

Chongqing Jianshe Motorcycle Co., Ltd.

The Semi-Annual Report 2016

2016-060

August 2016

I. Important Prompts, Table of Contents, and Definitions

The Board of Directors, The Supervisory Committee, the supervisors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

All directors presented the Board Meeting at which this report was examined:

The Company will not distribute cash dividend or bonus shares, neither capitalizing of common reserves for the report period.

Mr. Lv Hongxian, The Company leader, Mr. Xue Gangyi, Chief financial officer and the Ms.Niu Yanli, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in the semi-report.

Prospective statements carried in this report, such as business plans for future are not constituting any substantial commitment to the investors. Please be cautious to the risks.This report is prepared both in English and Chinese. When there is any conflict in understanding, the Chinese version shall prevail.

Table of Contents

2016 Semi-Annual Report

I. Important Notice, Table of contents and Definitions

II. Basic Information of the Company

III. Summary of Accounting Highlights and Business Highlights

IV. Report of the Board of Directors

V. Important Events

VI. Change of share capital and shareholding of Principal Shareholders

VII. Situation of the Preferred Shares

VIII. Information about Directors, Supervisors and Senior Executives

IX. Financial Report

X. Documents available for inspection

Definition

Terms to be defined	Defined as	Definition
Company, the Company, Jianmo Stock	Defined as	Chongqing Jianshe Motorcycle Co., Ltd.
Shenjianmo	Defined as	Shenzhen North Jianshe Motorcycle Co., Ltd. (predecessor of the Company)
Military Equipment Group	Defined as	China Military Equipment Group Co., Ltd. (China Southern Industry Group Co., Ltd.)
Southern Group	Defined as	China Southern Industry Group Co., Ltd.
Military Finance Co.	Defined as	Military Equipment Group Finance Co., Ltd.
Southern Motorcycle	Defined as	Chongqing Southern Motorcycle Co., Ltd.
Southern Motorcycle R&D Co., Ltd.	Defined as	Chongqing Southern Motorcycle Technologies Development Co., Ltd.
Jianshe Industry	Defined as	Chongqing Jianshe Industry Co., Ltd. – former State-owned Jianshe Machinery Factory, Jianshe Industry (Group) Co., Ltd.
Jianshe Group	Defined as	Jianshe Industrial (Group) Co., Ltd.
Jianshe Machinery	Defined as	Chongqing Jianshe Machinery Co., Ltd.
Jianshe Mechanical and Electric	Defined as	Chongqing Jianshe Mechanical and Electric Co., Ltd.
China Jialin	Defined as	China Jialin Industry Co., Ltd. (Group)
Jinan Qingqi	Defined as	Jinan Qingqi Motorcycle Co., Ltd.
Changan Auto	Defined as	Chongqing Changan Automobile Co., Ltd.
Luoyang Northern	Defined as	Luoyang Northern Enterprise Group Co., Ltd.
Sales Co.	Defined as	Chongqing Jianshe Sales Co., Ltd.
Vehicle air conditioner	Defined as	Chongqing Jianshe Automobile Air-conditioner Co., Ltd.
Import & Export Co.	Defined as	Chongqing Northern Jianshe Import & Export Co., Ltd.
Shanghai Jianshe	Defined as	Shanghai Jianshe Motorcycle Co., Ltd.
Slaes Company	Defined as	Chongqing Jianshe Motorcycle Sales Co., Ltd.
Chongqing Yamaha	Defined as	Chongqing Jianshe YAMAHA Motorcycle Co., Ltd.
Zhuzhou Jianya	Defined as	Zhuzhou Jianshe YAMAHA Motorcycle Co., Ltd.
Pingshan Taikai	Defined as	Chongqing Pingshan Taikai Carburetor Co., Ltd.
Jianxing Machinery	Defined as	Chongqing Jianxing Machinery Co., Ltd.
Tongsheng Construction	Defined as	Chongqing Tongsheng Jianshe Industry Co., Ltd.
Fuyeda	Defined as	Chongqing Fuda Property Management Co., Ltd.
Jiangmen Qingqi	Defined as	Jiangmen Qingqi South China Motorcycle Co., Ltd.
Changan SUZUKI	Defined as	Chongqing Chang'an SUZUKI Automobile Co., Ltd.
Changhe SUZUKI	Defined as	Jiangxi Changhe SUZUKI Automobile Co., Ltd.
Hebei Changan	Defined as	Hebei Changan Automobile Co., Ltd.
Hefei Changan	Defined as	Hefei Changan Automobile Co., Ltd.
Hafei Automobile	Defined as	Harbin Hafei Automobile Co., Ltd.
Changan Ford ,Harbin Branch	Defined as	Changan Ford Automobile Co., Ltd. Harbin Branch
Harbin Dongan Auto Engine	Defined as	Harbin Dongan Auto Engine Co., Ltd.
South Air International	Defined as	South Air International Co., Ltd.
Nanjing Changan	Defined as	Nanjing Changan Automobile Co., Ltd.
Major asset restructuring	Defined as	The company has made an agreement to sale the 100% stake of Jianshe Mechanical and Electric Company-the company's subsidiary funded by the liabilities and the motorcycle business related assets held by the company to Military Equipment Group.

II. Basic Information of the Company

I. Basic Information

Stock ID	Jianmo B	Stock Code	200054
Stock Exchange Listed in	Shenzhen Stock Exchange		
Company Name in Chinese	重庆建设摩托车股份有限公司		
Short form of Company Name in Chinese	建设摩托		
Company Name in English	CHONGQING JIANSHE MOTORCYCLE CO.,LTD.		
Short form of Company Name in English	JSMC-B		
Legal representative:	Li Huaguang		

2. Contact person and contact manner

	Secretary of the Board	Representative of Stock Affairs
Name	Lv Hongxian (Interim)	Liu Hongyu
Address	No.1 Jianshe Road, Huaxi Industrial Zone, Ba'nán District, Chongqing	No.1 Jianshe Road, Huaxi Industrial Zone, Ba'nán District, Chongqing
Tel.	023-66295333	023-66295333
Fax.	023-66295333	023-66295333
Email.	cqjsmc@jianshe.com.cn	cqjsmc@jianshe.com.cn

3. Other

(1) Way to contact the Company

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not Applicable

The registered address, office address and their postal codes, website address and email address of the Company did not change during the reporting period. The said information can be found in the 2015 Annual Report.

(2) About information disclosure and where this report is placed

Did any change occur to information disclosure media and where this report is placed during the reporting period?

Applicable Not applicable

The newspapers designated by the Company for information disclosure, the website designated by CSRC for disclosing this report and the location where this report is placed did not change during the reporting period. The said information can be found in the 2015 Annual Report.

(3) Registration changes of the Company

Whether registration has changed in reporting period or not

Applicable Not applicable

Date/place for registration of the Company, registration number for enterprise legal license number of taxation registration and organization code have no change in reporting period, found more details in annual report 2015.

III. Summary of Accounting Highlights and Business Highlights

I. Main accounting data and indices

Are there any retrospective adjustment or restatement of financial information of previous year due to change of accounting policies or correcting of accounting errors?

Yes No

	Reporting period	Same period of last year	YoY+/- (%)
Operating income (RMB)	468,177,291.88	719,655,702.47	-34.94%
Net profit attributable to the shareholders of the listed company (RMB)	8,502,845.42	-70,888,688.67	-111.99%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	8,361,806.82	-71,762,547.09	-111.65%
Cash flow generated by business operation, net (RMB)	61,939,737.79	32,461,743.06	90.81%
Basic earning per share(RMB/Share)	0.0712	-0.5938	-111.99%
Diluted gains per share(RMB/Share)(RMB/Share)	0.0712	-0.5938	-111.99%
Weighted average ROE(%)	3.32%	-391.15%	394.48%
	As at the end of the reporting period	As at the end of last year	YoY+/- (%)
Gross assets (RMB)	1,566,022,192.97	1,550,615,831.44	0.99%
Shareholders' equity attributable to shareholders of the listed company (RMB)	264,618,930.93	256,116,085.51	3.32%

II. The differences between domestic and international accounting standards

1. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

Applicable Not applicable

No difference .

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

Applicable Not applicable

No difference .

III. Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Items	Amount	Notes
Government subsidies recognized in current gain and loss (excluding those closely related to the Company's business and granted under the state's policies)	449,200.00	
Other non-business income and expenditures other than the above	-308,161.40	
Total	141,038.60	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

IV. Board of Directors' Report

I. Business overview

After the first half of 2016, the company implemented a major reorganization of assets to complete the main industry structural adjustment to vehicle air conditioning compressor products industry.

In the first half, according to the company vehicle air-conditioning compressor industry, high standard, large-scale and efficiency of the development goals. The company actively involved in project development of new large customers, large customers to maintain and consolidate resources; and the development of multi-species carried out an electric compressor market expansion in three directions pure electric, low-speed electric bus and electric; continue to increase new customers and to develop new models and optimize the market structure. With technical reformation of rotating air-conditioner compressor production (0.5 million productivity expanding) gradually put into operation (expected to achieve full production in 2016), the company level of automation, on-line monitoring capabilities, automatic error proofing capability and capacity has been further enhanced to provide strong support for the product on the scale. January to June, vehicle air-conditioning compressor products company realized a total production of 1.1172 million units, up 16.92 percent; total sales of 1.0811 million units, up 8.38%, 54.06% in early completion of the sales plan.

II. Analysis on principal Business

Year-on-year changes in major financial statistics

In RMB

	This report period	Same period last year	YOY change (%)	Cause change
Operating income	468,177,291.88	719,655,702.47	-34.94%	2015 annual implementation of major asset restructuring changes in the scope of consolidation.
Operating cost	394,452,147.33	636,112,118.81	-37.99%	Same as above
Sale expenses	12,291,404.24	40,324,769.84	-69.52%	Same as above
Administrative expenses	36,444,955.02	71,548,604.11	-49.06%	Same as above
Financial expenses	16,021,092.40	51,928,828.76	-69.15%	Same as above
Income tax expenses	300,493.66	1,335,610.09	-77.50%	Same as above
R & D investment	6,559,902.33	14,677,302.23	-55.31%	Same as above
Net cash flows from operating activities	61,939,737.79	32,461,743.06	90.81%	Same as above
Net cash flows from investing activities	-9,545,403.02	21,603,762.66	-144.18%	Same as above

Net cash flows from financing activities	40,435,547.04	-56,066,007.50	-172.12%	Same as above
Net increase in cash and cash equivalents	92,829,881.81	-1,700,403.73	-5,559.28%	Same as above

Major changes in profit composition or sources during the report period

Applicable Not applicable

The profit composition or sources of the Company have remained largely unchanged during the report period.

Delay of future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.\

Applicable Not applicable

No future development and plan disclosed in Company's IPO prospectus, fund raising prospectus and capital reorganization report into this report period.\

Implementation of business plans disclosed in previous periods in this period.

In their reporting period, the company's development strategy has not changed substantially. January-June sales vehicle air-conditioning compressor 1.0811 million units, up 54.06 percent year to complete the program objectives; to achieve sales revenue of 468 million RMB, 59.24%

III. Business composition

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
On Industries						
Industry	426,970,591.80	355,926,496.00	16.64%	-37.21%	-40.92%	45.96%
On products						
Motorcycle and parts	4,360,940.17	4,790,273.92	-9.84%	-98.43%	-98.22%	-408.62%
Vehicle air conditioner	422,609,651.60	351,136,222.09	16.91%	5.26%	5.50%	-1.10%
On Area						
Domestic	397,665,088.70	331,909,949.50	16.54%	-35.48%	-39.27%	45.94%
Overseas	29,305,503.03	24,016,546.53	18.05%	-53.91%	-57.03%	49.28%

IV. Core competitive-ness analysis

Automobile air-conditioner compressor business: Through over 20 years of technical research and digestion, as well as independent innovation, the Company has been able to produce compressors with high performance and competition. Rotating compressor products were taking steady market share in the whole industry. Over 80% of production equipment were imported from multiple countries including the US, Germany, Swiss, and Japan. In the report period, the Company has been reinforce investment on fixed assets, and has achieved productivity of 2 million units per year. Online testing, quality control, and researching were fully upgraded.

V. Analysis on investment Status

1. Foreign Equity investment

(1) External investment

Applicable Not applicable

There was no foreign investment of the Company in the reorting period.

2) Holding of the equipty in financial enterprises

Applicable Not applicable

There was no Holding of the equipty in financial enterprises.

(3) Investment in Securities

Applicable Not applicable

The Company had no investment in securities in period.

(4) Explanation on equity of other listed company held

Applicable Not applicable

The Company had no equity of other listed company held in period.

2.Information of trust management, derivative investment and entrusted loan

(1) Trust management

Applicable Not applicable

There was no trust management of the Company in the reorting period.

(2) Derivative investment

Applicable Not applicable

There was no derivative investment of the Company in the reporting period.

(3) Entrusted loan

Applicable Not applicable

There was no entrusted loan of the Company in the reporting period.

3. Changes of raised funds projects

Applicable Not applicable

There was no raised funds of the Company in the reporting period.

4. Analysis on principal subsidiaries and Mutual Shareholding Companies

Applicable Not applicable

Particulars about the principal subsidiaries and Mutual shareholding companies

In RMB

Company Name	Company type	Sectors engaged in	Leading products and services	Registered capital	Total assets(RMB)	Net assets (RMB)	Turnover (RMB)	Operating profit (RMB)	Net Profit (RMB)
Vehicle air conditioner Co.	Subsidiaries	Manufacturing	Manufacturing and sales of auto air-conditioners	160,000,000	1,200,238,832.57	239,915,691.64	423,964,012.35	-691,059.43	-497,716.14

5. Major projects using non-raised capital

Applicable Not applicable

RMB'0000

Projects	Planned investment	Amount invested this report term	Accumulation of actual input at end of period	Investment progress of the project	Turnover of the project	Disclosure date(if any)	Disclosure index(if any)
Technical reformation of rotating air-conditioner compressor production (1.5 million productivity expanding)	10,700	0	9,485	100.00%	Generally achieve the design goal	April 22,2011	See on www.cninfo.com.cn company announcement, Announcement No. 2011-010
Implementation of	1,800	0	1,460	100.00%	Investment Experiment	August 5,2014	See on www.cninfo.com.cn

Experimental Testing Capability Construction Project					Equipment has been installed in the plant, where experiment condition are offered to the Company's development in high-emission and electric compressor by this project		m.cn company announcement, Announcement No. 2014-063
Technical Renovation Project of Automotive Rotary-vane Air Condition Compressor (New 500,000 of Expending Capacity)	10,341	509	8,990	86.94%	Predict to put into full production this year	August 5,2014	See on www.cninfo.com.cn company announcement, Announcement No. 2014-064
Total	22,841	509	19,935	--	--	--	--

VI. Prediction of business performance for January -September 2016.

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable Not applicable

VII. Explanation by the Board of Directors and the Supervisory Committee about the “ non-standard audit report” issued by the CPAs firm for the reporting period.

Applicable Not applicable

VIII. Explanation by the Board of Directors about the “ non-standard audit report “ for lastyear.

Applicable Not applicable

IX. Profit distribution carried out in the report period

Execution or adjustment of profit distribution, especially cash dividend, and capitalizing of reserves in the report period.

Applicable Not applicable

Previous year's profit distribution plan was no profit distribution and shares converted from capital reserve either

X. Preplan for profit distribution and turning capital reserve into share capital in the reporting period

Applicable Not applicable

The Company planned that no to distribute cash dividend, bonus shares and there was no turning of capital reserve into share capital.

XI. Particulars about researches, visits and interviews received in this reporting period

Applicable Not applicable

Reception time	Reception place	Way of reception	Types of visitors	Vistors rece3ived	Discussion topics and provision of materials
January 12,2016	The Company	Telephone	Individual	Investor	Q: When will the Company issue the earnings pre-announcement? A: The earnings pre-announcement of 2015 will be completed by the end of this month.
January 29,2016	The Company	Telephone	Individual	Investor	Q:Has the implementation of the Company's significant asset reorganization completed? A:Up to now, the Company has completed the changes procedure in registration of Jianshe Mechanical and Electrical and has received the deal payment from Military Equipment Group. The asset transfer and the transfer of creditor's rights and liability related with this reorganization are being orderly promoted
February 1,2016	The Company	Telephone	Individual	Investor	Q: What's the progress of CRSC's application for exempting the tender offer

					<p>obligation of Jianshe Mechanical and Electrical?</p> <p>A: On January 26, 2016, Jianshe Mechanical and Electrical received “Reply on Approving Exempting Chongqing Jianshe Mechanical and Electrical Co., Ltd.’s tender offer obligation of Chongqing Jianshe Motorcycle Co., Ltd.” from CSRC, see details at the announcement published by the Company on January 29, 2016.</p>
February 16,2016	The Company 公司	Telephone	Individual	Investor	<p>Q: At this sales of significant asset, all motorcycle capital was offered for sales, but why Shangjian Jianshe was kept? A:At present, Shanghai Jianshe has engaged in the production and sales of moped, moreover, the Company has a plan of disposing the holding share rights of Shanghai Jianshe, thus which has not been included in the reorganization scope</p>
April 11,2016	The Company	Telephone	Individual	Investor	<p>Q:Is the company in the first quarter profitable? A: The company recently released results notice, so stay tuned.</p>
May 5,2016	The Company	Telephone	Individual	Investor	<p>Q: Why does the company did not disclose the sales announcement? A: The company production and sales information will be disclosed in the periodic reports.</p>

V. Important Events

I. Administrative position

2015 year the company implemented a major reorganization of assets, restructuring before the company in accordance with "Company Law", "Securities Law", "Corporate Governance Guidelines" and other laws and regulations and the "Articles of Association" the establishment of a sound corporate governance structure and standardized operation, while strengthening information disclosure. General meeting of shareholders, board of directors, board of supervisors with clear rules of procedure and effective implementation.

During the implementation of the reorganization, the company in accordance with the "Articles" completed the directors and supervisors and senior management personnel structure adjustment, this adjustment in line with corporate governance requirements.

After completion of the reorganization, the company will continue to maintain the effective functioning of the governance structure of the provisions of "Articles of Association" and continue to improve corporate governance and information disclosure quality, protection of shareholders, especially minority shareholders. At present, the actual corporate governance and the "Company Law" and the China Securities Regulatory Commission requirements there is no significant difference.

II. Lawsuits affairs

Major lawsuits and Arbitration affairs

Applicable Not applicable

The Company has no major lawsuit or arbitration in the report period.

III. Query form media

Applicable Not applicable

In the reporting year, the Company had no query from media

IV. Bankruptcy or Reorganization Events

Applicable Not applicable

There Company was not involved in any bankruptcy or reorganization events in the reporting period.

V. Transaction in Assets

1. Purchase of assets

Applicable Not applicable

There is no purchase of assets in the Company during the reporting period.

2. Sale of assets

Applicable Not applicable

There is no sale of assets in the Company during the reporting period

3. Business combination

Applicable Not applicable

There is no Business combination in the Company during the reporting period

VI. Implementation and Influence of Equity Incentive Plan of the Company

Applicable Not applicable

There is no equity incentive plan and its implementation in the Company during the reporting period.

VII. Significant related-party transactions

1. Related-party transactions concerning routine operation

Related parties	Relationship	Type of trade	Subjects of the related transactions	Principle of pricing the related transactions	Price of trade	Amount of trade RMB0'000	Ratio in similar trades	Trading limit approved (RMB'0000)	Whether approved limited or not (Y/N)	Way of payment	Market price of similar trade available	Date of disclosure	Index of information disclosure
Changan Auto	Grand subsidiaries of common holding shareholder	Sales of goods	Finished products	agreed price	18,157	18,157	38.78%	31,747	No	Cash	18,157	April 30,2016	www.cninfo.com.cn/announcements No.:2016-027
Jianshe Industry	Under same control	Purchase of goods	Fuel & power	agreed price	97	97	0.25%	200	No	Cash	97	April 30,2016	www.cninfo.com.cn/announcements No.:2016-027
Import&Export Company	Under same control	Purchase of goods and services	Purchase of goods	agreed price	4,230	4,230	10.72%	3,800	Yes	Cash	4,230	April 30,2016	www.cninfo.com.cn/announcements No.:2016-027
Jianshe mechanical and electrical	Under same control	Purchase of goods	Finished products	agreed price	878	878	2.23%	1,500	No	Cash	878	April 30,2016	www.cninfo.com.cn/announcements

													No.:2016-027
Jianshe mechanical and electrical	Under same control	Sales of goods	Finished products	agreed price	184	184	0.39%		Yes	Cash	184	April 30,2016	www.cninfo.com.cn/Announcement No.:2016-027
Jianshe mechanical and electrical	Under same control	Purchase of goods	rental.	agreed price	113	113	0.29%		Yes	Cash	113	April 30,2016	www.cninfo.com.cn/Announcement No.:2016-027
Jianshe mechanical and electrical	Under same control	Sales of goods	rental.	agreed price	464	464	0.99%	1,000	No	Cash	464	April 30,2016	www.cninfo.com.cn/Announcement No.:2016-027
Total				--	--	24,123	--	38,247	--	--	--	--	--
Details of any sales return of a large amount				None									
Give the actual situation in the report period where a forecast had been made for the total amounts of routine related-party transactions by type to occur in the current period(if any)				In 2016, the estimated amount of daily connected transaction was 388.12 million in total and the actual transaction volume was 241.23 million. The predicted cost of commodities purchased/labor services received among them was about 60.65 million, while the actual cost was 53.18 million. The estimated amount of commodity sales/ render service was about 327.47 million, while the actual amount was 188.05 million.									
Reason for any significant difference between the transaction price and the market reference price (if applicable)				Not applicable									

2. Related-party transactions arising from asset acquisition or sale

Applicable Not applicable

The Company was not involved in any related-party transactions arising from asset acquisition or sale during the reporting period.

3. Related-party transactions with joint investments

Applicable Not applicable

The Company was not involved in any related-party transaction with joint investments during the reporting period.

4. Debtors and credits with related parties

Applicable Not applicable

The Company was not involved in any Debtors and credits with related parties during the reporting period.

5. Other related transactions

Applicable Not applicable

The company implemented a momentous asset restructuring this year, not only to improve assets quality and profitability, but also safeguard the interests of shareholders, especially the minority shareholders. Under the sale agreement with the Bingzhuang Group Corporation, the company took August 31, 2015 as the base date to sell the 100% stock equity of Jianshe Mechanical and Electric Corporation, the wholly-owned subsidiary which was founded by motorcycle business-related assets and liabilities of the company. The transaction price of the underlying asset was assessed by asset evaluation agencies which possessed securities practice qualifications. After the completion of this transaction, the main business of the company will transform from the production and sales of motorcycle and car air-conditioning compressor to the production and sales of automotive air-conditioning compressor. For details, please refer to the company announcements published on Securities Times, Hong Kong Commercial Daily, and the Cninfo Network (cninfo.com.cn).

