護

隨著空氣污染的加劇，北京市把以治PM2.5(細顆粒物)為重點的空氣質量改善工作作為重大的民生工程，放在重要位置。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。今年與北京燃氣進行深度合作，大力推廣LNG點供氣化站，不斷提升清潔能源利用率，大幅減少空氣污染，讓市民切實從中得到實惠。另外繼續和北京公交集團開展合作，提供LNG瓶配套產品。目前，途經長安街和天安門等重要公交線路的公車上配套安裝的正是公司生產的LNG車用瓶，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。此外，公司今年完成了多款客車用供氣系統的配套，重點拿下了冬奧會氫燃料電池大巴車示範線路的三型瓶訂單，為冬奧會「以運動員為中心、可持續發展、節儉辦賽」的舉辦理念貢獻出企業的力量，展示了企業良好的社會形象。

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 (continued)

In order to expand the application of natural gas storage and transportation products, the Company, on the basis of providing relevant products for trucks, sedan and buses customers, developed CCS cylinders for vessels and accelerated strategic cooperation with heavy truck enterprises and the first and second-tier vehicle assembly plants to jointly explore the LNG cylinder market; constantly made technical innovation, improved product quality and created core competitiveness with pioneering courage and precise and practical work style to make various technical performance indicators of the products reach domestic leading, international first-class level.

In line with the positioning of core functions of the capital, the Company took the initiative to relocate and accelerate its transformation and upgrading. It cooperated with Kuancheng Shenghua Pressure Vessel Manufacturing Co., Ltd., a private enterprise, to establish Kuancheng Tianhai Pressure Container Co., Ltd, in order to achieve the integration of the brand advantage, quality advantage and technology advantage of Tianhai Industry with the regional advantage and cost advantage of Kuancheng Shenghua, marking that the strategic transformation and upgrading and reform of the Company has entered a new stage. In addition, the relocation of the production lines and evacuation of Beijing Tianhai and its subsidiaries has achieved steady progress. Main manufacturing equipment of the welded production department in Beijing Tianhai has relocated to Jiangsu Tianhai and the evacuation has almost finished. Jiangsu Tianhai has been put into operation. Impact extruded cylinders and fire-fighting cylinders of Langfang Tianhai are scheduled to relocate to Kuancheng Tianhai, and the evacuation has achieved steady progress. A series of work that have been carried out demonstrates the responsibilities of state-owned enterprises.

2. Protection of employees' interests

In accordance with laws, regulations and rules, the Company participates in pension and social insurances such as medical, unemployment, work injuries and maternity insurances and housing provident fund plan. 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.

The labor union completely fulfils its function to represent the interests of employees. It convenes and holds staff representative meetings to report the financial operation of the Company. We elected a chairman and a vice chairman for a new session of the labour union through democratic election procedures, amended the employee management rules (員工管理規則) and Regulations on Paid Annual Leave (帶薪年休假管理辦法) and passed the settle-down scheme of employees of welded production department in Beijing Tianhai Industry Co., Ltd. (北京天海工業有限公司焊接生產處人員安置方案), protecting the interest 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)

1. 環境保護(續)

為拓展天然氣儲運產品的應用，公司在原有為卡車、轎車、公交車客戶提供相關產品的基礎上，開發了CCS船用瓶項目，並加快了與重卡企業及一、二線整車廠的戰略合作，共同開拓LNG瓶市場，以敢為人先的勇氣和嚴謹務實的作風，不斷進行技術創新，提升產品品質，打造核心競爭力，使產品的各項技術性能指標達到了國內領先、國際一流的水平。

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，與民營企業一寬城升華壓力容器製造有限責任公司合作，成立寬城天海壓力容器有限公司，實現了天海工業的品牌優勢、質量優勢、技術優勢與寬城升華的區域優勢、成本優勢的有機融合，標誌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和人員疏散工作穩步推進，北京天海焊接生產處的主要生產設備已搬遷轉移到江蘇天海，人員疏散基本完成，江蘇天海已實現投產；廊坊天海的沖拔瓶和管制消防瓶生產線正在按計劃轉移至寬城天海，人員疏散穩步進行中；一系列工作的開展，有力彰顯了國企的責任擔當。

2. 職工權益保護情況

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。

工會充分履行代表職工利益的職能，組織召開多次員工代表大會，聽取公司經濟運營情況報告；按照相關民主程序選舉了新一屆的工會主席、副主席；修訂了《員工管理規則》和《帶薪年休假管理辦法》，通過了《北京天海工業有限公司焊接生產處人員安置方案》，切實維護了廣大員工的切身利益。



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)

It will procure enterprise construction in harmony with the society and achieve the evacuation. We implemented a dual selection approach to settle-down employees by respecting their wishes, doing our best to allocate jobs to those who accept the allocation, guarantee those who agree to retire and compensate those who are willing to negotiate. Cope with the interests between the company and employees and properly conclude the settle-down of employees. That employees leave in an orderly manner will lay a solid foundation for the transformation and upgrading of an enterprise.

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. The Labour Union actively organized "Ankang Cup"(安康杯) competition and carried out production safety standardized groups activities (安全生產標兵班組活動). It also increased efforts on the heatstroke prevention and cooling in summer and the inspection on safety production, the safe use of electricity and fire safety, and therefore enhanced the awareness of safety production and labor protection and further fulfilled the safety responsibility.

Under the conditions of insufficient office space, the labour union established "Nursing Rooms" equipped with refrigerators for nursing employees by coordinating between various parties, relieving their concerns. In addition, there are special physical examinations for female diseases. It took prompt actions to two malignant tumours events, upgraded the regular check to malignant tumor screening and provided grants of RMB2,000, maximizing the rights of female employees.

The Company has been doing well in the work related to the employees' wellbeing mutual help insurance. This year, the labour union contributed to the renewal of staff hospitalization medical mutual insurance and increased the mutual guarantee, and therefore relieved their concerns.

3. Enriching employee's spare time

The labour union strengthens the cultural construction of the company and actively organizes cultural and sport activities loved by employees with the combination of the characteristics of the Company. The Company spent lots of energy in the novelty and dynamic of activities to further meet the spirit and cultural demands of employees. Except for traditional activities, the Company organized the first E-sport competition followed by the trend, which was popular among the young employees, thus improving the teamwork ability.

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)

促進企業和諧建設，妥善完成人員疏解。員工安置充分尊重了員工意願，實行雙向選擇，努力做到服從分配有崗位，內部退養有保障，協商解除有補償，正確處理企業和員工的利益關係，妥善完成了安置工作。員工的穩定有序退出，為下一步企業的轉型升級打下了堅實的基礎。

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。工會積極組織員工開展了「安康杯」競賽和創建安全生產標兵班組活動，同時加強了夏季防暑降溫、安全生產大檢查、安全用電、消防安全等方面的巡查力度，增強了員工安全生產和勞動保護意識，促進了安全責任的進一步落實。

公司工會在辦公用房緊張的條件下，多方協調，為哺乳期女職工籌建了「媽咪屋」並配備了冰箱等設施，解除了女職工的後顧之憂；還為全體女職工進行了女性疾病的專項體檢，並對發現的兩起女性惡性腫瘤一事迅速做出反應，將常規檢查升級為惡性腫瘤篩查，同時給兩人發放了2,000元的特殊困補，切實使女工的權益得到了最大的保障。

做好職工安康互助保險相關工作。今年工會出資完成在職員工住院醫療互助保險續保工作，加強互助保障，解除職工後顧之憂。

3. 豐富員工業餘文化生活

工會抓好職工文化建設，結合本企業特點，積極組織開展了員工喜聞樂見的文體活動，注重形式新穎、活潑多樣，進一步滿足員工精神和文化方面的需求。除了傳統的活動項目，還舉辦了符合時代特點的首屆電子競技比賽，受到了年輕員工的喜愛，增強了團隊協作能力。

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. Public welfare and caring

In 2017, 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 320 donations which raised RMB 11,949.

The Company takes care of staff life and creates a harmonious atmosphere. The Company continued on “heart-warming” activities, personally visited model workers, persons having made contributions to the united work, retired executives and employees with difficulties or serious illness. In 2017, the labour union expressed condolence totaling 107 to key production and technical staff and employees having difficulties, visited labour models, employees having special difficulties and long-term diseases and injuries. The Company organized “Jingcheng learning-assistance”(京城助學) activity under the call of the government, and released RMB6,000 to each of the seven employees who have children admitted into university and provided school supplies to 29 employees who have children attending primary school, showing our encouragement to children’s education and eased their actual difficulties.

(iii) Environmental information

1. Description on the environment protection of the Company and its major subsidiaries falling under key sewage emission entities announced by the environment protection authorities of the PRC

Applicable Not applicable

2. Companies other than those falling under key sewage emission entities

Applicable Not applicable

3. Other descriptions

Applicable Not applicable

(iv) 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. 公益事業和關愛情況

2017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320人次捐款11,949元。

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。2017年，慰問生產技術骨幹和困難職工、走訪勞模、部分特困、長期病休員工等共計107人次。積極響應上級號召，開展了「京城助學」活動，對7名子女升入大學的職工發放了「京城助學」補助金6,000元，對29名子女入小學的職工發放了學生用品，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。

(三) 環境信息情況

1. 屬於環境保護部門公佈的重點排污單位的公司及其重要子公司的環保情況說明

適用 不適用

2. 重點排污單位之外的公司

適用 不適用

3. 其他說明

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

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

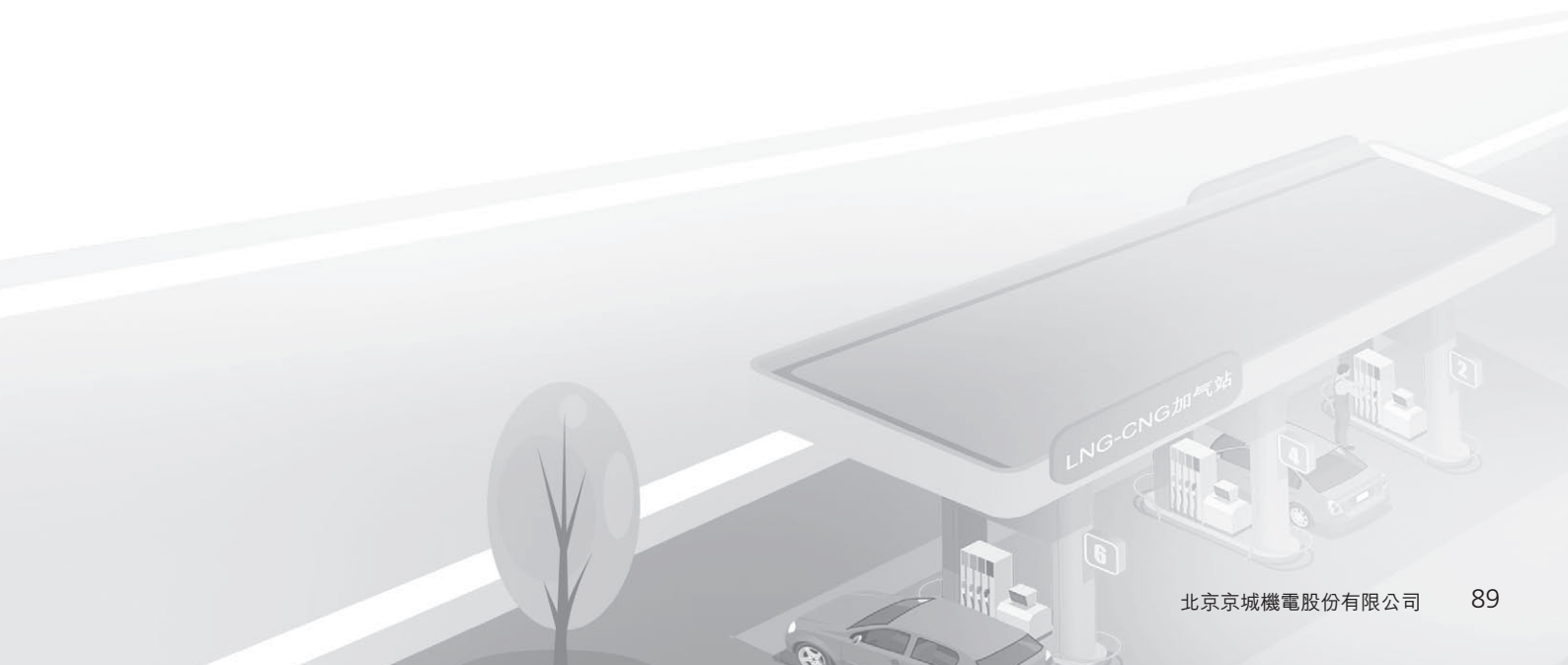
適用 不適用

(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

三、股東和實際控制人情況

(i) Total numbers of shareholders

(一) 股東總數

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)	16,353
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)	15,350
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)	0
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)	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 質押或凍結情況	Share status	Number	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	股份狀態	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	0	182,735,052	43.30	0	Nil 無	0	State-owned legal-person 國有法人	
HKSCC NOMINEES LIMITED HKSCC NOMINEES LIMITED	14,000	99,231,200	23.51	0	Unknown 未知	-	Unknown 未知	
Tsinghua Unigroup Co., Ltd. 紫光集團有限公司	4,321,994	4,321,994	1.02	0	Unknown 未知	-	Unknown 未知	
Dou Jinhua 竇錦華	2,613,252	2,613,252	0.62	0	Unknown 未知	-	Unknown 未知	
He Yong 何勇	1,290,900	2,182,900	0.52	0	Unknown 未知	-	Unknown 未知	
Wang Junmin 王軍民	1,526,466	1,526,466	0.36	0	Unknown 未知	-	Unknown 未知	
Yang Qing 楊慶	1,407,400	1,407,400	0.33	0	Unknown 未知	-	Unknown 未知	
Xu Rui 徐瑞	1,157,300	1,157,300	0.27	0	Unknown 未知	-	Unknown 未知	
Liao Lunwan 廖倫萬	1,140,000	1,140,000	0.27	0	Unknown 未知	-	Unknown 未知	
Lu Linying 呂琳瑛	1,004,853	1,004,853	0.24	0	Unknown 未知	-	Unknown 未知	

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)

(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

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		Overseas listed foreign shares	境外上市外資股	
Tsinghua Unigroup Co., Ltd.	紫光集團有限公司	4,321,994	Ordinary shares denominated in RMB	人民幣普通股	4,321,994
Dou Jinhua	竇錦華	2,613,252	Ordinary shares denominated in RMB	人民幣普通股	2,613,252
He Yong	何勇	2,182,900	Ordinary shares denominated in RMB	人民幣普通股	2,182,900
Wang Junmin	王軍民	1,526,466	Ordinary shares denominated in RMB	人民幣普通股	1,526,466
Yang Qing	楊慶	1,407,400	Ordinary shares denominated in RMB	人民幣普通股	1,407,400
Xu Rui	徐瑞	1,157,300	Ordinary shares denominated in RMB	人民幣普通股	1,157,300
Liao Lunwan	廖倫萬	1,140,000	Ordinary shares denominated in RMB	人民幣普通股	1,140,000
Lu Linying	呂琳瑛	1,004,853	Ordinary shares denominated in RMB	人民幣普通股	1,004,853

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，也未知其是否屬於《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 shareholding quantity explanation

Not applicable

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)

(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

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 2017, the Company did not issue any convertible securities, options, warrants or any other similar rights.

Top ten holders of shares subject to selling restriction and conditions

Applicable Not applicable

三、股東和實際控制人情況(續)

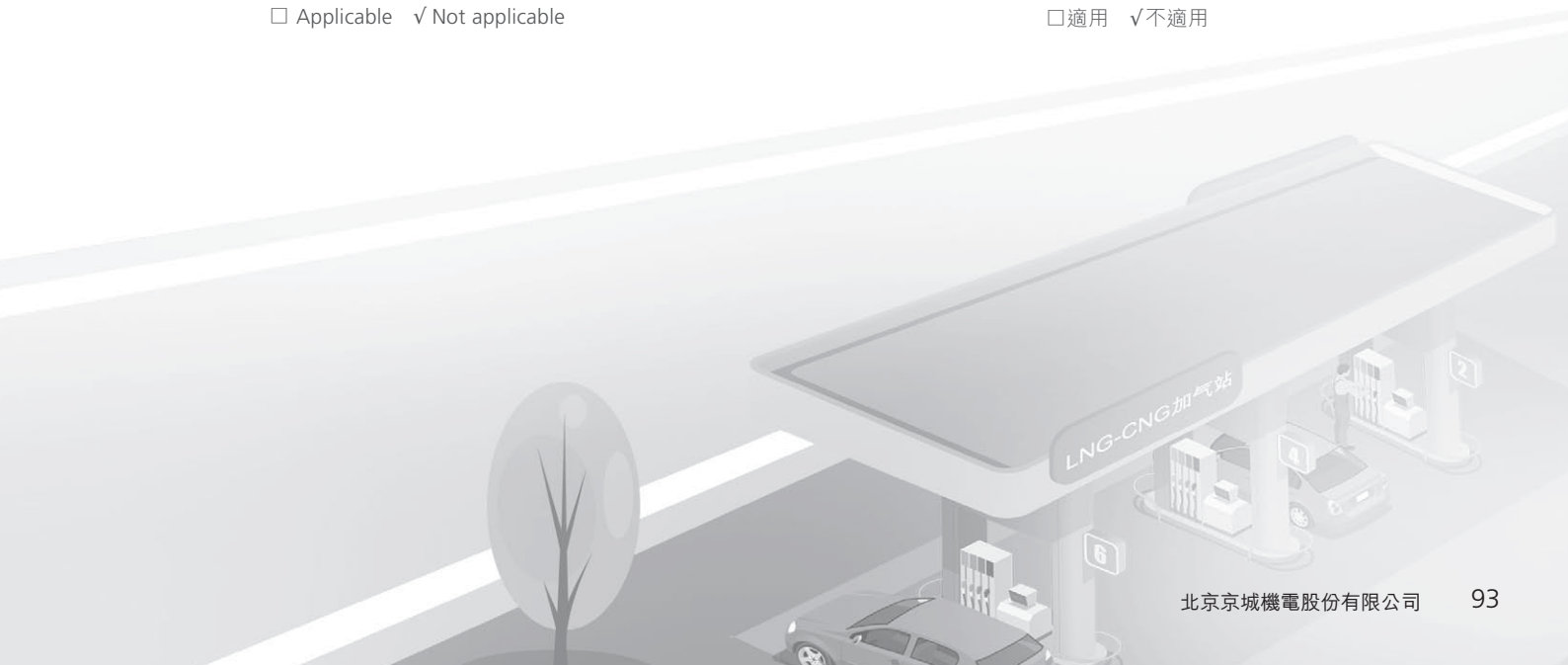
(二) 截止報告期末前十名股東、前十名流通股股東(或無限售條件股東)持股情況表

說明:

- (1) 公司前十名股東中北京京城機電控股有限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2017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。

前十名有限售條件股東持股數量及限售條件

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 10 名股東

適用 不適用

IV. Controlling shareholders and beneficial controller

(i) Controlling shareholder

1. Legal person

Applicable Not applicable

Name
名稱

Beijing Jingcheng Machinery Electric Holding Co., Ltd.
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

2. Natural person

Applicable Not applicable

2 自然人

適用 不適用

3. Special description concerning no controlling shareholder of the Company

Applicable Not applicable

3 公司不存在控股股東情況的特別說明

適用 不適用

4. Index and date of changes of controlling shareholder of the Company during the Reporting Period

Applicable Not applicable

4 報告期內控股股東變更情況索引及日期

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)

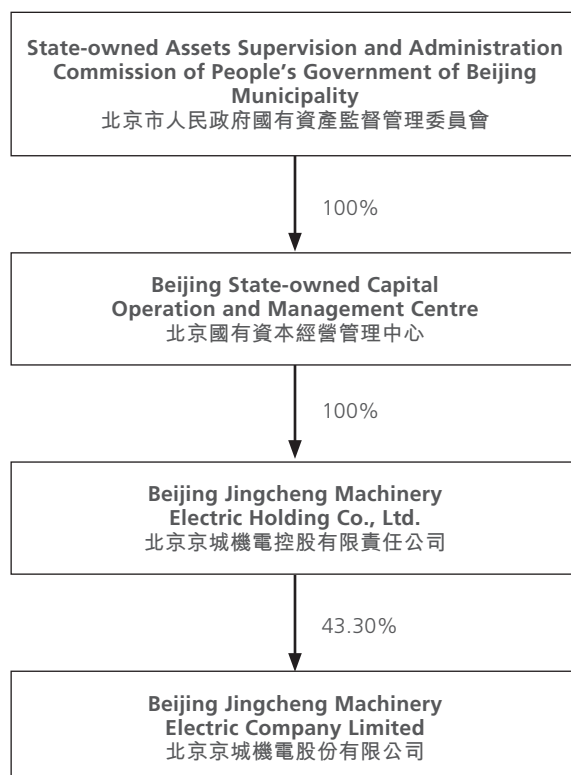
(i) Controlling shareholder (continued)

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(續)

(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



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)

(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(續)

(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. **實際控制人通過信託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

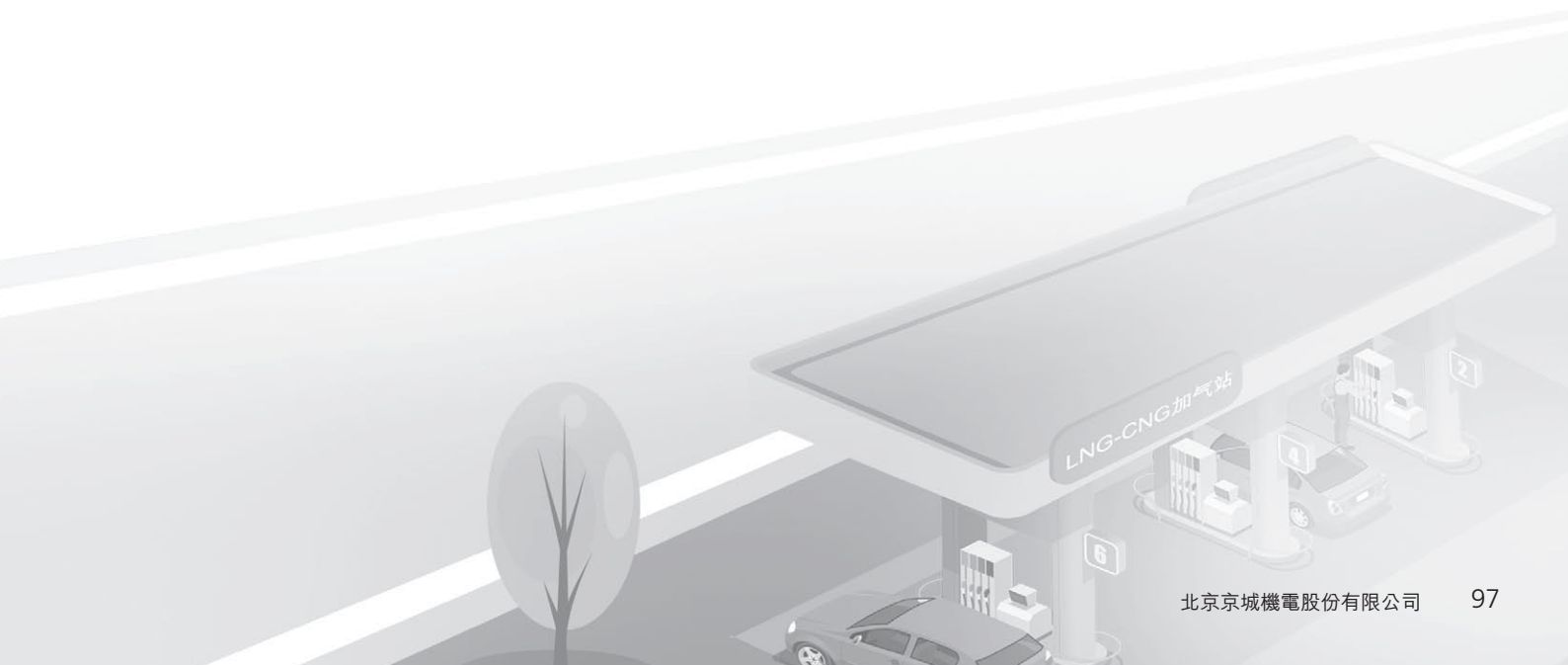


Section 9 Information about Preference Shares

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'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)	報告期在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	46	2015.12.11	2020.06.25	0	0	0	-	0	59.88	Yes 是
Li Junjie 李俊杰	Executive Director 執行董事	Male 男	40	2014.06.26	2020.06.25	0	0	0	-	48.83	0	No 否
Zhang Jiheng 張繼恒	Executive Director 執行董事	Male 男	42	2017.06.26	2020.06.25	0	0	0	-	24.42	0	No 否
Du Yuexi 杜躍熙	Non-executive Director 非執行董事	Male 男	58	2015.12.11	2020.06.25	0	0	0	-	0	67.82	Yes 是
Xia Zhonghua 夏中華	Non-executive Director 非執行董事	Male 男	53	2014.06.26	2020.06.25	0	0	0	-	0	45.21	Yes 是
Jin Chunyu 金春玉	Non-executive Director 非執行董事	Female 女	46	2015.06.09	2020.06.25	0	0	0	-	0	35.67	Yes 是
Li Chunzhi 李春枝	Non-executive Director 非執行董事	Female 女	40	2015.06.09	2020.06.25	0	0	0	-	0	27.80	Yes 是
Wu Yan 吳燕	Independent non-executive Director 獨立非執行董事	Female 女	70	2014.06.26	2020.06.25	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	59	2014.06.26	2020.06.25	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	50	2014.06.26	2020.06.25	0	0	0	-	6	0	No 否
Fan Yong 樊勇	Independent non-executive Director 獨立非執行董事	Male 男	45	2014.06.26	2020.06.25	0	0	0	-	6	0	No 否
Li Gejun 李革軍	Chairman of Supervisory Committee 監事長	Male 男	55	2017.06.26	2020.06.25	0	0	0	-	0	11.70	Yes 是
Li Zhe 李哲	Supervisor 監事	Male 男	51	2017.06.26	2020.06.25	0	0	0	-	21.86	0	No 否
Liu Guangling 劉廣領	Supervisor 監事	Male 男	54	2017.06.26	2020.06.25	0	0	0	-	22.56	0	No 否
Liu Zhe 劉哲	Deputy general manager 副總經理	Female 女	39	2017.06.27	2020.06.26	0	0	0	-	42.08	0	No 否
Jiang Chi 姜馳	Chief accountant 總會計師	Female 女	42	2014.06.26	2020.06.26	0	0	0	-	41.15	0	No 否
Shi Fengwen 石鳳文	Chief Engineer 總工程師	Male 男	47	2015.10.23	2020.06.26	0	0	0	-	41.96	0	No 否
Ma Tianying 馬天穎	General counsel 總法律顧問	Female 女	53	2017.04.06	2020.06.26	0	0	0	-	20.27	0	No 否
Luan Jie 樂杰	Secretary to the Board 董事會秘書	Male 男	36	2016.11.18	2020.06.26	0	0	0	-	52.88	0	No 否
Chen Changge 陳長革	Former executive director and general manager 原執行董事、總經理	Male 男	50	2015.12.11	2017.04.25	0	0	0	-	20.11	0	No 否
Fu Hongquan 付宏泉	Former non-executive Director 原非執行董事	Male 男	53	2015.06.09	2017.06.26	0	0	0	-	0	24.20	Yes 是
Chang Yun 常昀	Former chairman of Supervisory Committee 原監事長	Female 女	43	2015.06.09	2017.06.26	0	0	0	-	0	19.53	Yes 是
Wang Yiqing 王義青	Former supervisor 原監事	Male 男	45	2015.01.04	2017.06.26	0	0	0	-	27.07	0	No 否
Total 合計	/	/	/	/	/	49,001	43,001	0	-	387.19	291.81	/



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 Li Gejun, Li Zhe, Liu Guangling, Fu Hongquan, Chang Yun and Wang Yiqing is the aggregate amount for 6 months. The remuneration of Chen Changge is the aggregate amount for 4 months. The remuneration of Ma Tianying is the aggregate amount for 9 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.

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) 李革軍、李哲、劉廣嶺、付宏泉、常昀、王義青薪酬為6個月的合計數，陳長革薪酬為4個月的合計數，馬天穎薪酬為9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。

Name 姓名	Main work experiences 主要工作經歷
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Wang Jun	Chinese, male, aged 46. 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. He served as an executive Director of the eighth session of the Board of the Company from 10 December 2015 to 26 June 2017, and chairman of the eighth session of the Board of the Company from 11 December 2015 to 26 June 2017. Currently, he is a standing committee member of party committee, deputy general manager and general counsel of Beijing Jingcheng Machinery Electric Holding Co., Ltd., and an executive Director and chairman of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
王軍	中國國籍，男，46歲，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。2015年12月10日起至2017年6月26日任本公司第八屆董事會執行董事，2015年12月11日起至2017年6月26日任本公司第八屆董事會董事長。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，北京京城機電股份有限公司第九屆董事會執行董事、董事長。
Li Junjie	Chinese, male, aged 40. 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 an executive director of the eighth session of the Board of the Company from 16 December 2013 to 26 June 2017, and served as the general manager of the Company from 26 June 2014 to 10 December 2015 and from 25 April 2017 to 26 June 2017. He is currently the party secretary and chairman of Beijing Tianhai Industry Co., Ltd. He is an executive Director and general manager of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
李俊杰	中國國籍，男，40歲，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。2013年12月16日起至2017年6月26日任本公司第八屆董事會執行董事，2014年6月26日至2015年12月10日任本公司總經理。2017年4月25日至2017年6月26日任本公司總經理。現任北京天海工業有限公司黨委書記、董事長。北京京城機電股份有限公司第九屆董事會執行董事、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
Zhang Jiheng 張繼恒	Chinese, male, aged 42. He is the holder of a bachelor's degree and a senior engineer. Mr. Zhang served as the head of the first production division, deputy minister of the production department, assistant of general manager and deputy manager of Beijing Tianhai Industry Co., Ltd., the general manager of Langfang Tianhai High Pressure Container Co., Ltd. and the general manager of Beijing MinghuiTianhai Gas Storage Equipment Sales Co., Ltd.. He is currently the general manager of Beijing Tianhai Industry Co., Ltd. and an executive Director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited. 中國國籍，男，42歲，大學本科，高級工程師。張先生曾任北京天海工業有限公司生產一處處長、生產部副部長、總經理助理、副總經理。廊坊天海高壓容器有限公司總經理。北京明暉天海氣體儲運裝備銷售有限公司總經理。現任北京天海工業有限公司總經理，北京京城機電股份有限公司第九屆董事會執行董事。
Du Yuexi 杜躍熙	Chinese, male, aged 58. 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.. He served as an executive director of the eighth session of the Board of the Company from 10 December 2015 to 26 June 2017. Currently, he is the secretary of the branch of party and general manager of Beijing Jingcheng International Financing Lease Co., Ltd. and a non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited. 中國國籍，男，58歲，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。2015年12月10日起2017年6月26日任本公司第八屆董事會執行董事。現任北京京城國際融資租賃有限公司黨支部書記、總經理，北京京城機電股份有限公司第九屆董事會非執行董事。
Xia Zhonghua 夏中華	Chinese, male, aged 53. 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 served as a non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is currently the head of the property resource department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. and a non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited. 中國國籍，男，53歲，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。2014年6月26日起至2017年6月26日任本公司第八屆董事會非執行董事。現任北京京城機電控股有限責任公司房地產資源部部長，北京京城機電股份有限公司第九屆董事會非執行董事。



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

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
Jin Chunyu	Chinese, female, aged 46. 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. She served as a non-executive director of the eighth session of the Board of the Company from 9 June 2015 to 26 June 2017. Currently, she is the department head of planning and finance department of Beijing Jingcheng Machinery Electric Holding Co., Ltd and a non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
金春玉	中國國籍，女，46歲，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)，北京華捷電機股份有限公司監事會召集人。2015年6月9日起至2017年6月26日任本公司第八屆董事會非執行董事。現任北京京城機電控股有限責任公司計劃財務部部長，北京京城機電股份有限公司第九屆董事會非執行董事。
Li Chunzhi	Chinese, female, aged 40. She is the holder of a MBA degree and a middle-grade economist. Ms. Li served as the manager of translation and project of Beijing Mechanical Industry Automation Research Institute, product manager of product service department of Beijing Century Yinghua Information Technology Co., Ltd. (北京世紀盈華資訊技術有限公司) and investment management manager of the strategic and investment department of Beijing Jingcheng Machinery Electric Holding Co., Ltd.. She is currently the deputy minister of the investment and asset management department of Beijing Jingcheng Machinery Electric Holding Co., Ltd. and a non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
李春枝	中國國籍，女，40歲，工商管理碩士，中級經濟師。李女士曾任北京機械工業自動化研究所翻譯、項目經理。北京世紀盈華信息技術有限公司產品服務部產品經理。北京京城機電控股有限責任公司戰略與投資部投資管理主管。現任北京京城機電控股有限責任公司投資與資產管理部副部長，北京京城機電股份有限公司第九屆董事會非執行董事。
Wu Yan	Chinese, female, aged 70. She 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. She served as an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is a deputy secretary general and secretary general of China Gas Cylinders Standardization Technical Committee, and currently serves as the consultant of the committee. She is an independent non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
吳燕	中國國籍，女，70歲，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；2014年6月26日起至2017年6月26日任本公司第八屆董事會獨立非執行董事。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。北京京城機電股份有限公司第九屆董事會獨立非執行董事。

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 59. 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 served as an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. 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 and an independent non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
劉寧	中國國籍，男，59歲，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。2014年6月26日起至2017年6月26日任本公司第八屆董事會獨立非執行董事。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；民盟北京市委社會與法制委員會副主任；北京市工商聯執委。北京京城機電股份有限公司第九屆董事會獨立非執行董事。
Yang Xiaohui	Chinese, male, aged 50. 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 served as an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. He is currently the senior partner of Ruihua Certified Public Accountants and an independent non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
楊曉輝	中國國籍，男，50歲，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；2014年6月26日起至2017年6月26日任本公司第八屆董事會獨立非執行董事。現任瑞華會計師事務所高級合夥人。北京京城機電股份有限公司第九屆董事會獨立非執行董事。



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

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
Fan Yong	Chinese, male, aged 45. 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 served as an independent non-executive director of the eighth session of the Board of the Company from 26 June 2014 to 26 June 2017. 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公司), chairman of Shenzhen Houshi Network Technology Company Limited and an independent director of Shenzhen Fountain Corp., a listed company, and an independent non-executive director of the ninth session of the Board of Beijing Jingcheng Machinery Electric Company Limited.
樊勇	中國國籍，男，45歲，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；2014年6月26日起至2017年6月26日任本公司第八屆董事會獨立非執行董事。現任北京易匯金通資產管理有限公司創始合夥人，深圳市厚石網絡科技有限公司董事長，上市公司世紀星源獨立董事，北京京城機電股份有限公司第九屆董事會獨立非執行董事。
Li Gejun	Chinese, male, aged 55. He is a senior engineer. He had served as a technician, deputy director, deputy plant manager and plant manager in Beijing Hydraulic Parts Factory (北京液壓件廠). He was also the assistant of the general manager, deputy general manager, secretary of discipline inspection commission and chairman of labour union of Beijing Huade Hydraulics Industrial Group Co., Ltd. and the general manager and chairman of Beijing Minghui Tianhai Gas Storage and Transportation Equipment Sale Co., Ltd.. He is currently a supervisor at Beijing Jingcheng Machinery Electric Holding Co., Ltd.'s despatched supervisory office, a supervisor and chairman of Supervisory Committee of the ninth session of the Supervisory Committee of Beijing Jingcheng Machinery Electric Company Limited.
李革軍	中國國籍，男，55歲，高級工程師。李先生曾任北京液壓件廠技術員、副科長、副廠長、廠長。北京華德液壓工業集團公司總經理助理、副總經理、紀委書記、工會主席。現任北京京城機電控股有限責任公司外派監事辦公室監事，北京京城機電股份有限公司第九屆監事會監事、監事長。
Li Zhe	Chinese, male, aged 51, university graduate with a bachelor's degree, an engineer. He had served as the head of the first production division, deputy director and director of production division, assistant of general manager and deputy general manager of Beijing Tianhai Industry Co., Ltd.. He is currently the deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Beijing Tianhai Industry Co., Ltd. and a supervisor of Supervisory Committee of the ninth session of the Supervisory Committee of Beijing Jingcheng Machinery Electric Company Limited.
李哲	中國國籍，男，51歲，大學本科、工程師。李先生曾任北京天海工業有限公司生產一處處長、生產部副部長、部長、總經理助理、副總經理，北京明暉天海氣體儲運裝備銷售有限公司總經理、董事長。現任北京天海工業有限公司黨委副書記、紀委書記、工會主席，北京京城機電股份有限公司第九屆監事會監事。

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 Guangling	Chinese, male, aged 54, is a university graduate and an engineer. Mr. Liu served as deputy manager of Beijing Tianhai Metal Construction Materials' branch company; the head of the production department, the head of the quality control department, the manager representative, an assistant to general manager and the head of human resources department of Beijing Tianhai Industrial Co., Ltd.; the director of the production management department, the deputy manager and the chairman of Tianjin Tianhai High Pressure Cylinder Co., Ltd.. Mr. Liu possesses work experience in various aspects, including human resources management. Mr. Liu is currently and the head of organization department and promotion department of Party Committee of Beijing Tianhai Industry Co., Ltd. and a supervisor of Supervisory Committee of the ninth session of the Supervisory Committee of Beijing Jingcheng Machinery Electric Company Limited.
劉廣嶺	中國國籍，男，54歲，大學畢業，工程師。劉先生曾任北京天海金屬建材分公司副經理；北京天海工業有限公司生產一處長、質管處處長、管理者代表、總經理助理、人力資源部部長；天津天海高壓容器有限責任公司生產管理處處長、副總經理、董事長。劉先生具有人力資源管理等方面的工作經歷和經驗。劉先生現任北京天海工業有限公司黨委組織部部長、黨委宣傳部部長，北京京城機電股份有限公司第九屆監事會監事。
Liu Zhe	Chinese, female, aged 39. She is a senior policy advisor with a bachelor's degree in engineering and a master degree in business administration. 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., deputy party secretary, secretary of discipline inspection commission and chairman of labour union of Beijing Tianhai Industry Co., Ltd.. She served as chairman of the Supervisory Committee of the Company from 16 December 2013 to 8 June 2015, executive Director of the Company from 9 June 2015 to 23 October 2015 and a Supervisor of the Company from 10 December 2015 to 26 June 2017. She is currently deputy general manager of Beijing Tianhai Industry Co., Ltd and deputy general manager of Beijing Jingcheng Machinery Electric Company Limited.
劉哲	中國國籍，女，39歲，工學學士，工商管理碩士，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。2013年12月16日至2015年6月8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日至2017年6月26日任本公司監事。現任北京天海工業有限公司副總經理，北京京城機電股份有限公司副總經理。
Jiang Chi	Chinese, female, aged 42, 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. She served as an executive Director of the Company from 29 May 2012 to 23 October 2015, served as the secretary to the Board from 26 June 2014 to 18 November 2016, and served as the chief accountant of the Company from 26 June 2014 to 26 June 2017. 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 and the chief accountant of Beijing Jingcheng Machinery Electric Company Limited.
姜馳	中國國籍，女，42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。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日至2017年6月26日任公司總會計師。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，北京京城機電股份有限公司總會計師。



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

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
Shi Fengwen	Chinese, male, aged 47. 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.. He served as the Chief Engineer of the Company from 23 October 2015 to 26 June 2017. Currently, he is the chief engineer and director of technology department of the board of Beijing Tianhai Industry Co., Ltd. and the Chief Engineer of Beijing Jingcheng Machinery Electric Company Limited.
石鳳文	中國國籍，男，47歲，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。2015年10月23日至2017年6月26日任本公司總工程師。現任北京天海工業有限公司總工程師兼技術質量管理部部长、北京京城機電股份有限公司總工程師。
Ma Tianying	Chinese, female, aged 53, was a doctoral student and is a senior engineer. Ms. Ma was vice director of quality inspection division, science and technology quality department, director of strategic planning department, vice director of securities department of Jincheng Holding; vice factory director of Beijing No. 2 Machine Tool Factory, head of enterprise planning department and technical vice director of Beijing No. 1 Machine Tool Factory; head of enterprise planning department, human resources department, director of the office of the board of directors and head of strategic planning of Beijing Beiyi Machine Tool Co., Ltd. She was general counsel of the Company from 6 April 2017 to 26 June 2017. Currently, she is general counsel of Beijing Tianhai Industry Co., Ltd and general counsel of Beijing Jingcheng Machinery Electric Company Limited.
馬天穎	中國國籍，女，53歲，博士研究生，高級工程師。馬女士曾任京城控股科技質量部質量監督處處長、戰略規劃部部長、證券部副部長；北京第二機床廠副廠長；北京第一機床廠企業規劃部部長、技術副廠長；北京北一機床股份有限公司企業規劃部部長、人力資源部、董事會辦公室主任、戰略規劃部部長。2017年4月6日至2017年6月26日任本公司總法律顧問。現任北京天海工業有限公司總法律顧問，北京京城機電股份有限公司總法律顧問。
Luan Jie	Luan Jie, Chinese, male, aged 35. He has 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 was the secretary to the Board of the Company from 18 November 2016 to 26 June 2017. He is currently the secretary to the Board of Beijing Jingcheng Machinery Electric Company Limited.
樂杰	樂杰，中國國籍，男，35歲，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日至2017年6月26日任本公司董事會秘書。現任北京京城機電股份有限公司董事會秘書。

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)

(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)

(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

II. Positions of current and the resigned Directors, Supervisors and Senior Management Officers during the Reporting Period

(i) Positions in Shareholder Entities

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

(一) 在股東單位任職情況

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 王軍	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Standing committee member of party committee, deputy general manager and general counsel 黨委常委、副總經理、總法律顧問	19 September 2011 2011年9月19日	
Xia Zhonghua 夏中華	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Head of the property resource department 房地資源部部長	28 April 2015 2015年4月28日	
Jin Chunyu 金春玉	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Assistant of the general manager, head of planning and finance department 總經理助理、計劃財務部部長	27 March 2014 2014年3月27日	
Li Chunzhi 李春枝	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Deputy head of the investment and Asset management department 投資資產管理部副部長	29 June 2016 2016年6月29日	
Li Gejun 李革軍	Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Despatched supervisor of despatched supervisory office 外派監事辦公室外派監事	2016年6月29日 22 March 2017 2017年3月22日	
Description of Positions in Shareholder Entities 在股東單位任職情況的說明	Not applicable 不適用			

(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

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

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、高級管理人員報酬由董事會薪酬與考核委員會擬定方案，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。

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。



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

III. Remunerations of Directors, Supervisors and Senior Management Officers (continued)

√ Applicable □ Not applicable

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

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

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)」。

3.8719 million

387.19萬元

三、董事、監事、高級管理人員報酬情況(續)

√適用 □不適用

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
Wang Jun 王軍	Chairman 董事長	Elected 選舉	Elected as the chairman of the ninth session of the Board 選舉為第九屆董事會董事長
Li Junjie 李俊杰	Executive Director 執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Zhang Jiheng 張繼恒	Executive Director 執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Du Yuexi 杜躍熙	Non-executive director 非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Xia Zhonghua 夏中華	Non-executive director 非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Jin Chunyu 金春玉	Non-executive director 非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Li Chunzhi 李春枝	Non-executive director 非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Wu Yan 吳燕	Independent non-executive director 獨立非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Liu Ning 劉寧	Independent non-executive director 獨立非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Yang Xiaohui 楊曉輝	Independent non-executive director 獨立非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事
Fan Yong 樊勇	Independent non-executive director 獨立非執行董事	Elected 選舉	Elected as the director of the ninth session of the Board 選舉為第九屆董事會董事

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 (continued)

四、公司董事、監事、高級管理人員變動情況(續)

Name 姓名	Position 擔任的職務	Change 變動情形	Reason for change 變動原因
Li Gejun 李革軍	Chairman of Supervisory Committee 監事長	Elected 選舉	Elected as the chairman of the ninth session of Supervisory Committee 選舉為第九屆監事會監事長
Li Zhe 李哲	Supervisor 監事	Elected 選舉	Elected as the supervisor of the ninth session of Supervisory Committee 選舉為第九屆監事會監事
Liu Guangling 劉廣嶺	Supervisor 監事	Elected 選舉	Elected as the employee supervisor of the ninth session of Supervisory Committee 職工大會選舉為第九屆監事會職工監事
Li Junjie 李俊杰	General manager 總經理	Appointed 聘任	Appointed as the general manager 聘任為總經理
Luan Jie 樂杰	Secretary to the Board 董事會秘書	Appointed 聘任	Appointed as the secretary to the Board 聘任為董事會秘書
Liu Zhe 劉哲	Deputy general manager 副總經理	Appointed 聘任	Appointed as the deputy general manager 聘任為副總經理
Jiang Chi 姜馳	Chief accountant 總會計師	Appointed 聘任	Appointed as the chief accountant 聘任為總會計師
Shi Fengwen 石鳳文	Chief engineer 總工程師	Appointed 聘任	Appointed as the chief engineer 聘任為總工程師
Ma Tianying 馬天穎	General counsel 總法律顧問	Appointed 聘任	Appointed as the general counsel 聘任為總法律顧問
Chen Changge 陳長革	Former director and general manager 原董事、總經理	Resigned 離任	Reason for change of job 工作變動原因
Fu Hongquan 付宏泉	Former non-executive director 原非執行董事	Resigned 離任	Reason for change of job 工作變動原因
Chang Yun 常昀	Former chairman of Supervisory Committee 原監事長	Resigned 離任	Reason for change of job 工作變動原因
Liu Zhe 劉哲	Former supervisor 原監事	Resigned 離任	Reason for change of job 工作變動原因
Wang Yiqing 王義青	Former supervisor 原監事	Resigned 離任	Reason for change of job 工作變動原因



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

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

六、本公司和主要子公司的員工情況

(i) Details of staff

(一) 員工情況

Number of existing employees of the Parent Company 母公司在職員工的數量	14
Number of existing employees of major subsidiaries 主要子公司在職員工的數量	1,595
Total number of existing employees 在職員工的數量合計	1,595
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	431

Type of professions

專業構成

Professions 專業構成類別		Number of persons 專業構成人數
Production staff 生產人員		931
Sales staff 銷售人員		107
Technical staff 技術人員		106
Financial staff 財務人員		31
Administrative staff 行政人員		205
Others 其他		215
Total	合計	1,595

Educational Background

教育程度

Education level 教育程度類別		Number of persons 數量(人)
University graduates or above 大學本科及以上		277
Associate degree 大專		155
Secondary technical graduates 中專		427
Senior high school graduates and below 高中及以下		736
Total	合計	1,595

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)

(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. In June 2015, the wages contracting program was implemented to improve the salary management system of the Company and the remuneration management system to truly reflect the hard work and stimulate the enthusiasm of staff.

