

Stock Abbreviation: Dongbei B

Stock Code: 900956

# **Huangshi Dongbei Electrical Appliance Co., Ltd.**

## **2015 Annual Report**

## Important Notes

1. The Board of Directors, Supervisory Committee, directors, supervisors and Senior Executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

2. The situation of the director who failed to attend

Position of the director who failed to attend	Name of the director who failed to attend	Reason for failure to attend	Name of proxy
Director	Ruan Zhengya	Business trip	Lu Yanying

3. Hubei Daxin Certified Public Accountants Co., Ltd. ( Special General Partnership) issued standard unqualified auditors' report for the Company.

4. Mr. Zhu Jinming, Person in charge of the Company, Ms. Lu Lihua, Chief financial officer and the Ms. Ma Li, 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 this Annual Report .

5. The profit allocation plan or the capitalization from capital public reserve during the report period examined by the Board of Directors.

Considering the interests of shareholders and the long-term development, the profit allocation plan of the company in 2015 was as follows : The profit allocation and the capitalization from capital public reserve will not be conducted for the Company in the report period..

6. And forward-looking statement such as those involving the future operational plans in this report shall not be considered as virtual promises of the Company to investors. And investors are kindly reminded to pay attention to possible risks.

7. Whether the controlling shareholder and its related parties did not occupy the funds of the Company for operation.

No.

8. Whether the Company did not provide guarantee in violation of specified decision-making procedure.

No.

9. Reminder of Major Risks:

The Company has described the possible risks in this year's report in order to attract attention from the investors. For more refer to the " Report of the future development discussion by Board of Directors".

## Table of Contents

- I. Definition
- II. Basic Information of the Company and Financial index
- III. Outline of Company Business
- IV. Management's Discussion and Analysis
- 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. Administrative structure
- X. Information about the corporate bonds
- XI. Financial Report
- XII. Documents available for inspection

## I. Definition

### 1. Definition

In this report, medium, the following words and expressions shall have the following meaning unless otherwise defined:

Definition of frequently mentioned words and expressions		
Company, The Company, We, Dongbei Electrical Appliance	Refers to	Huangshi Dongbei Electrical Appliance Co., Ltd.
Dongbei Group, Controlling shareholder	Refers to	Huangshi Dongbei Electromechanical Group Co., Ltd
Daxin, Daxin Certified Public Accountants	Refers to	Hubei Daxin Certified Public Accountants Co., Ltd. ( Special General Partnership)
Report period	Refers to	2015
SSE	Refers to	Shanghai Stock Exchange
CSRC	Refers to	China Securities Regulatory Commission
The Securities Law	Refers to	The Securities Law of the People's Republic of China
The Company Law	Refers to	The Company Law of the People's Republic of China
Articles, The Articles of association	Refers to	The Articles of association of Huangshi Dongbei Electrical Appliance Co., Ltd.
Yuan, Million Yuan, Billion Yuan	Refers to	RMB Yuan , RMB million Yuan, RMB Billion Yuan

## II. Basic Information of the Company and Financial index

### I. Information of the Company

Chinese name of the Company	黄石东贝电器股份有限公司
Abbr. of the Chinese name of the Company	东贝B股
English name of the Company	Huangshi Dongbei Electrical Appliance Co.,Ltd
English Abbreviation	DONGBEI
Legal representative of the Company	Zhu Jinming

### II. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Lu Lihua	Huang Jie
Contact address	No.6, Jinshan East Road, Economic & Technology Development Zone, Huangshi City, Hubei Province.	No.6, Jinshan East Road, Economic & Technology Development Zone, Huangshi City, Hubei Province.
Tel	0714-5415858	0714-5415858
Fax	0714-5415858	0714-5415858
E-mail	stock@donper.com	stock@donper.com

### III. Basic Information about the Company

Registered Address:	No.6, Jinshan East Road, Economic & Technology Development Zone, Huangshi City, Hubei Province.
Postal code of Registered address	435000
Business Address	No.6, Jinshan East Road, Economic & Technology Development Zone, Huangshi City, Hubei Province.
Postal code of Business address	435000
Website:	<a href="http://www.donper.com">http://www.donper.com</a>
E-mail	stock@donper.com

### IV. The Place for Placing the Annual Report and the Information Disclosure

Newspapers for Information Disclosure	Shanghai Securities Daily and Hong Kong Commercial Daily
Internet Website for Publishing the Annual Report	<a href="http://www.sse.com.cn">www.sse.com.cn</a>
The Place for Placing the Annual Report	Securities Dept. of the Company

### V. Stock Profile

Stock Condition of the Company				
Type	Stock exchange for listing	Stock Abbreviation	Stock Code	Stock Abbreviation (Before change)
B share	Shanghai Stock Exchange	Dongbei B	900956	

### VI. Other Relevant Information

Certified public accountants engaged by the Company (Domestic)	Name	Hubei Daxin Certified Public Accountants Co., Ltd. (Special General Partnership)
	Office address	16/F, Zhiyin Media Square, No.31, Zhongbei Road, Wuhan

	Names of the Certified Public Accountants as the signatories	Zhang Ling, Jiang Yanhong
Certified public accountants engaged by the Company (Overseas)	Name	
	Office address	
	Names of the Certified Public Accountants as the signatories	
The sponsor performing persistent supervision duties engaged by the Company in the reporting period.	Name	
	Office address	
	Name of the sponsor as the signatories	
	Period of supervision and guide	
The Financial advisor performing persistent supervision duties engaged by the Company in the reporting period	Name	
	Office address	
	Name of the financial advisor as the signatories	
	Period of supervision and guide	

## VII. Main accounting data and financial indicators of the Company in the last three years

### 1. Main accounting data

In RMB

Main accounting data	2015	2014	Changed over last year ( % )	2013
Operating income	3,420,131,010.98	3,559,013,065.68	-3.90	4,264,031,820.89
Net profit attributable to the shareholders of the listed company	69,792,841.69	59,518,090.82	17.26	93,824,776.19
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	58,701,752.38	51,331,667.72	14.36	54,216,908.08
Cash flow generated by business operation, net	501,750,054.81	205,434,440.29	144.24	52,733,441.69
	End of 2015	End of 2014	Changed over last year ( % )	End of 2013
Net assets attributable to the shareholders of the listed company	1,003,962,628.52	933,812,728.19	7.51	897,432,610.64
Gross assets	4,441,133,850.47	4,147,085,911.16	7.09	3,866,185,818.22
Total share capital	235,000,000.00	235,000,000.00	0.00	235,000,000.00

### 2. Main Financial Index

Main Financial index	2015	2014	Changed over last year ( % )	2013
Basic earning per share(RMB/Share)	0.297	0.253	17.39	0.399
Diluted gains per share(RMB/Share)	0.297	0.253	17.39	0.399
Basic earning per share after deducting	0.250	0.218	14.68	0.231

of non-recurring gains/losses(RMB/Share)				
Weighted average net asset earning ratio (%)	7.20	6.42	Increased by 12.15%	11.03
Net income on asset, weighted and deducted non-recurring gain/loss(%)	6.06	5.54	Increased by 9.39%	6.37

### VIII. 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

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

Applicable  Not applicable

### IX. Main Financial Index by Quarters

	In RMB			
	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	932,102,452.09	1,113,110,903.48	671,516,363.36	703,401,292.05
Net profit attributable to the shareholders of the listed company	4,841,435.64	22,589,351.13	25,317,926.70	17,044,128.22
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	3,200,023.63	15,161,241.18	16,019,460.71	24,321,026.86
Net Cash flow generated by business operation	32,595,667.61	223,628,670.69	168,100,856.86	77,424,859.65

Quarterly data and Disclosed periodic reports data discrepancies explained

Applicable  Not applicable

### X. Items and amount of non-operating gains and losses:

Applicable  Not applicable

	In RMB			
Items of non-operating gains and losses	Amount (2015)	Notes (If any)	Amount (2014)	Amount(2013)
Gain/loss form disposal of non-current assets.	-462,241.68		-6,128,798.77	31,109,041.33
Tax rebates, reductions or exemptions due to approval beyond authority or the lack of official approval documents				
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.	20,038,689.31		28,245,641.32	8,607,485.00

Capital occupation charges on non-financial enterprises that are recorded into current gains and losses				393,827.10
Gains due to that the investment costs for the Company to obtain subsidiaries, associates and joint ventures are lower than the enjoyable fair value of the identifiable net assets of the investees when making the investments				
Gain/loss on non-monetary asset swap				
Gain/loss on entrusting others with investments or asset management				
Asset impairment provisions due acts of God such as natural disasters				
Gains/losses of debt restructure				
Reorganization expenses, such as expenditure for allocation of employees and integration fee				
Gains/losses exceeding the fair value arising from transactions with obviously unfair prices				
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date				
Gain and loss arising from contingent matters irrelevant with the Company's normal operation business				
Gain and loss from change of the fair value arising from transactional monetary assets, transactional financial liabilities as held as well as the investment income arising from disposal of the transactional monetary assets, transactional financial liabilities and financial assets available for sale excluding the effective hedging transaction in connection with the Company's normal business				
Reverse of the provision for impairment of accounts receivable undergoing impairment test individually				
Gain/loss from external entrusted loan				
Gain and loss arising from change in the fair value of the investment based real estate measure afterwards by means of fair value model				
Influence upon the current gains and losses from the once-and-for-all adjustment over the current gains and losses according to the taxation and accounting laws and regulations				
Income from custodian charge obtained from entrusted operation				
Operating income and expenses other than the aforesaid items	2,644,433.78		606,174.49	6,722,899.04
Other gains/losses in compliance with the definition of non-recurring gain/loss				
Influenced amount of minor shareholders' equity	-7,250,561.72		-11,128,257.29	-200,396.48
Influenced amount of income tax	-3,879,230.38		-3,408,336.65	-7,024,987.88
Total	11,091,089.31		8,186,423.10	39,607,868.11



### III. Outline of Company Business

#### I. Main businesses , business mode and industry situation of the company in the reporting period

##### 1. The main business

The company's main business is: committed to the development and research, production and sales of low carbon, high efficiency, energy-saving and environmental-protection refrigeration compressor.

##### 2. The business mode

Adhering to the service principle of "Honest management and customer first" and the work spirit of rapid response and fast action, the company established effective communication mechanism with customers, established strategic partner relationship with key customers and continuously paid attention to the extent of customer satisfaction of products quality and technical service. The company's marketing department would carry out the product sales according to the customers' different requirements and appetites, enacting "One family one strategy" program to provide customers with personalized products and services. Meanwhile, set up user files and regularly or randomly pay a visit to the user for better exchange, create the "one-stop babysitting service" mechanism integrated with quality, technology, service and marketing, shape a perfect overall service network, thus improved the customer satisfaction and won the customer's favor and trust to gradually achieve the customer engagement.

#### II. Major Changes in Main Assets

During the reporting period, other receivables decreased by 59.16% over the same period last year, which was mainly due to receiving the last year's export tax rebate;

During the reporting period, the other current assets increased by 130.38% over the same period last year, which was mainly due to the increase of input VAT;

During the reporting period, the fixed assets increased by 73.46% over the same period last year, which was mainly due to the new increase of production equipment by Dongbei(Jiangsu) Electromechanical Co., Ltd and Alashankou Dongbei Greenergy Co., Ltd.;

During the reporting period, the construction-in-process decreased by 84.94% over the same period last year, which was mainly due to the construction of project of efficient and energy-saving commercial production line and the first phase construction of project of Jiangsu Suqian Industrial Park had finished the completion of final accounts and then transferred to the fixed assets;

During the reporting period, the long-term loans increased by 193.51% over the same period last year, which was mainly due to the increased project loans for purchasing the production equipment by Alashankou Dongbei Greenergy Co., Ltd;

During the reporting period, the deferred income increased 252.45% compared to the last year, which was mainly due to receiving the grants for industrial restructuring and upgrading project and the third phase of special power line construction and financial infrastructure;

During the reporting period, the other comprehensive income increased by 211.33% over the last year, which was mainly due to the increase in the translation balance of foreign currency in the financial statements.

#### III. Analysis On core Competitiveness

The company has the "sustained innovation ability of product research and development, the diversified matching production capacity, cohesion force of people-oriented team, quick response and considerate service ability and comprehensive marketing developing ability" that constituted the five aspects of the core competitiveness to support the company to complete the enterprise mission of "Providing the first-class compressor to the global refrigerator manufacturers " .

### 1. R & D capabilities and technology

The company has the domestic leading R & D capabilities and the R & D platform, the compressor technology center is a national recognized enterprise technology center, the company has set up a post doctoral workstation and established the research and development center in Europe and The United States. The company has the compressor product technology to meet high or medium or low back pressure and high efficiency compressor type under different working fluids requirements, also, the company has more than 200 items of patents, and the company filed patent application in the foreign countries. In the ministerial level identification meeting of new products held in November, the company declared seven series of new products, of which there were four series had been assessed as in the leading international level, two series were assessed as in the international advanced level, and a series had been assessed as in the leading domestic level, assessed by the experts that represented the cutting-edge technological level of the industry, leading the future development direction of the industry. The third-generation variable-frequency product being developed reached the highest level of similar products in the world whether in the dimension, performance coefficient, start performance or reliability.

### 2. The world's advanced compressor production line

The company has the world's advanced compressor production line which can produce more than 200 kinds of products in 12 major series applied to working fluids such as R600a、R134a、R22、R404a、R290. Currently, the company has the most types, the most comprehensive specification and the biggest power-span of compressors in the compressor industry. The company is the major compressor-supplier for a number of domestic and foreign manufacturers of refrigerator, and the company's products exported to more than 30 countries and regions.

### 3. Frank two-way communication

The company's leaders understand that the effective communication and practice is an effective way to accelerate the staff and the related party to recognize and accept the culture of the company, and the company, through the worker's congress, special forum and so forth communication platforms, communicated with its employees. Each month, the company holds regular staff recognition conference of "People-oriented, glory in hard-working" for the purpose of motivating the team.

### 4. Highly-efficient management philosophy

The build-up of a flexible organization is conducive to solving problems, improvement, raising the operating speed. Through the specification of staff responsibility and the improvement of staff skills and comprehensive capability and by means of adequate human resources to keep the flexibility of the organization; through the establishment of advanced management system and the enhancement on the departmental coordination ability and the communication speed to keep transparency and flexibility of information and instructions, thus to improve the company's adaptability to the internal and external environment.

### 5. Market development

According to the aspects such as customer satisfaction, customer distribution, customer desire, the change of the market demand of refrigeration compressor and the product production and sales, the company globally carried out full service in pre-sales, sales and after-sales.

## IV. Management's Discussion and Analysis

### I. Management's Discussion and Analysis

In 2015, the global economic recovery was slow and the regional hot incidents frequently happened, yet the growth of the international trade was weak and the domestic growth slowed down, thus the pressure on the economic downward was continuously increased. According to the online statistics of the industry, the domestic output of refrigerator compressor increased 2.9% year-on-year and the sales increased 1.5% year-on-year, however, compared to the previous years, the rate of increase sharply declined. In the refrigerator compressor industry, there was serious overcapacity and there was very fierce competition. Under such complex economic environment, the company focused on its capability, actively adapted to the new normal, stimulated its vitality and strived to make a new business performance. Centered on the annual business goal, the company mainly focused on the following works in the full year:

#### 1. Actively developing the new market and speeding up the internationalization of the company

In 2015, the company overcame the difficult situation that the overseas market demand was not strong but the domestic demand was weak, adhered to grasp the international and domestic markets, kept a close watch on the product structure adjustment caused by end-users, promoted the high-specification, high-efficient and variable-frequency products to realize the market-share growth; at the same time, according to the different needs of users, the company adopted different sales policies, considerate services and the precise marketing, thus the company successively won the outstanding supplier award of Nanjing Skyworth, the outstanding supplier award of Aucma, Strategic Cooperation Award of Midea, and the company had become the best supplier to Whirlpool and the strategic supplier to Galanz. Under such difficult market environment, the company's sales of compressor realized the growth. Meanwhile, the company actively explored the international market, in 2015, the company's annual export volume of foreign trade increased 20.6% year-on-year.

#### 2. Adhering to the Technology First and improving the core competitiveness

In order to consolidate the foundation of the company's R&D and meet the market demand, the company set up four function-research institutes, by division of responsibility and synergy, which sped up the R&D of new products. Among the developments, the development of ultimate motor made the copper efficiency up to 88% and aluminum efficiency up to 87.2%. Also, there were 73 projects of noise improvement, of which 64 projects had been recognized by the users. In the ministerial level identification meeting of new products held in November, the company declared seven series of new products, of which there were four series had been assessed as in the leading international level, two series were assessed as in the international advanced level, and a series had been assessed as in the leading domestic level, assessed by the experts that represented the cutting-edge technological level of the industry, leading the future development direction of the industry. The third-generation variable-frequency product being developed reached the highest level of similar products in the world whether in the dimension, performance coefficient, start performance or reliability.

Besides, the company had made new breakthroughs in the filing of patent application. The company applied for 75 patents in the year, of which 56 patents were granted, increased 6 patents compared to the previous year. Among those patents, the "Separating hear-insulation exhausting silencer" refrigeration compressor obtained the patent in the USA, which marked the first overseas patent that the company had obtained.

#### 3. Adhering to the quality as the essence and strengthening the process control

Firstly, the company paid great attention to the construction of the system. Combined with the actual operation, the company revised and improved the management files, then promoted and implemented the files. The company enhanced the requirements of rigid quality management, through "Sunrise Action" and insisting on "Three zero tolerances", the company carried out monthly training for group leaders and team leaders, enhancing the quality awareness of all the employees. The second is to strengthen the process control. The company strengthened the company's quality culture, paid close attention to the source control and the process of mutation, made the average user offline rate of the three plants of Huangshi, Wuhu and Suqian dropped to 96PPM; widely carried out the mass QC team activities, thus improved the product quality. The QC team of the QC department of Oubao Company

had been assessed as the national excellent quality management team, yet the technical team of the company's assembly workshop had been assessed as the trust-worthy team of national quality management team. The third was to strengthen the management of the supplier. In 2015, the company appraised the supplies to the company's three production bases by means of scores in evaluation in 6-dimension, implemented the grade management, sorted out 23 unqualified suppliers, thus promoted the continuous quality improvement by the suppliers.

#### 4. Adhering to the continuous efficiency improvement and standardizing the performance evaluation

At the beginning of the year, the company began to implement the performance evaluation based on the KPI, according to the Management Provisions on Guideline of Staff Performance Evaluation, the company standardized the operation process of performance appraisal, adjusted the ratio of performance pay in the employees' salary, thus mobilized the enthusiasm of the staff. In order to improve the efficiency, the company also focused on optimizing the process, carried out the technological transformation and downsizing personnel for improving the efficiency. By virtue of changing the production organization mode, the company set up the logistics planning department and the manufacturing department, transformed the function and responsibility division, reduced the material backlog, fully utilized the production capability and made the per capita production efficiency increased 4.6% year-on year.

### II. Production and operation

In the report period, the Company earned operating income of RMB 3.420 billion, which decreased by 3.90% year on year. Net profit attributable to the shareholders of the listed company was RMB 69.79 million, which increased by 17.25% year on year. The compressor output was 23.4421 million, which increased by 6.4% year on year. The compressor sales was 24.04 million, which increased by 10.1% year on year.