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Announcement of 8 th meeting of the seventh board of directors	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-080
Plan on the Company's Significant Asset Sales and Related Transaction	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-082
Announcement on the "Asset Sales Agreement" with Valid Condition Signed by the Company	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-083
The Report of Significant Asset Sales and Related Transaction(Draft)	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-084
Summary (Draft) of the Report of Significant Asset Sales and Related Transaction	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-085
Independent Financial Adviser Report of China Securities Co, Ltd. on Chongqing Jianshe Motorcycle Co., Ltd.'s Significant Asset Sales and Related Transaction	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-086
Commitment on the Relevant Issues of Significant Asset Sales	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-089
Audit Report and Proforma Financial Statement of Chongqing Jianshe Motorcycle Co., Ltd.	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-092
Assessment Report of Chongqing Jianshe	October 29,2015	http://www.cninfo.com.cn . Announcement

Motorcycle Co., Ltd.'s Planned Transfer of Chongqing Jianshe Mechanical and Electric Co., Ltd.'s Share Right Assessment Items		No.2015-094
Legal Opinion of Chongqing Solton & Parents Law Office on Chongqing Jianshe Motorcycle Co., Ltd.'s Significant Asset Sales and Related Transaction	October 29,2015	http://www.cninfo.com.cn . Announcement No.2015-098
Announcement on the Significant Asset Sales related with the Changes from Internal Guarantee to External Guarantee	November 7,2015	http://www.cninfo.com.cn . Announcement No.2015-104
Announcement on Disclosing the Significant Asset Sales Report's Revised Draft and the Resumption of the Company's Share	November 11,2015	http://www.cninfo.com.cn . Announcement No.2015-106
Written Reply on the Inquiry Letter of Reorganization	November 11,2015	http://www.cninfo.com.cn . Announcement No.2015-108
Revised Draft of the Significant Asset Sales and Related Transaction Report (Draft)	November 11,2015	http://www.cninfo.com.cn . Announcement No.2015-109
Summary's Revised Draft of the Significant Asset Sales and Related Transaction Report (Draft)	November 11,2015	http://www.cninfo.com.cn . Announcement No.2015-110
Announcement of Resolutions of the first provisional shareholders' general meeting	November 18,2015	http://www.cninfo.com.cn . Announcement No.2015-114

VIII. Particulars about the non-operating occupation of funds by the controlling shareholder

and other related parties of the Company

√ Applicable □ Not applicable

In RMB'0000

Shareholder or associate name	Time occupied	Reasons	Amount at the beginning	The newly increased occupancy amount	The total amount of reimbursement in the reimbursement	Amount at the end of period	Expected repayment method	Expected amount of payment	Expected payback time(month)
Jianshe mechanical and electrical	June 30,2016	Financial debt restructuring process is not yet completed	21,399.2			21,399.2	Other	21,399.2	December 31,2016

		the procedures for transferring formed								
Total			21,399.2			21,399.2	--	21,399.2	--	
The end of the latest issue of the total value of accounts audited net assets ratio									80.87%	
Relevant decision-making procedures			As below							
Add the current major shareholder and its affiliated non-operating capital occupation reasons, the case be held responsible and the Board has developed a description of measures taken.			<p>The major assets restructuring in the company was put into practice after being reviewed and passed by the first extraordinary general meeting 2015 on November 17, 2015. The major assets restructuring stripped the major assets and debts involved in the motorcycle business off Jianshe Mechanical and Electric . and transferred them to Military Equipment Group. Wherein, the transferrable financial institution debts totaled 807.50 million yuan. There were quite a big workload and a tight time schedule for the assets and debts transfer involved in this assets restructuring, and some financial institutions spent much time in approving the transfer procedure. Since so, by April 30, 2016, the debts transferred by financial institutions totaled 593.50 million yuan, and 214 million yuan of debts were still being transacted. I. The explanation on the risk of un-transferred financial institution debt was audited by Shu Lun Pan CPA Co., Ltd. By April 30, 2016, the un-transferred financial institution debt totaled 214,000,000 yuan and was processed as other receivables tentatively. According to the Agreement on the Arrangement of Assets and Liabilities Injection signed between the company and Jianshe Electromechanical Co., Ltd. (as detailed in related Announcement on Major Assets Restructuring disclosed on Cninf November 11, 2015), both parties should complete the procedures for transferring assets and debts no later than December 31, 2016. As the aforementioned debts are un-matured, the company doesn't need to pay and the financial institution doesn't press for payment, thus no capital flow has been formed. At the same time, there will no such circumstance where the company has to pay the debts on behalf of Jianshe Mechanical and Electric . The processing of this accounting doesn't constitute the Chongqing Jianshe Mechanical and Electric 's substantial possession of the company's non-operating funds. To this end, the board of directors believes that the un-transferred financial institution debts are just a tentative processing of the company's accounting and won't pose any debt risk to the company. II. On top of the major assets restructuring, the company and Jianshe Mechanical and Electric . have been following the terms and conditions as set forth in Agreement on Arrangement of Assets and Liabilities Injection and carried out the assets and liabilities transfer work. The transfer of related assets and liabilities is to be completed before the expiry date December 31, 2016. During the period, if the creditor requires the company to pay off the debts, Jianshe Mechanical and Electric . shall pay the creditor directly or through the company. If it must be performed by the company, Jianshe Mechanical and Electric shall bear all losses arising from the company's paying the debts. Upon expiration, if the aforementioned debts are not</p>							

	transferred yet, Jianshe Mechanical and Electric will pay the company the un-transferred but due debts.
Failed to explain measures planned liquidation of non-operating capital occupation reasons, conditions and accountability of the Board of Directors proposed action	Noe applicable
Disclosure date for specific approval opinion on fund occupation from CPA	April 30,2016
Disclosure index for specific approval opinion on fund occupation from CPA	Refer to www.cninfo.com.cn on April 30, 2016, Announcement No. 2016-041 ,Chongqing Jianshe Motorcycle Co., Ltd. the Statement of Special Auditing on Capital Appropriation by Holding Shareholder or Related Parties

IX. Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

Applicable Not applicable

There was no any trusteeship of the Company in the reporting period.

(2) Contract

Applicable Not applicable

There was no any contract of the Company in the reporting period.

(3) Lease

Applicable Not applicable

There was not involved in any lease of the Company in the reporting period.

2. Guarantees

Applicable Not applicable

RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or

								no)
Sales Co.	November 7, 2015	3,000	June 1, 2015	3,000	Vehicle air conditioner	9 months	Yes	Yes
Jianmo B	May 25, 2016	100	April 12, 2014	100	Vehicle air conditioner	23 months	Yes	No
Jianmo B	May 25, 2016	100	March 31, 2014	100	Vehicle air conditioner	23 months	Yes	No
Jianmo B	May 25, 2016	2,500	September 24, 2015	2,500	Vehicle air conditioner	6 months	Yes	No
Jianmo B	May 25, 2016	2,500	September 29, 2015	2,500	Vehicle air conditioner	6 months	Yes	No
Jianmo B	May 25, 2016	2,400	May 22, 2013	2,400	Vehicle air conditioner	37 months	Yes	No
Jianmo B	May 25, 2016	50	July 25, 2014	50	Vehicle air conditioner	24 months	No	No
Jianmo B	May 25, 2016	2,000	March 31, 2014	2,000	Vehicle air conditioner	30 months	No	No
Jianmo B	May 25, 2016	2,000	April 13, 2014	2,000	Vehicle air conditioner	29 months	No	No
Jianmo B	May 25, 2016	200	July 25, 2014	200	Vehicle air conditioner	31 months	No	No
Jianmo B	May 25, 2016	2,100	March 31, 2014	2,100	Vehicle air conditioner	37 months	No	No
Jianmo B	May 25, 2016	2,100	April 14, 2014	2,100	Vehicle air conditioner	36 months	No	No
Jianmo B	May 25, 2016	300	July 25, 2014	300	Vehicle air conditioner	37 months	No	No
Vehicle air conditioner	May 25, 2016	2,500	August 26, 2015	2,500	Vehicle air conditioner	12 months	No	Yes
Vehicle air conditioner	May 25, 2016	2,500	September 1, 2015	2,500	Vehicle air conditioner	12 months	No	Yes
Vehicle air conditioner	May 25, 2016	3,000	March 11, 2016	3,000	Vehicle air conditioner	6 months	No	Yes
Vehicle air conditioner	May 25, 2016	3,500	December 14, 2015	3,500	Vehicle air conditioner	10 months	No	Yes
Total amount of approved external guarantee in the report		108,200		Total actually amount of external guarantee in the		30,850		

period(A1)				report period(A2)				
Total amount of approved external guarantee at the end of the report period(A3)		108,200		Total actually amount of external guarantee at the end of the report period(A4)		20,250		
Guarantee of the company for its subsidiaries								
Name of the company guaranteed	Related announcement date and no.	Amount of guarantee	Date of happening(date of signing agreement)	Actually guarantee amount	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party(yes or no)
Vehicle air conditioner	May 25, 2016	7,000	February 4,2015	7,000	Joint liabilities	12 months	Yes	No
Vehicle air conditioner	May 25, 2016	4,000	June 1,2015	4,000	Joint liabilities	9 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,000	August 31,2015	2,000	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,450	October 8,2015	2,450	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,849	October 10,2015	2,849	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,000	October 19,2015	2,000	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,800	November 12, 2015	2,800	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,550	November 17, 2015	2,550	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,500	December 24, 2015	2,500	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	2,500	December 25, 2015	2,500	Joint liabilities	6 months	Yes	No
Vehicle air conditioner	May 25, 2016	1,701	January 4, 2016	1,701	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	2,450	January 13, 2016	2,450	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	3,000	September 25, 2015	3,000	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25,	1,200	October 30,	1,200	Joint liabilities	12 months	No	No

	2016		2015					
Vehicle air conditioner	May 25, 2016	3,000	November 4, 2015	3,000	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	3,000	November 6, 2015	3,000	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	2,000	February 22, 2016	2,000	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	3,500	February 3, 2016	3,500	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	3,500	February 4, 2016	3,500	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	3,500	February 16, 2016	3,500	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	3,500	February 18, 2016	3,500	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	2,450	April 8, 2016	2,450	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	2,849	April 12, 2016	2,849	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	1,120	May 16, 2016	1,120	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	1,430	May 18, 2016	1,430	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	2,800	May 12, 2016	2,800	Joint liabilities	12 months	No	No
Vehicle air conditioner	May 25, 2016	2,500	June 3, 2016	2,500	Joint liabilities	6 months	No	No
Vehicle air conditioner	May 25, 2016	2,500	June 8, 2016	2,500	Joint liabilities	6 months	No	No
Total amount of approving guarantee for subsidiaries in report period (B1)			92,000	Total amount of actual occurred guarantee for subsidiaries in report period (B2)				76,649
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)			92,000	Total amount of actual occurred guarantee for subsidiaries at the end of reporting period (B4)				46,000

Guarantee of the subsidiaries for its subsidiaries								
Name of the company guaranteed	Related announcement date and no.	Amount of guarantee	Date of happening(date of signing agreement)	Actually guarantee amount	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party(yes or no)
Total guarantee quota to the subsidiaries approved in the reporting period (C1)			0	Total amount of guarantee to the subsidiaries actually incurred in the reporting period (C2)				0
Total guarantee quota to the subsidiaries approved at the end of the reporting period (C3)			0	Total balance of actual guarantee to the subsidiaries at the end of the reporting period (C4)				0
Total of Company's guarantee (namely total of the large three aforementioned)								
Total of guarantee in the Period (A1+B1+C1)			200,200	Total of actual guarantee in the Period (A2+B2+C2)				107,499
Total of guarantee at Period-end (A3+B3+C3)			200,200	Total of actual guarantee at Period-end (A4+B4+C4)				66,250
The Company's total guarantee(i.e.total of the first three main items) (A4+B4+C4)				250.36%				
Including:								
Amount of guarantee for shareholders, actual controller and its associated parties (D)				0				
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)				46,000				
Proportion of total amount of guarantee in net assets of the company exceed 50% (F)				53,444.2				
Total guarantee Amount of the abovementioned guarantees (D+E+F)				66,250				

Description of the guarantee with complex method

(1) Particulars about illegal external guarantee

Applicable Not applicable

There was no particular about illegal external guarantee of the Company in the reporting period.

3. Other significant contracts

Applicable Not applicable

There was no other significant contract of the Company in the reporting period.

4. Other significant transactions

Applicable Not applicable

There was no other significant transaction of the Company in the reporting period.

X. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

Applicable Not applicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform					
Commitment in the acquisition report or the report on equity changes					
Commitment made upon the assets replacement	Jianshe Mechanical and Electrical , Air-conditioner Co	The reason why listed companies offer external guarantee is that the conditioning company,as the subsidiary corporation of Jianshe stock , provided credit guarantee 186 million yuan for its parent company' bank loan. And as the relevant liabilities of Jianshe stock's motorbike business has been transferred into Jianshe Mechanical and Electrical , corresponding secured party should be Jianshe Mechanical and Electrical .Moreover,Jianshe Stock provided credit guarantee 30 million yuan for the wholly-owned subsidiary,the sales company,after this transaction, Jianshe Mechanical and Electrical ,whose' sales company is subsidiary Jianshe Mechanical and Electrical , will be wholly-owned subsidiaries under Military Equipment Group control.Above-mentioned the guarantees formed the external guarantees of the conditioning company, which has gained the permission from the company' s general meeting of stockholders. Jianshe stock and the conditioning company has	October 20, 2015	After the guarantee period stipulated in the contract expires, the above financing assurance will be lifted	Under Fulfillment

		made promise respectively on October 20, 2015, after guarantee expires in the guarantee period, above financing guarantee will be lifted. For the Jianshe stock's guarantee for the sales company, Mechanical and Electrical has promised that it will ensure the debtor to repay its creditors to protect listed company's legal interests, and if there are any loss for the listed company, Jianshe Mechanical and Electrical will give first dollar coverage for Jianshe stock. And Jianshe Mechanical and Electrical has presented Commitment to provide counter guarantee after the reorganization about above related-party guarantee. 1, after the sales of substantial assets and the relevant matters of related-party guarantee provided by Jianshe stock, which has been approved by general meeting of stockholders of Jianshe stock the company will provide the equal counter guarantee for Jianshe stock. 2. If the company violates the above pledge and caused any damages or negative effects for Jianshe stock, the Company will assume full financial responsibility and liability.			
Equity incentive commitment					
Other commitments made to minority shareholders					
Executed timely or not?	Yes				

XI. Particulars about engagement and disengagement of CPAs firm

Whether the semi-annual financial report had been audited?

Yes No

The semi-annual financial report has not been audited.

XII. Punishment and Rectification

Applicable Not applicable

There was no any punishment and rectification of the Company in the reporting period.

XIII. Reveal of the delisting risks of illegal or violation

Applicable Not applicable

There was no any delisting risk of illegal or violation of the Company in the reporting period.

XIV. Explanation about other significant matters

Applicable Not applicable

Military Equipment Group , the controlling shareholder of the company, signed the *agreement of free share transfer* with Jianshe Mechanical and Electric Corporation on December 10th, 2015. According to the agreement, Military Equipment Group gratuitously transferred 84,906,250 state-owned corporate shares, which occupied 71.13% of company's general capital, to Jianshe Mechanical and Electric Corporation. The share transfer registers and formalities were successfully completed at China Securities Depository and Clearing Limited Liability Company, Shenzhen subsidiary on March 2, 2016. After the completion of equity transfer, the Military Equipment Group no long held share of the company, instead Jianshe Mechanical and Electric Corporation became the controlling shareholder which held 84,906,250 share with 71.13% stock-keeping ratio, and the property of stock system was state-own initiator. The actual controller of the company was not changed, and the state-owned Assets Supervision and Administration Commission was still in power. Detailed information was posted in *Securities Times*, *Hong Kong Commercial Daily*, and *Cninfo Network* (cninfo.com.cn) from December 15th, 2015 to March 8th, 2016, where the *Construction of Chongqing Motorcycle Co., Ltd. Purchase Report* and other company announcements were also published.

XV. Issuance of corporate bonds

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not fully cashed on the approval date of annual report

No.

VI. Change of Share Equity and Shareholders

I. Statement of change in shares

In shares

	Before the change		Changed Currently (+,-)					After the change	
	Amount	Proportion	Issuing of new shares	Bonus shares	Transferred from reserves	Others	Sub-total	Amount	Proportion
I. Shares with trade restriction conditions	89,375,000	74.87%	0	0	0	0	0	89,375,000	74.87%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. State-owned legal person shares	84,906,250	71.13%	0	0	0	0	0	84,906,250	71.13%
3. Other domestic shares	4,468,750	3.74%	0	0	0	0	0	4,468,750	3.74%
Incl. Shares held by domestic legal persons	1,750,000	1.46%	0	0	0	0	0	1,750,000	1.46%
Domestic natural person shares	2,718,750	2.28%	0	0	0	0	0	2,718,750	2.28%
4. Share held by foreign investors	0	0.00%	0	0	0	0	0	0	0.00%
Incl. Shares held by foreign legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Foreign natural person shares	0	0.00%	0	0	0	0	0	0	0.00%
II. Shares without trading limited conditions	30,000,000	25.13%	0	0	0	0	0	30,000,000	25.13%
1. Common shares in RMB	0	0.00%	0	0	0	0	0	0	0.00%
2. Foreign shares in domestic market	30,000,000	25.13%	0	0	0	0	0	30,000,000	25.13%
3. Foreign shares in overseas market	0	0.00%	0	0	0	0	0	0	0.00%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total of capital shares	119,375,000	100.00%	0	0	0	0	0	119,375,000	100.00%

Reasons for share changed:

 Applicable Not applicable

Approval of Change of Shares

 Applicable Not applicable

Ownership transfer of share changes

 Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

Military Equipment Group, the controlling shareholder of the company, signed the *agreement of free share transfer* with Jianshe Mechanical and Electric Corporation on December 10th, 2015. According to the agreement, Military Equipment Group gratuitously transferred 84,906,250 state-owned corporate shares, which occupied 71.13% of company's general capital, to Jianshe Mechanical and Electric Corporation. The share transfer registers and formalities were successfully completed at China Securities Depository and Clearing Limited Liability Company, Shenzhen subsidiary on March 2, 2016. After the completion of equity transfer, the Military Equipment Group no longer held share of the company, instead Jianshe Mechanical and Electric Corporation became the controlling shareholder which held 84,906,250 share with 71.13% stock-keeping ratio, and the property of stock system was state-owned initiator. The actual controller of the company was not changed, and the state-owned Assets Supervision and Administration Commission was still in power.

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

Applicable Not applicable

II. Number of shares and shares held

In shares

Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period-end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of shares pledged/frozen	
							State of share	Amount
Total number of common shareholders at the end of the reporting period								
8,395								
Total number of preferred shareholders that had restored the voting right at the end of the reporting period (if any) (note 8)								
0								
Particulars about shares held above 5% by shareholders or top ten shareholders								
Chongqing Jianshe Mechanical and Electric Co., Ltd.	State-owned legal person	71.13%	84,906,250	84,906,250	84,906,250	0		0
Gu Zuocheng	Domestic natural person	1.86%	2,218,750	0	2,218,750	0		0
Anhui Hengsheng Economic	Domestic non-state-owned legal person	1.47%	1,750,000	0	1,750,000	0		0

Development Group Co., Ltd.								
Feng Yonghui	Domestic natural person	0.42%	500,000	0	500,000	0		0
Liu Dan	Domestic natural person	0.92%	1,098,301	-177700	0	1,098,301		0
Chen Xinqiang	Domestic natural person	0.51%	612,400	-50852	0	612,400		0
Xu Yuanhui	Domestic natural person	0.51%	608,089	68100	0	608,089		0
Xie Qingjun	Domestic natural person	0.51%	606,650	606650	0	606,650		0
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.46%	547,497	393522	0	547,497		0
Zhang Meilan	Domestic natural person	0.43%	513,560	6300	0	513,560		0
Explanation on associated relationship among the aforesaid shareholders	There isn't any associated relationship between the sponsoring shareholder and the other shareholders among the top-10 list. None of them are regarded as 'Acting in concert' in accordance with 'The rules of information disclosure on change of shareholding.' Foreign shareholders are unknown for their condition of 'Associated relationship' and 'Acting in concert'.							
Top 10 holders of unconditional shares								
Name of the shareholder	Amount of unconditional shares held at end of period	Category of shares						
		Category of shares	Amount					
Liu Dan	1,098,301	Foreign shares placed in domestic exchange	1,098,301					
Chen Xinqiang	612,400	Foreign shares placed in domestic exchange	612,400					
Xu Yuanhui	608,089	Foreign shares placed in domestic exchange	608,089					
Xie Qiangjun	606,650	Foreign shares placed in domestic exchange	606,650					
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	547,497	Foreign shares placed in domestic exchange	547,497					
Zhang Meilan	513,560	Foreign shares placed in domestic exchange	513,560					
Yu Lingfeng	494,125	Foreign shares placed in domestic exchange	494,125					
CREDIT SUISSE (HONG KONG) LIMITED	489,160	Foreign shares placed in domestic exchange	489,160					

Feng Yongxia	398,575	Foreign shares placed in domestic exchange	398,575
Chen Houping	312,800	Foreign shares placed in domestic exchange	312,800
Action-in-concert among top 10 non-restricted current share holders, top 10 non-restricted current share holders and top 10 shareholders	There isn't any associated relationship between the sponsoring shareholder and the other shareholders among the top-10 list. None of them are regarded as 'Acting in concert' in accordance with 'The rules of information disclosure on change of shareholding.' Foreign shareholders are unknown for their condition of 'Associated relationship' and 'Acting in concert'.		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

III. Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable Not applicable

Name of the new controlling shareholder	Chongqing Jianshe Mechanical and Electric Co., Ltd.
Change date	March 2,2016
Web index	www.cninfo.com.cn,Announcement No.:2016-011
Date of disclosure	March 8,2016

Change of the actual controller in the reporting period

Applicable Not applicable

There was no any change of the actual controller of the Company in the reporting period.

IV. Particulars on shareholding increase scheme during the reporting period proposed or implemented by the shareholders and act-in-concert persons

Applicable Not applicable

Within the scope known to the Company, there was no any shareholding increase scheme during the reporting period proposed or implemented by the shareholders and act-in-concert persons.

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

I. Change in shares held by directors, supervisors and senior executives

Applicable Not Applicable

There was no change in shareholding of directors, supervisors and senior management staffs, for the specific information please refer to the 2015 Annual Report.

II. Changes in directors, supervisors and senior management staffs

Applicable Not applicable

Name	Positions	Types	Date	Reason
Li Huaguang	Board chairm,director, Strategy Committee chairman and member of the Audit Committee, Nomination Committee, Remuneration and Evaluation Committee duties	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Yan Xuechuan	Director	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Ni Erke	Director	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Teng Feng	Director , member of the Audit Committee,Deputy GM, CFO and Secretary to the board of directors	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Tang Wenquan	Employee, director	Resignation	March 10,2016	Due to changes in work, apply for resignation.
Cha Changli	Chairman of the supervisory committee, Supervisor	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Tan Mingxian	Supervisor	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Mu Jun	Supervisor	Resignation	May 25,2016	Due to changes in work, apply for resignation.
Lv Cuiwei	Employee supervisor	Resignation	March 10,2016	Due to changes in work, apply for resignation.
Tao Xuqian	Employee supervisor	Resignation	March 10,2016	Due to changes in work, apply for resignation.
Lv Hongxian	GM	Resignation	March 18,2016	Due to changes in work,

				apply for resignation.
Wen Hong	Deputy GM	Resignation	March 18,2016	Due to changes in work, apply for resignation.
Yu Jiang	Deputy GM	Resignation	March 18,2016	Due to changes in work, apply for resignation.
Yu Wenbiao	Deputy GM	Resignation	March 18,2016	Due to changes in work, apply for resignation.
Fan Aijun	Deputy GM	Resignation	March 18,2016	Due to changes in work, apply for resignation.
Lv Hongxian	Board chairm,director, Strategy Committee chairman and member of the Audit Committee	Be elected	March 18,2016	
Zhou Yongqiang	Director	Be elected	May 25,2016	
Ye Yuxin	Director	Be elected	May 25,2016	
Yu Wenbiao	Director	Be elected	May 25,2016	
Fan Aijun	Director	Be elected	May 25,2016	
Wang Jun	Director	Be elected	May 25,2016	
Deng Gang	Employee director	Be elected	March 10,2016	
Lv Cuiwen	Chairman of the supervisory committee, Supervisor	Be elected	May 25,2016	
Tao Xuqian	Supervisor	Be elected	May 25,2016	
Wu Haiwen	Supervisor	Be elected	May 25,2016	
Xu Dongxia	Employee supervisor	Be elected	March 10,2016	
Wang Mao	Employee supervisor	Be elected	March 10,2016	
Fan Aaijun	GM	Appointment	March 18,2016	
Zhang Xiangdong	Deputy GM	Appointment	March 18,2016	
Xue Gangyi	Deputy GM.CFO	Appointment	March 18,2016	
Zhang Guofeng	Deputy GM	Appointment	March 18,2016	
Deng Xianming	Deputy GM	Appointment	March 18,2016	
Cao Bing	Deputy GM	Appointment	March 18,2016	

IX. Financial Report

1. Audit report

Has this semi-annual report been audited?

Yes No

The semi-annual financial report has not been audited.

II. Financial statements

Currency unit for the statements in the notes to these financial statements:RMB

1. Consolidated Balance Sheet

Prepared by: Chongqing Jianshe Motorcycle Co., Ltd.