(iii) Training Plan

Applicable Not applicable

Throughout 2017, a total of 169 trainings involving 2,058 persons were organized according to the annual training program, and the number of training hours per staff reached 20.07 hours. The Company organized the trainings on product knowledge, quality regulatory standards of industry, discipline inspection, construction of the Party's working style and its clean and honest administration, position and quality enhancement, etc..

(iv) 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

VII. Others

Applicable Not applicable

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。2015年6月開始實施部門工資包干方案，完善公司薪酬管理制度，真正體現多勞多得，激發員工的工作積極性。

(三) 培訓計劃

適用 不適用

2017年年根據《年度培訓計劃》共計完成了169場培訓，共涉及2,058培訓人次，人均培訓課時達20.07小時。根據公司年度培訓計劃內容，公司組織了產品知識培訓、行業質量規範標準培訓、紀檢培訓、黨風廉政建設培訓、崗位資格培訓、素質拓展培訓等等。

(四) 勞務外包情況

適用 不適用

32,840 hours
 32,840 小時
 RMB448,000
 448,000 元

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 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.

一、公司治理相關情況說明

√適用 □不適用

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，充分尊重和維護股東利益，特別是中小股東享有的地位和充分行使自己的權利，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迴避，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；董事會議案能夠充分討論，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，充分發揮董事會專業委員會和四位獨立非執行董事的作用。

Section 11 Corporate Governance

第十一節 公司治理

I. Information on Corporate Governance (continued)

- 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.
- 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.
- 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

II. Introduction to the General Meetings

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
2016 Annual General Meeting 2016年年度股東大會	2017.06.26 2017.06.26	http://www.sse.com.cn http://www.sse.com.cn	2017.06.26 2017.06.26
2017 First Extraordinary General Meeting 2017年第一次臨時股東大會	2017.09.04 2017.09.04	http://www.sse.com.cn http://www.sse.com.cn	2017.09.04 2017.09.04

General meetings

Applicable Not applicable

一、公司治理相關情況說明(續)

- 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。
- 關於相關利益者公司能夠充分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。
- 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

二、股東大會情況簡介

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 at Board meetings 參加董事會情況				Number of absence 缺席次數	Attendance at general meetings 參加股東大會情況	
			Attendance in person 親自出席次數	Attendance by communication equipment 以通訊方式參加次數	Attendance by proxy 委托出席次數	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	
Wang Jun 王軍	No 否	9	8	1	0	0	No 否	2	
Li Junjie 李俊杰	No 否	9	8	1	0	0	No 否	2	
Zhang Jiheng 張繼恒	No 否	5	4	1	0	0	No 否	1	
Du Yuexi 杜躍熙	No 否	9	8	1	0	0	No 否	2	
Xia Zhonghua 夏中華	No 否	9	8	1	0	0	No 否	2	
Jin Chunyu 金春玉	No 否	9	8	1	0	0	No 否	2	
Li Chunzhi 李春枝	No 否	5	4	1	0	0	No 否	1	
Chen Changge 陳長革	No 否	2	2	0	0	0	No 否	0	
Fu Hongquan 付宏泉	No 否	4	4	0	0	0	No 否	1	
Wu Yan 吳燕	Yes 是	9	8	1	0	0	No 否	2	
Liu Ning 劉寧	Yes 是	9	8	1	0	0	No 否	2	
Yang Xiaohui 楊曉輝	Yes 是	9	8	1	0	0	No 否	1	
Fan Yong 樊勇	Yes 是	9	7	1	1	0	No 否	2	

Description of absence from two consecutive Board meetings in person

Applicable Not applicable

連續兩次未親自出席董事會會議的說明

適用 不適用

Number of Board meetings during the year 9

年內召開董事會會議次數

Of which: number of meetings convened on-site 8

其中：現場會議次數

Number of meetings convened by communication equipment 1

通訊方式召開會議次數

Number of meetings both on-site and by communication equipment 0

現場結合通訊方式召開會議次數

Section 11 Corporate Governance

第十一節 公司治理

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

- On 25 April 2017, Mr. Chen Changge submitted his resignation to the Board of the Company to resign from the positions of the executive director, general manager, member of the remuneration and monitoring committee and member of the nomination committee of the Company.
- At the twenty-third extraordinary meeting of the eighth session of the Board of the Company held on 25 April 2017, the election of Mr. Li Junjie as the general manager of the Company, with a term of office from 25 April 2017 to 2016 annual general meeting, was considered and approved.
- At the 2016 annual general meeting of the Company held on 26 June 2017, the election of Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as the executive directors of the ninth Board, the election of Mr. Du Yuexi, Mr. Xia Zhonghua, Ms. Jin Chunyu and Ms. Li Chunzhi as the non-executive directors of the ninth Board, and the election of Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as the independent non-executive directors of the ninth Board, with a term of office from 26 June 2017 to 2019 annual general meeting, were considered and approved.

The election of Mr. Li Gejun and Mr. Li Zhe as the supervisors of the ninth session of the Supervisory Committee of the Company, with a term of office from 26 June 2017 to 2019 annual general meeting, was considered and approved. Ms. Chang Yun ceased to be the supervisor and chairman of the Supervisory Committee of the Company, while Ms. Liu Zhe ceased to be the supervisor of the Company.

- The Company convened a meeting for all employees on 26 June 2017, at which Mr. Liu Guangling was elected as the employee supervisor of the ninth session of the Supervisory Committee of the Company with a term commencing from 26 June 2017 and ending at the conclusion the 2019 annual general meeting. Mr. Wang Yiqing ceased to be the supervisor of the Company.

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

- 2017年4月25日，陳長革先生向本公司董事會提出辭職，不再擔任本公司執行董事、總經理、薪酬與考核委員會委員及提名委員會委員的職務。
- 本公司2017年4月25日召開的第八屆董事會第二十三次臨時會議，審議通過聘任李俊杰先生擔任公司總經理，任期自2017年4月25日至2016年度股東周年大會止。
- 本公司2017年6月26日召開的2016年年度股東大會，審議通過選舉王軍先生、李俊杰先生、張繼恒先生為第九屆董事會執行董事，選舉杜躍熙先生、夏中華先生、金春玉女士、李春枝女士為第九屆董事會非執行董事，選舉吳燕女士、劉寧先生、楊曉輝先生、樊勇先生為第九屆董事會獨立非執行董事，任期自2017年6月26日起至2019年年度股東大會止。付宏泉先生不再擔任本公司董事職務。
審議通過選舉李革軍先生、李哲先生為本公司第九屆監事會監事，任期自2017年6月26日起至2019年年度股東大會止。常昀女士不再擔任本公司監事、監事長職務，劉哲女士不再擔任本公司監事職務。
- 本公司2017年6月26日召開的全體職工大會，選舉劉廣嶺先生為第九屆監事會職工監事，任期自2017年6月26日起至2019年年度股東大會止。王義青先生不再擔任本公司監事職務。



Section 11 Corporate Governance

第十一節 公司治理

III. Performance of Duties by Directors (continued)

(iii) Others (continued)

5. The Company convened the first extraordinary meeting of the ninth session of the Board on 27 June 2017, at which the resolution in relation to the election of Mr. Wang Jun as the chairman of the ninth session of the Board for a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting was considered and passed.

The resolution in relation to the election of Mr. Li Junjie as general manager of the Company and Mr. Luan Jie as the secretary to the Board, both with a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting, were considered and passed.

The resolution in relation to the appointment of Ms. Liu Zhe as deputy general manager, Ms. Jiang Chi as chief accountant (financial controller), Mr. Shi Fengwen as the chief engineer and Ms. Ma Tianying as general counsel of the Company, all with a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting, were considered and passed.

6. The Company convened the first meeting of the ninth supervisory committee on 27 June 2017, at which the resolution in relation to the election of Mr. Li Gejun as the chairman of Supervisory Committee of the Company, with a term of three years commencing from 27 June 2017 and ending at the conclusion of 2019 annual general meeting, was considered and passed.

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

三、董事履行職責情況(續)

(三) 其他(續)

5. 本公司2017年6月27日召開的第九屆董事會第一次會議，審議通過選舉王軍先生為第九屆董事會董事長，任期三年，自2017年6月27日至2019年年度股東大會止。

審議通過聘任李俊杰先生為公司總經理，樂杰先生為公司董事會秘書。總經理、董事會秘書任期三年，自2017年6月27日至2019年年度股東大會止。

審議通過聘任劉哲女士為公司副總經理，姜馳女士為總會計師(財務負責人)，石鳳文先生為總工程師，馬天穎女士為總法律顧問。上述人員任期三年，自2017年6月27日至2019年年度股東大會止。

6. 本公司2017年6月27日召開的第九屆監事會第一次會議，審議通過選舉李革軍先生為本公司第九屆監事會監事長，任期三年，自2017年6月27日至2019年年度股東大會止。

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



Section 11 Corporate Governance

第十一節 公司治理

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

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) 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

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

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)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。

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



Section 11 Corporate Governance

第十一節 公司治理

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.

Attendance of directors at the Board meetings and the general meetings

Director(s) Name 董事姓名	Independent or not 是否獨立董事	Attendance at Board meetings 參加董事會情況					Attendance at general meetings 參加股東大會情況	
		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 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	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
Wang Jun 王軍	No 否	9	8	1	0	0	No 否	2
Li Junjie 李俊杰	No 否	9	8	1	0	0	No 否	2
Zhang Jiheng 張繼恒	No 否	5	4	1	0	0	No 否	1
Du Yuexi 杜躍熙	No 否	9	8	1	0	0	No 否	2
Xia Zhonghua 夏中華	No 否	9	8	1	0	0	No 否	2
Jin Chunyu 金春玉	No 否	9	8	1	0	0	No 否	2
Li Chunzhi 李春枝	No 否	5	4	1	0	0	No 否	1
Chen Changge 陳長革	No 否	2	2	0	0	0	No 否	0
Fu Hongquan 付宏泉	No 否	4	4	0	0	0	No 否	1
Wu Yan 吳燕	Yes 是	9	8	1	0	0	No 否	2
Liu Ning 劉寧	Yes 是	9	8	1	0	0	No 否	2
Yang Xiaohui 楊曉輝	Yes 是	9	8	1	0	0	No 否	1
Fan Yong 樊勇	Yes 是	9	7	1	1	0	No 否	2

Description of absence from two consecutive Board meetings in person

Applicable Not applicable

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

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。

董事參加董事會和股東大會的情況

連續兩次未親自出席董事會會議的說明

適用 不適用

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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.

1. The main duties and authorities of the Strategy Committee include:
 - (1) to define and review the Company's development strategies and mid-and long-term plans, and make relevant recommendations to the Board;
 - (2) to review and advise on projects that must be approved by the Board as required by the Articles of Association, such as major external investments and financing, M&As, infrastructure, key technical transformations and breakthroughs, strategic R&D projects;
 - (3) to review mergers, demergers, increase or decrease in funding, dissolving and liquidation and other key matters that may affect corporate development, and make relevant recommendations to the Board;
 - (4) to review and advise on other key matters that may affect corporate development;
 - (5) to inspect the implementation of the items above;
 - (6) other matters as authorized by the Board.
2. The Strategic Committee comprises five directors. During the Reporting Period, the Strategic Committee convened three meetings. Details of such meeting are as follows:
 - (1) On 6 April 2017, the resolution on the acquisition of shares in BAC by Beijing Tianhai Industry Co., Ltd. from external parties and the resolution on the investment by Beijing Tianhai Industry Co., Ltd. in establishing Kuancheng Tianhai Pressure Vessel Co., Ltd. (tentative name) and the project of production base construction for impact extruded cylinders and large tube type cylinders were considered and approved.
 - (2) On 27 June 2017, the resolution on the setting and appointment of the head of the Secretariat of the Strategic Committee was considered and approved.
 - (3) On 21 July 2017, the resolution on the transfer of property assets by Langfang Tianhai High Pressure Containers Co., Ltd. was considered and passed, approving the resolution on the transfer of property assets through public tender by Langfang Tianhai High Pressure Containers Co., Ltd. and to authorise the board of directors of Langfang Tianhai to determine the transfer-related matters including the tender price based on an asking price not less than the valuation price approved by the State-owned Assets Supervision and Administration Commission.

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。

- 1、 戰略委員會的主要職責權限：
 - (1) 組織研究擬定公司發展戰略、中長期規劃，對公司發展戰略、中長期規劃進行評估，並向董事會提出參考建議；
 - (2) 對《公司章程》規定須經董事會批准的重大對外投融資、併購和重組、基本建設、重大技改、重大技術攻關、戰略性產品研發等項目進行研究並提出建議；
 - (3) 對公司合併、分立、增減資、解散清算，以及其他影響公司發展的重大事項進行研究，並向董事會提出參考建議；
 - (4) 對其他影響公司發展的重大事項進行研究並提出建議；
 - (5) 對以上事項的實施進行檢查；
 - (6) 董事會授權的其他事宜。
- 2、 戰略委員會由五名董事組成，戰略委員會於報告期舉行了3次會議，會議情況如下：
 - (1) 2017年4月6日，審議通過北京天海工業有限公司收購天海美洲公司外方股權項目的議案和審議通過北京天海工業有限公司投資設立寬城天海壓力容器有限公司(暫定名)擊沖拔瓶及大管制瓶生產基地建設項目的議案。
 - (2) 2017年6月27日，審議通過關於戰略委員會秘書處設置及聘任秘書處主任的議案。
 - (3) 2017年7月21日，審議關於廊坊天海高壓容器有限公司房地資產轉讓的議案，同意關於廊坊天海高壓容器有限公司公開挂牌轉讓房地資產，並授權廊坊天海董事會以不低於國資委核准後的評估值為挂牌低價釐定掛牌價格等相關轉讓事宜的議案。



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 (continued)

The members of the Strategic Committee and their attendance at the meetings are as follows:

Name 姓名	Description 說明	Required attendance in 2017 2017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	3	3
Wu Yan (independent non-executive Director) 獨立非執行董事吳燕	Member of the committee 委員會委員	3	3
Li Junjie (executive Director, general manager) 執行董事、總經理李俊杰	Member of the committee 委員會委員	3	3
Xia Zhonghua (non-executive Director) 非執行董事夏中華	Member of the committee 委員會委員	3	3
Zhang Jiheng (executive Director) 執行董事張繼恒	Member of the committee 委員會委員	2	2
Du Yuexi (former non-executive Director) 原非執行董事杜躍熙	Former member of the committee 原委員會委員	1	1

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 on Corporate Governance Practices" of Appendix 14 of the "Listing Rules" 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 of the Board of the Company comprises three directors. During the Reporting Period, the Audit Committee convened ten meetings. Details of such meetings are as follows:

- On 7 March 2017, the Audit Committee convened an on-site meeting, at which the Audit Committee communicated with the management, the audit organization of the Annual Report and the audit organization of internal control in respect of the compilation work for the 2016 Annual Report and the audit work for the internal control.
- On 17 March 2017, the Audit Committee convened an on-site meeting, at which the following resolutions were considered and approved by the Audit Committee:
 - The 2016 audited financial report of the Company;
 - The 2016 Self Assessment Report on the Company's internal control;
 - The 2016 Internal Control Audit Report of the Company;

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(續)

戰略委員會成員名單及會議出席情況：

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布的《審核委員會有效運作指引》中所提出的建議、《上市規則》附錄十四《企業管治常規守則》以及中國證監會頒布的《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反饋意見。

公司董事會審計委員會由三名董事組成，報告期內，審計委員會共計召開了10次會議，具體情況如下：

- 2017年3月7日，審計委員會召開現場會議，審計委員會與管理層、年報審計機構及內部控制審計機構就2016年報編製工作和內控審計工作進行了溝通。
- 2017年3月17日，審計委員會召開現場會議，審計委員會審議通過如下議案：
 - 審議通過公司2016年度經審計的財務報告；
 - 審議通過公司2016年度內部控制的自我評價報告；
 - 審議通過公司2016年度內部控制審計報告；

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 (continued)

- (4) The resolution on the performance of functions by the Audit Committee of the Company for the year 2016;
 - (5) The resolution on the payment for the audit fee for 2016 to ShineWing Certified Public Accountants LLP;
 - (6) The resolution on the payment for the audit fee for 2016 to Shu Lun Pan Certified Public Accountants LLP;
 - (7) The resolution on provision for impairment of the Company for the year 2016;
 - (8) The 2017 Audit Plan of the Company;
 - (9) The 2017 Internal Control Plan of the Company;
 - (10) The 2017 Financial Budget Report of the Company;
 - (11) The 2017 Financing Guarantee Plan of the Company;
 - (12) The resolution of the changes in accounting policy.
3. On 6 April 2017, the Audit Committee convened an on-site meeting, at which the following resolutions were considered and approved by the Audit Committee:
 - (1) The resolution on the acquisition of shares in BAC by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, from external parties and connected transaction;
 - (2) The resolution on the reappointment of ShineWing Certified Public Accountants LLP as the audit organization for the 2017 financial report of the Company;
 - (3) The resolution on the reappointment of Shu Lun Pan as the audit organization for the 2017 internal control report of the Company.
 4. On 28 April 2017, the Audit Committee convened an on-site meeting, at which the following resolutions were considered and approved by the Audit Committee:
 - (1) The resolution in relation to the signing of the Gas Cylinder Pipe Sale and Purchase Framework Agreements and the connected transactions with Tianjin Pipe Steel Trade Co., Ltd. that Tianjin Tianhai High Pressure Containers Co., Ltd. and Kuancheng Tianhai Pressure Vessel Co., Ltd. respectively entered into;
 - (2) The 2017 first quarterly report of the Company.

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(續)

- (4) 審議通過審計委員會2016年年度履職情況的議案；
 - (5) 審議通過支付信永中和會計師事務所(特殊普通合夥)2016年度審計費用的議案；
 - (6) 審議通過支付立信會計師事務所(特殊普通合夥)2016年度審計費用的議案；
 - (7) 審議通過公司2016年度計提減值準備的議案；
 - (8) 審議通過公司2017年度審計計劃的議案；
 - (9) 審議通過公司2017年度內部控制方案的議案；
 - (10) 審議通過公司2017年度預算報告；
 - (11) 審議通過公司2017年度融資擔保計劃；
 - (12) 審議通過公司關於會計政策變更的議案。
- 3、2017年4月6日，審計委員會召開現場會議，審計委員會審議通過如下議案：
 - (1) 審議通過關於公司子公司北京天海工業有限公司收購天海美洲公司外方股權暨關聯交易的議案；
 - (2) 審議通過續聘信永中和會計師事務所(特殊普通合夥)為公司2017年財務報告的審計機構的議案；
 - (3) 審議通過續聘立信會計師事務所(特殊普通合夥)為公司2017年內部控制報告的審計機構的議案。
 - 4、2017年4月28日，審計委員會召開現場會議，審計委員會審議通過如下議案：
 - (1) 審議通過關於天津天海高壓容器有限責任公司、寬城天海壓力容器有限公司分別與天津鋼管鋼鐵貿易有限公司簽訂《氣瓶管購銷框架合同》暨關聯交易的議案；
 - (2) 審議通過公司2017年第一季度報告。



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 (continued)

5. On 27 June 2017, the Audit Committee convened an on-site meeting, at which the resolution on the setting and appointment of the head of the Secretariat of the Audit Committee was considered and approved by the Audit Committee.
6. On 21 July 2017, the Audit Committee convened an on-site meeting, at which the resolution on the appointment of Da Hua Certified Public Accountants (Special General Partnership) as the internal control auditor for the Company's 2017 internal control report was considered and approved by the Audit Committee.
7. On 10 August 2017, the Audit Committee convened an on-site meeting, at which the following resolutions were considered and approved by the Audit Committee:
 - (1) The 2017 Interim Report of the Company and its summary;
 - (2) The resolution on provision for impairment of the Company for the half year 2017.
8. On 4 September 2017, the Audit Committee convened an on-site meeting, at which the Audit Committee communicated with the audit organization of internal control report in respect of the audit work arrangement for 2017.
9. On 27 October 2017, the Audit Committee convened an on-site meeting, at which the 2017 third quarterly report of the Company was considered and approved by the Audit Committee.
10. On 26 December 2017, the Audit Committee convened an on-site meeting, at which the Audit Committee communicated with the audit organization of financial report in respect of the audit work arrangement for 2017; the Audit Committee communicated with the audit organization of internal control of financial report in respect of the preliminary audit for 2017; the head of the Secretariat of the Audit Committee reported the first-stage work of internal control assessment to the Audit Committee.

The members of the Audit Committee and their attendance at the meetings are as follows:

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(續)

5. 2017年6月27日，審計委員會召開現場會議，審計委員會審議通過關於審計委員會秘書處設置及聘任秘書處主任的議案。
6. 2017年7月21日，審計委員會召開現場會議，審計委員會審議通過聘任大華會計師事務所(特殊普通合夥)為公司2017年內部控制報告的審計機構的議案。
7. 2017年8月10日，審計委員會召開現場會議，審計委員會審議通過如下議案：
 - (1) 審議通過公司2017年年中報告全文及摘要；
 - (2) 審議通過公司2017年半年度計提減值準備的議案。
8. 2017年9月4日，審計委員會召開現場會議，審計委員會與內部控制報告審計機構就2017年審計工作安排情況進行溝通。
9. 2017年10月27日，審計委員會召開現場會議，審計委員會審議通過公司2017年第三季度報告。
10. 2017年12月26日，審計委員會召開現場會議，審計委員會與財務報告審計機構就2017年審計工作安排情況進行溝通；與財務報告內部控制審計機構就2017年預審情況進行溝通；審計委員會秘書處主任向審計委員會彙報內部控制評價第一階段工作情況。

審計委員會成員名單及會議出席情況：

Name 姓名	Description 說明	Required attendance in 2017 2017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	10	10
Fan Yong (independent non-executive Director) 獨立非執行董事樊勇	Member of the committee 委員會委員	10	10
Jin Chunyu (non-executive Director) 非執行董事金春玉	Member of the committee 委員會委員	10	10

Section 11 Corporate Governance

第十一節 公司治理

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 two meetings. Details of such meetings are as follows:

- (1) On 17 March 2017, the resolution on the Remuneration and Results of Performance Assessment of the senior management officers of the Company for 2016 was considered and passed, which had been submitted to the Board for consideration and approval.
- (2) On 27 June 2017, the resolution on the establishment of the Secretariat of the Remuneration and Monitoring Committee at the Board office of the Company and the appointment of Luan Jie as the head of the Secretariat of the Remuneration and Monitoring Committee 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 2017 2017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	2	2
Liu Ning (independent non-executive Director) 獨立非執行董事劉寧	Member of the committee 委員會委員	2	2
Wang Jun (executive Director, Chairman) 執行董事、董事長王軍	Member of the committee 委員會委員	1	1
Chen Changge (former executive Director, general manager) 原執行董事、總經理陳長革	Former member of the committee 原委員會委員	1	1

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2次會議，會議情況如下：

- (1) 2017年3月17日，審議通過了《公司2016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) 2017年6月27日，審議通過了薪酬與考核委員會秘書處設在公司董事會辦公室，聘任樂杰為薪酬與考核委員會秘書處主任的議案，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.

The Nomination Committee comprises three directors. During the Reporting Period, the Nomination Committee convened three meetings. Details of such meetings are as follows:

- (1) On 6 April 2017, 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 Ms. Ma Tianying as the General counsel of the Company, which had been submitted to the Board for consideration and approval.
- (2) Given Mr. Chen Changge, general manager of the Company, issued his resignation letter to the Board for resignations as the Director, general manager, member of the Remuneration and Monitoring Committee and member of the Nomination Committee of the Company, on 25 April 2017, 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 eighth session of the Board of the Company considered and passed the resolution in relation to the nomination of Mr. Li Junjie as the member of the Nomination Committee which had been submitted to the Board for consideration and approval.

Given Mr. Chen Changge, general manager of the Company, issued his resignation letter to the Board for resignations as the Director, general manager, member of the Remuneration and Monitoring Committee and member of the Nomination Committee of the Company, on 25 April 2017, 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 eighth session of the Board of the Company considered and passed the resolutions in relation to the nomination of Mr. Li Junjie by the Chairman of the Board as the general manager of the Company and Mr. Wang Jun as the member of the Remuneration and Monitoring Committee which had been submitted to the Board for consideration and approval.

As the eighth session of the Board of the Company expired at the 2016 annual general meeting, the Nomination Committee of the eighth session of the Board of the Company considered and passed the resolutions in relation to the nomination of Mr. Wang Jun as candidate for executive directors of the ninth session of the Board and Mr. Du Yuexi, Mr. Xia Zhonghua, Ms. Jin Chunyu and Ms. Li Chunzhi as candidates for non-executive directors of the ninth session of the Board by a substantial shareholder, the nomination of Mr. Li Junjie and Mr. Zhang Jiheng as candidates for executive directors of the ninth session of the Board by the the Nomination Committee of the Board, the nomination of Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as candidates for independent non-executive directors of the ninth session of the Board by the the Nomination Committee of the Board 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。

提名委員會由三名董事組成，提名委員會於報告期舉行了3次會議，會議情況如下：

- (1) 2017年4月6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，審議通過提名總經理提名馬天穎女士為本公司總法律顧問的議案，並同意提交董事會審議。
- (2) 鑒於本公司總經理陳長革先生向公司董事會提出辭去公司董事、總經理、薪酬與考核委員會委員、提名委員會委員的職務，2017年4月25日，根據公司《提名委員會議事規則》規定，本公司第八屆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，審議通過提名李俊杰先生擔任提名委員會委員的議案，並同意提交董事會審議。

鑒於本公司總經理陳長革先生向公司董事會提出辭去公司董事、總經理、薪酬與考核委員會委員、提名委員會委員的職務，2017年4月25日，根據公司《提名委員會議事規則》規定，本公司第八屆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，審議通過董事長提名李俊杰先生為本公司總經理的議案；審議通過提名王軍先生擔任薪酬與考核委員會委員的議案，並同意提交董事會審議。

由於公司第八屆董事會於2016年股東周年大會到期，本公司第八屆董事會提名委員會審議通過大股東提名，王軍先生為第九屆董事會執行董事候選人，杜躍熙先生、夏中華先生、金春玉女士、李春枝女士為公司第九屆董事會非執行董事候選人，董事會提名委員會提名李俊杰先生、張繼恒先生為公司第九屆董事會執行董事候選人，董事會提名委員會提名吳燕女士、劉寧先生、楊曉輝先生、樊勇先生為公司第九屆董事會獨立非執行董事候選人，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)

(3) On 27 June 2017, 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 ninth session of the Board of the Company considered and passed the resolution in relation to the establishment of the Secretariat of the Nomination Committee at the human resources department of the Company and the appointment of Mr. Liu Guangling as the head of the Secretariat of the Nomination Committee.

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 2017 2017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	3	3
Fan Yong (independent non-executive Director) 獨立非執行董事樊勇	Member of the committee 委員會委員	3	3
Li Junjie (executive Director, general manager) 執行董事、總經理李俊杰	Member of the committee 委員會委員	2	2
Chen Changge (former executive Director, general manager) 原執行董事、總經理陳長革	Former member of the committee 原委員會委員	1	1

十、其他(續)

企業管治報告(續)

(3) 2017年6月27日，根據公司《提名委員會議事規則》規定，本公司第九屆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，審議通過將提名委員會秘書處設在公司人力資源部，聘任劉廣嶺先生為提名委員會秘書處主任。

本公司《提名委員會議事規則》中，列明瞭董事提名的方式、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：



Section 11 Corporate Governance

第十一節 公司治理

X. Others (continued)

Corporate Governance Report (continued)

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.

Directors and Composition of the Board of Directors

The Board of the Company consists of eleven directors, including three executive directors, four 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
Li Junjie
李俊杰
Zhang Jiheng
張繼恒

Non-executive Directors

非執行董事

Jin Chunyu
金春玉
Du Yuexi
杜躍熙
Xia Zhonghua
夏中華
Li Chunzhi
李春枝

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)

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做出特定查詢，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。

董事及董事會組成

本公司董事會由十一名董事組成，其中執行董事三名、非執行董事四名、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 Manager
董事、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

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 (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 2017 to the conclusion of 2019 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2017年6月26日至2019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。

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

(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 ninth session of the Board of Directors and Supervisors of the ninth session of the Supervisory Committee shall commence from 26 June 2017 to and until the conclusion of 2019 Annual General Meeting.
- (ii) An annual salary system is in place for senior management. The annual salary of senior management of the Company comprise three parts, being basic salary, 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 distribution coefficients are determined based on position evaluation. Typically, the distribution coefficient of general manager is 1, and the distribution coefficients of deputy general manager, financial controller, chief engineer, general counsel, secretary to the Board and other senior management officers range from 0.6 to 0.9.

The basic salary is paid on a monthly basis, while the amount of performance pay shall be determined in accordance with the following formula: Performance pay = Basic salary x Performance coefficient x Distribution coefficient, and the performance coefficient shall be reviewed by the remuneration and monitoring committee based on the annual performance of the Company's business and reported to the Board for consideration and approval. 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 RMB0.15 million. Each new non-executive Director will not receive remuneration from the Company. Each new independent non-executive Director shall have the right to receive annual fee of no more than RMB60 thousand. Each new supervisor will not receive Supervisors' remuneration from the Company.

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) 第九屆董事會董事和第九屆監事會監事每份合約由2017年6月26日開始，至2019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本收入、績效收入和特殊貢獻收入三部份組成。其中，基本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。分配係數以崗位評價為基礎予以確定。通常，總經理的分配係數為1，副總經理、財務負責人、總工程師、總法律顧問、董事會秘書及其他高級管理人員的分配係數為0.6-0.9。

基礎收入按月進行平均發放，績效薪酬按以下公式確定：績效收入 = 基本收入 × 績效係數 × 分配係數，績效係數由薪酬與考核委員會根據年度公司經營情況進行考核，報董事會審議通過。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15萬元。各新任非執行董事不在公司領取薪酬。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。各新任監事不在公司領取監事職務薪酬。



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 2016 Annual General Meeting convened on 16 June 2017, the Company re-appointed ShineWing Certified Public Accountants LLP as the domestic and overseas auditors of the Company for 2017 Financial Report. At the 2017 First Extraordinary General Meeting convened on 4 September 2017, the Company appointed Da Hua Certified Public Accountants (Special General Partnership) as the accountant for 2017 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 Accountants 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 Da Hua Certified Public Accountants (Special General Partnership).

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 Da Hua Certified Public Accountants (Special General Partnership) amounted to RMB318,000. 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2017年6月26日召開2016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2017年度境內外財務報告的審計師；於2017年9月4日召開2017年第一次臨時股東大會，審議通過了聘任大華會計師事務所(特殊普通合夥)為本公司2017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)和大華會計師事務所(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。應支付給大華會計師事務所(特殊普通合夥)的審計費用為人民幣31.8萬元，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。

Section 11 Corporate Governance

第十一節 公司治理

X. Others (continued)

Corporate Governance Report (continued)

6. Remunerations of auditors (continued)

As at 31 December 2017, ShineWing Certified Public Accountants LLP had provided auditing services for the Company for 11 years. A resolution regarding whether ShineWing Certified Public Accountants LLP and Da Hua Certified Public Accountants (Special General Partnership) are to be re-appointed as the Company's auditors for the year 2018 will be submitted to the 2017 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 13 and "Internal Control" as set out in Section 14 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 Da Hua Certified Public Accountants (Special General Partnership) 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 14 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 14 of this Annual Report.

十、其他(續)

企業管治報告(續)

6、核數師酬金(續)

截止2017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11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)和大華會計師事務所(特殊普通合夥)為本公司2018年度之核數師的議案將在2017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「第十三節財務會計報告」，大華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「第十四節內部控制」。

7、內部監控

董事會對公司內部控制詳情請見本年報告「第十四節內部控制」。

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「第十四節內部控制」。



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帳目記錄能夠合理、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。

Section 11 Corporate Governance

第十一節 公司治理

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.

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布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。



Section 11 Corporate Governance

第十一節 公司治理

X. Others (continued)

Corporate Governance Report (continued)

14. Shareholders' Right (continued)

(b) *The content of such resolution to be submitted to the general meeting*

It 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.

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.*

十、其他(續)

企業管治報告(續)

14、股東權益(續)

(b) *於股東大會提呈提案的內容*

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。

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。*

Section 11 Corporate Governance

第十一節 公司治理

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 2017 to 31 December 2017.

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序的有效執行，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、信息與溝通、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劃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)處理及發布內幕消息而言，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，保證合規處理發布內幕消息。

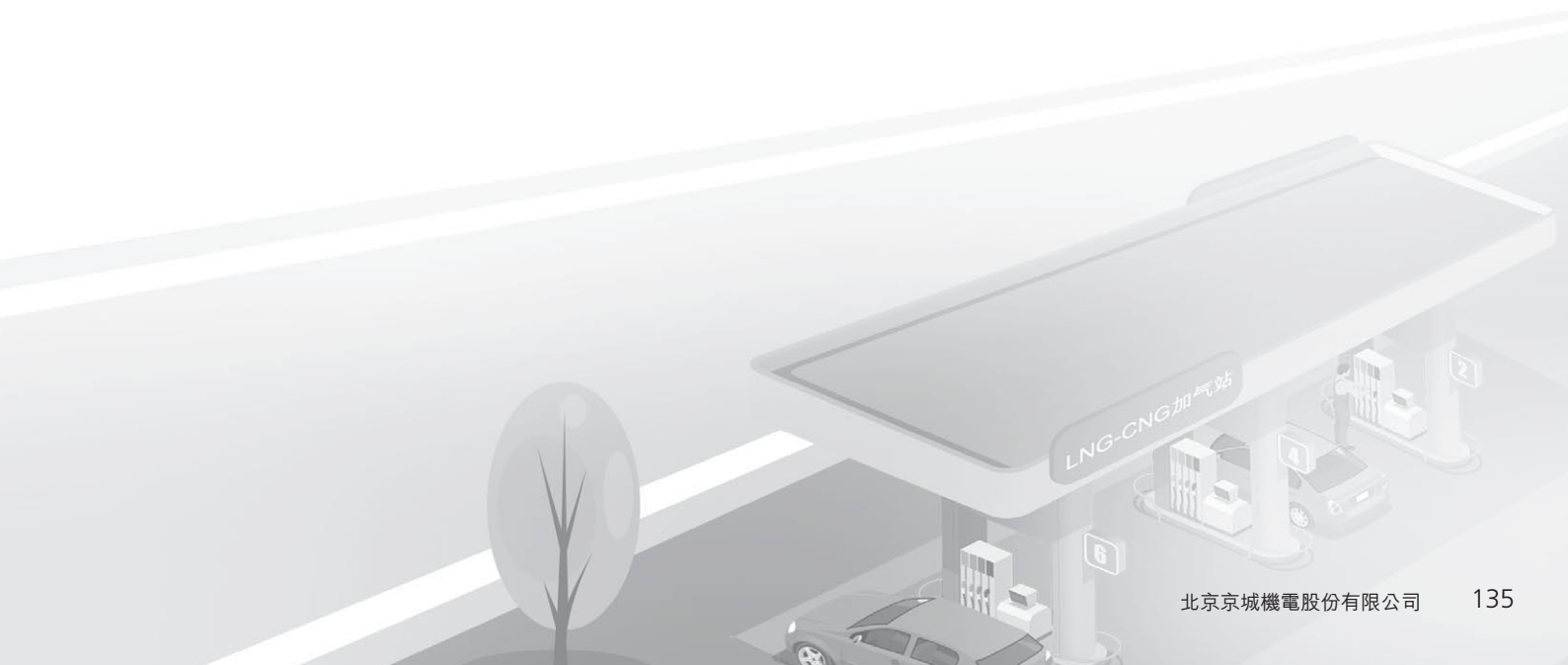
公司根據相關法律法規並結合公司內部控制制度和評價辦法，在內部控制日常監督和專項監督上，我們對公司2017年1月1日至2017年12月31日的內部控制有效性和足夠性進行了評價。



Section 12 Corporate Bonds 第十二節 公司債券相關情況

Applicable Not applicable

適用 不適用



Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

To all shareholders of Beijing Jingcheng Machinery Electric Co., Ltd.:

北京京城機電股份有限公司全體股東：

I. Opinion

We have audited the attached financial statements of Beijing Jingcheng Machinery Electric Holding Co., Ltd. (hereinafter referred to as Jingcheng Company), including Consolidated and Parent Company's Balance Sheets dated on December 31, 2017, 2017 Consolidated and Parent Company's Income Statements, Consolidated and Parent Company's Cash Flow Statements, Consolidated and Parent Company's Statements of Changes in Stockholder's Equity, and related Notes to Financial Statements.

In our opinion, the attached financial statements present fairly, in all material respects, the consolidated and parent company's financial positions of Jingcheng Company as at December 31, 2017, and its consolidated and parent company's financial performance and cash flows for the year then ended in accordance with the Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted the audit in accordance with the Auditing Standards for Certified Public Accountants of China. The "CPAs' responsibility for the financial statements audit" in the Auditor's Report further describes our responsibilities under these criteria. We conduct our audit independent of Jingcheng Company in accordance with the China Code of Ethics for Certified Public Accountants and fulfill other responsibilities in ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

III. Key Audit Matter

The key audit matters are the most important matters to audit the financial statements in the current period in our opinion according to professional judgment. These matters are addressed by auditing the financial statements integrally and forming the audit opinion, so we do not express the opinions for them separately.

1. Provision for impairment of idle equipment

Key audit matter	How the matter was addressed in the audit
On December 31, 2017, the original book value of idle equipment listed in VI. 10 of notes to consolidated financial statements of Jingcheng Company amounted to RMB 170,261,899.27, the impairment provision balance amounted to RMB 22,213,099.52, and the book value amounted to RMB 28,780,729.70, showing signs of impairment.	The main audit procedures are as follows: acquiring information of related assets; performing the field survey, and assessing the affirmation of the management to the idle equipment; reviewing the principle, method and parameters of determination of recoverable amount estimation and the calculation process of impairment amount at the end of the period, and discussing with the management; and
The estimation of the recoverable amount of idle equipment involves management's critical judgment.	checking VI. 10 in the Notes for relevant disclosure of fixed assets and fixed assets impairment.
The process of the management's recoverable amount estimation includes the principle of determining estimation, the method adopted and major parameters, which have a significant effect on the financial statements.	

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2017年12月31日的合併及母公司資產負債表,2017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2017年12月31日的合併及母公司財務狀況以及2017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」部分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分、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。

1. 閒置設備減值準備計提

關鍵審計事項	審計中的應對
於2017年12月31日,京城股份公司合併財務報表附註六、10列示的閒置設備賬面原值170,261,899.27元,減值準備餘額22,213,099.52元,賬面價值28,780,729.70元,存在減值跡象。	我們的主要審計程序如下: 獲取相關資產的資料; 實地勘察,評估管理層對閒置設備的認定; 覆核可回收金額估計確定的原則、方法、參數及期末減值金額計算過程,並與管理層進行討論;
對於閒置設備可收回金額的估計涉及管理層的關鍵判斷。	檢查附註六、10固定資產與固定資產減值的相關披露。
管理層在可收回金額估計的過程中包括估計確定的原則、採用方法及主要參數等,對財務報表有重大影響。	

Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

III. Key Audit Matter (Continued)

1. Provision for impairment of idle equipment (Continued)

Key audit matter	How the matter was addressed in the audit
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Whether the provision for impairment of idle equipment is adequate and appropriate has a significant effect on the financial statements.

Based on the above reasons, we determine the provision for impairment of idle equipment as a key audit matter.

2. Confirmation of government subsidies

Key audit matter	How the matter was addressed in the audit
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On December 31, 2017, the government subsidies in the non-operating income listed in the notes to consolidated financial statements of Jingcheng Company amounted to RMB 18,578,401.03.

The compliance of government subsidy accounting as well as key estimates and judgments of the classification standards of asset- and revenue-related government subsidies involving the management, have a significant effect on the financial statements.

Based on the above reasons, we confirm the confirmation of government subsidies as a key audit matter.

The main audit procedures executed are as follows:

acquiring the relevant document of government subsidies, and knowing the specific content thereof;

knowing and assessing the method of distinguishing the income-related government subsidies from asset-related government subsidies made by Jingcheng Company, and reviewing it;

acquiring the audit report of project fund, and reviewing the details of expenditure, including the contract agreement, accounting vouchers, invoice, payment vouchers, statement of expenses and other details;

checking and reviewing the accounting treatment of government subsidies of Jingcheng Company; and

checking VI. 47 "Non-operating revenue" in the Notes for relevant disclosure on details of government subsidies.

三、關鍵審計事項(續)

1. 閒置設備減值準備計提(續)

關鍵審計事項	審計中的應對
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閒置設備減值準備計提是否充分、恰當，對財務報表有重大影響。

基於上述原因，我們確定閒置設備減值準備計提作為關鍵審計事項。

2. 政府補助的確認

關鍵審計事項	審計中的應對
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於2017年12月31日，京城股份公司合併財務報表附註列示的營業外收入中政府補助18,578,401.03元。

政府補助會計核算的合規性，以及與資產相關和收益相關的政府補助劃分口徑涉及管理層的關鍵估計和判斷，對財務報表有重大影響。

基於上述原因，我們確認政府補助的確認為關鍵審計事項。

我們執行的主要審計程序如下：

獲取相關政府補助文件，瞭解政府補助的具體內容；

瞭解，評估京城股份公司區分與收益相關和與資產相關的政府補助的方法，並進行覆核；

獲取項目資金審核報告，並對支出明細進行覆核，包括合同協議、會計憑證、發票、支付憑證、費用明細表等明細資料；

檢查並覆核京城股份公司政府補助賬務處理；

檢查附註六、47「營業外收入」中政府補助明細的相關披露。

Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

III. Key Audit Matter (Continued)

3. Matters on sale of housing and land of subsidiaries

Key audit matter	How the matter was addressed in the audit
On December 31, 2017, the income from asset disposal listed in the notes to consolidated financial statements of Jingcheng Company amounted to RMB 66,140,181.07, of which the income from disposal of housing and land of Langfang Tianhai, a subsidiary, amounted to RMB 60,327,941.31.	The main audit procedures executed are as follows: acquiring the relevant document on disposal of housing and land transaction by Langfang Tianhai, including the relevant resolution of the Board of Directors/Board of Shareholders, reply of relevant authorities, and relevant transfer agreement;
The transfer price of the housing and land refers to the valuation result of valuation experts, and the transaction price is determined using the public listing on China Beijing Equity Exchange. The fairness of the transaction price has a significant effect on the matter.	acquiring the assessment report for asset transfer pricing and analyzing the reasonableness of the assessment price;
The transfer of housing and land is an important transfer mark of ownership, and the determination of the delivery date has a significant effect on the matter.	acquiring the income receipt of trading payment;
The compliance of accounting treatment for derecognition of housing and land and the accuracy of the calculation of income from disposal have a significant effect on the financial statements of Jingcheng Company.	acquiring the asset handover receipt and vouchers on transfer of property right;
Based on the above reasons, we confirm that the sale of housing and land by Langfang Tianhai is a key audit matter.	performing the field survey to the business address of Langfang Tianhai, interviewing the transaction counterparty, eliminating related party relationship, and verifying the authenticity of transaction;
	checking and reviewing the relevant accounting treatment of Jingcheng Company; and
	checking VI. 46 "Incomes from asset disposal" in the Notes for relevant disclosure.