## 1. Analysis on principal Business

### Sheet of change analysis of relevant items of profit statement and cash flow statement

In RMB

Subject	Amount in this period	Amount in last period	Proportion (%)
Business income	3,420,131,010.98	3,559,013,065.68	-3.90
Business cost	2,909,310,999.92	3,073,946,585.99	-5.36
Sales expenses	103,477,015.27	88,372,759.38	17.09
Administrative expenses	265,472,065.47	262,258,841.68	1.23
Financial expenses	51,615,584.69	49,280,328.08	4.74
Cash flow generated by operation activities, net	501,750,054.81	205,434,440.29	144.24
Net cash flow generated by investment activities	-465,919,758.68	-246,998,359.47	-88.63
Net cash flow generated by financing activities	49,970,231.52	67,450,305.42	-25.92
R& D expenses	136,696,260.57	135,620,731.54	0.79

#### a. Analysis of revenue and cost

The Operating income decreased 3.90% over the previous year, Mainly for the changes in product sales structure.

The current business costs decreased year on year, Mainly for the decline of the current material price, gaining a good result in cost control

The current Financial expenses increased year on year, Mainly for the increase in the current interests.

The current Net Cash flow generated by operation activities increased year on year, Mainly for the increase in the cash of goods sales and rendering of service as well as the tax refund received

The current net cash flow generated by investment activities decreased year on year, Mainly for the increase in Alashankou Dongbei Greenergy Co., Ltd.'s purchase of fixed assets

The current net cash flow generated by financing activities decreased year on year, Mainly for the increase in the project's loan

**(1) The Status of key business in terms of industry of business , production and area**

In RMB

The Status of key business in terms of industry of business						
On industry	Income from key business	Cost of key business	Gross profit (%)	Increase/decrease of key business turnover (%)	Increase/decrease of key business cost (%)	Increase/decrease of gross profit (%)
Manufacturing	3,350,641,602.84	2,849,092,133.74	14.97	-3.37	-5.16	1.6
The Status of key business in terms of production of business						
On production	Income from key business	Cost of key business	Gross profit (%)	Increase/decrease of key business turnover (%)	Increase/decrease of key business cost (%)	Increase/decrease of gross profit (%)
Compressors	2,889,191,020.67	2,483,605,062.55	14.97	-4.73	-6.38	Increased by 2.45%
Auto casting and Compressors casting	435,550,659.10	353,376,818.32	18.87	4.39	4.44	Decreased by 0.03%
Photovoltaic power generation	25,899,923.07	12,110,252.87	53.24	100	100	Increased by 100%
The status of main operation in terms of Area						
On Area	Income from key business	Cost of key business	Gross profit (%)	Increase/decrease of key business turnover (%)	Increase/decrease of key business cost (%)	Increase/decrease of gross profit (%)
Domestic sales	2,654,237,976.31	2,220,234,194.58	16.35	-4.62	-7.77	Increased by 2.85%
Overseas sales	696,403,626.53	628,857,939.16	9.7	1.71	5.37	Decreased by 3.14%

**Notes**

Explanation of the main business' branched industry: The current gross profit rate increases year on year, which is mainly for the decline of the current material price, gaining a good result in cost control.

Explanation of the main business' branched product: Alashankou Dongbei Greenergy Co., Ltd. put into production at the current period, where changes occurred in the sales structure.

Explanation of the main business' branched region: The current gross profit rate increases in home sales, which is mainly for the decline of the current material cost, gaining a good result in cost control. The current gross profit decreases in abroad sales, which is mainly for the changes in the structure where abroad customer purchases product.

**(2) Analytical Statement of Production and Sales Volume**

Main Product	Production	Marketing	Inventory	Production Gradient Year on Year (%)	Production Gradient Year on Year (%)	Production Gradient Year on Year (%)
Compressors	23.4421million	24.0474million	1.1144million	6.40	10.1	-35.62

	sets	sets	sets			
Auto casting and Compressors casting	710.5968 million pieces	710.5968million pieces	0	3.47	6.00	0
Photovoltaic power generation	32.13millionkwh	32.13millionkwh	0	100	100	0

**(3) Cost analysis sheet**

In RMB

The status of key business in terms of industry of business							
On industry	Items	Amount in this period	Proportion(%)	Amount in last period	Increase/decrease of key business cost(%)	Change of key business profit over the same period of last year(%)	Notes
Manufacturing	Cost of key business	2,849,092,133.74	85.22	3,004,009,420.05	97.72	-5.16	
The status of key business in terms of production of business							
On production	Items	Amount in this period	Proportion(%)	Amount in last period	Increase/decrease of key business cost(%)	Change of key business profit over the same period of last year(%)	Notes
Compressors	Material s, labor costs, etc.	2,483,605,062.55	87.17	2,652,923,493.16	88.31	-5.64	
Auto casting and Compressors casting	Material s, labor costs, etc.	353,376,818.32	12.40	338,365,366.81	11.26	4.44	
Photovoltaic power generation	Material s, labor costs, etc.	12,110,252.87	0.43			100	

## Notes

The reason of changes in the cost of photovoltaic generation is that Alashankou Dongbei Greenergy Co., Ltd. put into production in 2015.

**b. Cost**

The selling expense increases by 17.09% year on year, which is mainly for the increase in the sales volume, leading to the increase in relevant expense;

The administrative expenses increases by 1.23% year on year, Mainly for the increase in the management's wage and the technological development expense;

The Financial expenses increases by 4.74% year on year, Mainly for the increase in the interest expense of the project's loan.

**c. R&D Expenses**

	In RMB
Amount of Capitalization Research and Development Investment	136,696,260.57
Amount of Capitalization Research and Development Investment	
Total of Capitalization Research and Development Investment	136,696,260.57
Proportion of total R&D expenditure to operating income (%)	4.00
Number of Research and Development persons (persons)	432
Proportion of total R&D expenditure to persons (%)	10.01
Proportion of Capitalization Research and Development Investment	0.00

#### d. Cash Flow

	In RMB		
Items	2015	2014	Increase/Decrease(%)
Cash flow generated by operation activities, net	609,224,976.07	205,434,440.29	196.55
Net cash flow generated by investment activities	-573,394,679.94	-246,998,359.47	132.15
Net cash flow generated by financing activities	49,970,231.52	67,450,305.42	-25.92

The cash flow statement in the 2015-annual consolidated financial statements showed: the explanation of change of net cash flow from operating activities: the net cash flow from operating activities increased over the same period last year, which was mainly due to the increase of cash from sales of goods and providing the service and the increase in the tax return being received.

The explanation of change of net cash flow from investing activities: the net cash flow from investing activities increased over the same period last year, which was mainly due to the increase of the purchase of fixed assets by Alashankou Dongbei Greenergy Co., Ltd.

The explanation for the change of net cash flow from financing activities: the net cash flow from financing activities decreased over the same period last year, which was mainly due to the increase of the amount of project loan.

#### 2.Explanation of the Profit's Significant Changes generated by the Non-core Business

Applicable     Not applicable

#### 3.Analysis on Assets and liabilities

##### Assets and liabilities statement

	In RMB					
Name	Year-end balance	Proportion (%)	Year-end balance in last period	Proportion (%)	Changed proportion (%)	Notes
Other account receivable	9,304,868.79	0.21	22,782,353.03	0.55	-59.16	Receive the export rebate of last year
Other current assets	86,403,299.73	1.95	3,754,806.36	0.90	130.38	For the increase in the input tax of VAT

Long-term equity Investment	7,028,918.54	0.16	5,349,770.71	0.13	31.39	For the increase in that Huangshi Aibo Real Estate Co., Ltd. And Hubei Jinling Precision Agriculture Co., Ltd. calculate to confirm the investment income according to Equity Method
Fixed assets	1,496,280,148.15	33.69	862,593,882.87	20.80	73.46	For the new production equipment of Dongbei Mechanical & Electrical (Jiangsu) Co., Ltd. and Alashankou Dongbei Greenergy Co., Ltd.
Construction in progress	33,236,407.41	0.75	220,621,843.79	5.32	-84.94	For that high-efficient energy agent constructs the project with production line, and the completing accounting of Jiangsu Suqian Industrial Area Period I has been completed, which was transferred to the fixed asset.
Amortisation of	10,789,780.00	0.24	7,726,742.16	0.19	39.64	For the



long-term expenses						industrial area's new purchase of seeding and the redecoration of green area and partial office building
Long-term Loans	356,440,000.00	8.03	121,440,000.00	2.93	193.51	For Alashankou Dongbei Greenergy Co., Ltd.'s purchase of production and operation equipment and augment in the required capital of operation
Deferred income	108,098,357.37	2.43	30,670,421.67	0.74	252.45	Receive the subsidy of the industry transformation and upgrading project and the special funds of Special Power Supply Line Construction Period III as well as other subsidy of financial infrastructure
Other Comprehensive Income	526,019.67	0.01	168,961.03	0.004%	211.33	For the balance arising from the translation of foreign currency financial statements

#### 4.The analysis of business information of the industry

The output of refrigerator compressor of year-2015 was 123.605 million units, an increase of 2.9% year-on-year, while the sales was 124.435 million units, an increase of 1.5% year-on-year. In 2015, the refrigerator market continued to slump, the competition of the compressor industry had become more intense and the market demand for overall unit was weak. For 2016, the channel change, the adjustment of product structure, the escalation of energy efficiency standards and so forth will pose a challenge to the refrigerator industry, it may also bring new development opportunities, at the same time, the export market continued to grow, which will alleviate the pressure for the compressor industry.

## 5.The investment of the Company

### 1.Investments in external parties

#### (1) Significant equity investment

#### (2) Significant non-equity investment

#### (3)Financial Asset and Liabilities Measured by Fair Value

## 6.The sale of Significant assets and equity

## 7.Analysis on principal controlling companyand Mutual shareholding companies

Name	Business Scope	Registered Capital (RMB'0000 )	Shareholding Ratio (%)	Total assets (RMB'0000)	Net assets (RMB'0000 )	Net Profit (RMB'0000 )
Wuhu Abaur Mechanical & Electrical Co.,Ltd	Production and sales of refrigeration compressors , compressor motor; Related to small and medium sized castings, machinery manufacturing and related technology development, consulting.	5000	75	151,099.79	54,243.33	6,480.98
Huangshi Dongbei Foundry Co., Ltd.	Casting of small and medium-sized cast products, house renting and parking service.	3,281.40	51.28	43,363.26	10,413.15	893.08

Dongbei (Wuhan) Technology Innovation Co., Ltd.	Refrigeration compressors, refrigeration equipment, motors, solar energy products, machinery and electrical technology products, electronic components, high-tech products, software products, refrigeration products and parts, auto parts, new energy products and components, optoelectronic products and parts, solar power generation systems and solar off-grid power system technology development, research, consulting and production.	800	100	799.91	787.23	-12.21
Dongbei Mechanical & Electrical (Jiangsu) Co., Ltd.	Production and sales of refrigeration compressors, compressor motor; high-tech product development, production and consulting.	20000	100	35,527.07	13,012.59	-758.59
Huangshi Dongbei International Trade Co., Ltd.	Sales of Refrigeration Compressor, Refrigeration Equipment and Parts, Photoelectric products and solar water	USD million	1 100	3,133.79	470.20	-207.92

	heater ,etc.					
Alashankou Dongbei Clean Energy Co., Ltd.	Solar power generation systems and off-grid solar power system design, development, production, sales, installation and service.	16500	80	50,923.27	16,727.57	247.38

8.The structure of the subject of corporate control  
Not applicable

### III.Competition and development trends in the industry

#### 1.Competition pattern of pesticide industry

In terms of the competition, the global compressor industry demand is still insufficient and the industry situation is extremely severe. Due to the impact of overcapacity, the competition is becoming increasingly fierce. The refrigerator industry was affected by the macroeconomic, so the domestic sales in 2015 declined significantly, although the exports maintained a growth momentum, it failed to reverse the overall decline in the situation. The market situation of 2016 is not optimistic, the domestic market may decline, even may have a negative growth, yet the industry's globalized integration will continue. In the industrial development trend, high efficiency, frequency-conversion and being-intelligent will be the mainstream of the development of the compressor, also, the new refrigeration technology and the technological innovation will have a profound impact on the long-term development of the industry. With the release of the new national energy efficiency standards, that higher standards and requirements are proposed for household electrical appliances in energy saving and environmental protection. With the promotion and popularization of smart, networked and variable-frequency refrigerators, the market of variable-frequency compressor market is expected to have a rapid growth, thus bringing new market opportunities.

Facing the extremely severe situation of the industry as above-said, the company will adhere to increasing the intensity of technological innovation, focus on the development of variable-frequency and high efficiency compressor, continue to consolidate the domestic market and lay stress on expanding overseas markets, continue to improve the competition ability with differentiated products by means of the adjustment of product structure and seize the opportunity for industrial integration to make a bigger and stronger compressor industry.

#### 2.Development Strategy

Center on benefits, be oriented by the market, satisfy clients' demand as our endless pursuit, give full play to our core competitiveness in R&D, concentrate efforts on competitive programs, improve market share. Stand firmly on the commanding high point of market, strengthen responsibility and management, get new development in innovation, improve product quality steadily, further reduce cost, and enhance the competitiveness of products. Our goal in 2016 is RMB 3.4 billion revenue and sales of 24million compressors.

#### 3.Operation Plan

##### (1)Marketing Aspect

1) Precision marketing and the overall linkage; changing domestic sales structure and increasing the exports.

2) Incentive mechanism on innovation: Based on target-oriented, inspire the staff's initiative spirits, raise the sales of commercial compressor and improve the average sales price, so as to ensure fully utilizing the company's production capability and scale effect.

##### 2. R&D on the product

1) Precise R&D, improve the target rate of products. Deeply acquaint in the user site, accurately obtained the presented and potential real needs, so as to carry out targeted, representative and foreseeable R&D.

2) Further develop the variable-frequency to enhance the company's development potential. In 2016, the research will be focused on R&D of the third generation variable-frequency products and realize matching the user and providing batch products of it, while the development of mini-type variable-frequency product will be extended from the high-end to the medium-end products, thus to occupy more market share on variable-frequency.

### 3. Quality Control

Rigid quality management is the guarantee for a stronger company. The first is to pay attention to the source control and the process variation, continuously adhering to the awareness and requirements of "Three terms being not allowed", "Three items in zero tolerance" and "Four things being never neglected". The second is to do a good job in the control of "gap, volume gap, air gap". The third is to do a good job in the upgrade work of the measurement system and consolidate the basis of quality control. The fourth is to do a good job in quality control, evaluation and ability improvement of the supply chain.

### 4. Reinforcing the management and implementing strict assessment

At first, each factory and each system must take the responsibility and have ideas and have the sense of duty. The second is to reinforce the management, having "strict management" thought which shall take into consideration of replacement on typical person without idea change. The third is to improve efficiency and raise the proceeds: plan and organize the implementation work to improve production efficiency and the work efficiency, reduce production costs, improve gross margin, control costs and improve proceeds. The fourth is to improve the assessment and incentive mechanism and determine the remuneration by the performance. During the reporting period, other receivables decreased by 59.16% over the same period last year, which was mainly due to receiving the last year's export tax rebate;

### 4. Potential Risks

### 5. Other

## **IV. The explanation and the information about the disclosure not conformed to the Code as the provision of the Code does not applied to the company or because of special reasons**

Applicable  Not applicable

## V. Important Events

### I Specification of profit distribution of common shares and capitalizing of common reserves

#### 1. Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

According to the Notice of Further Implementing the Matters Concerning Distribution of Cash Dividends by Listed Companies (Zheng Jia Fa (2012) No. 37 Document) issued by CSRC on May 4, 2012 and the requirements of Hubei Securities Regulatory Bureau and Shanghai Stock Exchange, the sixth meeting of the fifth board of directors of the Company held examined and adopted the proposal for implementing the dividend distribution document of CSRC and revising the clauses of the Articles of Association of the Company in respect of profit distribution. The adoption of this proposal perfected the Company's profit distribution policy, improved the transparency of profit distribution, protected public investors' lawful rights and interests and enhanced the level of the Company's overall standardized operation.

The Company's 2015 Annual Profit Distribution Plan was deliberated in the 12<sup>th</sup> board meeting of the sixth session board of directors on April 21, 2016, audited by Daxin Certified Public Accountants LLP, the company's 2015 annual net profits attributable to shareholders of the parent company were RMB 69,792,841.69, plus the undistributed profits of RMB 464,995,647.55 in the beginning of the year, and drew surplus reserve of RMB 2,349,281.23, thus the undistributed profits at the end of the period of 2015 were RMB 532,439,208.01.

Considering the company's development and the fund needs for the project construction, the company's 2015 annual profits distribution plan was: The bonus shares allocation and the capitalization from capital public reserve will not be conducted for the company this year.

The plan still needs to be submitted to the general shareholder meeting for deliberation.

#### 2. The Company's plan for preplan for profit distribution or capitalization of capital surplus for the recent three years (including the report period)

In RMB

Year	Number of bonus shares for every 10 shares	Amount of dividends for every 10 shares	Number of shares for every 10 shares after capital surplus capitalization	Amount of cash bonus (Included tax)	Net profit attributable to shareholders of listed company in consolidated statement of bonus year	Ratio of net profit attributable to shareholders of listed company in consolidated statement
2015	0	0	0	0	69,792,841.69	
2014	0	0	0	0	59,518,090.82	
2013	0	1	0	23,500,000	93,824,776.19	

#### 3. In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

Applicable  Not applicable

In the reporting period, it was profitable and the profits distributed among common shareholders were positive, but the reason for the profit-sharing scheme by cash was not proposed.	Purpose of and plans to use undistributed profits.
audited by Daxin Certified Public Accountants LLP, the company's 2015 annual net profits attributable to shareholders of the parent company were RMB 69,792,841.69, plus the undistributed profits of RMB 464,995,647.55 in the beginning of the year, and drew surplus reserve of RMB 2,349,281.23, thus the undistributed profits at the end of the period of 2015	In the face of increasingly fierce competition in the compressor industry, in order to enhance the company's core competitiveness, increase the R & D investment on small and variable-frequency compressor, all need the company to continuously invest. At the same time, in the company's debt structure, the bank loans accounted for the large proportion, thus it needs the self-own

were RMB 532,439,208.01. Considering the company's development and the fund needs for the project construction, the company's 2015 annual profits distribution plan was: The bonus shares allocation and the capitalization from capital public reserve will not be conducted for the company this year.	funds to reduce financial costs.
---	----------------------------------

**II. Performance of commitments**

Applicable  Not applicable

**III. Particulars of fund occupation and progress of debt repayment in the report period**

Applicable  Not applicable

IV. Explanation by the Board of Directors about the “ non-standard audit report ”.

(1) Explanation by the Board of Directors and supervisory committee about the “ non-standard audit report ”.

Applicable  Not applicable

(2) Explain change of the accounting policies, accounting estimates and measurement methods

Applicable  Not applicable

(3) Explain retrospective restatement due to correction of significant accounting errors in the reporting period.

Applicable  Not applicable

V. Engagement or dismissal of certified public accountants' firm

In RMB

	Now appointing
Domestic certified public accountants engaged by the Company	Hubei Daxin Certified Public Accountants Co., Ltd.(Special General Partnership)
Remuneration for the domestic certified public accountants Recompense by the Company	45
Time for the domestic cetified public accountants serveas by the company	15
Outside accounting firm name	
Outside accounting firm rewards	
Outside accounting firm audit years	

	Name	Remuneration
CPAs firm for the internal control	Hubei Daxin Certified Public Accountants Co., Ltd.(Special General Partnership)	15
Financial Adviser		
Sponsor		

Dismissal of accounting firms note

Applicable  Not applicable

Circumstances change during the accounting firm's audit explanation

None

VI.Risk of suspending or terminating stock listing

1.Reasons for suspending or terminating listing and measures taken to remove such circumstances

None

VII.Bankruptcy reorganization

Applicable  Not applicable

VIII.Significant lawsuits and arbitrations of the Company

Applicable  Not applicable

IX. Penalty to the Company and its directors, supervisors and senior executives, controlling shareholder, actual controller or buyer and particulars about rectification

Applicable  Not applicable

X.Integrity of the company and its controlling shareholders and actual controllers

During the reporting period, the company has no stock incentive plan, employee stockownership plan or other employee incentives that have not been implemented.