June 30, 2016

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	357,074,497.26	302,660,758.76
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable	50,637,161.19	47,008,704.63
Account receivable	253,694,248.13	217,759,208.43
Prepayments	17,233,263.77	9,309,626.86
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		
Dividend receivable		
Other account receivable	164,143,405.67	257,809,644.42

Repurchasing of financial assets		
Inventories	154,144,290.55	146,350,934.34
Assets held for sales		
Non-current asset due in 1 year		
Other current asset	1,291,816.53	5,430,548.06
Total of current assets	998,218,683.10	986,329,425.50
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	81,197,752.83	83,381,316.13
Property investment		
Fixed assets	423,832,625.71	395,975,005.27
Construction in progress	13,097,409.12	40,435,429.90
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	27,905,209.57	28,270,393.63
R & D petrol		
Goodwill		
Long-germ expenses to be amortized	3,198,840.25	3,926,091.85
Differed income tax asset	1,784,393.31	1,819,643.46
Other non-current asset	16,787,279.08	10,478,525.70
Total of non-current assets	567,803,509.87	564,286,405.94
Total of assets	1,566,022,192.97	1,550,615,831.44
Current liabilities		
Short-term loans	212,000,000.00	217,000,000.00
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into		

current income account		
Derivative financial liabilities		
Bill payable	748,561,150.00	760,555,000.00
Account payable	212,596,799.83	75,885,325.83
Advance payment	3,158,220.35	1,401,319.97
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	2,115,621.00	1,654,497.94
Tax payable	19,587,185.21	16,857,642.89
Interest payable		
Dividend payable		
Other account payable	13,335,306.79	16,874,326.53
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year	11,100,000.00	75,000,000.00
Other current liability		
Total of current liability	1,222,454,283.18	1,165,228,113.16
Non-current liabilities:		
Long-term loan	77,890,000.00	128,490,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Long-term payable employees's remuneration		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total non-current liabilities	77,890,000.00	128,490,000.00
Total of liability	1,300,344,283.18	1,293,718,113.16

Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instruments		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserves		
Surplus reserves	125,686,000.00	125,686,000.00
Common risk provision		
Undistributed profit	-939,017,163.36	-947,520,008.78
Total of owner's equity belong to the parent company	264,618,930.93	256,116,085.51
Minority shareholders' equity	1,058,978.86	781,632.77
Total of owners' equity	265,677,909.79	256,897,718.28
Total of liabilities and owners' equity	1,566,022,192.97	1,550,615,831.44

Legal Representative: Li Huaguang

Person in charge of accounting: Xue Gangyi

Accounting Dept Leader: Niu Yanli

2. Balance sheet of Parent Company

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	150,250,092.25	47,345,832.30
Financial assets measured at fair value with variations accounted into current income account		
Derivative financial assets		
Bill receivable		2,000,000.00
Account receivable	514,369.84	527,570.36
Prepayments	12,333,124.40	

Interest receivable		
Dividend receivable		
Other account receivable	181,666,227.02	253,605,619.11
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	344,763,813.51	303,479,021.77
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	249,357,752.83	251,541,316.13
Property investment		
Fixed assets	177,408,105.74	183,278,272.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	16,052,742.91	16,261,765.57
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Deferred income tax asset		
Other non-current asset		
Total of non-current assets	442,818,601.48	451,081,353.70
Total of assets	787,582,414.99	754,560,375.47
Current liabilities		
Short-term loans		25,000,000.00
Financial liabilities measured at fair value with variations accounted into current income account		
Derivative financial liabilities		
Bill payable	142,850,000.00	152,850,000.00

Account payable	154,912,614.07	42,646,214.18
Advance payment	688,915.52	220,124.53
Employees' wage payable	163,519.58	58,886.32
Tax payable	17,975,799.76	15,268,307.65
Interest payable		
Dividend payable		
Other account payable	273,796,845.53	216,034,017.49
Liabilities held for sales		
Non-current liability due in 1 year		67,000,000.00
Other current liability		
Total of current liability	590,387,694.46	519,077,550.17
Non-current liabilities:		
Long-term loan		47,000,000.00
Bond payable		
Including: preferred stock		
Sustainable debt		
Long-term payable		
Employees' wage payable		
Special payable		
Expected liabilities		
Deferred income		
Deferred income tax liability		
Other non-current liabilities		
Total of Non-current liabilities		47,000,000.00
Total of liability	590,387,694.46	566,077,550.17
Owners' equity		
Share capital	119,375,000.00	119,375,000.00
Other equity instrument		
Including: preferred stock		
Sustainable debt		
Capital reserves	958,575,094.29	958,575,094.29
Less: Shares in stock		
Other comprehensive income		
Special reserves		

Surplus reserves	125,686,000.00	125,686,000.00
Undistributed profit	-1,006,441,373.76	-1,015,153,268.99
Total of owners' equity	197,194,720.53	188,482,825.30
Total of liabilities and owners' equity	787,582,414.99	754,560,375.47

3.Consolidated Income Statement

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	468,177,291.88	719,655,702.47
Incl: Business income	468,177,291.88	719,655,702.47
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	460,454,082.01	801,675,733.97
Incl: Business cost	394,452,147.33	636,112,118.81
Interest expense		
Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	1,499,484.01	1,737,032.68
Sales expense	12,291,404.24	40,324,769.84
Administrative expense	36,444,955.02	71,548,604.11
Financial expenses	16,021,092.40	51,928,828.76
Asset impairment loss	-255,000.99	24,379.77
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)	1,216,436.70	11,722,758.01
Incl: investment gains from affiliates	1,216,436.70	11,722,758.01
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	8,939,646.57	-70,297,273.49

Add : Non-operational income	459,509.47	1,242,323.98
Including: Income from disposal of non-current assets		
Less: Non business expenses	318,470.87	368,465.56
Incl: Loss from disposal of non-current assets		18,231.69
IV.Total profit("-"for loss)	9,080,685.17	-69,423,415.07
Less: Income tax expenses	300,493.66	1,335,610.09
V. Net profit	8,780,191.51	-70,759,025.16
Net profit attributable to the owners of parent company	8,502,845.42	-70,888,688.67
Minority shareholders' equity	277,346.09	129,663.51
VI. Other comprehensive income		
Net of profit of other comprehensive income attributable to owners of the parent company.		
(I) Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		

6.Other		
7.Net of profit of other comprehensive income attributable to Minority shareholders' equity		
VII. Total comprehensive income	8,780,191.51	-70,759,025.16
Total comprehensive income attributable to the owner of the parent company	8,502,845.42	-70,888,688.67
Total comprehensive income attributable minority shareholders	277,346.09	129,663.51
VIII. Earnings per share		
(I) Basic earnings per share	0.0712	-0.5938
(II) Diluted earnings per share	0.0712	-0.5938

The current business combination under common control, the net profits of the combined party before achieved net profit of RMB 0, last period the combined party realized RMB 0.

Legal Representative: Li Huaguang

Person in charge of accounting: Xue Gangyi

Accounting Dept Leader: Niu Yanli

4. Income statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	336,824,318.43	554,797,443.95
Incl: Business cost	313,550,271.27	543,691,486.17
Business tax and surcharge	241,560.44	139,356.48
Sales expense		5,678,433.04
Administrative expense	10,596,697.69	49,664,641.37
Financial expenses	4,913,633.54	27,051,136.19
Asset impairment loss		6,659.35
Add: Gains from change of fair value ("-" for loss)		
Investment gain ("-" for loss)	1,216,436.70	11,722,758.01
Incl: investment gains from affiliates	1,216,436.70	11,722,758.01
II. Operational profit ("-" for loss)	8,738,592.19	-59,711,510.64
Add : Non-operational income		144,259.69

Including: Income from disposal of non-current assets		
Less: Non business expenses	26,696.96	289,962.60
Incl: Loss from disposal of non-current assets		
III.Total profit(“-”for loss)	8,711,895.23	-59,857,213.55
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	8,711,895.23	-59,857,213.55
V.Net of profit of other comprehensive income		
(I)Other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
1.Re-measurement of defined benefit plans of changes in net debt or net assets		
2.Other comprehensive income under the equity method investee can not be reclassified into profit or loss.		
(II)Other comprehensive income that will be reclassified into profit or loss.		
1.Other comprehensive income under the equity method investee can be reclassified into profit or loss.		
2.Gains and losses from changes in fair value available for sale financial assets		
3.Held-to-maturity investments reclassified to gains and losses of available for sale financial assets		
4.The effective portion of cash flow hedges and losses		
5.Translation differences in currency financial statements		
6.Other		
VI. Total comprehensive income	8,711,895.23	-59,857,213.55
VII. Earnings per share:		
(I) Basic earnings per share	0.0730	-0.5014
(II)Diluted earnings per share	0.0730	-0.5014

5. Consolidated Cash flow statement

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	238,598,416.24	470,857,947.16
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Net increase of inter-bank fund received		
Net increase of trade financial asset disposal		
Net increase of repurchasing business		
Tax returned	3,714,512.19	3,779,424.68
Other cash received from business operation	4,572,178.51	4,586,659.28
Sub-total of cash inflow	246,885,106.94	479,224,031.12
Cash paid for purchasing of merchandise and services	138,732,260.06	318,734,463.96
Net increase of client trade and advance		
Net increase of savings n central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee		

and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	27,812,463.74	81,688,184.30
Taxes paid	9,112,317.40	18,992,536.22
Other cash paid for business activities	9,288,327.95	27,347,103.58
Sub-total of cash outflow from business activities	184,945,369.15	446,762,288.06
Cash flow generated by business operation, net	61,939,737.79	32,461,743.06
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	3,400,000.00	34,500,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		104,466.45
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	3,400,000.00	34,604,466.45
Cash paid for construction of fixed assets, intangible assets and other long-term assets	12,945,403.02	13,000,703.79
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	12,945,403.02	13,000,703.79
Net cash flow generated by investment	-9,545,403.02	21,603,762.66
III. Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		

Cash received as loans	222,500,000.00	391,800,000.00
Cash received from bond placing		
Other financing –related ash received	1,338,108,850.64	778,707,557.01
Sub-total of cash inflow from financing activities	1,560,608,850.64	1,170,507,557.01
Cash to repay debts	412,800,000.00	648,214,611.10
Cash paid as dividend, profit, or interests	17,899,685.36	55,844,249.46
Incl: Dividend and profit paid by subsidiaries to minor shareholders		
Other cash paid for financing activities	1,089,473,618.24	522,514,703.95
Sub-total of cash outflow due to financing activities	1,520,173,303.60	1,226,573,564.51
Net cash flow generated by financing	40,435,547.04	-56,066,007.50
IV. Influence of exchange rate alternation on cash and cash equivalents		300,098.05
V.Net increase of cash and cash equivalents	92,829,881.81	-1,700,403.73
Add: balance of cash and cash equivalents at the beginning of term	23,643,515.81	35,555,585.06
VI .Balance of cash and cash equivalents at the end of term	116,473,397.62	33,855,181.33

6. Cash flow statement of the Parent Company

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	140,584,159.57	221,390,185.62
Tax returned		1,694,201.68
Other cash received from business operation	162,250.98	1,471,385.63
Sub-total of cash inflow	140,746,410.55	224,555,772.93
Cash paid for purchasing of merchandise and services	81,695,480.33	287,039,188.03
Cash paid to staffs or paid for staffs	13,993,730.48	67,135,296.30
Taxes paid	4,961,700.84	3,887,287.07

Other cash paid for business activities	984,106.09	10,082,216.82
Sub-total of cash outflow from business activities	101,635,017.74	368,143,988.22
Cash flow generated by business operation, net	39,111,392.81	-143,588,215.29
II. Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	3,400,000.00	34,500,000.00
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		98,316.45
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	3,400,000.00	34,598,316.45
Cash paid for construction of fixed assets, intangible assets and other long-term assets	450,000.00	2,434,576.27
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	450,000.00	2,434,576.27
Net cash flow generated by investment	2,950,000.00	32,163,740.18
III. Cash flow generated by financing		
Cash received as investment		
Cash received as loans	202,500,000.00	292,800,000.00
Cash received from bond placing		
Other financing –related cash received	1,538,413,233.34	1,143,615,681.08
Sub-total of cash inflow from financing activities	1,740,913,233.34	1,436,415,681.08
Cash to repay debts	379,300,000.00	429,500,000.00
Cash paid as dividend, profit, or	5,375,548.25	31,351,610.93

interests		
Other cash paid for financing activities	1,295,397,905.00	881,092,856.76
Sub-total of cash outflow due to financing activities	1,680,073,453.25	1,341,944,467.69
Net cash flow generated by financing	60,839,780.09	94,471,213.39
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	102,901,172.90	-16,953,261.72
Add: balance of cash and cash equivalents at the beginning of term	4,486,524.01	22,292,965.15
VI ..Balance of cash and cash equivalents at the end of term	107,387,696.91	5,339,703.43

7. Consolidated Statement on Change in Owners' Equity

Amount in this period

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I.Balance at the end of last year	119,375,000.00				958,575,094.29				125,686,000.00		-947,520,008.78	781,632.77	256,897,718.28
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II.Balance at the beginning of	119,375,000.00				958,575,094.29				125,686,000.00		-947,520,008.78	781,632.77	256,897,718.28

current year	00										8		
III.Changed in the current year											8,502,845.42	277,346.09	8,780,191.51
(1) Total comprehensive income											8,502,845.42	277,346.09	8,780,191.51
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Amount of shares paid and accounted as owners' equity													
4. Other													
(III) Profit allotment													
1.Providing of surplus reserves													
2.Providing of common risk provisions													
3. Allotment to the owners (or shareholders)													
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital													

shares)													
3. Making up losses by surplus reserves.													
4. Other													
(V). Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other													
IV. Balance at the end of this term	119,375,000.00				958,575,094.29				125,686,000.00		-939,017,163.36	1,058,978.86	265,677,909.79

Amount in last year

In RMB

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholders' equity	Total of owners' equity
	share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Common risk provision	Attributable profit		
	preferred stock	Sustainable debt	Other										
I. Balance at the end of last year	119,375,000.00				960,515,317.59				125,686,000.00		-1,188,255,120.98	586,313.91	17,907,510.52
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of	119,375,000.00				960,515,317.59				125,686,000.00		-1,188,255,120.98	586,313.91	17,907,510.52

current year	00										98		
III.Changed in the current year											-70,888,688.67	129,663.51	-70,759,025.16
(1) Total comprehensive income											-70,888,688.67	129,663.51	-70,759,025.16
(II) Investment or decreasing of capital by owners													
1. Ordinary Shares invested by shareholders													
2. Holders of other equity instruments invested capital													
3. Allotment to the owners (or shareholders)													
4. Other													
(IV) Internal transferring of owners' equity													
1. Capitalizing of capital reserves (or to capital shares)													
2. Capitalizing of surplus reserves (or to capital shares)													
3. Making up losses by surplus reserves.													
4. Other													
(VI) Special reserves													
1. Provided this year													
2. Used this term													
(VII) Other													

IV. Balance at the end of this term													
(V) Special reserves													
1. Provided this year													
2. Used this term													
(VI) Other													
IV. Balance at the end of this term	119,375,000.00				960,515,317.59				125,686,000.00		-1,259,143,809.65	715,977.42	-52,851,514.64

8. Statement of change in owner's Equity of the Parent Company

Amount in this period

In RMB

Items	Amount in this period											
	Share capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity	
		preferred stock	Sustainable debt	Other								
I. Balance at the end of last year	119,375,000.00				958,575,094.29				125,686,000.00	-1,015,153,268.99	188,482,825.30	
Add: Change of accounting policy												
Correcting of previous errors												
Other												
II. Balance at the beginning of current year	119,375,000.00				958,575,094.29				125,686,000.00	-1,015,153,268.99	188,482,825.30	
III. Changed in the current year										8,711,895.23	8,711,895.23	
(1) Total comprehensive income										8,711,895.23	8,711,895.23	

(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instruments invested capital											
3. Allotment to the owners (or shareholders)											
4. Other											
(III) Profit allotment											
1. Providing of surplus reserves											
2. Allotment to the owners (or shareholders)											
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											

2. Used this term											
(VI) Other											
IV. Balance at the end of this term	119,375,000.00				958,575,094.29				125,686,000.00	-1,006,441,373.76	197,194,720.53

Amount in last year

In RMB

Items	Amount in last year										
	Share Capital	Other Equity instrument			Capital reserves	Less: Shares in stock	Other Comprehensive Income	Specialized reserve	Surplus reserves	Attributable profit	Total of owners' equity
		preferred stock	Sustainable debt	Other							
I. Balance at the end of last year	119,375,000.00				958,575,094.29				125,686,000.00	-1,016,973,343.17	186,662,751.12
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	119,375,000.00				958,575,094.29				125,686,000.00	-1,016,973,343.17	186,662,751.12
III. Changed in the current year										-59,857,213.55	-59,857,213.55
(1) Total comprehensive income										-59,857,213.55	-59,857,213.55
(II) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by shareholders											
2. Holders of other equity instrument											

nts invested capital											
3. Allotment to the owners (or shareholders)											
4. Other											
(III) Profit allotment											
1. Providing of surplus reserves											
2. Allotment to the owners (or shareholders)											
3. Other											
(IV) Internal transferring of owners' equity											
1. Capitalizing of capital reserves (or to capital shares)											
2. Capitalizing of surplus reserves (or to capital shares)											
3. Making up losses by surplus reserves.											
4. Other											
(V) Special reserves											
1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	119,375,000.00				958,575,094.29				125,686,000.00	-1,076,830,556.72	126,805,537.57

III. Corporate information

Chongqing Jianshe Motorcycle Co., Ltd. (hereinafter referred to as the "Company", "Company" or "Chongqing

Jianshe Motorcycle ") was jointly set up in July 1995 by the Construction Industry (Group) Co., Ltd. and China North Industries Shenzhen Corporation. The Business License of the Enterprise Legal Person of the Company: No. 500000400001350. The Company was listed in July 1995 at the Shenzhen Stock Exchange. The Company is engaged in the manufacturing industry.

As at December 31, 2015, the Company issued 119,375,000 shares in total and had the registered capital of 119,375,000. The registration place: NO.1, Jianshe Road Huaxi Industry Park, Banan District, Chongqing; the headquarters address: Banan District, Chongqing Municipality. Legal representative: Li Huaguang. The main business activities: research and development, processing, manufacturing and related technical services of Motorcycles, auto parts, accessories, machinery products, design, manufacturing and related technical services of tooling (except for those subject to national special provisions); R & D, production and sales of motorcycle engines; research, development and processing of mechanical and electrical products, home appliances, bicycles, environmental protection product; imports, wholesale, retail, commission agency (except auction) of similar products of these products. The parent company and the actual controller of the Company is China South Industries Group Corporation, and the ultimate controller of the Company is the State-owned Assets Supervision and Administration Commission (SASAC).

The Company which is formerly known as "Shenzhen North Jianshe Motorcycle Co., Ltd." and set up jointly by Construction Industry (Group) Co., Ltd. (hereinafter referred to as the "Jianshe Group") and China North Industries Shenzhen Co., Ltd. was renamed "Chongqing Jianshe Motorcycle Co., Ltd.", according to the resolution adopted at the extraordinary shareholders' meeting on March 30, 2002, which was registered with the industrial and commercial administration on March 11, 2003, with the business license for enterprise legal person of which the registration No. 5000001805583 obtained from Chongqing Industrial and Commercial Administration.

Jianshe Group and Military Equipment Group signed the "Equity Transfer Agreement" on December 3, 2004 and the "supplementary agreement on Equity Transfer" on January 22, 2005, for transfer of 339,625,000 shares of state-owned legal person to Military Equipment Group, as approved by SASAC under the State Council on March 9, 2005 and by China Securities Regulatory Commission exempting the tender offer obligation of Military Equipment Group in May 2005.

In September 2005, the Company was changed to foreign-invested joint stock company from the domestic joint stock company, according to the approval of WZSZ [2005] No. 0628 of the Ministry of Commerce of the People's Republic of China; the Company went through the alternation formalities with the industrial and commercial administration and obtained the business license for enterprise legal person of which the registration No. is 500000400001350 in August 2007; the registration place is Chongqing Municipality and the registered capital is RMB477,500,000.

In April 2007, according to the (2006) SZFMEZ No. 21-4 civil ruling by Shenzhen Intermediate People's Court of Guangdong Province, 17,875,000 shares of state-owned legal person of the Company, which had been held by China North Industries Shenzhen Corporation, should be owned by the buyers Yangpu Xinyufeng investment Co., Ltd. Feng Yonghui and Gu Zuocheng, of which 7 million shares should be held by Yangpu Xinyufeng investment Co., Ltd. 2 million shares by Feng Yonghui and 8,875,000 shares by Gu Zuocheng.

In 2012, Yangpu Xinyufeng Investment Co., Ltd. transferred 7 million shares of the Company it had then to Anhui Hengsheng Economic Development Group Co., Ltd.

In September 2013, according to the resolutions of the shareholders' meeting and the revised Articles of Association and under the Reply of Foreign Trade and Economic Commission of Chongqing Municipality on Approval for the Reduction of Registered Capital of Chongqing Jianshe Motorcycle Co., Ltd. (YWJMH [2013] No. 219) and Reply of Military Equipment Group. on Issues Concerning the Stock Shrinkage by Chongqing Jianshe Motorcycle Co., Ltd. (BZZ[2013] No. 60), the Company carried out the stock shrinkage at a ratio of 4: 1 to reduce the total share capital to 119,375,000 shares from 477,500,000 shares and to reduce the registered capital to RMB119,375,000 from RMB477,500,000, which alternation was registered with the industrial and commercial administration, with the business license for enterprise legal person of which the registration No. is 500000400001350 obtained from the Industrial and Commercial Administration of Chongqing Municipality.

In July 2015, the company started to transfer the motorcycle business to the original controlling shareholder CSGS, restructuring plan is as follows:

1. In August 26, 2015, approved by the 7th meeting of 7th board of directors, the company involved in motorcycle business assets and liabilities as of June 30, 2015 net assessment set up wholly owned subsidiary of Chongqing Jianshe mechanical and electrical Co., Ltd. (hereinafter referred to as the "Jianshe mechanical and electrical), as a set of assets operation main body;

2. After establishing the Jianshe mechanical and electrical, Chongqing Jianshe motorcycle based on August 31, 2015, revaluated 100% equity of Chongqing Jianshe mechanical and electrical (referred as Jianshe mechanic and electrical), and transfer to Military Equipment Group, to complete the set out of the motorcycle business;

3. Military Equipment Group will hold 71.13% equity of company, corresponding to 84,906,250 state-owned legal person shares free transfer to Chongqing Jianshe mechanical and electrical Co., Ltd.

After the restructuring, the shareholder changes to Chongqing Jianshe mechanical and electrical Co., Ltd. Military Equipment Group is still the actual controllers which has not be changed, and the ultimate controller of the Company is The State-owned Assets Supervision and Administration Commission of the State Council.

After the reconstruction, the main business of company changes, gradually withdraw from the motorcycle and accessories business, and shift to automotive air conditioning compressor and other auto accessories business;

Company mainly buy assets: chongqing construction motor spin off the motorcycle business related major assets, liabilities, personnel, technology, etc.; wholly owned subsidiary of chongqing North Jianshe import and export trade Co., Ltd., Chongqing Jianshe motorcycle sales Co., Ltd., Chongqing Jianshe distribution Co., Ltd. 100% stake in; The joint venture company of chongqing construction, Yamaha motorcycle Co., Ltd of 50% stake, Zhuzhou Jianshe Yamaha motorcycle Co., Ltd. 50% stake in; Associated companies in chongqing construction of tong sheng industrial Co., Ltd. 30% stake, Chongqing south vehicle technology Co., Ltd. 23.5294% stake.

The main reserve asset: subsidiary of Chongqing Jianshe vehicle air conditioner Co., Ltd. 100% stake in the motorcycle Co., Ltd. 51% stake in Shanghai Jianshe; The joint venture company chongqing hirayama Thai kay carburetor Co., Ltd. 49% stake.

As of December 31, 2015, the significant sale of assets has been authorized and approved. the mainly underlying assets involved the delivery has been completed. The company needs to continue to cooperate to complete finance transfer of follow-up matters.

On December 10, 2015, the company controlling shareholder., Military Equipment Group and Chongqing Jianshe mechanical and electrical Co., Ltd.(hereinafter referred to "Jianshe mechanical and electrical") signed the shares transfer agreement and free of charge, Military Equipment Group transfer its 71.13% of state-owned legal person share, which corresponding 84,906,250 shares for Jianshe mechanical and electrical for free. The transaction was approved by the state council, <the reply for Military Equipment Group free transfer of Chongqing Jianshe mechanical and electrical Co's stake> (PRA[2015] No.1324) on December 25, 2015. On January 26, 2016, the China securities regulatory commission < approval exemption from Chongqing Jianshe mechanical and electrical Co., Ltd offer the acquisition for Chongqing Jianshe motorcycle Co., Ltd. >(regulatory permission [2016] no.160.), to Approval the exemption the obligation of making a takeover bid for construction mechanical and electrical with the state-owned assets administrative transfer shares held by the company

On March 4, 2016, the company received the securities transfer registration confirmation, which issued by the China securities depository and clearing Co., Ltd. Shenzhen branch. The procedures have been completed on March 2, 2016 in China securities registration and clearing Co., Ltd. Shenzhen branch.

The disclosure of the financial statements was approved by the Board of Directors on August 29, 2016.

As at June 30, 2016, the subsidiaries included in the scope of consolidated financial statements of the Company are presented as set out below:

Name of the subsidiary
Chongqing Jianshe Automobile A/C Co., Ltd.

Shanghai Jianshe Motorcycle Co., Ltd.

See "Note 8 Change in the scope of consolidation" and "Note 9 Interests in other entities" for details of scope consolidated financial statements and the change therein.

IV. Basis of preparation for financial statements

1. Basis of preparation

The Company prepares the financial statements on the basis of going concern, according to actual transactions and events, the subsequently issued Accounting Standards for Business Enterprises – Application Guidelines, and the Accounting Standards for Business Enterprises – Interpretations and other relevant provisions (hereinafter collectively referred to as “Accounting Standards for Business Enterprises”), as well as Compilation Rules for Information Disclosure by Companies Offering Securities to the Public No. 15 - General Provisions on Financial Reports issued by China Securities Regulatory Commission.

2. Going concern

The Company was on a going concern basis in 12 months as of the end of the current reporting period and was not affected by any material event having impact on the going concern.

V. Principal accounting policies and accounting estimates

Specific accounting policies and accounting estimates:

The disclosure as set out below cover the specific accounting policies and accounting estimates developed by the Company in accordance with the actual production and management features. See "Note 3.11 Provision for bad debts of accounts receivables", "Note 3.12 Inventories", "Note 3.16 Fixed assets", "Note 3.19 Intangible assets" and "3.25 Revenues" for details.

1. Statements on Compliance with Accounting Standards for Business Enterprises

The financial statements prepared by the Company meet the requirements of the Accounting Standards for Business Enterprises and truly and completely reflect the Company's financial position, operating results and cash flows, etc. for the reporting period.

2. Accounting period

The accounting year is from January 1 to December 31.

3. Operating cycle

The Company has an operating cycle of 12 months.

4. Functional currency

The functional currency is Renminbi.

5. Accounting treatments of the combination of enterprises under common control and the combination of enterprises not under the common control

Business combination under common control: The assets and liabilities acquired by the Company in a business combination are stated at the book value of the assets and liabilities (including the goodwill arising from the acquisition of the acquiree by the ultimate controller) of the acquiree on the combination date. The stock premium in the capital reserve is adjusted according to the difference between the book value of net assets acquired through combination and the book value of consideration paid for the combination (or total par value of shares issued). If the stock premium in the capital reserves is insufficient to cover the difference, the remaining amount shall be charged against retained earnings.

Combination of enterprises not under the common control: The assets paid and liabilities incurred or assumed by

the Company on the acquisition date for the business combination are measured at their fair values, and the difference between the fair value and book value is charged to the current profit or loss. The Company shall recognize the difference of the combination costs in excess of the fair value of the identifiable net assets acquired from the acquiree as goodwill. The difference of the combination costs in short of the fair value of the identifiable net assets acquired from the acquiree is charged to the current profit and loss after review.

The intermediary service charges incurred for audit, legal service, consulting services and other direct relevant expenses are charged to the current profit and loss; the transaction costs incurred for issuance of equity securities for business combination offset the equities.