三、關鍵審計事項(續)

3. 出售下屬公司房屋土地事項

關鍵審計事項	審計中的應對
於2017年12月31日，京城股份公司合併財務報表附註列示資產處置收益66,140,181.07元，其中處置下屬公司廊坊天海房地事項產生的處置收益60,327,941.31元。	我們執行的主要審計程序如下： 獲取廊坊天海處置房地交易事項的有關文件，包括相關董事會／股東會決議，有關部門批覆，相關轉讓協議；
該房地轉讓價格參考估值專家的評估結果，採用北交所公開掛牌轉讓方式確定交易價格，交易價格的公允性對該事項影響重大。	獲取資產轉讓作價依據的評估報告並對評估價格的合理性進行分析；
房地過戶作為重要的權屬轉移標誌，交割日的確定對該事項影響重大。	獲取交易款項的進賬單；
房地終止確認會計處理的合規性，以及處置收益計算的準確性對京城股份公司財務報表有重大影響。	獲取資產交接單據及產權過戶憑證；
基於上述原因，我們確認廊坊天海出售房屋土地事項為關鍵審計事項。	實地勘察廊坊天海經營所在地，訪談交易對方排除關聯方關係，驗證交易的真實性；
	檢查並覆核京城股份公司相關賬務處理；
	檢查附註六、46「資產處置收益」的相關披露。

Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

III. Key Audit Matter (Continued)

4. Matters of debt restructuring

Key audit matter	How the matter was addressed in the audit
On December 31, 2017, the gains from debt restructuring in the non-operating income listed in the notes to consolidated financial statement of Jingcheng Company amounted to RMB 13,998,858.16.	The main audit procedures executed are as follows: obtaining debt restructuring agreement, checking the agreement, comparing debt restructuring conditions, and confirming the implementation of debt restructuring provisions;
The fairness of the debt restructuring agreement and the follow-up implementation of the debt restructuring provisions have a significant effect on the financial statements of Jingcheng Company.	interviewing the important suppliers signing debt restructuring agreement, and knowing whether there is an association relationship between the suppliers and Jingcheng Company;
For the above reasons, we confirm that the debt restructuring is a key audit matter.	checking the debt payment voucher and knowing the actual implementation of the subsequent debt restructuring provisions;
	checking the purchasing contract after the period, and reviewing whether the purchase price after the period is abnormal; and
	recalculating the accuracy of the recognition of debt restructuring income;
	checking VI. 47 "Non-operating revenue" in the Notes for relevant disclosure.

IV. Other Information

The management of Jingcheng Company (hereinafter referred to as management) is responsible for other information. Other information includes information covered in 2017 annual report of Jingcheng Company, except the financial statements and our auditor's report.

Our opinion on the financial statements does not include other information, and we neither express any form of authentication opinion for other information.

Combining our audit to the financial statements, our responsibility is to consider whether other information has material inconsistency or seems to have material misstatement with the financial statements or circumstance that we know during audit while reading other information.

Based on the work that we have executed, we should report the fact in case of determining the material misstatement of other information. In this regard, we have no any matter to report.

三、關鍵審計事項(續)

4. 債務重組事項

關鍵審計事項	審計中的應對
於2017年12月31日，京城股份公司合併財務報表附註列示的營業外收入中債務重組利得13,998,858.16元。	我們執行的主要審計程序如下： 取得債務重組協議，核對協議，對比債務重組條件，確認債務重組條款的可執行情況；
債務重組協議簽訂的公允性以及債務重組條款後續執行情況對京城股份公司財務報表有重大影響。	對簽署債務重組協議的重要供應商進行訪談，瞭解供應商與京城股份公司是否存在關聯關係；
基於上述原因，我們確認債務重組事項為關鍵審計事項。	檢查債務支付憑證，瞭解後續債務重組條款實際執行情況；
	檢查期後採購合同，覆核期後採購價格是否存在異常；
	重新計算債務重組收益確認的準確性；
	檢查附註六、47「營業外收入」的相關披露。

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2017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。

Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

V. Management and Governance's Responsibility for the Financial Statements

The management is responsible for preparation and fair presentation of these financial statements. The responsibilities shall include: (1) preparing financial statements according to the Accounting Standards for Business Enterprises, and ensuring fair presentation; (2) designing, implementing and maintaining necessary internal control to make sure that these statements are free from material misstatement, whether due to fraud or error.

In preparation of the financial statement, the management is responsible for assessing Jingcheng Company's sustainable operation ability, disclosing the sustainable operation related items (if applicable) and applying sustainable operation assumptions, unless otherwise the management plans to liquidate Jingcheng Company, stop operation or it has no other practical choice.

The governance is responsible for supervising Jingcheng Company's financial reporting process.

VI. CPAs' Responsibility for the Financial Statements Audit

Our goal is to obtain reasonable guarantee to prove that the financial statement doesn't include material misstatement due to fraud or error in general and provide an audit report with audit opinions. The reasonable guarantee is of high level but doesn't guarantee that any material misstatement can be always found if it exists in the audit performed as per the auditing standards. The misstatement can be caused by fraud or error. If the reasonably expected misstatement solely or when consolidated may bring influence on the economic decision made by the user of the financial statement as per the financial statement, the misstatement can be deemed as material.

In audit as per the auditing standards, we apply occupational judgment and keep occupational skepticism. Meanwhile, we implement the following work:

- (1) Identifying and assessing material misstatement risks of financial statements due to fraud or error, designing and implementing audit procedures targeted to these risks, obtaining sufficient and appropriate audit evidence as the basis for expressing audit opinions. As the fraud may involve in collusion, counterfeiting, intentional omission, false statement or above internal control, risks of material misstatement not found due to fraud are higher than those not found due to error.
- (2) Considering 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 the internal control.
- (3) Evaluation on the appropriateness of adopted accounting policies and the reasonableness of accounting estimates and disclosures made by the management.

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，披露與持續經營相關的事項（如適用），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。

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，並獲取充分、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、偽造、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。

Section 13 Financial Report

第十三節 財務報告

Auditor's Report

審計報告

VI. CPAs' Responsibility for the Financial Statements Audit (Continued)

- (4) Concluding the appropriateness of the going-concern assumption made by the management. Meanwhile, we can conclude whether major uncertainty exists in matters or circumstances, causing substantial doubts to the going-concern ability of Jingcheng Company in accordance with the audit evidence we have acquired. If we consider that major uncertainty exists, the auditing standards require us to remind the financial statements user of relevant disclosure in the financial statement. If the disclosure is not sufficient, we should issue the modified audit report. Our conclusion is based on the information available on the audit reporting day. However, future matters or circumstances may cause that Jingcheng Company fails to continue operations.
- (5) Evaluating the overall presentation, structure and contents (including disclosures) of the financial statements and whether the financial statements can fairly reflect the transactions and items.
- (6) Obtaining the sufficient and appropriate audit evidence with regard to the financial information of entity or business activity in Jingcheng Company, to express the opinion on the financial statements. We are responsible for guiding, supervising and performing the audit of the Group, and assume all responsibilities for the audit opinion.

We communicate with the governance about the planned audit scope, time arrangement and major audit findings, including noteworthy internal control deficiencies identified in our audit.

We have made statements to the governance as per the occupational ethical requirements related to independence and communicate with the governance about all relations and other matters that can be reasonably considered to affect our independence as well as relevant precautionary measures (if applicable).

We have determined which matters are the most important to audit the financial statement in the current period from the matter which has been communicated with the governance, therefore, these matters form the key audit matters. We have described these matters in the auditor's report, except that they are prohibited from being publicly disclosed as per the laws and regulations, or in the rare cases, if a negative result that may be caused by communicating some matter in the auditor's report as reasonably expected exceeds the benefit generated by the public interest, we determine not to communicate such matter in the auditor's report.

ShineWing Certified Public Accountants (special general partnership)

Certified Public Accountant of China: Ji Sheng
(Project partner)

Certified Public Accountant of China: Wang Xin

Beijing, China
March 26, 2018

六、註冊會計師對財務報表審計的責任(續)

- (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；如果披露不充分，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分、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(如適用)。

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(特殊普通合伙)

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
二〇一八年三月二十六日

Consolidated Balance Sheet

合併資產負債表

 December 31, 2017
 2017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
 單位：人民幣元

Item	項目	Note 附註	Closing balance 年末餘額	Opening balance 年初餘額
Current assets:	流動資產：			
Cash at bank and on hand	貨幣資金	VI. 1/六、1	78,367,503.16	118,829,271.77
Settlement reserve	結算備付金		—	—
Loans to banks and other financial institutions	拆出資金		—	—
Financial assets at fair value through profit or loss	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	27,812,323.12	16,314,951.71
Accounts receivable	應收賬款	VI. 3/六、3	354,933,043.81	215,185,885.26
Advances to suppliers	預付款項	VI. 4/六、4	49,912,905.26	36,211,833.81
Premiums receivable	應收保費		—	—
Reinsurance premium receivable	應收分保賬款		—	—
Reinsurance contract reserves receivable	應收分保合同準備金		—	—
Interests receivable	應收利息		—	—
Dividends receivable	應收股利	VI. 5/六、5	8,756,869.09	—
Other receivables	其他應收款	VI. 6/六、6	4,134,431.37	4,580,549.80
Financial assets purchased under agreements to resell	買入返售金融資產		—	—
Inventories	存貨	VI. 7/六、7	389,219,002.78	317,127,619.90
Held-for-sale assets	持有待售資產		—	—
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. 8/六、8	56,240,621.78	54,172,565.88
Total current assets	流動資產合計		969,376,700.37	762,422,678.13
Non-current assets:	非流動資產：			
Loans and advances	發放貸款及墊款		—	—
Available-for-sale financial assets	可供出售金融資產		—	—
Held-to-maturity investments	持有至到期投資		—	—
Long-term receivables	長期應收款		—	—
Long-term equity investments	長期股權投資	VI. 9/六、9	71,694,482.47	75,181,681.58
Investment properties	投資性房地產		—	—
Fixed assets	固定資產	VI. 10/六、10	657,289,324.75	841,900,126.42
Construction in progress	在建工程	VI. 11/六、11	68,468,558.01	—
Construction materials	工程物資		—	—
Disposal of fixed assets	固定資產清理		—	—
Bearer biological assets	生產性生物資產		—	—
Oil and gas assets	油氣資產		—	—
Intangible assets	無形資產	VI. 12/六、12	139,749,967.30	151,586,583.57
Development expenditures	開發支出		—	—
Goodwill	商譽	VI. 13/六、13	3,679,654.40	3,679,654.40
Long-term deferred expenses	長期待攤費用	VI. 14/六、14	14,514,756.50	14,852,487.39
Deferred income tax assets	遞延所得稅資產	VI. 15/六、15	288,577.32	285,691.27
Other non-current assets	其他非流動資產		—	—
Total non-current assets	非流動資產合計		955,685,320.75	1,087,486,224.63
Total assets	資產總計		1,925,062,021.12	1,849,908,902.76

 Legal representative: Wang Jun
 法定代表人：王軍

 Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

 Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Consolidated Balance Sheet

合併資產負債表

December 31, 2017
2017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
單位：人民幣元

Item	項目	Note 附註	Closing Balance 年末餘額	Opening Balance 年初餘額
Current liabilities:	流動負債：			
Short-term borrowings	短期借款	VI. 16/六、16	285,000,000.00	190,000,000.00
Borrowings from the central bank	向中央銀行借款		-	-
Deposits and placements from other financial institutions	吸收存款及同業存放		-	-
Placements from banks and other financial institutions	拆入資金		-	-
Financial liabilities at fair value through profit or loss	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. 17/六、17	3,000,000.00	30,000,000.00
Accounts payable	應付賬款	VI. 18/六、18	257,850,663.86	268,518,401.08
Advances from customers	預收款項	VI. 19/六、19	45,878,250.70	43,159,742.00
Financial assets sold under agreements to repurchase	賣出回購金融資產款		-	-
Fees and commissions payable	應付手續費及佣金		-	-
Employee benefits payable	應付職工薪酬	VI. 20/六、20	36,862,542.56	25,073,101.25
Taxes payable	應交稅費	VI. 21/六、21	16,683,209.97	4,755,774.34
Interest payable	應付利息	VI. 22/六、22	446,534.71	26,583.33
Dividends payable	應付股利		-	-
Other payables	其他應付款	VI. 23/六、23	90,542,182.64	167,017,675.53
Reinsurance amounts payable	應付分保賬款		-	-
Reserve of insurance contract	保險合同準備金		-	-
Securities brokering	代理買賣證券款		-	-
Securities underwriting	代理承銷證券款		-	-
Held-for-sale liabilities	持有待售負債		-	-
Non-current liabilities due within one year	一年內到期的非流動負債	VI. 24/六、24	11,000,000.00	11,000,000.00
Other current liabilities	其他流動負債	VI. 25/六、25	5,380,893.08	279,193.40
Total current liabilities	流動負債合計		752,644,277.52	739,830,470.93
Non-current liabilities:	非流動負債：			
Long-term borrowings	長期借款	VI. 26/六、26	5,060,000.00	-
Bonds payable	應付債券		-	-
Including: Preferred shares	其中：優先股		-	-
Perpetual bond	永續債		-	-
Long-term payables	長期應付款		-	-
Long-term employee benefits payable	長期應付職工薪酬	VI. 27/六、27	32,871,892.94	31,163,678.50
Special payables	專項應付款	VI. 28/六、28	103,900,000.00	103,900,000.00
Provisions	預計負債	VI. 29/六、29	4,243,554.25	3,129,430.00
Deferred incomes	遞延收益	VI. 30/六、30	2,000,000.00	-
Deferred income tax liabilities	遞延所得稅負債	VI. 31/六、31	-	-
Other non-current liabilities	其他非流動負債		-	-
Total non-current liabilities	非流動負債合計		148,075,447.19	138,193,108.50
Total liabilities	負債合計		900,719,724.71	878,023,579.43

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Consolidated Balance Sheet

合併資產負債表

December 31, 2017
 2017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
 單位：人民幣元

Item	項目	Note 附註	Closing Balance 年末餘額	Opening Balance 年初餘額
Owner's equity:	所有者權益：			
Capital stock	股本	VI. 31/六、31	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 bond	永續債		-	-
Capital reserves	資本公積	VI. 32/六、32	687,349,089.60	683,803,181.69
Less: treasury stocks	減：庫存股		-	-
Other comprehensive incomes	其他綜合收益	VI. 33/六、33	1,154,074.87	2,390,915.53
Special reserves	專項儲備		-	-
Surplus reserves	盈餘公積	VI. 34/六、34	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. 35/六、35	-567,793,525.60	-588,661,889.61
Total shareholders' equity attributable to parent company	歸屬於母公司股東權益合計		588,375,286.55	565,197,855.29
Non-controlling interest	少數股東權益		435,967,009.86	406,687,468.04
Total stockholders' equity	股東權益合計		1,024,342,296.41	971,885,323.33
Total liabilities and stockholders' equity	負債和股東權益總計		1,925,062,021.12	1,849,908,902.76

Legal representative: Wang Jun
 法定代表人：王軍

Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Balance Sheet of Parent Company

母公司資產負債表

December 31, 2017
2017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
單位：人民幣元

Item	項目	Note 附註	Closing Balance 年末餘額	Opening Balance 年初餘額
Current assets:	流動資產：			
Cash at bank and on hand	貨幣資金	XV. 1/十五、1	2,638,253.33	3,764,017.52
Financial assets at fair value through profit or loss	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		-	-
Accounts receivable	應收賬款		-	-
Advances to suppliers	預付款項		280.00	-
Interests receivable	應收利息	XV. 2/十五、2	19,845,979.50	16,270,562.82
Dividends receivable	應收股利		-	-
Other receivables	其他應收款	XV. 3/十五、3	398,100,000.00	345,100,000.00
Inventories	存貨		-	-
Held-for-sale assets	持有待售資產		-	-
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
Total current assets	流動資產合計		420,584,512.83	365,143,973.66
Non-current assets:	非流動資產：			
Available-for-sale financial assets	可供出售金融資產		-	-
Held-to-maturity investments	持有至到期投資		-	-
Long-term receivables	長期應收款		-	-
Long-term equity investments	長期股權投資	XV. 4/十五、4	694,842,724.41	694,842,724.41
Investment properties	投資性房地產		-	-
Fixed assets	固定資產		28,160.43	6,923.08
Construction in progress	在建工程		-	-
Construction materials	工程物資		-	-
Disposal of fixed assets	固定資產清理		-	-
Bearer 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 deferred 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		-	-
Total non-current assets	非流動資產合計		694,870,884.84	694,849,647.49
Total assets	資產總計		1,115,455,397.67	1,059,993,621.15

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Balance Sheet of Parent Company

母公司資產負債表

 December 31, 2017
 2017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
 單位：人民幣元

Item	項目	Note 附註	Closing Balance 年末餘額	Opening Balance 年初餘額
Current liabilities:	流動負債：			
Short-term borrowings	短期借款	XV. 5/十五、5	50,000,000.00	-
Financial liabilities at fair value through profit or loss	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		-	-
Accounts payable	應付賬款		-	-
Advances from customers	預收款項		-	-
Employee benefits payable	應付職工薪酬	XV. 6/十五、6	1,352,402.33	718,140.84
Taxes payable	應交稅費	XV. 7/十五、7	206,481.13	15,154.89
Interest payable	應付利息		86,395.83	86,395.83
Dividends payable	應付股利		-	-
Other payables	其他應付款	XV. 8/十五、8	2,156,961.13	5,565,688.80
Held-for-sale liabilities	持有待售負債		-	-
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	XV. 9/十五、9	279,193.41	279,193.40
Total current liabilities	流動負債合計		54,081,433.83	6,578,177.93
Non-current liabilities:	非流動負債：			
Long-term borrowings	長期借款		-	-
Bonds payable	應付債券		-	-
Including: Preferred shares	其中：優先股		-	-
Perpetual bond	永續債		-	-
Long-term payables	長期應付款		-	-
Long-term employee benefits payable	長期應付職工薪酬		-	-
Special payables	專項應付款		-	-
Provisions	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		-	-
Total non-current liabilities	非流動負債合計		-	-
Total liabilities	負債合計		54,081,433.83	6,578,177.93
Owners' equity:	所有者權益：			
Capital stock	股本	XV. 10/十五、10	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 bond	永續債		-	-
Capital reserves	資本公積	XV. 11/十五、11	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	XV. 12/十五、12	38,071,282.24	38,071,282.24
Undistributed profit	未分配利潤	XV. 13/十五、13	-65,337,306.25	-73,295,826.87
Total stockholders' equity	股東權益合計		1,061,373,963.84	1,053,415,443.22
Total liabilities and stockholders' equity	負債和股東權益總計		1,115,455,397.67	1,059,993,621.15

 Legal representative: Wang Jun
 法定代表人：王軍

 Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

 Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Consolidated Income Statement

合併利潤表

2017
2017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
單位：人民幣元

Item	項目	Note 附註	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
I. Total operating revenue	一、營業總收入		1,203,496,955.02	889,525,250.25
Including: Operating revenues	其中：營業收入	VI. 39/六、39	1,203,496,955.02	889,525,250.25
Interest incomes	利息收入		-	-
Earned premiums	已賺保費		-	-
Fees and commissions incomes	手續費及佣金收入		-	-
II. Total operating cost	二、營業總成本		1,262,017,863.96	1,094,190,076.73
Including: Operating cost	其中：營業成本	VI. 39/六、39	1,008,933,698.75	791,505,520.14
Interest expenses	利息支出		-	-
Fees and commissions expenses	手續費及佣金支出		-	-
Cash surrender amount	退保金		-	-
Net expenses of claim settlement	賠付支出淨額		-	-
Net provision for insurance contract reserves	提取保險合同準備金淨額		-	-
Policyholder dividend expenses	保單紅利支出		-	-
Expenses for reinsurance accepted	分保費用		-	-
Taxes and surcharges	稅金及附加	VI. 40/六、40	16,443,274.58	12,487,149.78
Selling expenses	銷售費用	VI. 41/六、41	65,404,323.80	70,892,546.65
Administrative expenses	管理費用	VI. 42/六、42	119,314,949.33	130,794,181.74
Financial expenses	財務費用	VI. 43/六、43	24,439,493.07	13,909,666.82
Assets impairment losses	資產減值損失	VI. 44/六、44	27,482,124.43	74,601,011.60
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. 45/六、45	-4,586,130.02	6,819,578.37
Including: Investment incomes from affiliated enterprises and joint ventures	其中：對聯營企業和合營企業的投資收益		-4,586,130.02	6,819,578.37
Exchange gains (with "-" for losses)	匯兌收益（損失以「-」號填列）		-	-
Incomes of assets disposal (with "-" for losses)	資產處置收益（損失以「-」號填列）	VI. 46/六、46	66,140,181.07	-2,091,562.94
Other earnings	其他收益		-	-
III. Operating profit (with "-" for losses)	三、營業利潤（虧損以「-」號填列）		3,033,142.11	-199,936,811.05
Add: Non-operating income	加：營業外收入	VI. 47/六、47	48,430,029.67	21,809,765.04
Less: non-operating expenses	減：營業外支出	VI. 48/六、48	19,826,854.16	887,499.74
IV. Total profits (with "-" for total losses)	四、利潤總額（虧損總額以「-」號填列）		31,636,317.62	-179,014,545.75
Less: income tax expenses	減：所得稅費用	VI. 49/六、49	8,490,684.72	1,643,345.83
V. Net profits (with "-" for net losses)	五、淨利潤（淨虧損以「-」號填列）		23,145,632.90	-180,657,891.58
(I) Classified according to operating continuity:	(一) 按經營持續性分類：		-	-
1. Net profit from continuing operations (with "-" for net losses)	1. 持續經營淨利潤（淨虧損以「-」號填列）		3,253,026.92	-148,381,218.35
2. Net profit from discontinuing operations (with "-" for net losses)	2. 終止經營淨利潤（淨虧損以「-」號填列）		19,892,605.98	-32,276,673.23
(II) Classified according to attribution of the ownership:	(二) 按所有權歸屬分類：		-	-
1. Non-controlling interests (with "-" for net losses)	1. 少數股東損益（淨虧損以「-」號填列）		2,277,268.89	-31,870,306.39

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
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Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Consolidated Income Statement

合併利潤表

2017

2017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
 單位：人民幣元

Item	項目	Note 附註	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
2.	Net profit attributable to the parent company's shareholders (with "-" for net losses)	2. 歸屬於母公司股東的淨利潤（淨虧損以“-”號填列）	20,868,364.01	-148,787,585.19
VI.	Other net comprehensive incomes after-tax	六、其他綜合收益的稅後淨額	-2,424,859.82	2,569,657.92
	Other net after-tax comprehensive income attributable to the owner of the parent company	歸屬於母公司所有者的其他綜合收益的稅後淨額	-1,236,840.66	1,322,367.93
(I)	Other comprehensive income that cannot be reclassified through profit or loss 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 the 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 the equity method, share enjoyed in other comprehensive incomes in the invested entity that cannot 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 that 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	-1,236,840.66	1,322,367.93
1.	Under the equity method, share enjoyed in other comprehensive incomes in the invested entity 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	-1,236,840.66	1,322,367.93
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	-1,188,019.16	1,247,289.99
VII.	Total comprehensive incomes	七、綜合收益總額	20,720,773.08	-178,088,233.66
	Total comprehensive incomes attributable to shareholders of the parent company	歸屬於母公司股東的綜合收益總額	19,631,523.35	-147,465,217.26
	Total comprehensive incomes attributable to minority shareholders	歸屬於少數股東的綜合收益總額	1,089,249.73	-30,623,016.40
VIII.	Earnings per share:	八、每股收益：	-	-
(I)	Basic earnings per share	(一) 基本每股收益	0.05	-0.35
(II)	Diluted earnings per share	(二) 稀釋每股收益	0.05	-0.35

 Legal representative: Wang Jun
 法定代表人：王軍

 Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

 Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Income Statement of Parent Company

母公司利潤表

2017
2017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
單位：人民幣元

Item	項目	Note 附註	Amount incurred in current year 本期發生額	Amount incurred in previous year 上期發生額
I. Operating revenues	一、營業收入	XV. 14/十五、14	2,830,188.68	2,264,150.94
Less: Operating costs	減：營業成本			
Taxes and surcharges	稅金及附加		95,000.80	-207,153.62
Selling expenses	銷售費用			
Administrative expenses	管理費用	XV. 15/十五、15	8,107,901.27	10,576,705.50
Financial expenses	財務費用	XV. 16/十五、16	-13,331,234.01	-13,924,036.56
Assets impairment losses	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 affiliated enterprises and joint ventures	其中：對聯營企業和合營企業的投資收益			
Incomes of assets disposal (with "-" for losses)	資產處置收益（損失以「-」號填列）	XV. 17/十五、17		-2,814,718.57
Other earnings	其他收益			
II. Operating profits (with "-" for losses)	二、營業利潤（虧損以「-」號填列）		7,958,520.62	3,003,917.05
Add: non-operating income	加：營業外收入			
Less: non-operating expenses	減：營業外支出			
III. Total profits (with "-" for total losses)	三、利潤總額（虧損總額以「-」號填列）		7,958,520.62	3,003,917.05
Less: income tax expenses	減：所得稅費用			
IV. Net profits (with "-" for net losses)	四、淨利潤（淨虧損以「-」號填列）		7,958,520.62	3,003,917.05
(I). Net profit from continuing operations (with "-" for net losses)	(一) 持續經營淨利潤（淨虧損以「-」號填列）		7,958,520.62	3,003,917.05
(II). Net profit from discontinuing operations (with "-" for net losses)	(二) 終止經營淨利潤（淨虧損以「-」號填列）			
V. Other comprehensive incomes after-tax	五、其他綜合收益的稅後淨額			
(I) Other comprehensive income that cannot be reclassified through profit or loss 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 the 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 the equity method, share enjoyed in other comprehensive incomes in the invested entity that cannot 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 that 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 the equity method, share enjoyed in other comprehensive incomes in the invested entity 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			
VI. Total comprehensive incomes	六、綜合收益總額		7,958,520.62	3,003,917.05
VII. Earnings per share:	七、每股收益			
(I) Basic earnings per share	(一) 基本每股收益			
(II) 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: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Consolidated Cash flow statement

合併現金流量表

2017
2017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
單位：人民幣元

Item	項目	Note 附註	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods or rendering of services	銷售商品、提供勞務收到的現金		712,634,066.83	609,607,625.07
Net increase in deposits and placements from financial institutions	客戶存款和同業存放款項淨增加額			
Net increase in due to central banks	向中央銀行借款淨增加額			
Net increase in placement from other financial institutions	向其他金融機構拆入資金淨增加額			
Cash received from premiums of original insurance contract	收到原保險合同保費取得的現金			
Net amount of reinsurance business	收到再保險業務現金淨額			
Net increase in deposits of the insured and investment	保戶儲金及投資款淨增加額			
Net increase in disposal of financial assets at fair value through profit or loss	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, fees and commissions	收取利息、手續費及佣金的現金			
Net increase in placements from banks and other financial institutions	拆入資金淨增加額			
Net increase in repurchasing	回購業務資金淨增加額			
Taxes and surcharges refunds	收到的稅費返還		29,063,692.11	26,901,420.40
Other cash receipts related to operating activities	收到其他與經營活動有關的現金	VI. 53/六、53	64,355,515.16	21,356,765.16
Subtotal of cash inflows from operating activities	經營活動現金流入小計		806,053,274.10	657,865,810.63
Cash paid for goods and services	購買商品、接受勞務支付的現金		573,458,692.33	300,380,795.65
Net increase in loans and advances	客戶貸款及墊款淨增加額			
Net increase in deposits in the Central Bank and other financial institutions	存放中央銀行和同業款項淨增加額			
Cash paid for claim settlements on original insurance contract	支付原保險合同賠付款項的現金			
Cash paid for interests, fees and commissions	支付利息、手續費及佣金的現金			
Cash paid for policy dividends	支付保單紅利的現金			
Cash paid to and for employees	支付給職工以及為職工支付的現金		217,179,474.84	200,545,044.20
Taxes and surcharges cash payments	支付各項稅費		88,588,317.19	60,709,400.17
Other cash payments related to operating activities	支付其他與經營活動有關的現金	VI. 53/六、53	153,485,254.69	109,272,394.23
Subtotal of cash outflows from operating activities	經營活動現金流出小計		1,032,711,739.05	670,907,634.25
Net cash flows from operating activities	經營活動產生的現金流量淨額		-226,658,464.95	-13,041,823.62
II. Cash flows from investing activities:	二、投資活動產生的現金流量：			
Cash received from return of investment	收回投資收到的現金			
Cash received from investment 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		230,024,000.00	3,000.00
Net cash received from 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 inflows from investing activities	投資活動現金流入小計		230,024,000.00	3,000.00
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支付的現金		23,321,192.19	20,097,859.00
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. 53/六、53		3,717,361.42
Subtotal cash outflows from investing activities	投資活動現金流出小計		23,321,192.19	23,815,220.42
Net cash flows from investing activities	投資活動產生的現金流量淨額		206,702,807.81	-23,812,220.42

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Consolidated Cash flow statement

合併現金流量表

2017
2017年度

III. Cash flows from financing activities:	三、籌資活動產生的現金流量：		
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 borrowings	取得借款所收到的現金	354,878,320.00	238,332,769.00
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. 53/六、53	30,000,000.00
Subtotal of cash inflows from financing activities	籌資活動現金流入小計		384,878,320.00
Cash paid for repayments of debts	償還債務所支付的現金		254,376,539.00
Cash paid for allocation of dividends, profits or interest repayment	分配股利、利潤或償付利息所支付的現金		19,617,205.66
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. 53/六、53	114,222,833.33
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		388,658,358.99
Net cash flows from financing activities	籌資活動產生的現金流量淨額		-3,780,038.99
IV. Effects from change of exchange rate to cash and cash equivalents	四、匯率變動對現金及現金等價物的影響		-1,977,412.48
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額	VI. 53/六、53	-25,713,108.61
Add: Opening balance of cash and cash equivalents	加：期初現金及現金等價物餘額	VI. 53/六、53	102,580,611.77
VI. Closing balance of cash and cash equivalents	六、期末現金及現金等價物餘額	VI. 53/六、53	76,867,503.16

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Cash Flow Statement of Parent Company

母公司現金流量表

2017

2017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
 單位：人民幣元

Item	項目	Note 附註	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
I. Cash flows from operating activities:	一、經營活動產生的現金流量：			
Cash received from sales of goods or rendering of services	銷售商品、提供勞務收到的現金			
Taxes and surcharges refunds	收到的稅費返還			
Other cash receipts related to operating activities	收到其他與經營活動有關的現金	XV. 18/十五、18	921,712.79	2,410,080.71
Subtotal of cash inflows from operating activities	經營活動現金流入小計		921,712.79	2,410,080.71
Cash paid for goods and services	購買商品、接受勞務支付的現金			
Cash paid to and for employees	支付給職工以及為職工支付的現金		4,128,153.64	3,587,514.25
Taxes and surcharges cash payments	支付的各項稅費		1,575,554.59	2,169,119.74
Other cash payments related to operating activities	支付其他與經營活動有關的現金	XV. 18/十五、18	7,025,081.24	7,116,522.67
Subtotal of cash outflows from operating activities	經營活動現金流出小計		12,728,789.47	12,873,156.66
Net cash flows from operating activities	經營活動產生的現金流量淨額		-11,807,076.68	-10,463,075.95
II. Cash flows from investing activities:	二、投資活動產生的現金流量：			
Cash received from return of investment	收回投資收到的現金			
Cash received from investment 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所收回的現金淨額			
Net cash received from 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	XV. 18/十五、18	12,035,766.67	13,800,000.00
Subtotal of cash inflows from investing activities	投資活動現金流入小計		12,035,766.67	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		27,100.00	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	XV. 18/十五、18	50,000,000.00	3,717,361.42
Subtotal cash outflows from investing activities	投資活動現金流出小計		50,027,100.00	3,725,461.42
Net cash flows from investing activities	投資活動產生的現金流量淨額		-37,991,333.33	10,074,538.58
III. Cash flows from financing activities:	三、籌資活動產生的現金流量：			
Cash received from absorbing investment	吸收投資收到的現金			
Cash received from borrowings	取得借款收到的現金		50,000,000.00	
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			
Subtotal of cash inflows from financing activities	籌資活動現金流入小計		50,000,000.00	
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		1,327,354.18	
Other cash paid concerning financing activities	支付其他與籌資活動有關的現金			
Subtotal of cash outflows from financing activities	籌資活動現金流出小計		1,327,354.18	
Net cash flows from financing activities	籌資活動產生的現金流量淨額		48,672,645.82	
IV. Effects from change of exchange rate to cash and cash equivalents	四、匯率變動對現金及現金等價物的影響			
V. Net increase in cash and cash equivalents	五、現金及現金等價物淨增加額	XV. 18/十五、18	-1,125,764.19	-388,537.37
Add: Opening balance of cash and cash equivalents	加：期初現金及現金等價物餘額	XV. 18/十五、18	3,764,017.52	4,152,554.89
VI. Closing balance of cash and cash equivalents	六、期末現金及現金等價物餘額	XV. 18/十五、18	2,638,253.33	3,764,017.52

 Legal representative: Wang Jun
 法定代表人：王軍

 Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

 Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Consolidated Statement of Changes in Shareholders' Equity

合併股東權益變動表

2017
2017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
單位：人民幣元

Item	項目	Current year 本年											
		Equity attributable to shareholders of the parent company 歸屬於母公司股東權益											
		Other equity instruments 其他權益工具				Other							
Capital stock 股本	Preferred shares 優先股	Perpetual bond 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 profit 未分配利潤	Non-controlling interest 少數股東權益	Total shareholders' equities 股東權益合計	
I. Closing balance in the previous year	一、上年年末餘額	422,000,000.00			683,803,181.69		2,380,915.53		45,665,647.68		-588,661,889.61	406,687,468.04	971,885,323.33
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		2,380,915.53		45,665,647.68		-588,661,889.61	406,687,468.04	971,885,323.33
III. Current movement (with "+" for increase)	三、本年增減變動金額(減少以“-”號填列)				3,545,907.91		-1,236,840.66				20,868,364.01	29,279,541.82	52,456,973.08
(I) Total comprehensive income	(一) 綜合收益總額						-1,236,840.66				20,868,364.01	1,089,249.73	20,720,773.08
(II) Capital input and reduced by owners	(二) 股東投入和減少資本				3,545,907.91							28,190,292.09	31,736,200.00
1. Common shares input by shareholders	1. 股東投入普通股											31,736,200.00	
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 share-based payment recognized as shareholder's interest	3. 股份支付計入股東權益的金額												
4. Others	4. 其他				3,545,907.91							-3,545,907.91	
(III) Profit distribution	(三) 利潤分配												
1. Appropriation to surplus reserves	1. 提取盈餘公積												
2. Appropriation to general risk provision	2. 提取一般風險準備												
3. Distribution to shareholders	3. 對股東的分配												
4. Others	4. 其他												
(IV) Internal carry-over in 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. Surplus reserves to recover loss	3. 盈餘公積彌補虧損												
4. Others	4. 其他												
(V) Special reserve	(五) 專項儲備												
1. Appropriation in current year	1. 本年提取												
2. Use in current year	2. 本年使用												
(VI) Others	(六) 其他												
IV. Closing balance of the current year	四、本年年末餘額	422,000,000.00			687,349,089.60		1,154,074.87		45,665,647.68		-567,793,525.60	435,967,009.86	1,024,342,296.41

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Consolidated Statement of Changes in Shareholders' Equity

合併股東權益變動表

2017

2017 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	Previous Year 上年											
		Equity attributable to shareholders of the parent company 歸屬於母公司股東權益											
		Other equity instruments 其他權益工具											
Capital stock 股本	Preferred shares 優先股	Perpetual bond 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 profit 未分配利潤	Non-controll ing interest 少數股東權益	Total shareholders' equities 股東權益合計	
I. Closing balance in 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. Current movement (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. 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 share-based payment recognized as shareholder's interest	3. 股份支付計入股東權益的金額												
4. Others	4. 其他												
(III) Profit distribution	(三) 利潤分配												
1. Appropriation to surplus reserves	1. 提取盈餘公積												
2. Appropriation to general risk provision	2. 提取一般風險準備												
3. Distribution to shareholders	3. 對股東的分配												
4. Others	4. 其他												
(IV) Internal carry-over in 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. Surplus reserves to recover loss	3. 盈餘公積彌補虧損												
4. Others	4. 其他												
(V) Special reserve	(五) 專項儲備												
1. Appropriation in current year	1. 本年提取												
2. Use in current year	2. 本年使用												
(VI) Others	(六) 其他												
IV. Closing balance of 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		-588,661,889.61	406,687,468.04	971,885,323.33

 Legal representative: Wang Jun
 法定代表人：王軍

 Person in charge of accounting: Jiang Chi
 主管會計工作負責人：姜馳

 Financial Manager: Wang Yan Dong
 會計機構負責人：王艷東

Statement of Changes in Shareholders' Equity of Parent Company

母公司股東權益變動表

2017
2017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
單位：人民幣元

Item	項目	Current year 本年										
		Other equity instruments 其他權益工具				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	Undistributed profits 未分配利潤	Total shareholders' equity 股東權益合計
		Capital stock 股本	Preferred shares 優先股	Perpetual bond 永續債	Others 其他							
I. Closing balance in the previous year	一、上年年末餘額	422,000,000.00				666,639,987.85				38,071,282.24	-73,285,826.87	1,053,415,443.22
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											
II. Opening balance in the current year	二、本年年初餘額	422,000,000.00				666,639,987.85				38,071,282.24	-73,285,826.87	1,053,415,443.22
III. Current movement (with "+" for increase)	三、本年年增減變動金額(減少以“-”號填列)										7,958,520.62	7,958,520.62
(I) Total comprehensive income	(一) 綜合收益總額										7,958,520.62	7,958,520.62
(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 share-based payment recognized as shareholder's interest	3. 股份支付計入股東權益的金額											
4. Others	4. 其他											
(III) Profit distribution	(三) 利潤分配											
1. Appropriation to 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 in 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. Surplus reserves to recover loss	3. 盈餘公積彌補虧損											
4. Others	4. 其他											
(V) Special reserve	(五) 專項儲備											
1. Appropriation in current year	1. 本年提取											
2. Use in current year	2. 本年使用											
(VI) Others	(六) 其他											
IV. Closing balance of the current year	四、本年年末餘額	422,000,000.00				666,639,987.85				38,071,282.24	-65,327,306.25	1,061,373,963.84

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

Statement of Changes in Shareholders' Equity of Parent Company

母公司股東權益變動表

2017
2017年度

Item	項目	Previous Year 上年										
		Other equity instruments 其他權益工具				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	Undistributed profits 未分配利潤	Total shareholders' equity 股東權益合計
		Capital stock 股本	Preferred shares 優先股	Perpetual bond 永續債	Others 其他							
I. Closing balance in the previous year	一、上年年末餘額	422,000,000.00				666,639,987.85				38,071,282.24	-76,299,743.92	1,050,411,536.17
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											
II. Opening balance in the current year	二、本年年初餘額	422,000,000.00				666,639,987.85				38,071,282.24	-76,299,743.92	1,050,411,536.17
III. Current movement (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 share-based payment recognized as shareholder's interest	3. 股份支付計入股東權益的金額											
4. Others	4. 其他											
(III) Profit distribution	(三) 利潤分配											
1. Appropriation to 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 in 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. Surplus reserves to recover loss	3. 盈餘公積彌補虧損											
4. Others	4. 其他											
(V) Special reserve	(五) 專項儲備											
1. Appropriation in current year	1. 本年提取											
2. Use in current year	2. 本年使用											
(VI) Others	(六) 其他											
IV. Closing balance of the current year	四、本年年末餘額	422,000,000.00				666,639,987.85				38,071,282.24	-73,295,826.87	1,053,415,449.22

Legal representative: Wang Jun
法定代表人：王軍

Person in charge of accounting: Jiang Chi
主管會計工作負責人：姜馳

Financial Manager: Wang Yan Dong
會計機構負責人：王艷東

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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 in July 16, 1993 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. 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 07, 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 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 06, 2010 and January 07, 2010, and publicly sold 20,000 shares of the Company's non-restricted circulating stock on December 02, 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 gratuitous equity transfer this time has been approved by the State-owned Assets Supervision and Administration Commission of the State Council on September 01, 2012. The Company received the Confirmation of Transfer Register issued by China Securities Depository and Clearing Co., Ltd. Shanghai Branch on December 07, 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覆」，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覆。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。

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2017年1月1日至2017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, the proposed traded-in property was 88.50% equity of Beijing Tianhai Industry Co., Ltd., 100% equity of Jingcheng Holding (Hong Kong) Co., Ltd. and 100% equity of Beijing Jingcheng Compressor Co., Ltd. with its environmental protection business stripped, and all the three are held by Jingcheng Holding.

On September 26, 2013, the Company received the *Reply on Approving the Material Asset Restructuring of Beiren Printing Machinery Co., Ltd.* (ZJXK [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 03, 2016, accounting for 0.50% of the Company's total stock issue. After the increase in holding, Jingcheng Holding held 182,735,052 A-shares of the Company's unrestricted shares, accounting for 43.30% of the total share capital of the Company.

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覆》(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。

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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 Langfang Tianhai 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 Minghui Tianhai Gas Storage Equipment Sales Co., Ltd., Kuancheng Tainhai Pressure Container Co., Ltd. and BTIC AMERICA CORPORATION. Kuancheng Tainhai Pressure Container Co., Ltd. is new compared with the previous year.

See relevant contents of "VII. Changes in Consolidation Scope" and "VIII. Interests in Other Entities" in the Notes for details.

III. Basis for Preparation of Financial Statements

(1) Preparation basis

The Group prepared the financial statements on the basis of going concern, 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. Significant Accounting Policies and Accounting Estimates".

(2) Going concern

The Group has evaluated the going concern ability within 12 months since December 31, 2017 and has not found any event and condition causing substantial doubt about the going concern ability. Therefore, these financial statements were prepared on the basis of the going concern assumption.

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 provisions, etc.

1. Statement of compliance with Accounting Standards for Business Enterprises (ASBE)

The Company declares that the financial statements prepared comply with the Accounting Standards for Business Enterprises, which reflect the financial position, results of operation and cash flow of the Company truly and completely.

2. Accounting period

An accounting period of the Group is from January 01 to December 31 of each calendar year.

3. Business cycle

The Group treats 12 months as a dividing standard for the liquidity of assets and liabilities since the business cycle is too short for the Group's business.

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、寬城天海壓力容器有限公司和天海美洲公司。與上年相比增加了寬城天海壓力容器有限公司。

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2017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。

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。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

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 assets and liabilities acquired by the Group, as the combination party, from business combination under common control should be measured based on the book value in the ultimate holding party consolidated statements of the combination party on the combination date. 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.

6. Preparation methods 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.

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 non-controlling interests in total comprehensive income shall be listed in consolidated financial statements as non-controlling interests, non-controlling profit and loss, other comprehensive income attributed to minority shareholders and total comprehensive income attributed to minority shareholders.

四、重要會計政策及會計估計(續)

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。

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。

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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)

6. Preparation methods of consolidated financial statements (continued)

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.

Under the circumstance that the equity of investee is obtained under the common 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 report period for 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.

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.

6. 合併財務報表的編製方法(續)

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。

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。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

6. Preparation methods of consolidated financial statements (continued)

Under the circumstance that the equity of investee 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 report 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 remeasures 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 investee 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.

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.

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)

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的份額之間的差額，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。

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籃子交易的，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，在喪失控制權時一併轉入喪失控制權當期的投資損益。

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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)

7. Classification of joint arrangements and accounting treatment method for joint operations

The Group's joint 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.

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. Cash and cash equivalents

Cash shown in the cash flow statement of the Group refers to both cash on hand and the deposit held in bank available for payment at any time. Cash equivalent in the cash flow statement refers to the investment with a term not more than 3 months and high liquidity, easily converted to known amounts of cash and having low value change risk.

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. Foreign currency transactions and translation of foreign currency financial statements

(1) Foreign currency transaction

The amount of transactions in foreign currency shall be translated into that in RMB at the spot exchange rate on the transaction date. 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.

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。

(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. Amount affected by change in exchange rate on cash shall be listed in the cash flow statement separately.

(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。

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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)

10. Financial assets and financial liabilities 10. 金融資產和金融負債

The Group will recognize an item of financial asset or financial liability at the time when it becomes one party to the contract of the financial instruments.

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) Financial assets (1) 金融資產

1) Classification, recognition and measurement of financial assets 1) 金融資產分類、確認依據和計量方法

Financial assets are classified by the Group into four categories according to the investment purposes and economic essence: financial assets at fair value through profit or loss, held-to-maturity investments, receivables, and available-for-sale financial assets.

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。

Financial assets at fair value through profit or loss include trading financial assets and the financial assets at fair value through profit or loss designated at the initial recognition.

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。

Held-to-maturity investments 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. Held-to-maturity investments 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.

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，按照攤餘成本進行後續計量，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。

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 in the current profits and losses.

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，按照攤餘成本進行後續計量，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)

四、重要會計政策及會計估計(續)

10. Financial assets and financial liabilities (Continued)

10. 金融資產和金融負債(續)

(1) Financial assets (Continued)

(1) 金融資產(續)

1) Classification, recognition and measurement of financial assets (continued)

Available-for-sale financial assets 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 in 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 interests of available-for-sale debt instrument investments calculated through effective interest method in holding period, and the cash dividends declared to be distributed by the invested organization and related to available-for-sale equity instrument investments will be included in the current profit and loss 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.

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 and measurement of transfer of 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 in the other comprehensive incomes shall be included in 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)

四、重要會計政策及會計估計(續)

10. Financial assets and financial liabilities (Continued)

10. 金融資產和金融負債(續)

(1) Financial assets (Continued)

(1) 金融資產(續)

3) Test and accounting treatment methods for impairment of financial assets

3) 金融資產減值的測試方法及會計處理方法

The Group assesses the book value of financial assets, expect for the financial assets at fair value through profit or loss, on the balance sheet date. If there is objective evidence showing impairment of any financial asset item, the impairment provision shall be made.