XI.Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives

Applicable  Not applicable

XII. Significant related-party transactions

Applicable  Not Applicable

(I) Related transactions in connection with daily operation

1.Matters that have been disclosed in provisional announcements and there has been no change or development of subsequent implementation.

Summary of matters	Inquiry indexing

2.Matters that have been disclosed in provisional announcements and there has been change or development of subsequent implementation

3.Asset acquisition and disposal related transactions

Applicable  Not applicable

(II) The acquisition of assets or equity, the sale of the occurrence of the associated transactions

1.Matters that have been disclosed in provisional announcements and there has been no change or development of subsequent implementation.

Summary of matters	Inquiry indexing
Proposal on purchasing related assets of the related party Huangshi Aibo Technology Development Co., Ltd. by agreement.	Refer to the website of Shanghai Stock Exchange: 1. Announcement of Resolutions of the 4th meeting of the



	<p>sixth board of directors of Huangshi Dongbei Electrical Appliance Co., Ltd. No.:2015-001.</p> <p>2. Announcement of Huangshi Dongbei Electrical Appliance Co., Ltd. for the purchase of the asset related party.No: 2015-008</p>
About Huangshi Dongbei Electrical Appliance Co.,Ltd purchasing the assets of the related party	<p>Refer to the website of Shanghai Stock Exchange:</p> <p>1. Announcement of Resolutions of the 10th meeting of the sixth board of directors of Huangshi Dongbei Electrical Appliance Co., Ltd. No.:2015-019.</p> <p>2. Announcement of Huangshi Dongbei Electrical Appliance Co., Ltd. for the purchase of the asset related party.No: 2015-020</p>

2. Matters that has been in temporary announcement disclosed, but there is progress in the implementation of the follow-up or change

3. Information not disclosed in temporary announcement

Applicable  Not applicable

4. If related to a commitment of business performance, it shall disclose the business performance realized in the reporting period

(III). Significant related party transactions of common foreign investment

(1). Information not disclosed in temporary announcement

Applicable  Not Applicable

(IV). Related Liabilities

1. Information not disclosed in temporary announcement

Applicable  Not Applicable

(V) Other

XIII. Major contract and implantation

1. Trusteeship, contract and leasing

Applicable  Not applicabler

2. Particulars of guarantee

Applicable  Not applicabler

In RMB

Particulars about the external guarantee of the Company(Barring the guarantee for the controlling subsidiaries)													
Name of guarantee target	Relation	warrantee	Amount of guarantee	Occurrence date (date of agreement)	Guarantee the starting date	Guarantee the expiration date	Type of guarantee	Whether terminated	Whether guarantee exceed the delinquency date	Guarantee demurrage	whether anti-guarantee exist or not	Whether provided to related parties	Relationship

				signing )									
Huangshi Dongbei Electrical Appliance Co., Ltd.	The Company	Huangshi Dongbei Electro mechanical Group Co., Ltd.	2,995.00		July 16,2015	November 3,2016	Guarantee with joint responsibility	No	No		No	Yes	
Huangshi Dongbei Electrical Appliance Co., Ltd.	The Company	Huangshi Dongbei Refrigerating Co., Ltd.	7,317.94		July 24,2015	June 29,2016	Guarantee with joint responsibility	No	No		No	Yes	
Huangshi Dongbei Electrical Appliance Co., Ltd.	The Company	Huangshi Aibo Technology Development Co., Ltd.	3,000.00		December 28,2015	December 17,2016	Guarantee with joint responsibility	No	No		No	Yes	
Huangshi Dongbei Electrical Appliance Co., Ltd.	The Company	Huangshi Dongbei Electro mechanical Group. Solar energy Co., Ltd.	1,210.00		November 11,2015	December 17,2016	Guarantee with joint responsibility	No	No		No	Yes	
Total amount of guarantee in the report (Barring the guarantee for the controlling subsidiaries)											14,522.94		
Total balance of guarantee in the report(A)(Barring the guarantee for the controlling subsidiaries)											14,522.94		
Guarantees provided by the Company to its controlled subsidiaries													
Total amount of guarantees provided to subsidiaries in the report period											97,026		
Total balance of guarantees provided to subsidiaries at the end of the report period(B)											93,780		
Total amount of guarantees provided by the company (including the guarantees provided to controlled subsidiaries)													
Total amount of guarantee (A+B)											108,302.94		
Proportion of the total guarantee in the net assets of the Company(%)											108%		
Including:													
Guarantees provided to the shareholders, substantial controllers and the related parties (C)											14,522.94		
Guarantees provided to objects with over70%in liability/capital rate, directly or indirectly (D)											21,613.57		
Amount of guarantee over 50% of the net asset (E)											58,104.81		
Total of the above (C+D+E)											79,718.38		

Explanation of unexpired may commitment joint liability guarantee	
Guarantee explanation	

### 3. Situation of Entrusting Others for Managing Spot Asset

#### (1) Situation of Entrusted Finance

Applicable  Not applicable

#### (2) Situation of Entrusted Loans

Applicable  Not applicable

#### (3) Other investment and financial investment in derivatives

Applicable  Not applicable

### 4. Other significant contract

## XIV. Explanation about other significant matters

Applicable  Not applicable

## XV. The information of actively fulfilling the social responsibility

### 1. Information about the work on social responsibility

(1) The corporate governance: the company conformed to the requirements of The Company Law, The Securities Law, The Code of Corporate Governance for Listed Companies, Shanghai Stock Exchange Stock Listing Rules and other laws and regulations, combined with the actual situation of the company, constantly improved the structure of corporate governance, established a sound internal control system and improved the level of standard operations of the company.

(2) Protecting the rights and interests of shareholders: in 2015, strictly in accordance with the requirements of relevant laws and regulations, the company established and improved the corporate governance structural mechanism of "Three-meeting and One Management" constituted by the general shareholder meeting, board of directors, board of supervisors and the management, formulated and improved the company's internal control system to ensure all the management of the company complied with the rules and laws, thus to prevent the operating risks. Fully utilized the governance mechanism of balance of power based on that the general shareholder meeting is the highest authority, the board of directors is the decision-making authority, the management is the execution authority and the board of supervisors is the supervision authority, ensured the effective implementation of decision-making rights of the board of directors and the supervision rights of the board of supervisors and the operating rights of the management, realized efficient and scientific corporate governance for the company and soundly protected the interests of investors.

#### (3) Protecting the interests of staff

(a) Staff: Since its establishment, Dongbei Company always adhered to the concept of "jointly doing Dongbei's business, jointly feeling the happiness of working, jointly sharing the fruits of development, to together live a peaceful life, step on a rich road and build our happy homes", built the harmonious labor relations, fully gave play to the staff's enthusiasm in participating the company's management, protected the legitimate rights and interests of the staff, ensured the staff's safety and health and continuously improved for their better life.

(b) The staff's remuneration and the remuneration system: to attract, motivate and retain the talents and to realize the sustainable development for the company and the staff, the company had established the

performance-based remuneration system of “Fairness within the company, competitiveness with the external.” The remuneration-incentive: the staff’s annual remuneration will be increased by no less than 8% year on year, the year-end bonus will be paid and the performance-related pay will be fully paid each month in time according to the performance of the post. The remuneration and benefits: providing the statutory benefits such as the insurances on five items and the housing provident fund and providing other benefits.

(c) Caring for staff: livelihood projects: built the people’s livelihood projects: comfortable housing project, project for the care of the aged, ecological and environmental protection engineering; built staff services: mutual caring staff fund, relief fund for staff’s special difficulty; built pluralized benefits: providing fresh milk and food subsidies, free medical checkup and specific female workers’ medical checkup; set up the caring system: Day of listening the staff’s heart, staff difficulty relief, aiding staff’s children’s for school education, annual leave for staff, excellent staff having salary on self-travel, engineer / Technician subsidies, staff marriage congratulations, reward on staff’s self-learning etc.

(II) If the listed company or its subsidiaries belong to the heavy polluting industry specified by the National Environmental Protection Department, please specify the information of environmental protection.

The company and its subsidiaries do not belong to the heavy polluting industry specified by the National Environmental Protection Department.

#### XVI. Information about the corporate bonds

Applicable  Not applicable

## VI. Change of share capital and shareholding of Principal Shareholders

### I. Changes in share capital

#### 1. Changes in share capital

##### (1) Change in ordinary shares

The Company has not changed ordinary shares of the Report period .

##### (2) Description of changes in ordinary shares

None

(3) 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 (If any)

None

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

None

#### 2. Change of shares with limited sales condition

Applicable  Not applicable

### II. Issuing and listing

### III. Shareholders and actual controlling shareholder

#### 1. Total shareholders

Total number of common shareholders at the end of the reporting period	19,239
Total shareholders at the end of the month from the date of disclosing the annual report	19,281
The total number of preferred shareholders voting rights restored at period-end	
Total preferred shareholders at the end of the month from the date of disclosing the annual report	

#### 2. Number of shareholders and shareholding

In RMB

Particulars about the shareholding of the top ten shareholders							
Shareholder name	Increase/decrease	Number of shares held at period -end	Proportion (%)	Amount of restricted shares held	Pledged or frozen		Shareholder nature
					Status	Quantity	
Huangshi Dongbei Electromechanical Group Co., Ltd.	0	117,600,000	50.04%	117,600,000	None		State-owned legal person
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	667,302	1,153,801	0.49		Unknown		Foreign Legal person
Sun Menglin	1,957,987	875,227	0.37		Unknown		Domestic natural person
Zhou Xiaohai	834,900	834,900	0.36		Unknown		Domestic natural person

Hu Jiaying	907,391	828,846	0.35		Unkn wn		Domestic natural person
Changzhou Zhongke Electric manufacture Co., Ltd.	0	800,000	0.34	800,0 00	None		Domestic Non-State -owned legal person
ISHARES CORE MSCI EMERGING MARKETS ETF	405,200	405,200	0.17		Unkn wn		Foreign Legal person
Jiang Zhongfa	0	400,000	0.17		Unkn wn		Domestic natural person
Xu Xuan	400,000	400,000	0.17		Unkn wn		Domestic natural person
Changshu Tianyin Electromechanical Co., Ltd.	0	400,000	0.17	400,0 00	None		Domestic Non-State -owned legal person

## Shareholding of top 10 shareholders of unrestricted shares

Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type	
		Share type	Quantity
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,153,801	Foreign shares placed in domestic exchange	
Sun Menglin	875,227	Foreign shares placed in domestic exchange	
Zhou Xiaohai	834,900	Foreign shares placed in domestic exchange	
Hu Jiaying	828,846	Foreign shares placed in domestic exchange	
ISHARES CORE MSCI EMERGING MARKETS ETF	405,200	Foreign shares placed in domestic exchange	
Jiang Zhongfa	400,000	Foreign shares placed in domestic exchange	
Xu Xuan	400,000	Foreign shares placed in domestic exchange	
Shao Liping	395,900	Foreign shares placed in domestic exchange	
Xu Xiudi	363,000	Foreign shares placed in domestic exchange	
Sun Qunsuo	357,600	Foreign shares placed in domestic exchange	

Explanation on associated relationship among the aforesaid shareholders	
Description of the preferred shareholders whose voting rights were restored and their numbers of holding shares	

## Shareholding of top 10 shareholders of Conditional shares

In Shares

No	Name of the shareholder	Quantity of conditional shares held	Restricted shares can be traded on		Restricted conditions
			Time can be traded	New number of shares can be traded	
1	Huangshi Dongbei Electromechanical Group Co., Ltd.	117,600,000			
2	Changzhou Zhongke Electric manufacture Co., Ltd.	800,000			
3	Changshu Tianyin Electromechanical Co., Ltd.	400,000			
4	Shaoxing Xingbei Pressing Co., Ltd	400,000			
5	Wuhan Xinhua Hardware Factory	400,000			
6	Zhejiang Lisheng Electromechanical Manufacturing Co., Ltd	400,000			
7					
8					
9					
10					
Explanation on associated relationship among the aforesaid shareholders					

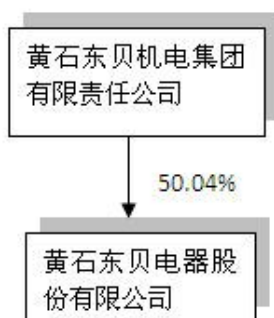
**IV. Brief introduction of the controlling shareholder and actual controller**

## (1) The controlling shareholder

## 1. Legal

Name	Huangshi Dongbei Electromechanical Group Co., Ltd
Legal representative	Yang Baichang
Date of incorporation	January 18, 2002
Principal business activities	Production and sales of refrigerating compressors and electrical motors of compressors, development and consultation of high-tech products.
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	
Other explanation	

## 2. The block diagram of the property right and control relationship between the Company and controlling shareholders



## (2) Actual controller

## 1. Legal

Name	China Orient Asset Management Company
Legal representative	Zhang Zhiai
Date of incorporation	
Principal business activities	Acquisition, Manage and disposal of Bad assets of financial institution
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	
Other explanation	

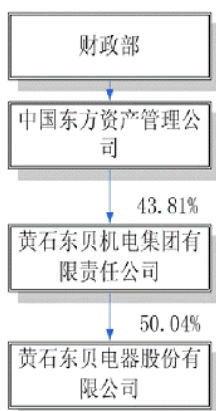
**2. The company does not exist in the actual control of the special instructions**

None

## 3. Index and date of change of the actual controller during the reporting period

None

## 4. The block diagram of the property right and control relationship between the Company and the actual controller



## 5. The actual controller controlled the company through trust or other asset management means

None



(3) Other information about the controlling shareholder and the actual controller

None

**V. Description of the situation of limit on reducing shares**

Applicable  Not applicable

**VII. Situation of the Preferred Shares**

Applicable  Not applicable

**VIII.Particulars about Directors, Supervisors, Senior Executives and Employees**

I.Change of shareholding and particulars about remuneration

1. The change of shareholding of directors, supervisors and senior executives who currently hold their posts or left their posts in the report period and particulars about their remuneration

√Applicable Not applicable

Name	Position	Sex	Age	Beginning date of office term	Expiration date of office term	<u>Shares held at the year-beginning</u>	<u>Shares held at the year-end</u>	Increase or decrease in the amount of shares for the year	Reason of the change	In Shares	
										The total amount of remuneration received from the Company in the report period (RMB'0000) (Before tax)	The total remuneration from shareholder or other related -parties in the report period (RMB'0000)
Yang Baichang	Board Chairman	Male	60	May 20,2014	November 19,2015	0	0	0			
Zhu Jinming	Board Chairman	Male	52	November 27,2015	May 19,2017	0	0	0			
Liao Hangang	Director	Male	52	May 20,2014	March 11, 2016	0	0	0			
Lin Yinkun	Director, General Manager	Male	44	May 20,2014	March 11, 2016	0	0	0		45.53	
Lu Lihua	Director,Deputy General Manager and Secretary to the Board	Female	45	May 20,2014	March 11, 2016	0	0	0		29.48	
Ruan Zhengya	Director	Male	45	May 20,2014	May 19,2017	0	0	0			
Zhao Dayou	Independent director	Male	61	May 20,2014	May 19,2017	0	0	0		5	
Lu Yanying	Independent director	Female	56	May 20,2014	May 19,2017	0	0	0		5	
Yu Yumiao	Independent director	Male	50	December 15,2015	May 19,2017	0	0	0		0	
Xie Jincheng	Independent director	Male	52	May 20,2014	November 19,2015	0	0	0		5	
Jiang Min	Supervisor	Male	47	May 20,2014	May 19,2017	0	0	0			
Ma Yanping	Supervisor	Male	58	May 20,2014	May 19,2017	0	0	0		11.22	

2015 Annual Report

Hu Rongzhi	Superisor	Female	39	May 20,2014	May 19,2017	0	0	0		16.26	
Gao Jianjun	Deputy GM	Male	38	April 11, 2015	May 19,2017	0	0	0		15.46	
Dou Zuowei	Deputy GM	Male	34	April 11, 2015	May 19,2017	0	0	0		37.59	
Zhu Yushan	Deputy GM	Male	34	April 11, 2015	May 19,2017	0	0	0		25.81	
Total	/	/	/	/	/				/	196.35	/

Name	Work Experience
Yang Baichang	He served as board chairman and President of Huangshi Dongbei Electromechanical Co., Ltd. From 2002 to May 2010, And he served as Board Chairman of Huangshi Dongbei Electromechanical Group Co., Ltd. and board chairman of the Company since May 2010.
Zhu Jinming	He has served as director and Vice president Manager of Huangshi Dongbei Electromechanical Co., Ltd. From 2002 to May 2010, and he served as Director and President of Huangshi Dongbei Electromechanical Group Co., Ltd. and Director of the Company since May 2010. he served as board chairman of the Company since November 27, 2015.
Liao Hangang	He served as board secretary and assistant of General Manager of the Company, He now served as Director of the Company and Assistant President of Huangshi Dongbei Electromechanical Co., Ltd.
Lin Yinkun	He served as deputy director of process workshop , director of Manager office , Minister of quality Dept of the Company, General Manager of Wuhu Abaur Mechanical & Electrical Co., Ltd. He now served as director and General Manager of the Company.
Lu Lihua	She served as Director of Financial Department and assistant of General Manager of Huangshi Dongbei Electrical Appliance Co., Ltd since 2005, She now served as Deputy General Manager ,and Secretary to the Board and Director of the Company.
Ruan Zhengya	He served as general manager of Changzhou Luoke Electric Co., Ltd. since 2004, He was served as director of the company since May 2008.
Zhao Dayou:	He now serves as director of Tourism Planning, Research and Development Center of Three Gorges University, deputy director of Three Gorges Culture, Economy and Social Development Research Center of Hubei University Culture and Social Science Key Research Base, member of Yichang City Planning Commission and Yichang CPPCC, technical consultant of People's Government of Xiling District, part-time professor of Chongqing Three Gorges College and academic pacesetter of Three Gorges University for regional economy. He now served as Independent director of the Company.
Lu Yanying:	She served as Teacher of School of Management, Huazhong University Of Science & Technology and School of Management, Wuhan University of Hydraulic and Electrical Engineering, and now acts as professor of Economics and Management School of Wuhan University . She served as Independent Director of the Company since May 2011.
Yu Yumiao	Had been served as the teaching assistant, lecturer, associate professor in the accounting and auditing department of school of Economics of Wuhan University, professor of accounting department of business school of Wuhan University; currently, serves as professor and doctoral tutor in accounting department of school of economics and management of Wuhan University; since December 15, 2015, has been served as the company's independent director.
Xie Jincheng	He served as President and Secretary of the party committee of Zhongnan University of Economics and law School of continuing Education since 2004.
Jiang Min	He served as Director of Financial Department of Huangshi Dongbei Electromechanical Group Co., Ltd., and now acts as assistant president of Huangshi Dongbei Electromechanical Group Co., Ltd. He served as Supervisor of the Company since May 2011.
Ma Yanping	She served as director of Purchase Dept , director of Quality Dept, director of Workshop of Huangshi Dongbei Electrical Appliance Co., Ltd., He now serves as director of Equipment Dept and supervisor of the Company.
Hu Rongzhi	1994 entered Huangshi Dongbei Electrical Appliance Co., Ltd., engaged in sorting parts, product design, technology standards, technical management, project reporting, etc., He now serves as deputy director of Chief Engineer office and supervisor of the Company.