6.Preparation of consolidated financial statements

1.Scope of consolidation

The scope of consolidated financial statements is determined on the basis of control, and all subsidiaries (including the divisible portion of the investee under the control of the Company) are included in the consolidated financial statements.

2.Combination procedures

The Company prepares the consolidated financial statements on the basis of the financial statements of itself and its subsidiaries, according to other relevant information. When preparing the consolidated financial statements, the Company regards the whole group as an accounting entity to reflect the overall financial position, operating results and cash flow of the Group, in accordance with requirements of relevant accounting standards for the recognition, measurement and presentation, on the basis of the uniform accounting policies.

The accounting policies and accounting period adopted by the subsidiaries included in the scope of consolidated financial statements are in line with those adopted by the Company. In case any discrepancy between the accounting policies and accounting period adopted by the subsidiary and those adopted by the Company, the adjustment will be made in light of the accounting policies and accounting period adopted by the Company, when the consolidated financial statements are prepared. The financial statements of the subsidiary acquired through the combination of enterprises not under common control are adjusted on the basis of the fair value of the identifiable net assets on the acquisition date. The financial assets of the subsidiary acquired through the combination of enterprises under the common control are adjusted on the basis of the book value of the assets and liabilities (including the goodwill arising from the acquisition of such subsidiary by the ultimate controller) as stated in the financial statements of the ultimate controller.

The owners' equities, current net profit or loss and current comprehensive income attributable to minority shareholders are separately presented under the owners' equities item of the consolidated balance sheet, net profit item and total comprehensive income item of the consolidated income statement, respectively. Where the current losses attributable to minority shareholders of the subsidiary exceed the owners' equities attributable to the same at the period beginning, the difference between them will offset the minority equity.

(1) Increase of the subsidiary or business

In case of increase of subsidiary or business as a result of combination of enterprises under common control during the reporting period, the beginning amount stated in the consolidated balance sheet will be adjusted; the income, expense and profit generated from the subsidiary or business from the beginning of the period of combination to the end of reporting period will be included in the consolidated statement of cash flows, with the adjustment made to the relevant items of the comparative statement, as if the reporting entity after the combination still existed from the beginning of control of the ultimate controller.

Where the additional investment or other reason leads to the control over the investee under the common control, all entities considered to take a part in the combination will be adjusted to the extent that they are in the current status as they come to be under the control of the ultimate controller. The retained earnings or the current profit or loss at the period beginning during the statement period are offset by equity investment held before the control over the mergee is obtained, and the equity investments held before the control over the acquiree is obtained, and the related profit or loss, other comprehensive income and change in other net assets that are recognized during the period which starts on the later of the date when the original equities are obtained and the date when both

merger and mergee are under the common control and ends on the combination date, respectively. In case of increase of subsidiary or business during the reporting period as a result of combination of enterprises not under the common control, the beginning amount stated in the consolidated balance sheet will not be adjusted; the income, expense and profit generated from such subsidiary or business from the acquisition date to the end of reporting period will be included in the consolidated income statement; and the cash flow generated from such subsidiary or business from the acquisition date to the end of reporting period will be included in the consolidated statement of cash flows.

Where the additional investment or other reason leads to the control over the investee not under the common control, the equities of the mergee held before the acquisition date will be remeasured at the fair value of such equities on the acquisition date, and the difference between the fair value and book value thereof will be charged to the current investment income. Where the equities of the acquiree held before the acquisition date involves the change in other comprehensive income or in other owners' equities other than the net profit or loss, other comprehensive income and profit distribution, the change in other comprehensive income or other owners' equities will be converted into the investment income for the period covering the acquisition date, except for the other comprehensive income arising from the change on remeasurement of the net liabilities or net assets under the defined benefit plan by the investee.

(2) Disposal of the subsidiary or business

a. General method of treatment

In case of treatment of subsidiary or business during the reporting, the the income, expense and profit generated from such subsidiary or business from the period beginning to the disposal date will be included in the consolidated income statement; and the cash flow generated from such subsidiary or business from the period beginning to the disposal date will be included in the consolidated statement of cash flows.

Where the control over the investee is lost due to the disposal of some of equity investments or other reasons, the remaining equity investment after disposal will be re-measured at fair value on the day when the control is lost. The sum of the consideration received for disposal of equities and the fair value of the remaining equities, less the difference between the net assets of the former subsidiary of which the continuous calculation starts from the acquisition date or combination date and the goodwill, should be charged to the investment income for the period during which the control is lost. Changes in other comprehensive income related to the equity investment in the former subsidiary or in owners' equities other than the net profit or loss, other comprehensive income and profit distribution are converted into the current investment income upon the loss of control, except for the other comprehensive income arising from the change on remeasurement of the net liabilities or net assets under the defined benefit plan by the investee.

b. Disposal of subsidiary by stages

In case of disposal of investment in the equity of subsidiary by stages through a number of transactions, such transactions will be treated as a package deal, provided that the terms and conditions on and the economic effect of the equity investment in the subsidiary meet one of more of the following conditions:

- i . These transactions are entered into considering their effects are considered;
- ii . These transactions can lead to a complete business result as a whole;
- iii. The occurrence of a transaction depends on the occurrence of at least one of others; and
- iv. A single transaction is deemed uneconomical, but the economical efficiency can be seen when it is put together with other transactions;

Where the transctions involved in the disposal of the equity investment in the subsidiary are package deals, the Company will treat each transaction as the one involved in the disposal of the subsidiary with loss of control; however, the difference between the consideration for each disposal before the loss of control and the net assets of such subsidiary corresponding to the disposal of investment will be recognized as other comprehensive income in the consolidated financial statements, and will be transferred to the loss or profit for the period during which the control is lost, upon the loss of control.

Where the transctions involved in the disposal of the equity investment in the subsidiary are not package deals,

these transactions will be treated according to the policies on the disposal of part of the equity investments in the subsidiary without loss of control, before the loss of control; or treated in the general treatment method of disposal of subsidiary, upon the loss of control.

(3) Acquisition of minority equity of subsidiary

The stock premium under the capital reserve in the consolidated balance sheet is adjusted at the difference between the long-term equity investment newly acquired as a result of acquisition of minority equity and the net assets of the subsidiary attributable to the Company, of which the continuous calculation starts from the acquisition date (or combination date); and the retained earnings will be adjusted if the stock premium under the capital reserve is insufficient as to the offset.

(4) Disposal of part of the equity investments in the subsidiary without loss of control

The stock premium under the capital reserve in the consolidated balance sheet is adjusted at the difference between the consideration received for the disposal of part of the long-term equity investments in the subsidiary without loss of control and the net assets of the subsidiary attributable to the Company, of which the continuous calculation starts from the acquisition date (or combination date); and the retained earnings will be adjusted if the stock premium under the capital reserve is insufficient as to the offset.

7. Classification and accounting treatment of joint venture arrangement

Joint venture arrangement is classified into joint operation and joint ventures.

In terms of the joint operation, the Company is the joint venturer under the joint venture arrangement and is entitled to the assets and bear the liabilities under such arrangement.

The Company recognizes the following items in relation with the share of interest in the joint operation, and conducts the accounting treatment of the the said items according to the provisions of Accounting Standards for Enterprises:

- (1) Recognition of the assets held separately by the Company and of the assets held by the Company jointly others in proportion;
- (2) Recognition of the liabilities separately borne by the Company and of the liabilities borne by the Company jointly others in proportion;
- (3) Recognition of proportioned income generated attributable to the Company as one of the co-operators;
- (4) Recognition of income generated attributable to the Company as one of the co-sellers;
- (5) Recognition of the expenses incurred separately and the proportioned expenses incurred by the Company as one of the co-operators.

See "Note 3.14 Long-term equity investments" for detailed of accounting policies on the investment of the Company in joint ventures.

8. Recognition criteria of cash and cash equivalents

For the purpose of preparing the statement of cash flows, the term "cash" refers to cash on hand and deposits of that are readily available for payment. And the term "cash equivalents" refers to short-term (maturing within three months from acquisition) and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

9. Foreign currency business and foreign currency translation

1. Foreign currency business:

Transactions denominated in foreign currency are translated into RMB for accounting purpose at the spot

exchange rate on the day when the transaction occurs.

The balances of foreign currency monetary items are converted at the spot exchange rate prevailing on the balance sheet date. The exchange differences arising from the conversion, other than those arising from specific-purpose borrowings in foreign currencies related to acquisition and construction of assets eligible for capitalization, which shall be measured in accordance with principle of capitalization of the borrowing costs, shall be charged to the current profit or loss.

2. Translation of financial statement denominated in foreign currency

The asset and liability items in the balance sheet shall be converted at the spot exchange rates prevailing on the balance sheet date. Except retained profit, the owners' equity items shall be converted at the spot exchange rates on the occurrence date. The income and expense items in the income statement shall be converted at the spot exchange rates which are determined by systematic and reasonable methods and similar to the spot exchange rate on the date of occurrence of transaction.

On disposal of a foreign operation, the difference arising from the conversion of financial statements denominated in foreign currency and related to such foreign operation should be transferred to the current gain or loss on disposal, from the owners' equities.

10. Financial instruments

Financial instruments include financial assets, financial liabilities and equity instruments.

1 Classification of financial instruments

Upon the initial recognition, financial assets and liabilities are classified into the following categories according to the purpose of acquisition: the financial assets or financial liabilities measured at fair value through current profit and loss, including financial assets or financial liabilities held for trading (and those financial assets or financial liabilities directly designated under this category), held-to-maturity investments, receivables, financial assets available for sale and other financial liabilities, etc.

2. Recognition and measurement of financial instruments

(1) Financial assets (financial liabilities) measured at fair value through current profit and loss

Financial assets (financial liabilities) are initially stated at fair values when acquired (deducting cash dividends that have been declared but not distributed and bond interests that have matured but not been drawn), and relevant transaction expenses are included in the current profit and loss.

The interests or cash dividends to be received during the holding period are recognized as investment income. Change in fair values is included in the current profit and loss at the end of the period.

Upon the disposal, the difference between the fair value and initial book-entry value is recognized as investment income upon disposal; meanwhile, adjustment is made to gains or losses from changes in fair values.

(2) Held-to-maturity investments

Held-to-maturity investments are initially recorded at fair values when acquired (deducting cash dividends that have been declared but not distributed and bond interests that have matured but not been drawn).

The interest income is calculated and recognized at amortized cost and effective interest rates (or the nominal interest rate, if there is small difference between the effective interest rate and the nominal interest rate) and is charged to the investment income. The effective interest rates are determined upon acquisition and remain unchanged during the expected remaining period, or a shorter period if applicable.

Difference between the proceeds and the book value of the investment is recognized as investment income upon disposal.

(3) Accounts receivable

For creditor's rights receivable arising from external selling commodities or providing service by the Company and other creditor's rights in respect of liability instruments of other enterprises (excluding those quoted in an active market) held by the Company, including accounts receivable, other receivables, notes receivables, prepayments, long-term receivables etc., the initial recognition amount shall be the contract price or agreed price receivable due from purchasing party. The initial amount of the accounts receivable with financing nature are recognized based on the present value.

The difference between the amount obtained and the book value of the accounts receivable is included in current profit and loss upon recovery or disposal.

(4) Available-for-sale financial assets

Available-for-sale financial assets are initially recorded at the sum of fair values (deducting cash dividends that have been declared but not distributed and bond interests that have matured but not been drawn) and transaction costs when acquired.

The interests or cash dividends to be received during the holding period are recognized as investment income. Available-for-sale financial assets are measured at fair value at the end of the period, and changes in fair value are included in the capital reserves (other capital reserves). Those equity instrument investments not quoted in an active market and whose fair value cannot be reliably measured, and the derivative financial assets linked to and settled by way of delivery of such equity investments are measured at the cost.

Difference between the proceeds and the book value of the financial assets is recognized as gain or loss on investment upon disposal; meanwhile, amount of disposal corresponding to the accumulated change in fair value which is originally and directly included in the owners' equity shall be transferred out and charged to the current gains or losses.

(5) Other financial liabilities

Other financial liabilities are initially recognized at the sum of fair value and transaction expenses. The subsequent measurement is based on amortized costs. They are subsequently measured at amortized cost.

3. Recognition and measurement for transfer of financial assets

If the Company has transferred nearly all of the risks and rewards relating to the ownership of the financial assets to the transferee, they shall be derecognized. If it retains nearly all of the risks and rewards relating to the ownership of the financial assets, they shall not be derecognized.

In judging whether the transfer of a financial asset meets the above requirements of derecognizing financial assets, the principle of substance over form is adopted. The Company divides the transfer of a financial asset into entire financial asset transfer and partial transfer. As for the entire financial asset transfer which is qualified for derecognition, the difference between the following two amounts is recognized in the current profit and loss: The Company divides the transfer of a financial asset into entire financial asset transfer and partial transfer. As for the entire financial asset transfer which is eligible for derecognition, the difference between the following two amounts is recognized in the current profit and loss:

- i) Book value of the transferred financial assets;
- ii) Sum of the price received from the transfer with the cumulative change in the amount of fair value directly recorded in the original owners' equity (involving the case when the transferred financial assets are those available for sale).

As for the partial financial assets transfer which are eligible for derecognition, the whole book value of the transferred financial assets should be apportioned in accordance with their respective relative fair value between the derecognized parts and the recognized parts; and the difference between the following two amounts is recognized in the current profit and loss:

- (i) book value of the derecognized parts;
- (ii) sum of the consideration received from the derecognized parts with the amount of the derecognized parts corresponding to the cumulative changes in the amount of fair value directly included in the original owners' equity (involving the case when the transferred financial assets are those available for sale).

If the transfer of financial assets does not satisfy requirements for derecognition, the financial assets shall continue to be recognized, and the consideration received will be recognized as financial liabilities.

4. Conditions for derecognition of financial liabilities

Financial liabilities shall be entirely or partially derecognized if the present obligations derived from them are entirely or partially discharged. Where the Company enters into an agreement with a creditor so as to substitute the current financial liabilities with new ones, and the contract clauses of which are substantially different from those of the current ones, it shall recognize the new financial liabilities in place of the current ones.

If material amendments have been made to all or part of contract terms of current financial liabilities, all or part of current financial liabilities are derecognized, and the financial liabilities with amended terms are recognized as new financial liabilities.

Upon entire or partial derecognition of financial liabilities, differences between the carrying amounts of the derecognized financial liabilities and the consideration paid (including non-monetary assets surrendered or new financial liabilities assumed) are charged to profit or loss for the current period.

If the Company repurchases part of financial liabilities, it shall distribute, on the repurchase day, the whole book value of the financial liabilities in accordance with the relatively fair value between the part to be recognized continuously and the part to be derecognized. The balance between the book value distributed to the part which has been derecognized and the consideration paid to it (including non-cash assets which have been transferred out or the new financial liabilities it assumed), shall be included in current profit and loss.

5. Recognition of fair values of financial assets and financial liabilities

The fair value of the financial instrument with an active market is determined based on the quotation in the active market. The fair value of the financial instrument without an active market is determined using valuation techniques. In terms of the estimation, the estimation technology which is applicable in the current circumstance and supported by enough available data and other information is adopted and the input value which is similar to the features of assets and liabilities and taken into account of by the market participants in the transaction of relevant assets or liabilities are selected by the Company, which give priority in use of the relevant observable value. The unobservable value is used only when the relevant observable value cannot be obtained or is impracticable.

6. Testing and accounting treatment of financial assets (excluding accounts receivable)

Except for the financial assets measured at fair values through current profit and loss, the book value of financial assets on the balance sheet date should be checked. If there is objective evidence that a financial asset is impaired, provision for impairment shall be made.

(1) Provision for impairment of available-for-sale financial assets:

If the fair values of available-for-sale financial assets have significantly declined at the period end, or it is expected that the trend of decreases in values is non-temporary after consideration of all the relevant factors, impairment shall be recognized, and the accumulated loss on decreases in fair values previously charged directly to capital reserves are reversed and recognized as impairment loss.

For available-for-sale debt instruments whose impairment losses have been recognized, if their fair values rise in the subsequent accounting period and such rise is objectively related to the matters occurring after the recognition of impairment loss, the previously recognized impairment loss shall be reversed and recorded into the current profit and loss.

Impairment losses on available-for-sale equity instruments shall not be reversed through profit or loss.

(2) Provision for impairment of held-to-maturity investments:

Measurement of provisions for impairment loss on held-to-maturity investments is similar to that applicable to provisions for impairment loss on receivables.

11. Account receivable

(1) Bad debt provision on receivable accounts with major amount individually

Basis of recognition or standard amount of individual account with large amount	Individual account receivable over 5 millions, other individual receivable over 3 millions
Basis of bad debt provision	For large amount receivable accounts which been proved with solid evidence to impair, the difference between the future cash flow and its book value shall be provided as bad debt provision. For large amount receivable accounts which was tested not impaired, bad debt provision shall be provided on age analyse basis.

(2) Accounts receivable with provision for bad debts accrued by credit risk features portfolio

Name	Basis of bad debt provision
	Age analysis method

In Group ,Accounts on age basis in the portfolio:

Applicable Not applicable

Aging	Proportion of provision for accounts receivable (%)	Provision for bad debt of other receivables (%)
1-6 months (Including 6 months)	0.00%	0.00%
6-12 months	5.00%	5.00%
1—2 years	10.00%	10.00%
2—3 years	30.00%	30.00%
3—4 years	50.00%	50.00%
4—5 years	80.00%	80.00%
Over 5 years	100.00%	100.00%

Receivable accounts on which had debt provisions are provided on percentage analyze basis in a portfolio

Applicable Not applicable

Receivable accounts on which had debt provisions are provided by other ways in the portfolio

Applicable Not applicable

(3)Account receivable with non-material specific amount but specific bad debt preparation

Reasons of Withdrawing Individual Bad Debt Provision	Reasons for individual provision for bad debts: If there is any clear evidence indicating that the receivables cannot or are unlikely to be recovered, for example, the bankruptcy, insolvency, insufficient cash flow of the debtor, or the insolvency in a short time due to the production halt resulting from the severe natural disaster, or the accounts receivable may be exposed to risk as indicated by other evidence, the individual provision for bad debt will be made.
Withdrawing Method of Bad Debt Provision	Method of provision for bad debt: The provision for bad debt is individually recognized at the difference between the book value and the present value of estimated future cash flow. Method of provision for bad debt: The provision for bad debt is individually recognized at the difference between the book value and the present value of estimated future cash flow.

12.Inventories

1.Classification of inventories

Inventories are classified into: raw materials, revolving materials, consigned processing materials, low-cost consumables, packaging materials, stock commodities, goods in progress, semi-finished goods, finished goods, etc.

2.Valuation of dispatched inventories

The inventories dispatched are measured by weighted average method.

3.Basis for determination of net realizable value of different categories of inventories

Net realizable values of merchandise inventories held directly for sale, such as finished goods, merchandise inventories, and available-for-sale materials, are measured at the estimated selling prices less estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of material inventories which need further processing are measured at the estimated selling prices less the estimated costs of completion, estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realizable values of inventories held for the purpose of fulfillment of sales contracts or service contracts should be calculated on the basis of the contract prices; if the quantity of inventories held exceeds that stated in the contract, the net realizable values of the excessive part should be calculated on the basis of normal selling prices.

The Company shall make provisions for impairment loss on diminution in value of inventories on an individual basis at the year end. For inventories with large quantities and relatively low unit prices, the provisions for loss on diminution in value of inventories shall be made on a category basis. For the inventories related to the product portfolios manufactured and sold in the same area, and of which the final usage or purpose is identical or similar thereto, and which is difficult to separate from other items for measurement purposes, the provisions for impairment loss on diminution in value of inventories may be made on a portfolio basis.

The net realizable value of inventory items is determined based on the market price on the balance sheet date, unless there is clear evidence that the market price is abnormal on the balance sheet date.

The net realizable value of inventory items as at the end of the period is determined based on the market price on the balance sheet date.

4.Inventory system

The perpetual inventory system is adopted.

5.Amortization of low-cost consumables and packaging materials

- (1) Low-cost consumables are amortized under the lump-sum method;
- (2) Packing materials are amortized under the lump-sum method.

13.Assets classified as held-for-sale assets

The component (or non-current asset) will be recognized as the thing held for sale, if all the following conditions are met at the same time:

- (1) Such component can be sold as it is, in accordance with the usual terms on its sales;
- (2)The Company has been an integral part of the disposal of the (non-current assets) made a resolution, such as the need to obtain the required shareholder approval, has the approval of the shareholders' meeting or the appropriate authority;
- (3)The Company has signed an irrevocable transfer agreement with the transferee;
- (4)Such transfer will be completed within one year.

14.Long-term equity investment

1.Judgment criteria of joint control or effect of material impact

Common control refers to the control shared over an arrangement in accordance with the relevant stipulations, and the decision-making of related activities of the arrangement should not be made before the party sharing the control right agrees the same. Where the Company exercises common control over the investee together with other parties to the joint venture and enjoys the right on the investee's net assets, the investee is a joint venture of the Company.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Where the Company has significant influences on an investee, the investee shall be an associate of the Company.

2.Determination of initial investment cost

(1) Long-term equity investment acquired from business combination

For business combination under common control: If the Company makes payment in cash, transfers non-cash assets or bears debts and issues equity securities as the consideration for the business combination, the share of owners' equity of the acquiree obtained on the combination date in the book value of the ultimate controller's consolidated financial statement is recognized as the initial cost of the long-term equity investment. Where additional investment or other reasons make the control over the investee under the same control possible, the initial investment cost of the long-term equity investments is measured at the share of net assets of the acquiree on the combination date in the book value of the ultimate controller's consolidated financial statements. The stock premium is adjusted according to the difference between the initial cost of long-term equity investments on the combination date and the sum of the book value of long-term equity investments before combination and the book value of the consideration further paid for obtaining shares; if there is no sufficient share premium for write-downs, the retained earnings are offset.

For business combination not under common control: the Company recognizes the combination cost determined on the combination date as the initial cost of long-term equity investment. Where additional investment, or other reasons make the control over the investee not under the same control possible, the initial investment cost under the cost method will be the sum of the book value of the equity investments previously held and the newly increased investment costs.

(2) Long-term equity investment acquired by other means

The initial costs of a long-term equity investments obtained by payments of cash shall be the purchase prices actually paid.

The initial costs of long-term equity investments in equity securities shall be stated at their fair values.

If the exchange of non-monetary assets has commercial substance and the fair values of assets traded out and traded in can be measured reliably, the initial cost of long-term equity investment traded in with non-monetary assets are determined based on the fair values of the assets traded out unless there is any conclusive evidence that the fair values of the assets traded in are more reliable; if the exchange of non-monetary assets does not meet the above criteria, the book value of the assets traded out and the relevant taxes and surcharges payable are recognized as the initial cost of long-term equity investment traded in.

The initial costs of long-term equity investments arising from debt restructuring shall be stated at their fair values.

3.Subsequent measurement and recognition of profit or loss

(1) Long-term equity investment calculated under the cost method

The Company applies cost method to account for the long-term equity investments of subsidiaries. Except for the price actually paid upon acquisition or the cash dividends or profit included in the price that are declared but not yet paid, the Company recognizes investment income for the current period at the share of the cash dividends or profits declared and released by the investee.

(2) Long-term equity investment calculated under the equity method

Long-term equity investments in associates and in joint ventures are accounted for under the equity method. If the cost of initial investment is in excess of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will not be adjusted to the initial cost of long-term equity investment; if the cost of initial investment is in short of the proportion of the fair value of the net identifiable assets in the investee when the investment is made, the difference will be included in the current profit and loss.

The Company recognizes the investment income and other comprehensive income according to the net gain or loss and other comprehensive income of the investee attributable to the Company, and adjusts the book value of long-term equity investment; reduces the book value of long-term equity investments according to the profit or cash dividends declared by the investee and attributable to the Company; and adjusts the book value of the long-term equity investments in the investee, as to the change in owners' equities other than the net gain or loss, other comprehensive income and profit distribution of the investee, and charges the same to the owners' equities.

When the share in net profit and loss of the investee is recognized, the fair value of the identifiable net assets of the investee when the investment is obtained shall be taken as a basis and the share will be determined after the net profit is adjusted in accordance with the Company's accounting policies and accounting periods. During the period of holding the investment, if the investee is capable of providing consolidated financial statements, the profit or loss shall be measured based on the net profit and other changes in equity recorded in the consolidated financial statements.

The profit and loss of the internal transactions that are not realized arising among the Company, affiliated enterprises, and joint ventures will be offset at the part attributable to the Company and the investment income will be recognized on that basis. For internal trading losses that have not occurred with the investee, they will be fully recognized if they belong to the asset impairment losses. The trading of assets between the Company and its associates or joint ventures, which constitutes business, are treated according to the policies disclosed in "Note 3.5 Accounting Treatment of Combination of enterprises under common control and enterprises not under common control" and "Note 3.6 Preparation of consolidated financial statements".

When the Company confirms that it should share losses of the investee, treatment shall be done in following sequence: Firstly, the book value of the long-term equity investment shall be reduced. Secondly, where the book value is insufficient to cover the share of losses, investment losses are recognized to the extent of book value of other long-term equity which form net investment in the investee in substance and the book value of long term receivables shall be reduced. Finally, after all the above treatments, if the Company is still responsible for any additional liabilities in accordance with the provisions stipulated in the investment contracts or agreements, estimated liabilities are recognized and included into current investment loss according to the obligations estimated to undertake.

(3) Disposal of long-term equity investment

Upon disposal, the difference between the book value and the price obtained is recognized in current profit and loss.