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。

In case of impairment of financial assets measured at amortized cost, the impairment provision will be made according to the balance between the expected future cash flow (excluding the future credit loss which has not happened yet) and the book amount. If there is objective evidence showing that the value of the financial assets is recovered and it is objectively related to the matters that happen after the impairment is recognized, the impairment loss recognized before should be reversed and included in current profits and losses.

以攤餘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。

If the financial assets available-for-sale go through impairment, the accumulated loss formed out of fair value decrease originally included in owners' equity shall be transferred out and included in 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.

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 and measurement of financial liabilities

Financial liabilities of the Group are classified, at the time of initial recognition, into financial liabilities at fair value through profit or loss and other financial liabilities.

The financial liability measured at fair value with the variation included in 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 in 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 in the current profits and losses.

Other financial liabilities are subsequently measured at the amortized cost according to the effective interest method.

2) Derecognition conditions of financial liabilities

Where the current obligation of financial liability has been terminated entirely or partially, the financial liability or obligation that has been terminated shall be derecognized. 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 in 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，按照攤餘成本進行後續計量。

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)

四、重要會計政策及會計估計(續)

10. Financial assets and financial liabilities (Continued)

10. 金融資產和金融負債(續)

(2) Financial liabilities (Continued)

(2) 金融負債(續)

(3) Determination methods for fair values of financial assets and financial liabilities

(3) 金融資產和金融負債的公允價值確定方法

The fair value of financial assets and financial liabilities in the Group shall be measured by the price in the primary market, and if there is 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, and 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.

本集團金融資產和金融負債以主要市場的價格計量公允價值，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. Provision for bad debts 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 the allowance method; and conducts impairment test separately or by combination at end of the year, with bad debt provision made and included in 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 appropriated bad debt provision.

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. Provision for bad debts of receivables (Continued)

(1) Accounts receivables with significant single amount and bad debt provision made individually

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

Method of bad debt provision made individually for receivables with significant single amount

單項金額重大並單項計提壞賬準備的計提方法

(2) Receivables with bad debt provision made as per portfolio 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)

Aging portfolio

賬齡組合

Proportion of withdrawing of bad debt provision for receivables by aging analysis method is as follows:

Aging	賬齡
Within one year	一年以內
One to two years	一至二年
Two to three years	二至三年
Three to four years	三至四年
Four to five years	四至五年
More than five years	五年以上

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 5,000,000.00 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 makes bad debt provision based on negative balance of present value 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) 按信用風險特徵組合計提壞賬準備的應收款項

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:

Provision proportion of receivables (%) 應收賬款計提比例(%)	Provision proportion of other receivables (%) 其他應收款計提比例(%)
1	1
10	10
20	20
50	50
80	80
100	100

(3) 單項金額不重大但單獨計提壞賬準備的應收款項

(3) Accounts receivables with insignificant single amount but the bad debt provision is made individually

單項計提壞賬準備的理由

Method of bad debt provision

壞賬準備的計提方法

Receivables with insignificant single amount and bad debt provision made by portfolio not reflecting risk features of the receivables

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 makes bad debt provision based on negative balance of present value 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) 四、重要會計政策及會計估計(續)

12. Inventories

The Group's inventory mainly includes raw materials, packing materials, low-value consumables, goods in process, finished goods, and goods shipped in transit, etc.

The perpetual inventory system is adopted for inventories. Inventories are valued based on their actual cost when obtained. Their actual costs are determined with the weighted mean method when acquired or sent; low-value consumables and packages are amortized by 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. Long-term equity investments

The long-term equity investment of the Group is mainly aimed to subsidiaries, associated enterprises and joint ventures.

The Group's criterion for joint control is that all parties or group of parties jointly control the arrangement, and policies of relevant activities of the arrangement must be subject to unanimous consent of parties sharing the control.

It is generally considered that the Group, when holding, directly or through subsidiaries, more than 20% (included) but less than 50% of the voting right of the investee, has a significant influence on the investee. When the Group holds less than 20% voting right of the investee, 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 investee, or whether participating in formulation of financial and operating policies of the investee, significant transaction happened with the investee, dispatching managers to the investee or providing key technical data to the investee, etc., to judge whether the Group has significant influence to the investee.

The investee 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.

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. 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)

13. Long-term equity investments (Continued)

Under the circumstance that the equity of an investee is obtained under the common control through multiple transactions step by step, which results in business merger, supplementary disclosure to treatment methods of long-term equity investments in the parent company's financial statements shall be made in the reporting period for acquiring the control. For instance, as to equity of the investee under common control acquired step-by-step through multiple transactions and business merger finally completed, which belongs to a package deal, the Group performs accounting treatment by regarding all transactions as a transaction for acquiring control power. 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 an investee is obtained under different control through multiple transactions step by step, which results in business merger, supplementary disclosure to cost treatment methods of long-term equity investments in the parent company's financial statements shall be made in the reporting period for acquiring the control. For instance, as to equity of the investee under different control acquired step-by-step through multiple transactions and business merger finally completed, which belongs to a package deal, the Group performs accounting treatment by regarding all transactions as a transaction for acquiring control power. 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 investee when disposing the investment. Where the equity held before the purchase date is calculated by fair value in the financial assets available-for-sale, and then accumulative change of the fair value originally included in 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)

13. 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，屬於一籃子交易的，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。不屬於一覽交易的，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，屬於一籃子交易的，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。不屬於一覽交易的，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)

四、重要會計政策及會計估計(續)

13. Long-term equity investments (Continued)

Apart from aforementioned long-term equity investments acquired through merger of corporations, as to long-term equity investment acquired by cash payment, the actually paid amount is taken as the investment cost; as to long-term equity investment acquired through issuing equity securities, the fair value of the issued equity securities is taken as the investment cost; as to long-term equity investment invested by investors, the value specified in investment contract or agreement is taken as the investment cost; if the Company has long-term equity investment acquired through debt restructuring and exchange of non-monetary assets, the method of determining investment cost shall be disclosed as per relevant accounting rules of enterprises and considering actual conditions 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 investee 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 investee changes. Wherein, the Group shall, when recognizing the shares of the net losses of the investee 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 investee 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 investee 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 investee 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 joint control or significant influence over the investee is lost due to the disposal of partial equity investment, the residual equity after disposal will be calculated as per the available-for-sale financial assets, the balance between the fair value and book value thereof on the date the joint control or significant influence is lost shall be included in 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.

13. 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)

13. Long-term equity investments (Continued)

When the Company loses the control over the investee 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 investee, with the balance between the book value of equity to be disposed and consideration of disposal included in the investment profits. While the remaining shares after disposal do not have joint control or significant impacts on investee 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 in current losses and profits.

Various transactions of the Group from step-by-step equity disposal to loss of controlling power do not belong to the package deal, and every transaction is separately subject to accounting treatment. 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.

14. Investment properties

Investment properties of the Group include the use rights of land rented, the use rights of land held for transfer after appreciation and plant & buildings rented. The investment properties of the Group shall be subject to subsequent measurement on a cost basis.

The Group's investment properties shall be depreciated or amortized by the straight-line method. The estimated service life, net residuals rate and annual rate of depreciation (amortization) of various investment properties 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(%)
Land use right	土地使用權	50	-	2.000
Plant & buildings	房屋建築物	40	5	2.375

13. 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股權的各項交易不屬於一籃子交易的，對每一項交易分別進行會計處理。屬於「一籃子交易」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併轉入喪失控制權的當期損益。

14. 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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IV. Significant Accounting Policies and Accounting Estimates (Continued) 四、重要會計政策及會計估計(續)

15. Fixed assets

The fixed assets of the Group feature the following characteristics: tangible assets held for the sake of producing goods, rendering services, renting or operating management, with a service life in excess of 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 plant and buildings, machinery equipment, transportation equipment, office equipment and other equipment.

Except for the fully depreciated fixed assets that are still in use, all the fixed assets of the Group shall be depreciated. Straight line method shall be adopted for calculating depreciation. The depreciation life by category, 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(%)
Plant & buildings	房屋建築物	40	5	2.375
Machinery equipment	機器設備	10	5-10	9-9.5
Electrical 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 residual 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 Company 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 entry value and the minimum lease payment shall be deemed as unrecognized financing cost.

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. Construction in progress

Construction in progress ready for intended use shall be transferred to fixed assets based on the estimated value according to construction budget, project cost or actual project cost. The depreciation shall be drawn from the next month. After going through procedures of completion settlement, the difference of the original value of the fixed assets shall be adjusted.

15. 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。

16. 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。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

17. Borrowing costs

The borrowing costs directly belonging to fixed assets, investment properties and inventories that require more than one year of acquisition or construction to be ready for intended use or selling shall be capitalized when the expenditures of the assets and the borrowing costs incurred and acquisition or construction activities necessary for making the assets be ready for intended use or selling begin. When the assets meeting the capitalization requirements are acquired or constructed are ready for use or selling, the capitalization shall be terminated, and the borrowing costs incurred subsequently shall be included in current profits and losses. If assets satisfying capitalization conditions are suddenly suspended in acquisition or construction for more than three months continuously, the capitalization of the borrowing costs shall be suspended until the restart of acquisition or construction of the assets.

The actually incurred interest costs of special borrowings in current period shall be capitalized after the interest income from deposits in banks or investment income from temporary investment with the unused borrowings is deducted from it. The capitalized amount of general borrowings shall be obtained by multiplying the weighted average of the excess of the accumulated asset expenditures over the asset expenditures of special borrowings with the capitalization rate of general borrowings used. The capitalization rate shall be calculated and determined in light of the weighted average interest rate of the general borrowing.

18. 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 in 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 rechecks the expected service life and amortization method of intangible assets with uncertain service life at the end of each year.

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.

四、重要會計政策及會計估計(續)

17. 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。

18. 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。

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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)

18. Intangible assets (Continued)

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.

Development expenditures not meeting the said conditions will be included in 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.

19. Impairment of long-term 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 made 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. The asset impairment provision is calculated and recognized based 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 assets that can independently generate cash inflow.

18. 無形資產(續)

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。

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。

19. 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。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

19. Impairment of long-term assets (Continued)

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.

20. Long-term deferred expenses

Long-term deferred expenses of the Group include turnover fees and property insurance fees. Such expenses shall be equally amortized in the benefit period. If the long-term deferred expenses items will not benefit the future accounting period, the amortized value of unamortized items shall be all transferred to the current profit or loss.

21. Employee compensation

Employee compensation of the Group includes short-term compensation, post-employment welfare, dismissal welfare and other long-term welfares.

Short-term compensation includes employee salary, employee benefit, medical insurance, etc.; the Group shall recognize the short-term compensation 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 welfare 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 in 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.

四、重要會計政策及會計估計(續)

19. 長期資產減值(續)

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。

20. 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。

21. 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。

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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)

21. Employee compensation (Continued)

Other long-term welfare refers to all employee benefits except short-term employee benefits, post-employment benefit and dismissal welfare.

22. Provisions

Where the business related to foreign guarantee, trade acceptance discount, pending litigations or arbitrations, product quality assurance, etc. meets the following conditions, the Group will recognize it as liabilities: current obligation borne by the Group; great possibility of economic benefit outflow because of performing the obligations; reliable measurement for the amount of the obligations.

Provisions are initially measured at the best estimate required to be paid when performing relevant current obligations, with comprehensive consideration of such factors as risks, uncertainties and time value of money related to contingencies. 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 provisions due to discount with the passage of time shall be recognized as interest costs.

The book value of provisions shall be reviewed on each balance sheet date, which shall also be adjusted to reflect the current optimal estimation.

23. Share-based 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.

21. 職工薪酬(續)

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。

22. 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。

23. 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。該公允價值金額在完成等待期內的服務或達到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)

24. Revenue recognition principles and measuring methods

The operating incomes 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

Incomes from selling 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)

24. 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)

25. Government subsidy 25. 政府補助

Government subsidies include asset-related government subsidy and revenue-related government subsidy. The asset-related government subsidies refer to those obtained by the Group and used for the acquisition or construction of long-term assets or obtainment of such assets by other forms. The revenue-related government subsidies refer to those other than the asset-related government subsidies. If no assistance object is specified in the government documents, the Group shall determine it based on the above identifying principles. For those hard to be identified, classify them totally in the revenue-related government subsidy.

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).

Asset-related government subsidies shall be recognized as deferred incomes, and it shall be distributed with a reasonable and systematic method within the service life of related assets and included in current profits and losses.

When the related assets are sold, assigned, scraped or damaged before the end of service life, all the undistributed deferred incomes shall be transferred to the profit or loss of the current period of assets disposal.

The revenue-related government subsidies used to compensate for the incurred related charges or losses shall be included in the current profits or losses or offset relevant costs; while those used to compensate for the related charges or losses during future periods shall be recognized as the deferred incomes and shall be included in the current profits or losses during the period when they are recognized. The government subsidies related to daily activities shall be included in other incomes based on the substance of business transactions. The government subsidies not related to daily activities shall be included in the non-operating incomes and expenses.

For repayment of government subsidies already recognized, if there is related deferred income balance, balance is included in current profit or loss after the offset of the carrying amount of the deferred income. In other cases, the government subsidies are directly included in current profit or loss.

25. 政府補助

本集團的政府補助包括與資產相關的政府補助和與收益相關的政府補助。其中，與資產相關的政府補助，是指本集團取得的、用於購建或以其他方式形成長期資產的政府補助；與收益相關的政府補助，是指除與資產相關的政府補助之外的政府補助。如果政府文件中未明確規定補助對象，本集團按照上述區分原則進行判斷，難以區分的，整體歸類為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，或對年末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按照合理、系統的方法分期計入當期損益。

相關資產在使用壽命結束前被出售、轉讓、報廢或發生毀損的，將尚未分配的相關遞延收益餘額轉入資產處置當期的損益。

與收益相關的政府補助，用於補償已發生的相關成本費用或損失的，計入當期損益或沖減相關成本；用於補償以後期間的相關成本費用或損失的，確認為遞延收益，並在確認相關成本費用或損失的期間計入當期損益。與日常活動相關的政府補助，按照經濟業務實質，計入其他收益。與日常活動無關的政府補助，計入營業外收支。

已確認的政府補助需要返還時，存在相關遞延收益餘額的，沖減相關遞延收益賬面餘額，超出部分計入當期損益；屬於其他情況的，直接計入當期損益。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

26. 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 deferred income tax assets shall be recognized to the extent of the future taxable income likely to be obtained for deducting deductible temporary difference, deductible loss, and tax deduction by the Group.

27. Lease

Lease can be divided by the Group into finance lease and operating lease at the commencement of lease.

At the commencement of the lease term, as the Lessee for finance lease, the Group shall deem the lower of the fair value of the leased asset and the present value of the minimum lease payments as the entry value of fixed assets acquired by finance lease and the minimum lease payment as the entry value of long-term payable. The difference between two entry values is deemed as unrecognized financing cost.

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.

四、重要會計政策及會計估計(續)

26. 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。

27. 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。

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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. Held-for-sale

- (1) The Group classifies the non-current assets or disposal groups meeting the following conditions as the held-for-sale assets: (1) the non-current assets or disposal groups can be immediately sold under current conditions pursuant to general terms for selling such assets or disposal groups; (2) the sales are very likely to occur, i.e., a resolution has been taken on a sales plan and a definitive purchase commitment has been obtained, and the sales are expected to be completed within one year. Relevant regulations require that the relevant approval needs to be obtained for those available for sale after approval by relevant authorities or regulators. Before the non-current assets or disposal groups are classified as the held-for-sale assets for the first time, the Group shall measure the book value of each asset and liability in the non-current assets or disposal groups in accordance with the relevant accounting standards. When the non-current assets or disposal groups held for sale are measured initially or re-measured on the balance sheet date, if the book value is higher than the net amount obtained by deducting the selling expenses from the fair value, the book value shall be reduced to the net amount obtained by deducting the selling expenses from the fair value, and the write-down amount shall be recognized as the asset impairment losses and shall be included in the current profits or losses and the impairment provision of held-for-sale assets shall be made at the same time.
- (2) The Group classifies the non-current assets or disposal groups that are acquired exclusively for resale, meet the conditions of "the sales are expected to be completed within one year" on the acquisition date and are likely to meet other conditions for held-for-sale assets in a short time (usually three months) as the held-for-sale assets on the acquisition date. In the initial measurement, the initial measurement amount assuming they are not classified as the held-for-sale assets and the net amount obtained by deducting the selling expenses from the fair value are compared, whichever is less. Except for the non-current assets or disposal groups acquired in the business merger, the difference arising from the net amount obtained by deducting the selling expenses from the fair value in the non-current assets or disposal groups as the initial measurement amount shall be included in the current profits or losses.
- (3) If the Group loses control over its subsidiaries due to the sales of investment in subsidiaries and other reasons, whether the Group reserves some of its equity investments after the sales or not, when the investment in subsidiaries to be sold meets the conditions for the held-for-sale assets, the investment in subsidiaries will be classified as the held-for-sale assets as a whole in the individual financial statements of the parent company and all the assets and liabilities of subsidiaries will be classified as the held-for-sale assets in the consolidated financial statements.

28. 持有待售

- (1) 本集團將同時符合下列條件的非流動資產或處置組劃分為持有待售：(1)根據類似交易中出售此類資產或處置組的慣例，在當前狀況下即可立即出售；(2)出售極可能發生，即已經就一項出售計劃作出決議且獲得確定的購買承諾，預計出售將在一年內完成。有關規定要求相關權力機構或者監管部門批准後方可出售的需要獲得相關批准。本集團將非流動資產或處置組首次劃分為持有待售類別前，按照相關會計準則規定計量非流動資產或處置組中各項資產和負債的賬面價值。初始計量或在資產負債表日重新計量持有待售的非流動資產或處置組時，其賬面價值高於公允價值減去出售費用後的淨額的，將賬面價值減記至公允價值減去出售費用後的淨額，減記的金額確認為資產減值損失，計入當期損益，同時計提持有待售資產減值準備。
- (2) 本集團專為轉售而取得的非流動資產或處置組，在取得日滿足「預計出售將在一年內完成」的規定條件，且短期(通常為3個月)內很可能滿足持有待售類別的其他劃分條件的，在取得日將其劃分為持有待售類別。在初始計量時，比較假定其不劃分為持有待售類別情況下的初始計量金額和公允價值減去出售費用後的淨額，以兩者孰低計量。除企業合併中取得的非流動資產或處置組外，由非流動資產或處置組以公允價值減去出售費用後的淨額作為初始計量金額而產生的差額，計入當期損益。
- (3) 本集團因出售對子公司的投資等原因導致喪失對子公司控制權的，無論出售後本集團是否保留部分權益性投資，在擬出售的對子公司投資滿足持有待售類別劃分條件時，在母公司個別財務報表中將對子公司投資整體劃分為持有待售類別，在合併財務報表中將子公司所有資產和負債劃分為持有待售類別。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

28. Held-for-sale (Continued)

- (4) If the net amount obtained by deducting the selling expenses from the fair value of non-current assets held for sale on the subsequent balance sheet date increases, the previous write-down amount shall be recovered and reversed from the asset impairment losses recognized after being classified as the held-for-sale assets, and the reversed amount shall be included in the current profits or losses. The asset impairment losses recognized before being classified as the held-for-sale assets shall not be reversed.

- (5) For the asset impairment losses recognized in the disposal group held for sale, the book value of the goodwill in the disposal group shall be deducted, and then the book value shall be deducted proportionately based on the proportion of the book value of each non-current asset.

If the net amount obtained by deducting the selling expenses from the fair value of disposal groups held for sale on the subsequent balance sheet date increases, the previous write-down amount shall be recovered and reversed from the asset impairment losses recognized in the non-current assets applicable to the relevant measurement rules after being classified as the held-for-sale assets, and the reversed amount shall be included in the current profits or losses. The book value of goodwill deducted and the asset impairment losses recognized in the non-current assets before being classified as the held-for-sale assets shall not be reversed.

For the subsequently reversed amount of asset impairment losses recognized in the disposal group held for sale, the book value shall be increased proportionately based on the proportion of the book value of each non-current asset other than the goodwill in the disposal group.

- (6) No depreciation or amortization is provided for non-current assets held for sale or non-current assets in the disposal group. The interest of liabilities and other expenses in the disposal group held for sale shall be recognized continuously.
- (7) When the non-current assets or disposal groups held for sale are not further classified as the held-for-sale assets or the non-current assets are removed from the disposal groups held for sale due to failure to meet the conditions for the held-for-sale assets, the measurement shall be conducted based on the lower of the following two: ① book value before being classified as the held-for-sale assets based on the amount of depreciation, amortization or impairment after adjustment that should be recognized in the case that assuming they are not classified as the held-for-sale assets; ② recoverable amount.

When the non-current assets or disposal groups held for sale are derecognized, the unrecognized gains or losses shall be included in the current profits or losses.

The Group presents the non-current assets held for sale or the assets in disposal groups held for sale as the "held-for-sale assets" and presents the liabilities in disposal groups held for sale as the "held-for-sale liabilities" in the balance sheet.

四、重要會計政策及會計估計(續)

28. 持有待售(續)

- (4) 後續資產負債表日持有待售的非流動資產公允價值減去出售費用後的淨額增加的，以前減記的金額應當予以恢復，並在劃分為持有待售類別後確認的資產減值損失金額內轉回，轉回金額計入當期損益。劃分為持有待售類別前確認的資產減值損失不得轉回。

- (5) 對於持有待售的處置組確認的資產減值損失金額，先抵減處置組中商譽的賬面價值，再根據各項非流動資產賬面價值所佔比重，按比例抵減其賬面價值。

後續資產負債表日持有待售的處置組公允價值減去出售費用後的淨額增加的，以前減記的金額應當予以恢復，並在劃分為持有待售類別後適用相關計量規定的非流動資產確認的資產減值損失金額內轉回，轉回金額計入當期損益。已抵減的商譽賬面價值，以及非流動資產在劃分為持有待售類別前確認的資產減值損失不得轉回。

持有待售的處置組確認的資產減值損失後續轉回金額，根據處置組中除商譽外，各項非流動資產賬面價值所佔比重，按比例增加其賬面價值。

- (6) 持有待售的非流動資產或處置組中的非流動資產不計提折舊或攤銷，持有待售的處置組中負債的利息和其他費用繼續予以確認。

- (7) 持有待售的非流動資產或處置組因不再滿足持有待售類別的劃分條件，而不再繼續劃分為持有待售類別或非流動資產從持有待售的處置組中移除時，按照以下兩者孰低計量：①劃分為持有待售類別前的賬面價值，按照假定不劃分為持有待售類別情況下本應確認的折舊、攤銷或減值等進行調整後的金額；②可收回金額。

終止確認持有待售的非流動資產或處置組時，將尚未確認的利得或損失計入當期損益。

本集團在資產負債表中將持有待售的非流動資產或持有待售的處置組中的資產列報於「持有待售資產」，將持有待售的處置組中的負債列報於「持有待售負債」。

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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)

29. Termination of operation 29. 終止經營

Discontinued operation refers to a constituent part which has been disposed by the Group or is classified as the one held for sale by the Group and can be separately distinguished, and meets one of the following conditions: (1) such constituent part represents an independent main business or a separate main operation region; (2) such constituent part is a part of an associated plan to dispose an independent main business or a separate main operation region; (3) such constituent part is a subsidiary acquired exclusively for resale.

The Group presents the profits or losses from continuing operations and discontinued operations in the income statement. For non-current assets or disposal groups held for sale that do not meet the definition of discontinued operation, the impairment losses and reversed amounts as well as profits or losses of disposal shall be presented as the profits or losses from continuing operations. The profits or losses from discontinued operations such as impairment losses and reversed amounts, and the profits or losses of disposal shall be presented as the profits or losses from discontinued operations.

The disposal groups that are intended to be ended rather than sold and meet the conditions of relevant constituent parts in the definition of discontinued operation shall be presented as the discontinued operations from the date of their end of use.

For discontinued operations presented in the current period, the information originally presented as the profits or losses from continuing operations in the current financial statements shall be presented as the profits or losses from discontinued operations during comparable accounting periods again. If the discontinued operation does not meet the conditions for classification of held-for-sale assets, the information originally presented as the profits or losses from discontinued operations in the current financial statements shall be presented as the profits or losses from continuing operations during comparable accounting periods again.

30. Other significant accounting policies and accounting estimates 30. 其他重要的會計政策和會計估計

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 following accounting estimates and key assumption suffer from significant risks for material adjustment on the book value of assets and liabilities in the future period.

29. 終止經營

終止經營，是指本集團滿足下列條件之一的、能夠單獨區分的組成部分，且該組成部分已經處置或劃分為持有待售類別：(1)該組成部分代表一項獨立的主要業務或一個單獨的主要經營地區；(2)該組成部分是擬對一項獨立的主要業務或一個單獨的主要經營地區進行處置的一項相關聯計劃的一部分；(3)該組成部分是專為轉售而取得的子公司。

本集團在利潤表中分別列示持續經營損益和終止經營損益。不符合終止經營定義的持有待售的非流動資產或處置組，其減值損失和轉回金額及處置損益作為持續經營損益列報。終止經營的減值損失和轉回金額等經營損益及處置損益作為終止經營損益列報。

擬結束使用而非出售且滿足終止經營定義中有關組成部分的條件的處置組，自其停止使用日起作為終止經營列報。

對於當期列報的終止經營，在當期財務報表中，原來作為持續經營損益列報的信息被重新作為可比會計期間的終止經營損益列報。終止經營不再滿足持有待售類別劃分條件的，在當期財務報表中，原來作為終止經營損益列報的信息被重新作為可比會計期間的持續經營損益列報。

30. 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。

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IV. Significant Accounting Policies and Accounting Estimates (Continued)

30. Other significant accounting policies and accounting estimates (Continued)

(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.

(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 selling expenses 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

The 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, and 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)

30. 其他重要的會計政策和會計估計(續)

(1) 應收款項減值

本集團在資產負債表日按攤餘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。

(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)

四、重要會計政策及會計估計(續)

30. Other significant accounting policies and accounting estimates (Continued)

30. 其他重要的會計政策和會計估計(續)

(4) Accounting Estimates for Impairment Provision for Fixed Assets

The Group will conduct impairment test on the fixed assets, like plant & 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.

(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) 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.

(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) 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.

(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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IV. Significant Accounting Policies and Accounting Estimates (Continued)

30. 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 management based on 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.

31. Changes in significant accounting policies and accounting estimates

(1) Changes in significant accounting policies

The Ministry of Finance revised the *Accounting Standard for Business Enterprises No. 16 – Government Grants (Revision)* in 2017 which comes into force on June 12, 2017, and promulgated the *Accounting Standard for Business Enterprises No. 42 – Non-current Assets and Disposal Groups Held for Sale, and Discontinued Operations* which comes into force on May 28, 2017. According to the *Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises* (CK [2017] No. 30), the format of financial statements of general enterprises has been revised accordingly. The Group has implemented the new accounting standards for business enterprises as required and adjusted the comparative financial statements in accordance with the convergence provisions of the new standards. The impact of implementing the new standards on comparative financial statements is as follows:

四、重要會計政策及會計估計(續)

30. 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。

31. 重要會計政策和會計估計變更

(1) 重要會計政策變更

財政部於2017年修訂了《企業會計準則第16號—政府補助》(修訂)，自2017年6月12日起執行；頒佈了《企業會計準則第42號—持有待售的非流動資產、處置組和終止經營》，自2017年5月28日起執行。根據《財政部關於修訂印發一般企業財務報表格式的通知》(財會[2017]30號)，對一般企業財務報表格式進行了相應修訂。本集團已按要求執行新的該等企業會計準則，並按照新準則的銜接規定對比較財務報表進行調整。執行新準則對比較財務報表影響說明如下：

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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)

31. Changes in significant accounting policies and accounting estimates (Continued)

31. 重要會計政策和會計估計變更(續)

(1) Changes in significant accounting policies (Continued)

(1) 重要會計政策變更(續)

Contents and reasons of changes in accounting policies 會計政策變更的內容和原因	Affected items in the statements 受影響的報表項目	Affected amount at the end of 2016/in 2016 2016年末/2016年度影響金額
<p><i>The Accounting Standard for Business Enterprises No. 42 – Non-current Assets and Disposal Groups Held for Sale, and Discontinued Operations</i> stipulates the classification, measurement and presentation of non-current assets or disposal groups held for sale after May 28, 2017, as well as the presentation of discontinued operations, and they shall be handled by using the future application method;</p> <p>《企業會計準則第42號 – 持有待售的非流動資產、處置組和終止經營》對於2017年5月28日之後持有待售的非流動資產或處置組的分類、計量和列報,以及終止經營的列報等進行了規定,並採用未來適用法進行處理;</p> <p>The presentation of the financial statements is revised, and the profits or losses from continuing operations and discontinued operations are separately presented in the consolidated income statement and income statement.</p> <p>修改了財務報表的列報,在合併利潤表和利潤表中分別列示持續經營損益和終止經營損益等。</p>	<p>Held-for-sale assets 持有待售資產</p> <p>Held-for-sale liabilities 持有待售負債</p> <p>Net profit from continuing operations 持續經營淨利潤</p>	<p>None 無</p> <p>None 無</p> <p>-148,381,218.35</p>
<p>The presentation of the comparative statements is adjusted accordingly: for discontinued operations as presented in the current period, the information originally presented as the profits or losses from continuing operations shall be presented as the profits or losses from discontinued operations again in the comparative statements.</p> <p>對比較報表的列報進行了相應調整:對於當期列報的終止經營,原來作為持續經營損益列報的信息重新在比較報表中作為終止經營損益列報。</p>	<p>Net profit from termination of operation 終止經營淨利潤</p>	<p>-32,276,673.23</p>
<p><i>The Accounting Standard for Business Enterprises No. 16 – Government Grants</i> (2017) comes into force on June 12, 2017. The standard shall be applicable to the government grants existing on January 01, 2017 and the government grants newly added in 2017. According to the standard, when the government grants related to daily activities are included in the income statement, the original inclusion of non-operating income is changed to the inclusion of other gains based on the substance of business transactions.</p> <p>《企業會計準則第16號 – 政府補助》(2017)自2017年6月12日起施行,2017年1月1日存在的政府補助和2017年新增的政府補助適用該準則。根據該準則,對於與日常活動相關的政府補助,在計入利潤表時,按照經濟業務實質,由原計入營業外收入改為計入其他收益。</p> <p>There is no need to provide comparison information on new disclosure requirements.</p> <p>對新的披露要求不需提供比較信息。</p>	<p>Other earnings 其他收益</p>	<p>None 無</p>
<p>According to the <i>Notice of the Ministry of Finance on Revising and Issuing the Format of Financial Statements of General Enterprises</i> (CK [2017] No. 30), the “incomes from disposal of assets” item is added to the income statement and the comparative statements are adjusted accordingly.</p> <p>根據《財政部關於修訂印發一般企業財務報表格式的通知》(財會[2017]30號),利潤表增加「資產處置收益」項目,相應調整比較報表。</p>	<p>Income from asset disposal 資產處置收益</p>	<p>-2,091,562.94</p>
	<p>Non-operating incomes 營業外收入</p>	<p>-886,849.74</p>
	<p>Non-operating expenses 營業外支出</p>	<p>-2,978,412.68</p>
<p>(2) Change of Significant Accounting Estimate None.</p>	<p>(2) 重要的會計估計變更 無。</p>	

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V. Taxes

1. Main taxes and tax rates

Tax category 稅種	Taxation basis 計稅依據	Tax rate 稅率
Value-added tax 增值稅	Taxable added value 應納稅增值額	17%, 6%, 5%, 0%
City maintenance and construction tax 城市維護建設稅	VAT payable 應納增值稅額	5%, 7%
Education surcharge 教育費附加	VAT payable 應納增值稅額	3%
Local education surcharge 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 house property value and income from house property 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%
Corporate income tax (USA) 美國企業所得稅	Taxable income 應納稅所得額	Excess progressive of tax rate 超額累計稅率

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%
Kuancheng Tianhai Pressure Container Co., Ltd. 寬城天海壓力容器有限公司	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。

2. Tax preference

Beijing Tianhai Industry Co., Ltd, a subsidiary of the Company, has obtained the High-tech Enterprise Certificate on December 22, 2016 jointly issued by Beijing Municipal Science & Technology Commission, Finance Bureau of Beijing Municipality, Beijing Municipal Office of 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 2017.

Beijing Tianhai Cryogenic Equipment Co., Ltd., a subsidiary of the Company, has obtained the High-tech Enterprise Certificate on December 22, 2016 jointly issued by Beijing Municipal Science & Technology Commission, Finance Bureau of Beijing Municipality, Beijing Municipal Office of 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 2017.

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, 2017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, 2017年度按15%的企業所得稅優惠稅率計提企業所得稅。

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VI. Notes to Main Items in Consolidated Financial Statements

六、合併財務報表主要項目註釋

Unless otherwise stated, among the following disclosed data in the financial statements, "opening" refers to, January 01, 2017; "closing" refers to, December 31, 2017; "current year" refers to the period from January 01 to December 31, 2017; "previous year" refers to the period from January 01 to December 31, 2016; and the monetary unit is RMB.

下列所披露的財務報表數據,除特別注明之外,「年初」系指2017年1月1日,「年末」系指2017年12月31日,「本年」系指2017年1月1日至12月31日,「上年」系指2016年1月1日至12月31日,貨幣單位為人民幣元。

1. Cash at bank and on hand

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash	現金	123,064.28	81,483.39
Cash in bank	銀行存款	76,744,438.88	102,499,128.38
Other cash at bank and on hand	其他貨幣資金	1,500,000.00	16,248,660.00
Total	合計	78,367,503.16	118,829,271.77
Including: total amount deposited abroad	其中:存放在境外的款項總額	6,204,233.42	13,156,280.25

Note: Other cashes at bank and on hand are the deposits of bank acceptance notes with limited use.

1. 貨幣資金

註: 其他貨幣資金均為銀行承兌匯票保證金,使用受限。

2. Notes receivable

(1) Category of notes receivable

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Bank acceptance notes	銀行承兌匯票	27,812,323.12	16,314,951.71

(2) Notes receivable which have not been pledged at the end of the year

(2) 年末無用於質押的應收票據。

(3) Notes receivable which have been endorsed or discounted but not yet expired on the balance sheet date at the end of the year

(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

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 notes	銀行承兌匯票	261,237,886.04	0.00

(4) Notes to be transferred for accounts receivable due to the drawer's inability of performance at the end of the year.

(4) 年末無因出票人未履約而將其轉應收賬款的票據。

(5) The closing receivable notes mentioned above are aged within 180 days.

(5) 本集團上述年末應收票據的賬齡在180天之內。

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財務報表附註

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

3. Accounts receivable

Project name	項目名稱	Closing balance 年末餘額	Opening balance 年初餘額
Accounts receivable	應收賬款	387,475,764.82	236,593,334.39
Less: bad debt provision	減: 壞賬準備	32,542,721.01	21,407,449.13
Net amount	淨額	354,933,043.81	215,185,885.26

(1) Aging analysis of accounts receivable

Aging	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within one year	一年以內	305,057,924.90	166,774,552.37
One to two years	一年至二年	29,272,340.64	15,574,499.76
Two to three years	二年至三年	6,330,440.36	27,051,732.56
Three to four years	三年至四年	12,540,964.74	4,867,459.57
Four to five years	四年至五年	1,731,373.17	917,641.00
More than five years	五年以上	0.00	0.00
Net amount	淨額	354,933,043.81	215,185,885.26

The basis of aging analysis of the Group is presented based on the relevant transaction dates.

(2) Classification of accounts receivable

Category	類別	Book balance 賬面餘額		Closing balance 年末餘額		Book value 賬面價值
		Amount	Proportion (%)	Amount	Bad debt provision 壞賬準備	
Accounts receivable with significant single amount and bad debt provision made individually	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
Accounts receivable with bad debt provision made by portfolio of credit risk features	按信用風險特徵組合計提壞賬準備的應收賬款	387,475,764.82	100.00	32,542,721.01	8.40	354,933,043.81
Including: portfolio by ageing	其中: 賬齡組合	387,475,764.82	100.00	32,542,721.01	8.40	354,933,043.81
Accounts receivable with insignificant single amount but bad debt provision made individually	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
Total	合計	387,475,764.82	100.00	32,542,721.01	-	354,933,043.81

(1) 應收賬款賬齡分析

本集團賬齡分析之基準按相關交易日期呈列。

(2) 應收賬款分類

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

3. Accounts receivable (Continued)

(2) Classification of accounts receivable (Continued) (Con't)

Category	類別	Book balance 賬面餘額		Closing balance 年初餘額		Book value 賬面價值
		Amount	Proportion (%)	Amount	Provision proportion (%)	
		金額	比例 (%)	金額	計提比例 (%)	
Accounts receivable with significant single amount and bad debt provision made individually	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
Accounts receivable with bad debt provision made by portfolio of credit risk features	按信用風險特徵組合計提壞賬準備的應收賬款	236,593,334.39	100.00	21,407,449.13	9.05	215,185,885.26
Including: portfolio by ageing	其中: 賬齡組合	236,593,334.39	100.00	21,407,449.13	9.05	215,185,885.26
Accounts receivable with insignificant single amount but bad debt provision made individually	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
Total	合計	236,593,334.39	100.00	21,407,449.13	-	215,185,885.26

In portfolio, accounts receivable with provision for bad debts drawn by aging analysis

組合中,按賬齡分析法計提壞賬準備的應收賬款

Amount	賬齡	Accounts receivable 應收賬款	Bad debt provision 壞賬準備	Provision proportion (%) 計提比例 (%)
Within one year	一年以內	308,139,318.10	3,081,393.20	1.00
One to two years	一年至二年	32,524,822.94	3,252,482.30	10.00
Two to three years	二年至三年	7,913,050.45	1,582,610.09	20.00
Three to four years	三年至四年	25,081,929.48	12,540,964.74	50.00
Four to five years	四年至五年	8,656,865.85	6,925,492.68	80.00
More than five years	五年以上	5,159,778.00	5,159,778.00	100.00
Total	合計	387,475,764.82	32,542,721.01	-

(3) Analysis of period of the amount overdue but not impaired as of the balance sheet date

There is no amount overdue but not impaired as of the balance sheet date.

(4) Conditions about provision for bad debts drawn and reversed (or recovered) in the year

The amount of the bad debt provision this year is RMB12,883,578.22, of which the foreign currency translation affected is RMB-6,259.14, without bad debt provision recovered or reversed this year.

(3) 資產負債表日已逾期但未減值的款項的期限分析

資產負債表日不存在已逾期但未減值的款項。

(4) 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12,883,578.22元,外幣折算影響-6,259.14元,本年無收回或轉回的壞賬準備。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

3. Accounts receivable (Continued)

(5) Accounts receivable actually written off in this year

Item	項目	Amount written off 核銷金額
Accounts receivable actually written off	實際核銷的應收賬款	1,742,047.20

Important accounts receivable written off among above accounts receivable:

其中重要的應收賬款核銷情況：

Company name	Nature of accounts receivable	Amount written off	Reasons for write-off	Write-off procedures performed	Is the payment caused by related party transaction or not? 款項是否由關聯交易產生
單位名稱	應收賬款性質	核銷金額	核銷原因	履行的核銷程序	
China Nuclear Honghua Specialty Gases Co., Ltd. 中核紅華特種氣體股份有限公司	Accounts receivable 應收貨款	691,147.20	Irrecoverable 無法收回	Consideration and adoption by the Board of Directors of the subsidiary 子公司董事會審議通過	No 否
Shiyang Junwang Industry and Trade Co., Ltd. 十堰軍旺工貿有限公司	Accounts receivable 應收貨款	995,400.00	Irrecoverable 無法收回	Consideration and adoption by the Board of Directors of the subsidiary 子公司董事會審議通過	No 否
Total 合計		- 1,686,547.20	-	-	-

(6) Accounts receivable with top five closing balances collected as per the borrowers

(6) 按欠款方歸集的年末餘額前五名的應收賬款情況

Company name	Closing balance	Aging	Proportion in total closing balance of accounts receivable (%) 佔應收賬款年末餘額合計數的比例 (%)	Bad debt provision Closing balance
單位名稱	年末餘額	賬齡		壞賬準備 年末餘額
Sinochem International Logistics Co., Ltd. 中化國際物流有限公司	115,932,972.94	Within one year 一年以內	29.92	1,159,329.73
Shaanxi Heavy Duty Automobile Co., Ltd. 陝西重型汽車有限公司	13,218,246.21	One to three years 一至三年	3.41	149,606.58
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	12,890,682.94	Within one year 一年以內	3.33	128,906.83
Hubei Juxi Automotive Technology Co., Ltd. 湖北巨西汽車科技有限公司	12,570,985.03	Within one year 一年以內	3.24	125,709.85
Sinotruk Group Jinan HOWO Bus Co., Ltd. 中國重汽集團濟南豪沃客車有限公司	12,428,218.51	Within one year 一年以內	3.21	124,282.19
Total 合計	167,041,105.63	-	43.11	1,687,835.18

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

4. Advances to suppliers 4. 預付款項

(1) Age of advances to suppliers (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	47,016,931.65	94.20	32,186,913.36	88.89
1-2 years	1-2年	1,505,372.45	3.02	2,207,094.35	6.09
2-3 years	2-3年	431,489.18	0.86	1,383,945.85	3.82
Over 3 years	3年以上	959,111.98	1.92	433,880.25	1.20
Total	合計	49,912,905.26	100.00	36,211,833.81	100.00

The main reason for the aging over one year and some advances to suppliers 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) Advances to suppliers with top five closing balances collected as per the suppliers (2) 按預付對象歸集的年末餘額前五名的預付款情況

Company name	Closing balance	Aging	Proportion in total closing balance of payments (%) 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	
Tianjin RunDeZhongTian Pipe Co., Ltd. 天津潤德中天鋼管有限公司	9,138,220.16	Within one year 一年以內	18.31
Hengyang Valin Steel Tube Co., Ltd. 衡陽華菱鋼管有限公司	7,254,678.38	Within one year 一年以內	14.53
Beijing Taiyuan Iron & Steel Sales Co., Ltd. 北京太鋼銷售有限公司	4,066,982.81	Within one year 一年以內	8.15
Huai'an Zhenda Steel Tube Manufacturing Co., Ltd. 淮安市振達鋼管製造有限公司	4,050,983.81	Within one year 一年以內	8.12
Bank of Dalian Co., Ltd. 大連銀行股份有限公司	3,326,833.12	Within one year 一年以內	6.67
Total 合計	27,837,698.28	-	55.78

5. Dividends receivable 5. 應收股利

Investees	被投資單位	Closing balance 年末餘額	Opening balance 年初餘額
Shandong Tianhai High Pressure Container Co., Ltd.	山東天海高壓容器有限公司	8,756,869.09	0.00

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

6. Other receivables

Project name	項目名稱	Closing balance 年末餘額	Opening balance 年初餘額
Other receivables	其他應收款	6,694,475.45	6,521,905.80
Less: bad debt provision	減: 壞賬準備	2,560,044.08	1,941,356.00
Net amount	淨額	4,134,431.37	4,580,549.80

(1) Aging analysis of other receivables

Aging	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within one year	一年以內	3,706,950.92	4,403,445.83
One to two years	一年至二年	365,265.31	129,770.03
Two to three years	二年至三年	51,015.14	35,864.94
Three to four years	三年至四年	9,600.00	7,693.00
Four to five years	四年至五年	1,600.00	3,776.00
More than five years	五年以上	0.00	0.00
Net amount	淨額	4,134,431.37	4,580,549.80

(2) Classification

Category	類別	Book balance 賬面餘額		Closing balance 年末餘額		Book value 賬面價值
		Amount 金額	Proportion (%) 比例(%)	Bad debt provision 壞賬準備	Provision proportion (%) 計提比例 (%)	
Other receivables with significant single amount and bad debt provision made individually	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 with bad debt provision made by portfolio 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	6,694,475.45	100.00	2,560,044.08	38.24	4,134,431.37
Other receivables with insignificant single amount but bad debt provision made individually	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
Total	合計	6,694,475.45	100.00	2,560,044.08	-	4,134,431.37

6. 其他應收款

(1) 其他應收款賬齡分析

(2) 其他應收款分類

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

6. Other receivables (Continued)

(2) Classification (Continued) (Con't)

Category	類別	Book balance 賬面餘額		Closing balance 年初餘額		Book value 賬面價值
		Amount	Proportion (%)	Amount	Proportion (%)	
		金額	比例(%)	金額	計提比例(%)	
Other receivables with significant single amount and bad debt provision made individually	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 with bad debt provision made by portfolio 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 with insignificant single amount but bad debt provision made individually	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
Total	合計	6,521,905.80	100.00	1,941,356.00	-	4,580,549.80

In portfolio, other receivables with provision for bad debts drawn by aging analysis

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		
		Other receivables 其他應收款	Bad debt provision 壞賬準備	Provision proportion (%) 計提比例(%)
Within 1 year	1年以內	3,744,394.86	37,443.94	1.00
1-2 years	1-2年	405,850.35	40,585.04	10.00
2-3 years	2-3年	63,768.92	12,753.78	20.00
3-4 years	3-4年	19,200.00	9,600.00	50.00
4-5 years	4-5年	8,000.00	6,400.00	80.00
Over 5 years	5年以上	2,453,261.32	2,453,261.32	100.00
Total	合計	6,694,475.45	2,560,044.08	-

(3) Conditions about provision for bad debts drawn and reversed (or recovered) in the year

In this year, provision for bad debts is drawn by RMB618,688.08. There is no provision for bad debts received or reversed.

(3) 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618,688.08元,本年無收回或轉回的壞賬準備。

(4) Other receivables actually written off in this year

The Company has no other receivables written off in the current year.