2. Directors, supervisors and senior management of equity during the reporting period was granted incentive

Applicable  Not applicable

II. Particulars about duty performance of directors, supervisors and senior executives who currently hold their posts or left their posts in the report period

1. Posts held at corporate shareholders

Applicable  Not applicable

Name	Name of corporate shareholder	Position	Starting date of term of office	Expiry date of term of office
Yang Baichang	Dongbei Group	Board chairman		
Zhu Jinming	Dongbei Group	President		
Liao Hangang	Dongbei Group	Board secretary and Assistant president		
Jiang Min	Dongbei Group	Assistant president		
Posts held at corporate shareholders				

2. Posts held at other units

√Applicable □Not applicable

Name	Name of other units	Position	Starting date of term of office	Expiry date of term of office
Ruan Zhengya	Changzhou Luoke Electric Co., Ltd.	General Manager		
Zhao Dayou	Three Gorges University	Professor		
	Planning, Research and Development Center of Three Gorges University	Director		
Lu Yanying	Wuhan University	Accounting professor of economics and management		
Yu Yumiao	Wuhan University	Accounting professor of economics and management		
	Oceanwide holdings	Independent Director		
	Semir	Independent Director		
Posts held at other units				

### III. Remuneration of directors, supervisors and senior executives

The decision-making procedure for remuneration of directors, supervisors and senior executives:	The shareholders' general meeting decided the remuneration .
The determine of remuneration of the basis of directors, supervisors and senior executives	According to the early development of various economic indicators to determine the end of the completion of the total remuneration
Remuneration of directors, supervisors and senior executives	As of the date of this report, the remuneration of directors, supervisors and senior management personnel have been paid.
Total actual remuneration of all directors, supervisors and senior management in the end of the report period.	Refer to the chapter (1) The change of hold share and remuneration

### IV. Change in directors, supervisors and senior executives

Name	Titles	Change situation	Reason
Yang Baichang	Board Chairman	Leave his post	
Liao Hangang	Director	Leave his post	resignation
Lin Yinkun	Director	Leave his post	resignation
Lu Lihua	Director	Leave his post	resignation
Xie Jincheng	Independent director	Leave his post	resignation

### V. Information about the received punishments from the securities regulatory agencies in the most recent three years

√Applicable □Not applicable

Due to violations in the information disclosure, on September 10, 2014, the controlling shareholder of the company- Huangshi Dongbei Electromechanical Group Co., Ltd. and the leading executives received the Written Decision of Administrative Penalty-document of No.76-2014 issued by the CSRC. For the detailed information, please see the Announcement of Receiving the Written Decision of Administrative Penalty from CSRC by the Controlling Shareholder- Huangshi Dongbei Electromechanical Group Co., Ltd. disclosed on the Shanghai Stock Exchange (No: 2014-026) .

The company had completed the rectification in 2012 for the punishment items.

### VI. The structure of employees in the parent Company and the principal subsidiaries

#### (1)Particulars of Employees

The number of employees in the parent Company	2,972
The number of employees in the principal subsidiaries	941
Total	3,913
Parent Company and subsidiaries are required to bear the costs of retired employees.	270
Divided by function	
Type	Person
Production personnel	3170

Sales personnel	71
Technical personnel	413
Financial personnel	32
Administrative personnel	227
Total	3,913
Education status	
Type	Total (Person)
Junior college and above	1,416
Technical secondary school and Senior High School	2,497
Total	3,913

## (2) Remuneration policy

According to business development of company status, developed a level of remuneration and benefits policies that adapted to the development stage, is committed to create a happy life for the employees.(3)

## (3) Training plan

Staff training is divided into two blocks: 1. pre-job training: training new employees to achieve three level training. So that new employees are familiar with and agree with the corporate culture to adapt to work as soon as possible. 2. job training: to carry out a variety of training in accordance with the annual training plan. Enhance staff skills and qualities to ensure that employees complete tasks.



## IX. Administrative structure

### I. Basic state of corporate governance

During the report period, the company has strictly fulfilled the requirements of “Corporate Law”, “Securities Law”, “Articles of Association”, China Securities Regulatory Commission, Shanghai Stock Exchange, the relevant laws and regulations and the regular documents, continuously improved the corporate governance structure, strengthened the information disclosure, standardized the company’s operation, and enhanced the governance level of the company. The shareholders meeting, the Board of Directors, the Supervisor Committee and the management of the company shall have clear rights and duties, and the corporate governance structure of the company has basically met the modern enterprise system and the requirements of “Governance Rules of Listed Companies”. To continually strengthen the relevant standard governance, the company has issued “Annual Evaluation Report of Internal Control for Dongbei B Shares in 2012”, “Audit Report of Internal Control for Dongbei B Shares”, “Management Method of Foreign Investment for Dongbei B Shares” and other series of standard governance system of the company according to the relevant laws and regulations of China Securities Regulatory Commission and Shanghai Stock Exchange.

The company has abided by “Registration and Filing System on Learners of Inside Information for Dongbei B Shares”, “Confidential System of Inside Information for Dongbei B Shares” and “Registration and Management System on Learners of Inside Information for Dongbei B Shares” to conscientiously do the registration and record on learners of inside information well, and timely fill in the registration form of inside information learners. During the reporting period, the company strictly in accordance with the requirements of the above system, strict implementation of the relevant provisions, earnestly inside information insider's registration, filing work to strengthen the confidentiality of inside information, to ensure fair information disclosure.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC, Any discrepancies should explain why

None

### II. Brief Introduction of Shareholders' General Meeting

Sessions	Meeting Date	Disclosure index	Disclosure date
Annual Genral Meeting of 2014	May 22,2015	www.sse.com.cn	May 23,2015
The first provisional shareholders' General meeting in 2015	December 14,2015	www.sse.com.cn	December 15,2015

The statement of Shareholders' General Meeting:

Annual Genral Meeting of 2014;

The Work Report of the Board of Directors For 2014;

The work Report of the Supervisory Committee for 2014;

Proposal for the annual report for 2014 and its summary;

Proposal for the Final Accounting Report for 2014;

Proposal for the Preplan for Profit Distribution for 2014;

Proposal on Amending the Articles of Association and the Rules of Procedure for the General Shareholder Meeting;

To examined the Proposal for Renewing the Engagement of Certified Public Accountants and the Proposal for Internal Audit Institution;

To examined the Proposal Concerning the Credit Line for the Company for 2015;

Proposal on Providing the Guarantee to the Company’s Controlling Shareholder and its Subsidiaries;

Proposal on Providing the Guarantee to the Company’s Subsidiaries;

Proposal on Providing the Guarantee to Huangshi Aibo Technology Development Co., Ltd;

Proposal on Providing the Guarantee to Jiangsu Luoke Electrical Co., Ltd;

To examined the Proposal for The information of Daily Related Transactions of 2014 and Announcement of Expected Daily related transactions in 2015;

2014 Annual Report hear Huangshi Dongbei Electrical Appliance Co., Ltd. Board Audit Committee..

Examination of the proposal of the 2014 Annual Report of the Independent Directors' Work ;

The first provisional shareholders’ General meeting in 2015;

Proposal on Amending the Articles of Association of the Company;  
 Proposal on the Election of Mr. Zhu Yushan as the Director of the Company's Sixth Session Board of Directors;  
 Proposal on the Election of Mr. Yu Yumiao as the Independent Director of the Company's Sixth Session Board of Directors.

### III. Routine work of the board of directors

#### (1). Board meetings and resolutions

Name	Whether the independent directors	Attendance of board meetings						Attendance of the shareholders' general meeting
		The supposed times of attendance this year	Attendance in person (times)	Number of meetings attendance by means of communication	Attendance through agent (times)	Absence (times)	Whether on the reasons why not personally attend the meeting of the board of director for twice successively.	The attendance record of shareholders' general meeting
Yang Baichang	No	4	4	0	0	0	No	1
Zhu Jinming	No	6	6	0	0	0	No	2
Liao Hangang	No	6	6	0	0	0	No	2
Lin Yinkun	No	6	6	0	0	0	No	2
Lu Lihua	No	6	6	0	0	0	No	2
Ruan Zhengya	No	6	4	4	2	0	No	1
Lu Yanying	Yes	6	6	4	0	0	No	2
Zhao Dayou	Yes	6	6	4	0	0	No	2
Xie Jincheng	Yes	4	4	3	0	0	No	1
Yu Yumiao	Yes	2	2	1	0	0	No	1

Explanation personally did not attend two consecutive meetings of the Board  
 None

The number of the meetings of the board of directors within the year	6
Of which: Number of field meetings	2
Number of meetings held by means of communication	0
Site and the number of meetings was held of communication	4

**(2)Objection of independent directors on some relevant issues**

Objection of independent directors on some relevant issues

None

(3)Other

IV.Important observations and recommendations in their duties during the reporting period raised under the Special Committee of the Board

During the reporting period, the Board of Directors under the special committee are in favor of the bill under consideration in the performance of their duties, have not made other comments and suggestions.

V.The Supervisory Committee found that the company's explanation risk

During the reporting period, the Supervisory Committee of the company regularly reports, according to the operation, financial condition, as well as related party transactions and other internal control self-assessment report and other work to perform supervisory duties. Supervisory Committee on oversight matters during the reporting period without objection.

VI. The company and its controlling shareholder in business, personnel, assets, organization, finance and other aspects of existence does not guarantee the independence, can not maintain the ability to operate independently of note

The company possesses the independent production capability and independent operating ability, strictly maintained the independence in terms of business, personnel, assets, organizations, finance and so on. There is no circumstance that the company cannot guarantee its independence or self-operating ability separately from its controlling shareholder.

The company's countermeasures, work schedule and follow-up work plan to the existed horizontal competition

None

VII.Particulars about mechanism of appraisal of senior executives and establishment and implementation of stimulation mechanism in the report period

During the reporting period, Dongbei B shares senior management compensation management approach "firm basis for consideration by the Board of Directors and the annual management objectives for senior managers to check and assessment.

VIII. Whether disclose the self-assessment report on internal control

Applicable  Not applicable

The company will disclose the Company's 2015 Annual Self-assessment Report on Internal Control at the date of disclosing the annual report, for the full text, please see the company's announcements disclosed on Shanghai Stock Exchange website ([www.sse.com.cn](http://www.sse.com.cn)).

Description of material deficiencies in the internal control during the reporting period

Applicable  Not applicable

IX. Statement on auditor's report on internal control

The Company prepared and disclosed Report on Self-evaluation of Internal Control for 2015. Hubei Daxin Certified Public Accountants Co., Ltd. audited the internal control of the Company and issued Auditor's Report on Internal Control. The full text of the said report was published at the website of Shanghai Stock Exchange (<http://www.sse.com.cn>). Refer to the appendix for details of the auditor's report on internal control.

Whether the disclosure of internal control audit report: Yes

X.Other

**X. Information about the corporate bonds**

Applicable  Not applicable

## XI. Financial Report

### I. Auditor's Report

Applicable  Not applicable

Da Xin Shen Zi (2016)No.: 2-00825

To all shareholders of Huangshi Dongbei Electrical Appliance Co., Ltd.

We audited accompanying financial statements of Huangshi Dongbei Electrical Appliance Co., Ltd. (hereinafter referred to as "the Company"), including Consolidation and parent Company balance sheet on December 31, 2015, Consolidation and parent Company income statement, Consolidation and parent Company cash flow statement for the year 2015 and Consolidation and parent Company statement of change in shareholders' equity and the notes to financial statements.

#### I. Management's responsibility for the financial statements

Preparation of financial statements in accordance with the Accounting Standards for Business Enterprises is the responsibility of the management of the Company. Such responsibility includes: (1) Prepare the financial statements according to business enterprises regulation, so that making reasonable accounting estimate; (2) design, implementation and maintenance of internal control related to the preparation of financial statements so that financial statements are free from material misstatement caused by fraudulent practices or errors.

#### II. Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We conducted our audit in accordance with International Standards on Auditing, Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### III. Opinion

In our opinion, the financial statements of the Company have been prepared in accordance with the provisions of Accounting Standards for Business Enterprises and give a fair view, in all material aspects, of the financial position of the Company as at December 31, 2015 and its operating results and cash flow for 2015.

Hubei Daxin Certified Public Accountants Co., Ltd. ( Special General Partnership)

Beijing China

Chinese C.P.A.: Zhang Ling

Chinese C.P.A.: Jiang Yanhong

April 21, 2016

## II. Financial statements

### Consolidated Balance Sheet

December 31, 2015

Prepared by: Huangshi Dongbei Electrical Appliance Co., Ltd.

In RMB

Items	Notes	Year-end balance	Year-beginning balance
Current asset:			
Monetary fund		656,113,006.13	653,857,922.46
Settlement provision			
Outgoing call loan			
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Bill receivable		589,083,601.27	840,593,346.97
Account receivable		894,837,574.04	817,590,563.96
Prepayments		121,392,948.44	138,164,402.83
Insurance receivable			
Reinsurance receivable			
Provisions of Reinsurance contracts receivable			
Interest receivable			
Dividend receivable		27,395,464.63	27,395,464.63
Other account receivable		9,304,868.79	22,782,353.03
Repurchasing of financial assets			
Inventories		407,247,957.17	432,247,546.82
Assets held for sales			
Non-current asset due in 1 year			
Other current asset		86,403,299.73	37,504,806.36
Total of current assets		2,791,778,720.20	2,970,136,407.06
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		7,028,918.54	5,349,770.71
Property investment		3,546,791.60	3,711,835.76
Fixed assets		1,496,280,148.15	862,593,882.87
Construction in progress		33,236,407.41	220,621,843.79
Engineering material			
Fixed asset disposal			
Production physical assets			
Gas & petrol			
Intangible assets		93,977,307.89	72,432,752.78
R & D petrol			
Goodwill			
Long-germ expenses to be amortized		10,789,780.00	7,726,742.16
Differed income tax asset		4,495,776.68	4,512,676.03
Other non-current asset			
Total of non-current assets		1,649,355,130.27	1,176,949,504.10
Total of assets		4,441,133,850.47	4,147,085,911.16
Current liabilities			
Short-term loans		629,692,080.00	778,628,180.00
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		1,107,083,483.84	1,057,511,876.03
Account payable		745,021,206.81	715,143,775.85
Advance payment		17,623,716.91	14,085,397.48
Selling of repurchased financial assets			
Fees and commissions receivable			
Employees' wage payable		23,295,962.14	26,745,392.85
Tax payable		26,612,899.33	25,721,135.19
Interest payable		5,326,171.89	
Dividend payable		10,009,121.12	10,009,121.12
Other account payable		148,495,035.91	205,754,993.86
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			
Other current liability			
Total of current liability		2,713,159,677.95	2,833,599,872.38
Non-current liabilities:			
Long-term loan		356,440,000.00	121,440,000.00
Bond payable			
Including: preferred stock			
Sustainable debt			
Long-term payable		30,373,108.31	42,636,983.48
Long-term payable employees' remuneration			
Special payable			
Expected liabilities			
Deferred income		108,098,357.37	30,670,421.67
Deferred income tax liability			
Other non-current liabilities			
Total non-current liabilities		494,911,465.68	194,747,405.15
Total of liability		3,208,071,143.63	3,028,347,277.53
Owners' equity			
Share capital		235,000,000.00	235,000,000.00
Other equity instruments			
Including: preferred stock			
Sustainable debt			
Capital reserves		190,111,836.26	190,111,836.26
Less: Shares in stock			
Other comprehensive income		526,019.67	168,961.03
Special reserves			
Surplus reserves		45,885,564.58	43,536,283.35
Common risk provision			
Undistributed profit		532,439,208.01	464,995,647.55
Total of owner's equity belong to the parent company		1,003,962,628.52	933,812,728.19
Minority shareholders' equity		229,100,078.32	184,925,905.44
Total of owners' equity		1,233,062,706.84	1,118,738,633.63
Total of liabilities and owners' equity		4,441,133,850.47	4,147,085,911.16

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

## Balance sheet of Parent Company

December 31, 2015

Prepared by: Huangshi Dongbei Electrical Appliance Co., Ltd.

In RMB

Items	Notes	Year-end balance	Year-beginning balance
Current asset:			
Monetary fund		325,305,123.53	358,050,944.54
Financial assets measured at fair value with variations accounted into current income account			
Derivative financial assets			
Bill receivable		410,366,705.94	417,492,423.70
Account receivable		675,963,140.96	600,503,827.10
Prepayments		126,676,895.86	149,897,189.56
Interest receivable			
Dividend receivable		27,395,464.63	27,395,464.63
Other account receivable		1,992,984.09	7,582,803.63
Inventories		282,253,627.96	293,552,850.72
Assets held for sales			
Non-current asset due in 1 year			
Other current asset		6,862,142.96	6,552,181.01
Total of current assets		1,856,816,085.93	1,861,027,684.89
Non-current assets:			
Disposable financial asset			
Expired investment in possess			
Long-term receivable			
Long term share equity investment		188,161,074.70	188,161,074.70
Property investment			
Fixed assets		525,347,049.61	478,823,769.82
Construction in progress		22,485,248.13	52,293,230.35
Engineering material			
Fixed asset disposal			
Production physical assets			
Gas & petrol			
Intangible assets		38,946,773.60	39,570,660.06
R & D petrol			
Goodwill			
Long-germ expenses to be amortized		7,327,096.80	6,497,588.93
Deferred income tax asset		3,716,807.47	3,739,887.66
Other non-current asset			
Total of non-current assets		785,984,050.31	769,086,211.52
Total of assets		2,642,800,136.24	2,630,113,896.41
Current liabilities			
Short-term loans		380,782,400.00	555,166,380.00
Financial liabilities measured at fair value with variations accounted into current income account			
Derivative financial liabilities			
Bill payable		644,709,605.88	564,518,095.51
Account payable		306,179,192.05	291,220,516.42
Advance payment		541,012,376.76	417,897,215.20
Employees' wage payable		9,896,403.02	11,128,452.79
Tax payable		22,117,379.74	22,738,424.71
Interest payable		3,753,470.19	
Dividend payable			
Other account payable		73,193,970.95	19,004,795.46



Liabilities held for sales			
Non-current liability due in 1 year			
Other current liability			
Total of current liability		1,981,644,798.59	1,881,673,880.09
Non-current liabilities:			
Long-term loan			120,000,000.00
Bond payable			
Including: preferred stock			
Sustainable debt			
Long-term payable			
Employees' wage payable			
Special payable			
Expected liabilities			
Deferred income		32,581,217.34	23,358,708.34
Deferred income tax liability			
Other non-current liabilities			
Total of Non-current liabilities		32,581,217.34	143,358,708.34
Total of liability		2,014,226,015.93	2,025,032,588.43
Owners' equity			
Share capital		235,000,000.00	235,000,000.00
Other equity instrument			
Including: preferred stock			
Sustainable debt			
Capital reserves		90,801,937.51	90,801,937.51
Less: Shares in stock			
Other comprehensive income			
Special reserves			
Surplus reserves		45,885,564.58	43,536,283.35
Undistributed profit		256,886,618.22	235,743,087.12
Total of owners' equity		628,574,120.31	605,081,307.98
Total of liabilities and owners' equity		2,642,800,136.24	2,630,113,896.41