Disposal of long-term equity investments accounted for under the equity method, which is previously charged to other comprehensive income is treated in proportion on the same basis for direct disposal of relevant assets of liabilities by the investee. Owner's equities recognized arising from change in other owners' equities other than net gain or loss, other comprehensive income and profit distribution of the investee are carried forward to the current profit or loss in proportion, except for the other comprehensive income arising from the change on re-measurement of the net liabilities or net assets under the defined benefit plan by the investee.

In case of loss of common control over or material impact on the investee due to the disposal of part of the equity investments, the remaining equity after the disposal are computed according to the principles for recognition and measurement of financial instruments, and the difference between the fair value and book value on the day of loss of common control or material impact is charged to the current profit or loss. For other comprehensive income that is recognized from original equity investment by using the equity method, the accounting treatment will be made on the basis the same as that for the direct disposal of related assets and liabilities with the investee when the equity method is terminated for accounting purpose. Owner's equities recognized arising from change in other owners' equities other than net gain or loss, other comprehensive income and profit distribution of the investee are entirely transferred to the current profit or loss when the accounting under the equity method is ended.

In case of loss of common control over or material impact on the investee due to the disposal of part of the equity investments, the remaining equity after the disposal are computed under the equity method, with the adjustment made as if such remaining equities are calculated under the equity method after they are obtained, when the separate financial statement is prepared; the remaining equities after disposal leading to the incapable exercise of common control over or material impact on the investee shall be treated according to the principles for recognition and measurement of financial instruments, and the difference between the fair value and book value on the day of loss of common control or material impact is charged to the current profit or loss.

If the equities disposed were obtained from the business merger by reason of additional investment or others, and the remaining equities after disposal are calculated under the cost method or equity method when the individual financial statement is prepared, other comprehensive income and other owners' equities recognized and arising from the calculation of the equity investment held before the acquisition date under the equity method will be carried forward in proportion; if the remaining equities after disposal are treated according to the principles for

recognition and measurement of financial instruments, both of other comprehensive income and other owners' equities are entirely carried forward.

15. Investment property

The measurement mode of investment property

The measurement by the cost method

Depreciation or amortization method

Investment properties are properties to earn rentals or for capital appreciation or both. Examples include land leased out under operating leases, land held for long-term capital appreciation, buildings leased out under operating leases, (including buildings that have been constructed or developed for future lease out under operating leases, and buildings that are being constructed or developed for future lease out under operating leases).

The Company adopts cost model to measure all current investment properties. The Company adopts the same depreciation policy for the investment property measured at cost model building for renting as that for the Company's fixed assets and the same amortization policy of land use right for renting as that for the Company's intangible assets.

16.Fixed assets

(1) Criteria for recognition of fixed assets

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing services, renting or business management with useful lives exceeding one accounting year. Fixed assets will only be recognized when all the following criteria are satisfied: Fixed assets will only be recognized when all the following criteria are satisfied:

- (1) It is probable that the economic benefits relating to the fixed assets will flow into the Company; and
- (2)The costs of the fixed asset can be measured reliably.

(2) Depreciation method

Category	The method for depreciation	Expected useful life (Year)	Estimated residual value	Depreciation
Buildings and constructions	Straight-line method	3		2.77-3.88
Machinery equipment	Straight-line method	3		6.47-13.86
Transportation equipment	Straight-line method	3		9.70-12.13
Other equipment	Straight-line method	3		9.70-19.40

Depreciation of fixed assets is provided on a category basis using the straight-line method. The depreciation rates are determined according to the categories, estimated useful lives and estimated net residual rates of fixed assets. If the components of a fixed asset have different useful lives or cause economic benefit for the Company in different ways, different depreciation rate or method shall be adopted for depreciation on an individual component basis.

For fixed assets acquired under finance leases, if it is reasonably certain that the ownership of the leased assets will be transferred to the lessee by the end of the lease term, they shall be depreciated over their remaining useful lives; otherwise, the leased assets shall be depreciated over the shorter of the lease terms or their remaining useful lives.

(3) Basis for recognition and measurement of fixed assets acquired under the finance lease

The fixed assets acquired under financing lease are recognized if one of the following conditions is specified by the Company and the leaser in their lease agreement:

- (1) The ownership of the leased assets is transferred to the Company by the end of the lease terms;
- (2) The Company has the option to purchase the assets at prices which are expected to be sufficiently lower than fair values at the date the option becomes exercisable that, at the inception of the leases, it is reasonably certain that the option will be exercised;
- (3) The lease terms cover the major part of the economic lives of the assets, even if titles are not transferred;
- (4) At the inception of the leases, the present values of the minimum lease payments amount to at least substantially all of the fair values of the leased assets. On the lease commencement date, the book-entry value of a fixed asset acquired under financing lease is measured at the asset's fair value or the present value of the minimum lease payment, whichever is the lower. The minimum lease payment is recorded as the book-entry value of the long-term payables, and the difference between them is deemed as the unrecognized financing expenses.

17. Construction in progress

The book values of the construction in progress are stated at total expenditures incurred before reaching working condition for their intended use. For construction in progress that has reached working condition for intended use but relevant budgets for the completion of projects have not been completed, the estimated values of project budgets, prices, or actual costs should be included in the costs of relevant fixed assets, and depreciation should be provided according to relevant policies of the Company when working condition is reached. After the completion of budgets needed for the completion of projects, the estimated values should be substituted by actual costs, but depreciation already provided is not adjusted.

18. Borrowing costs**1. Principles for recognition of capitalization of borrowing costs**

Borrowing costs include the interest on borrowings, the amortization of discount or premium, auxiliary expenses, exchange differences incurred by foreign currency borrowings, etc.

The borrowing costs incurred to the Company and directly attributable to the acquisition and construction or production of assets eligible for capitalization should be capitalized and recorded into asset costs; other borrowing costs should be recognized as costs according to the amount incurred and be included into current profit and loss.

Assets eligible for capitalization refer to fixed assets, investment property, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

Borrowing costs may be capitalized only when all the following conditions are met at the same time:

- (1) The asset disbursements have already incurred, which shall include the cash paid, non-cash assets transferred or interest bearing debts undertaken for the acquisition and construction or production activities for preparing assets eligible for capitalization;
- (2) The borrowing costs has already incurred; and
- (3) The acquisition and construction or production activities which are necessary to prepare the asset for its intended use or sale have already started.

2. Capitalization period of borrowing costs

Capitalization period refers to the period from commencement of capitalization of borrowing costs to its cessation; period of suspension for capitalization is excluded.

When the qualified asset under acquisition and construction or production is ready for the intended use or sale, the

capitalization of the borrowing costs shall be ceased.

Where construction for assets purchased, constructed or manufactured eligible for capitalization is completed in stages, which can be used while construction of the other parts continues, capitalization of attributable borrowing costs should cease when substantially all of the activities necessary to prepare that part for its intended use or sale are complete.

Where construction for each part of assets purchased, constructed or manufactured has been completed separately but can be used or sold only after the entire assets have been completed, capitalization of attributable borrowing costs should cease at the completion of the entire assets.

3.Period of capitalization suspension

If the acquisition and construction or production activities of assets eligible for capitalization are interrupted abnormally and this condition lasts for more than three months, the capitalization of borrowing costs should be suspended; if the interruption is necessary for the acquisition and construction or production to prepare the assets for their intended use or sale, the capitalization of borrowing costs should continue. The borrowing costs incurred during interruption are recognized in the current profit and loss, and the capitalization of borrowing costs continues after the restart of the acquisition and construction or production activities of the assets.

4.Capitalization rate and measurement of capitalized amount of borrowing costs

As for special borrowings borrowed for acquiring and constructing or producing assets eligible for capitalization, the to-be-capitalized amount shall be determined at interest expense of special borrowing actually incurred in the current period less the interest income of the borrowings unused and deposited in bank or return on temporary investment.

As for general borrowings used for acquiring and constructing or producing assets eligible for capitalization, the to-be-capitalized amount should be calculated by multiplying the weighted average of asset disbursements of the part of accumulated asset disbursements exceeding special borrowings by the capitalization rate of used general borrowings. The capitalization rate is calculated by using the weighted average interest rate of general borrowings.

19. Biological assets

20. Oil-gas assets

21. Intangible assets

1 Pricing method, useful life and impairment test

(1) The Company initially measures intangible assets at cost on acquisition;

The costs of external purchase of intangible assets comprise their purchase prices, related taxes and surcharges and any other directly attributable expenditure incurred to prepare the asset for its intended use. If payments for the purchase of intangible assets are extended beyond the normal credit terms with financing nature, the costs of intangible assets are determined on the basis of present values of the purchase prices.

For intangible assets obtained from debtors in settlement of his liabilities in case of debt restructuring, they should be initially stated at their fair values. Differences between the book values and the fair values of the intangible assets are charged to profit or loss for the current period.

If the exchange of non-monetary assets has commercial substance, and the fair values of these assets can be measured reliably, the book-entry values of intangible assets traded in are based on the fair values of the intangible assets traded out unless there is any conclusive evidence that the fair values of the assets traded in are more reliable. If the exchange of non-monetary assets does not meet the above criteria, the costs of the intangible assets

traded in should be the book values of the assets traded out and relevant taxes and surcharges paid, and no profit or loss shall be recognized.

(2) Subsequent measurement

The useful lives of the intangible assets are analyzed and determined on their acquisition.

As for intangible assets with limited useful life, straight-line amortization method is adopted in the period when the intangible assets generate economic benefit for enterprise; if the period when the intangible assets generate economic benefit for enterprise cannot be forecasted, the intangible assets shall be deemed as those with indefinite useful life and shall not be amortized.

2. Estimate of the useful life of the Intangible assets with finite useful lives:

The useful lives and amortization methods of intangible assets with limited useful lives are reviewed at each year end.

Upon review, the useful lives and amortization method of the intangible assets as at the end of the year were not different from those estimated before.

3. Basis for judgment of intangible assets with indefinite useful life and procedures for review of the life thereof

The useful lives and amortization method of intangible assets with limited useful lives are reviewed at the end of each period.

Upon review, the useful lives and amortization method of the intangible assets as at the end of the year were not different from those estimated before.

4. Specific criteria of classification into the research phase and the development phase

Expenditures on an internal research and development project shall be classified into expenditures on the research phase and expenditures on the development phase.

Research phase: Research is original and planned investigation, undertaken with the prospect of gaining new scientific or technical knowledge and understanding.

Development phase: Development is the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, or products before the start of commercial production or use.

5. Criteria for capitalization of qualifying expenditures during the development phase

Expenditures arising from development phase on internal research and development projects must be capitalized if the Company can satisfy all of the following criteria:

- (1) It is technically feasible to finish intangible assets for use or sale;
- (2) It is intended to finish and use or sell the intangible assets;
- (3) the method that the intangible assets generate economic benefits, including existence of a market for products produced by the intangible assets or for the intangible assets themselves, shall be proved. Or, if to be used internally, the usefulness of the assets shall be proved;
- (4) adequate technical, financial, and other resources are available to complete the assets, and the Company has the ability to use or sell the assets; and
- (5) The expenditures attributable to the intangible assets during their development phase can be reliably measured.

If the above conditions are not satisfied, expenditures on the development phase shall be included in current profit and loss when they occur. Expenditures on the research phase shall be included in current profit and loss when they occur.

According to the Accounting Standards for Enterprises in combination with the actual situation of the Company, the period between the report on pre-study of project to the issuance of project assessment and examination report is defined as the research state, in which the expenditures incurred are expensed when incurred and charged to the current profit or loss.

In the development stage, research findings or other knowledge is applied to a plan or design for the production of new or substantially improved materials, devices, or products before the start of commercial production or use. This phase is equipped with the basic conditions for the formation of a new product or technology to a greater extent.

According to the actual situation of the Company, the period between the adoption of project assessment and examination with the assessment and examination report issued to the batched production is defined as the development stage. The project development expenditures will be capitalized, if the conditions for capitalization of development expenditures are met.

All expenditures incurred on research of application of basic techniques are classified as research stage expenditures and charged to the current profit or loss when incurred.

22. Impairment of long-term assets

The Company will conduct the impairment test if any evidence suggests that the long assets, such as the long-term equity investment and the investment property, fixed assets, construction in progress and intangible assets, are impaired on the balance sheet date. If impairment test results indicate that the recoverable amounts of the assets are lower than their carrying amounts, the provision for impairment is made based on the differences which are recognized as impairment losses. The recoverable amounts of intangible assets are the higher of their fair values less costs to sell and the present values of the future cash flows expected to be derived from the assets. The provision for assets impairment is calculated and recognized by the individual asset. If it is difficult to estimate the intangible amount of an individual asset, the Company shall estimate the recoverable amount of the asset portfolio that the individual asset belongs to. The asset portfolio is the minimum asset group that can independently generate the cash inflow.

At least the goodwill impairment test is conducted at the year-end.

The Company conducts an impairment test for the goodwill. The book value of goodwill arising from business combinations is amortized to relevant asset groups with a reasonable method since the date of acquisition; or amortized to relevant combination of asset groups if it is difficult to be amortized to relevant asset groups. The book value of goodwill is amortized to relevant asset groups or combinations of asset groups according to the proportion of the fair value of such asset groups or combinations of asset groups in the total fair value of relevant asset groups or combinations of asset groups. Where the fair value cannot be reliably measured, it should be amortized according to proportion of the book value of each asset group or combination of asset group in the total book value of relevant asset groups or combinations of asset groups.

When making an impairment test on the relevant asset groups or combination of asset groups containing goodwill, if any indication shows that the asset groups or combinations of asset groups related to the goodwill may be impaired, the Company shall first conduct an impairment test on the asset groups or combinations of asset groups not containing goodwill, calculate the recoverable amount and compare it with the relevant book value to recognize the corresponding impairment loss. Then the Company shall conduct an impairment test on the asset groups or combinations of asset groups containing goodwill, and compare the book value of these asset groups or combinations of asset groups (including the book value of the goodwill apportioned thereto) with the recoverable amount. Where the recoverable amount of the relevant asset groups or combinations of asset groups is lower than the book value thereof, the Company shall recognize the impairment loss of the goodwill.

The above impairment loss is not reversed in the future accounting period once recognized.

23. Long-term deferred expenses

Long-term deferred expenses refer to the expenses which have been already incurred but will be borne in the current period and in the future with an amortization period of over 1 year. Long-term deferred expenses are evenly amortized over the benefit period.

24. Employee compensation

1. Accounting treatment of short-term remuneration

During the accounting period in which employees provide service to the Company, the short-term remuneration

actually incurred is recognized as liabilities and charged to the current profit or loss or the relevant assets cost.

The medical insurance premium, work-related injury insurance premium and the housing provident fund paid by the Company for its employees, together with the labor union expenditures and employee education are used to calculate and determine the relevant employee compensation amount based on the prescribed accrual basis and accrual proportion.

The non-monetary benefits for employees that can be measured reliably are measured at fair value.

2.Accounting treatment of benefits paid after departure

The basic endowment insurance premium and unemployment insurance premium paid by the Company for its employees in accordance with relevant provisions of the local government are recognized as liabilities and charged to the current profit or loss or the relevant assets cost, with the payable amount calculated based on the local prescribed payment base and percentage, during the accounting period in which the employees provide services to the Company.

In addition to the basic endowment insurance, the Company also build the enterprise annuity payment system (supplementary pension insurance) in accordance with relevant national policies established a pension payment system / corporate pension plans. The Company pays a certain percentage of the total employee compensation to the local social institution for the payment/payment under annuity plan, and record the relevant expenditures into the current profit or loss or the relevant assets cost.

See "Note 5.22 Employee compensation payable" for details.

3.Accounting treatment of dismissal welfare

Where the Company cannot unilaterally withdraw when termination benefits due to termination of employment or layoff proposal offered, or confirm the reorganization involves the payment of termination benefits when associated costs or expenses (both what early), confirm termination benefits employees pay liabilities, and profit or loss.

4 .Accounting treatment of other long term employee benefits

25.Estimated liabilities

1.Recognition criteria for estimated liabilities

The Company recognizes the estimated liabilities when the obligations relating to litigation, debt-guarantee, loss contract, restructuring and other contingencies satisfy the following conditions simultaneously:

- (1)That obligation is a present obligation of the Company;
- (2)The performance of such obligation is likely to result in outflow of economic benefits from the Company; and
- (3)The amount of the obligation can be measured reliably.

2.Measurement of a variety of estimated liabilities

The estimated liabilities of the Company are initially measured as the best estimate of expenses required for the performance of relevant present obligations.

When determining the best estimate, the Company shall comprehensively consider the risks, uncertainties, time value of money, and other factors relating to the contingencies. If the time value of money is significant, the best estimates shall be determined after discount of relevant future cash outflows.

The best estimates shall be treated as follows in different circumstances:

If there is continuous range (or interval) for the necessary expenses, and probabilities of occurrence of all the outcomes within this range are equal, the best estimate shall be determined at the average amount of upper and lower limits within the range.

Given the fact that there is no continuous range (or interval) for the necessary expenses, or probabilities of occurrence of all the outcomes within this range are unequal despite such a range exists, in case that the contingency involves a single item, the best estimate shall be determined at the most likely outcome; if the contingency involves two or more items, the best estimate should be determined according to all the possible outcomes with their relevant probabilities.

When all or part of the expenses necessary for the settlement of an estimated liabilities are expected to be compensated by a third party or other parties, the compensation shall be separately recognized as an asset only when it is virtually certain that the compensation will be received. The amount recognized for the compensation shall not exceed the book value of the estimated liabilities.

26.Share-based payment

The share-based payment is the transaction the Company has to grant the equity instrument to employees or assume the liability determined based on the equity instrument, for the service provided by the employees [or other parties]. The share-based payments of the Company can be divided into the equity-settled share-based

1.Equity-settled share-based payments and equity instruments

In case of the equity-settled share-based payment for the service provided by employees, the measurement is based on the fair value of the equity instruments granted to employees. Where the Company carries out a restricted share-based payment, the employees subscribe shares by contributing capital, and the shares cannot be traded or transferred in the market until they satisfy the conditions for removing the freeze; if the conditions for removing the freeze as prescribed by the ultimate stock stimulating plan fail to be satisfied, the Company shall repurchase the shares as previously agreed. When the Company receives the payments for subscription of restricted shares from the employees, it shall recognize the share capital and capital reserves (share capital premiums) according to the payments for subscription received, and recognize a liability and treasury shares with respect to the repurchase obligation. On every balance sheet date during the waiting period, the Company estimates the quantity of the exercisable equity instruments in light of the latest subsequent information, such as the change in the number of employees obtaining the exercisable equity instrument or whether the specified performance requirements are met, based on which the services obtained in the current period are charge to the relevant costs or expenses at the fair value on the grant date, with the capital reserves added correspondingly. Those payments which are exercisable immediately after the grant are charged to the relevant costs or expenses, with the capital reserves added correspondingly. After the vesting date, the recognized relevant costs or expenses or total amount of owners' equity shall not be adjusted any more.

No cost or expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied, provided that all other performance conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognized as if the terms had not been modified. In addition, an expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled share-based payment is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. Where employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the pending period, equity-settled share-based payments are deemed cancelled. However, if a new equity instrument is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the new equity instrument are treated as if they were a modification of the original award.

2.Cash-settled share-based payments and equity instruments

The cash-settled share-based payment is measured in accordance with the fair value of liability calculated and confirmed based on the shares or other equity instruments undertaken by the Company. The cash-settled share-based payment is initially measured in accordance with the fair value on the vesting date, in consideration of the terms and conditions for granting the equity instruments. If the right may be exercised immediately after the grant, the fair value of the liabilities shall, on the vesting date, be included in the costs or expenses, together with a corresponding increase in the liabilities; if the right cannot be exercised until the vesting period comes to an end

or until the prescribed performance conditions are met, then within the vesting period, the services obtained in the current period shall, based on the best estimate of the number of vested equity instruments, be included in the relevant costs or expenses at the fair value of the liabilities on the vesting date, together with a corresponding increase in the liabilities. On each balance sheet date and on each account date prior to the settlement of the relevant liabilities, the fair values of the liabilities are re-measured and the changes i

27. Other financial instruments such as preferred shares and perpetual capital securities

28.Revenues

1 General principles for recognition of revenues from sales of goods:

- (1) The Company has transferred to the buyer the significant risks and rewards of ownership relevant to the goods in question;
- (2) The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (3) The relevant amount of revenue can be measured reliably;
- (4) It is probable that the economic benefits related to the transaction will flow into the Company; and
- (5) The relevant costs incurred or to be incurred can be measured reliably.

2 Concrete principles for revenues from primary businesses

- (1) Sales of complete vehicles: the operation management department of the Sale Company shall research and review the "saved" orders submitted by the dealers; after an approval upon review, the finance department shall, in accordance with the lines of credit of customers, check the situation regarding collection of payments and conduct a financial audit on these orders; the warehousing department shall issue an ex-warehouse list according to the recognized orders, which will be marked with the words "Delivered"; then, a delivery people of the third party, i.e. a transport company shall sign the ex-warehouse list, upload the goods and transport them; After the acceptance by the customers upon check, the ex-warehousing list shall be signed for confirmation. According to the information relating to the sales orders indicating that the relevant goods "have been delivered", the finance department shall check the ex-warehouse list signed by the delivery person on behalf of his or her transport company with the corresponding sales contract that no error has been committed; subsequently, it shall recognize that the major risks and rewards relating to the goods' properties have been transferred to the buyer and then issue a sales invoice as well as recognize the sales revenues;
- (2) Sales of engines: at the beginning of every year, the Company enters into a sales contract including the terms relating to basic unit price with the customers; the method of delivery after payment is adopted for the sales of engines; the goods shall be arranged to be delivered after the payments for goods are paid up as stipulated by the orders, a sales invoice shall be issued when the goods are delivered and the revenues from sales are recognized.
- (3) Sales of automobile air-conditioner: the Air-conditioner Company deliveries goods according to the customers' production plans and safty stock; after the customers use the products, the salesmen issue a notification of making out an invoice according to the customers' monthly usage amounts and contracted prices, the finance department issues an invoice and the revenues from sales shall be recognized.

29.Government grants

(1) Judgment basis and accounting treatment of government subsidies related to assets

Government subsidies related to assets refer to the subsidies obtained by the Company from the government and used to form long-term assets through acquisition and construction or otherwise, including the financial appropriation for purchase of fixed assets or intangible assets and the finance discounts for special borrowings of fixed assets.

Government grants related to assets are recognized as deferred income and included in non-operating income over the useful lives of the assets constructed or purchased by stages;

(2) Judgment basis and accounting treatment of government subsidies related to profits

Government grants related to assets are recognized as deferred income and included in non-operating income over the useful lives of the assets constructed or purchased by stages;

If government subsidies related to income are used to compensate the Company's relevant expenses or losses in future periods, such government subsidies should be recognized as deferred income on acquisition and be included into the current non-operating income in the period of recognizing relevant expenses; if government subsidies related to income are used to compensate the enterprise's relevant expenses or losses incurred, such government subsidies are directly included into the current non-operating income on acquisition.

30. Deferred income tax assets and deferred income tax liabilities

Deferred income tax assets shall be recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. As for any deductible loss or tax deduction that can be carried forward to the next year, the corresponding deferred income tax assets shall be determined to the extent that the amount of future taxable income to be offset by the deductible loss or tax deduction to be likely obtained.

Taxable temporary differences are recognized as deferred income tax liabilities except in special circumstances.

Special circumstances in which deferred income tax assets or deferred income tax liabilities shall not be recognized include: the initial recognition of goodwill; other transactions or events excluding business combinations, which affect neither accounting profits nor the taxable income (or deductible losses) when occurred.

If the Company has the legal right of netting and intends to settle in net amount or to obtain assets and discharge liabilities simultaneously, the income tax assets and income tax liabilities of the Company for the current period shall be presented based on the net amount after offset.

When the Company has the legal rights to balance income tax assets and income tax liabilities for the current period with net settlement, and deferred income tax assets and deferred income tax liabilities are related to the income tax which are imposed on the same taxpaying subject by the same tax collection authority or on different taxpaying subjects, but, in each important future period in connection with the reverse of deferred income tax assets and liabilities, the involved taxpaying subject intends to balance income tax assets and liabilities for the current period with net settlement at the time of obtaining assets and discharging liabilities, deferred income tax assets and deferred income tax liabilities shall be presented based on the net amount after offset.

31. Leases

1. Accounting treatment of operating lease

(1) Lease fees paid by the Company for leased asset shall be amortized at straight-line method over the whole lease period (including rent-free period) and shall be included in the current expenses. Initial direct costs relating to lease transactions incurred by the Company shall be recognized as the current expenses.

If the expense related to the lease which shall be paid by the Company is assumed by the lessor of the asset, then such expenses shall be deducted from total lease fees, and the balances shall be amortized over the lease terms and charged to the current expenses.

(2) Lease fees received by the Company from leasing assets shall be amortized at straight-line method over the whole lease period (including rent-free period), and shall be recognized as lease income. Initial direct costs relating to lease transactions incurred by the Company shall be recognized as the current expenses; if the amounts are material, they shall be capitalized and included in the current income on the same basis as the recognition of lease income.

If expenses relating to leases which should be borne by the lessee of the assets are paid by the Company, they shall be deducted from the total lease income and the balances shall be amortized over the lease terms by the Company.

2. Accounting treatment of financing lease

(1) Assets acquired under financing leases: At the commencement of the lease terms, assets acquired under financing leases shall be recorded at the lower of their fair values and the present values of the minimum lease

payments, and the Company shall recognize the long-term payables at amounts equal to the minimum lease payments, and shall record the differences between book value of the leased assets and the long-term payables as unrecognized finance charges. The Company adopts the effective interest rate method for unrecognized financing charges, which shall be amortized over the lease terms and included in financial expenses. Initial direct costs incurred by the Company shall be included in the value of leased assets.