(4) 本年度實際核銷的其他應收款

本公司本年無核銷的其他應收款。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

6. Other receivables (Continued)

(5) Classification of other receivables by nature

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
Petty cash	備用金	1,112,823.74	648,132.84
Deposit, security, etc.	押金、保證金等	294,383.70	810,500.00
Export rebates	出口退稅	0.00	2,810,131.38
Advances to suppliers more than five years	5年以上預付賬款	2,311,236.94	513,574.62
Intercourse funds	往來款	2,976,031.07	1,739,566.96
Total	合計	6,694,475.45	6,521,905.80

(6) Conditions about other payment receivable of top five balances as at the end of year collected by the borrowers:

Company name	Nature of amount	Closing balance	Aging	Proportion in total closing balance of other receivables (%) 佔其他應收款 年末餘額 合計數的比例 (%)	Closing balance of bad debt provision 壞賬準備 年末餘額
單位名稱	款項性質	年末餘額	賬齡		
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Intercourse funds 往來款	1,751,586.00	1-2 years 1-2年	26.16	175,158.60
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Intercourse funds 往來款	773,683.00	Within 3 years 3年以內	11.56	43,556.31
Baotou Steel Union Sales Co., Ltd. 包鋼鋼聯銷售有限公司	Prepayment for goods 預付貨款	400,648.84	Over 5 years 5年以上	5.98	400,648.84
Beijing Tengda Municipal Engineering Co., Ltd. 北京騰達市政工程有限公司	Advances to suppliers more than five years 5年以上預付賬款	365,000.00	Over 5 years	5.45	365,000.00
Taiyuan Heavy Industry Co., Ltd. 太原重工股份有限公司	Advances to suppliers more than five years 5年以上預付賬款	350,000.00	Over 5 years	5.23	350,000.00
Total 合計		3,640,917.84		54.38	1,334,363.75

6. Other receivables (Continued)

(5) 其他應收款按款項性質分類情況

(6) 按欠款方歸集的年末餘額前五名的其他應收款情況:

(7) Employee borrowings receivable

The Company has no employee borrowings receivable at the end of the period.

(7) 應收員工借款情況

本公司期末無應收員工借款。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

7. Inventories 7. 存貨

(1) Classification (1) 存貨分類

Item	項目	Closing amount		Book value
		Book balance	Provision for decline in value	
		賬面餘額	跌價準備	賬面價值
Raw materials	原材料	146,599,571.05	7,080,229.22	139,519,341.83
Products in process	在產品	137,763,343.67	11,823,314.36	125,940,029.31
Finished goods	庫存商品	126,346,708.87	11,333,135.71	115,013,573.16
Goods shipped	發出商品	9,000,034.25	253,975.77	8,746,058.48
Total	合計	419,709,657.84	30,490,655.06	389,219,002.78

(Con't)

(續表)

Item	項目	Closing amount		Book value
		Book balance	Provision for decline in 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
Products in process	在產品	67,855,698.43	15,699,021.15	52,156,677.28
Finished goods	庫存商品	141,016,628.39	15,867,362.65	125,149,265.74
Goods shipped	發出商品	430,499.67	101,520.24	328,979.43
Total	合計	374,321,474.76	57,193,854.86	317,127,619.90

(2) Provisions for decline in value of inventories

(2) 存貨跌價準備

Item	項目	Opening balance	Increase in the current year		Decrease in the current year		Closing balance
			Provision	Others	Reversal	Other transfer-out	
		年初餘額	本年增加	其他	本年減少	其他轉出	年末餘額
Raw materials	原材料	25,525,950.82	0.00	0.00	4,017,031.32	14,428,690.28	7,080,229.22
Products in process	在產品	15,699,021.15	10,436,075.37	0.00	0.00	14,311,782.16	11,823,314.36
Finished goods	庫存商品	15,867,362.65	7,306,838.31	0.00	0.00	11,841,065.25	11,333,135.71
Goods shipped	發出商品	101,520.24	253,975.77	0.00	0.00	101,520.24	253,975.77
Total	合計	57,193,854.86	17,996,889.45	0.00	4,017,031.32	40,683,057.93	30,490,655.06

Other transfer-out is the provision for decline in value of inventories.

其他轉出為轉銷存貨跌價準備。

(3) Refer to Note IV.12 Inventories for drawing method of provision for decline in value of inventories

(3) 存貨跌價準備的計提方法詳見本附註「四、12存貨」所述。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

8. Other current assets

Item 項目	Closing balance 年末餘額	Opening balance 年初餘額	Nature 性質
Overpaid VAT 留抵增值稅	44,826,680.42	54,170,822.29	Overpaid VAT 留抵增值稅
VAT not deducted 未抵扣增值稅	11,174,208.68	1,743.59	VAT not deducted 未抵扣增值稅
Enterprise income tax prepaid 預繳企業所得稅	239,732.68	0.00	Enterprise income tax prepaid 預繳企業所得稅
Total 合計	56,240,621.78	54,172,565.88	-

8. 其他流動資產

9. Long-term equity investments

(1) Classification

Investees 被投資單位	Opening balance 年初餘額	Added investment 追加投資	Decrease in investment 減少投資	Increase and decrease for the current year 本年增減變動							Closing balance 年末餘額	Closing balance of impairment provision 減值準備 年末餘額
				Investment profits and losses recognized under equity method 權益法下確認的投資損益	Adjustment to other comprehensive incomes 其他綜合收益調整	Other changes in equity 其他權益變動	Distribution of cash dividend or profit declared 宣告發放現金股利或利潤	Withdrawing of reserves for impairment 計提減值準備	Others 其他			
I. Joint ventures Shandong Tianhai High Pressure Container Co., Ltd. 一、合營企業 山東天海高壓容器有限公司	63,161,807.36	0.00	0.00	-4,339,617.94	0.00	0.00	-8,756,869.09	0.00	0.00	50,065,320.33	0.00	
II. Associated enterprises Jiangsu Tianhai Special Equipment Co., Ltd. 二、聯營企業 江蘇天海特種裝備有限公司	12,019,874.22	9,855,800.00	0.00	-246,512.08	0.00	0.00	0.00	0.00	0.00	21,629,162.14	0.00	
Total 合計	75,181,681.58	9,855,800.00	0.00	-4,586,130.02	0.00	0.00	-8,756,869.09	0.00	0.00	71,694,482.47	0.00	

9. 長期股權投資

(1) 長期股權投資分類

(2) Analysis of long-term equity investments

Item 項目	Closing amount 年末金額	Opening amount 年初金額
Listed		
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
Unlisted		
非上市	71,694,482.47	75,181,681.58
Total 合計	71,694,482.47	75,181,681.58

(2) 長期股權投資的分析

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

10. Fixed assets

(1) Breakdown

10. 固定資產

(1) 固定資產明細表

Item	項目	Plant & buildings 房屋建築物	Machinery equipment 機器設備	Transportation equipment 運輸設備	Office equipment 辦公設備	Electrical equipment 電氣設備	Total 合計
I. Original carrying amount	一、賬面原值						
1. Opening balance	1.年初餘額	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
2. Increase in the current year	2.本年增加金額	10,639,664.87	17,028,976.09	279,512.07	216,175.25	0.00	28,164,328.28
(1) Purchase	(1)購置	0.00	6,041,582.49	279,512.07	216,175.25	0.00	6,537,269.81
(2) Transferred from construction in progress	(2)在建工程轉入	10,639,664.87	10,987,393.60	0.00	0.00	0.00	21,627,058.47
3. Decrease in the current year	3.本年減少金額	154,288,078.42	151,157,892.60	4,942,969.97	244,676.82	3,019,380.37	313,652,998.18
(1) Disposal or scrapping	(1)處置或報廢	154,288,078.42	66,856,378.40	4,942,969.97	198,134.89	3,019,380.37	229,304,942.05
(2) transferred to construction in progress	(2)轉入在建工程	0.00	84,301,514.20	0.00	0.00	0.00	84,301,514.20
(3) Exchange rate changes	(3)匯率變動	0.00	0.00	0.00	46,541.93	0.00	46,541.93
4. Closing balance	4.年末餘額	528,556,947.34	671,493,269.46	24,182,264.43	12,501,580.46	22,594,750.19	1,259,328,811.88
II. Accumulated depreciation	二、累計折舊						
1. Opening balance	1.年初餘額	148,238,713.36	464,414,566.52	24,718,883.20	7,888,490.14	17,609,779.20	662,870,432.42
2. Increase in the current year	2.本年增加金額	15,080,920.58	51,053,732.59	424,899.83	1,023,567.53	483,908.99	68,067,029.52
(1) Provision	(1)計提	15,080,920.58	51,053,732.59	424,899.83	1,023,567.53	483,908.99	68,067,029.52
3. Decrease in the current year	3.本年減少金額	45,532,343.77	111,306,924.56	4,366,289.30	178,321.53	2,711,705.33	164,095,584.49
(1) Disposal or scrapping	(1)處置或報廢	45,532,343.77	53,548,394.15	4,366,289.30	178,321.53	2,711,705.33	106,337,054.08
(2) transferred to construction in progress	(2)轉入在建工程	0.00	57,758,530.41	0.00	0.00	0.00	57,758,530.41
4. Closing balance	4.年末餘額	117,787,290.17	404,161,374.55	20,777,493.73	8,733,736.14	15,381,982.86	566,841,877.45
III. Impairment provision	三、減值準備						
1. Opening balance	1.年初餘額	0.00	36,902,270.18	0.00	0.00	3,144,652.76	40,046,922.94
2. Increase in the current year	2.本年增加金額	0.00	0.00	0.00	0.00	0.00	0.00
(1) Provision	(1)計提	0.00	0.00	0.00	0.00	0.00	0.00
3. Decrease in the current year	3.本年減少金額	0.00	4,844,513.77	0.00	0.00	4,799.49	4,849,313.26
(1) Disposal or scrapping	(1)處置或報廢	0.00	1,362,739.99	0.00	0.00	4,799.49	1,367,539.48
(2) transferred to construction in progress	(2)轉入在建工程	0.00	3,481,773.78	0.00	0.00	0.00	3,481,773.78
4. Closing balance	4.年末餘額	0.00	32,057,756.41	0.00	0.00	3,139,853.27	35,197,609.68
IV. Book value	四、賬面價值						
1. Closing book value	1.年末賬面價值	410,769,657.17	235,274,138.50	3,404,770.70	3,767,844.32	4,072,914.06	657,289,324.75
2. Opening book value	2.年初賬面價值	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) The amount of depreciation for fixed assets recognized as profits or losses is RMB 68,067,029.52 (amount of previous year: RMB 85,253,367.18) in the current year.

(2) 本年確認為損益的固定資產的折舊為68,067,029.52元(上年金額:85,253,367.18元)。

(3) Increase of fixed assets of the current year includes RMB 21,627,058.47 transferred from construction in progress.

(3) 本年增加的固定資產中,由在建工程轉入的金額為21,627,058.47元。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

10. Fixed assets (Continued)

(4) The gain from sale of fixed assets in the current year is RMB 44,445,976.04.

Note 1: The Property Ownership Certificate (JZ No. 115031501859) and Certificate of Land Use Right (DHB-32-2) for the fixed assets of Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, at the end of the year are used as the mortgage to Tianjin Branch of Huaxia Bank, involving RMB 110,130,000.00 of the assessed value. The land is located on No. 268 Jinbin Avenue, Tianjin Port Free Trade Zone, with the area of 50,378.4 square meters. The mortgage contract No. is TJ06 (GD 2 No. 20170123), with the maximum debt limit of RMB 40,000,000.00. The loan period is from October 31, 2017 to October 30, 2018. The Property Ownership Certificate (JZ No.1150211201217) and Certificate of Land Use Right (DHB-31-6) for the fixed assets are used as loan on notes to Tianjin Branch of Huaxia Bank, involving RMB 75,740,000.00 of the assessed value. The land is located on No. 306 Xingang Avenue, Tianjin Port Free Trade Zone, with the area of 45,489.2 square meters. The maximum amount of debt is RMB 40,000,000.00 in the contract No. TJ06 (GD1) 20170123. The loan period is from October 31, 2017 to October 30, 2018.

Note 2: The Real Property Ownership Certificate of Land Use Right for Kuancheng Manchu Autonomous County (J (2017) No. 0000570) of Kuancheng Tianhai Pressure Container Co., Ltd., a subsidiary of the Company, at the end of the year is used as the mortgage to Chengde Branch of Bank of China Limited, involving the assessed value of RMB 39,556,300.00, the maximum debt limit of RMB 18,000,000.00, the loan contract No. of J-04-2017-077 (D) and the loan period from November 24, 2017 to November 23, 2020. The land is located in Xiaolongxumen Village, Longxumen Town, Kuancheng Manchu Autonomous County, with the area of 30,207.04 square meters and the plant & buildings area of 17,772.27 square meters.

10. 固定資產(續)

(4) 本年出售固定資產的利得為 44,445,976.04 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。抵押合同編號為TJ06(高抵2)20170123號, 最高債權額度為4,000萬元, 貸款期限自2017年10月31日至2018年10月30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, 合同編號為TJ06(高抵1)20170123號, 貸款期限自2017年10月31日至2018年10月30日。

說明2: 本公司之下屬公司寬城天海壓力容器有限公司年末土地使用權冀(2017)寬城滿族自治縣不動產權第0000570號, 面積30,207.04平方米, 房屋建築物面積: 17772.27平方米, 座落於寬城滿族自治縣龍鬚門鎮小龍鬚門村, 用於向中國銀行股份有限公司承德分行提供貸款抵押, 涉及評估價值為3,955.63萬元, 最高債權額度為1,800萬元, 貸款合同編號為冀-04-2017-077(抵), 貸款期限自2017年11月24日至2020年11月23日。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

10. Fixed assets (Continued)

(4) The gain from sale of fixed assets in the current year is RMB 44,445,976.04. (Continued)

Note 3: The Real Property Ownership Certificate (JT (2017) No. 0029537), Real Property Ownership Certificate (JT (2017) No. 0029542), Real Property Ownership Certificate (JT (2017) No. 0029544), Real Property Ownership Certificate (JT (2017) No. 0029546), Real Property Ownership Certificate (JT (2017) No. 0029552) and Certificate of Land Use Right (DHJTG 2013 No. 00062) for plant & buildings as the fixed assets of Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd., a subsidiary of the Company, at the end of the year are used as the buyer's factoring loan mortgage to Beijing Branch of Bank of Dalian by Beijing Tianhai Industry Co., Ltd., involving the assessed value of RMB 196,280,000.00. The land is located in No. 91, Nanfeng Road East, Tongzhou District, with the area of 71,396.43 square meters. The loan contract No. is DLQ J 201710200048B01, with the loan amount of RMB 70,000,000.00. The loan period is from November 10, 2017 to November 09, 2018.

10. 固定資產(續)

(4) 本年出售固定資產的利得為 44,445,976.04 元。(續)

說明3: 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年末固定資產房屋建築物房地證京(2017)通不動產權第0029537號, 京(2017)通不動產權第0029542號, 京(2017)通不動產權第0029544號, 京(2017)通不動產權第0029546號, 京(2017)通不動產權第0029552號, 土地使用權地號京通國用(2013出)第00062號, 面積71396.43平方米, 座落於通州區南鳳東路91號, 用於北京天海工業有限公司向大連銀行北京分行提供買方保理貸款抵押, 涉及評估價值為19,628萬元。貸款合同編號為DLQ京201710200048B01, 貸款金額為7,000萬元, 貸款期限自2017年11月10日至2018年11月9日。

(5) Temporarily idle fixed assets

Item	項目	Cost 賬面原值	Accumulated depreciation 累計折舊	Impairment provision 減值準備	Book value 賬面價值	Remarks 備註
Plant & buildings	房屋建築物	22,535,283.03	13,027,088.58	0.00	9,508,194.45	-
Machinery equipment	機器設備	156,809,703.04	109,882,590.41	19,230,275.72	27,696,836.91	-
Electrical equipment	電氣設備	11,959,788.12	8,342,401.48	2,982,823.80	634,562.84	
Office equipment	辦公設備	1,492,408.11	1,043,078.16	0.00	449,329.95	

(5) 暫時閒置的固定資產

(6) No fixed assets in the process of title certificate handling at the end of year

The Group has no fixed assets in the process of title certificate handling at the end of year.

(6) 年末無未辦妥產權證書的固定資產。 本集團年末無未辦妥產權證書的固定資產。

(7) Analysis of plant & buildings based on location and service life:

Item	項目	Closing amount 年末金額	Opening amount 年初金額
Within China	位於中國境內	410,769,657.17	523,966,647.53
Long-term (more than 50 years)	長期(50年以上)	0.00	0.00
Mid-term (10-50 years)	中期(10-50年)	410,769,657.17	523,966,647.53
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
Mid-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
Total	合計	410,769,657.17	523,966,647.53

(7) 房屋建築物按所在地區及年限分析如下:

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

11. Construction in progress

(1) Breakdown

Item	項目	Closing balance 年末餘額			Opening balance 年初餘額		
		Book balance 賬面餘額	Impairment provision 減值準備	Book value 賬面價值	Book balance 賬面餘額	Impairment provision 減值準備	Book value 賬面價值
Buildings under construction and equipment in the process of installation	在建房屋及在安裝設備	68,278,969.43	0.00	68,278,969.43	0.00	0.00	0.00
Fatigue explosion laboratory project	疲勞爆破實驗室工程	189,588.58	0.00	189,588.58	0.00	0.00	0.00
Total	合計	68,468,558.01	0.00	68,468,558.01	0.00	0.00	0.00

Note: For mortgage details of the construction in progress "Plant of Kuancheng Tianhai" of Kuancheng Tianhai Pressure Container Co., Ltd., a subsidiary of the Company, at the end of the year, see "VI. 10 Fixed assets" in the Notes.

說明:本公司之下屬公司寬城天海壓力容器有限公司年末在建工程之「寬城天海廠房」抵押情況詳見本附註「六、10 固定資產」之說明。

11. 在建工程

(1) 在建工程明細表

(2) Changes in major construction in progress

Project name	Opening balance 工程名稱	Increase in the current year 年初餘額	Transferred-in fixed assets 本年增加	Decrease in the current year 本年減少		Closing balance 年末餘額
				Others decreases 轉入固定資產	Others 其他減少	
Gas cylinder production line of Tianjin Tianhai	天津天海氣瓶生產線	0.00	13,429,818.41	8,083,522.38	0.00	5,346,296.03
Gas cylinder production line of Kuancheng Tianhai	寬城天海氣瓶生產線	0.00	23,473,835.25	0.00	0.00	23,473,835.25
Plant of Kuancheng Tianhai	寬城天海廠房	0.00	40,832,856.85	2,402,500.00	0.00	38,430,356.85
III-type cylinder	三型瓶	0.00	10,494,540.38	10,494,540.38	0.00	0.00
Total	合計	0.00	88,231,050.89	20,980,562.76	0.00	67,250,488.13

(Con't)

(續表)

Project name	Budget (RMB 10,000)	Proportion of project investment in the budget (%)	Works schedule (%)	Accumulated amount of capitalized interest (%)	Including: amount of capitalized interest in current year (%)	Capitalization rate of interest in current year (%)	Source of funds
工程名稱	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
Gas cylinder production line of Tianjin Tianhai	1,500.00	89.53	89.53	0.00	0.00	0.00	Self-raised
天津天海氣瓶生產線	1,500.00	89.53	89.53	0.00	0.00	0.00	自籌
Gas cylinder production line of Kuancheng Tianhai	2,500.00	93.90	93.90	0.00	0.00	0.00	self-raised borrowings
寬城天海氣瓶生產線	2,500.00	93.90	93.90	0.00	0.00	0.00	自籌借款
Plant of Kuancheng Tianhai	4,500.00	90.74	90.74	0.00	0.00	0.00	Self-raised
寬城天海廠房	4,500.00	90.74	90.74	0.00	0.00	0.00	自籌
III-type cylinder	1,050.00	100.00	100.00	0.00	0.00	0.00	Self-raised
三型瓶	1,050.00	100.00	100.00	0.00	0.00	0.00	自籌
Total 合計	9,550.00	-	-	-	-	-	-

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

12. Intangible assets

(1) Breakdown

12. 無形資產

(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 carrying amount	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	9,584,432.00	0.00	83,867.91	9,668,299.91
(1) Purchase	(1)購置	0.00	0.00	83,867.91	83,867.91
(2) Accepting investment	(2)接受投資	9,584,432.00	0.00	0.00	9,584,432.00
3. Decrease in the current year	3.本年減少金額	21,166,680.00	0.00	0.00	21,166,680.00
(1) Disposal	(1)處置	21,166,680.00	0.00	0.00	21,166,680.00
4. Closing balance	4.年末餘額	154,173,389.08	11,707,050.00	853,162.19	166,733,601.27
II. Accumulated amortization	二、累計攤銷				
1. Opening balance	1.年初餘額	17,920,247.29	8,136,142.05	589,008.45	26,645,397.79
2. Increase in the current year	2.本年增加金額	3,621,191.70	999,999.970	91,491.71	4,712,683.38
(1) Provision	(1)計提	3,621,191.70	999,999.97	91,491.71	4,712,683.38
3. Decrease in the current year	3.本年減少金額	4,374,447.20	0.00	0.00	4,374,447.20
(1) Disposal	(1)處置	4,374,447.20	0.00	0.00	4,374,447.20
4. Closing balance	4.年末餘額	17,166,991.79	9,136,142.02	680,500.16	26,983,633.97
III. Impairment provision	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
(1) Disposal	(1)處置	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	137,006,397.29	2,570,907.98	172,662.03	139,749,967.30
2. Opening book value	2.年初賬面價值	147,835,389.79	3,570,907.95	180,285.83	151,586,583.57

Note: For the detailed mortgage of the land use right of the Group at the end of the year, refer to Note VI. 10 Fixed Assets for the description.

說明：本集團年末土地使用權抵押情況詳見本附註「六、10 固定資產」之說明。

- (3) There are no intangible assets formed through internal R&D in the Company at the end of the year.
- (4) There is no land use right for property that certificate of title has not been handled at the end of the year.
- (5) The amount of depreciation and amortization for intangible assets recognized as profits or losses is RMB 4,712,683.38 (amount of previous year: RMB 4,514,254.42) in the current year.

- (3) 本年末無通過公司內部研發形成的無形資產。
- (4) 年末無未辦妥產權證書的土地使用權。
- (5) 本年確認為損益的無形資產的折舊和攤銷額為4,712,683.38元(上年金額：4,514,254.42元)。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

12. Intangible assets (Continued)

12. 無形資產(續)

(6) Analysis of land use right based on location and service life:

(6) 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
Within China	位於中國境內	137,006,397.29	147,835,389.79
Long-term (more than 50 years)	長期(50年以上)	0.00	0.00
Mid-term (10-50 years)	中期(10-50年)	137,006,397.29	147,835,389.79
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
Mid-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
Total	合計	137,006,397.29	147,835,389.79

(7) Temporarily idle intangible assets

(7) 暫時閒置的無形資產

Item	項目	Cost 賬面原值	Accumulated depreciation 累計折舊	Impairment provision 減值準備	Book value 賬面價值	Remarks 備註
Land use right	土地使用權	9,008,627.00	1,636,565.66	0.00	7,372,061.34	-

13. Goodwill

13. 商譽

(1) Original value

(1) 商譽原值

Name of the investee	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) Provision for impairment of goodwill

(2) 商譽減值準備

Name of the investee	被投資單位名稱	Opening balance 年初餘額	Impairment provision in current year 本年計提	Disposal in this year 本年處置	Closing balance 年末餘額
BTIC AMERICA CORPORATION	天海美洲公司	2,882,689.66	0.00	0.00	2,882,689.66

On the balance sheet date, Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, has conducted the impairment test for the goodwill and adopted the combination of asset groups related to the 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。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

13. Goodwill (Continued)

(2) Provision for impairment of goodwill (Continued)

Recoverable amounts of the asset group and combination of asset groups 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 the pretax rate of 8.26% which can reflect the specific risks of relevant asset groups and combination of asset groups as the discount rate. The above assumptions are used to analyze recoverable amounts of each asset group and combination of asset groups. The management believes that any material change in these key assumptions may cause the carrying amount of a single asset group to exceed its recoverable amount.

The management believes that the impairment provision of goodwill at the end of the year based on the above assessment is sufficient and proper.

13. 商譽(續)

(2) 商譽減值準備(續)

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。

管理層認為，年末基於上述評估，商譽計提的減值準備是充分恰當的。

14. Long-term deferred expenses

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 decreases in the current year 本年其他減少	Closing balance 年末餘額
Amortization of turnover fees	周轉攤銷	14,706,614.55	4,009,215.03	4,212,294.16	0.00	14,503,535.42
Property comprehensive insurance	財產綜合險	145,872.84	0.00	134,651.76	0.00	11,221.08
Total	合計	14,852,487.39	4,009,215.03	4,346,945.92	0.00	14,514,756.50

14. 長期待攤費用

15. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets not offset

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	Deferred income tax assets 遞延 所得稅資產	Deductible temporary difference 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	982,250.71	245,562.68	1,090,575.06	285,691.27
Depreciation life difference	折舊年限差異	122,898.97	43,014.64	0.00	0.00
Total	合計	1,105,149.68	288,577.32	1,090,575.06	285,691.27

15. 遞延所得稅資產和遞延所得稅負債

(1) 未經抵銷的遞延所得稅資產

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

15. Deferred income tax assets and deferred income tax liabilities (Continued)

15. 遞延所得稅資產和遞延所得稅負債(續)

(2) Details of unrecognized deferred income tax assets

(2) 未確認遞延所得稅資產明細

Item	項目	Closing amount 年末餘額	Opening amount 年初餘額
Deductible temporary difference	可抵扣暫時性差異	-	-
Deductible loss	可抵扣虧損	371,586,864.43	406,969,959.12
Provision for assets impairment	資產減值準備	102,674,424.97	123,507,533.52
Total	合計	474,261,289.40	530,477,492.64

(3) Deductible loss of the unrecognized deferred income tax assets will be due in the following years

(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 amount 年末餘額	Opening amount 年初餘額
2017	2017年度	-	43,261,714.43
2018	2018年度	21,180,571.48	16,422,438.17
2019	2019年度	41,532,934.11	42,853,049.96
2020	2020年度	145,886,603.24	183,719,785.08
2021	2021年度	112,635,194.39	120,712,971.48
2022	2022年度	50,351,561.21	-
Total	合計	371,586,864.43	406,969,959.12

16. Short-term borrowings

16. 短期借款

(1) Classification

(1) 短期借款分類

Category	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Mortgage borrowing	抵押借款	110,000,000.00	20,000,000.00
Guaranteed borrowing	保證借款	175,000,000.00	170,000,000.00
Total	合計	285,000,000.00	190,000,000.00

- 1) On January 13, 2017, Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, signed a working capital loan contract (No. YYB1210120170002) with Beijing Guanghua Branch of Huaxia Bank, with the loan amount of RMB 30,000,000.00, lasting for 12 months from January 16, 2017 to January 16, 2018 and with the loan rate of 5.0025%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.

- 1) 2017年1月13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YYB1210120170002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2017年1月16日起至2018年1月16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 in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

16. Short-term borrowings (Continued)

(1) Classification (Continued)

- 2) On April 06, 2017, Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, signed a working capital loan contract (No. YYB1210120170024) with Beijing Guanghua Branch of Huaxia Bank, with the loan amount of RMB 25,000,000.00, lasting for 12 months from April 12, 2017 to April 12, 2018 and with the loan rate of 5.0025%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.
- 3) On May 12, 2017, Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, signed a working capital loan contract (No. YYB1210120170041) with Beijing Guanghua Branch of Huaxia Bank, with the loan amount of RMB 50,000,000.00, lasting for 12 months from May 16, 2017 to May 16, 2018 and with the loan rate of 5.0025%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.
- 4) On May 11, 2017, Beijing Tianhai Industry Co., Ltd. signed a working capital loan contract (No. 91082017280026) with Beijing Branch of Shanghai Pudong Development Bank, with the loan amount of RMB 20,000,000.00, lasting for 12 months from May 11, 2017 to May 10, 2018 and with the loan rate of 5.4675%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.

16. 短期借款(續)

(1) 短期借款分類(續)

- 2) 2017年4月6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YYB1210120170024的流動資金借款合同，借款金額為2,500萬元，借款期間為12個月，從2017年4月12日起，至2018年4月12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。
- 3) 2017年5月12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YYB1210120170041的流動資金借款合同，借款金額為5,000萬元，借款期間為12個月，從2017年5月16日起，至2018年5月16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。
- 4) 2017年5月11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91082017280026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2017年5月11日起至2018年5月10日止，借款利率為5.4675%。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 in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

16. Short-term borrowings (Continued)

16. 短期借款(續)

(1) Classification (Continued)

(1) 短期借款分類(續)

- 5) On October 24, 2017, Beijing Tianhai Industry Co., Ltd. signed a comprehensive credit agreement (No. DLQ J 201710200048) with Beijing Branch of Bank of Dalian, with the loan amount of RMB 70,000,000.00, lasting for 12 months from November 10, 2017 to November 09, 2018 and with the loan rate of 5.66%. Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd. provided the maximum mortgage of RMB 70,000,000.00 with the plant & buildings involving the assessed value of RMB 196,280,000.00 and signed the maximum mortgage contract with the buyer's factoring loan (No. DLQ L 201710200048B01) for a period from November 10, 2017 to November 09, 2018.
- 6) On May 12, 2017, the Company signed a working capital loan contract (No. DLL J 201707040071) with Beijing Branch of Bank of Dalian, with the loan amount of RMB 50,000,000.00, lasting for 12 months from July 05, 2017 to July 04, 2018 and with the loan rate of 5.655%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.
- 7) On October 31, 2017, Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, signed a loan contract (No. TJ0610120170123) with Tianjin Branch of Huaxia Bank, with the loan amount of RMB 40,000,000.00, lasting for 12 months from October 31, 2017 to October 30, 2018 and with the loan rate of 5.4375%. The Company took its property (Number of Property Ownership Certificate: FDZJZ No. 115021201217) and land (Number of Certificate of Land Use Right: DHB-32-2) worthy of RMB 75,400,000.00 as assessed in total for pledge of above loan from October 31, 2017 to the date of expiry of the debt performance under the main contract.

- 5) 2017年10月24日，北京天海工業有限公司與大連銀行北京分行簽訂編號為DLQ京201710200048的綜合授信協議合同，借款金額為7,000萬元，期間為12個月，從2017年11月10日起至2018年11月9日止，借款利率為5.66%。由北京明暉天海氣體儲運裝備銷售有限公司以涉及評估價值為19,628萬元的房屋建築物提供最高額抵押7,000萬元，簽訂買方保理貸款的最高額抵押合同，編號DLQ京201710200048B01。期限為2017年11月10日起至2018年11月9日。
- 6) 2017年5月12日，本公司與大連銀行北京分行簽訂編號為DLL京201707040071的流動資金借款合同，借款金額為5,000萬元，借款期間為12個月，從2017年7月5日起至2018年7月4日止，借款利率為5.655%。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) 2017年10月31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TJ0610120170123號貸款協議，借款金額為4,000萬元，借款期限12個月，從2017年10月31日起至2018年10月30日止，借款利率為5.4375%。本公司以評估價值為7,540萬元的房產房產和土地對以上借款進行抵押，房產證編號房地證津字第115021201217號，土地使用權地號保一32-2，抵押期限為2017年10月31日起至主合同項下債務履行期限屆滿之日。

- (2) There is no short-term borrowing due but unpaid at the end of the year.
- (3) The weighted average annual interest rate of short-term borrowings at the end of the year is 5.37% (4.77% at the end of previous year).

- (2) 年末不存在已逾期未償還的短期借款。
- (3) 本年末短期借款的加權平均年利率為5.37% (上年末：4.77%)。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

17. Notes payable

17. 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 notes	銀行承兌匯票	3,000,000.00	30,000,000.00
(1) There is no note payable due but unpaid at the end of the year.		(1) 年末無已到期未支付的應付票據。	
(2) The closing payable notes of the Group mentioned above are aged within 180 days.		(2) 本集團上述年末應付票據的賬齡在180天之內。	

18. Accounts payable

18. 應付賬款

(1) Accounts payable

(1) 應付賬款

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Material payment, etc.	材料款等	247,106,828.24	215,997,537.29
Project payment	工程款	10,743,835.62	52,520,863.79
Total	合計	257,850,663.86	268,518,401.08

(2) The aging analysis based on the accounts payable on the transaction date is as follows

(2) 根據交易日的應付賬款賬齡分析如下

Item	項目	Closing balance 年末金額	Opening balance 年初金額
Within one year	一年以內	192,243,087.10	170,792,265.42
One to two years	一年至二年	8,401,700.79	87,809,198.38
Two to three years	二年至三年	53,054,070.96	6,809,605.43
More than three years	三年以上	4,151,805.01	3,107,331.85
Total	合計	257,850,663.86	268,518,401.08

(3) Significant payables with the aging over 1 year:

(3) 賬齡超過1年的重要應付賬款

Company name 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 Lebeier Catering Management Co., Ltd. 天津樂倍爾餐飲管理有限公司	1,728,956.00	Unsettled 尚未結算
Lanxi Haide Machine Tool Manufacturing Co., Ltd. 蘭溪市海德機床製造有限公司	1,717,948.71	Unsettled 尚未結算
Tianjin Bintai Energy Development Co., Ltd. 天津濱泰能源發展有限公司	1,304,844.55	Unsettled 尚未結算
Beijing Jingcheng Industrial Logistics Co., Ltd. 北京京城工業物流有限公司	1,202,227.27	Unsettled 尚未結算
Cangzhou Huiyou Wire & Cable Co., Ltd. 滄州會友線纜股份有限公司	1,173,071.46	Unsettled 尚未結算
Total 合計	7,127,047.99	-

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

19. Advances from customers

19. 預收款項

(1) Advances from customers

(1) 預收款項

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Goods payment received in advance	預收貨款	45,878,250.70	43,159,742.00
Including: more than one year	其中: 1年以上	9,233,227.30	8,267,337.63

(2) Significant accounts received in advance aged over 1 year

(2) 賬齡超過1年的重要預收款項

Company name 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
WESTPORTPOWERINC.	3,933,843.67	The contract has not been completely fulfilled. 合同未履行完畢
WESTPORTPOWERINC.	880,000.00	The contract has not been completely 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	530,000.00	The contract has not been completely 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	480,000.00	The contract has not been completely fulfilled. 合同未履行完畢
Jincheng Huayunda New Energy Co., Ltd. 晉城華運達新能源有限公司	448,000.00	The contract has not been completely fulfilled. 合同未履行完畢
Zhangjiagang Furui CIT Co., Ltd. 張家港富瑞氫能裝備有限公司	448,000.00	The contract has not been completely fulfilled. 合同未履行完畢
Total 合計	6,271,843.67	-

20. Employee benefits payable

20. 應付職工薪酬

(1) Classification

(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 benefits	短期薪酬	20,117,998.59	201,217,446.84	189,548,140.45	31,787,304.98
Post-employment benefits-defined contribution plan	離職後福利-設定提存計劃	750,883.39	22,240,808.05	21,946,752.01	1,044,939.43
Dismissal welfare	辭退福利	0.00	6,141,384.10	6,141,384.10	0.00
Current portion of other welfare	一年內到期的其他福利	4,204,219.27	1,976,216.34	2,150,137.46	4,030,298.15
Total	合計	25,073,101.25	231,575,855.33	219,786,414.02	36,862,542.56

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

20. Employee benefits payable (Continued)

20. 應付職工薪酬(續)

(2) Short-term benefits

(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
Salary, bonus, allowance and subsidy	工資、獎金、津貼和補貼	13,160,534.13	172,699,541.46	162,443,055.03	23,417,020.56
Employee welfare expenses	職工福利費	0.00	1,898,040.11	1,898,040.11	0.00
Social insurance premium	社會保險費	549,249.01	13,747,564.22	13,474,019.16	822,794.07
Including: medical insurance premium	其中: 醫療保險費	481,580.47	12,138,335.48	11,882,709.77	737,206.18
Work injury insurance premium	工傷保險費	35,674.44	895,108.99	888,029.19	42,754.24
Childbearing insurance premium	生育保險費	31,994.10	714,119.75	703,280.20	42,833.65
Housing provident fund	住房公積金	63,632.00	8,589,619.30	8,527,396.30	125,855.00
Labor union expenditure & personnel education fund	工會經費和職工教育經費	4,211,603.45	4,243,481.75	2,966,589.85	5,488,495.35
Housing allowance	住房補貼	2,132,980.00	39,200.00	239,040.00	1,933,140.00
Total	合計	20,117,998.59	201,217,446.84	189,548,140.45	31,787,304.98

(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 endowment insurance	基本養老保險	719,529.94	21,458,937.68	21,170,638.25	1,007,829.37
Unemployment insurance premium	失業保險費	31,353.45	781,870.37	776,113.76	37,110.06
Total	合計	750,883.39	22,240,808.05	21,946,752.01	1,044,939.43

The Group has participated in the social insurance program established by government authorities as stipulated. As per the program, the Group will contribute to the program in accordance with relevant regulations 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.

On December 31, 2017, there was payable contribution of RMB 1,044,939.43 for paying the relevant payable contributions at the end of the report period that has been due but not paid in the reporting period.

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。

於2017年12月31日,本集團尚有人民幣1,044,939.43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 in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

21. Taxes payable

21. 應交稅費

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Value-added tax	增值稅	7,692,584.40	2,417,599.54
Corporate income tax	企業所得稅	6,159,843.56	435,097.21
Individual income tax	個人所得稅	1,243,061.32	686,632.43
City maintenance and construction tax	城市維護建設稅	731,604.46	253,010.06
Property tax	房產稅	86,238.09	86,238.11
Land use tax	土地使用稅	0.00	131,312.64
Education surcharge	教育費附加	337,651.85	164,293.17
Local education surcharge	地方教育費附加	191,360.94	25,064.20
Stamp duty	印花稅	217,479.11	531,250.04
Watercourse management fee	河道管理費	0.00	13,668.37
Flood prevention charge	防洪費	23,386.24	11,608.57
Total	合計	16,683,209.97	4,755,774.34

There is no Hong Kong profits tax payable in the taxes payable at the end of the year.

年末應交稅費中無應交香港利得稅。

22. Interests payable

22. 應付利息

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Interest payable of short-term borrowing	短期借款應付利息	446,534.71	26,583.33

23. Other payables

23. 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 borrowing	關聯方借款	50,000,000.00	133,000,000.00
Funds disbursed for others, etc.	代墊款項等	38,818,094.18	33,144,677.10
Return of Social Insurance	社保金返還	11,707.50	16,807.95
Rental fees	租賃費	1,712,380.96	856,190.48
Total	合計	90,542,182.64	167,017,675.53

(2) Payables with significant amount and aged of over 1 year

(2) 賬齡超過1年的重要其他應付款

Company name 單位名稱	Closing balance 年末餘額	Reasons for nonrepayment or carrying over 未償還或結轉的原因
Tianjin Seamless Investment Co., Ltd. 天津大無縫投資有限責任公司	1,704,203.53	Unsettled 尚未結算

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

24. Non-current liabilities due within one year

24. 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	Remarks 備註
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	-
Including: Skid-mounted Fueling Station for Liquefied Natural Gas	其中: 撬裝式液化天然氣(LNG)加氣站產品	5,000,000.00	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	2,000,000.00	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	4,000,000.00	4,000,000.00	Note 3 註3

Note 1: On December 25, 2012, Beijing Tianhai Industry Co., Ltd. and Jingcheng Holding signed a Contract of Supporting Funds on Jingcheng Holding Strategic and Technologic Research and Development Projects. Jingcheng Holding granted a supporting fund of RMB 5,000,000.00 on skid-mounted liquefied natural gas (LNG) refilling stations of Beijing Tianhai Industry Co., Ltd.. Beijing Tianhai Industry Co., Ltd. would make a lump-sum repayment to Jingcheng Holding within the first 10 working days effective from December 01, 2014. The repayment, however, has not been made 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: On December 22, 2011, Beijing Tianhai Industry Co., Ltd. and Jingcheng Holding signed a Contract of Supporting Funds on Jingcheng Holding Strategic and Technologic Research and Development Projects. Jingcheng Holding granted Beijing Tianhai Industry Co., Ltd. a supporting fund of RMB 2,000,000.00 on the development of self-compression-adding liquefied natural gas (LNG) welding thermal insulation cylinder products for motor vehicles. Beijing Tianhai Industry Co., Ltd. would make a lump-sum repayment to Jingcheng Holding within the first 10 working days effective from December 01, 2014. The repayment, however, has not been made 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: On December 22, 2011, Beijing Tianhai Industry Co., Ltd. and Jingcheng Holding signed a Contract of Supporting Funds on Jingcheng Holding Strategic and Technologic Research and Development Projects. Jingcheng Holding granted Beijing Tianhai Industry Co., Ltd. a supporting fund of RMB 4,000,000.00 on the development of liquefied natural gas low temperature storage tank product for HPDI-T6 motor vehicles. Beijing Tianhai Industry Co., Ltd. will make RMB 1,200,000.00 and RMB 2,800,000.00 repayment of the non-current liability not repaid at the end of the year that has been adjusted to current portion of non-current liabilities, to Jingcheng Holding within the first 10 working days effective from December 01, 2014 and December 01, 2015, respectively. Such non-current liability has not been repaid 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。

25. Other current liabilities

25. 其他流動負債

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	5,380,893.08	279,193.40

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

26. Long-term borrowings

26. 長期借款

1. Classification

(1) 長期借款分類

Category	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Mortgage borrowing	抵押借款	5,060,000.00	0.00

On December 07, 2017, Kuancheng Tianhai Pressure Container Co., Ltd., a subsidiary of the Company, signed a loan contract (No. J-04-2017-077) with Chengde Branch of Bank of China Limited, with the loan amount of RMB 18,000,000.00, lasting for 36 months from December 28, 2017 to December 27, 2020 and with the loan rate of 4.75%. The Company took its property and land (Real Property Ownership Certificate of Land Use Right for Kuancheng Manchu Autonomous County (J (2017) No. 0000570)) worthy of RMB 39,556,300.00 as assessed in total for mortgage from December 28, 2017 to the date of expiry of the debt performance under the main contract. As of the end of the period, the bank has made a loan of RMB 5,060,000.00.

2017年12月7日，本公司之下屬公司寬城天海壓力容器有限公司與中國銀行股份有限公司承德分行簽訂合同編號冀一04-2017-077貸款協議，借款金額為1,800萬元，借款期限36個月，從2017年12月28日起至2020年12月27日止，借款利率為4.75%。本公司以評估價值為3,955.63萬元的房產和土地進行抵押，不動產權編號冀(2017)寬城滿族自治縣不動產權第0000570號，抵押期限為2017年12月28日起至主合同項下債務履行期限屆滿之日，截止期末銀行已放借款506萬元。

(2) Analysis on maturity dates of long-term borrowings

(2) 長期借款到期日分析

The book value of the above borrowings shall be repaid in the following periods	上述借款的賬面值須於以下期間償還	Closing balance 年末金額	Opening balance 年初金額
Within one year	一年內	0.00	0.00
More than one year after the balance sheet date, but not more than two years	資產負債表日後超過一年，但不超過兩年	0.00	0.00
More than two years after the balance sheet date, but not more than five years	資產負債表日後超過兩年，但不超過五年	5,060,000.00	0.00
More than five years after the balance sheet date	資產負債表日後超過五年	0.00	0.00
Less: amounts due within one year under current liabilities	減：流動負債項下所示一年內到期的款項	0.00	0.00
Amounts under non-current liabilities	非流動負債項下所示款項	5,060,000.00	0.00

27. Long-term employee benefits payable

27. 長期應付職工薪酬

(1) Classification

(1) 長期應付職工薪酬分類

Category	項目	Closing balance 年末餘額	Opening balance 年初餘額
Net liabilities of post-employment benefits – defined benefit plan	離職後福利－設定受益計劃淨負債	32,871,892.94	31,163,678.50

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

27. Long-term employee benefits payable (Continued)

(2) Changes in defined benefit plan – present value of obligations in defined benefit plan

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Opening balance	年初餘額	35,367,897.77	35,208,710.51
Defined benefit cost included in current profits and losses	計入當期損益的設定受益成本	3,684,430.78	4,057,615.10
1. Current service cost	1. 當期服務成本	2,358,134.61	2,733,767.58
2. Previous service cost	2. 過去服務成本	0.00	0.00
3. Settlement gains (losses to be listed with "-")	3. 結算利得(損失以「-」表示)	0.00	0.00
4. Net interests	4. 利息淨額	1,326,296.17	1,323,847.52
Defined benefit cost included in 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 (losses to be listed with "-")	1. 精算利得(損失以「-」表示)	0.00	0.00
Other changes	其他變動	-2,150,137.46	-3,898,427.84
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	-2,150,137.46	-3,898,427.84
Closing balance	年末餘額	36,902,191.09	35,367,897.77
Less: current portion of welfare	減: 將於1年內到期的福利	4,030,298.15	4,204,219.27
Closing balance of welfare with current portion deducted	扣除1年內到期後的年末餘額	32,871,892.94	31,163,678.50

27. 長期應付職工薪酬(續)

(2) 設定受益計劃變動情況－設定受益計劃義務現值

(3) Change of defined benefit plan – net liabilities in defined benefit plan (net assets)

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Opening balance	年初餘額	35,367,897.77	35,208,710.51
Defined benefit cost included in current profits and losses	計入當期損益的設定受益成本	3,684,430.78	4,057,615.10
Defined benefit cost included in other comprehensive incomes	計入其他綜合收益的設定收益成本	0.00	0.00
Other changes	其他變動	-2,150,137.46	-3,898,427.84
Closing balance	年末餘額	36,902,191.09	35,367,897.77

(3) 設定受益計劃變動情況－設定受益計劃淨負債(淨資產)

(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。

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六、合併財務報表主要項目註釋(續)

28. Special payables

28. 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	Remarks 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	Note 1 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	Note 2 註2
Total	合計	103,900,000.00	0.00	0.00	103,900,000.00	

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 10,000,000.00 for supporting the Project of Aluminum Lined Fully-wrapped Composite Gas Cylinder for Tianhai Vehicles of Beijing Tianhai Industry Co., Ltd. The balance unpaid at the end of the year is RMB 3,900,000.00.