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

**Consolidated Income Statement**

January –December 2015

In RMB

Items	Notes	Year-end balance	Year-beginning balance
I. Income from the key business		3,420,131,010.98	3,559,013,065.68
Incl: Business income			
Interest income			
Insurance fee earned			
Fee and commission received			
II. Total business cost		3,343,237,607.68	3,487,445,719.44
Incl: Business cost		2,909,310,999.92	3,073,946,585.99
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		12,666,658.75	15,069,492.69
Sales expense		103,477,015.27	88,372,759.38
Administrative expense		265,472,065.47	262,258,841.68
Financial expenses		51,615,584.69	49,280,328.08
Asset impairment loss		695,283.58	-1,482,288.38
Add: Gains from change of fair value (“-”for loss)			
Investment gain (“-”for loss)		1,679,147.83	-219,428.66
Incl: investment gains from affiliates			
Gains from currency exchange (“-”for loss)			
III. Operational profit (“-”for loss)		78,572,551.13	71,347,917.58
Add : Non-operational income		28,269,183.95	32,789,210.62
Including: Income from disposal of non-current assets		1,822,796.20	36,947.96
Less: Non business expenses		6,048,302.54	9,083,563.75
Incl: Loss from disposal of non-current assets		4,660,500.90	6,164,369.73
IV.Total profit(“-”for loss)		100,793,432.54	95,053,564.45
Less: Income tax expenses		8,326,417.97	11,855,152.57
V. Net profit		92,467,014.57	83,198,411.88
Net profit attributable to the owners of parent company		69,792,841.69	59,518,090.82
Minority shareholders’ equity		22,674,172.88	23,680,321.06
VI. Other comprehensive income		357,058.64	362,026.73
Net of profit of other comprehensive income attributable to owners of the parent company.		357,058.64	362,026.73
( 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 )		357,058.64	362,026.73
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		357,058.64	362,026.73
6.Other			
7.Net of profit of other comprehensive income attributable to Minority shareholders’ equity			
VII. Total comprehensive income		92,824,073.21	83,560,438.61
Total comprehensive income attributable to the owner of the parent company		70,149,900.33	59,880,117.55
Total comprehensive income attributable minority shareholders		22,674,172.88	23,680,321.06
VIII. Earnings per share			
( I ) Basic earnings per share		0.297	0.253
(II)Diluted earnings per share			

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: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

## Income statement of the Parent Company

January -December 2015

In RMB

Items	Notes	Amount of the Report period	Amount of previous year
I. Income from the key business		2,676,819,821.71	2,765,630,754.80
Incl: Business cost		2,445,959,071.52	2,535,308,605.99
Business tax and surcharge		6,752,688.50	8,599,598.52
Sales expense		58,985,321.21	52,878,410.53
Administrative expense		133,049,190.09	138,227,763.77
Financial expenses		16,127,140.93	24,223,717.80
Asset impairment loss		-153,867.95	-2,462,365.07
Add: Gains from change of fir value (“-”for loss)			
Investment gain (“-”for loss)			30,513,197.90
Incl: investment gains from affiliates			
II. Operational profit (“-”for loss)		16,100,277.41	39,368,221.16
Add : Non-operational income		11,159,909.44	26,710,647.07
Including: Income from disposal of non-current assets		602,157.80	11,787,870.78
Less: Non business expenses		3,744,294.33	6,580,173.68
Incl: Loss from disposal of non-current assets		2,600,036.44	4,045,057.76
III.Total profit(“-”for loss)		23,515,892.52	59,498,694.55
Less: Income tax expenses		23,080.19	3,577,794.54
IV. Net profit (“-”for net loss)		23,492,812.33	55,920,900.01
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		23,492,812.33	55,920,900.01
VII. Earnings per share:			
( I ) Basic earnings per share			
(II)Diluted earnings per share			

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

## Consolidated Cash flow statement

January-December 2015

In RMB

Items	Notes	Amount of the Report period	Amount of previous year
<b>I. Net cash flow from business operation</b>			
Cash received from sales of products and providing of services		2,789,146,855.68	2,452,580,693.51
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 trade financial asset disposal			
Cash received as interest, processing fee, and commission			
Net increase of inter bank fund received			
Net increase of repurchasing business			
Tax returned		83,771,977.45	60,989,962.68
Other cash received from business operation		73,730,753.03	78,439,848.13
Subtotal of cash inflow from business activities		2,946,649,586.16	2,592,010,504.32
Cash paid for purchasing of merchandise and services		1,849,052,183.82	1,816,887,761.14
Net increase of client trade and advance			
Net increase of savings in 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		323,669,734.93	329,099,469.42
Taxes paid		71,761,946.45	94,755,885.88
Other cash paid for business activities		200,415,666.15	145,832,947.59
Subtotal of cash outflow from business activities		2,444,899,531.35	2,386,576,064.03
Cash flow generated by business operation, net		501,750,054.81	205,434,440.29
<b>II. Cash flow generated by investing</b>			
Cash received from investment retrieving			
Cash received as investment gains			
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		9,715.20	71,178.43
Net cash received from disposal of subsidiaries or other operational units			
Other investment related cash received		33,874,000.00	7,000,000.00
Subtotal of cash inflow due to investment activities		33,883,715.20	7,071,178.43
Cash paid for construction of fixed assets, intangible assets and other long-term assets		499,803,473.88	254,069,537.90
Cash paid at investment			
Net increase of loan against pledge			
Net cash received from subsidiaries and other operational units			
Other cash paid for investment activities			
Subtotal of cash outflow due to investment activities		499,803,473.88	254,069,537.90

Net cash flow generated by investment		-465,919,758.68	-246,998,359.47
III. Cash flow generated by financing			
Cash received as investment		21,500,000.00	11,500,000.00
Incl: Cash received as investment from minor shareholders			
Cash received as loans		1,723,336,780.00	1,712,329,196.00
Cash received from bond placing			
Other financing –related cash received			22,500,000.00
Subtotal of cash inflow from financing activities		1,744,836,780.00	1,746,329,196.00
Cash to repay debts		1,634,108,700.00	1,598,207,616.00
Cash paid as dividend, profit, or interests		60,721,378.77	78,778,498.58
Incl: Dividend and profit paid by subsidiaries to minor shareholders			
Other financing –related cash received		36,469.71	1,892,776.00
Subtotal of cash outflow due to financing activities		1,694,866,548.48	1,678,878,890.58
Net cash flow generated by financing		49,970,231.52	67,450,305.42
IV. Influence of exchange rate alternation on cash and cash equivalents		476,112.32	168,961.03
V. Net increase of cash and cash equivalents		86,276,639.97	26,055,347.27
Add: Balance of cash and cash equivalents at the beginning of term		467,564,876.57	441,509,529.30
VI. Balance of cash and cash equivalents at the end of term		553,841,516.54	467,564,876.57

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

Parent Company Cash flow statement  
January –December 2015

In RMB

Items	Notes	Amount of the Report period	Amount of previous year
I. Cash flow from operating activities			
Cash received from sales of goods or rendering of services		1,759,622,841.26	1,286,328,824.52
Refunded taxes and levies		77,377,677.45	41,331,321.68
Other cash receipts related to operating activities		19,885,209.61	20,310,478.17
Subtotal of cash inflow		1,856,885,728.32	1,347,970,624.37
Cash paid for purchasing commodities and accepting labor		1,205,995,309.41	958,977,473.49
Cash paid to staffs or paid for staffs		139,856,187.55	160,138,880.11
Taxes paid		14,114,160.79	25,260,472.69
Other cash paid for business activities		91,979,913.82	100,572,498.30
Sub-total of cash outflow		1,451,945,571.57	1,244,949,324.59
Cash flow generated by business operation, net		404,940,156.75	103,021,299.78
II. Cash flow generated by investing			
Cash received from investment retrieving			
Cash received as investment gains			
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		9,715.20	71,178.43
Net cash received from disposal of subsidiaries or other operational units			
Other investment-related cash received		10,740,000.00	5,000,000.00
Sub-total of cash inflow		10,749,715.20	5,071,178.43

Cash paid for construction of fixed assets, intangible assets and other long-term assets		49,048,240.47	56,109,020.39
Cash paid as investment			
Net cash received from subsidiaries and other operational units			148,000,000.00
Other cash paid for investment activities			
Sub-total of cash outflow		49,048,240.47	204,109,020.39
Net cash flow generated by investment		-38,298,525.27	-199,037,841.96
III.Cash flow generated by financing			
Cash received as investment			
Cash received as loans		1,043,262,920.00	1,327,321,157.00
Other financing –related cash received			
Subtotal of cash inflow from financing activities		1,043,262,920.00	1,327,321,157.00
Cash to repay debts		1,337,646,900.00	1,201,384,667.00
Cash paid as dividend, profit, or interests		25,328,016.52	52,658,912.99
Other financing –related cash received			
Subtotal of cash outflow due to financing activities		1,362,974,916.52	1,254,043,579.99
Net cash flow generated by financing		-319,711,996.52	73,277,577.01
IV. Influence of exchange rate alternation on cash and cash equivalents			
V.Net increase of cash and cash equivalents		46,929,634.96	-22,738,965.17
Add: balance of cash and cash equivalents at the beginning of term		224,771,156.44	247,510,121.61
VI ..Balance of cash and cash equivalents at the end of term		271,700,791.40	224,771,156.44

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

## Consolidated Statement on Change in Owners' Equity

January-December 2015

In RMB

Items	Amount in this period												
	Owner's equity Attributable to the Parent Company										Minor shareholder's equity	Total of owners' equity	
	Share Capital	Other Equity instrusment			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	235,000,000.00				190,111,836.26		168,961.03		43,536,283.35		464,995,647.55	184,925,905.44	1,118,738,633.63
Add: Change of accounting policy													
Correcting of previous errors													
Merger of entities under common control													
Other													
II. Balance at the beginning of current year	235,000,000.00				190,111,836.26		168,961.03		43,536,283.35		464,995,647.55	184,925,905.44	1,118,738,633.63
III. Changed in the current year							357,058.64		2,349,281.23		67,443,560.46	44,174,172.88	114,324,073.21
(1) Total comprehensive income							357,058.64				69,792,841.69	22,674,172.88	92,824,073.21
(II) Investment or decreasing of capital by owners												21,500,000.00	21,500,000.00
1. Ordinary Shares invested by hareholders												21,500,000.00	21,500,000.00
2. Holders of other equity instruments invested capital													

3. Allotment to the owners (or shareholders)													
4. Other													
(IV) Internal transferring of owners' equity								2,349,281.23		-2,349,281.23			
1. Capitalizing of capital reserves (or to capital shares)								2,349,281.23		-2,349,281.23			
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	235,000,000.00				190,111,836.26		526,019.67		45,885.564.58		532,439,208.01	229,100,078.32	1,233,062,706.84

Items	Amount in last year												
	Owner's equity Attributable to the Parent Company											Minor shareholder's 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	235,000,000.00				190,111,836.26		-193,065.70		37,944,193.35		434,569,646.73	160,553,100.95	1,057,985,711.59



2015 Annual Report

Add: Change of accounting policy												
Correcting of previous errors												
Merger of entities under common control												
Other												
II.Balance at the beginning of current year	235,000,000.00			190,111,836.26		-193,065.70		37,944,193.35		434,569,646.73	160,553,100.95	1,057,985,711.59
III.Changed in the current year						362,026.73		5,592,090.00		30,426,000.82	24,372,804.49	60,752,922.04
( I ) Total comprehensive income						362,026.73				59,518,090.82	23,680,321.06	83,560,438.61
( II ) Investment or decreasing of capital by owners											692,483.43	692,483.43
1. Ordinary Shares invested by shareholders												
2. Holders of other equity instruments invested capital												
3. Allotment to the owners (or shareholders)												
4. Other											692,483.43	692,483.43
(IV) Internal transferring of owners' equity								5,592,090.00		-29,092,090.00		-23,500,000.00
1. Capitalizing of capital reserves (or to capital shares)								5,592,090.00		-5,592,090.00		
2. Capitalizing of surplus reserves (or to capital shares)												
3. Making up losses by surplus reserves.										-23,500,000.00		-23,500,000.00
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	235,000,000.00				190,111,836.26		168,961.03		43,536,283.35		464,995,647.55	184,925,905.44	1,118,738,633.63

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

### Statement of change in owner's Equity of the Parent Company

January-December 2015

in RMB

Items	Amount in this period										
	Share capital	Other Equity instrusment			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	235,000,000.00				90,801,937.51				43,536,283.35	235,743,087.12	605,081,307.98
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II. Balance at the beginning of current year	235,000,000.00				90,801,937.51				43,536,283.35	235,743,087.12	605,081,307.98
III. Changed in the current year									2,349,281.23	21,143,531.10	23,492,812.33
( I ) Total comprehensive income										23,492,812.33	23,492,812.33
( II ) Investment or decreasing											

2015 Annual Report

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									2,349,281.23	-2,349,281.23	
1. Providing of surplus reserves									2,349,281.23	-2,349,281.23	
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	235,000,000.00				90,801,937.51				45,885,564.58	256,886,618.22	628,574,120.31

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	235,000,00				90,801,937				37,944,19	208,914,2	572,660,40

## 2015 Annual Report

year	0.00				.51				3.35	77.11	7.97
Add: Change of accounting policy											
Correcting of previous errors											
Other											
II.Balance at the beginning of current year	235,000,00 0.00				90,801,937 .51				37,944,19 3.35	208,914,2 77.11	572,660,40 7.97
III.Changed in the current year									5,592,090. 00	26,828,81 0.01	32,420,900 .01
(1) Total comprehensive income										55,920,90 0.01	55,920,900 .01
( II ) Investment or decreasing of capital by owners											
1. Ordinary Shares invested by hareholders											
2. Holders of other equity in struments invested capital											
3. Allotment to the owners (or shareholders)											
4. Other											
( III ) Profit allotment									5,592,090. 00	-29,092,09 0.00	-23,500,00 0.00
1.Providing of surplus reserves									5,592,090. 00	-5,592,090 .00	
2. Allotment to the owners (or shareholders)										-23,500,00 0.00	-23,500,00 0.00
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											

2015 Annual Report

1. Provided this year											
2. Used this term											
(VI) Other											
IV. Balance at the end of this term	235,000,00 0.00				90,801,937 .51				43,536,28 3.35	235,743,0 87.12	605,081,30 7.98

Legal Representative: Zhu Jinming

Person in charge of accounting: Lu Lihua

Accounting Dept Leader: Ma Li

### III. Basic Information of the Company

#### I. Company profile

##### 1. Enterprise registration address, organization mode and headquarter address.

Huangshi Dongbei Electrical Appliance Co., Ltd. (hereinafter referred to as the "Company" or the "Company") March 10, 1999 registered in Hubei Province Administration for Industry and Commerce, on July 15, 1999 are traded on the Shanghai Stock Exchange. Companies registered capital of RMB 235 million, equity amounted to 235 million shares, par value of 1 yuan. Of which 117.60 million shares of state-owned legal person shares, held by Huangshi Dongbei Electromechanical Group Co., Ltd ; 2.4 million for corporate shares, by Changzhou Zhongke Electrical Manufacturing Co., Ltd., Changshu Tianyin Electromechanical Co., Ltd., Zhejiang Lisheng Electromechanical Manufacturing Co., Ltd., Shaoxing Xingbei Pressing Co., Ltd., Wuhan Xinhua Pressing Co., Ltd. five promoters hold; 115 million shares of B shares outstanding.

Registered Address: No.6, Jinshan East Road, Economic & Technology Development Zone, Huangshi City, Hubei Province.

Unified social credit code : 91420000710920880L

Registered Capital : RMB 235 million

Legal Representative: Zhu Jinming

Business scope: Production and sales of refrigerating compressors and electrical motors of compressors, development, production and consultation of high-tech products.

##### 2. The nature of the company's business and main business activities.

The company's main business for refrigeration compressors, compressor motor production and sales. Major customers for refrigerators, freezers and other refrigeration products manufacturer.

##### 3. The financial report to the approval and the approval date of the financial report.

The financial statements have been approved by resolution of the Board of the Company on April 21, 2016. According to the Articles of Association, the financial statements will be submitted to shareholders for consideration of the General Assembly.

#### II. Consolidated financial statements

The company will be fully owned subsidiary included in the consolidated financial statements, including Wuhu Abaur Mechanical & Electrical Co., Ltd., Huangshi Dongbei Foundry Co., Ltd., Dongbei Electromechanical (Jiangsu) Co., Ltd., Dongbei(Wuhan) Technology Innovation Co., Ltd., Alashankou Dongbei Clean Energy Co., Ltd. and Dongbei International Trade Co., Ltd..

#### IV. Basis for the preparation of financial statements

##### (1) Basis for the preparation

The preparation of financial statements of the company based on continuous operation. Base on actual transactions and events occurring, according to the ministry of finance issued "Accounting Standards for Enterprises - Basic Standards" specific accounting standards, application guidelines of accounting standards which was promulgated after, accounting standards interpretation and other requirements (hereafter named "Enterprise Accounting Standard"), based on the significant accounting policies described below, and will have the preparation to the accounting estimation.

##### (2) Continuous operation.

The Company since 12 months after the reporting period does not exist on the company's continued viability of significant concern events or circumstances.

#### V. Significant accounting policies and accounting estimates

Specific accounting policies and accounting estimates tips:

1. Statement for complying with the accounting standard

The financial statements prepared by the Company comply with the requirements of corporate accounting standards. They truly and completely reflect the financial situations in December 31, 2015, operating results, equity changes and cash flow, and other relevant information of the company in 2015.

2. Fiscal Year

The Company adopts the Gregorian calendar year commencing on January 1 and ending on December 31 as the fiscal year.

3. Operating cycle

The company has a 12-month operating cycle, and its assets and liabilities as liquidity criteria for the classification.

4. Standard currency for bookkeeping

The Company takes RMB as the standard currency for bookkeeping.

5. Accounting treatment for corporate merger under the same control or different control

1. corporate merger under the same control

For the merger of enterprises under the same control, if the consideration of the merging is that it makes payment in cash, transfers non-cash assets or bears its liabilities, we will, on the date of merger, regard the share of the book value of the merged party's net assets in its owner's consolidated financial statement as the initial cost of the long-term equity investment. If the consideration of the merging party is that it issues equity instruments, the total face value of stocks issued will be regarded as the capital stock. The difference between the initial cost of the long-term equity investment and book value of consideration (or the face value of stocks issued) shall offset against the capital reserve. If the capital reserve is insufficient to dilute, the retained earnings shall be adjusted.

2. corporate merger under different control

For the merger under different control, the merger cost is the total fair value of the assets paid, liability incurred or bore, and equity securities issued by the merging party to acquire the control right of the merged party on the date of merger. Acquired identifiable asset, liability or contingent assets that conform to conditions will be calculated by fair value on the date of merger. The balance of the merger cost over the merged party's fair value of identifiable net asset usually accounts for the value of goodwill. If the merger cost is lower than the merged party's fair value of identifiable net asset, and remains so after review, the balance accounts for the non-operating revenue.

6. Preparation of consolidated financial statement

1. Scope of consolidated financial statement

We include all subsidiaries (including independent entity under our control) into the scope of consolidated statement, including enterprises under our control, separable parts of investment recipients and structure entity.

2. Unify the accounting policies, balance sheet and accounting period of parent company and subsidiaries.

Subsidiaries and the company adopted accounting policies or be inconsistent in the accounting period, in preparing Consolidation financial statements, in accordance with the company accounting policies or has the necessary adjustments to financial statements of the subsidiary during the accounting period.

3. Offset items in consolidated financial statement

Based on the balance sheet of parent company and subsidiaries, the consolidated financial statement already offsets internal transaction between the parent company and subsidiaries or between subsidiaries. The owners' equity of subsidiaries that does not belong to the share of the parent company, as the equity of minority shareholders, will be listed as the "Minority Shareholder Equity" under the item "owners' equity" in the consolidated balance sheet. Long-term equity investment of the parent company held by

the subsidiary will be regarded as the treasury stock of the business group, and as the deduction item of owners' equity, will be listed as "deduction: treasury stock" under the item "owners' equity" in the consolidated balance sheet.