(2) Assets rented out under financing leases: At the commencement of the lease terms, the Company shall recognize the differences between the undiscounted rents receivable plus unguaranteed residual values and their present values as unrealized financing income, and shall recognize them as lease income during each period when rents are received. Initial direct costs associated with the lease transactions and incurred by the Company shall be included in the initial measurement of the financing lease receivable and lease income recognized over the lease terms shall be reduced accordingly.

32. Main accounting policies and accounting estimates

(1) Change of main accounting policies

None

(2) Change of main accounting estimations

None

33. Change of main accounting policies and estimations

(1) Change of main accounting policies

Applicable Not applicable

(2) Change of main accounting estimations

Applicable Not applicable

34. Other

VI. Taxation

1. Main categories and rates of taxes

Class of tax	Tax basis	Tax rate
VAT	Calculated on tax law from selling goods and taxable services based on the calculation of output tax, after deduction of input tax deductibility of the current period, the balance part of VAT payable	17%
Consumption tax	Revenue of taxable consumables	3%--10%
Operational tax	Revenue of leasing and taxable services	

City maintenance and construction tax	Value-added tax, operating tax and consumption tax paid	7%
Enterprise income tax	Taxable income	25%、15%

The disclosure on the rate of income tax of taxpayers in different enterprises is stated below

Name of Taxpayer	Rate of Income Tax
Chongqing Jianshe Motorcycle Co., Ltd.	15%
Chongqing Jianshe Sales Co., Ltd.	25%
Chongqing Jianshe Motorcycle Sales Co., Ltd.	25%
Chongqing Beifang Jianshe Import and Export	25%
Shanghai Jianshe Motorcycle Co., Ltd.	25%
Chongqing Jianshe Automobile A/C Co., Ltd.	15%
Chongqing Jianshe Mechanical and Electric Co., Ltd.	15%

2. Preferential tax treatment

The Company and Chongqing Jianshe Mechanical and Electric Co., Ltd. is subject to the enterprise income tax rate of 15% in 2015, as a result of the preferential enterprise income tax policies to promote the large-scale development of the western region in accordance with the Announcement on Issues of Enterprise Income Tax concerning In-depth Implementation of Western Region Large-scale Development Strategy (Announcement of the State Administration of Taxation [2012] No.12).

The subsidiary Chongqing Jianshe Automobile A/C Co., Ltd. passed the qualification for new hi-tech company on November 8, 2013 and acquired the qualification certificate for new hi-tech company, with the certificate No. being GR201351100081 and its validity 3 years. From 2014 to 2016, the corporate income tax shall be paid at the tax rate of 15%.

3. Other

VII. Notes on major items in consolidated financial statements of the Company

1. Monetary funds

In RMB

Items	Closing balance	Opening balance
Cash on hand	49,452.77	70,909.87
Bank deposits	116,423,944.85	23,572,605.94
Other cash and cash equivalents	240,601,099.64	279,017,242.95
Total	357,074,497.26	302,660,758.76

Other notes

Including: the details on restricted cash and cash equivalents due to mortgage, pledge or freezing are as follows:

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Bank acceptance bills margin	240,601,099.64	157,344,806.52
L/C deposit		17,657.70
Guarantee deposit and notice deposit		
Total	240,601,099.64	157,362,464.22

2. Financial assets measured at fair value through current profit and loss

In RMB

Items	Closing balance	Opening
-------	-----------------	---------

Other notes:

3. Derivative financial assets

 Applicable Not applicable

4. Notes receivable

(1) Notes receivable listed by category

In RMB

Items	Closing balance	Opening balance
Bank acceptance bill	50,637,161.19	47,008,704.63
Total	50,637,161.19	47,008,704.63

(2) Notes receivable pledged by the Company at the period-end

In RMB

Items	Amount
-------	--------

(3) Notes receivable which had endorsed by the Company or had discounted and had not due on the balance sheet date at the period-end

In RMB

Items	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
-------	---	--

(4) Notes transferred to accounts receivable because drawer of the notes fails to executed the contract or agreement

In RMB

Items	Amount of the notes transferred to account receivable at the period-end
-------	---

Other notes

5. Accounts receivable

(1) Accounts receivable disclosed by category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Accounts receivable with provision for bad debt made on a portfolio with similar risk credit characteristics basis	267,548,126.64	100.00%	13,853,878.51	5.18%	253,694,248.13	232,282,147.28	100.00%	14,522,938.85	6.25%	217,759,208.43
Total	267,548,126.64	100.00%	13,853,878.51	5.18%	253,694,248.13	232,282,147.28	100.00%	14,522,938.85	6.25%	217,759,208.43

Accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable Not applicable

In the groups, accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable Not applicable

In RMB

Aging	Closing balance		
	Accounts receivable	Provision for bad debts	Proportion of provision (%)
Subitem within 1 year			
1-6 months	237,298,760.01		
Subtotal within 1 year	9,096,338.79	454,816.94	5.00%
Subtotal within 1 year	246,395,098.80	454,816.94	0.18%
1-2 years	4,720,084.24	472,008.42	10.00%
2-3 years	265,275.44	79,582.63	30.00%
Over 3 years	16,167,668.16	12,847,470.52	79.46%
3-4 years	1,418,244.68	338,966.94	23.90%
4-5 years	11,211,404.06	8,970,484.16	80.01%

Over 5 years	3,538,019.42	3,538,019.42	100.00%
Total	267,548,126.64	13,853,878.51	5.18%

Notes of the basis of recognizing the group:

In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

In the groups, accounts receivable adopting other methods to accrue bad debt provision:

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the reporting period was of RMB0.00; the amount of the reversed or collected part during the reporting period was of RMB 0.00.

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Items	Reversed or collected amount	Method
-------	------------------------------	--------

(3) The actual write-off accounts receivable

In RMB

Items	Amount
-------	--------

Of which the significant actual write-off accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions
------	--------	--------	--------	---------	--

Notes of the write-off the accounts receivable::

(4) Top 5 of the closing balance of the accounts receivable colleted according to the arrears party

Name	Relationship	Book balance	Aging	Proportion(%)
Great wall Automobile Co., Ltd.Tianjing Hafo Branch		52,947,735.75	Within 6 months	19.79%
Chongqing Changan Automobile Co., ltd.		19,545,806.15	Within 6 months	7.31%
Shenlong Qutomobile Co., Ltd.		27,415,995.87	Within 6 months	10.25%
China Beifang Vehicle Co., Ltd.		21,254,592.01	Within 6 months	7.94%
PSA(Peugeot) Company		26,355,856.60	Within 6 months	9.85%
Total		147,519,986.38		55.14%

(5) Account receivable which terminate the recognition owing to the transfer of the financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other notes:

6. Prepayments

(1) List by aging analysis:

In RMB

Aging	Closing balance		Opening balance	
	Amount	Proportion %	Amount	Proportion %
Within 1 year	16,618,310.51	96.43%	8,251,935.87	88.64%
1-2 years	236,598.11	1.37%	1,041,281.19	11.18%
2-3 years	8,859.80	0.05%	8,039.80	0.09%
Over 3 years	369,495.35	2.14%	8,370.00	0.09%
Total	17,233,263.77	--	9,309,626.86	--

Notes of the reasons of the prepayment ages over 1 year with significant amount but failed settled in time

(2) Top 5 of the closing balance of the prepayment collected according to the prepayment target

Name	Relationship	Book balance	Time	Reason
Chongqing Bangzhou Import & exporttrade Co., Ltd.	Supplier	2,532,441.17	Within 1 year	
Hardinge Machine Tool(Shanghai)Co., Ltd.	Supplier	503,552.50	Within 1 year	
Changqing Dichuan Technology Co.,Ltd.	Supplier	301,000.00	Within 1 year	
Mabosi (Shanghai)Trade Co., Ltd.	Supplier	211,706.25	Within 1 year	
Wuhan CoCinDa Mechanical and Electrical Equipment Co., Ltd.	Supplier	177,000.00	Within 1 year	
Total		3,725,699.92		

Other notes:

7. Interest receivable

(1) Category of interest receivable

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

(2) Significant overdue interest

Borrower	Closing balance	Overdue time	Reason	Whether occurred impairment and its judgment basis
----------	-----------------	--------------	--------	--

Other notes:

8. Dividend receivable**(1) Dividend receivable**

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

(2) Significant dividend receivable aged over 1 year

In RMB

Items	Closing balance	Aging	Reason	Whether occurred impairment and its judgment basis
-------	-----------------	-------	--------	--

Other notes:

9. Other accounts receivable**(1) Other accounts receivable disclosed by category**

In RMB

Category	Closing balance					Opening balance				
	Book balance		Bad debt provision		Book value	Book balance		Bad debt provision		Book value
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other receivables with provision for bad debt made on a portfolio with similar risk credit characteristics basis	168,459,774.51	100.00%	4,316,368.84	2.56%	164,143,405.67	262,146,013.26	99.85%	4,336,368.84	1.65%	257,809,644.42
Other receivables with insignificant single amount and provision for bad debt made on an						405,125.35	15.00%	405,125.35	100.00%	

individual basis										
Total	168,459, 774.51	100.00%	4,316,36 8.84	2.56%	164,143,4 05.67	262,551 ,138.61	100.00%	4,741,494 .19	1.81%	257,809,64 4.42

Other accounts receivable with significant single amount for which bad debt provision separately accrued at the period-end

Applicable Not applicable

In the groups, other accounts receivable adopting aging analysis method to accrue bad debt provision:

Applicable Not applicable

In RMB

Aging	Closing balance		
	Other receivables	Provision for bad debts	Proportion of provision (%)
Subitem within 1 year			
0-6 months	429,923,021.18		
6 months – withn 1 year	1,680,000.00	84,000.00	5.00%
Subtotal within 1 year	431,603,021.18	84,000.00	0.02%
1-2 years	13,950.24	1,395.02	10.00%
Over 3 years	4,234,208.59	4,230,973.82	99.92%
4-5 years	16,173.85	12,939.08	80.00%
Over 5 years	4,218,034.74	4,218,034.74	100.00%
Total	435,851,180.01	4,316,368.84	0.99%

Notes of the basis of recognizing the group:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to accrue bad debt provision:

Applicable Not applicable

(2) Accounts receivable withdraw, reversed or collected during the reporting period

The withdrawal amount of the bad debt provision during the reporting period was of RMB 0.00; the amount of the reversed or collected part during the reporting period was of RMB 000.

Of which the significant amount of the reversed or collected part during the reporting period

In RMB

Name	Reversed or collected amount	Method

(3) The actual write-off other accounts receivable

In RMB

Items	Amount

Of which the significant write-off other accounts receivable:

In RMB

Name	Nature	Amount	Reason	Process	Whether occurred from the related transactions

Notes of write-off other accounts receivable:

(4) Other accounts receivable classified by the nature of accounts

In RMB

Nature	Closing book balance	Opening book balance
Petty cash and borrowings with small amount	5,708,354.64	8,697,629.28
Margins and others	326,300.00	326,300.00
Fully provided provision for bad debts regarding long-term receivables and payables	4,218,034.74	4,218,034.74
Export rebates receivable	78,825.35	78,825.35
Current account	158,128,259.78	249,230,349.24
Total	168,459,774.51	262,551,138.61

(5) Top 5 of the closing balance of the other accounts receivable collected according to the arrears party

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable	Closing balance of bad debt provision

(6) Accounts receivable involved with government subsidies

In RMB

Name	Project of government	Opening balance	Closing balance	Estimated received time, amount and basis

- (7) Other account receivable which terminate the recognition owing to the transfer of the financial assets
 (8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Other notes:

10. Inventory

(1) Category of inventory

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for inventory impairment	Book value	Book balance	Provision for inventory impairment	Book value
Raw materials	45,274,698.11	4,618,914.59	40,655,783.52	59,287,827.35	4,618,914.59	54,668,912.76
Goods in progress	12,596,844.70		12,596,844.70	1,766,745.42		1,766,745.42
Stock goods				90,089,486.73	174,210.57	89,915,276.16
Turnover materials	101,065,872.90	174,210.57	100,891,662.33			
Total	158,937,415.71	4,793,125.16	154,144,290.55	151,144,059.50	4,793,125.16	146,350,934.34

(2) Falling price reserves of inventory

In RMB

Items	Opening balance	Increased amount		Decreased amount		Closing balance
		Withdrawal	Other	Reverse or write-off	Other	
Raw materials	4,618,914.59					4,618,914.59
Stock goods	174,210.57					
Turnover materials						174,210.57
Total	4,793,125.16					4,793,125.16

(3) Notes of the closing balance of the inventory which includes capitalized borrowing expenses

(4) Completed unsettled assets formed from the construction contact at the period-end

In RMB

Items	Amount
-------	--------

Other notes:

11. Assets divided as held-to-sold

In RMB

Items	Closing book value	Fair value	Estimated disposal expense	Estimated disposal time
-------	--------------------	------------	----------------------------	-------------------------

Other notes:

12. Non-current assets due within 1 year

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Other notes:

13. Other current assets

In RMB

Items	Closing balance	Opening balance
Overpaid tax for offsetting the future tax payable	1,291,816.53	5,430,548.06
Total	1,291,816.53	5,430,548.06

Other notes:

14. Available-for-sale financial assets

(1) List of available-for-sale financial assets

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Available-for-sale equity instruments	1,140,915.04	1,140,915.04		1,140,915.04	1,140,915.04	
Measured at cost	1,140,915.04	1,140,915.04		1,140,915.04	1,140,915.04	
Total	1,140,915.04	1,140,915.04		1,140,915.04	1,140,915.04	

(2) Available-for-sale financial assets measured by fair value at the period-end

In RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
---	---------------------------------------	--	--	-------

(3) Available-for-sale financial assets measured by cost at the period-end

In RMB

Investee	Book balance				Impairment provision				Shareholding proportion among the investees	Cash bonus of the reporting period
	Period-begin	Increase	Decrease	Period-end	Period-begin	Increase	Decrease	Period-end		
Ningbo Jianshe Motorcycle Manufacturing Co., Ltd.									51.00%	

(4) Changes of the impairment of the available-for-sale financial assets during the reporting period

In RMB

Category of the available-for-sale financial assets	Available-for-sale equity instruments	Available-for-sale liabilities instruments		Total
---	---------------------------------------	--	--	-------

(5) Relevant notes of the fair value of the available-for-sale equity instruments which seriously fell or temporarily fell but not withdrawn the impairment provision

Items of available-for-sale equity instruments	Investment cost	Fair value of the period-end	Falling range of the fair value against the cost	Continued falling time(month)	Withdrawn amount of impairment	Reason of not with drawn the impairment
--	-----------------	------------------------------	--	-------------------------------	--------------------------------	---

Other notes

15. Investment held-to-maturity**(1) List of investment held-to-maturity**

In RMB

Items	Closing balance			Opening balance		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value

(2) Significant held-to-maturity investment at the period-end

In RMB

Bond item	Par value	Norminal interest rate	Actual interest rate	Due date
-----------	-----------	------------------------	----------------------	----------

(3) Re-classified held-to-maturity investment during the reporting period

Other notes

16. Long-term accounts receivable**(1) List of long-term accounts receivable**

In RMB

Items	Closing balance			Opening balance			Discount rate range
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value	

(2) Long-term accounts receivable which terminate the recognition owing to the transfer of the financial assets

(3) The amount of the assets and liabilities formed by the transfer and the continues involvement of long-term accounts receivable

Other notes

17. Long-term equity investment

In RMB

Investees	Opening balance	Increase /decrease								Closing balance	Closing balance of impairment provision	
		Additional investment	Reduced investment	Gains and losses recognized under the equity method	Adjustment of other comprehensive income	Changes of other equity	Cash bonus or profits announced to issue	Withdrawal of impairment provision	Other			
I. Joint ventures												
Chongqing Pingshan TK	83,381,316.13			-2,183,563.30							81,197,752.83	

Carburettor Co., Ltd.											
Subtotal	83,381,31 6.13			-2,183,56 3.30						81,197,75 2.83	
II. Associates											
Total	83,381,31 6.13			-2,183,56 3.30						81,197,75 2.83	

Other notes

18. Investment property

(1) Investment property adopted the cost measurement mode

 Applicable Not applicable

(2) Investment property adopted fair value measurement mode

 Applicable Not applicable

(3) Details of investment property failed to accomplish certification of property

In RMB

Items	Book value	Reason
-------	------------	--------

Other notes

19. Fixed assets

(1) List of fixed assets

In RMB

Items	House and Buildings	Machinery equipment	Vehicles	Electronic and office equipment	Total
I. Original book value:					
1. Opening balance	220,860,967.06	570,104,727.83	8,924,256.63	14,390,721.93	814,280,673.45
2. Increased amount of the period		43,809,009.59		497,927.36	44,306,936.95
(1) Purchase				497,927.36	497,927.36
(2) Transfer of project under Construction		43,809,009.59			43,809,009.59
(3) Increased from enterprise					

merger					
3.Decreased amount of the period					
(1) Disposal or scrap					
4.Closing balance	220,860,967.06	613,913,737.42	8,924,256.63	14,888,649.29	858,587,610.40
II. Accumulative depreciation					
1.Opening balance	51,221,590.06	350,255,332.76	6,988,970.66	9,839,774.70	418,305,668.18
2.Increased amount of the period	3,482,750.52	12,166,925.26	261,428.70	538,212.03	16,449,316.51
(1) Withdrawal	3,482,750.52	12,166,925.26	261,428.70	538,212.03	16,449,316.51
3.Decreased amount of the period					
(1) Disposal or scrap					
4.Closing balance	54,704,340.58	362,422,258.02	7,250,399.36	10,377,986.73	434,754,984.69
III. Depreciation reserves					
1. Opening balance					
2.Increased amount of the period					
(1) Withdrawal					
3.Decreased amount of the period					
(1) Disposal or scrap					
4.Closing balance					

IV. Book Value					
1. Closing book value	166,156,626.48	251,491,479.40	1,673,857.27	4,510,662.56	423,832,625.71
2. Opening book value	169,639,377.00	219,849,395.07	1,935,285.97	4,550,947.23	395,975,005.27

(2) List of temporarily idle fixed assets

In RMB

Items	Original book value	Accumulative depreciation	Impairment provision	Book value	Notes
-------	---------------------	---------------------------	----------------------	------------	-------

(3) Fixed assets leased in from financing lease

In RMB

Items	Original book value	Accumulative depreciation	Impairment provision	Book value
-------	---------------------	---------------------------	----------------------	------------

(4) Fixed assets leased out from operation lease

In RMB

Items	Closing book value
-------	--------------------

(5) Details of fixed assets failed to accomplish certification of property

In RMB

Items	Book value	Reason
Houses and buildings	317,484,743.26	The formalities are handled with the relevant authorities

Other notes

20. Construction in progress

(1) List of construction in progress

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Replacement of equipment	12,911,031.74		12,911,031.74	40,366,114.52		40,366,114.52
Civil engineering	186,377.38		186,377.38	69,315.38		69,315.38

Total	13,097,409.12		13,097,409.12	40,435,429.90		40,435,429.90
-------	---------------	--	---------------	---------------	--	---------------

(2) Changes of significant construction in progress

In RMB

Name of items	Estimated number	Opening balance	Increase d amount of the period	Amount that transferred to fixed assets of the period	Other decrease d amount of the period	Closing balance	Proporti on estimate d of the project accumul ative input	Project progress	Accumul ative amount of capitaliz ed interests	Of which: The amount of the capitaliz ed interests of the period	Capitaliz ation rate of the interests of the period	Capital resources
Capacity expansion of air-conditioner		40,366,14.52	16,353,926.81	43,809,009.59		12,911,031.74						Loans of financial institutions
Anechoic chamber												Loans of financial institutions
Decorative renovation engineering of office building												Loans of financial institutions
Replacement of technical transformation of a small amount of equipment												Loans of financial institutions
Other		69,315.38	117,062.00			186,377.38						Loans of financial institutions

												ns
Total		40,435,429.90	16,470,988.81	43,809,009.59		13,097,409.12	--	--				

(3) List of the withdrawal of the impairment provision of the construction in progress

In RMB

Items	Withdrawn amount	Reason
-------	------------------	--------

Other notes

21. Engineering material

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Other notes:

22. Liquidation of fixed assets

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Other notes:

23. Productive biological assets

(1) Productive biological assets measured at cost methods

 Applicable Not applicable

(2) Productive biological assets measured at fair value

 Applicable Not applicable**24. Oil and gas assets** Applicable Inapplicable**25. Intangible assets**

(1) Information

In RMB

Items	Land use right	Patent	Non-patents		Total
I. Total original book value					

1. Opening balance	36,670,885.45				36,670,885.45
2. Increase in the reporting period					
(1) Purchase					
(2) Internal R&D					
(3) Increase from enterprise combination					
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance	36,670,885.45				36,670,885.45
II. Total accrued amortization					
1. Opening balance	8,400,491.82				8,400,491.82
2. Increased in the reporting period	365,184.06				365,184.06
(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					
4. Closing balance	8,765,675.88				8,765,675.88
III. Impairment provision					
1. Opening balance					
2. Increases in the reporting period					
(1) Withdrawal					
3. Decrease in the reporting period					
(1) Disposal					

4. Closing balance					
IV. Book value					
1. Book value of the period-end	27,905,209.57				27,905,209.57
2. Book value of the period-begin	28,270,393.63				28,270,393.63

The proportion the intangible assets formed from the internal R&D through the Company amount the balance of the intangible assets at the period-end.

(2) Details of fixed assets failed to accomplish certification of land use right

In RMB

Items	Book value	Reason
-------	------------	--------

Other notes:

26. R&D expenses

In RMB

Items	Opening balance	Increase			Decrease			Closing balance
Expenditures at the research phase of automobile air-condition		5,147,997.85				5,147,997.85		
Development of motorcycle and engine		69,633.96				69,633.96		
Total		5,217,631.81				5,217,631.81		

Other notes

27. Goodwill

(1) Original book value of goodwill

In RMB

Name of the investees or the events formed goodwill	Opening balance	Increase		Decrease		Closing balance

(2) Goodwill Impairment provision

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
-------	-----------------	----------	----------	-----------------

Notes of the testing process of goodwill impairment, parameters and the recognition method of goodwill impairment losses:

Other notes

28. Long-term unamortized expenses

In RMB

Items	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Casting Mould					
83 Aluminum machine entry fee	3,345,497.21		691,705.00		2,653,792.21
Fixed asset repair expenditure					
96 Aluminum machine technology transfer fee	580,594.64		35,546.60		545,048.04
Total	3,926,091.85		727,251.60		3,198,840.25

Other notes

29. Deferred income tax assets/deferred income tax liabilities

(1) Deferred income tax assets had not been off-set

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	12,130,956.41	1,784,393.31	12,130,956.41	1,819,643.46
Total	12,130,956.41	1,784,393.31	12,130,956.41	1,819,643.46

(2) Deferred income tax liabilities had not been off-set

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

	Deductible temporary difference	Deferred income tax liabilities	Deductible temporary difference	Deferred income tax liabilities
--	---------------------------------	---------------------------------	---------------------------------	---------------------------------

(3) Deferred income tax assets or liabilities listed by net amount after off-set

In RMB

Items	Mutual set-off amount of deferred income tax assets and liabilities at the period-end	Amount of deferred income tax assets or liabilities after off-set at the period-end	Mutual set-off amount of deferred income tax assets and liabilities at the period-begin	Amount of deferred income tax assets or liabilities after off-set at the period-begin
Deferred income tax		1,784,393.31		1,819,643.46

(4) List of unrecognized deferred income tax assets

In RMB

Items	Closing amount	Opening amount
Deductible temporary difference	12,130,956.41	13,067,516.83
Deductible losses	521,367,078.98	521,367,078.98
Total	533,498,035.39	534,434,595.81

(5) Deductible losses of unrecognized deferred income tax assets will due the following years

In RMB

Year	Closing balance	Opening balance	Notes
2015			
2016	192,548,500.65	192,548,500.65	
2017	197,428,928.73	197,428,928.73	
2018	25,332,418.05	25,332,418.05	
2019	98,496,222.54	98,496,222.54	
2020	7,561,009.01	7,561,009.01	
Total	521,367,078.98	521,367,078.98	--

Other notes:

30. Other non-current assets

In RMB

Items	Closing balance	Opening balance
Advance purchase of long-term assets	16,787,279.08	10,478,525.70
Total	16,787,279.08	10,478,525.70

Other notes:

31. Short-term loans

(1) Category of short-term loans

In RMB

Items	Closing balance	Opening balance
Mortgage loan	5,000,000.00	5,000,000.00
Guarantee loan	207,000,000.00	187,000,000.00
Credit loan		25,000,000.00
Total	212,000,000.00	217,000,000.00

Notes of short-term loans category

(2) List of the short-term loans overdue but not return

The total amount of the overdue but not return short-term borrowings at the period-end was of RMB 000, of which the situation of the significant overdue but not return short-term borrowings as follows:

In RMB

Borrower	Closing balance	Borrowing rate	Overdue time	Overdue rate

Other notes:

32. Financial liabilities measured by fair value and the changes included in the current gains and losses

In RMB

Items	Closing balance	Opening balance

Other notes:

33. Derivative financial liabilities

Applicable Inapplicable

34. Notes payable

In RMB

Items	Closing balance	Opening balance
Bank acceptance bill	748,561,150.00	760,555,000.00
Total	748,561,150.00	760,555,000.00

The total amount of the due but not pay notes payable at the period-end was of RMB 000.