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 the People's Government of Beijing Municipality issued Notice about Appropriation of 2013 State-owned Capital Operation Budget on June 04, 2013 (JGZ [2013] No.96) to Jingcheng Holding and notified to arrange RMB 100,000,000.00 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。

29. Provisions

29. 預計負債

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額	Cause 形成原因
Product quality assurance	產品質量保證	4,243,554.25	3,129,430.00	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 bond 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。

30. Deferred income

(1) Classification

30. 遞延收益

(1) 遞延收益分類

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
Government subsidies	政府補助	0.00	2,000,000.00	0.00	2,000,000.00

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

30. Deferred income (Continued)

(2) Projects using government subsidies

Projects using government subsidies	Opening balance	Amount of new grants in current year	Amount included in non-operating income of current year	Other changes	Closing balance	Asset-related/revenue-related
政府補助項目	年初餘額	本年新增補助金額	本年計入營業外收入金額	其他變動	年末餘額	與資產相關/與收益相關
70MPa hydrogen cylinder development project 70MPa氫氣瓶開發項目	0.00	2,000,000.00	0.00	0.00	2,000,000.00	Revenue-related 與收益相關

30. 遞延收益(續)

(2) 政府補助項目

31. 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 book value of RMB 1 per share.

(Unit: RMB 1000)

Item	Amount	Opening amount			Changes in the current year				Closing amount	
		Proportion (%)	Issuing	New shares	Bonus shares	Transfer from capital surplus to share capital	Others	Subtotal	Amount	Proportion (%)
	項目	金額	比例(%)	發行新股	送股	公積金轉股	其他	小計	金額	比例(%)
Total restricted shares	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
Unrestricted shares	無限售條件股份	-	-	-	-	-	-	-	-	-
RMB ordinary shares	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 unrestricted shares	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

31. 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)

32. Capital reserve

Item	項目	Opening balance	Increase in the current year	Decrease in the current year	Closing balance
		年初金額	本年增加	本年減少	年末金額
Share premiums	股本溢價	557,838,342.74	3,545,907.91	0.00	561,384,250.65
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	3,545,907.91	0.00	687,349,089.60

The increase in the capital surplus in the current year is the difference between the long-term equity investments newly obtained by transferring the equity interest of minority shareholders from a subsidiary Langfang Tianhai High Pressure Container Co., Ltd. by Beijing Tianhai Industry Co., Ltd. and the share of identifiable net assets in Langfang Tianhai High Pressure Container Co., Ltd. continuously calculated from the combination date as per the newly increased equity ratio.

資本公積本年增加為北京天海工業有限公司受讓其子公司廊坊天海高壓容器有限公司的少數股東股權,新取得的長期股權投資成本與按照新增持股比例計算應享有廊坊天海高壓容器有限公司自合併日開始持續計算的可辨認淨資產份額之間的差額。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

33. Other comprehensive income

33. 其他綜合收益

Item	項目	Opening balance 年初餘額	Amount incurred before income tax in current year 本年所得稅前發生額	Amount incurred in current year 本年發生額			Attributable to minority shareholders after tax 稅後歸屬於少數股東	Closing balance 年末餘額
				Less: amount included in other comprehensive incomes in the previous period and carried over to profit or loss in the current period 減: 前期計入其他綜合收益當期轉入損益	Less: income tax expenses 減: 所得稅費用	Attributed to parent company after tax 稅後歸屬於母公司		
I. Other comprehensive income that cannot be reclassified through profit or loss in the future Including: changes arising from re-measurement of net liabilities or net assets of defined benefit plan	一、以後不能重分類進損益的其他綜合收益 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	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	2,230,915.53	-2,424,859.82	0.00	0.00	-1,236,840.66	-1,188,019.16	994,074.87
Translated balance in foreign currency financial statements	外幣財務報表折算差額	2,230,915.53	-2,424,859.82	0.00	0.00	-1,236,840.66	-1,188,019.16	994,074.87
Total of other comprehensive incomes	其他綜合收益合計	2,390,915.53	-2,424,859.82	0.00	0.00	-1,236,840.66	-1,188,019.16	1,154,074.87

34. Surplus reserve

34. 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
Discretionary surplus reserve	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 expansion fund	企業發展基金	460,638.52	0.00	0.00	460,638.52
Total	合計	45,665,647.68	0.00	0.00	45,665,647.68

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

35. Undistributed profit

35. 未分配利潤

Item	項目	Current year 本年	Previous year 上年
Closing balance of the previous year	上年年末餘額	-588,661,889.61	-439,874,304.42
Add: adjustment of opening undistributed profits	加: 年初未分配利潤調整數	0.00	0.00
Including: 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	0.00	0.00
Changes in accounting policies	會計政策變更	0.00	0.00
Correction of major early errors	重要前期差錯更正	0.00	0.00
Change in scope of consolidation under the common control	同一控制合併範圍變更	0.00	0.00
Other adjustment factors	其他調整因素	0.00	0.00
Opening balance of the current year	本年年初餘額	-588,661,889.61	-439,874,304.42
Add: 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	20,868,364.01	-148,787,585.19
Less: appropriation of statutory surplus reserve	減: 提取法定盈餘公積	0.00	0.00
Appropriation of discretionary surplus reserves	提取任意盈餘公積	0.00	0.00
Appropriation of general risk provision	提取一般風險準備	0.00	0.00
Ordinary share dividends payable	應付普通股股利	0.00	0.00
Ordinary share dividends transferred into share capital	轉作股本的普通股股利	0.00	0.00
Closing balance of the current year	本年年末餘額	-567,793,525.60	-588,661,889.61

36. Net current assets

36. 淨流動資產

Item	項目	Closing balance 年末金額	Opening balance 年初金額
Current assets	流動資產	969,376,700.37	762,422,678.13
Less: Current Liabilities	減: 流動負債	752,644,277.52	739,830,470.93
Net Current Assets	淨流動資產	216,732,422.85	22,592,207.20

37. Total assets minus current liabilities

37. 總資產減流動負債

Item	項目	Closing balance 年末金額	Opening balance 年初金額
Total assets	資產總計	1,925,062,021.12	1,849,908,902.76
Less: Current Liabilities	減: 流動負債	752,644,277.52	739,830,470.93
Total assets minus current liabilities	總資產減流動負債	1,172,417,743.60	1,110,078,431.83

38. Debit/credit

The loan of the Group is summarized as follows:

38. 借貸

本集團借貸匯總如下:

Item	項目	Closing balance 年末金額	Opening balance 年初金額
Short-term bank loan	短期銀行借款	285,000,000.00	190,000,000.00
Current portion of special payables	1年內到期的專項應付款	11,000,000.00	11,000,000.00
Long-term bank loan	長期銀行借款	5,060,000.00	0.00
Special payables	專項應付款	103,900,000.00	103,900,000.00
Borrowing from Jingcheng Holding	京城控股借款	50,000,000.00	133,000,000.00
Total	合計	454,960,000.00	437,900,000.00

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

38. Debit/credit (Continued)

(1) Analysis of debit and credit

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Bank loan:	銀行借款		
– Need to repay within one year	– 須在一年內償還	285,000,000.00	190,000,000.00
– Need to repay after one year	– 須在一年以後償還	5,060,000.00	0.00
Subtotal	小計	290,060,000.00	190,000,000.00
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	164,900,000.00	247,900,000.00
– Need to repay after one year	– 須在一年以後償還	0.00	0.00
Subtotal	小計	164,900,000.00	247,900,000.00
Total	合計	454,960,000.00	437,900,000.00

(2) Analysis of due date of debit and credit

Bank loan:

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Repay as required or repay within one year	按 要求償還或一年以內	285,000,000.00	190,000,000.00
One to two years	一至二年	0.00	0.00
Two to five years	二至五年	5,060,000.00	0.00
More than five years	五年以上	0.00	0.00
Total	合計	290,060,000.00	190,000,000.00

Other loans:

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Repay as required or repay within one year	按 要求償還或一年以內	164,900,000.00	247,900,000.00
One to two years	一至二年	0.00	0.00
Two to five years	二至五年	0.00	0.00
More than five years	五年以上	0.00	0.00
Total	合計	164,900,000.00	247,900,000.00

38. 借貸(續)

(1) 借貸的分析

(2) 借貸的到期日分析

銀行借款：

其他借款：

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

39. Operating revenues and operating costs

39. 營業收入、營業成本

(1) Breakdown of operating revenues and operating costs

(1) 營業收入、營業成本明細

Item	項目	Amount incurred in current year 本年發生額		Amount incurred in previous year 上年發生額	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Prime businesses	主營業務	1,166,472,219.97	981,446,350.91	863,707,076.06	775,441,100.34
Other businesses	其他業務	37,024,735.05	27,487,347.84	25,818,174.19	16,064,419.80
Total	合計	1,203,496,955.02	1,008,933,698.75	889,525,250.25	791,505,520.14

(2) Gross profits from prime businesses

(2) 主營業務毛利

Item	項目	Amount in current year 本年金額	Amount in previous year 上年金額
		Prime business income	主營業務收入
Prime business cost	主營業務成本	981,446,350.91	775,441,100.34
Gross margin	毛利	185,025,869.06	88,265,975.72

(3) Classification of prime businesses by products

(3) 主營業務—按產品分類

Industry name	行業名稱	Amount in current year 本年金額		Amount in previous year 上年金額	
		Operating revenue 營業收入	Operating cost 營業成本	Operating revenue 營業收入	Operating cost 營業成本
Seamless steel gas cylinder	銅質無縫氣瓶	487,850,148.57	402,833,894.13	488,346,102.32	412,839,439.29
Full-wrapped cylinder	纏繞瓶	199,270,780.58	175,840,651.75	155,820,802.53	152,533,284.73
Cryogenic cylinder	低溫瓶	134,008,683.64	118,928,669.76	60,332,826.66	54,305,190.50
Cryogenic storage and transportation equipment	低溫儲運裝備	228,314,625.38	174,746,644.61	63,767,750.90	72,077,223.53
Others	其他	117,027,981.80	109,096,490.66	95,439,593.65	83,685,962.29
Total	合計	1,166,472,219.97	981,446,350.91	863,707,076.06	775,441,100.34

(4) Other operating revenues and other operating costs

(4) 其他業務收入和其他業務成本

Name of business	業務名稱	Amount in current year 本年金額		Amount in previous year 上年金額	
		Other operating revenues 其他業務收入	Other operating costs 其他業務成本	Other operating revenues 其他業務收入	Other operating costs 其他業務成本
Sales of materials	銷售材料	27,735,136.96	23,948,291.27	20,958,428.87	11,181,802.02
Others	其他	9,289,598.09	3,539,056.57	4,859,745.32	4,882,617.78
Total	合計	37,024,735.05	27,487,347.84	25,818,174.19	16,064,419.80

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

39. Operating revenues and operating costs(continued)

- (5) The total operating revenues from the top five customers of the Group in the current year are RMB 337,589,851.16, accounting for 28.06% of the total operating revenues in the current year (previous year: 16.03%), with the details as follows:

Company name	單位名稱	Operating revenue 營業收入	Proportion to total operating revenues (%) 佔全部業務收入總額的比例(%)
Sinochem International Logistics Co., Ltd.	中化國際物流有限公司	182,836,667.77	15.19
LEEBUCC TIANJIN HYDRAULICS EQUIPMENT CO.,LTD.	巴克立偉(天津)液壓設備有限公司	60,020,414.41	4.99
Jiangsu Tianhai Special Equipment Co., Ltd.	江蘇天海特種裝備有限公司	35,322,819.92	2.94
Zhengzhou Yutong Bus Co., Ltd.	鄭州宇通客車股份有限公司	32,098,667.02	2.67
Hubei Juxi Automotive Technology Co., Ltd.	湖北巨西汽車科技有限公司	27,311,282.04	2.27
Total	合計	337,589,851.16	28.06

39. 營業收入、營業成本(續)

- (5) 本年本集團前五名客戶營業收入總額337,589,851.16元,佔本年全部營業收入總額的28.06%(上年:16.03%),具體情況如下:

40. Taxes and surcharges

40. 稅金及附加

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Business tax	營業稅	0.00	-253,309.73
City maintenance and construction tax	城市維護建設稅	3,989,764.51	2,546,196.39
Education surcharge	教育費附加	1,757,113.42	1,137,624.72
Local education surcharge	地方教育費附加	1,171,408.99	758,416.50
Property tax	房產稅	6,160,277.85	5,120,663.06
Land use tax	土地使用稅	1,594,754.66	1,533,999.61
Vehicle and vessel use tax	車船使用稅	2,486.80	1,023.60
Riverway management charge	河道費	19,822.75	143,791.25
Stamp duty	印花稅	589,011.75	842,739.66
Security funds for the disabled	殘疾人保障金	934,878.43	489,293.15
Flood prevention tax	防洪稅	223,755.42	166,711.57
Total	合計	16,443,274.58	12,487,149.78

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

41. Selling expenses

41. 銷售費用

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Employee compensation	職工薪酬	22,555,052.24	23,517,739.75
Operational funds	業務經費	3,407,467.00	4,632,210.72
Transportation expenses	運輸費	19,648,970.49	23,260,679.40
Warehousing and maintenance fees	倉儲保管費	1,539,301.73	1,413,736.64
Exhibition fees	展覽費	799,029.64	497,284.04
After-sales service charges	售後服務費	10,411,057.75	4,079,772.29
Repair cost	修理費	427,132.04	439,366.03
Office fees	辦公費	725,834.91	488,952.28
Traveling expenses	差旅費	4,065,265.54	5,304,464.86
Others	其他	1,825,212.46	7,258,340.64
Total	合計	65,404,323.80	70,892,546.65

42. General and administrative expenses

42. 管理費用

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Taxes	稅費	0.00	1,687,746.90
Office fees	辦公費	4,017,633.11	3,575,287.80
Traveling expenses	差旅費	1,103,154.92	1,540,094.42
Energy bills	能源費	2,020,840.25	1,569,744.57
Repair cost	修理費	1,013,982.30	973,457.36
Depreciation expense	折舊費	5,005,402.45	8,363,644.38
Employee compensation	職工薪酬	74,336,666.16	72,914,379.11
Vehicle fees	車輛費用	1,915,610.06	2,044,539.98
R&D expenses	研發支出	10,640,445.25	10,773,928.97
Publicity expenses	業務宣傳費	792,426.21	816,298.46
Business entertainment expenses	業務招待費	650,253.23	765,664.80
Amortization of intangible assets	無形資產攤銷	3,189,601.75	3,800,995.65
Fees for employing intermediary organs	聘請中介機構費	5,331,491.28	10,441,280.51
- Audit service fees	- 審計服務費用	1,983,544.54	3,947,149.57
- Tax service fees	- 稅務服務費用	67,866.87	47,695.55
- Other service fees	- 其他服務費用	1,697,050.49	3,638,114.07
- Lawyer service fees	- 律師服務費	1,583,029.38	2,808,321.32
Others	其他	9,297,442.36	11,527,118.83
Total	合計	119,314,949.33	130,794,181.74

The audit fee is RMB 900,000.00 in current year (previous year: 900,000.00).

本年度審計收費為900,000.00元(上年度為900,000.00元)。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

43. Financial expenses

(1) Breakdown of financial expenses

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest expenses	利息支出	21,325,865.23	17,817,028.54
Less: interest incomes	減: 利息收入	281,670.69	525,595.63
Add: exchange losses	加: 匯兌損失	2,901,513.20	-4,432,532.75
Add: other expenditures	加: 其他支出	493,785.33	1,050,766.66
Total	合計	24,439,493.07	13,909,666.82

(2) Breakdown of interest expenses

Item	項目	Amount in current year 本年金額	Amount in previous year 上年金額
Bank loans and overdraft interests	銀行借款、透支利息	13,935,247.67	10,560,467.13
Other interests	其他利息	6,064,321.39	5,932,713.89
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	6,064,321.39	5,932,713.89
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
Interest of long-term employee benefits 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	1,326,296.17	1,323,847.52
Subtotal	小計	21,325,865.23	17,817,028.54
Less: capitalized interests	減: 資本化利息	0.00	0.00
Total	合計	21,325,865.23	17,817,028.54

(3) Breakdown of interest incomes

Item	項目	Amount in current year 本年金額	Amount in previous year 上年金額
Income from bank deposit interests	銀行存款利息收入	281,670.69	525,595.63
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
Total	合計	281,670.69	525,595.63

43. 財務費用

(1) 財務費用明細

Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
21,325,865.23	17,817,028.54
281,670.69	525,595.63
2,901,513.20	-4,432,532.75
493,785.33	1,050,766.66
24,439,493.07	13,909,666.82

(2) 利息支出明細

Amount in current year 本年金額	Amount in previous year 上年金額
13,935,247.67	10,560,467.13
6,064,321.39	5,932,713.89
6,064,321.39	5,932,713.89
0.00	0.00
1,326,296.17	1,323,847.52
21,325,865.23	17,817,028.54
0.00	0.00
21,325,865.23	17,817,028.54

(3) 利息收入明細

Amount in current year 本年金額	Amount in previous year 上年金額
281,670.69	525,595.63
0.00	0.00
0.00	0.00
0.00	0.00
0.00	0.00
281,670.69	525,595.63

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

44. Assets impairment losses

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Losses on bad debts	壞賬損失	13,502,266.30	6,366,281.80
Losses on decline in value of inventories	存貨跌價損失	13,979,858.13	27,617,411.85
Impairment of fixed assets	固定資產減值損失	0.00	37,734,628.29
Goodwill impairment	商譽減值損失	0.00	2,882,689.66
Total	合計	27,482,124.43	74,601,011.60

44. 資產減值損失

45. Investment incomes

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Long-term equity investment incomes calculated at equity method	權益法核算的長期股權投資收益	-4,586,130.02	6,819,578.37

45. 投資收益

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。

46. Incomes from asset disposal

Item	項目	Current year Amount incurred 本年發生額	Previous Year Amount incurred 上年發生額	Amount included in non-recurring profits and losses in the current year 計入本年非經常性損益的金額
Incomes from disposal of disposal groups held for sale	持有待售處置組處置收益	-	-	-
Gains from disposal of non-current assets	非流動資產處置收益	66,140,181.07	-2,091,562.94	66,140,181.07
Including incomes from disposal of non-current assets classified as the held-for-sale assets	其中:劃分為持有待售的非流動資產處置收益	0.00	0.00	0.00
Including incomes from disposal of fixed assets	其中:固定資產處置收益	0.00	0.00	0.00
Incomes from disposal of intangible assets	無形資產處置收益	0.00	0.00	0.00
Incomes from disposal of non-current assets not classified as the held-for-sale assets	未劃分為持有待售的非流動資產處置收益	66,140,181.07	-2,091,562.94	66,140,181.07
Including incomes from disposal of fixed assets	其中:固定資產處置收益	44,445,976.04	-2,091,562.94	44,445,976.04
Incomes from disposal of intangible assets	無形資產處置收益	21,694,205.03	0.00	21,694,205.03
Incomes from exchange of non-monetary assets	非貨幣性資產交換收益	0.00	0.00	0.00
Incomes from disposal of non-current assets in the debt restructuring	債務重組中因處置非流動資產收益	0.00	0.00	0.00
Total	合計	66,140,181.07	-2,091,562.94	66,140,181.07

46. 資產處置收益

The Group's incomes from disposal of assets in the current year include the profits from sale of properties of RMB 60,327,941.31 (previous year's amount of RMB 886,849.74).

本集團本年度資產處置收益包括出售物業的利潤60,327,941.31元(上年發生額886,849.74元)。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

47. Non-operating revenues

47. 營業外收入

(1) Details of non-operating revenues

(1) 營業外收入明細

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額	Amount included in non-recurring profits and losses in the current year 計入本年非經常性損益的金額
Gains from debt restructuring	債務重組利得	13,998,858.16	7,837,291.67	13,998,858.16
Government subsidies	政府補助	18,578,401.03	7,623,764.63	18,578,401.03
Funds unnecessary to be paid	無需支付的款項	0.00	6,130,328.25	0.00
Return compensation	騰退補償款	14,285,714.28	0.00	14,285,714.28
Others	其他	1,567,056.20	218,380.49	1,567,056.20
Total	合計	48,430,029.67	21,809,765.04	48,430,029.67

(2) Details of government subsidies

(2) 政府補助明細

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額	Source and basis 來源和依據	Assets related/ 與資產相關/
Reconstruction and renovation award of state-owned enterprises	國有企業疏解整治獎勵	15,839,237.09	0.00	Notice on Appropriating 2017 State-Owned Capital Management Budget Fund 《關於撥付2017年國有資本經營預算資金的通知》	Revenue-related 與收益相關
Allowances for production suspension	停產補貼費用	1,383,800.00	0.00	Bureau of Finance of Langfang Economic and Technological Development Zone 廊坊市經濟技術開發區財政局	Revenue-related 與收益相關
Allowances for vocational training benefit plan	職業培訓福利計劃補貼	507,600.00	0.00	JRSJF [2015] No. 6, JZF [2014] No. 31 津人社局發[2015]6號、津政發[2014]31號	Revenue-related 與收益相關
Award funds from Beijing Municipal Commission of Commerce	北京市商委會獎勵資金	250,256.00	0.00	Grants from Beijing Municipal Commission of Commerce 來自北京市商務委員會的撥款	Revenue-related 與收益相關
Allowances for outstanding enterprises and technology innovation teams	突出企業和科技創新團隊補貼	200,000.00	0.00	LKG [2017] No. 13 廊開工[2017]13號	Revenue-related 與收益相關
NDRC adjustment and withdrawal subsidies for the second batch of polluting enterprises in 2015	發改委2015年第二批污染企業調整退出補助金	0.00	3,000,000.00	Management Measures for Award Funds for Adjustment of Withdrawal from Industrial Pollution Enterprises 工業污染企業調整退出獎勵資金管理辦法	Revenue-related 與收益相關
Energy audit award from Beijing Energy Conservation and Environmental Protection Center	北京節能環保中心的能源審計獎勵	0.00	1,485,396.00	Energy audit award from Beijing Energy Conservation and Environmental Protection Center 北京節能環保中心的能源審計獎勵	Revenue-related 與收益相關
Support Policy of Tianjin Port Free Trade Zone on Promoting Self-help Production of 8.12 Affected Enterprises to Restore 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》	0.00	1,239,961.93	津保管發[2015]57號	Revenue-related 與收益相關
Government subsidies for "dual-autonomous" enterprises	「雙自主」企業政府補貼	0.00	750,296.00	Government subsidies for "dual-autonomous" enterprises	Revenue-related 與收益相關
Government subsidies for Beijing's foreign trade and economic cooperation	北京外經貿發展政府補助	0.00	430,674.00	Detailed Rules for Implementation of Management of Special Funds for Foreign Trade Development in Beijing, Notice of Beijing Municipal Commission of Commerce on Providing Guidance Funds for Beijing Foreign Economic and Trade Development and Directory of Enterprises to be Supported Mainly by 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台擬重點支持企業名錄的通知	Revenue-related 與收益相關

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

47. Non-operating revenues (Continued)

(2) Details of government subsidies (Continued)

47. 營業外收入(續)

(2) 政府補助明細(續)

Item 項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額	Source and basis 來源和依據	Assets related/ 與資產相關/
Subsidies for Patent Rights in Chaoyang District	0.00	251,390.00	Finance Bureau of Chaoyang District-Subsidies for Patent Rights of High-tech Enterprises in Chaoyang District, CZF [2016] No. 11-Notice on Funding for 2016 Patent Technology Industrialization Project of Chaoyang District, Measures for Patent Funding and Awarding in Chaoyang District (CZF [2010] No. 8) and Management Measures for Patent Grants in Beijing	Revenue-related
朝陽區專利權資助			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告、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	與收益相關
Post steady subsidies	0.00	167,600.00	JRSF [2015] NO. 57	Revenue-related
穩崗補貼			冀人社發[2015]57號	與收益相關
Subsidies for updating and eliminating old vehicles from Beijing Municipal Environmental Protection Bureau	85,500.00	0.00	Schemes of Beijing for Further Promoting the Elimination and Update of Old Motor Vehicles	Revenue-related
北京環保局老舊車更新淘汰補助			《北京市進一步促進老舊機動車淘汰更新方案》	與收益相關
Rewards and subsidies for economic growth of industrial enterprises in the first half of 2017	67,000.00	0.00	JBFGB [2017] No. 71	Revenue-related
2017上半年工業企業經濟增長獎補資金			津保發改報[2017]71號	與收益相關
Subsidies for Technical Standards from the Science Technology Commission Of Chaoyang District, Beijing, China	54,000.00	0.00	Notice of Intellectual Property Office Chaoyang District Beijing China on issuance of the Chaoyang District Subsidies for the Formulation (Revision) of Technical Standards	Revenue-related
北京朝陽區科學技術委員會技術標準資助			北京市朝陽區知識產權局關於印發《朝陽區技術標準制(修)訂資助辦法》的通告	與收益相關
Outstanding Contribution Award on Solving Employment of Labor Force	50,000.00	0.00	Tongzhou District Guoxian Town People's Government	Revenue-related
解決勞動力就業突出貢獻獎			通州區漣縣鎮人民政府	與收益相關
Post subsidies for employment of the disabled in 2015-2016	41,000.00	0.00	Grants to Disabled Persons' Federation of Beijing Chaoyang District	Revenue-related
2015-2016年安置殘疾人崗位補貼			北京市朝陽區殘疾人聯合會撥款	與收益相關
Subsidies for employment of college students	35,007.94	0.00	JRSF [2015] No. 57	Revenue-related
大學生就業補助			冀人社發[2015]57號	與收益相關
Subsidies for employment of redundant employees from iron and steel enterprises with excessive manufacturing capacity	25,000.00	0.00	JRSJF [2016] No. 80	Revenue-related
化解鋼鐵過剩產能企業人員安置補貼			津人社局發[2016]80號	與收益相關
Allowances for vocational training benefit plan and talent training benefit plan	25,000.00	0.00	JRSJF [2015] No. 6, JZF [2014] No. 31	Revenue-related
職業培訓福利計劃補貼、人才培訓福利計劃補貼			津人社局發[2015]6號、津政發[2014]31號	與收益相關
Award funds for energy saving	15,000.00	0.00	Beijing Energy Conservation and Environmental Protection Center	Revenue-related
節能獎勵基金			北京節能環保中心	與收益相關
Social Insurance subsidies	0.00	92,930.98	Audit and Confirmation Form of Applying Social Insurance Subsidies for College Graduates Recruited by Small and Medium-sized Enterprises in Langfang City	Revenue-related
社保補貼			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	與收益相關
Employment subsidy	0.00	75,111.72	Audit and Confirmation Form of Applying Social Insurance Subsidies for College Graduates Recruited by Small and Medium-sized Enterprises in Langfang City	Revenue-related
就業補貼			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	與收益相關
Supporting fund for short-term export credit insurance	0.00	52,015.00	Funds for supporting short-term export credit insurance premiums provided by Beijing Municipal Commission of Commerce	Revenue-related
短期出口信用險保費支持資金			北京商務委員會短期出口信用險保費支持資金	與收益相關
Financial incentives funds responding the Project	0.00	43,906.00	Management Measures for Financial Incentives for Beijing Power Demand Side Management Urban Comprehensive Pilot Project	Revenue-related
響應項目財政獎勵資金			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	與收益相關
Rewards for implementation of intellectual property right policies	0.00	17,300.00	Rewards for implementation of intellectual property right policies	Revenue-related
知識產權政策落實獎勵			知識產權政策落實獎勵	與收益相關
Financial incentives funds for winter demand corresponding project in 2015	0.00	17,183.00	Notice of Beijing Municipal Commission of Development and Reform on Organizing to Declare the Fourth Batch of Beijing Power Demand Side Management Urban Comprehensive Pilot Projects	Revenue-related
2015年冬季需求相應項目財政獎勵金			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	與收益相關
Total 合計	18,578,401.03	7,623,764.63	-	-

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

六、合併財務報表主要項目註釋(續)

47. Non-operating revenues (Continued)

(3) The Group's non-operating revenue in the current year does not include the profits from sale of properties.

47. 營業外收入(續)

(3) 本集團本年度營業外收入無出售物業的利潤。

48. Non-operating expenses

48. 營業外支出

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額	Amount included in non-recurring profits and losses in the current year 計入本年非經常性損益的金額
Losses from damage and scrapping of non-current assets	非流動資產毀損報廢損失	7,036,823.56	0.00	7,036,823.56
Liquidated damages, fines and overdue fines		4,393,152.50	349,812.39	4,393,152.50
Personnel placement	人員安置	8,000,000.00	0.00	8,000,000.00
Others	其他	396,878.10	537,687.35	396,878.10
Total	合計	19,826,854.16	887,499.74	19,826,854.16

49. Income tax expenses

(1) Income tax expense

49. 所得稅費用

(1) 所得稅費用

Item	項目	Amount in current year 本年年額	Amount in 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	8,496,222.40	1,651,706.37
1. China	1.中國	7,012,223.88	1,202,216.89
2. Hong Kong	2.香港	0.00	0.00
3. Other regions (USA)	3.其他地區(美國)	1,464,427.75	416,472.29
4. Over-measurement in the previous years (under-measurement)	4.以前年度多計(少計)	19,570.77	33,017.19
Deferred income tax expenses	遞延所得稅費用	-5,537.68	-8,360.54
Total	合計	8,490,684.72	1,643,345.83

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

49. Income tax expenses (Continued)

(2) Adjustment process of accounting profits and tax expenses

Item	項目	Amount in current year 本年年金額	Amount in previous year 上年金額
Consolidated gross profits in the current year	本年合併利潤總額	31,636,317.62	-179,014,545.75
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	7,909,079.41	-44,753,636.44
Effect from application of different tax rate to subsidiaries	子公司適用不同稅率的影響	743,329.92	12,340,266.95
Effect from adjustment of income tax in the previous period	調整以前期間所得稅的影響	19,570.77	33,017.19
Effect from costs, expenses and losses that cannot be deducted	不可抵扣的成本、費用和損失的影響	845,614.81	14,953,211.57
Effect 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	-11,476,108.51	-3,298,558.73
Effect from deductible temporary difference or deductible losses of deferred income tax assets unrecognized in the current year	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	10,449,198.32	22,369,045.29
Total	合計	8,490,684.72	1,643,345.83

49. 所得稅費用(續)

(2) 會計利潤與所得稅費用調整過程

50. Other comprehensive income

See relevant contents in "VI. 33 Other comprehensive income" in the Notes for details.

51. Depreciation and amortization

The depreciation/amortization recognized in the income statement is RMB 77,126,658.82 in the current year (previous year: RMB 91,436,547.60).

52. Expenditures for operating lease

The expenditure for operating lease in the current year is RMB 1,340,000.00 (previous year: RMB 2,046,860.00), without expenditures for rents for industrial equipment and machinery.

50. 其他綜合收益

詳見本附註「六、33 其他綜合收益」相關內容。

51. 折舊及攤銷

本年度確認在利潤表的折舊/攤銷為77,126,658.82元(上年度為91,436,547.60元)。

52. 營業租金支出

本年度的營業租金支出為1,340,000.00元(上年度為2,046,860.00元),無工業裝置及機械的租金支出。

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VI. Notes to Main Items in Consolidated Financial Statements (Continued)

53. Items of cash flow statement

(1) Other cash received/paid relating to operating/investment/financing activities

1) Other cash received relating to operating activities

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
Margins and pretty cash recovered	收回保證金及備用金	34,008,247.39	7,762,897.39
Interest income	利息收入	280,869.90	525,595.63
Government subsidies	政府補助	20,578,401.03	7,623,764.63
Intercourse funds	往來款	9,487,996.84	5,444,507.51
Total	合計	64,355,515.16	21,356,765.16

2) Other cash paid relating to operating activities

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
General expenses	各項費用	53,766,876.27	78,289,303.71
Cash deposit	保證金	51,380,976.84	27,036,876.64
Intercourse funds	往來款	48,337,401.58	3,946,213.88
Total	合計	153,485,254.69	109,272,394.23

3) Other cash paid relating to investing activities

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
Taxes and surcharges cash payments in the real estate transfer	房產過戶支付的各項稅費	0.00	3,717,361.42

4) Other cash received relating to financing activities

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
Jingcheng Holding borrowings, etc.	京城控股借款等	30,000,000.00	0.00

5) Other cash paid relating to financing activities

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
Borrowing from Jingcheng Holding repaid	歸還京城控股借款	114,222,833.33	5,000,000.00

53. 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

Amount in current year 本年年額	Amount in previous year 上年金額
34,008,247.39	7,762,897.39
280,869.90	525,595.63
20,578,401.03	7,623,764.63
9,487,996.84	5,444,507.51
64,355,515.16	21,356,765.16

2) 支付的其他與經營活動有關的現金

Amount in current year 本年年額	Amount in previous year 上年金額
53,766,876.27	78,289,303.71
51,380,976.84	27,036,876.64
48,337,401.58	3,946,213.88
153,485,254.69	109,272,394.23

3) 支付的其他與投資活動有關的現金

Amount in current year 本年年額	Amount in previous year 上年金額
0.00	3,717,361.42

4) 收到的其他與籌資活動有關的現金

Amount in current year 本年年額	Amount in previous year 上年金額
30,000,000.00	0.00

5) 支付的其他與籌資活動有關的現金

Amount in current year 本年年額	Amount in previous year 上年金額
114,222,833.33	5,000,000.00

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VI. Notes to Main Items in Consolidated Financial Statements (Continued) 六、合併財務報表主要項目註釋(續)

53. Items of cash flow statement (Continued)

53. 現金流量表項目(續)

(2) Supplementary information to consolidated cash flow statement

(2) 合併現金流量表補充資料

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
1. Reconciliation from net profit to cash flows from operating activities:	1. 將淨利潤調節為經營活動現金流量:		
Net profit	淨利潤	23,145,632.90	-180,657,891.58
Add: provision for assets impairment	加: 資產減值準備	27,482,124.43	74,601,011.60
Depreciation of fixed assets	固定資產折舊	68,067,029.52	85,253,367.18
Amortization of intangible assets	無形資產攤銷	4,712,683.38	4,514,254.42
Amortization of long-term deferred expenses	長期待攤費用攤銷	4,346,945.92	1,668,926.00
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	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)	-66,140,181.07	2,091,562.94
Losses on retirement of fixed assets (gains to be listed with "-")	固定資產報廢損失(收益以[-]填列)	7,036,823.56	0.00
Profits and losses of changes in fair value (gains to be listed with "-")	公允價值變動損益(收益以[-]填列)	0.00	0.00
Financial expenses (gains to be listed with "-")	財務費用(收益以[-]填列)	21,325,865.23	17,817,028.54
Losses on investment (gains to be listed with "-")	投資損失(收益以[-]填列)	4,586,130.02	-6,819,578.37
Decrease on deferred income tax asset (increases to be listed with "-")	遞延所得稅資產的減少(增加以[-]填列)	-5,537.68	-8,360.54
Increases in deferred income tax liabilities (decreases to be listed with "-")	遞延所得稅負債的增加(減少以[-]填列)	0.00	0.00
Decreases on inventory (increases to be listed with "-")	存貨的減少(增加以[-]填列)	-45,388,183.08	112,948,931.86
Decreases on operating receivables (increases to be listed with "-")	經營性應收項目的減少(增加以[-]填列)	-169,249,238.85	18,798,748.01
Increase on operating payables (decreases to be listed with "-")	經營性應付項目的增加(減少以[-]填列)	-106,578,559.23	-143,249,823.68
Others	其他	0.00	0.00
Net cash flows from operating activities	經營活動產生的現金流量淨額	-226,658,464.95	-13,041,823.62
2. Significant investing and financing activities that do not involve cash receipts and payments:	2. 不涉及現金收支的重大投資和籌資活動:		
Translation of debt into capital	債務轉為資本	0.00	0.00
Current portion of convertible corporate bonds	一年內到期的可轉換公司債券	0.00	0.00
Fixed assets acquired under finance leases	融資租入固定資產	0.00	0.00
3. Net change in cash and cash equivalents:	3. 現金及現金等價物淨變動情況:		
Closing balance of cash	現金的年末餘額	76,867,503.16	102,580,611.77
Less: opening balance of cash	減: 現金的年初餘額	102,580,611.77	175,776,574.47
Add: 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	-25,713,108.61	-73,195,962.70

(3) Cash and cash equivalents

(3) 現金和現金等價物

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash	現金	76,867,503.16	102,580,611.77
Including: cash on hand	其中: 庫存現金	123,064.28	81,483.39
Cash at bank available for payment at any time	可隨時用於支付的銀行存款	76,744,438.88	102,499,128.38
Other cash balances 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	0.00	0.00
Including: bond investment due within three months	其中: 三個月內到期的債券投資	0.00	0.00
Closing balance of cash and cash equivalents	年末現金和現金等價物餘額	76,867,503.16	102,580,611.77
Including: cash and cash equivalents that parent company or subsidiaries of the Group 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

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54. Items in statement of changes in shareholders' equity

For "Miscellaneous" in the statement of changes in shareholders' equity, refer to Note VI. 32 Capital reserves.

54. 股東權益變動表項目

股東權益變動表中「其他」項詳見本附註「六、32資本公積」所述。

55. Assets with restricted ownership or use right

55. 所有權或使用權受到限制的資產

Item 項目	Closing book value 年末賬面價值	Reasons 受限原因
Cash at bank and on hand 貨幣資金	1,500,000.00	Guarantee deposits for notes 票據保證金
Fixed assets 固定資產	228,003,278.30	Pledge for obtaining bank loans 為取得銀行借款抵押
Intangible assets 無形資產	117,952,182.48	Pledge for obtaining bank loans 為取得銀行借款抵押
Construction in progress 在建工程	38,430,356.85	Pledge for obtaining bank loans 為取得銀行借款抵押
Total 合計	385,885,817.63	-

56. Monetary items in foreign currency

(1) Monetary items for foreign currency

56. 外幣貨幣性項目

(1) 外幣貨幣性項目

Item 項目	Closing balance in foreign currency 年末外幣餘額	Exchange rate for translation 折算匯率	Closing balance in RMB (equivalent) 年末折算人民幣餘額
Cash at bank and on hand 貨幣資金	-	-	9,775,979.39
Including: USD 其中：美元	1,228,160.90	6.5342	8,025,048.95
EUR 歐元	221,507.33	7.8023	1,728,266.64
HKD 港幣	27,113.05	0.8359	22,663.80
Accounts receivable 應收賬款	-	-	29,841,649.93
Including: USD 其中：美元	4,301,861.62	6.5342	28,109,224.20
EUR 歐元	222,040.39	7.8023	1,732,425.73
Accounts payable 應付賬款	-	-	18,774,168.24
Including: USD 其中：美元	1,647,140.69	6.5342	10,762,746.70
EUR 歐元	1,026,802.55	7.8023	8,011,421.54
Other payables 其他應付款	-	-	7,585.10
Including: USD 其中：美元	1,160.83	6.5342	7,585.10

(2) Oversea business entity

BTIC AMERICA CORPORATION, a subsidiary of the Company, is 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.

(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。

57. Government subsidy

(1) Basic information about government subsidies

57. 政府補助

(1) 政府補助基本情況

Category 種類	Balances in the current year/at the end of the year 本年發生/年末餘額	Item presented 列報項目	Amount included in the current profits or losses 計入當期損益的金額
Revenue-related 與收益相關	18,578,401.03	Non-operating incomes 營業外收入	18,578,401.03
Revenue-related 與收益相關	2,000,000.00	Deferred incomes 遞延收益	0.00

(2) Refund of government subsidies

The Group has no refund of government grants in the current year

(2) 政府補助退回情況

本年本集團無政府補助退回的情況

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VII. Changes in Consolidation Scope

1. Business merger under different control

None

2. Business merger under common control

None

3. Changes in consolidation scope for other reasons

Due to the new establishment of Kuancheng Tianhai Pressure Container Co., Ltd., the scope of consolidation increases by 1.

On April 07, 2017, Beijing Tianhai Industry Co., Ltd. and Kuancheng Shenghua Pressure Container Manufacturing Co., Ltd. jointly invested in the establishment of Kuancheng Tianhai Pressure Container Co., Ltd., and Kuancheng Tianhai Pressure Container Co., Ltd. had a registered capital of RMB 81,584,000.00 and paid-up capital of RMB 81,584,000.00. Beijing Tianhai Industry Co., Ltd. invested RMB 49,847,800.00 in monetary capital and technology use rights, and the capital contribution proportion was 61.10%; Kuancheng Shenghua Pressure Container Manufacturing Co., Ltd. invested RMB 31,736,200.00 in land use rights, plant & buildings, and machinery and equipment, and the capital contribution proportion was 38.90%, both parties enjoy rights and interests according to the agreed proportion of contribution.

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

3. 其他原因的合併範圍變動

本年因新設寬城天海壓力容器有限公司, 合併範圍增加1戶。

2017年4月7日, 北京天海工業有限公司與寬城升華壓力容器製造有限公司共同出資成立寬城天海壓力容器有限公司, 寬城天海壓力容器有限公司註冊資本8,158.40萬元, 實收資本8,158.40萬元。北京天海工業有限公司以貨幣資金、技術使用權出資4,984.78萬元, 出資比例為61.10%; 寬城升華壓力容器製造有限公司以土地使用權、房屋建築物及機器設備出資3,173.62萬元, 出資比例為38.90%, 雙方按約定的出資比例享有權益。

VIII. Interests in Other Entities

1. Interests in subsidiaries

(1) Composition of the Group

Name of subsidiary 子公司名稱	Principal place of business and kind of legal entity 主要經營地及法人類別	Registration place 註冊地	Nature of business 業務性質
Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	Chaoyang District, Beijing and a limited liability company 北京市朝陽區 有限責任公司	Chaoyang District, Beijing 北京市朝陽區	Production 生產
Langfang Tianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司	Langfang, Hebei and a limited liability company 河北省廊坊市 有限責任公司	Langfang, Hebei 河北省廊坊市	Production 生產
Tianjin Tianhai High Pressure Container Co., Ltd. 天津天海高壓容器有限公司	Tianjin Port Free Trade Zone and a limited liability company 天津港保稅區 有限責任公司	Tianjin Port Free Trade Zone 天津港保稅區	Production 生產
Shanghai Tianhai Composite Cylinders Co., Ltd. 上海天海複合氣瓶有限公司	Songjiang District, Shanghai and a limited liability company 上海市松江區 有限責任公司	Songjiang District, Shanghai 上海市松江區	Production 生產
Beijing Tianhai Cryogenic Equipment Co., Ltd. 北京天海低溫設備有限公司	Daxing District, Beijing and a limited liability company 北京市大興區 有限責任公司	Daxing District, Beijing 北京市大興區	Production 生產
Beijing Pioneer Up Lifter Co., Ltd. 北京攀尼高空作業設備有限公司	Tongzhou District, Beijing and a limited liability company 北京市通州區 有限責任公司	Tongzhou District, Beijing 北京市通州區	Production 生產
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 and a limited liability company 北京市通州區 有限責任公司	Tongzhou District, Beijing 北京市通州區	Production 生產
BTIC AMERICA CORPORATION 天海美洲公司	Houston, the USA and a limited liability company 美國休斯頓 有限責任公司	Houston, the USA 美國休斯頓	Sales 銷售
Kuancheng Tianhai Pressure Container Co., Ltd. 寬城天海壓力容器有限公司	Chengde, Hebei and a limited liability company 河北省承德市 有限責任公司	Chengde, Hebei 河北省承德市	Production 生產
Jingcheng Holding (Hong Kong) Co., Ltd. 京城控股(香港)有限公司	Hong Kong and a limited company 香港 有限公司	Hong Kong 香港	Trading, investment 貿易、投資

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

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VIII. Interests in Other Entities (Continued)

1. Interests in subsidiaries (Continued)

(1) Composition of the Group (Continued) (Con't)

Name of subsidiary 子公司名稱	Registered capital 註冊資本	Shareholding proportion (%) 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	USD 61,401,800.00 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	RMB 301,410,000.00 30,141.00萬元	0.00	86.95	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	RMB 225,578,400.00 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	USD 3,017,400.00 301.74萬美元	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	RMB 40,000,000.00 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	RMB 20,000,000.00 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	RMB 545,225,228.00 54,522.5228萬元	0.00	38.51	Establishment 設立
BTIC AMERICA CORPORATION 天海美洲公司	1,200 shares 1,200股	0.00	51.00	Business merger under different control 非同一控制下企業合併
Kuancheng Tianhai Pressure Container Co., Ltd. 寬城天海壓力容器有限公司	RMB 81,584,000.00 8,158.40萬元	0.00	61.10	Establishment 設立
Jingcheng Holding (Hong Kong) Co., Ltd. 京城控股(香港)有限公司	HKD 1,000 1,000港幣	100.00	0.00	Business merger under common control 同一控制下企業合併

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. Interests in Other Entities (Continued)

1. Interests in subsidiaries (Continued)

(2) Important non-wholly-owned subsidiaries

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

Name of subsidiary	子公司名稱	Shareholding proportion of non-controlling shareholders (%) 少數股東持股比例 (%)	Profit and loss attributable to non-controlling shareholders in current year 本年歸屬於少數股東的損益	Dividends declared to pay to non-controlling shareholders in current year 本年向少數股東宣告分派的股利	Closing balance of non-controlling interests Balance of equity 年末少數股東權益餘額
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	61.49	-19,158,733.44	0.00	268,347,421.05
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	25.00	8,858,768.71	0.00	10,890,546.68
Langfang Tianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	13.05	1,071,583.23	0.00	-115,822.06
BTIC AMERICA CORPORATION	天海美洲公司	49.00	1,347,318.01	0.00	19,925,499.10
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	12.16	321,427.36	0.00	5,255,656.50
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	45.00	9,966,208.92	0.00	100,056,812.49
Kuancheng Tianhai Pressure Container Co., Ltd.	寬城天海壓力容器有限公司	38.90	-129,303.90	0.00	31,606,896.10

Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd. was established on November 27, 2012, with a registered capital of RMB 10 million wholly contributed by Beijing Tianhai Industry Co., Ltd. After two capital increases, as at December 31, 2017, the registered capital of Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd. has been increased to RMB 545,225,200, including RMB 210,000,000 (38.51%) contributed by Beijing Tianhai Industry Co., Ltd., RMB 170,412,703.00 (31.26%) contributed by Beijing Jingguofa Venture Investment Fund (LLP) and RMB 164,812,525.00 (30.23%) contributed by Beijing Bashi Media Co., Ltd.