#### 4. Accounting treatment of merged subsidiaries

For subsidiary obtained by merger under the same control, it is regarded that the merger already happens when the final controller begin the real-time control, its asset, liability, record of performance and cash flow will be included in the consolidated financial statement since the beginning of merger period; for the subsidiary obtained by merger under different control, when preparing the consolidated financial statement, individual financial sheets need to be adjusted on the basis of the fair value of identifiable net asset on the day of merger.

#### 7. Classification of joint arrangements and accounting treatment for joint operation

#### 8. The determination standard in cash and cash equivalents

The cash has been confirmed when the company drew up the cash flow sheet, it referred to the cash can be used to pay the deposit at any time the cash listed in the cash flow statement refers to the cash in store and the cash can be obtained at any time. Cash equivalent means the holding period of the company is short, strong liquidity and low risk of value fluctuation .

#### 9. The foreign currency business and the translation of foreign currency financial statement

##### (1) The foreign currency translation services

The company with the foreign occurring currency transactions, which used the standard money by the spot exchange rate on the transaction date to enter an item in an account. The balance sheet date, For monetary items of foreign currency, the spot exchange rate at the date of balance sheet shall be used in conversion. The exchange balance due to the difference between the spot exchange rate at the date of balance sheet and the spot exchange rate at initial confirmation or at the date of previous balance sheet shall be attributed to the profit and loss of current period, except the exchange balance due to the special loans of foreign currency meeting the conditions of capitalization shall be attributed to the cost of related assets based on capitalization during the capitalization. For the non-monetary items of foreign currency measured with historical cost, still the spot exchange rate at the date of transaction shall be used, and the amount of recording currency shall not be changed. For the non-monetary items of foreign currency measured with fair value, the spot exchange rate at the date of the fair value confirmation shall be used in conversion, the difference between the amount of recording currency after conversion and that of initial recording currency is made as the change of fair value, which shall be attributed to the profit and loss of current period or confirmed as other composite income and attributed.

##### (2) The foreign currency financial statements

The company with the subsidiaries, joint ventures and integrated enterprises and so on, will use the different functional currency account after the conversion by the foreign currency financial statements, and will have an accounting practice and an editing to the combined financial statements. The assets in the balance sheet and liabilities items, by using the spot exchange rate on the balance sheet date, all equity projects except the item of "Undistributed Profits", other items were calculated by the spot exchange rate. With the income and expense items, it was determined by a systematic and rational approach, and calculated by the approximate exchange rate of the spot exchange rate to convert on the transaction date. The converting differences generated by the foreign currency financial statements, and all equity items in the balance sheet are listed separately. The foreign currency cash flows are determined in accordance with systematical and reasonable way, and calculated by the spot exchange rate on the approximate exchange rate. The impact of the changing exchange rate to the cash amount, is shown separately in the cash flow statement .In disposal of overseas operation, the conversion difference of the foreign currency statements related the overseas operation shall be transferred into the profit and loss of current period in whole or as per the ratio in disposal of the overseas operation.

#### 10. Financial instruments

##### (1) The classification of financial instruments and recognition



The financial instruments classified as financial assets or financial liabilities. The company became a party in the financial instrument contract; it was recognized as the financial asset or the financial liability.

The financial assets at the initial recognition are classified as: by measuring at the fair value and its alternation are reckoned into the financial assets of the profit or loss (included trading financial assets and the fair value and its alternation are designated into the financial assets of the profit or loss), the held-to-maturity investment, receivables, and available-for-sale financial assets. Except the receivables beyond the financial assets classification, which depend on the company and their subsidiaries have the intention and ability to hold on. Financial asset calculated by fair value and whose change is included in profit/loss of current period includes the financial asset for short-term sale. Receivable is non-derivative financial asset that has no quotation in the active market and has recognized or recognizable recovering amount. Salable financial asset includes non-derivative financial asset defined as salable type when confirmed initially and financial assets not classified as other types. Held-to-maturity investment refers to non-derivative financial asset with recognized due date, recognized or recognizable recovering amount, and of which the management level has clear purpose and capability to hold to the call date.

The financial liabilities at the initial recognition are classified as: by measuring at the fair value and its alternation are reckoned into the financial liabilities of the profit or loss.

#### (2) Measurement of financial instruments

The financial assets or financial liabilities are initially recognized as the fair value of the company. The subsequent measurement shall be disposed by classification: the financial assets measured with fair value and having its change attributed to the profit and loss of current period, the salable financial assets and the financial liabilities measured with fair value and having its change attributed to the profit and loss of current period, Held-to-maturity investment, loan, receivable and other financial liability will be calculated by amortized cost; equity instrument investment with no quotation in the active market and whose fair value cannot be reliably measured, and derivative financial assets or liabilities that are connected with the said equity investment and need to be settled by delivering it, will be calculated by cost. The profits and losses arising from the change in the fair value of a financial asset or financial liability shall be dealt with according to the following provisions, unless it is related to hedging: ①The profits and losses, arising from the change in the fair value of the financial asset or financial liability which is measured at its fair value and of which the change is recorded into the profits and losses of the current period, shall be recorded into the profits and losses of the current period; ②The profits and losses arising from the change in the fair value of a sellable financial asset shall be included into other consolidated income .

#### (3) Recognition of the fair value of financial assets and liabilities

For financial instrument with active market, its fair value is recognized by the quotation in the active market. For financial instrument without active market, its fair value is recognized by the value appraisal techniques, which mainly includes the market approach, income approach and cost approach.

#### (4) The confirmation of the transferring in financial assets and measurement

When the ownership of financial assets is transferring almost all of the risks and rewards, neither transferring nor retaining them, but give up the control of financial assets, and should terminate and recognize it as financial capital . the financial assets satisfied the termination conditions, it should be transferred by measuring; it meant the transferring of the book value in financial assets and consideration received from the transferring, and the balance in the changing amount of fair value which directly included in capital surplus, then reckoned in the profit and loss.

If the transfer of partial financial asset satisfies the conditions to stop the recognition, the entire book value of the transferred financial asset shall, between the portion whose recognition has been stopped and the portion whose recognition has not been stopped, be apportioned according to their respective relative fair value.

When the existing obligations of the financial liabilities have been fully or partly lifted, it should be terminated and confirmed the financial liabilities or a part of it.

#### (5) The impairment of financial assets

Where a financial asset measured on the basis of post-amortization costs is impaired, an impairment provision shall be made according to the difference of the book value over current value of the predicted future cash flow. If there is any objective evidence proving that the value of the said financial asset has been restored, and it is objectively related to the events that occur after such loss is recognized, the impairment-related losses as originally recognized shall be reversed and be recorded into the profits and losses of the current period.

If there is any objective evidence proving that a sellable financial asset is impaired, the accumulative losses arising from the decrease of the fair value of the shareholder's equity which was directly included shall be transferred out and recorded into the impairment losses. For the sellable debt instruments whose impairment losses have been recognized, if the fair value has risen subsequently and are related to the subsequent events that occur after the originally impairment losses were recognized, the originally recognized impairment losses shall be reversed and be recorded into the profits and losses of the current period. For a sellable equity instrument investment whose impairment losses have been recognized, if the fair value has risen subsequently, it shall be included directly into the shareholder's equity.

For the equity instrument investment, we define the "significant" or "prolonged" decline of fair value, calculate cost, recognize the final fair value and define steady decline period according to following standards:

Significant decline of fair value	The decline of final fair value against cost reaches or exceeds 50%
Prolonged decline of fair value	decline for 12 consecutive months
Cost calculation	Total of valuable consideration (deduct announced but not issued cash dividends or due bond interest that hasn't been drawn) and related transaction fee
Recognition of final fair value	For financial instrument with active market, its fair value is recognized by the quotation in the active market. For financial instrument without active market, its fair value is recognized by the value appraisal techniques
Steady decline period	Decline continuously or bound range during the decline tendency sustaining period being lower than 20%, and the bound sustaining period not exceeding 6 months

#### 11.Account receivables

The receivables of the company mainly include accounts receivable, long-term receivables and other receivables. If there is an objective evidence in the date of balance sheet of assets and liabilities indicating such financial assets depreciated, the company shall confirm the depreciation losses according to the difference between the book value .

##### (1)Account receivable belong t individual significance and individually assessed for impairment

Judgment criteria or amount standard of material specific amount or amount criterial	The receivable with single amount exceeding RMB 5 million (including RMB 5 million) shall be confirmed as the receivable with significant single amount. The receivable with single amount exceeding RMB 3 million (including RMB 3 million) shall be confirmed as the receivable with significant single amount.
Provision method with material specific amount and provision of specific bad debt preparation	The depreciation loss test is conducted separately, and if an objective evidence indicates depreciation of the receivable, the company shall confirm the depreciation losses and appropriate the depreciation provisions according to the difference by which the current value of future cash flow is lower than its book value.

##### (2)Provision for credit risk characteristics portfolio of bad debts:

Credit risk characteristics of the provision for bad debts method (aging analysis, balance percentage method, other methods)	
Aging analysis method	Items with significant single amount but no need single

	bad debt provision and items without significant single amount and big risk

Appropriate provisions for doubtful accounts according to aging analysis method in group  
Applicable Not applicable

Account Age	Appropriation Ratio of Receivables (%)	Appropriation Ratio of Other Receivables (%)
Within 1 year (Including 1 year)	2	2
Including: Subitem within 1 year		
1—2 years	5	5
2—3 years	30	30
3—4 years	60	60
Over 5 years		
Over 4 years	100	100

Appropriate provisions for doubtful accounts according to Percentage analysis method ingroup  
 Applicable  Not applicable

Appropriate provisions for doubtful accounts according to Other analysis method ingroup  
 Applicable  Not applicable

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

Reason for bad debt provision	Difficultly recoverable receivables estimated
Method of appropriation of bad debt provision	The depreciation loss test is conducted separately, and if an objective evidence indicates depreciation of the receivable, the company shall confirm the depreciation losses and appropriate the depreciation provisions according to the difference by which the current value of future cash flow is lower than its book value.

## 12. Inventories

### (1) Category of inventories

Inventories refers to finished goods or merchandise the company holds for sale during its daily operation, work in process, materials consumed during the process of production or services etc. It mainly include raw materials, materials for cyclic use, materials for consigned processing, packaging materials, low-value consumables, work in process, self-made unfinished goods, finished goods (merchandise inventories) etc.

### (2) Accounting for outgoing inventories

Raw materials are accounted for at planned cost, which can be adjusted to be actual cost by reference to the difference between the monthly actual cost carryforward of materials and the planned cost; work in process and merchandise inventory are accounted for at actual cost while outgoing merchandise inventory are accounted for by use of the weighted average method.

### (3) Inventory and method of appropriating provisions for inventories write-down

In the date of balance sheet of assets and liabilities, the provision for depreciation of inventories shall be valued and appropriated as per the lower between the cost and net realizable value of individual inventory; but for the inventories big quantity and varieties and lower unit price, appropriated as per the type of the inventory. The basis for deciding net realizable value: ① the net realizable value of the finished goods is the balance of estimated selling price reducing by the related tax; ② for the material held for production, if the net realizable value of the finished goods produced by such material is higher than cost, the material shall still be measured as per cost; if the dropping of the price of material

indicates the net realizable value of finished goods is below cost, the net realizable value shall be decided by the balance of estimated selling price reducing by the estimated cost, estimated selling expenses and related tax. ③ there is any material to be sold, the net realizable value is the price selling in the market.

(4) Inventories system

The company implements the perpetual inventories system.

(5) Amortization of low cost and short lived articles and packing

Packaging materials, low-value consumables and other materials for cyclic use are amortized by use of the one-off amortization method.

13. Asset held for sale

14. Long-term equity investments

1. Determining initial investment cost

The initial investment cost of a long-term equity investment acquired through business combination under common control is determined at the book value of the acquired equity while in the case of business combination not under common control the combination costs is taken as the initial investment cost; The initial investment cost of a long-term equity investment acquired by cash is the paid purchasing price; For long-term equity investments acquired by issuing equity securities, the initial investment cost is the fair value of the issued equity securities; Long-term equity investment obtained through debt restructuring, the initial investment cost shall be in accordance with "Accounting Standards for Enterprises No. 12 - Debt restructuring" of the relevant provisions;

For investments acquired through exchange of non-monetary assets or debt restructuring, the initial investment cost is determined in accordance with relevant rules and regulations.

2. Subsequent measurement and recognition of profit and loss

A long-term equity investment of an investing enterprise that is able to control the invested enterprise should be calculated by the cost approach. The long-term equity investment of associated enterprise and joint venture enterprises should be calculated by the equity approach. For investing enterprise's equity investment to the associated enterprise, if part of it is held indirectly by venture capital institution, mutual foundation, trust company, investment linked insurance foundation or similar entities, no matter those entities have significant influence on this part of investment or not, the investing enterprise should calculate this part of investment by fair value and include its change in the profits and losses according to Accounting Standards for Enterprises No. 22 Recognition and Measurement of Financial Instruments, and calculate the rest part of investment by equity approach.

3. Basis for determining common control or significant influence over invested business

Having joint control over invested enterprise indicates that any activity that has significant influence on the return of a certain arrangement shall not be decided until agreed by parties sharing the control right, including the selling and buying of goods or labor service, management of financial assets, purchase and disposal of assets, R&D and financing activities. Significant influence on invested enterprise refers to holding a voting equity of 20% to 50% of invested enterprise. Or, though the voting equity accounts less than 20% but one of following conditions is met: have representative in the board of directors of similar authority of the invested enterprise; participate in the policy formulation of invested enterprise; assign management personnel for invested enterprise; invested enterprise relies on the technology or technical material of the investing enterprise; important transaction has been made with the invested enterprise.

15. Investing real estate

(1) Section I: If using the cost of metering mode:

Depreciation or amortization method

There are several types of the company's investing real estate: land use rights for lease, buildings for lease and land use rights held for transfer after value being added. The investing real estate of the company is measured at cost initially and then by use of the cost model subsequently.

The lease-out buildings among the investing real estate of the company is depreciated by use of the life averaging method. The detailed accounting policy is the same as that for fixed assets. Depreciation period follows:

Classification	Lifetime ( years )	Residual value rate ( % )	Annual depreciation rate (%)
House and Building	40	5	2.375

The investing real estate of the company is measured at cost initially and then by use of the cost model subsequently.

## 16.Fixed assets

### (1) Recognition conditions

Fixed assets refer to as the tangible assets possessed for producing goods, providing labor, lease or management with more than one fiscal year of service life. Fixed assets are recognized when satisfying the following conditions. The economic benefits related to such fixed assets can flow into the enterprise. The cost of such fixed assets can be measured reliably.

### (2) Depreciation method

Classification	Depreciation method	Lifetime ( years )	Residual value rate ( % )	Annual depreciation rate (%)
Houses and buildings		10-20	5	9.5-4.75
Machinery equipments		5-10	5	19-9.5
Transportation equipments		4-8	5	23.75-11.88
Other equipments		3-5	5	31.67—19.00

### (3) The financing leased fixed assets recognized basis, pricing and depreciation method

The basis for determining a fixed asset under a financing lease is that all the risks and rewards related to the ownership of the fixed asset have been transferred substantively in the lease. A fixed asset under a financing lease is valued initially at the asset's fair value or the present value of the minimum lease payment as of the lease commencement date, whichever is lower. It is also the book entry value of the asset. For subsequent valuation of a fixed asset under a financing lease, depreciation and impairment provisions are appropriated in accordance with the depreciation policy the same as that for self-owned fixed assets.

## 17. Construction in progress

There are two categories of construction in progress in the company: self-operated construction and subcontracted-out construction. The company converts its construction in progress into fixed assets when the construction is completed for the intended use. To be eligible for the intended use, the construction in progress must satisfy one of the following conditions: The physical construction (including installation) of the fixed asset has been completed or completed substantially; Trial production or operation has been run and proved that the asset can normally operate or steadily produce qualified products, or the trial operation results show that the asset can normally work or be open for business; Expenses on the constructed fixed asset seldom or almost no longer arise; The purchased or constructed fixed asset has met or substantially matched the design or contract requirements.

## 18. Borrowing costs

### (1) Recognition criteria for borrowing costs capitalization

The borrowing costs of the company, which can be directly attributed to acquisition, construction or production of capitalization eligible assets, are capitalized and counted in the cost of the relevant asset while other borrowing costs are recognized as expenses when incurred and counted in the profit and loss of a current accounting period. Capitalization eligible assets refer to fixed assets, investing real estate, inventory etc., which need to attain the intended use or sale through acquisition, construction or production activities over a long period.

### (2) Calculation of capitalized amount

A capitalization period refers to the period from the commencement to the termination of the capitalization of borrowing costs, which excludes the suspension period of the borrowing costs capitalization. A capitalization suspension period means that the acquisition, construction or production is abnormally interrupted for consecutive three months so the capitalization of the borrowing costs should be suspended.

Calculation of a capitalized amount: for a special borrowing, it is determined at the interest expenses of the special borrowing arising in a current period less the interest income from the credit line balance being deposited in a bank or the income from temporary investment of the balance; for the assets using general borrowings, the capitalized amount is determined by the weighted average excess of the assets' accumulated expenses over their special borrowings multiplying the capitalization rate of the used general borrowings while the capitalization rate is determined by calculating the weighted average interest rate of general borrowings; for a borrowing at a discount or premium, the actual interest rate method is used to determine amortization for each accounting period and adjust interest amount of each period.

The actual interest rate method is a method of calculating unextinguished discounts or premiums or interest expenses at the actual interest rate. The actual interest rate is the rate used to derive the present book value of the borrowing from discounting of the prospective cash flows arising throughout the expected duration of the borrowing.

## 19. Biological assets

## 20. Oil-gas assets

## 21. Intangible assets

### 1. Measurement of intangible assets, Service life and impairment test

#### (1) Measurement of intangible assets

The company measures its intangible assets initially at cost. A purchased intangible asset has the actual paid price and relevant expenses as its actual cost. For the intangible assets contributed by the investors, the actual cost is the value set by the investment contract or agreement but if the contract or agreement value is not fair, the actual cost is determined at fair value. The cost of the intangible assets developed in house is the total expenses incurred to attain the intended use.

Subsequent measurements are performed on intangible assets in the following ways: for an intangible asset with a finite useful life, the company adopts the straight-line method for its amortization, and the useful life and the amortization method are reviewed at the end of each fiscal year and will be adjusted accordingly if they are different from the original estimates. Intangible assets with an indefinite useful life are not amortized but a review will be conducted so if there are concrete evidences indicating that the useful life is finite, such assets will have an estimated useful life and be amortized by use of the straight-line method.

#### (2) Recognition of an indefinite useful life

The company is unable to foresee the period that an intangible asset can bring the company economic benefits, or the useful life of the asset is uncertain. Such an asset can be recognized as an intangible asset with an indefinite useful life. Recognition of an indefinite useful life is based on: contractual rights or other legal rights but there are no contractual or legal provisions limiting the service life; the fact that it is impossible to determine the economic life of the intangible asset even when the conditions of the same industry or relevant experts' opinions are taken into account. At the end of each year, the indefinite useful life of an intangible asset is reviewed upward from the level of the department that uses the asset, which conducts a basic review, to assess whether there are changes in the basis for recognizing an indefinite

useful life.

## 2. Internal research and development

The expenses of an in-house R & D project during the research phase are counted in the profit and loss of a current accounting period when incurred. Those being confirmed in meeting the conditions of the intangible assets shall be transferred to the accounting of intangible assets.