35. Accounts payable**(1) List of accounts payable**

In RMB

Items	Closing balance	Opening balance
Within 1 year	177,626,045.61	58,162,616.22
1-2 years	28,702,913.59	10,752,626.36
2-3 years	2,213,879.39	3,048,897.69
Over 3 years	4,053,961.24	3,921,185.56
Total	212,596,799.83	75,885,325.83

(2) Notes of the accounts payable aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

Other notes:

36. Advance from customers**(1) List of advance from customers**

In RMB

Items	Closing balance	Opening balance
Within 1 year	2,935,600.19	1,178,699.81
1-2 years	76,766.60	76,766.60
2-3 years	20,950.10	20,950.10
Over 3 years	124,903.46	124,903.46
Total	3,158,220.35	1,401,319.97

(2) Significant advance from customers aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

(3) Particulars of settled but unfinished projects formed by construction contract at period-end.

In RMB

Items	Amount

Other notes:

37. Payroll payable

(1) List of Payroll payable

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Short-term compensation	1,512,042.07	30,536,504.46	30,603,019.51	1,445,527.02
Post-employment benefits - defined contribution plans	142,455.87	3,899,143.67	3,371,505.56	670,093.98
Dismissal welfare		881,438.60	881,438.60	
Total	1,654,497.94	35,317,086.73	34,855,963.67	2,115,621.00

(2) List of Short-term salary

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
(1) Salary, bonus, allowance and subsidy	573,666.05	23,203,622.52	23,127,049.60	650,238.97
(2) Employee benefits		3,321,243.24	3,196,453.18	124,790.06
(3) Social insurance expenses	641,203.70	960,072.41	1,528,350.79	72,925.32
Including: medical insurance premium	638,649.12	736,539.19	1,343,121.84	32,066.47
Work-related injury insurance premium	1,759.24	149,014.27	123,658.86	27,114.65
Maternity insurance premium	795.34	74,518.95	61,570.09	13,744.20
(4) Housing fund	238,286.00	2,448,759.00	2,290,255.00	396,790.00
(5) Labor union expenditures and employee education expenses	42,766.32	493,430.29	335,413.94	200,782.67
(7) short-term profit-sharing plan	16,120.00	109,377.00	125,497.00	
Total	1,512,042.07	30,536,504.46	30,603,019.51	1,445,527.02

(3) List of drawing scheme

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
-------	-----------------	----------	----------	-----------------

Basic endowment insurance premium	82,937.51	3,627,320.71	3,205,846.33	504,411.89
Unemployment insurance premium	59,518.36	271,822.96	165,659.23	165,682.09
Total	142,455.87	3,899,143.67	3,371,505.56	670,093.98

Other notes:

38. Taxes payable

In RMB

Items	Closing balance	Opening balance
VAT	663,399.66	86,828.08
Business tax	339,682.43	444,503.71
Individual income tax	1,124,161.96	1,150,666.94
Urban maintenance and construction tax	3,419,642.10	3,297,977.21
Educational surtax	2,418,218.59	2,107,282.74
property tax	5,083,536.40	4,327,900.64
Land royalties	1,808,215.20	1,808,215.20
Other taxes and surcharges	4,730,328.87	3,634,268.37
Total	19,587,185.21	16,857,642.89

Other notes:

39. Interest payable

In RMB

Items	Closing balance	Opening balance

Particulars of significant overdue unpaid interest:

In RMB

Unit	Overdue amount	Overdue reason

Other notes:

40. Dividends payable

In RMB

Items	Closing balance	Unpaid/un-carry-over reason

Note: Including significant unpaid dividends payable over one year, the unpaid reason shall be disclosed:

41. Other accounts payable**(1) Other accounts payable listed by nature of the account**

In RMB

Items	Closing balance	Unpaid/un-carry-over reason
Within 1 year	9,274,108.45	13,157,054.05
1-2 years	680,701.88	557,016.70
2-3 years	1,673,143.54	1,500,583.22
Over 3 years	1,707,352.92	1,659,672.56
Total	13,335,306.79	16,874,326.53

(2) Other significant accounts payable with aging over one year

In RMB

Items	Closing balance	Unpaid/un-carry-over reason
Ningbo Shenjiang Technology Joint Stock Limited Company	1,000,000.00	
Total	1,000,000.00	--

Other notes:

42. Liabilities classified as holding for sale

In RMB

Items	Closing balance	Opening balance

Other notes:

43. Non-current liabilities due within 1 year

In RMB

Items	Closing balance	Opening balance
Long-term loans due within 1 year	11,100,000.00	75,000,000.00
Total	11,100,000.00	75,000,000.00

Other notes:

44. Other current-liabilities

In RMB

Items	Closing balance	Opening balance

Changes on short term bonds payable:

In RMB

Name of the bond	Book value	Issue date	period	Issue amount	Opening balance	The current issue	Withdraw interest at par	Overflow discount amortization	Pay in current period		Closing balance

Other notes:

45. Long-term loan

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance
	77,890,000.00	128,490,000.00
Total	77,890,000.00	128,490,000.00

Notes :

Other notes, including interest rate range:

46. Bonds payable

(1) Bonds payable

In RMB

Items	Closing balance	Opening balance

(2) Changes on bonds payable (not including other financial instrument classified as preferred stock and perpetual capital securities of financial liabilities)

(3) Note to conditions and time of share transfer of convertible bonds

(4) Note to other financial instrument classified as financial liabilities

Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

In RMB

Financial instruments outstanding issued	Opening period		Increase		Decrease		Closing period	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Notes to the basis of other financial instrument classified as financial liabilities

Other notes:

47. Long-term payable

(1) Long-term payable listed by nature of the account

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Other notes:

48. Long term payroll payable

(1) List of long term payroll payable

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

(2) Changes of defined benefit plans

Present worth of defined benefit plans obligation:

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
-------	----------------------------	-----------------------------

Plan assets:

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
-------	----------------------------	-----------------------------

Net liabilities (net assets) of defined benefit plans

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
-------	----------------------------	-----------------------------

Notes to the influence of the content and related risk of defined benefit plans to the future cash flows, time and uncertainty of the Company:

Notes to analysis results of major actuarial assumptions and sensibility of defined benefit plans

Other notes:

49. Special payable

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Formation reasons
-------	-----------------	----------	----------	-----------------	-------------------

Other notes:

50. Accrued liabilities

In RMB

Items	Closing balance	Opening balance	Formation reasons
-------	-----------------	-----------------	-------------------

Other notes, including related important assumptions and estimates of accrued liabilities:

51. Deferred income

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Formation reasons
-------	-----------------	----------	----------	-----------------	-------------------

Items involved in government subsidies::

In RMB

Items	Opening balance	Amount of newly subsidy	Amount accrued in non-business	Other changes	Closing balance	Related to the assets/income
-------	-----------------	-------------------------	--------------------------------	---------------	-----------------	------------------------------

Other notes:

52. Other non-current liabilities

In RMB

Items	Closing balance	Opening balance
-------	-----------------	-----------------

Other notes:

53. Share capital

In RMB

	Opening balance	Increase ("+") /decrease ("-") for the current year					Closing balance
		Issuance of new shares	Share donation	Share converted from public reserve funds	Others	Sub-total	
Total shares	119,375,000.00	0.00	0.00	0.00	0.00	0.00	119,375,000.00

Other notes:

Remark: On December 10, 2015, the company the original controlling shareholder Military Equipment Group and Chongqing Jianshe mechanical and electrical Co. Ltd. (hereinafter referred to as the "Jianshe mechanical and electrical") signed the free transfer of shares agreement, Military Equipment Group transfers 71.13% equity, which is 84,906,250 state-owned legal-person shareholder shares, to construction of mechanical and electrical for free. These transfer was approved on December 25, 2015 by the state-owned assets supervision and administration commission of the state council, the reply of Military Equipment Group transfer the stake of Jianshe mechanical and electrical for free, (APR [2015] no.1324). January 26, 2016, the China securities regulatory commission for approval exemption from the obligation of Jianshe mechanical and electrical offer the acquisition of Chongqing Jianshe motorcycle. "(regulatory permission [2016] no. 2016), the approval exemption Jianshe mechanical and electrical for the state-owned assets administrative transfer shares held the company should be to perform its obligation of making a takeover bid. On March 4, 2016, the company received <Securities registration confirmation> from the Shenzhen Branch of China securities depository and clearing Co., Ltd. The transformation was completed on March 2, 2016 by Shenzhen branch of China securities registration and clearing Co., Ltd. The Jianshe of mechanical and electrical become the controlling shareholder of the company.

54. Other equity instruments

(1) Basic information of preferred stock, perpetual capital securities and other financial instruments outstanding

issued at period-end (2) Change list of preferred stock, perpetual capital securities and other financial instruments outstanding issued at period-end

In RMB

Financial instruments outstanding issued	Opening balance		Increase		Decrease		Closing balance	
	Amount	Book value	Amount	Book value	Amount	Book value	Amount	Book value

Changes, reason of change and basis of relevant accounting treatment of other equity instruments in reporting period:

Notes:

55. Capital reserves

In : RMB

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium	344,407,741.07			344,407,741.07
Other capital reserves	614,157,553.22			614,157,553.22
Total	958,575,094.29			958,575,094.29

Other notes, including changes and reason of change:

56. Treasury stock

In RMB

Items	Opening balance	Increase	Decrease	Closing balance

Other notes, including changes and reason of change:

57. Other comprehensive income

In RMB

Items	Opening balance	Reporting period					Closing balance
		Amount incurred before income tax	Less: Amount transferred into profit and loss in the current period that recognized into other comprehensive income in prior period	Less: Income tax expenses	After-tax attribute to the parent company	After-tax attribute to minority shareholder	

Other notes, including the adjustment of the recognition of initial amount of effective part of the cash flow

hedging gains and losses transfer into arbitrated items:

58. Special reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
-------	-----------------	----------	----------	-----------------

Other notes, including changes and reason of change:

59. Surplus reserves

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	56,724,000.00			56,724,000.00
Discretionary surplus reserves	68,962,000.00			68,962,000.00
Total	125,686,000.00			125,686,000.00

Other note, including changes and reason of change

60. Retained profits

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Opening balance of retained profits before adjustments	-947,520,008.78	-1,188,255,120.98
Opening balance of retained profits after adjustments	-947,520,008.78	-1,188,255,120.98
Add: Net profit attributable to owners of the Parent company	8,502,845.42	-70,888,688.67
Closing retained profits	-939,017,163.36	-1,259,143,809.65

List of adjustment of opening retained profits:

- 1) RMB 000 opening retained profits was affected by retrospective adjustment conducted according to the Accounting Standards for Business Enterprises and relevant new regulations.
- 2) RMB 000 opening retained profits was affected by changes on accounting policies.
- 3) RMB 000 opening retained profits was affected by correction of significant accounting errors.
- 4) RMB 000 opening retained profits was affected by changes in combination scope arising from same control.
- 5) RMB 000 opening retained profits was affected totally by other adjustments.

61. Revenue and Cost of Sales

In RMB

Items	Amount of the Current Term		Amount of the Previous Term	
	Income	Cost	Income	Cost
Main business	426,970,591.77	355,926,496.01	679,961,831.35	600,424,531.70
Other business	41,206,700.11	38,525,651.32	39,693,871.12	35,687,587.10
Total	468,177,291.88	394,452,147.33	719,655,702.47	636,112,118.80

62. Business tax and surcharges

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Business tax	77,605.24	135,173.28
Urban maintenance and construction tax	927,815.98	935,057.56
Educational surtax	494,062.79	666,801.84
Total	1,499,484.01	1,737,032.68

Other notes:

63. Sales expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Employee compensation payable	1,990,950.83	9,372,264.70
Depreciation costs	32,025.64	844,807.30
Office costs	123,985.01	985,191.01
Loading and unloading expenses	13,646.99	204,948.28
Transportation cost	3,672,205.43	7,846,195.22
Insurance premium	35,884.13	-212,713.27
Operating funds	10,205.80	97,263.71
Exhibition fees	32,715.57	557,160.43
Advertising expenses	26,600.00	154,830.13
Travel expenses	636,794.69	2,269,211.05
Sale service fees	794,896.71	9,424,008.92
Repair charges	3,244,922.22	3,738,168.57
Warehousing custodian fees	1,342,686.29	3,178,861.28
Other expenses	333,884.93	1,864,572.51

Total a	12,291,404.24	40,324,769.84
---------	---------------	---------------

Other notes:

64. Administrative expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Employee compensation payable	15,276,005.52	27,897,625.54
Depreciation costs	2,169,131.93	4,288,298.87
Office costs	570,834.88	646,878.74
Water and electric charge		328,348.25
Travel expenses	309,697.62	664,302.44
Transportation cost	45,211.30	427,930.39
Insurance premium	5,398.59	47,193.72
Repair charges	723,998.55	4,316,775.28
Consumption of goods and materials	328,172.92	414,597.54
Technological development expenses	5,275,038.66	13,459,265.75
Technological transfer fees	1,284,863.67	1,218,036.48
Taxes	2,062,876.53	
Amortization of intangible assets	365,184.06	7,623,334.68
Entertainment expenses	162,536.00	1,164,649.57
Conference fees	86,094.22	97,265.34
Intermediary service expenses	738,601.23	921,018.01
Board meeting fees	39,499.88	219,532.43
Other	7,001,809.46	7,813,551.08
Total	36,444,955.02	71,548,604.11

Other notes:

65. Financial expenses

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Interest expenses	17,843,846.03	52,917,339.47
Less: Interest income	2,464,248.32	3,765,077.71
Gains or losses on exchange	-115,884.16	-340,415.07
Other	757,378.85	3,116,982.07

Total	16,021,092.40	51,928,828.76
-------	---------------	---------------

Other notes:

66. Asset impairment loss

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
I. Bad debt loss	-255,000.99	24,379.77
Total	-255,000.99	24,379.77

Other notes:

67. Gains on the changes in the fair value

In RMB

Source	Amount of the Current Term	Amount of the Previous Term

Other notes

68. Investment income

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Long-term equity investment income calculated by equity method	1,216,436.70	11,722,758.01
Total	1,216,436.70	11,722,758.01

Other notes:

69. Non-operating gains

In RMB

Items	Amount of the Current Term	Amount of the Previous Term	Recorded in the amount of the non-recurring gains and losses
Government subsidy	449,200.00	945,400.00	
Other	10,309.47	296,923.98	
Total	459,509.47	1,242,323.98	

Government subsidies recorded into current profits and losses:

In RMB

Items	Issuing body	Issuing Reason	Nature	Whether the impact of subsidies on	Whether special subsidies	Amount of current	Amount of previous	Assets-related/income-related

				the current profit and loss		period	period	
Recruitment subsidy of Humanreso urce and social bureau industrial enterprises							200.00	Related to income
The funds for international market development							270,000.00	Related to income
Industrial supporting funds						449,200.00	616,400.00	Related to income
Special funds of foreign trade and economic development							58,800.00	Related to income
Other								
Total	--	--	--	--	--	449,200.00	945,400.00	--

Other notes:

70. Non-operational expenditures

In RMB

Items	Amount of the Current Term	Amount of the Previous Term	Carried to current contingent gain/loss
Loss on disposal of non-current assets		18,231.69	
Including: Loss on disposal of fixed assets		18,231.69	
Other	318,470.87	350,233.87	
Total	318,470.87	368,465.56	

Other notes:

71. Income tax expense

(1) Lists of income tax expense

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Current income tax expense	300,493.66	1,335,610.09
Total	300,493.66	1,335,610.09

(2) Adjustment process of accounting profit and income tax expense

In RMB

Items	June 30, 2016
Total profit	9,080,685.17
Income tax expenses	300,493.66

Other notes

72. Other comprehensive income

Refer to the notes

73. Supplementary information to cash flow statement

(1) Other cash received relevant to operating activities

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Interest income	2,177,892.38	1,989,967.71
Other	2,394,286.13	2,596,691.57
Total	4,572,178.51	4,586,659.28

Other notes:

(2) Other cash paid related to operation

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Operation fees such as freight, warehousing fees	4,032,335.96	12,324,768.61
Administrative expenses such as office expenses and traveling expenses	3,662,631.23	6,509,743.09
Others	1,593,360.76	8,512,591.88

Total	9,288,327.95	27,347,103.58
-------	--------------	---------------

Statement on other cash paid related to operation

(3) Other cash received related to investment

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
-------	----------------------------	-----------------------------

Statement on other cash received related to investment

(4) Other cash paid related to investment

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
-------	----------------------------	-----------------------------

Statement on other cash paid related to investment

(5) Other cash received related to financing

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Financial note discount received	1,338,108,850.64	778,707,557.01
Total	1,338,108,850.64	778,707,557.01

Statement on other cash received related to financing

(6) Other cash paid relevant to financing activities

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
Payment of due financing notes	1,051,057,474.94	475,011,000.00
Decrease of note deposit	38,416,143.30	47,503,703.95
Total	1,089,473,618.24	522,514,703.95

Other notes:

74. Supplementary information to cash flow statement

(1) Information of net profit to net cash flows generated from operating activities

In RMB

Items	Amount of the Current Term	Amount of the Previous Term
1. Net profit adjusted to cash flows from operating activities	--	--
Net profits	8,780,191.51	-70,759,025.16

Add: Provision for assets impairment	-255,000.99	24,379.77
Depreciation of fixed assets, oil and gas assets and consumable biological assets	16,439,201.10	33,443,967.73
Amortization of intangible assets	365,184.06	7,623,334.68
Amortization of Long-term deferred expenses	727,251.60	1,913,948.97
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets		18,231.69
Financial expenses ("- " for income)	16,021,092.40	47,258,828.76
Investments losses ("- " for gains)	-1,216,436.70	-11,722,758.01
Decreases in inventories ("- " for increases)	-7,793,356.21	-2,475,256.76
Decreases in operating payables ("- " for increases)	53,946,293.67	28,732,283.15
Increases in operating payables ("- " for decreases)	-25,074,682.65	-1,596,191.76
Net cash flows from operating activities	61,939,737.79	32,461,743.06
2. Investing and financing activities that do not involving cash receipts and payment:	--	--
3. Net increase in cash and cash equivalents	--	--
Closing balance of cash	116,473,397.62	33,855,181.33
Less: Opening balance of cash	23,643,515.81	35,555,585.06
Net increase in cash and cash equivalents	92,829,881.81	-1,700,403.73

(2) Net Cash paid of obtaining the subsidiary

In RMB

	Amount
Of which	--
Of which	--
Of which	--

Notes:

(3) Net Cash receive of disposal of the subsidiary

In RMB

	Amount
Of which	--
Of which	--
Of which	--

Notes:

(4) Cash and cash equivalents

In RMB

Items	Closing balance	Opening balance
I.Cash	116,473,397.62	23,643,515.81
Including : Cash on hand	49,452.77	70,909.87
Bank deposit on demand	116,373,944.85	23,572,605.94
III. Closing balance of cash and cash equivalents	116,473,397.62	23,643,515.81

Notes:**75. Note of statement of changes in the owner's equity**

Explain "other" project name and adjustment amount of the adjustment of closing balance in previous year, etc.:

76. The assets with the ownership or use right restricted

In RMB

Items	Closing book value	Restricted reason
Monetary capital	240,601,099.64	Provide a guarantee for issuance of bank acceptance bills
Total	240,601,099.64	--

Notes:**77. Foreign currency monetary items**

(1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Including :USD	452.03	6.4928	2,934.94

Notes:

(2) Note to oversea entities including: for significant oversea entities, shall disclose main operating place, recording currency and selection basis, if there are changes into recording currency, shall also disclose the reason.

Applicable Not applicable

78. Arbitrage

Arbitrage According to arbitrage category to disclose arbitrage item, relevant arbitrage tools and the arbitrated risk qualitative and quantitative information:

79. Other**VIII. Changes of merge scope****1. Business merger not under same control****(1) Business merger not under same control in reporting period**

In RMB

Name	Time and place of gaining the stock right	Cost of gaining the stock rights	Proportion of stock rights	Way to gain the stock rights	Prurchase date	Recognition basis of purchase date	Income of acquiree during the purchase date to period-end	Net profits of acquiree during the purchase date to period-end

Other notes:

(2) Combined cost and goodwill

In RMB

Combined cost	
---------------	--

Notes to determination method, consideration and changes of fair value of combined cost:

The main formation reason for the large goodwill:

Other notes:

(3) The identifiable assets and liabilities of acquiree at purchase date

In RMB

	Fair value on purchase date	Book value on purchase date

The recognition method of the fair value of identifiable assets and liabilities

Contingent liability of acquiree undertaken by business merger

Other notes:

(4) The profit or loss from equity held by the date before acquisition in accordance with the fair value measured again、

Whether there is a transaction that through multiple transaction step by step to realize enterprises merger and gaining the control during the reorting period

Yes No

(5) Note to merger could not be determined reasonable consideration or Identifiable assets, Fair value of liabilities of the acquiree at acquisition date or closing period of the merge

(6) Other notes:

2. Business combination under the same control

(1) Business combination under the same control during the reporting period

In RMB

Name	Proportion of the profits	Basis	Combination date	Recognition basis of combination date	Income from the period-begin to the combination date of the combination	Net profits from the reporting period to the combination date of the combination	Income during the period of comparison	Net profits during the period of comparison

Notes:

(2) Combination cost

In RMB

Combination cost	
------------------	--

Notes to contingent consideration or other changes:

Other notes:

In RMB

	Combination date	Last closing period

Contingent liabilities of the combined party undertaken in combination

Other notes:

3. Counter purchase

Basic information of trading, the basis of transactions constitute counter purchase, the retain assets , liabilities of the listed companies whether constituted a business and its basis, the determination of the combination costs, the amount and calculation of adjusted rights and interests in accordance with the equity transaction process.

4. The disposal of subsidiary

Whether there is a single disposal of the investment to subsidiary and lost control

Yes No

Whether there are multiple transactions step by step dispose the investment to subsidiary and lost control in reporting period

Yes No

5. Other reasons for the changes in combination scope

Notes to reasons for the changes in combination scope (Newly established subsidiary and subsidiary of liquidation) and relevant information:

6. Other

IX. Equity in other entities

1. Equity in subsidiary

(1) The structure of the enterprise group

Name	Main operating place	Registration place	Nature of business	Proportion of shareholding		Way of gaining
				Directly	Indirectly	
Air Conditioner Co.	Chongqing	Chongqing	Production and sale of automotive air-conditioners	100.00%		Investment
Shanghai Jianshe Motorcycle	Shanghai	Shanghai	Domestic sales of motorcycles and the relevant accessories	51.00%		Business combination under common control

Notes: holding proportion in subsidiary different from voting proportion:

Basis of holding half or less voting rights but still been controlled investee and holding more than half of the voting rights not been controlled investee:

Significant structure entities and controlling basis in the scope of combination:

Basis of determine whether the Company is the agent or the principal:

Other notes:

(2) Significant not wholly owned subsidiary

In RMB

Name	Shareholding proportion of minority shareholder	The profits and losses arbitrate to the minority shareholders	Declaring dividends distribute to minority shareholder	Balance of minority shareholder at closing period
Shanghai Jianshe Motorcycle Co., Ltd.	49.00%			

Holding proportion of minority shareholder in subsidiary different from voting proportion:

Other notes:

(3) The main financial information of significant not wholly owned subsidiary

In RMB

Name	Closing balance						Opening balance					
	Current assets	Non-current assets	Total assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Current assets	Non-current assets	Total assets	Current Liabilities	Non-current Liabilities	Total Liabilities
Shanghai Jianshe Motorcycle Co., Ltd.	11,472,019.94	7,714,014.69	19,186,034.63	17,024,853.29		17,024,853.29	8,774,355.60	7,988,928.55	16,763,284.15	15,168,115.23		15,168,115.23

In RMB

Name	June 30, 2016				June 30, 2015			
	Operation revenue	Net profit	Total comprehensive income	Operating cash flow	Operation revenue	Net profit	Total comprehensive income	Operating cash flow
Shanghai Jianshe Motorcycle Co., Ltd.	7,505,633.73	566,012.42	566,012.42	1,754,089.07	7,548,232.74	264,619.41	264,619.41	869,848.00

Other notes:

(4) Significant restrictions of using enterprise group assets and pay off enterprise group debt

(5) Provide financial support or other support for structure entities incorporate into the scope of consolidated financial statements

Other notes:

2. The transaction of the Company with its owner's equity share changed but still controlling the subsidiary

(1) Note to owner's equity share changed in subsidiary

(2) The transaction's influence to equity of minority shareholders and attributable to the owner's equity of the parent company

In RMB

--	--

Other notes

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name of joint venture or associate	Domicile of primary operation	Registered place	Business nature	Shareholding ratio (%)		Accounting treatment methods for the investments in joint ventures or associates
				Directly	Indirectly	
Chongqing Pingshan TK Carburettor Co., Ltd.	Chongqing	Chongqing	Production and sales of motorcycles and the relevant accessories	49.00%		Equity method

Notes to holding proportion of joint venture or associated enterprise different from voting proportion:

Basis of holding less than 20% of the voting rights but has a significant impact or holding 20% or more voting rights but does not have a significant impact:

(2) Major joint ventures and associates

In RMB

	Closing balance/June 30, 2016	Opening balance/June 30, 2015
	Chongqing Pingshan Taikai	Chongqing Jianshe*yamaha
Current assets	160,614,325.51	164,628,842.24
Including: Cash and cash equivalents	102,589,181.55	97,262,431.46
Not-current assets	25,508,048.10	27,061,331.37
Total assets	186,122,373.61	191,690,173.61
Current Liabilities	20,502,330.42	21,524,222.37
Non-Current Liabilities		0.00
Total Liabilities	20,502,330.42	21,524,222.37
Equity attributable to the shareholders of	165,620,043.19	164,683,577.62

parent company		
Shares in net assets calculated according to the shareholding ratios	81,153,821.16	80,694,953.05
The fair values of equity investments in joint ventures with a public offer	81,197,752.83	83,381,316.13
Operating income	60,652,899.25	59,051,666.78
Financial expenses	-724,443.07	-1,148,019.36
Income tax expenses	557,822.50	601,274.45
Net profit	2,482,523.87	1,943,489.27
Total comprehensive income	2,482,523.87	1,943,489.27
Dividends received from joint ventures for the current year	3,400,000.00	2,000,000.00

Other notes

(3) Main financial information of significant associated enterprise

In RMB

	Closing balance/June 30, 2016	Opening balance/June 30, 2015

Other notes

(4) Summary financial information of insignificant joint venture or associated enterprise

In RMB

	Closing balance/June 30, 2016	Opening balance/June 30, 2015
Joint venture:	--	--
The total of following items according to the shareholding proportions	--	--
Associated enterprise:	--	--
The total of following items according to the shareholding proportions	--	--

Other notes:

(5) Note to the significant restrictions of the ability of joint venture or associated enterprise transfer funds to the Company

(6) The excess loss of joint venture or associated enterprise

In RMB

Name	The cumulative recognized	The derecognized losses or the	The noncumulative

	losses in previous accumulatively derecognized	share of net profit in reporting period	unrecognized losses in reporting period
--	---	--	--

Other notes:

(7) The unrecognized commitment related to joint venture investment

(8) Contingent liabilities related to joint venture or associated enterprise investment

4. Significant common operation

Name	Main operating place registration place	Registration place	Business nature	Proportion /share portion	
				Directly	Indirectly

Note to holding proportion or share portion in common operation different from voting proportion:

Basis of common operation as a single entity, classify as common operation Other notes:

Other notes

5. Equity of structure entity not including in the scope of consolidated financial statements

Related notes to structure entity not including in the scope of consolidated financial statements

6. Other

X. The risk related financial instruments

XI. The disclosure of the fair value

1. Closing fair value of assets and liabilities calculated by fair value

In RMB

Items	Closing fair value			
	Fair value measurement items at level 1	Fair value measurement items at level 2	Fair value measurement items at level 3	Total
I. Consistent fair value measurement	--	--	--	--
II Inconsistent fair valuemeasument	--	--	--	--

2. Market price recognition basis for consistent and inconsistent fair value measurement items at level 1
3. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 2
4. Valuation technique adopted and nature and amount determination of important parameters for consistent and inconsistent fair value measurement items at level 3
5. Sensitiveness analysis on unobservable parameters and adjustment information between opening and closing book value of consistent fair value measurement items at level 3
6. Explain the reason for conversion and the policy governing when the conversion happens if conversion happens among consistent fair value measurement items at different levels
7. Changes in the valuation technique in the current period and the reason for change
8. Fair value of financial assets and liabilities not measured at fair value
9. Other

XII. Related party and related Transaction

1. Information related to parent company of the Company

Name of the parent company	Registered place	Business nature	Registered capital	Shareholding ratio in the Company (%)	Voting ratio in the Company (%)
chongqing construction mechanical and electrical Co. Ltd.	Chongqing	Production and sales of motorcycles and parts	180.30 million	71.13%	71.13%

Remark: after the restructuring, the shareholder changes to Jianshe mechanical and electrical., CSGS is still the actual controllers which has not be changed, and the ultimate controller of the Company is The State-owned Assets Supervision and Administration Commission of the State Council.