According to the Articles of Association of Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd., it has 5 directors in the Board of Directors, of which Beijing Tianhai Industry Co., Ltd. nominates 3 and Beijing Jingguofa Venture Investment Fund (LLP) and Beijing Bashi Media Co., Ltd. nominate 1 respectively. Apart from major matters such as selling all assets of the company that should be subject to approval of two-thirds vote of the Board of Directors, matters such as approving business plan and investment plan of the company and determining setting of internal management departments of the company must be approved by more than half of all the directors. The management shall also be assigned by Beijing Tianhai Industry Co., Ltd.. Beijing Tianhai Industry Co., Ltd. can exert control over Beijing Minghui Tianhai Gas Storage and Transportation Sales Co., Ltd. and, thus, include it in the scope of consolidated financial statements.

北京明暉天海氣體儲運裝備銷售有限公司成立於2012年11月27日,成立時註冊資本為1,000萬元,全部由北京天海工業有限公司出資。經過兩次增資,截止2017年12月31日北京明暉天海氣體儲運裝備銷售有限公司註冊資本為54,522.52萬元,其中北京天海工業有限公司出資210,000,000元,佔註冊資本的38.51%,北京京國發股權投資基金(有限合夥)出資170,412,703.00元,佔註冊資本的31.26%,北京巴士傳媒股份有限公司出資164,812,525.00元,佔註冊資本的30.23%。

根據北京明暉天海氣體儲運裝備銷售有限公司的公司章程規定:北京明暉天海氣體儲運裝備銷售有限公司共有5名董事,其中北京天海工業有限公司提名3名,北京京國發股權投資基金(有限合夥)和北京巴士傳媒股份有限公司各提名1名,除出售公司全部資產等重大事項需要董事會三分之二以上表決外,審定公司的經營計劃和投資方案、決定公司內部管理機構的設置等事項由全體董事中過半數的董事同意。管理層也均由北京天海工業有限公司派出。北京天海工業有限公司可以對北京明暉天海氣體儲運裝備銷售有限公司實施控制,因此將其納入合併報表範圍。

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VIII. Interests in Other Entities (Continued)

1. Interests in subsidiaries (Continued)

(3) Main financial information of important non-wholly-owned subsidiaries

Name of subsidiary	子公司名稱	Closing balance					Total liabilities 負債合計
		Current assets 流動資產	Non-current assets 非流動資產	Total assets 資產合計	Current liabilities 流動負債	Non-current liabilities 非流動負債	
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	218,042,094.02	504,216,623.21	722,258,717.23	284,642,782.81	4,243,554.25	288,886,337.06
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	241,185,790.63	11,097,788.40	252,283,579.03	208,721,392.30	0.00	208,721,392.30
Langfang Tianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	109,016,750.10	27,676,626.13	136,693,376.23	34,247,348.16	0.00	34,247,348.16
BTIC AMERICA CORPORATION	天海美洲公司	50,195,256.16	235,428.92	50,430,685.08	9,766,401.17	0.00	9,766,401.17
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	25,785,560.73	17,370,161.60	43,155,722.33	2,515,123.01	0.00	2,515,123.01
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	163,830,312.91	193,017,034.90	356,847,347.81	130,728,569.45	0.00	130,728,569.45
Kuancheng Tianhai Pressure Container Co., Ltd.	寬城天海壓力容器有限公司	20,926,537.92	88,335,429.79	109,261,967.71	22,950,368.47	5,060,000.00	28,010,368.47

(Con't 1)

(續表 1)

Name of subsidiary	子公司名稱	Opening balance					Total liabilities 負債合計
		Current assets 流動資產	Non-current assets 非流動資產	Total assets 資產合計	Current liabilities 流動負債	Non-current liabilities 非流動負債	
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	162,893,356.19	520,305,628.48	683,198,984.67	215,404,957.73	3,129,430.00	218,534,387.73
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
Langfang Tianhai 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
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
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
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
Kuancheng Tianhai Pressure Container Co., Ltd.	寬城天海壓力容器有限公司	—	—	—	—	—	—

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VIII. Interests in Other Entities (Continued)

1. Interests in subsidiaries (Continued)

(3) Main financial information of important non-wholly-owned subsidiaries (Continued) (Con't 2)

Name of subsidiary	子公司名稱	Amount incurred in current year 本年發生額			Cash flow generated from operating activities 經營活動現金流量
		Operating revenue 營業收入	Net profit 淨利潤	Total comprehensive incomes 綜合收益總額	
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	170,909,090.66	-31,292,216.77	-31,292,216.77	7,761,554.89
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	235,408,551.64	35,350,158.41	35,350,158.41	-47,050,535.54
Langfang Tianhai High Pressure Container Co., Ltd.	廊坊天海高壓容器有限公司	158,039,441.04	19,892,605.98	19,892,605.98	-184,620,437.05
BTIC AMERICA CORPORATION	天海美洲公司	192,805,499.65	2,749,628.58	325,099.68	-5,113,086.64
Shanghai Tianhai Composite Cylinders Co., Ltd.	上海天海複合氣瓶有限公司	48,482,211.16	3,448,470.79	3,448,470.79	848,629.30
Tianjin Tianhai High Pressure Container Co., Ltd.	天津天海高壓容器有限責任公司	486,892,743.65	25,254,281.91	25,254,281.91	-16,650,435.51
Kuancheng Tianhai Pressure Container Co., Ltd.	寬城天海壓力容器有限公司	0.00	-332,400.76	-332,400.76	3,345,200.14

(Con't 3)

(續表 3)

Name of subsidiary	子公司名稱	Amount incurred in previous year 上年發生額			Cash flow generated from operating activities 經營活動現金流量
		Operating revenue 營業收入	Net profit 淨利潤	Total comprehensive incomes 綜合收益總額	
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	92,775,142.39	-34,140,276.52	-34,140,276.52	21,383,297.66
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
Langfang Tianhai 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
BTIC AMERICA CORPORATION	天海美洲公司	130,655,695.62	996,997.96	3,542,487.74	9,503,335.36
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
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
Kuancheng Tianhai Pressure Container Co., Ltd.	寬城天海壓力容器有限公司	—	—	—	—

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VIII. Interests in Other Entities (Continued)

2. Conditions of the owner's equity portion variation in the subsidiaries and the subsidiaries still being under control

(1) Conditions of the owner's equity portion variation in the subsidiaries

In June 2017, Beijing Tianhai Industry Co., Ltd. transferred 4.87% equity interest of Langfang Tianhai High Pressure Container Co., Ltd. held by Wu Shouzong, a minority shareholder, and the shareholding ratio of Beijing Tianhai Industry Co., Ltd. to Langfang Tianhai High Pressure Container Co., Ltd. was changed from 82.08% to 86.95%.

(2) Effect on the rights and interests from the owner's equity portion variation in the subsidiaries

八、在其他主體中的權益(續)

2. 在子公司的所有者權益份額發生變化且仍控制子公司的情况

(1) 在子公司所有者權益份額發生變化的情况

2017年6月，北京天海工業有限公司受讓少數股東吳壽宗持有的廊坊天海高壓容器有限公司4.87%股權，北京天海工業有限公司對廊坊天海高壓容器有限公司持股比例由82.08%變更為86.95%。

(2) 在子公司所有者權益份額發生變化對權益的影響

Item	項目	Langfang Tianhai High Pressure Container Co., Ltd. 廊坊天海高壓容器有限公司
Cash	現金	0.00
Fair value of non-cash assets	非現金資產的公允價值	0.00
Total acquisition cost/disposal consideration	購買成本/處置對價合計	0.00
Less: Net assets of the subsidiaries calculated based on the proportion of assets acquired/disposed	減：按取得/處置的股權比例計算的子公司淨資產份額	3,545,907.91
Balance	差額	-3,545,907.91
Including: Adjustment to the capital reserves	其中：調整資本公積	3,545,907.91
Adjustment to surplus reserve	調整盈餘公積	0.00
Adjustment of undistributed profit	調整未分配利潤	0.00

3. Interests in joint ventures or associated enterprises

(1) Important joint ventures or associated enterprises

3. 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

Name	Principal Place of business	Registration place	Nature of business	Shareholding proportion (%)		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	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	Shandong Province Linyi 山東省臨沂市	Shandong Province Linyi 山東省臨沂市	Production 生產	51		Equity method 權益法
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Zhenjiang, Jiangsu Province 江蘇省鎮江市	Zhenjiang, Jiangsu Province 江蘇省鎮江市	Production 生產	35		Equity method 權益法

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VIII. Interests in Other Entities (Continued)

3. Interests in joint ventures or associated enterprises (Continued)

(2) Main financial information of important associated enterprises and joint ventures

1) Shandong Tianhai (joint venture)

八、在其他主體中的權益(續)

3. 在合營企業或聯營企業中的權益(續)

(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)

Item	項目	Closing balance/ Amount incurred in current year 年末餘額/ 本年發生額	Beginning balance/ Amount incurred in previous year 年初餘額/ 上年發生額
Current assets	流動資產	141,174,431.20	101,720,186.45
Including: cash and cash equivalents	其中:現金和現金等價物	12,529,876.48	1,488,481.67
Non-current assets	非流動資產	124,367,470.55	127,737,223.67
Total assets	資產合計	265,541,901.75	229,457,410.12
Current liabilities	流動負債	154,529,075.14	98,686,031.30
Non-current liabilities	非流動負債	662,598.90	0.00
Total liabilities	負債合計	155,191,674.04	98,686,031.30
Non-controlling interest	少數股東權益	0.00	0.00
Equity attributable to shareholders of the parent company	歸屬於母公司股東權益	110,350,227.71	130,771,378.82
Net assets share calculated at shareholding proportion	按持股比例計算的淨資產份額	56,278,616.13	66,693,403.20
Adjustments	調整事項	-6,213,295.80	-3,531,595.84
- Goodwill	- 商譽	0.00	0.00
- Unrealized profit of internal transaction	- 內部交易未實現利潤	-6,213,295.80	-3,531,595.84
- Others	- 其他	0.00	0.00
Book value of equity investment to joint ventures	對合營企業權益投資的賬面價值	50,065,320.33	63,161,807.36
Fair value of joint venture 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	0.00	0.00
Operating revenue	營業收入	677,174,387.46	633,814,299.86
Financial expenses	財務費用	1,126,466.27	1,402,951.23
Income tax expenses	所得稅費用	0.00	2,223,753.50
Net profit	淨利潤	-8,509,054.79	13,235,662.58
Net profits from termination of operation	終止經營的淨利潤	0.00	0.00
Other comprehensive incomes	其他綜合收益	0.00	0.00
Total comprehensive incomes	綜合收益總額	-8,509,054.79	13,235,662.58
Dividends received from joint ventures of the current year	本年度收到的來自合營企業的股利	8,756,869.09	0.00

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VIII. Interests in Other Entities (Continued)

3. Interests in joint ventures or associated enterprises (Continued)

(2) Main financial information of important associated enterprises and joint ventures (Continued)

1) Shandong Tianhai (joint venture) (Continued)

Shandong Tianhai High Pressure Container Co., Ltd. (hereinafter referred to as Shandong Tianhai) was established on June 12, 2014, with a registered capital of RMB 30,000,000.00. Beijing Tianhai Industry Co., Ltd. (hereinafter referred to as Beijing Tianhai) contributed RMB 15,300,000.00 (51%) and Shandong Yongan Heli Steel Cylinder Co., Ltd. (hereinafter referred to as Yongan Heli) contributed RMB 14,700,000.00 (49%). After capital increments, the registered capital of Shandong Tianhai was increased to RMB 114,550,000.00, including RMB 58,420,500.00 (51%) and RMB 56,129,500.00 (49%) contributed by Beijing Tianhai and Yongan Heli respectively. According to the Articles of Association of Shandong Tianhai, the Board of Directors consists of 5 directors, and of which 3 directors are nominated by Beijing Tianhai, while 2 directors are nominated by Yongan Heli. Decisions of the Board of Directors on all proposals will be valid only after being approved by more than four-fifths of directors. The daily management of Shandong Tianhai is performed by personnel deployed by Yongan Heli, so Beijing Tianhai will not control Shandong Tianhai and include it into the scope of consolidated statements, but to calculate in an equity method.

八、在其他主體中的權益(續)

3. 在合營企業或聯營企業中的權益(續)

(2) 重要的合營、聯營企業的主要財務信息(續)

1) 山東天海(合營企業)(續)

山東天海高壓容器有限公司(以下簡稱山東天海)成立於2014年6月12日，成立時註冊資本為3,000萬元，其中北京天海工業有限公司(以下簡稱北京天海)出資1,530萬元，佔51%，山東永安合力鋼瓶有限公司(以下簡稱永安合力)出資1,470萬元，佔49%。經過增資，山東天海註冊資本變更為11,455萬元，其中北京天海出資5,842.05萬元，佔51%，永安合力出資5,612.95萬元，佔49%。根據山東天海的公司章程規定，公司董事會由5名董事組成，其中北京天海提名3名，永安合力提名2名，董事會對所議事項作出的決定應當經全體董事五分之四以上的董事同意方為有效。山東天海的日常管理主要由永安合力派出的人員負責，因此北京天海不能對山東天海實施控制，未將其納入合併報表範圍，採取權益法核算。

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VIII. Interests in Other Entities (Continued)

3. Interests in joint ventures or associated enterprises (Continued)

(2) Main financial information of important associated enterprises and joint ventures (Continued)

2) Jiangsu Tianhai (associated enterprise)

八、在其他主體中的權益(續)

3. 在合營企業或聯營企業中的權益(續)

(2) 重要的合營、聯營企業的主要財務信息(續)

2) 江蘇天海(聯營企業)

Item	項目	Closing balance/ Amount incurred in current year 年末餘額/ 本年發生額	Beginning balance/ Amount incurred in previous year 年初餘額/ 上年發生額
Current assets	流動資產	34,607,595.29	14,118,211.58
Including: cash and cash equivalents	其中:現金和現金等價物	10,070,410.03	181,274.33
Non-current assets	非流動資產	80,638,324.51	65,828,325.67
Total assets	資產合計	115,245,919.80	79,946,537.25
Current liabilities	流動負債	32,199,013.95	10,049,303.14
Non-current liabilities	非流動負債	0.00	0.00
Total liabilities	負債合計	32,199,013.95	10,049,303.14
Non-controlling interest	少數股東權益	0.00	0.00
Equity attributable to shareholders of the parent company	歸屬於母公司股東權益	83,046,905.85	69,897,234.11
Net assets share calculated at shareholding proportion	按持股比例計算的淨資產份額	29,066,417.05	24,464,031.94
Adjustments	調整事項	-7,437,254.91	-12,444,157.72
- Goodwill	- 商譽	0.00	0.00
- Unrealized profit of internal transaction	- 內部交易未實現利潤	-7,593,083.42	-6,193,716.23
- Others	- 其他	155,828.51	-6,250,441.49
Book value of equity investment to associated enterprises	對聯營企業權益投資的賬面價值	21,629,162.14	12,019,874.22
Fair value of equity investment in associated enterprises with public offer	存在公開報價的聯營企業權益投資的公允價值	0.00	0.00
Operating revenue	營業收入	64,999,206.62	50,258,619.71
Financial expenses	財務費用	60,205.91	3,919.56
Income tax expenses	所得稅費用	0.00	0.00
Net profit	淨利潤	3,293,871.74	198,258.44
Net profits from termination of operation	終止經營的淨利潤	0.00	0.00
Other comprehensive incomes	其他綜合收益	0.00	0.00
Total comprehensive incomes	綜合收益總額	3,293,871.74	198,258.44
Dividends received from associated enterprises in the current year	本年度收到的來自聯營企業的股利	0.00	0.00

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IX. Risks 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. The risks concerning these financial instruments, as well as the risk management measures applied to mitigate these risks are stated 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. Risk management objectives and policies

The objective of the risk management activities of the Group is to achieve a proper balance between risk and benefit, so as to minimize the negative effect of risks on the business performance of the Group and to maximize interest 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. Risks Related to Financial Instruments (Continued)

1. Risk management objectives and policies

(Continued)

(1) Market risk

1) Exchange rate 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, 2017, expect balances expressed at USD, EUR, 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2017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、港幣和英鎊餘額外,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
Cash at bank and on hand	貨幣資金	—	9,775,979.39	—	28,056,898.81
USD	美元	1,228,160.90	8,025,048.95	4,039,897.83	28,024,771.25
EUR	歐元	221,507.33	1,728,266.64	2,478.75	18,111.73
HKD	港幣	27,113.05	22,663.80	15,668.72	14,015.83
Accounts receivable	應收賬款	—	29,841,649.93	—	27,487,157.09
USD	美元	4,301,861.62	28,109,224.20	3,796,980.45	26,339,653.38
EUR	歐元	222,040.39	1,732,425.73	157,046.00	1,147,503.71
Advances to suppliers	預付款項	—	4,749,244.27	—	4,474,816.62
USD	美元	724,183.86	4,731,962.18	534,336.63	3,706,693.21
EUR	歐元	2,215.00	17,282.09	6,111.79	44,657.63
GBP	英鎊	0.00	0.00	85,019.60	723,465.78
Accounts payable	應付賬款	—	18,774,168.24	—	7,622,827.09
USD	美元	1,647,140.69	10,762,746.70	913,447.32	6,336,584.08
EUR	歐元	1,026,802.55	8,011,421.54	49,456.45	361,368.36
GBP	英鎊	0.00	0.00	108,688.59	924,874.65
Advances from customers	預收款項	—	18,225,952.95	—	10,803,007.58
USD	美元	2,766,336.00	18,075,792.69	1,557,302.52	10,803,007.58
EUR	歐元	19,245.64	150,160.26	0.00	0.00
Other payables	其他應付款	—	7,585.10	—	380,414.19
USD	美元	1,160.83	7,585.10	54,838.43	380,414.19

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. Risks Related to Financial Instruments (Continued)

1. Risk management objectives and policies (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 reviews the recovery situation of each single receivable on each balance sheet date, to ensure drawing of sufficient provision for bad debts for irrecoverable amount. 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, 29.92% (3.92% for the previous year) and 43.11% (16.61% for the previous year) balances of accounts receivable of the Group are respectively from the top one customer and the top five customers of the Group at the end of the year. Sinochem International Logistics Co., Ltd., the top one customer with the balances of accounts receivable at the end of the year, is a wholly-owned subsidiary of a large state-controlled listed company. It has high quality customers and establishes a long-term cooperative relationship with the Group, therefore, the Group has no significant credit-concentrated risks.

The top five receivables total to RMB 167,041,105.63.

(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 Group takes bank loans as the main sources of funds. As at December 31, 2017, the unused bank borrowing limit of the Group was RMB 120,075,500.00, (RMB 98,800,000.00 as at December 31, 2016) and was all the limit of short-term borrowings.

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布在多個合同方和多個客戶，於年末，本集團29.92%(上年：3.92%)和43.11%(上年：16.61%)應收賬款餘額分別來自本集團最大的客戶和前五大客戶。年末應收賬款餘額最大客戶中化國際物流有限公司為大型國有控股上市公司的全資子公司，客戶質量優質且與本集團建立長期合作關係，因此本集團沒有重大的信用風險。

應收賬款前五名金額合計：167,041,105.63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2017年12月31日，本集團尚未使用的銀行借款額度為12,007.55萬元，(2016年12月31日：9,880.00萬元)，全部為短期借款額度。

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IX. Risks Related to Financial Instruments (Continued)

九、與金融工具相關風險(續)

1. Risk management objectives and policies

1. 各類風險管理目標和政策(續)

(Continued)

(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, 2017

2017年12月31日金額:

Item	項目	Within one year 一年以內	One to two years 一到二年	Two to five years 二到五年	More than five years 五年以上	Total 合計
Financial Assets	金融資產					
Cash at bank and on hand	貨幣資金	78,367,503.16				78,367,503.16
Notes receivable	應收票據	27,812,323.12				27,812,323.12
Accounts receivable	應收賬款	354,933,043.81				354,933,043.81
Other receivables	其他應收款	4,134,431.37				4,134,431.37
Financial liabilities	金融負債					
Short-term borrowings	短期借款	285,000,000.00				285,000,000.00
Notes payable	應付票據	3,000,000.00				3,000,000.00
Accounts payable	應付賬款	257,850,663.86				257,850,663.86
Other payables	其他應付款	90,542,182.64				90,542,182.64
Interests payable	應付利息	446,534.71				446,534.71
Employee benefits payable	應付職工薪酬	36,862,542.56				36,862,542.56
Current portion of non-current liabilities	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
Long-term borrowings	長期借款			5,060,000.00		5,060,000.00

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X. Related Parties and Related Party Transactions

十、關聯方及關聯交易

(I) Relationship of related parties

(一) 關聯方關係

1. Controlling shareholder and ultimate controlling party

(1) Controlling shareholder and ultimate controlling party

1. 控股股東及最終控制方

(1) 控股股東及最終控制方

Name of controlling shareholder and ultimate controlling party	Registration place	Nature of business	Registered capital	Shareholding proportion (%) 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 (%)
控股股東及最終控制方名稱	註冊地	業務性質	註冊資本		
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Chaoyang District, Beijing 北京市朝陽區	State-owned assets 國有資產	RMB 2,044,687,100.00 204,468.71萬元	43.30	43.30

(2) Registered capital of controlling shareholder and the changes (Unit: RMB 10,000)

(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	3,370.00	0.00	204,468.71

(3) Shareholding or equity of controlling shareholder and the changes (Unit: RMB 10,000)

(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 proportion (%) 持股比例(%)	
		Closing balance 年末餘額	Opening balance 年初餘額	Proportion at the end of the year 年末比例	Proportion at the beginning of the year 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	18,273.5052	43.30	43.30

2. Subsidiaries

For details of subsidiaries, please refer to contents of "VIII. 1. (1) Composition of the Group" in the Notes.

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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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(I) Relationship of related parties (Continued)

3. Joint ventures and associated enterprises

For details of important joint ventures or associated enterprises of the Company, please refer to contents of "VIII. 3. (1) Important joint ventures or associated enterprises" in the Notes. 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 period is shown as follows:

Name of joint venture or associated enterprise 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

Joint Venture
合營企業
Associated enterprise
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 Machinery Electric Assets
Management Co., Ltd.
北京京城機電資產管理有限責任公司
Beijing First Machine Tool Plant
北京第一機床廠
Beijing Jingcheng Industrial Logistics Co., Ltd.
北京京城工業物流有限公司
Tianjin Steel Pipe & Steel Trading Co., Ltd.
天津鋼管鋼鐵貿易有限公司
Tianjin Seamless 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 ultimate 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 ultimate 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 ultimate 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

(一) 關聯方關係(續)

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、3.(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:

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(II) Related party transaction

1. Related party transactions of purchasing or selling goods and rendering or receiving services

(1) Purchasing goods/receiving services

Related party 關聯方	Content of related transactions 關聯交易內容	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Tianjin Steel Pipe & Steel Trading Co., Ltd. 天津鋼管鋼鐵貿易有限公司	Purchasing goods 採購商品	119,774,343.91	65,844,508.50
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Purchasing goods/receiving services 採購商品、接受勞務	6,890,134.22	0.00
Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	Purchasing goods 採購商品	10,043,997.39	0.00
Total 合計	—	136,708,475.52	65,844,508.50

(2) Selling goods/rendering services

Related party 關聯方	Content of related transactions 關聯交易內容	Amount incurred in current year 本年發生額	Amount incurred in 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	Selling goods 銷售商品	35,322,819.92	32,320,317.74
Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	Selling goods/rendering services 銷售商品、提供勞務	2,646,180.91	37,993.16
Total 合計	—	37,969,000.83	32,358,310.90

(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

(2) 銷售商品/提供勞務

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(II) Related party transaction (Continued)

2. Related lease

(1) Leasing conditions

Name of lessor	Name of lessee	Type of leased assets	Rental fees recognized in current year	Rental fees recognized in previous year
出租方名稱	承租方名稱	租賃資產種類	本年確認的租賃費	上年確認的租賃費
Beijing First 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 Machinery Electric 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

(二) 關聯交易(續)

2. 關聯出租情況

(1) 承租情況

3. Related party guarantees

3. 關聯擔保情況

Guarantor	Name of the guaranteed	Guaranteed amount	Start date	Due date	Whether the guarantee has been fulfilled
擔保方名稱	被擔保方名稱	擔保金額	起始日	到期日	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	30,000,000.00	January 16, 2017	January 16, 2020	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	2017-1-16	2020-1-16	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	25,000,000.00	April 12, 2017	April 12, 2020	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	25,000,000.00	2017-4-12	2020-4-12	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	50,000,000.00	May 16, 2017	May 16, 2020	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	50,000,000.00	2017-5-16	2020-5-16	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	May 11, 2017	May 10, 2020	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	2017-5-11	2020-5-10	否
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Jingcheng Machinery Electric Co., Ltd. 北京京城機電股份有限公司	50,000,000.00	July 05, 2017	July 04, 2020	No
Beijing Jingcheng Machinery Electric Holding Co., Ltd. 北京京城機電控股有限責任公司	Beijing Jingcheng Machinery Electric Co., Ltd. 北京京城機電股份有限公司	50,000,000.00	2017-7-5	2020-7-4	否

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(II) Related party transaction (Continued)

(二) 關聯交易(續)

4. Capital lending between 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 lending/ borrowing 拆借金額	Start date 起始日	Due date 到期日	Remarks 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	November 08, 2016	May 08, 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	Beijing Tianhai Industry Co., Ltd. 北京天海工業有限公司	50,000,000.00	May 09, 2017	May 09, 2018	-
		50,000,000.00	2017-5-9	2018-5-9	-
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	October 19, 2017	November 29, 2017	-
		30,000,000.00	2017-10-19	2017-11-29	-
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	September 11, 2016	December 21, 2017	-
		83,000,000.00	2016-9-11	2017-12-21	-

5. Interest expenses/incomes of related parties

5. 關聯方利息費用/利息收入

Name of related party 關聯方名稱	Amount in current year 本年金額	Amount in previous year 上年金額
Beijing Jingcheng Machinery Electric Holding Co., Ltd. (interest expense) 北京京城機電控股有限責任公司 (利息支出)	6,064,321.39	5,932,713.89

6. Compensation of management

6. 管理人薪酬

Project name 項目名稱	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Total compensation 薪酬合計	7,718,385.79	6,002,422.66

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(II) Related party transaction (Continued)

7. Asset transfer of related parties

Name of related party 關聯方名稱	Transaction type 交易類型	Amount incurred in current year 本年發生額	Amount incurred in 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	Disposal of assets 處置資產	5,812,611.98	0.00

8. Continuing related party transactions

The related party transactions disclosed in Item V "Others", Clause XIV "Significant related party transactions", Section VII "Significant matters" of the Annual Report 2017 of the Company also constitute the connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

(二) 關聯交易(續)

7. 關聯方資產轉讓情況

8. 持續關連交易

於本公司2017年年度報告「第七節重要事項」之「第十四條重大關聯交易」之「第五項其他」披露的關連交易也構成《香港上市規則》第14A章中定義的關連交易或持續關連交易。

(III) Balance of intercourse funds among related parties

1. Receivables

Project name 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 provision 壞賬準備	Book balance 賬面餘額	Bad debt provision 壞賬準備
Accounts receivable 應收賬款	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	12,890,682.94	128,906.83	8,765,614.27	87,656.14
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	773,683.00	43,556.31	382,273.18	5,096.13
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	1,751,586.00	175,158.60	21,180.00	211.80
Advances to suppliers 預付賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	116,650.00	0.00	1,423,876.73	0.00
Dividends receivable 應收股利	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	8,756,869.09	0.00	0.00	0.00

(三) 關聯方往來餘額

1. 應收項目

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(III) Balance of intercourse funds among related parties (Continued)

(三) 關聯方往來餘額(續)

2. Payables

2. 應付項目

Project name 項目名稱	Related party 關聯方	Closing balance 年末餘額	Opening balance 年初餘額
Accounts payable 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
	Jiangsu Tianhai Special Equipment Co., Ltd. 江蘇天海特種裝備有限公司	5,191,239.08	0.00
	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	1,580,792.28	0.00
	Tianjin Steel Pipe & Steel Trading Co., Ltd. 天津鋼管鋼鐵貿易有限公司	4,060,722.44	21,452,293.35
Advances from customers 預收賬款	Shandong Tianhai High Pressure Container Co., Ltd. 山東天海高壓容器有限公司	0.00	3,340.00
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	50,000,000.00	133,000,000.00
	Beijing First Machine Tool Plant 北京第一機床廠	395,000.00	0.00
	Tianjin Seamless Investment Co., Ltd. 天津大無縫投資有限責任公司	1,745,879.83	1,704,203.53
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

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(IV) Director, supervisor and employee emoluments

(四) 董事、監事及職工薪酬

1. The detailed emoluments of directors and supervisors are 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	Contribution to retirement fund plan 退休金計劃供款	Bonus 獎金	Share-based payment 股份支付	Total 合計
Amount incurred in current year	本年發生額					
Executive director	執行董事					
Wang Jun	王軍	262,101.00	59,144.16	336,732.00		657,977.16
Li Junjie	李俊杰	220,000.00	59,144.16	268,310.00		547,454.16
Zhang Jiheng	張繼恒	110,000.00	59,144.16	134,155.00		303,299.16
Non-executive director	非執行董事					
Xia Zhonghua	夏中華	344,148.00	59,144.16	108,000.00		511,292.16
Jin Chunyu	金春玉	262,926.00	59,144.16	93,771.00		415,841.16
Li Chunzhi	李春枝	223,981.00	40,116.48	54,000.00		318,097.48
Du Yuexi	杜躍熙	298,293.00	59,144.16	379,939.00		737,376.16
Independent non-executive director	獨立非執行董事					
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
Supervisor	監事					
Li Gejun	李革軍	117,000.00	30,810.24			147,810.24
Li Zhe	李哲	99,000.00	59,144.16	119,573.00		277,717.16
Liu Guangling	劉廣嶺	80,000.00	59,144.16	145,579.00		284,723.16
Total	合計	2,017,449.00	544,080.00	1,880,059.00		4,441,588.00
Amount incurred in previous year	上年發生額					
Executive director	執行董事					
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
Non-executive director	非執行董事					
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
Independent non-executive director	獨立非執行董事					
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
Supervisor	監事					
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
Total	合計	2,157,530.00	539,276.16	2,396,257.50		5,093,063.66

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X. Related Parties and Related Party Transactions 十、關聯方及關聯交易(續)

(Continued)

(IV) Director, supervisor and employee emoluments

(Continued)

2. Five persons with the highest emoluments

Of five persons (four persons for the previous period) with the highest emoluments for the current period, four persons are directors and supervisors, and their emoluments is recorded in the Note "X.(iv). (1)". Emoluments for the other 1 (in previous year: 1) is as follows:

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：

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Salary and allowance	薪金及津貼	229,500.00	204,000.00
Social insurance, housing fund and relevant pension costs	社會保險、住房基金及相關退休金成本	59,144.16	54,180.00
Year-end bonus	年終獎金	299,335.00	279,480.00
Total	合計	587,979.16	537,660.00

Scope of compensation:

薪酬範圍：

Item	項目	Number of persons in the current year 本年人數	Number of persons in the previous year 上年人數
Within HKD 1,000,000	港幣1,000,000以內	5	5
HKD 1,000,001 to HKD 1,500,000	港幣1,000,001至港幣1,500,000		
HKD 1,500,001 to HKD 2,000,000	港幣1,500,001至港幣2,000,000		
HKD 2,000,001 to HKD 2,500,000	港幣2,000,001至港幣2,500,000		

3. At the track record period, there has been no director who waived or agreed to waive any emoluments. At the track record period, the Company has not paid any emoluments to any director, supervisor or five persons with the highest emoluments as the reward for attracting them to join in the Company or reward for them when joining in or as the separation allowance.

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. Emoluments for key managers

Emoluments for key managers (including the amount which has been paid and shall be paid to directors, supervisors and senior management) is shown as follows:

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：

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Salary and allowance	薪金及津貼	3,444,326.00	2,592,730.00
Contribution to retirement fund plan	退休金計劃供款	928,280.95	652,082.16
Year-end bonus	年終獎金	3,345,778.84	2,757,610.50
Total	合計	7,718,385.79	6,002,422.66

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XI. Contingencies

As at December 31, 2017, the Group has no significant contingency that needs to be disclosed.

十一、或有事項

截止2017年12月31日,本集團無需要披露的重大或有事項。

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, 2017, 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.:

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2017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:

Period	期間	Amount in current year 本年金額	Amount in previous year 上年金額
Within one year T+1 years	一年以內T+1年	0.00	1,886,860.00
One to two years T+2 years	一至二年T+2年	0.00	1,886,860.00
Two to three years T+3 years	二至三年T+3年	0.00	1,886,860.00
Over three years (T+3)	三T+3年以後	0.00	19,517,505.00
Total	合計	0.00	25,178,085.00

2. There is no other significant commitment for the Group to disclose as at December 31, 2017, except for the commitments above.

2. 除上述承諾事項外,截止2017年12月31日,本集團無其他重大承諾事項。

XIII. Post Balance Sheet Date Events

1. Paid amount after the balance sheet date

Item	項目	Paid amount	償還金額
Accounts payable with significant amount and age of over 1 year:	賬齡超過1年的大額應付賬款		0.00
Other payables with significant amount and age of over 1 year	賬齡超過1年的大額其他應付款		0.00

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. There are no other significant events after the balance sheet date for the Group to disclose, except for the events after the balance sheet date above.

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。

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XIV. Other Significant Matters

1. The Group's net profit attributable to shareholders of the parent company in 2017 was RMB 20,868,400.00 and the net profit attributable to shareholders of the parent company after deducting non-recurring profit loss was RMB-60,775,600.00. Net profit attributable to shareholders of the parent company in 2016 was RMB-148,787,600.00 and the net profit attributable to shareholders of the parent company after deducting non-recurring profit loss was RMB-164,874,500.00. In 2017, the loss was reversed relative to 2016 and loss in main businesses decreased significantly.

Since 2014, the Group was affected by macro environment, especially the impact of reduced difference between prices of oil and gas and the subsidy policy for electric vehicles. The market demand for natural gas dropped sharply, resulting that the Group could not release its production capacity. The gross margin of products decreased year by year, operating performance continued to decline, and the prime business suffered losses. In view of the current situation, the shareholders' meeting, the board of directors, and the management of the Company are constantly seeking for countermeasures. In 2018, the overall operations of the Company will focus on gradually reducing the losses or even reversing the losses in the main business.

- (1) Grasp the opportunity of industry recovery and increase market share

Since 2017, international crude oil prices have continued to rise steadily, and prices of domestic refined oil products have also risen; therefore, the economy of natural gas applications have been restored to a certain degree. At the same time, the implementation of the new GB1589 standard in 2016 has seen a significant increase in the heavy truck industry year-on-year, which has also stimulated production and sales of natural gas-fueled heavy trucks. At the same time, the prosperity of global industrial gas market and downstream industries of the hydrogen and fuel cell industries continues to increase.

Under the background of the development of this industry, in 2017, the Group focused on key regions and expanded sales channels and sales methods through the establishment of warehouses for rental. The Company's LNG application equipment, especially LNG cylinders, saw a rapid growth in market demand. Compared with the same period last year, there was a substantial increase in sales and production. In 2018, the Group will continue to closely follow industrial policies, accelerate product R&D, adapt to new markets and new business conditions, aim at target customers and expand market share of the products.

十四、其他重要事項

1. 本集團2017年度歸屬於母公司股東的淨利潤2,086.84萬元，扣除非經常性損益後歸屬於母公司股東的淨利潤-6,077.56萬元。2016年度歸屬於母公司股東的淨利潤-14,878.76萬元，扣除非經常性損益後歸屬於母公司股東的淨利潤-16,487.45萬元。2017年度較2016年度實現扭虧，主營業務減虧明顯。

2014年以來，本集團受宏觀環境的影響，特別是油氣差價縮短和電動車補貼政策的衝擊，天然氣市場需求大幅下降，致使本集團產能不能釋放，產品毛利率逐年下降，經營業績持續下降，主營業務出現了虧損。針對現狀，本公司股東會、董事會和經營層不斷尋求對策，2018年主要從以下方面進行整體運作逐步實現主營業務減虧乃至扭虧。

- (1) 抓住行業復甦的機遇，擴大市場佔有率

2017年以來，國際原油價格持續穩步上升，國內成品油價格亦同步上漲，天然氣應用的經濟性得到一定程度恢復；同時2016年GB1589新版標準實施，重卡行業同比出現較大幅度增長，也帶動了天然氣重卡的生產和銷售。同時全球工業氣體市場和氫能及燃料電池行業下游行業景氣度繼續提升。

在此行業發展大背景下，2017年本集團鎖定重點區域，通過建立外租庫等方式拓展銷售渠道和銷售方式，公司的LNG應用裝備特別是LNG氣瓶市場需求增長較快，銷售及生產情況較去年同期均有較大幅度增長。2018年度本集團將繼續緊跟產業政策，加快產品研發，適應新市場、新業態，鎖定目標客戶群，擴大產品市場佔用率。

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XIV. Other Significant Matters (Continued)

1. (Continued)

(2) Activate the idle assets

Since the Wufangqiao real estate resource owned by Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, was vacated, it has actively explored the development route, in order to realize the activation and utilization of assets and to feed back the main business.

In 2017, combining the policy orientation of the Management Committee of Chaoyang Park of Zhongguancun on the science and technology industries in Fatou region, the strategic position of the "Culture Center" and "Science and Technology Innovation Center" for Beijing and the instruction of "Protect and Utilize Old Factory Buildings to Expand Cultural Space" document, Beijing Tianhai Industry Co., Ltd. actively promoted the project reconstruction plan of cultural innovation. At present, it has investigated and inspected several partners and has formulated detailed development plans. In 2018, the project will enter the substantive stage of plan argumentation.

(3) Actively broaden financing channel and maintain continuous cash flow

By December 31, 2017, short-term borrowing of the Group was RMB 285,000,000.00, including RMB 175,000,000.00 of borrowing guaranteed by controlling shareholder and RMB 110,000,000.00 of mortgage borrowings with existing land and real estate. The long-term borrowing was RMB 5,060,000.00, lasting for 3 years. And the unused borrowing limit was RMB 120,075,500.00. Additionally, the capital lending amount from controlling shareholder was RMB 50,000,000.00.

The Group has a high degree of credibility without any loan default. The value of mortgage is sufficient and the credibility in financial institutions is high. Although the financial institutions will fluctuate the loan interest rate relying on the degree of being loose for funds in the market, the capital cost of the Group, a listed state-owned company, is still at a relatively low level in the market in general. With the gradual recovery of the industry, the Company's gross margin is sufficient to cover the capital cost. Judging from the historical experience of the Company, the agreement for renewal or reloaning to repay the existing loan is expected to be reached for the existing loan balance with the financial institutions before the expiration date.

十四、其他重要事項(續)

1. (續)

(2) 盤活閒置資產

本公司下屬子公司北京天海工業有限公司擁有的五方橋房地產資源自騰退以來，積極探索開發路徑，以實現資產的盤活利用，反哺主業。

2017年，結合中關村朝陽園管委會對「頭地區的科技產業政策導向和北京市關於「文化中心」和「科技創新中心」的戰略定位以及「保護利用老舊廠房、拓展文化空間」的文件指示精神，北京天海工業有限公司積極推進文化創意的項目改造方案，目前已調研和考察了多家合作對象，並制定了詳細的開發方案。2018年該項目將進入實質性的方案論證階段。

(3) 積極拓展融資渠道，保持持續現金流

截止2017年12月31日，本集團短期借款28,500萬元，其中17,500萬元為控股股東擔保借款，11,000萬元為利用現有土地房產的抵押借款。長期借款506萬元，借款期限為3年，尚未使用的借款額度12,007.55萬元。另外從控股股東獲得的資金拆借款5,000萬元。

本集團具有較高的信譽度，從未出現過貸款違約情況，抵押物價值充足，在金融機構的信用度較高。雖然金融機構隨著市場資金寬鬆程度，對貸款利率會有所浮動，但總體看本集團作為國企上市公司的資金成本在市場中還是屬於偏低水平。隨著行業逐步復甦，公司毛利率足以覆蓋資金成本。從公司歷史經驗判斷，現有貸款餘額預計在到期前能夠和金融機構達成展期或借新還舊的一致意見。

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XIV. Other Significant Matters (Continued)

十四、其他重要事項(續)

2. Termination of operation

2. 終止經營

Item	項目	Amount in current year 本年年金額	Amount in previous year 上年金額
1. Income from discontinued operations	1. 終止經營收入	158,039,441.04	241,295,656.89
Less: termination costs and operating expenses	減：終止成本及經營費用	138,146,835.06	273,539,312.93
2. Total profit from discontinued operations	2. 來自於終止經營業務的利潤總額	19,892,605.98	-32,243,656.04
Less: income tax expenses from discontinued operations	減：終止經營所得稅費用	0.00	33,017.19
3. Net profit from discontinued operations	3. 終止經營淨利潤	19,892,605.98	-32,276,673.23
Including: net profit from discontinued operations attributable to the parent company	其中：歸屬於母公司的終止經營淨利潤	18,821,022.75	-26,492,693.39
Add: net proceeds from disposal businesses (after-tax)	加：處置業務的淨收益(稅後)	0.00	0.00
Including: total of disposal profit or loss	其中：處置損益總額	0.00	0.00
Less: income tax expenses (or proceeds)	減：所得稅費用(或收益)	0.00	0.00
4. Total net profit from discontinued operations	4. 來自於終止經營業務的淨利潤總計	19,892,605.98	-32,276,673.23
Including: total net profits from discontinued operations attributable to owners of the parent company	其中：歸屬於母公司所有者的來自於已終止經營業務的淨利潤總計	18,821,022.75	-26,492,693.39
5. Net amount of cash flow from termination of operation	5. 終止經營的現金流量淨額	-3,702,687.61	4,474,877.94
Including: net cash flow of operating activities	其中：經營活動現金流量淨額	-184,620,437.05	13,431,962.67
Net cash flows from investing activities	投資活動現金流量淨額	267,767,800.00	0.00
Net cash flows from financing activities	籌資活動現金流量淨額	-86,850,050.56	-8,957,084.73

Note: Langfang Tianhai High Pressure Container Co., Ltd., a subsidiary of the Company, is expected to complete liquidation and cancellation in 2018. Langfang Tianhai High Pressure Container Co., Ltd. is therefore listed as a discontinued business item.