### 22. Impairment of long-term assets

Long-term assets like long-term equity investment, investment real estate calculated by cost approach, fixed assets, project under construction and intangible assets who have impairment on the day of balance sheet should go through impairment test. If the impairment test result shows that the recoverable amount of the asset is lower than its book value, impairment provision shall be made according to the difference and recorded into the impairment losses.

Recoverable amount is the higher one of the net amount of fair value after deducting disposal fee and the prospective cash flow of asset. Asset impairment provision is calculated and recognized on the basis of a single asset. If it is difficult to estimate the recoverable amount of a single asset, the recoverable amount of the asset group which this asset belongs can be calculated. Asset group is the smallest asset mix that can produce cash inflow independently.

Once the above asset impairment loss is confirmed, the value restored part will not be reversed thereafter.

### 23. Amortization method of long-term deferred expenses

The long-term expenses to be amortized of the company refer to all the expenses paid but the benefiting period of which is over one year (not including one year). They are mainly parking fee, housing decoration expenses etc. The long-term expenses to be amortized are amortized over the benefiting period of expense items. For the long-term expenses to be amortized that cannot be benefiting in future accounting periods, the amortized value of the expense items are all counted in the profit and loss of a current accounting period.

### 24. Payroll

#### (1) Accounting treatment of short-term compensation

During the accounting period of an employee providing services to the company, the short-term compensation is recognized as liabilities, and included in the profits and losses of the current period, except that it is required or allowed by the accounting standards to be included in the asset cost. Welfare expenses for the employees will be included in the profits and losses or related asset cost according to the actual amount. If the welfare expense is nonmonetary, it will be calculated according to the fair value. For social insurances like medical insurance, work injury insurance, maternity insurance and housing accumulation fund paid by the company for employees, as well as labor union expenditure and employee education expenses drawn according to stipulation, during the accounting period of an employee providing services to the company, the corresponding employee compensation will be recognized according to stipulated base and proportion, and corresponding liabilities will be recognized and included into the profits and losses of current period or related asset cost.

#### (2) Accounting treatment of the welfare after demission

During the accounting period of an employee providing services to the company, the payable amount calculated according to Defined Contribution Plan is recognized as the liabilities, and will be included in the profits and losses of the current period or related asset cost. The formula defined through prospective accumulated unit-of-welfare approach will regard the welfare obligation produced by Defined Benefit Plan as the period of employee providing services, and include it into the profits and losses of the current period or related asset cost.

#### (3) Accounting treatment of the demission welfare

When the Company provides dismiss welfare for the employee, it should recognize the employee compensation liabilities produced by dismiss welfare on the earlier of the following two dates: when the enterprise cannot withdraw the dismiss welfare provided by labor relationship plan or redundancy proposal; when the enterprise recognizes the cost or fee related to reorganization involving paying dismiss welfare.

#### (4) Accounting treatment of the welfare of other long-term staffs

Other long-term employee welfare provided by the Company to employees, if meeting Defined Contribution Plan conditions, should be treated according to related stipulations of Defined Contribution Plan. Besides, the net liability or net asset of the other long-term employee welfare should be recognized

and calculated according to related stipulations of Defined Benefit Plan.

#### 25. Estimated liabilities

##### 26. Share-based payment

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

#### 28. Revenue

##### (1) Sales of Goods

Goods sales revenues are recognized according to the contractual or agreement price received or receivable from the purchasing party when the Goods the company sells satisfy the following conditions: ① the main risks and rewards of the ownership of Goods have been transferred to the purchasing party; ② the company neither reserves the continuing control right related to the ownership nor exert effective control over the sold merchandise; ③ the received amount can be measured reliably; ④ the relevant economic benefits are probable to flow into the company; ⑤ and the relevant costs incurred or to be incurred can be measured reliably.

The detailed principles for the recognition of revenue from selling goods are: ① the goods have been delivered by the Company, installed and verified by the purchaser, the amount of revenue is already confirmed, the payment for goods has been received or is anticipated to be recoverable, and the cost can be measured reliably; ② the goods have been delivered by the Company, verified, signed and received by the purchaser, the amount of revenue is already confirmed, the payment for goods has been or is anticipated to be recoverable, and the cost can be measured reliably; ③ for revenue from exporting goods, the Company have gone through declaration procedures according to requirements in the contract signed with client and the order, the amount of revenue is already confirmed, the payment for goods has been received or is anticipated to be recoverable, and the cost can be measured reliably.

##### (2) Alienation of asset use rights

The company recognizes the revenues from alienation of asset use rights when the economic benefits related to the alienation can flow in and the received amount can be measured reliably.

#### 29. Government subsidies

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

The government subsidies that are obtained by the company used for purchase or construction, or forming long-term assets by other ways are defined as government subsidies pertinent to assets. The government subsidies pertinent to assets are recognized as deferred income. Since the day related assets are available for use, the deferred income will be equally allocated and transferred to profits and losses of the current period according to the anticipated use period of related assets.

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

The government subsidies other than those pertinent to assets are recognized as the subsidies pertinent to income.

Income related governmental subsidies are treated as follows: The subsidies that are used to compensate relevant expenses or losses of subsequent periods are recognized as deferred income and counted in the profit and loss of a current period when the company recognizing the relevant expenses. Those used to compensate incurred relevant expenses or losses are counted in the profit and loss of a current period.

##### Standards differentiating government subsidies pertinent to assets or to income

If the government document doesn't clearly specify the object of subsidy, the standard of classifying it as the subsidy pertinent to assets or to income: ① if the government document specifies that the subsidy is for a specific program, it should be classified according to the proportion of the expense of assets to be formed in the budget of this specific program and the expense of calculated fee, the proportion needs to be reviewed on every balance sheet day and updated if necessary; ② if the government document just provides general description for the purpose without specifying any specific program, it belongs to the subsidy pertinent to income.

#### 30. Deferred income tax assets/deferred income tax liabilities

(1) Based on the difference between the book value of assets and liabilities and the taxable base (for items not recognized as assets or liabilities while their taxable base can be determined in accordance



with the provisions of the tax law, the taxable base is the difference), the company calculates and recognizes deferred income tax assets or liabilities at the tax rate applicable when it is time to recover the assets or liquidate the liabilities.

(2) Deferred income tax assets are recognized to the limit of taxable income, which can be achieved probably and be utilized to offset deductible temporary differences. If there are concrete evidences indicating that sufficient taxable income can be achieved probably in a future period to offset deductible temporary differences as of the balance sheet date, then the company will recognize the deferred income tax asset that were not recognized in a previous period. If not, the company will write down the book value of deferred income tax assets.

(3) For the deductible temporary differences related to the investments on the subsidiaries and associate enterprises, deferred income tax liabilities are recognized unless the company can control the reversal time of the temporary differences and such differences probably will not be reversed in the foreseeable future. Deferred income tax assets will be recognized for the deductible temporary differences related to the investments on the subsidiaries and associate enterprises when such differences can be reversed probably in the foreseeable future and it is probable to achieve taxable income in the future, which can be utilized to offset the deductible temporary differences.

### 31. Lease

#### 1. Accounting treatment of operating lease

Payments made under operating leases straight-line basis over the lease term costs related assets or profit or loss.

#### 2. Accounting treatments of financial lease

The lower of the fair value of leased asset and the current value of lowest lease payment will be regarded as the entry value of leased assets. The difference between the entry value of the leased assets and the lowest lease payment will be regarded as the unsettled financing expense and be amortized by real interest method. The balance of the lowest lease payment deducting unsettled financing expense will be listed as long-term payables.

### 32. Other significant accounting policies and estimates

### 33. Significant change of accounting policies and estimates

#### (1) Change of accounting policies

Applicable  Not applicable

#### (2) Change of main accounting estimates

Applicable  Not applicable

### 34. Other

None

## VI. Taxation

### 1. Main taxes and tax rate

Category of taxes	Tax basis	Tax rate
VAT	By the difference between the output tax less deductible VAT input provision and pay	6%、13%、17%
Business tax	Should be accounted and paid according to 5% of taxable income.	5%
Tax for city maintenance and	Should be accounted and paid according	7%

construction:	to 7% of the payable current taxes.	
Enterprise income tax	Should be accounted and paid according of payable income tax.	15%、25%
Fees for education:	Should be accounted and paid according to 3% of payable current taxes.	3%

Notes of the disclosure situation of the taxpaying bodies with different enterprises income tax rate  
 Applicable  Not applicable

## 2. Tax preference

### (1)VAT

The company exports products to implement value-added tax "exemption, credit, refund" policy, our products export tax rebate rate of 17%.

### (2) Corporate income tax

The company and its subsidiaries Wuhu Abaur Mechanical & Electrical Co.,Ltd.and Huangshi Dongbei Foundry Co., Ltd.reviewed by the relevant departments, have been identified as high-tech enterprises, the current corporate income tax rate is 15%.

### (3)Other

Wholly owned subsidiary of Dongbei International Trade Co., Ltd. registered in the British Virgin Islands, no tax liability.

## VII. Notes on major items in consolidated financial statements

### 1. Monetary funds

In RMB

Items	Closing balance	Opening balance
Cash on hand	10,570.37	2,316.67
Bank deposit	374,053,584.61	289,246,889.74
Other monetary funds	282,048,851.15	364,608,716.05
Total	656,113,006.13	653,857,922.46
Including: The total amount of deposit abroad	9,055,365.20	8,948,245.09

### 2. Financial assets measured by fair value and the changes be included in the current gains and losses

Applicable  Not applicable

### 3. Derivative financial assets

Applicable  Not applicable

### 4.Bill receivable

#### (1) Bill receivable listed by category

ApplicableNot applicable

In RMB

Items	Closing balance	Opening balance
Bank acceptance bill	574,409,601.27	730,254,692.40
Trade acceptance bill	14,674,000.00	110,338,654.57
Total	589,083,601.27	840,593,346.97

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

√Applicable □Not applicable

In RMB

Items	Amount
Bank acceptance bill	3,838,000
Trade acceptance bill	
Total	3,838,000

(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

√Applicable □Not applicable

In RMB

Items	Amount of recognition termination at the period-end	Amount of not terminated recognition at the period-end
Bank acceptance bill	54,731.86	
Trade acceptance bill		
Total	54,731.86	

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

□ Applicable √ Not applicable

## 5. Accounts receivable

## (1) Accounts receivable disclosed by category

In RMB

Classification	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 of individual significance and subject to individual impairment assessment										
Accounts receivable subject to impairment assessment by credit risk characteristics of a portfolio	925,556,531.27	100.00	30,718,957.23	3.32		846,483,617.99	100.00	28,893,054.03	3.41	
Accounts receivable of individual insignificance but subject to individual impairment assessment										
Total	925,556,531.27	/	30,718,957.23	/		846,483,617.99	/	28,893,054.03	/	

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		
	Account receivable	Bad debt provision	Withdrawal proportion
Subtotal within 1 year	910,642,707.53	18,212,691.46	2
1-2 years	1,105,127.06	55,256.35	5
2-3 years	1,939,553.23	581,865.97	30
3-4 years			60
Over 4 years	11,869,143.45	11,869,143.45	100
Total	925,556,531.27	30,718,957.23	

Notes:

Items with significant single amount but no need single bad debt provision and items without significant single amount and big risk

In the groups, 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 RMB1,825,903.20; 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 was:

Applicable  Not applicable

(3) The actual write-off accounts receivable

Applicable  Not applicable

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

Name	Closing balance	Proportion (%)	Bad debt provision
1.Client 1	159,624,217.35	17.25	3,192,484.35
2.Client 2	54,140,813.91	5.85	1,082,816.28
3.Client 3	49,337,189.54	5.33	986,743.79
4.Client 4	39,377,937.80	4.25	787,558.76
5.Client 5	33,738,555.45	3.65	674,771.11
Total	336,218,714.05	36.33	6,724,374.28

(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

## 6. Prepayment

(1) List by aging analysis:

In RMB

Aging	Closing balance	Opening balance
-------	-----------------	-----------------

	Amount	Proportion(%)	Amount	Proportion(%)
Within 1 year	83,649,059.69	68.91	132,231,949.55	95.71
1-2 years	35,727,257.05	29.43	5,412,335.25	3.92
2-3 years	1,956,513.67	1.61	280,000.00	0.20
Over 3 years	60,118.03	0.05	240,118.03	0.17
Total	121,392,948.44	100.00	138,164,402.83	100.00

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

Creditor unit	Debt unit	Closing balance	Aging	Reason for not settle
Huangshi Dongbei Electromechanical (Jiangsu) Co., Ltd.	Sumeida International Technology Trade Co., Ltd.	11,422,995.83	1-2 years	Under Fulfillment
Huangshi Dongbei Electrical Appliance Co., Ltd.	Huangshi Times Real estate Development Co., Ltd.	9,603,100.00	1-2 years	Under Fulfillment
Total		21,026,095.83		

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

Name	Closing balance	Proportion(%)
1.Suqian Finance Bureau of Economic & Technology Development Zone	11,486,304.00	9.46
2. Sumeida International Technology Trade Co., Ltd.	11,422,995.83	9.41
3.Huangshi Times Real estate Development Co., Ltd.	9,603,100.00	7.91
4.. Huangshi Dongbei Electromechanical Group Co., Ltd.	9,315,761.10	7.67
5.Nanchang Sanfeng Automation Co., Ltd.	6,491,090.00	5.35
Total	48,319,250.93	39.80

7. Interest receivable

Applicable  Not applicable

8. Dividend receivable

Applicable  Not applicable

(1) Dividend receivable

In RMB

Items(Or investees)	Closing balance	Opening balance
Huangshi Dongbei Electromechanical Group Solar Energy Co., Ltd. Dividend	27,395,464.63	27,395,464.63
Total	27,395,464.63	27,395,464.63

(2) Significant dividend receivable aged over 1 year

Applicable  Not applicable

In RMB

Items(or investees)	Closing balance	Aging	Reason	Whether occurred impairment and its judgment basis

Huangshi Dongbei Electromechanical Group Solar Energy Co., Ltd.	27,395,464.63	1-2 years		No
Total	27,395,464.63	/	/	/

### 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 accounts receivable of individual significance and subject to individual impairment assessment										
Other accounts receivable subject to impairment assessment by credit risk characteristics of a portfolio	9,733,579.48	100.00	428,710.69	4.40		19,102,883.88	78.48	1,559,330.32	8.16	
Other accounts receivable of individual insignificant but subject to individual impairment assessment						5,238,799.47	21.52			
Total	9,733,579.48	/	428,710.69	/		24,341,683.35	/	1,559,330.32	/	

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 account receivable	Bad debt provision	Withdrawal proportion(%)
Within 1 year			

Including: Subitem within 1 year			
Subtotal within 1 year	2,765,445.53	79,354.00	2
1-2 years	6,967,133.95	348,356.69	5
2-3 years			30
Over 3 years			
3-4 years			60
Over 4 years	1,000.00	1,000.00	100
4-5 years			
Over 5 years			
Total	9,733,579.48	428,710.69	

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; the amount of the reversed or collected part during the reporting period was of RMB 1,121,643.59.

Of which the significant amount of the reversed or collected part during the reporting period was of RMB 000:

Applicable  Not applicable

**(3) The actual write-off other accounts receivable**

Applicable  Not applicable

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

Applicable  Not applicable

In RMB

Nature	Closing book balance	Pening book balance
Petty cash	1,150,382.33	1,202,831.99
Deposit	7,181,787.71	7,498,823.60
Export rebates receivable	790,836.12	5,904,874.48
Other current account	610,573.32	9,735,153.28
Total	9,733,579.48	24,341,683.35

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

Applicable  Not applicable

In RMB

Name	Nature	Closing balance	Aging	Proportion of the total year end balance of the accounts receivable(%)	Closing balance of bad debts provision
1. Shanghai Far Eastern International Leasing Co., Ltd.	Deposit	6,428,570.00	1-2 years	66.05	321,428.50
2. Export rebates receivable	Export tax reimbursement	790,836.12	Within 1 year	8.12	15,816.72
3. Wuhu Zhongran City Development Co., Ltd.	Deposit	488,650.00	Within 1 year	5.02	9,773.00

4. Technology Development Dept	Petty cash	300,000.00	Within 1 year	3.08	6,000.00
5. Beijing Lanyutianhong Technology Co., Ltd.	Current account	141,000.00	Within 1 year	1.45	2,820.00
Total	/	8,149,056.12	/	83.72	355,838.22

(6) Accounts receivable involved with government subsidies

Applicable  Not applicable

(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

## 10. Inventories

(1) Inventories types

In RMB

Items	Closing balance			Opening balance		
	Book balance	Provision for bad debts	Book value	Book balance	Provision for bad debts	Book value
Raw materials	38,845,070.54		38,845,070.54	32,906,403.42		32,906,403.42
Processing products	171,977,417.36		171,977,417.36	169,715,083.03		169,715,083.03
Stock goods	196,425,469.27		196,425,469.27	229,626,060.37		229,626,060.37
Turnover materials						
Consumptive biological assets						
Construction contract has been completed unsettled assets						
Total	407,247,957.17		407,247,957.17	432,247,546.82		432,247,546.82

(2) Notes of the closing balance of the inventory which includes capitalized borrowing expense \_\_\_\_\_

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

Applicable  Not applicable

## 11. Assets divided as held-to-sold

Applicable  Not applicable

## 12. Non-current assets due within 1 year

## 13. Other current assets

In RMB

Items	Closing balance	Opening balance
VAT input tax	86,403,299.73	37,504,806.36



Total 1	86,403,299.73	37,504,806.36

**14. Available-for-sale financial assets**

Applicable  Not applicable

**15. Investment held-to-maturity**

Applicable  Not applicable

**16. Long-term accounts receivable**

Applicable  Not applicable

**17. Long-term equity investment**

Applicable  Not applicable

In RMB

Investee	Opening balance	Increase/decrease							Closing balance	Closing balance of impairment provision
		Add 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		
I. Joint ventures										
Subtotal										
II. Associated enterprises										
Huangshi Aibo Property Co., Ltd.	1,341,301.99			3,105,449.39						4,446,751.38
Hubei Jinling Precision Agriculture Co., Ltd.	4,008,468.72			-1,426,301.56						2,582,167.16
Subtotal	5,349,770.71			1,679,147.83						7,028,918.54
Total	5,349,770.71			1,679,147.83						7,028,918.54

**18. Investment property**

Applicable  Not applicable

Measurement model of investment real estate

(1) Investment property adopted the cost measurement mode

In RMB

Items	Houses and building	Land use right	Construction in progress	Total
I.Originalbookvalue				
1. Year-beginning balance	6,934,630.00			6,934,630.00
2. Increased at this period				
(1)Outsourcing				
(2)Inventory /Fixed assets/ project under construction				
(3)The merger of enterprises increase				
3. Decrease at this period				
(1)Disposition				
(2)Other Out				
4.Closing balance	6,934,630.00			6,934,630.00
II.Total accumulated depreciation accumulated amortization				
1. Year-beginning balance	3,222,794.24			3,222,794.24
2. Increased at this period	165,044.16			165,044.16
(1) Withdrawal	165,044.16			165,044.16
3. Decrease at this period				
(1)Disposition				
(2)Other Out				
4. Year-end balance	3,387,838.40			3,387,838.40
III. Impairment allowance				
1. Year-beginning balance				
2. Increased at this period				
(1) Withdrawal				
3. Decrease at this period				
(1)Disposition				
(2)Outsourcing				
4. Year-end balance				
IV.Book value				
1. Closing book value	3,546,791.60			3,546,791.60
2. Book value at year beginning	3,711,835.76			3,711,835.76