Other notes:

2. Subsidiaries of the Company

See the Note 7 Equity in Other Entities for the details of subsidiaries of the Company

3. Information on the joint ventures and associated enterprises of the Company

The details of significant joint venture and associated enterprise of the Company

Information on other joint venture and associated enterprise of occurring related party transactions with the Company in reporting period, or form balance due to related party transactions in previous period:

Name of joint venture or associate	Relationship with the company
Chongqing Jianshe Yamaha Motor., Ltd. ("Chongqing Jianshe Yamaha ")	Original Joint venture, now Joint venture of parent company
Zhuzhou Jianshe Yamaha Motor., Ltd. ("Zhuzhou Jianshe Yamaha")	Original Joint venture, now Joint venture of parent company
Chongqing Pingshan TK Carburettor Co., Ltd. ("Pingshan TK")	Joint venture
Chongqing Tongsheng Machinery Co., Ltd. ("Tongsheng Jianshe")	Original associates venture, now associates of parent company
Chongqing Fuyeda Property Management Co., Ltd. ("Fuyeda")	Original associates venture, now associates of parent company

Other notes

4. Other related parties of the Company

Name of other related parties	Relationship with the Company
Chongqing Jianshe Industrial (Group) Co., Ltd. ("Jianshe industry ")	Under the common control of the same party
China South Industries Group Finance Co., Ltd. ("South Finance Company ")	Under the common control of the same party
Chongqing Jianxing Machinery Manufacturing Co., Ltd. ("Jianxing Machinery ")	An associate of a subsidiary of a controlling shareholder
Chongqing Changan Motor Joint Stock Limited Company ("Changan Motor ")	Under the common control of the same party
Chongqing Changan Suzuki Motor Co., Ltd. ("Changan Suzuki ")	Under the common control of the same party
Hebei Changan Motor Co., Ltd. ("Hebei Changan ")	Under the common control of the same party
Nanjing Changan Motor Co., Ltd. ("Nanjing Changan ")	Under the common control of the same party
Hefei Changan Motor Co., Ltd. ("Nanjing Changan ")	Under the common control of the same party
Chongqing Nanfang Motorcycle Co., Ltd. ("Nanfang Motorcycle ")	Under the common control of the same party
Chongqing Jianshe Construction Engineering Co., Ltd. ("Construction Company ")	Under the common control of the same party
Jiangmen Qingqi Huanan Motorcycle Co., Ltd. ("Jiangmen Qingqi ")	Under the common control of the same party
Chongqing Changan Motor Customer Service Co., Ltd. ("Changan Motor Customer Service ")	Under the common control of the same party
China Jialing Industrial Joint Stock Limited Company (Group)	Under the common control of the same party

("Jialing Industry ")	
Chongqing North Construction import and export trade co.ltd ("import and export company)	Under the common control of the same party
Chongqing jianshe sales co. Ltd("sales company)	Under the common control of the same party
Hafei Motor share company("Hafei motor")	Under the common control of the same party
Changan Ford Motor Co.Ltd Harbin branch (Changan Ford Harbin branch)	An Joint venture a subsidiary of a controlling shareholder
Harbin dongan Motor Power shares Co. Ltd(Harbin dongan power)	Under the common control of the same party
North Inter Airconditioner Co.Ltd (North Inter)	Under the common control of the same party

Other notes

5. List of related-party transactions

(1) Information on acquisition of goods and reception of labor service

Acquisition of goods and reception of labor service

In RMB

Related party	Content	Occurred current term	Trading limit approved	Over the trading limit or not?	Occurred in previous term
Jianshe Industry	Purchasing of goods	971,500.42			11,563,680.95
Jianxing Machinery	Purchasing of goods				12,583,203.41
Chongqing Yamaha	Purchasing of goods				21,825,031.18
China Jialin	Purchasing of goods				505.12
Pingshan Taikai	Purchasing of goods				3,556,461.49
Tongsheng Construction	Purchasing of goods				2,287,159.23
Fuyeda	Accept labor				216,534.54
Jianshe Industry	Purchasing of goods				44,807.68
Import & export Co.	Jianshe Industry	42,304,131.95			
Jianshe mechanical and electrical	Jianshe Industry	8,786,404.73			

Sales of goods and services

In RMB

Related parties	Subjects of the related transactions	Occurred current term	Occurred in previous term
Zhuzhou Jianshe Yamaha	Sales of goods		3,916,527.72

Chongqing Jianshe Yamaha	Sales of goods		112,536,206.37
Changan Motor	Sales of goods	181,578,578.06	149,688,290.88
Tongsheng Jianshe	Sales of goods		778,299.00
Jiangmen Qingqi	Sales of goods		107,288.20
China Jialin	Sales of goods		218.44
Jianshe mechanical and electrical	Sales of goods	1,844,995.60	

Notes

(2) Related trusteeship/contract

Lists of related trusteeship/contract

In RMB

Name of the entruster/Contractee	Name of the trustee/Contractor	Type	Initial date	Due date	Pricing basis	Income recognized in the reporting period

Notes

Lists of entrust/contractee:

In RMB

Name of the entruster/Contractee	Name of the trustee/Contractor	Type	Initial date	Due date	Pricing basis	Charge recognized in the reporting period

Notes:

(3) Information of related lease

The Company was lessor:

In RMB

Name of lessee	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
Jianshe mechanical and electrical	Workshop Equipment	1,844,995.60	

The Company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	Category of leased assets
Jianshe mechanical and electrical	Workshop	1,131,405.41	

Notes:

(4) Related-party guarantee

The Company was guarantor

In RMB

Secured party	Guarantee amount	Start date	End date	Execution accomplished or not

The Company was secured party

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not

Notes

(5) Inter-bank lending of capital of related parties:

In RMB

Related party	Amount borrowed and loaned	Initial date	Due date	Notes
Borrowed				
Loaned				

(6) Related party asset transfer and debt restructuring

In RMB

Related party	Content	Occurred current term	Occurred in previous term

(7) Rewards for the key management personnel

In RMB

Items	Occurred current term	Occurred in previous term

(8) Other related transactions

6. Receivable and payables due with related parties

(1) Receivables

In RMB

Projects	Related parties	At end of term		At beginning of term	
		Book balance	Bad debt provision	Book balance	Bad debt provision

(2) Payables

In RMB

Items	Related party	Closing book value	Openting book value
Account payable			
	Jianxing Machinery		
	Pingshan Taikai		
	Chongqing Jianya		
	Tongsheng Jianshe		
	Jianshe Industry		77,720.44
Advance Payments			
	Changan SUZUKI		
Other account payable			
	Jianshe Industry		4,648,674.19
	Fuyeda		42,136.54
	The Construction Company		

7. Related party commitment**8. Other****XIII. Stock payment****1. The Stock payment overall situation**

Applicable Not applicable

2. The Stock payment settled by equity

Applicable Not applicable

3. The Stock payment settled by cash

Applicable Not applicable

4. Modification and termination of the stock payment**5. Other****XIV. Commitments****1. Significant commitments**

Significant commitments at balance sheet date

1. Commitment for reorganization and transfer the assets

As of December 31, 2015, the reorganization of the company transfer the material assets and liability to the original controlling shareholder Military Equipment Group of assignment of the motorcycle business is mainly the material assets reorganization of assets and liabilities, has not yet been involved the transfer formalities of assets and liabilities. Chongqing Jianshe Motorcycle made a commitment in electromechanical subscribed deadline, which stipulated in the articles of association, no later than December 31, 2016, company will be in accordance with the relevant laws and regulations together with the construction of mechanical and electrical package to complete the transaction assets equity, land, property, within the scope of the delivery of all machinery and equipment, vehicles and other assets' transfer, registration change under the name of construction of electromechanical company through related legal procedures; In the above prior to the expiration of the period, all the creditors in the debt transfer agreement letter, company will complete the work transfer formalities of all the relevant liabilities.

Chongqing Jianshe Motorcycle should coordinate with and Jianshe Mechanical and Electric to extend the period of capital funding or compensate the capital funding at the expense of an equivalent asses for Mechanical and Electric , if Chongqing Jianshe Motorcycle and Jianshe Mechanical and Electric will not able to fulfill the requirement of capital funding in accordance with the <Asset and Liability Funding Agreement> signed with Jianshe Mechanical and Electric ; Chongqing Jianshe Motorcycle and Jianshe Mechanical and Electric will bear the corresponding responsibilities agreed in <Asset and Liability Funding Agreement> if the abovementioned two parties cannot undertake the liability transfer as stipulated.

The company has proposed a solution in terms of debt without creditors' permission. According to <Asset and Liability Funding Agreement> mutually consented between Chongqing Jianshe Motorcycle and Jianshe

Mechanical and Electric , Chongqing Jianshe Motorcycle will notify construction and machinery to liquidate the debt directly if creditors ask Chongqing Jianshe Motorcycle to liquidate the debt as promised. Otherwise, Jdjs will deal with the credits' debt through Chongqing Jianshe Motorcycle . The aforesaid debt must be undertaken by Chongqing Jianshe Motorcycle , and Jianshe Mechanical and Electric should bear the risk of losses arising from paying off the debt by Chongqing Jianshe Motorcycle (including but not limited to the principal and interest of loans, default interest and penalty due to outside parties, and tax).

2. About the specification of related party transactions

After the completion of the reorganization, enterprise will be as much as possible to avoid and decrease related party transactions with listed companies. As for some related party transactions that cannot be avoided or have reasonable grounds, enterprise and its control will sign the agreement with those listed companies to fulfill the legitimate procedures and in accordance with the provisions of the relevant laws, regulations and other normative documents to perform the related internal decision-making procedures for approval and in a timely manner to fulfill the obligation of information disclosure in order to ensure the pricing of related party transactions is fair and reasonable and no illegal transfer of listing corporation's funds, profits, or the use of such transactions that is harmful to the legitimate rights and interests of the listing corporation and its shareholders. Military Equipment Group is in violation of the above commitments that cause damage to the listing corporation, Military Equipment Group will compensate the losses suffered by the listing corporation.

3 The dissociated guarantee matters and provide counter-guaranty

The company promises that after the expiration of the guarantee period, which stipulated in the contract of guarantee, company will relieve of all warranties from mechanical and electrical construction company including its subsidiary. Moreover, the company made commitments are as follows:

(1) After the major asset sale, the construction of Chongqing motorcycle (air conditioning company) provides guarantee on the above, if approved by the general meeting of shareholders, Jianshe mechanical and electrical company provides an equal amount of counter guarantee. (2) As a result of Jianshe of electrical and mechanical company violates of the above commitments to the construction of Chongqing Jianshe motorcycle that results in damages or adverse consequences, Jianshe electrical and mechanical will bear all the economic and legal responsibilities.

2. Contingency

(1) Significant contingency at balance sheet date

By June 30, 2016 the company does not need to discourse

(2) The Company have no significant contingency to disclose, also should be stated

There was no significant contingency in the Company.

3. Other

XV. Events after balance sheet date

1. Significant events had not adjusted

In RMB

Items	Conternt	Influence number to the Financial position and operating results	Reason of unable to estimate influence number

Transfer of shares	<p>On December 10, 2015, Military Equipment Group which is an original controlling shareholder And Chongqing Jianshe Machinery Co., Ltd. (hereinafter referred to as the "Jianshe mechanical and electrical") signed [Unpaid shares transfer agreement], Military Equipment Group transferred the holding 71.13% of stakes(corresponding to 84906250 shares of state-owned legal person shares to the Chongqing Jianshe Mechanical and Electric Co., Ltd., for free of charge. State-owned Assets Supervision and Administration Commission of the State Council approved that equity transfer by [written reply to an issue which is Military Equipment Group transferred the holding shares of Chongqing Jianshe Mechanical and Electric Co., Ltd for free of charge] (assets property rights [2015] no. 2015) on December 25, 2015, and China Securities Regulatory Commission [written reply to examined and approved exemption from the obligation about Chongqing Jianshe mechanical and electrical Co., Ltd offered to takeover Chongqing Jianshe motorcycle Co., Ltd.] (Regulatory permission [2016] 2016) The obligation of shares approved and remit offer acquisition obligation which is</p>		
--------------------	--	--	--

	<p>caused by the state-owned assets institutional transferred the holding shares of company on 26 January, 2016.</p> <p>Chongqing Jianshe Machinery Co.,Ltd accepted [Securities transfer registration confirmation] which is provided by China Securities Depository and Clearing Company Limited, CSDCC Shenzhen branch on 4 March,2016, and Equity transfer registration procedures has been completed at China Securities Depository and Clearing Company Limited, CSDCC Shenzhen branch on 2 March, 2016.</p>		
--	--	--	--

2. Profit distribution

3. Sales return

4. Notes of other significant events

XVI. Other significant events

1. The accounting errors correction in previous period

(1) Retrospective restatement

In RMB

Content	Processing program	Name of the influenced report items during comparison period	Accumulative impact
---------	--------------------	--	---------------------

(2) Prospective application

Content	Processing program	Reason of adopting prospective application
---------	--------------------	--

2. Debt restructuring**3. Replacement of assets**

(1) Non-monetary assets exchange

(2) Other assets replacement

4. Pension plan**5. Discontinuing operation**

In RMB

Items	Income	Expenses	Total profit	Income tax expenses	Net profit	Termination of the business profits attributable to the parent company owner

Other notes:

6. Segment information

(1) Recognition basis and accounting policies of reportable segment

(2) The financial information of reportable segment

In RMB

Items		Offset during segments	Total

(3) There was no reportable segment, or the total amount of assets and liabilities of each part of reportable segment, shall disclose the reason.

(4) Other notes

7. Other important transactions and events have an impact on investors' decision-making**8. Other****XVII. Notes of main items in the financial statements of the Company****1. Accounts receivable**

(1) Accounts receivable classified by category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book balance	Book balance		Provision for bad debts		Book balance
	Amount	Proportion (%)	Amount	Proportion (%)		Amount	Proportion (%)	Amount	Proportion (%)	
Accounts receivable with provision for bad debt made on a portfolio with similar risk credit characteristics basis	2,241,929.72	100.00%	1,727,559.88	77.06%	514,369.84	2,255,130.24	100.00%	1,727,559.88	76.61%	527,570.36
Total	2,241,929.72	100.00%	1,727,559.88	77.06%	514,369.84	2,255,130.24	100.00%	1,727,559.88	76.61%	527,570.36

Accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics at the end of reporting period.

Applicable Not applicable

In the groups, accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable Not applicable

In RMB

Aging	Closing balance		
	Account receivable	Provision for bad debts	Proportion %
Subitem within 1 year			
Within 6 months(Including 6 months)	508,832.14		
6—12 months			
Subtotal of within 1 year	508,832.14		
1-2 years	6,153.00	615.30	10.00%
Over 5 years	1,726,944.58	1,726,944.58	100.00%
Total	2,241,929.72	1,727,559.88	77.06%

Notes: In the groups, accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, accounts receivable adopting other methods to withdraw bad debt provision:

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB 0.00; the amount of reversed or recovered bad debt provision in the report period was of RMB 0.00.

Significant amount of reversed or recovered bad debt provision

In RMB

Name	Amount	Method
------	--------	--------

(3) Particulars of the actual verification of account receivable during the reporting period

In RMB

Items	Amount
-------	--------

Of Which : significant actual verification of accounts receivable:

In RMB

Name	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
------	--------	--------	--------	-----------	--

Notes:

(4) Top 5 of the closing balance of the accounts receivable collected according to the arrears party

(5) Derecogniziton of account receivable due to the transfer of financial assets

(6) The amount of the assets and liabilities formed by the transfer and the continues involvement of accounts receivable

Other notes:

2. Other account receivable

(1) Other account receivable classified by category

In RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book balance	Book balance		Provision for bad debts		Book balance
	Amount	Proportion %	Amount	Proportion %		Amount	Proportion %	Amount	Proportion %	
Other receivables with provision for bad debt made on a	185,898,595.86	100.00%	4,232,368.84	2.28%	181,666,227.02	257,837,987.95	99.84%	4,232,368.84	1.64%	253,605,619.11

portfolio with similar risk credit characteristics basis										
Other receivables with insignificant single amount and provision for bad debt made on an individual basis						405,125.35	0.16%	405,125.35	100.00%	
Total	185,898,595.86	100.00%	4,232,368.84	2.28%	181,666,227.02	258,243,113.30	100.00%	4,637,494.19	1.80%	253,605,619.11

Other accounts receivable with insignificant single amount but large risks of groups after grouping by credit risks characteristics at the end of reporting period

Applicable Not applicable

In the groups, other accounts receivable adopting aging analysis method to withdraw bad debt provision:

Applicable Not applicable

In RMB

Aging	Closing balance		
	Other account receivable	Provision for bad debts	Proportion %
Subitem within 1 year			
1-6 months (Including 6 months)	181,650,437.03		
6-12 months			
Subwithin 1 year	181,650,437.03		
1-2 years	13,950.24	1,395.02	10.00%
4-5 years	16,173.85	12,939.08	80.00%
Over 5 years	4,218,034.74	4,218,034.74	100.00%
Total	185,898,595.86	4,232,368.84	2.28%

Notes:

In the groups, other accounts receivable adopting balance percentage method to withdraw bad debt provision:

Applicable Not applicable

In the groups, other accounts receivable adopting other methods to withdraw bad debt provision:

Applicable Not applicable

(2) Bad debt provision withdrawal, reversed or recovered in the report period

The amount of bad debt provision was RMB 0.00, the amount of reversed or recovered bad debt provision in the report period RMB 0.00.

Significant amount of reversed or recovered bad debt provision

In RMB

Name	Amount	Method
------	--------	--------

(3) Particulars of the actual verification of other accounts receivable during the reporting period

In RMB

Items	Amount
-------	--------

Of which significant actual verification of other accounts receivable:

In RMB

Name	Nature	Amount	Reason	Procedure	Whether occurred because of related party transactions
------	--------	--------	--------	-----------	--

Notes :

(4) Other account receivable classified by account nature

In RMB

Property of account receivable	Closing book value	Opening book value
Current account	179,988,991.12	249,230,349.24
Petty cash and borrowings with small amount	1,691,570.00	4,565,415.08
Fully provided provision for bad debts regarding long-term receivables and payables	4,218,034.74	4,218,034.74
Other		229,314.24
Total	185,898,595.86	258,243,113.30

(5) The top five other account receivable classified by debtor at period end

In RMB

Name	Nature	Closing balance	Aging	Proportion %	Closing balance of bad debt provision
The top five other receivables by the					

credit balance as at June 30, 2016 total					
---	--	--	--	--	--

(6) Accounts receivable involved with government subsidies

In RMB

Name of units	Project of government subsidies	Closing balance	Closing age	Estimated received time, amount and basis
---------------	---------------------------------	-----------------	-------------	---

(7) Other account receivable which terminate the recognition owing to the transfer of the financial assets

(8) The amount of the assets and liabilities formed by the transfer and the continues involvement of other accounts receivable

Other Notes:

3. Long-term equity investment

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investments in subsidiaries	168,160,000.00		168,160,000.00	168,160,000.00		168,160,000.00
Investments in associates and joint ventures	81,197,752.83		81,197,752.83	83,381,316.13		83,381,316.13
Total	249,357,752.83		249,357,752.83	251,541,316.13		251,541,316.13

(1) Investments in subsidiaries

In RMB

Investee	Opening balance	Increase	Decrease	Closing balance	Provision for impairment in the period	Balance as at June 30, 2015 of provision for impairment
Shanghai Jianshe Motorcycle Co., Ltd.	8,160,000.00			8,160,000.00		
Chongqing Jianshe Automobile A/C Co., Ltd.	160,000,000.00			160,000,000.00		
Total	168,160,000.00			168,160,000.00		

(2) Investments in associates and joint ventures

In RMB

Investee	Opening Balance	Increases/decreases in the current year							Closing balance	Balance as at June 30, 2015 of provision for impairment
		Additional investment	Decrease in investment	profits and losses on investments recognized under the equity method	Other comprehensive income	Changes in other equity	Declaration of cash dividends or profits	Impairment provision		
1. Joint ventures										
Chongqing Pingshan TK Carburettor Co., Ltd.	83,381,316.13			1,216,436.70			3,400,000.00			81,197,752.83
Subtotal	83,381,316.13			1,216,436.70			3,400,000.00			81,197,752.83
2. Associates										
Total	83,381,316.13			1,216,436.70			3,400,000.00			81,197,752.83

(3) Other Notes

4. Operation income and operation cost

In RMB

Items	Occurred current term		Occurred in previous term	
	Income	Cost	Income	Cost
Major business turnover		182,250.38	262,365,276.89	275,834,268.53
Other business income	336,824,318.43	313,368,020.89	292,432,167.06	267,857,217.64
Total	336,824,318.43	313,550,271.27	554,797,443.95	543,691,486.17

Other notes:

5. Investment income

In RMB

Items	Occurred current term	Occurred in previous term
-------	-----------------------	---------------------------

Long-term equity investment gains on equity basis	1,216,436.70	11,722,758.01
Total	1,216,436.70	11,722,758.01

6. Other

XVIII. Supplementary Information

1. Details of non-recurring gain/loss of the term

Applicable Not applicable

In RMB

Items	Amount	Remarks
Gains and losses included in the current period of government subsidies, excluding those government grants which are closely related to normal business and in line with national policy, or in accordance with fixed standards or quantities	449,200.00	
Other non-business income and expenditures other than the above	-308,161.40	
Total	141,038.60	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable Not applicable

2. Net income on asset ratio and earning per share

In RMB

Profit of the report period	Net income on asset, weighted	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to common shareholders of the Company	3.32%	0.0712	0.0712
Net profit attributable to the common owners of the PLC after deducting of non-recurring gains/losses	3.26%	0.0700	0.0700

3. Differences between accounting data under domestic and overseas accounting standards

(1) Differences of net profit and net assets disclosed in financial reports prepared under international and Chinese accounting standards

Applicable Not applicable

(2) Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards

Applicable Not applicable

(3) Explain reasons for the differences between accounting data under domestic and overseas accounting standards, for audit data adjusting differences had been foreign audited, should indicate the name of the foreign institutions

4. Other

X. Documents available for inspection

- I. The semi-report carrying personal signature and seal of the Chairman of the Board;
- II. Financial Statements with signatures of the legal representative, the financial officer, and accounting manager.
- III. All of the originals of the Company's documents and public notices publicized by the presses designated by China Securities Regulatory Commission in the report period;