註：本公司所屬子公司廊坊天海高壓容器有限公司預計將在2018年完成清算注銷，故將廊坊天海高壓容器有限公司列為終止經營項目。

3. Apart from the above matters, the Group has no other significant matters as at the date of Auditor's Report.

3. 除上述事項外，截止審計報告日，本集團無其他重要事項。

Notes to the Financial Statements

財務報表附註

From January 1, 2017 to December 31, 2017

(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)
2017年1月1日至2017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 Major Items of the Parent Company's Financial Statements 十五、母公司財務報表主要項目註釋

1. Cash at bank and on hand

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash	現金	107.03	1,241.03
Cash in bank	銀行存款	2,638,146.30	3,762,776.49
Other cash at bank and on hand	其他貨幣資金	0.00	0.00
Total	合計	2,638,253.33	3,764,017.52
Including: total amount deposited abroad	其中:存放在境外的款項總額	0.00	0.00

2. Interest receivable

項目	Item	Closing balance 年末餘額	Opening balance 年初餘額
Interest on borrowings between affiliates	關聯公司間的往來借款利息	19,845,979.50	16,270,562.82

3. Other receivables

Project name	項目名稱	Closing balance 年末餘額	Opening balance 年初餘額
Other receivables	其他應收款	398,100,000.00	345,100,000.00
Less: bad debt provision	減:壞賬準備	0.00	0.00
Net amount	淨額	398,100,000.00	345,100,000.00

(1) Aging analysis of other receivables

Aging	賬齡	Closing balance 年末餘額	Opening balance 年初餘額
Within one year	一年以內	53,000,000.00	0.00
One to two years	一年至二年	0.00	5,100,000.00
Two to three years	二年至三年	5,100,000.00	340,000,000.00
Three to four years	三年至四年	340,000,000.00	0.00
Four to five years	四年至五年	0.00	0.00
More than five years	五年以上	0.00	0.00
Net amount	淨額	398,100,000.00	345,100,000.00

1. 貨幣資金

2. 應收利息

3. 其他應收款

(1) 其他應收款賬齡分析

Notes to the Financial Statements

財務報表附註

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

3. Other receivables (Continued)

(2) Classification

Category	類別	Closing balance 年末餘額				Book value 賬面價值
		Book balance 賬面餘額		Bad debt provision 壞賬準備		
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Provision proportion (%) 計提比例(%)	
Other receivables with significant single amount and bad debt provision made individually	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 with bad debt provision made by portfolio 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	398,100,000.00	100.00	0.00	0.00	398,100,000.00
Portfolio of related parties within the scope of consolidation	合併範圍內關聯方組合	398,100,000.00	100.00	0.00	0.00	398,100,000.00
Other receivables with insignificant single amount but bad debt provision made individually	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
Total	合計	398,100,000.00	100.00	0.00	-	398,100,000.00

(Con't)

(續表)

Category	類別	Opening balance 年初餘額				Book value 賬面價值
		Book balance 賬面餘額		Bad debt provision 壞賬準備		
		Amount 金額	Proportion (%) 比例(%)	Amount 金額	Provision proportion (%) 計提比例(%)	
Other receivables with significant single amount and bad debt provision made individually	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 with bad debt provision made by portfolio 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
Portfolio of related parties within the scope of consolidation	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 with insignificant single amount but bad debt provision made individually	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
Total	合計	345,100,000.00	100.00	0.00	-	345,100,000.00

Notes to the Financial Statements

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued) 十五、母公司財務報表主要項目註釋

3. Other receivables (Continued)

In the portfolio, other receivables with provision for bad debts provided by portfolio of credit risk features

3. 其他應收款(續)

組合中,按信用風險特徵組合計提壞賬準備的其他應收款

Company name	單位名稱	Closing balance		
		Other receivables	Bad debt provision	Provision proportion (%)
		其他應收款	壞賬準備	計提比例 (%)
Beijing Tianhai Industry Co., Ltd.	北京天海工業有限公司	348,100,000.00	0.00	0.00
Beijing Tianhai Cryogenic Equipment Co., Ltd.	北京天海低溫設備有限公司	50,000,000.00	0.00	0.00
Total	合計	398,100,000.00	0.00	-

(3) Classification of other receivables by nature

(3) 其他應收款按款項性質分類情況

Nature of amount	款項性質	Closing book balance	Opening book balance
		年末賬面餘額	年初賬面餘額
Concerned borrowings	關聯借款	390,000,000.00	340,000,000.00
Concerned intercourse funds	關聯往來	8,100,000.00	5,100,000.00
Total	合計	398,100,000.00	345,100,000.00

(4) Other receivables collected as per the debtors:

(4) 按欠款方歸集的其他應收款情況:

Company name	Nature of amount	Closing balance	Aging	Proportion in total closing balance of other receivables (%)	Closing balance of bad debt provision
單位名稱	款項性質	年末餘額	賬齡	佔其他應收款年末餘額合計數的比例 (%)	壞賬準備年末餘額
Beijing Tianhai Industry Co., Ltd.	Borrowings	340,000,000.00	Three to four years	85.41	0.00
北京天海工業有限公司	借款	340,000,000.00	三至四年	85.41	0.00
Beijing Tianhai Cryogenic Equipment Co., Ltd.	Borrowings	50,000,000.00	Within one year	12.56	0.00
北京天海低溫設備有限公司	借款	50,000,000.00	一年以內	12.56	0.00
Beijing Tianhai Industry Co., Ltd.	Concerned Intercourse Funds	8,100,000.00	Within three years	2.03	0.00
北京天海工業有限公司	關聯往來	8,100,000.00	三年以內	2.03	0.00
Total	-	398,100,000.00	-	100.00	0.00
合計	-	398,100,000.00	-	100.00	0.00

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

4. Long-term equity investments

(1) Classification

Item	項目	Closing balance 年末餘額			Opening balance 年初餘額		
		Book balance 賬面餘額	Impairment provision 減值準備	Book value 賬面價值	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in 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 in subsidiaries

Investees	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 impairment provision
		年初餘額	本年增加	本年減少	年末餘額	本年計提 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
Total	合計	694,842,724.41	0.00	0.00	694,842,724.41	0.00	0.00

(3) Analysis of long-term equity investments

Item	項目	Closing amount 年末金額	Opening amount 年初金額
Listed	上市		
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
Unlisted	非上市	694,842,724.41	694,842,724.41
Total	合計	694,842,724.41	694,842,724.41

5. Short-term borrowings

(1) Classification

Category	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Guaranteed borrowing	保證借款	50,000,000.00	0.00

On May 12, 2017, the Company signed a working capital loan contract (No. DLL J 201707040071) with Beijing Branch of Bank of Dalian, with the loan amount of RMB 50,000,000.00, lasting for 12 months from July 05, 2017 to July 04, 2018 and with the loan rate of 5.655%. Beijing Jingcheng Machinery Electric Holding Co., Ltd. will provide the maximum amount guarantee from the effective date of the main contract to the date of expiry of two years after the date of expiry of the debt performance under the main contract.

(2) There is no short-term borrowing due but unpaid at the end of the year.

十五、母公司財務報表主要項目註釋

(續)

4. 長期股權投資

(1) 長期股權投資分類

Item	項目	Closing balance 年末餘額			Opening balance 年初餘額		
		Book balance 賬面餘額	Impairment provision 減值準備	Book value 賬面價值	Book balance 賬面餘額	provision 減值準備	Book value 賬面價值
Investment in 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) 對子公司投資

Investees	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 impairment provision
		年初餘額	本年增加	本年減少	年末餘額	本年計提 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
Total	合計	694,842,724.41	0.00	0.00	694,842,724.41	0.00	0.00

(3) 長期股權投資的分析

Item	項目	Closing amount 年末金額	Opening amount 年初金額
Listed	上市		
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
Unlisted	非上市	694,842,724.41	694,842,724.41
Total	合計	694,842,724.41	694,842,724.41

5. 短期借款

(1) 短期借款分類

Category	借款類別	Closing balance 年末餘額	Opening balance 年初餘額
Guaranteed borrowing	保證借款	50,000,000.00	0.00

2017年5月12日,本公司與大連銀行北京分行簽訂編號為DLL京201707040071的流動資金借款合同,借款金額為5,000萬元,借款期間為12個月,從2017年7月5日起至2018年7月4日止,借款利率為5.655%。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。

(2) 年末不存在已逾期未償還的短期借款。

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued) 十五、母公司財務報表主要項目註釋

6. Employee benefits payable (續)

6. 應付職工薪酬

(1) Classification

(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 benefits	短期薪酬	699,487.27	4,435,907.31	3,806,858.17	1,328,536.41
Post-employment benefits- defined contribution plan	離職後福利—設定提存計劃	18,653.57	417,548.58	412,336.23	23,865.92
Total	合計	718,140.84	4,853,455.89	4,219,194.40	1,352,402.33

(2) Short-term benefits

(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
Salary, bonus, allowance and subsidy	工資、獎金、津貼和補貼	688,298.80	3,835,726.38	3,209,771.76	1,314,253.42
Employee welfare expenses	職工福利費	0.00	14,715.17	14,715.17	0.00
Social insurance premium	社會保險費	11,188.47	250,890.00	247,795.48	14,282.99
Including: medical insurance premium	其中:醫療保險費	9,562.80	214,436.00	211,791.10	12,207.70
Work injury insurance premium	工傷保險費	860.65	19,299.30	19,061.26	1,098.69
Childbearing insurance premium	生育保險費	765.02	17,154.70	16,943.12	976.60
Housing provident fund	住房公積金	0.00	243,535.00	243,535.00	0.00
Labor union expenditure & personnel education fund	工會經費和職工教育經費	0.00	91,040.76	91,040.76	0.00
Total	合計	699,487.27	4,435,907.31	3,806,858.17	1,328,536.41

(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 endowment insurance	基本養老保險	17,899.90	400,678.08	395,676.33	22,901.65
Unemployment insurance premium	失業保險費	753.67	16,870.50	16,659.90	964.27
Total	合計	18,653.57	417,548.58	412,336.23	23,865.92

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

7. Taxes payable

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Value-added tax	增值稅	165,326.01	0.00
Individual income tax	個人所得稅	21,316.00	15,154.89
City maintenance and construction tax	城市維護建設稅	11,572.82	0.00
Education surcharge	教育費附加	4,959.78	0.00
Local education surcharge	地方教育費附加	3,306.52	0.00
Total	合計	206,481.13	15,154.89

8. Other payables

Classification of other payables by nature

Nature of amount	款項性質	Closing balance 年末餘額	Opening balance 年初餘額
Funds disbursed for others, etc.	代墊款項等	2,156,961.13	5,565,688.80

9. 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	279,193.41	279,193.40

10. 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 ones with the book value of RMB 1 per share.

(Unit: RMB 1000)

Item	項目	Opening amount 年初金額		Changes in the current year 本年變動					Closing amount 年末金額	
		Amount 金額	Proportion (%) 比例(%)	Issuing New shares 發行新股	Bonus shares 送股	Transfer from capital surplus to share capital 公積金轉股	Others 其他	Subtotal 小計	Amount 金額	Proportion (%) 比例(%)
Total restricted shares	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
Unrestricted shares	無限售條件股份	-	-	-	-	-	-	-	-	-
RMB ordinary shares	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 unrestricted shares	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

(單位：千元)

十五、母公司財務報表主要項目註釋

(續)

7. 應交稅費

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Value-added tax	增值稅	165,326.01	0.00
Individual income tax	個人所得稅	21,316.00	15,154.89
City maintenance and construction tax	城市維護建設稅	11,572.82	0.00
Education surcharge	教育費附加	4,959.78	0.00
Local education surcharge	地方教育費附加	3,306.52	0.00
Total	合計	206,481.13	15,154.89

8. 其他應付款

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
Funds disbursed for others, etc.	代墊款項等	2,156,961.13	5,565,688.80

9. 其他流動負債

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	279,193.41	279,193.40

10. 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)

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued) 十五、母公司財務報表主要項目註釋

11. Capital reserves

Item	項目	Opening amount 年初金額	Increase in the current year 本年增加	Decrease in the current year 本年減少	Closing amount 年末金額
Share premiums	股本溢價	565,619,913.60	0.00	0.00	565,619,913.60
Other capital reserves	其他資本公積	101,020,074.25	0.00	0.00	101,020,074.25
Total	合計	666,639,987.85	0.00	0.00	666,639,987.85

11. 資本公積

12. Surplus reserves

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 reserve	法定盈餘公積	38,071,282.24	0.00	0.00	38,071,282.24

12. 盈餘公積

13. Undistributed profits

Item	項目	Current year 本年	Previous year 上年
Closing balance of the previous year	上年年末餘額	-73,295,826.87	-76,299,743.92
Add: adjustment of opening undistributed profits	加: 年初未分配利潤調整數	0.00	0.00
Including: Change in accounting policy	其中: 會計政策變更	0.00	0.00
Correction of major early errors	重要前期差錯更正	0.00	0.00
Other adjustment factors	其他調整因素	0.00	0.00
Opening balance of the current year	本年年初餘額	-73,295,826.87	-76,299,743.92
Add: net profits in current year	加: 本年淨利潤	7,958,520.62	3,003,917.05
Less: appropriation of statutory surplus reserve	減: 提取法定盈餘公積	0.00	0.00
Ordinary share dividends payable	應付普通股股利	0.00	0.00
Ordinary share dividends transferred into share capital	轉作股本的普通股股利	0.00	0.00
Closing balance of the current year	本年年末餘額	-65,337,306.25	-73,295,826.87

13. 未分配利潤

Notes to the Financial Statements

財務報表附註

From January 1, 2017 to December 31, 2017

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2017年1月1日至2017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 Major Items of the Parent Company's Financial Statements (Continued) 十五、母公司財務報表主要項目註釋(續)

14. Operating revenues and operating costs

(1) Operating revenues and operating costs

Item	項目	Amount incurred in current year 本年發生額		Amount incurred in previous year 上年發生額	
		Revenue 收入	Cost 成本	Revenue 收入	Cost 成本
Other businesses	其他業務	2,830,188.68	0.00	2,264,150.94	0.00

(2) Other operating revenues and other operating costs

Name of business	業務名稱	Amount in current year 本年金額		Amount in previous year 上年金額	
		Other operating revenues 其他業務收入	Other operating costs 其他業務成本	Other operating revenues 其他業務收入	Other operating costs 其他業務成本
Information and consulting service	信息諮詢服務	2,830,188.68	0.00	2,264,150.94	0.00

14. 營業收入和營業成本

(1) 營業收入和營業成本明細

(2) 其他業務收入和其他業務成本

15. General and administrative expenses

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Office fees	辦公費	15,326.82	11,829.12
Employee compensation	職工薪酬	4,853,455.89	4,037,093.05
Fees for employing intermediary organs	聘請中介機構費	2,828,384.64	4,632,289.20
Others	其他	410,733.92	1,895,494.13
Total	合計	8,107,901.27	10,576,705.50

16. Financial expenses

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest expenses	利息支出	1,413,750.01	0.00
Less: interest incomes	減: 利息收入	14,750,074.06	13,930,361.80
Add: exchange losses	加: 匯兌損失	-0.08	0.00
Add: other expenditures	加: 其他支出	5,090.12	6,325.24
Total	合計	-13,331,234.01	-13,924,036.56

15. 管理費用

16. 財務費用

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(Unless otherwise specified in the Notes to Financial Statements, the amount shall be denominated in RMB)
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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

十五、母公司財務報表主要項目註釋

17. Incomes from disposal of assets

(續)

17. 資產處置收益

Item	項目	Current year	Previous Year	Amount included
		Amount incurred	Amount incurred	in non-recurring profits and losses in the current year
		本年 發生額	上年 發生額	計入本年 非經常性 損益的金額
Incomes from disposal of disposal groups held for sale	持有待售處置組處置收益	-	-	-
Gains from disposal of non-current assets	非流動資產處置收益	0.00	-2,814,718.57	0.00
Including incomes from disposal of non-current assets classified as the held-for-sale assets	其中:劃分為持有待售的非流動資產處置收益	0.00	0.00	0.00
Including incomes from disposal of fixed assets	其中:固定資產處置收益	0.00	0.00	0.00
Incomes from disposal of intangible assets	無形資產處置收益	0.00	0.00	0.00
Incomes from disposal of non-current assets not classified as the held-for-sale assets	未劃分為持有待售的非流動資產處置收益	0.00	-2,814,718.57	0.00
Including incomes from disposal of fixed assets	其中:固定資產處置收益	0.00	-2,814,718.57	0.00
Incomes from disposal of intangible assets	無形資產處置收益	0.00	0.00	0.00
Incomes from exchange of non-monetary assets	非貨幣性資產交換收益	0.00	0.00	0.00
Incomes from disposal of non-current assets in the debt restructuring	債務重組中因處置非流動資產收益	0.00	0.00	0.00
Total	合計	0.00	-2,814,718.57	0.00

The Company's incomes from disposal of assets in the current year does not include the profits from sale of properties (previous year's amount of RMB-2,814,718.57).

本公司本年度資產處置收益無出售物業的利潤(上年發生額為-2,814,718.57元)。

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

18. Items of cash flow statement

(1) Other cash received/paid relating to operating/ investment/financing activities

1) Other cash received relating to operating activities

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest incomes	利息收入	22,542.56	0.00
Intercourse funds	往來款	899,170.23	2,410,080.71
Total	合計	921,712.79	2,410,080.71

2) Other cash paid relating to operating activities

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
General expenses	各項費用	2,926,342.75	1,559,595.44
Cash deposit	保證金	0.00	1,885,858.15
Intercourse funds	往來款	4,098,738.49	3,671,069.08
Total	合計	7,025,081.24	7,116,522.67

3) Other cash received relating to investing activities

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest incomes	利息收入	12,035,766.67	13,800,000.00

4) Other cash paid relating to investing activities

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Concerned intercourse funds	關聯往來	50,000,000.00	0.00
Taxes and surcharges cash payments in the real estate transfer	房產過戶支付的各項稅費	0.00	3,717,361.42
Total	合計	50,000,000.00	3,717,361.42

十五、母公司財務報表主要項目註釋

(續)

18. 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 incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest incomes	利息收入	22,542.56	0.00
Intercourse funds	往來款	899,170.23	2,410,080.71
Total	合計	921,712.79	2,410,080.71

2) 支付的其他與經營活動有關的現金

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
General expenses	各項費用	2,926,342.75	1,559,595.44
Cash deposit	保證金	0.00	1,885,858.15
Intercourse funds	往來款	4,098,738.49	3,671,069.08
Total	合計	7,025,081.24	7,116,522.67

3) 收到的其他與投資活動有關的現金

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Interest incomes	利息收入	12,035,766.67	13,800,000.00

4) 支付的其他與投資活動有關的現金

Item	項目	Amount incurred in current year 本年發生額	Amount incurred in previous year 上年發生額
Concerned intercourse funds	關聯往來	50,000,000.00	0.00
Taxes and surcharges cash payments in the real estate transfer	房產過戶支付的各項稅費	0.00	3,717,361.42
Total	合計	50,000,000.00	3,717,361.42

Notes to the Financial Statements

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued) 十五、母公司財務報表主要項目註釋 (續)

18. Items of cash flow statement (Continued)

18. 現金流量表項目(續)

(2) Supplementary information to the cash flow statement

(2) 現金流量表補充資料

Item	項目	Amount in current year 本年年額	Amount in previous year 上年金額
1. Reconciliation from net profit to cash flows from operating activities:	1. 將淨利潤調節為經營活動現金流量：		
Net profit	淨利潤	7,958,520.62	3,003,917.05
Add: Provision for assets impairment	加：資產減值準備	0.00	0.00
Depreciation of fixed assets	固定資產折舊	1,412.23	0.00
Amortization of intangible assets	無形資產攤銷	0.00	0.00
Amortization of long-term deferred expenses	長期待攤費用攤銷	0.00	0.00
Loss from disposal of fixed assets, intangible assets and other long-term assets (gains to be listed with "-")	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)	0.00	2,814,718.57
Losses on retirement of fixed assets (gains to be listed with "-")	固定資產報廢損失 (收益以[-]填列)	0.00	0.00
Profits and losses of changes in fair value (gains to be listed with "-")	公允價值變動損益 (收益以[-]填列)	0.00	0.00
Financial expenses (gains to be listed with "-")	財務費用(收益以[-]填列)	-13,313,781.49	0.00
Losses on investment (gains to be listed with "-")	投資損失(收益以[-]填列)	0.00	0.00
Decrease on deferred income tax asset (increases to be listed with "-")	遞延所得稅資產的減少 (增加以[-]填列)	0.00	0.00
Increases in deferred income tax liabilities (decreases to be listed with "-")	遞延所得稅負債的增加 (減少以[-]填列)	0.00	0.00
Decreases on inventory (increases to be listed with "-")	存貨的減少(增加以[-]填列)	0.00	0.00
Decreases on operating receivables (increases to be listed with "-")	經營性應收項目的減少 (增加以[-]填列)	-3,870,088.10	-3,645,893.32
Increase on operating payables (decreases to be listed with "-")	經營性應付項目的增加 (減少以[-]填列)	-2,583,139.94	-12,635,818.25
Others	其他	0.00	0.00
Net cash flows from operating activities	經營活動產生的現金流量淨額	-11,807,076.68	-10,463,075.95
2. Significant investing and financing activities that do not involve cash receipts and payments:	2. 不涉及現金收支的重大投資和籌資活動：		
Translation of debt into capital	債務轉為資本	0.00	0.00
Current portion of convertible corporate bonds	一年內到期的可轉換公司債券	0.00	0.00
Fixed assets acquired under finance leases	融資租入固定資產	0.00	0.00
3. Net change in cash and cash equivalents:	3. 現金及現金等價物淨變動情況：		
Closing balance of cash	現金的年末餘額	2,638,253.33	3,764,017.52
Less: opening balance of cash	減：現金的年初餘額	3,764,017.52	4,152,554.89
Add: 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	-1,125,764.19	-388,537.37

Notes to the Financial Statements

財務報表附註

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XV. Notes to Major Items of the Parent Company's Financial Statements (Continued)

18. Items of cash flow statement (Continued)

(3) Cash and cash equivalents

Item	項目	Closing balance 年末餘額	Opening balance 年初餘額
Cash	現金	2,638,253.33	3,764,017.52
Including: cash on hand	其中: 庫存現金	107.03	1,241.03
Cash at bank available for payment at any time	可隨時用於支付的銀行存款	2,638,146.30	3,762,776.49
Other cash balances 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	0.00	0.00
Including: bond investment due within three months	其中: 三個月內到期的債券投資	0.00	0.00
Closing balance of cash and cash equivalents	年末現金和現金等價物餘額	2,638,253.33	3,764,017.52
Including: cash and cash equivalents that parent company or subsidiaries of the Group 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

十五、母公司財務報表主要項目註釋 (續)

18. 現金流量表項目 (續)

(3) 現金和現金等價物

XVI. Approval of Financial Report

The financial report is released after being approved by Board of Directors of the Company on March 26, 2018.

十六、財務報告批准

本財務報告於2018年3月26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

1. List of non-recurring loss/gain in current year

- (1) In accordance with the Explanatory Announcement of China Securities Regulatory Commission on Information Disclosure by Companies Offering Securities to the Public No. 1 – Non-recurring Profit and Loss (2008), non-recurring profit and loss of the Group for 2017 is stated as following:

財務報表補充資料

1. 本年非經常性損益明細表

- (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2017年度非經常性損益如下:

Item	項目	Amount in current year 本年金額	Notes 說明
Profits and losses from disposal of non-current assets	非流動資產處置損益	59,103,357.51	VI.六、46、48
Tax return, reduction and exemption under occasional condition, approval beyond the authority or without official document	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 in the current profit and loss	計入當期損益的政府補助	18,578,401.03	VI.六、47
Fund possession cost levied on non-financial enterprises and included in the current profit and loss	計入當期損益的對非金融企業收取的資金佔用費	0.00	
Income arising from the fair value of net identifiable assets of the investee the enterprise should enjoy when the cost of investment it acquired from the subsidiary, affiliated enterprise and joint venture was less than the investment it obtained	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	
Profit or loss from exchange of non-monetary assets exchange	非貨幣性資產交換損益	0.00	
Profit or loss from assets commissioned others to invest or manage	委託他人投資或管理資產的損益	0.00	
Provisions for impairment of assets accrued due to force majeure (e.g. natural disasters)	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	
Debt restructuring profit and loss	債務重組損益	13,998,858.16	VI.六、47
Enterprise reconstruction expense	企業重組費用	0.00	
Profit or loss of the part exceeding the fair value arising from the transaction with the bargain price losing fair	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	
Net profit or loss of subsidiaries under common control from period-begin till combination date	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 and losses from contingencies unrelated to normal operations	與公司正常經營業務無關的或有事項產生的損益	0.00	
In addition to the effective hedging related to normal operations of the Company, losses and profits from changes in fair value for holding of trading financial assets or trading financial liabilities, and gains from disposal of trading financial assets, trading financial liabilities, or 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	
Reversed provision for diminution in value of receivables under independent impairment test	單獨進行減值測試的應收款項減值準備轉回	0.00	
Profit or loss from externally entrusted loans	對外委託貸款取得的損益	0.00	
Profit or loss arising from changes in the fair value of investment property by using the fair value model for subsequent measurement	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 current profit or loss for once adjustment of current profit or loss as required by the relevant taxation or accounting 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	
Trustee fee income achieved from the entrusted operation	受託經營取得的託管費收入	0.00	
Non-operating revenues and costs other than the above mentioned	除上述各項之外的其他營業外收入和支出	3,062,739.88	VI.六、47、48
Other profit/loss items conforming to definition of the non-recurring profit and loss	其他符合非經常性損益定義的損益項目	0.00	
Subtotal	小計	94,743,356.58	
Affected amount of income tax	所得稅影響額	915,263.81	
Affected amount of non-controlling interest (after tax)	少數股東權益影響額(稅後)	12,184,088.16	
Total	合計	81,644,004.61	

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Supplementary Information to Financial Statements (Continued)

財務報表補充資料(續)

2. Return on net assets and earnings per share

Based on the provisions in *Preparation Rules for Information Disclosures by Companies Offering Shares to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (revised in 2010)* issued by China Securities Regulatory Commission, the weighted average return on net assets, basic earnings per share, and diluted earnings per share for the Group for 2016 are listed below:

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:

Profit for the Reporting Period	報告期利潤	Weighted average return on net assets (%) 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 earnings per share 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	3.61	0.05	0.05
Net profit attributable to shareholders of the parent company after deducting non-recurring profit and loss	扣除非經常性損益後歸屬於母公司股東的淨利潤	-10.53	-0.14	-0.14

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:

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:

Item	項目	Amount in current year 本年年金額	Amount in previous year 上年金額
Gross sales	銷售總額	1,166,472,219.97	863,707,076.06
Less: sales tax and other additional charges	減:銷售稅及其他附加費用	16,443,274.58	12,487,149.78
Total	合計	1,150,028,945.39	851,219,926.28

(2) Taxes

Item	項目	Amount in current year 本年年金額	Amount in previous year 上年金額
Corporate income tax in the current year	當年企業所得稅	8,496,222.40	1,651,706.37
Deferred tax liabilities	遞延所得稅	-5,537.68	-8,360.54
Total	合計	8,490,684.72	1,643,345.83

(3) Stock dividend

No dividend paid or declared during the year of 2017. No dividend is declared during this reporting period (2016: none).

(3) 股息

於2017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(2016年:無)。

Beijing Jingcheng Machinery Electric Co., Ltd.
March 26, 2018

北京京城機電股份有限公司
二〇一八年三月二十六日

Section 14 Internal Control

第十四節 內部控制

I. Responsibility statement and development of internal control system

Beijing Jingcheng Machinery Electric Holding Co., Ltd.
2017 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 2017 (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.

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.

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
2017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2017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。

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。

Section 14 Internal Control

第十四節 內部控制

I. Responsibility statement and development of internal control system (continued)

2. Conclusion of the internal control evaluation

1. **Whether there is any material deficiencies in the internal control over financial reporting of the Company, as at the benchmark date of the internal control evaluation report**
 Yes No

2. **Results of internal control evaluation over financial reporting**

Effective Not Effective

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.

3. **Whether material deficiencies in internal control over non-financial reporting had been discovered**

Yes No

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.

4. **The factors affecting the evaluation results of the effectiveness of internal control from the benchmark date to the date of issuing the internal control evaluation report.**

Applicable Not applicable

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.

5. **Whether the auditing opinions on internal control are consistent with the Company's evaluation results of the effectiveness of internal control over financial reporting**

Yes No

6. **Whether the material deficiencies in internal control over non-financial reporting disclosed by the internal control audit report are consistent with those disclosed by the Company's internal control evaluation report**

Yes No

一、內部控制責任聲明及內部控制制度建設情況(續)

二、內部控制評價結論

1. 公司於內部控制評價報告基準日，是否存在財務報告內部控制重大缺陷

是 否

2. 財務報告內部控制評價結論

有效 無效

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。

3. 是否發現非財務報告內部控制重大缺陷

是 否

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。

4. 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影響內部控制有效性評價結論的因素

適用 不適用

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。

5. 內部控制審計意見是否與公司對財務報告內部控制有效性的評價結論一致

是 否

6. 內部控制審計報告對非財務報告內部控制重大缺陷的披露是否與公司內部控制評價報告披露一致

是 否

Section 14 Internal Control

第十四節 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, include: Beijing Minghui Tianhai Gas Storage and Transportation Equipment Co., Ltd, Beijing Tianhai Cryogenic Equipment Co., Ltd., Langfang Tianhai High Pressure Containers Co., Ltd., Tianjin Tianhai High Pressure Container Co., Ltd., Shanghai Tianhai Composite Cylinders Co., Ltd., Beijing Pioneer Up Lifter Co., Ltd., Jingcheng Holding (Hong Kong) Co., Ltd. and BTIC AMERICA CORPORATION.

- The proportion of units included in the evaluation scope:

Index 指標

The proportion of the total assets included in the evaluation scope to the consolidated total assets of the Company
納入評價範圍單位的資產總額佔公司合併財務報表資產總額之比

The proportion of the operating income included in the evaluation scope to the consolidated total operating income of the Company
納入評價範圍單位的營業收入合計佔公司合併財務報表營業收入總額之比

Proportion (%) 佔比 (%)

91.70

99.27

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以及北京天海工業有限公司下屬單位，包括：北京明暉天海氣體儲運裝備銷售有限公司、北京天海低溫設備有限公司、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、北京攀尼高空作業設備有限公司、京城控股(香港)有限公司、天海美洲公司。

- 納入評價範圍的單位佔比：

Section 14 Internal Control

第十四節 內部控制

I. Responsibility statement and development of internal control system (continued)

3. Internal control evaluation (continued)

(i) Scope of the internal control evaluation (continued)

3. Main business and events included in the evaluation scope include: organization structure, development strategies, human resources, fund activities, asset management, procurement business, sales, research and development, legal affairs and document management, financial reporting, guarantee business, comprehensive budget, contract management, construction projects, communication of internal information and information systems etc..

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.

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)

3. 納入評價範圍的主要業務和事項包括：組織架構、發展戰略、人力資源、資金活動、資產管理、採購業務、銷售業務、研究與開發、法律事務及文書管理、財務報告、擔保業務、全面預算、合同管理、工程項目、內部信息傳遞、信息系統等。

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、記帳、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。

Section 14 Internal Control

第十四節 內部控制

I. Responsibility statement and development of internal control system (continued)

3. Internal control evaluation (continued)

(i) Scope of the internal control evaluation (continued)

4. 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 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.

5. Whether there is material omission in 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
 Yes No

6. Is there any statutory exemption
 Yes No

7. Other explanation
 None.

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)

4. 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、客戶信息管理等事項。

5. 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，是否存在重大遺漏
 是 否

6. 是否存在法定豁免
 是 否

7. 其他說明事項
 無。

Section 14 Internal Control

第十四節 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

The Company organized and conducted its internal control evaluation in accordance with the Basic Standards for Corporate Internal Control.

1. *Is there any adjustment of the specific identification criteria of deficiencies in internal control compared to the criteria last year*

Yes No

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.

2. *Identification standards for deficiencies in internal control over financial reporting*

The quantitative standards for identifying deficiencies in internal control over financial reporting by the Company are as follows:

Name of Index 指標名稱	Quantitative standards for material deficiencies 重大缺陷定量標準	Quantitative standards for major deficiencies 重要缺陷定量標準	Quantitative standards for ordinary deficiencies 一般缺陷定量標準
Total operating income 營業收入總額	Misstatement $\geq 0.5\%$ of the total operating income 錯報 \geq 營業收入總額 0.5%	0.2% of the total operating income \leq misstatement $< 0.5\%$ of the total operating income 營業收入總額 $0.2\% \leq$ 錯報 $<$ 營業收入總額 0.5%	Misstatement $< 0.2\%$ of the total operating income 錯報 $<$ 營業收入總額 0.2%
Total profit 利潤總額	Misstatement $\geq 5\%$ of the total profit 錯報 \geq 利潤總額 5%	2% of the total profit \leq misstatement $< 5\%$ of the total profit 利潤總額 $2\% \leq$ 錯報 $<$ 利潤總額 5%	Misstatement $< 2\%$ of the total profit 錯報 $<$ 利潤總額 2%
Total assets 資產總額	Misstatement $\geq 0.5\%$ of the total assets 錯報 \geq 資產總額 0.5%	0.2% of the total assets \leq misstatement $< 0.5\%$ of the total assets 資產總額 $0.2\% \leq$ 錯報 $<$ 資產總額 0.5%	Misstatement $< 0.2\%$ of the total assets 錯報 $<$ 資產總額 0.2%
Total owner's equity 所有者權益總額	Misstatement $\geq 0.5\%$ of the total owner's equity 錯報 \geq 所有者權益總額 0.5%	0.2% of the total owner's equity \leq misstatement $< 0.5\%$ of the total owner's equity 所有者權益總額 $0.2\% \leq$ 錯報 $<$ 所有者權益總額 0.5%	Misstatement $< 0.2\%$ of the total owner's equity 錯報 $<$ 所有者權益總額 0.2%
	Remarks: Nil		說明: 無。

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

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。

1. 內部控制缺陷具體認定標準是否與以前年度存在調整

是 否

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。

2. 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：

Section 14 Internal Control

第十四節 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)

2. Identification standards for deficiencies in internal control over financial reporting (continued)

Qualitative standards for evaluation of financial reporting related internal control deficiencies defined by the Company are as follows:

Magnitude of Deficiency 缺陷性質

Qualitative standards 定性標準

Material deficiencies
重大缺陷

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.
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。

In case of the occurrence of the following situations, material deficiencies are recognised: A • Ineffective control environment; B • The misconduct committed by directors, supervisors and members of senior management officers; C • The external audit identifies material misstatement in the current financial report which has not been identified by the Company during its operation; D • Material deficiencies identified and reported to the management have not been rectified after a reasonable period of time; E • The supervision of the Company's audit committee and department of audit and legal affairs over the internal control is proved to be ineffective; F • Other deficiencies which may affect the correct judgment of the statement users.

出現下列情形的，認定為重大缺陷：A · 控制環境無效；B · 董事、監事和高級管理人員舞弊行為；C · 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；D · 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；E · 公司審計委員會和審計部對內部控制的監督無效；F · 其他可能影響報表使用者正確判斷的缺陷。

Major deficiencies
重要缺陷

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.
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。

General deficiencies
一般缺陷

Other internal control deficiencies that do not constitute material or major deficiencies.
不構成重大缺陷或重要缺陷的其他內部控制缺陷。

Remarks:

說明:

Nil

無。

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. 財務報告內部控制缺陷認定標準(續)

公司確定的財務報告內部控制缺陷評價的定性標準如下：

Section 14 Internal Control

第十四節 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)

3. 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:

Name of Index 指標名稱	Quantitative standards for material deficiencies 重大缺陷定量標準	Quantitative standards for major deficiencies 重要缺陷定量標準	Quantitative standards for ordinary deficiencies 一般缺陷定量標準
Direct property losses amount 直接財產損失金額	More than RMB10 million 1,000 萬元以上	Between RMB1 million and RMB10 million (inclusive) 100萬元至1,000萬元(含1,000萬元)	Less than RMB1 million (inclusive) 100萬元(含100萬元)以下
Material adverse effects 重大負面影響	Material adverse effects on the Company and disclosed by way of announcement 對公司造成較大負面影響並以公告形式對外披露	The imposition of punishment by national government authority which does not adversely affect the Company 受到國家政府部門處罰但未對公司造成負面影響	The imposition of punishment by government authority at or below provincial level which does not adversely affect the Company 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
	Remarks: Nil Qualitative standards for evaluation of non-financial reporting related internal control deficiencies defined by the Company are as follows:		說明: 無。 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:

Magnitude of Deficiency 缺陷性質

Qualitative standards 定性標準

Material deficiencies 重大缺陷	In case of the occurrence of the following situations, material deficiencies are recognised: 出現以下情形的，認定為重大缺陷： A. Violation of the State's laws, regulations or regulatory documents; A. 違反國家法律、法規或規範性文件； B. Unscientific material decision-making process; B. 重大決策程序不科學； C. Lack of systems are likely to result in systemic failures; C. 制度缺失可能導致系統性失效； D. Material or major deficiencies are not rectified; D. 重大或重要缺陷不能得到整改； E. Other situations that materially affect the Company. E. 其他對公司影響重大的情形。
Major deficiencies 重要缺陷	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. 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。
General deficiencies 一般缺陷	Other internal control deficiencies that do not constitute material or major deficiencies. 不構成重大缺陷或重要缺陷的其他內部控制缺陷。 Remarks: Nil
	說明: 無。

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)

3. 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：

Section 14 Internal Control

第十四節 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

- 1.1 Material deficiencies
Whether the Company had material deficiencies in internal control over financial reporting during the reporting period
 Yes No
- 1.2 Major deficiencies
Whether the Company had major deficiencies in internal control over financial reporting during the reporting period
 Yes No
- 1.3 General deficiencies
During the Reporting Period, the Company had no general deficiencies in the internal control over financial reporting.
- 1.4 After the above rectification, whether the Company had discovered any uncorrected material deficiencies in the internal control over financial reporting as at the benchmark date of the internal control evaluation report
 Yes No
- 1.5 After the above rectification, whether the Company had discovered any uncorrected major deficiencies in the internal control over financial reporting as at the benchmark date of the internal control evaluation report
 Yes No

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

- 1.1. 重大缺陷
報告期內公司是否存在財務報告內部控制重大缺陷
是 否
- 1.2. 重要缺陷
報告期內公司是否存在財務報告內部控制重要缺陷
是 否
- 1.3. 一般缺陷
報告期內公司未發現財務報告內部控制一般缺陷。
- 1.4. 經過上述整改，於內部控制評價報告基準日，公司是否存在未完成整改的財務報告內部控制重大缺陷
是 否
- 1.5. 經過上述整改，於內部控制評價報告基準日，公司是否存在未完成整改的財務報告內部控制重要缺陷
是 否

Section 14 Internal Control

第十四節 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 (continued)

2. Recognition of internal control deficiencies in non-financial reporting and rectifications

- 2.1 Material deficiencies
Whether the Company had discovered any material deficiencies in the internal control over non-financial reporting during the reporting period
 Yes No
- 2.2 Major deficiencies
Whether the Company had discovered any major deficiencies in the internal control over non-financial reporting during the reporting period
 Yes No
- 2.3 General deficiencies
General deficiencies may exist in daily operation of the internal control procedures. However, as there was a dual supervision system of self-evaluation and internal control audit in the internal control of the Company, the risks were under control which had no or less effect on the non-financial reporting matters of the Company, and the Company was able to carry out timely rectifications on general deficiencies with less effect.
- 2.4 After the above rectification, whether the Company had discovered any uncorrected major deficiencies in the internal control over financial reporting as at the benchmark date of the internal control evaluation report
 Yes No
- 2.5 After the above rectification, whether the Company had discovered any uncorrected major deficiencies in the internal control over financial reporting as at the benchmark date of the internal control evaluation report
 Yes No

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(續)

2. 非財務報告內部控制缺陷認定及整改情況

- 2.1. 重大缺陷
報告期內公司是否發現非財務報告內部控制重大缺陷
是 否
- 2.2. 重要缺陷
報告期內公司是否發現非財務報告內部控制重要缺陷
是 否
- 2.3. 一般缺陷
內部控制流程在日常運行中可能存在一般缺陷，但由於公司內部控制設有自我評價和內部審計的雙重監督機制，使風險可控，對公司非財務報告事項不構成影響或影響較小，並對有較小影響的一般缺陷進行及時整改。
- 2.4. 經過上述整改，於內部控制評價報告基準日，公司是否發現未完成整改的非財務報告內部控制重大缺陷
是 否
- 2.5. 經過上述整改，於內部控制評價報告基準日，公司是否發現未完成整改的非財務報告內部控制重要缺陷
是 否

Section 14 Internal Control

第十四節 內部控制

I. Responsibility statement and development of internal control system (continued)

4. Explanation on other significant matters concerning internal control

1. Rectification of deficiencies in internal control of last year

Applicable Not applicable

The Company attached great importance to the rectification of deficiencies in internal control and required active implementation of rectifications. The rectification of general deficiencies in internal control as disclosed in the non-financial reporting in the year 2016 was completed.

2. Operation of the internal control of the year and improvement directions for next year

Applicable Not applicable

During the Reporting Period, there was no statement on other important issues on internal control nor other internal control information that was likely to have a significant impact on investors' understanding about the internal control self-evaluation report, evaluating the internal control conditions or making investment decisions. After evaluation and tests of the internal control, the design and operation of the internal control system of the Company is reasonable and effective and no material and major deficiencies were identified.

In 2018, the Company will continue to improve the internal control system, standardize the implementation of the internal control system, strengthen the supervision and inspection in internal control, and promote the healthy, stable and long-term development of the Company based on such evaluation.

3. Explanation on other significant matters

Applicable Not applicable

Chairman (who is authorised by the Board): Wang Jun
Beijing Jingcheng Machinery Electric Company Limited

26 March 2018

一、內部控制責任聲明及內部控制制度建設情況(續)

四、其他內部控制相關重大事項說明

1. 上一年度內部控制缺陷整改情況

適用 不適用

公司對內部控制缺陷整改情況高度重視,並要求積極落實整改。2016年度披露的非財務報告內部控制一般缺陷已整改完成。

2. 本年度內部控制運行情況及下一年度改進方向

適用 不適用

報告期內,公司無其他內部控制相關重大事項說明,也不存在其他可能對投資者理解內部控制評價報告、評價內部控制情況或進行投資決策產生重大影響的其他內部控制信息。通過內部控制的評價和測試,公司的內部控制制度設計合理、運行有效,未發現重大缺陷和重要缺陷。

2018年度,公司將在本次評價的基礎上繼續完善內部控制制度,規範內部控制制度執行,強化內部控制監督管理,保持公司健康穩定長遠發展。

3. 其他重大事項說明

適用 不適用

董事長(已經董事會授權):王軍
北京京城機電股份有限公司

2018年3月26日

Section 14 Internal Control

第十四節 內部控制

II. Auditors' Report on Internal Control Over Financial Reporting

Internal Control Over Financial Reporting

Dahua Nei Zi [2018] No. 000043

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 December 31, 2017 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.

I. The Company's Responsibilities

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 effectiveness of internal control over financial reporting.

II. Auditor's Responsibilities

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 audits.

III. Inherent Limitations of Internal Control

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

IV. Opinion

In our opinion, the Company maintained, in all material aspects, effective internal control over financial reporting as of December 31, 2017, based on Basic Standards for Enterprise Internal Control and related rules.

Da Hua Certified Public Accountants (Special General Partnership)
大華會計師事務所(特殊普通合夥)

Beijing, China
中國·北京

26 March 2018
二〇一八年三月二十六日

二、內部控制審計報告的相關情況說明

內部控制審計報告

大華內字[2018]000043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”)2017年12月31日的財務報告內部控制的有效性。

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，並評價其有效性是企業董事會的責任。

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2017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: Liu Guoqing
中國註冊會計師：劉國清

Certified Public Accountant of China: Wei Wei
中國註冊會計師：魏瑋

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 2017 were summarized as follows:

本公司截至2017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)

		2017	2016	2015	2014	2013	
		RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000
		人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元
						(after adjustment)	(after adjustment)
						(調整後)	(調整後)
Turnover	營業額	120,349.70	88,952.53	107,659.63	180,633.31	282,819.43	282,819.43
Total profit	利潤總額	3,163.63	-17,901.45	-29,088.61	1,804.62	-10,462.44	-10,500.44
Income taxes expense	所得稅費用	849.07	164.33	583.31	503.42	454.78	454.78
Net profit attributable to shareholders of parent company	歸屬於母公司股東的淨利潤	2,086.84	-14,878.76	-20,781.74	2,141.62	-10,759.77	-10,823.90
Equity attributable to the shareholders of parent company	歸屬於母公司股東權益	58,837.53	56,519.78	71,266.31	91,953.06	77,527.17	80,357.33
Minority equity	少數股東權益	43,596.70	40,668.75	43,731.05	52,522.87	35,852.66	36,006.50

(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)

		2017	2016	2015	2014	2013	
		RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000	RMB'0,000
		人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元	人民幣萬元
						(after adjustment)	(after adjustment)
						(調整後)	(調整後)
Assets	資產						
Current assets	流動資產	96,937.67	76,242.27	87,756.35	123,966.10	157,073.98	157,073.98
Non-current assets	非流動資產	95,568.53	108,748.62	119,992.87	126,822.24	125,862.10	125,862.10
Total assets	總資產	192,506.20	184,990.89	207,749.21	250,788.33	282,936.09	282,936.09
Liabilities	負債						
Current liabilities	流動負債	75,264.43	73,983.05	79,230.83	92,885.40	153,581.46	153,425.46
Non-current liabilities	非流動負債	14,807.54	13,819.31	13,521.03	13,427	15,974.80	13,146.80
Total liabilities	總負債	90,071.97	87,802.36	92,751.86	106,312.40	169,556.26	166,572.26
Shareholders' Equity	股東權益						
Equity attributable to the shareholders of parent company	歸屬於母公司股東權益	58,837.53	56,519.78	71,266.31	91,953.06	77,527.17	80,357.33
Minority equity	少數股東權益	43,596.70	40,668.75	43,731.05	52,522.87	35,852.66	36,006.50
Shareholders' Equity	股東權益	102,434.23	97,188.53	114,997.36	144,475.93	113,379.83	116,363.83

Section 16 Documents Available for Inspection

第十六節 備查文件目錄

- | | | |
|--|----|--|
| Documents Available for Inspection
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。 |
| Documents Available for Inspection
備查文件目錄 | 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。 |
| Documents Available for Inspection
備查文件目錄 | 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。 |
| Documents Available for Inspection
備查文件目錄 | 4. | The Articles of Association of the Company.
4、公司章程。 |
| Documents Available for Inspection
備查文件目錄 | 5. | 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 People's Republic of China.
5、以上備查文件可到本公司董事會辦公室查閱,地址為中華人民共和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: 26 March 2018

董事會批准報送日期：2018年3月26日