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

Applicable  Not applicable

## 19. Fixed assets

## (1) List of fixed assets

In RMB

Items	House and building	Machinery equipment	Transporation eqiupment	Other equipment	Total
I.Originalbookvalue					
1. Year-beginning balance	479,623,376.57	929,612,150.51	24,286,309.83	25,724,952.29	1,459,246,789.20
2. Increased at this period	108,378,246.23	643,014,077.93	1,254,107.84	15,910,664.45	768,557,096.45
(1) Purchase	275,616.11	115,128,106.46	1,254,107.84	15,832,459.32	132,490,289.73
(2) Transferred from construction in -progress	108,102,630.12	527,885,971.47		78,205.13	636,066,806.72
The merger of enterprises increase					
3. Decreased at this period		35,051,617.84	474,209.32	354,376.44	35,880,203.60
(1) Disposal or scrap		35,051,617.84	474,209.32	354,376.44	35,880,203.60
4 Year-end balance	588,001,622.80	1,537,574,610.60	25,066,208.35	41,281,240.30	2,191,923,682.05
II. Accumulated depreciation					
1. Year-beginning balance	123,983,267.24	432,306,975.20	20,495,252.94	19,867,410.95	596,652,906.33
2. Increased at this period	24,650,821.51	87,520,925.04	1,322,909.39	5,714,242.94	119,208,898.88
(1) Withdrawal	24,650,821.51	87,520,925.04	1,322,909.39	5,714,242.94	119,208,898.88
3. Decreased at tthis period		19,467,371.09	413,587.72	337,312.50	20,218,271.31
(1) Disposal or scrap		19,467,371.09	413,587.72	337,312.50	20,218,271.31
4. Year-end balance	148,634,088.75	500,360,529.15	21,404,574.61	25,244,341.39	695,643,533.90
III. Impairment allowance					
1. Year-beginning balance					
2. Increased at this period					
(1) Withdrawal					
3. Decreased at this period					
(1) Disposal or scrap					
4. Year-end balance					
IV. Book value					
1. Closing book value	439,367,534.05	1,037,214,081.45	3,661,633.74	16,036,898.91	1,496,280,148.15
2. Book value at year beginning	355,640,109.33	497,305,175.31	3,791,056.89	5,857,541.34	862,593,882.87

## (2) List of temporarily idle fixed assets

Applicable  Not applicable

## (3) Fixed assets leased in from financing lease

Applicable  Not applicable

## (4) Fixed assets leased out from operation lease

Applicable  Not applicable

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

Applicable  Not applicable

Other notes:

20. Construction in progress

Applicable  Not applicable

(1) List of construction in progress

In RMB

Items	Balance in year-end			Balance in year-begin		
	Book balance	Bad debt provision	Book Value	Book balance	Bad debt provision	Book Value
Equipment installation	1,912,592.32		1,912,592.32	1,639,042.30		1,639,042.30
The Phase III project of Huangjianshan	22,410,618.22		22,410,618.22	17,401,445.29		17,401,445.29
ERP software installation project				882,497.11		882,497.11
Alashankou plant and supporting facilities projects	4,722,513.10		4,722,513.10	110,860,006.80		110,860,006.80
Energy efficient commercial production line installation				33,717,629.66		33,717,629.66
Jiangsu Suqian Industrial Park I phase construction project				49,772,154.37		49,772,154.37
Dongbei (Wuhan) office building renovation project				6,349,068.26		6,349,068.26
Lijiafang relocation project	4,190,683.77		4,190,683.77			
Total	33,236,407.41		33,236,407.41	220,621,843.79		220,621,843.79

(2) Changes of significant construction in progress

Applicable  Not applicable

In RMB

Name	Budget	Amount at year beginning	Increase at this period	Transferred to fixed assets	Other decrease	Balance in year-end	Proportion(%)	Progress of work	Capitalization of interest accumulated balance	Including: Current amount of capitalization of interest	Capitalization rate of interest(%)	Sources of funds
The Phase III project of Huangjianshan		17,401,445.29	5,009,172.93			22,410,618.22						Self
Energy efficient commercial production line installation		33,717,629.66	7,602,106.17	41,319,735.83								Self

Dongbei (Wuhan) office building renovation project	6,349,068.26	490,088.36	5,362,553.00	1,476,603.62							Self
Jiangsu Suqian Industrial Park one construction project	49,772,154.37	36,455,231.37	86,227,385.74								Self
Alashankou plant and supporting facilities projects	110,860,006.80	378,477,952.76	469,206,839.96	15,408,606.50	4,722,513.10						Self
Total	218,100,304.38	428,034,551.59	602,116,514.53	16,885,210.12	27,133,131.32	/	/			/	/

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

Applicable  Not applicable

Other notes

#### 21. Engineering material

Applicable  Not applicable

#### 22. Liquidation of fixed assets

Applicable  Not applicable

#### 23. Productive biological assets

Applicable  Not applicable

#### 24. Oil and gas assets

Applicable  Not applicable

#### 25. Intangible assets

(1) List of intangible assets

In RMB

Items	Land use right	Patent	Non-patent Technology	Software	Total
I. Original price					
1. Opening balance	82,307,510.92			2,345,542.30	84,653,053.22
2. Increased amount of the period	22,114,990.06			2,416,166.77	24,531,156.83
(1) Purchase				2,416,166.77	2,416,166.77

(2)Internal Development					
(3)Increased of Enterprise Combination					
(4) Transfer to construction project	22,114,990.06				22,114,990.06
3.Decreased amount of the period					
(1)Disposition					
4. Closing balance	104,422,500.98			4,761,709.07	109,184,210.05
II.Accumulated amortization					
1. Balance in year-begin	11,005,557.83			1,214,742.61	12,220,300.44
2.Increased amount of the period	2,301,720.49			684,881.23	2,986,601.72
(1)Withdrawal	2,301,720.49			684,881.23	2,986,601.72
3. Decreased amount of the period					
(1) Disposition					
4. Closing balance	13,307,278.32			1,899,623.84	15,206,902.16
III. Provision for impairment					
1. Balance in year-begin					
2.Increased amount of the period					
(1)Withdrawal					
3. Decreased amount of the period					
(1) Disposition					
4. Closing balance					
IV. Book value					
1. Book value of the period-end	91,115,222.67			2,862,085.22	93,977,307.89
2. Book value of the period-begin	71,301,953.09			1,130,799.69	72,432,752.78

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

Applicable Not applicable

Other notes:

#### 26. R&D expenses

Applicable Not applicable

#### 27. Goodwill

Applicable Not applicable

28. Long-term unamortized expenses

Applicable Not applicable

In RMB

Items	Opening balance	Increase	Amortization amount	Decrease	Closing balance
Afforestation fees	6,765,793.26	1,692,165.63	1,889,618.06		6,568,340.83
Decoration fees	960,948.90	3,603,776.06	343,285.79		4,221,439.17
Total	7,726,742.16	5,295,941.69	2,232,903.85		10,789,780.00

29. Deferred income tax assets/deferred income tax liabilities

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

Applicable Not applicable

In RMB

Items	Closing balance		Opening balance	
	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Assets impairment provision	29,971,844.52	4,495,776.68	30,452,384.35	4,512,676.03
Insider trading unrealized profit				
Deductible loss				
Total	29,971,844.52	4,495,776.68	30,452,384.35	4,512,676.03

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

Applicable Not applicable

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

Applicable Not applicable

(4) List of unrecognized deferred income tax assets

Applicable Not applicable

In RMB

Items	Year-end balance	Year-beginning balance
Deductible temporary difference	1,175,823.40	
Deductible losses	9,916,250.70	2,416,800.78
Total	11,092,074.10	2,416,800.78

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

Applicable Not applicable

In RMB

Year	Year-end balance	Year-beginning balance	Notes
2019	2,416,800.78		
2020	7,499,449.92	2,416,800.78	

Total	9,916,250.70	2,416,800.78	/
-------	--------------	--------------	---

**30. Other non-current assets****31. Short-term loans**

Applicable Not applicable

(1) Category of short-term loans

In RMB

Items	Closing balance	Opening balance
Impawn loan		110,142,000.00
Mortgage loan		
Guaranteed loan	611,692,080.00	648,486,180.00
Credit loan	18,000,000.00	20,000,000.00
Total	629,692,080.00	778,628,180.00

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

Applicable Not applicable

Other notes

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

Applicable Not applicable

33. Derivative financial liabilities

Applicable Not applicable

34. Bill payable

Applicable Not applicable

In RMB

Items	Closing balance	Opening balance
Trade acceptance	10,000,000.00	8,130,000.00
Bank acceptance	1,097,083,483.84	1,049,381,876.03
Total	1,107,083,483.84	1,057,511,876.03

35. Accounts payable

(1) List of accounts payable

Applicable Not applicable

In RMB

Items	Closing balance	Opening balance
Within 1 year (Including 1 year)	713,816,589.93	649,801,774.90
Over 1 year	31,204,616.88	65,342,000.95
Total	745,021,206.81	715,143,775.85

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

Applicable Not applicable

36. Advance from customers

(1) List of advance from customers

Applicable Not applicable



In RMB

Items	Closing balance	Opening balance
Within 1 year (Including 1 year)	17,623,716.91	13,836,470.62
Over 1 year		248,926.86
Total	17,623,716.91	14,085,397.48

(2) Significant advance from customers aging over one year

Applicable Not applicable

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

Applicable Not applicable

## 37. Payroll payable

(1) List of Payroll payable

Applicable Not applicable

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
I. Short-term salary	26,745,392.85	288,792,125.90	292,241,556.61	23,295,962.14
II. Post-employment benefits		27,816,484.70	27,816,484.70	
III. Termination benefits		28,000.00	28,000.00	
IV. Other welfare within 1 year				
Total	26,745,392.85	316,636,610.60	320,086,041.31	23,295,962.14

(2) List of Short-term salary

Applicable Not applicable

In RMB

Items	Balance in year-begin	Increase at this period	Decrease at this period	Balance in year-end
1. Wages, bonuses, allowances and subsidies	20,968,227.55	233,054,277.87	234,552,552.57	19,469,952.85
2. Employee welfare		27,626,319.36	27,626,319.36	
3. Social insurance premiums		15,154,835.65	15,154,835.65	
Including: Medical insurance		10,675,868.84	10,675,868.84	
Work injury insurance		3,003,927.94	3,003,927.94	
Maternity insurance		1,475,038.87	1,475,038.87	
4. Public reserves for housing		10,662,112.49	10,662,112.49	
5. Union funds and staff education fee	5,777,165.30	2,294,580.53	4,245,736.54	3,826,009.29
6. Short-term paid absences				
7. Short-term profit-sharing plan				
Total	26,745,392.85	288,792,125.90	292,241,556.61	23,295,962.14

(3) List of drawing scheme

Applicable Not applicable

In RMB

Items	Year-beginning balance	Increase in the current period	Decrease in the current period	Year-end balance
-------	---------------------------	-----------------------------------	-----------------------------------	---------------------

1. Basic old-age insurance premiums		25,887,042.70	25,887,042.70	
2. Unemployment insurance		1,929,442.00	1,929,442.00	
3. Annuity payment				
Total		27,816,484.70	27,816,484.70	

## 38. Taxes payable

In RMB

Items	Year-end balance	Year-beginning balance
VAT		
Consumption tax		
Business tax	228,607.38	168,008.12
Enterprises income tax	20,426,065.63	20,720,493.02
Personal income tax	435,412.79	522,854.59
Urban maintenance and construction tax	1,480,005.47	966,114.47
Property tax	1,739,576.96	1,522,785.37
Land use tax	850,119.97	721,712.00
Education surcharge	497,786.31	275,253.68
Other	955,324.82	823,913.94
Total	26,612,899.33	25,721,135.19

## 39. Interest payable

√Applicable □Not applicable

In RMB

Items	Year-end balance	Year-beginning balance
Installments of long-term interest-bearing loan interest and Interest on short-term loans payable principal at maturity	524,027.78	
Corporate bond interest		
Interest on short-term loans payable	4,802,144.11	
The preference shares are classified as financial liabilities \ perpetual debt interest		
Total	5,326,171.89	

Particulars of significant overdue unpaid interest:

□Applicable √Not applicable

Other notes:

## 40. Dividends payable

√Applicable □Not applicable

In RMB

Items	Closing balance	Opening balance
Common stock dividends	10,009,121.12	10,009,121.12
Preference shares classified as equity instruments \ perpetual debt dividend		

Total	10,009,121.12	10,009,121.12
-------	---------------	---------------

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

Applicable Not applicable

In RMB

Items	Closing balance	Opening balance
Unit account	82,075,309.37	91,219,708.94
Petty cash	102,544.96	1,394,333.51
Deposit	223,631.10	404,481.26
Provisional account payable	66,093,550.48	112,736,470.15
Total	148,495,035.91	205,754,993.86

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

Applicable Not applicable

Other notes

#### 42. Liabilities classified as holding for sale

Applicable Not applicable

#### 43. Non-current liabilities due within 1 year

Applicable Not applicable

#### 44. Other current-liabilities

In RMB

Items	Closing balance	Opening balance
Short-term bonds payable		
Total		

Changes on short term bonds payable:

Applicable Not applicable

#### 45. Long-term loan

Applicable Not applicable

(1) Category of long-term loan

In RMB

Items	Closing balance	Opening balance
Pledge loan		
Mortgage loan	350,000,000.00	120,000,000.00
Guarantee loan		
Credit loan	5,000,000.00	
Entrusted loan	1,440,000.00	1,440,000.00
Total	356,440,000.00	121,440,000.00

#### 46. Bonds payable

Applicable Not applicable

**47. Long-term payable**

√Applicable □Not applicable

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

In RMB

Items	Opening balance	Closing balance
Money should be paid to Yuandong International Leasing Limited	30,373,108.31	42,636,983.48
Total	30,373,108.31	42,636,983.48

**48. Long term payroll payable**

□Applicable √Not applicable

**49. Special payable**

□Applicable √Not applicable

**50. Accrued liabilities**

□Applicable √Not applicable

**51. Deferred income**

√Applicable □Not applicable

In RMB

Items	Opening balance	Increase	Decrease	Closing balance	Formation reasons
Government subsidies					
Refrigeration compressor industrial transformation of special funds	4,302,291.67		267,500.00	4,034,791.67	Related to assets
Major special funds	3,618,750.00		225,000.00	3,393,750.00	Related to assets
Compressor industrial projects	14,816,666.67		987,589.13	13,829,077.54	Related to assets
Huangshi City, construction of affordable housing subsidies	621,000.00		37,401.87	583,598.13	Related to assets
Daye Luo bridge new plant construction subsidies	1,011,713.33		104,660.00	907,053.33	Related to assets
Technology projects subsidies	6,300,000.00		700,000.00	5,600,000.00	Related to assets
Receive the subsidy of the industry transformation and upgrading project		10,740,000.00		10,740,000.00	Related to assets
land compensation fee		3,164,000.00	42,188.00	3,121,812.00	Related to assets
The special funds of Special Power Supply Line Construction Period III		3,000,000.00		3,000,000.00	Related to assets
The subsidy of financial infrastructure		16,970,000.0	4,000,000.0	12,970,000.00	Related to assets
The Subsidy funds for machinery and equipment		50,000,000.00	81,725.30	49,918,274.70	Related to assets
Total	30,670,421.67	83,874,000.00	6,446,064.30	108,098,357.37	/

**52. Other non-current liabilities****53. Share capital**

In RMB

	Balance in	Changed (+, -)	Balance in
--	------------	----------------	------------

	year-begin	Issuance of new share	Bonus shares	Capitalization of public reserve	Other	Subtotal	year-end
Total of capital shares	235,000,000.00						235,000,000.00

**54. Other equity instruments**

Applicable Not applicable

**55. Capital reserves**

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Capital premium	180,001,555.45			180,001,555.45
Other capital reserves	10,110,280.81			10,110,280.81
Total	190,111,836.26			190,111,836.26

**56. Treasury stock**

Applicable Not applicable

**57. Other comprehensive income**

Applicable Not applicable

In RMB

Items	Beginning of term	Occurred current term					End of term
		Amount occurred before income tax of the period	Less: Accounted as other gains previously but transferred to gain/loss this period	Less: Income tax expenses	Attributable to the parent Company after tax	Attributable to minority shareholders after tax	
1. Other comprehensive income that will not be reclassified subsequently to profit or loss							
Including: Change as a result of remeasurement of the net defined benefit plan liability or asset							
Share of other							

comprehensive income of the investee under the equity method that will not be reclassified to profit or loss							
II. Other Comprehensive income that will be reclassified subsequently to profit or loss	168,961.0 3	357,058.6 4			357,058.64		526,019.6 7
Including: Share of other comprehensive income of the investee under the equity method that will be reclassified to profit or loss							
Gains or losses on changes in fair value of available-for-sale financial assets							
Gains or losses on reclassification of held-to-maturity investments to available-for-sale financial assets							
Effective portion of gains or losses on cash flow hedges							
Translation differences of financial statements denominated in foreign currencies	168,961.0 3	357,058.6 4			357,058.64		526,019.6 7
Total of other comprehensive income	168,961.0 3	357,058.6 4			357,058.64		526,019.6 7

**58. Special reserves**

Applicable  Not applicable

**59. Surplus reserves**

In RMB

Items	Opening balance	Increase	Decrease	Closing balance
Statutory surplus reserves	43,536,283.35	2,349,281.23		45,885,564.58
Discretionary surplus reserves				
Reserve funds				
Enterprise development funds				
Other				
<b>Total</b>	<b>43,536,283.35</b>	<b>2,349,281.23</b>		<b>45,885,564.58</b>

**60. Retained profits**

In RMB

Items	Amount of this period	Amount of last period
Before adjustment: Retained profits at the end of priodyear	464,995,647.55	434,569,646.73
Adjustment: Total retained profits at the beginning of year		
After adjustment: Retained profits at the beginning of year	464,995,647.55	434,569,646.73
Add: Net profit attributable to shareholders of the parent Company for the period	69,792,841.69	59,518,090.82
Less : Appropriation to statutory surplus reserve	2,349,281.23	5,592,090.00
Appropriation to discretionary surplus reserve		
Appropriation to general risk reserve		
Ordinary shares' dividends payable		23,500,000.00
Ordinary shares' dividends converted into share capital		
<b>Retained profits at the end of the period</b>	<b>532,439,208.01</b>	<b>464,995,647.55</b>

**61. Business income, Business cost**

In RMB

Items	Amount of current period		Amount of previous period	
	Income	Cost	Income	Cost
Income from Main Business	3,350,641,602.84	2,849,092,133.74	3,467,573,802.18	3,004,009,420.05

Other Business income	69,489,408.14	60,218,866.18	91,439,263.50	69,937,165.94
Total	3,420,131,010.98	2,909,310,999.92	3,559,013,065.68	3,073,946,585.99

**62. Business tax and subjoin**

In RMB

Items	Amount of current period	Amount of previous period
Consumption tax		
Business tax	854,693.21	539,092.68
City maintenance and construction tax	5,986,812.60	7,114,413.11
Education surtax	2,563,483.27	3,046,118.23
Resource tax		
	1,693,332.34	1,455,227.40
Embankment expenses		
Local education surcharges	737,904.06	2,030,745.47
Water Construction Fund	830,433.27	883,895.80
Total	12,666,658.75	15,069,492.69

**63. Sales expenses**

In RMB

Items	Amount of current period	Amount of previous period
Transport costs	52,186,403.70	54,569,355.17
Travel expenses	3,016,690.87	3,167,060.95
Wege	14,338,535.97	13,565,398.63
Warranty expenses	17,545,699.32	5,264,503.18
Total	103,477,015.27	88,372,759.38

**64. Administrative expenses**

In RMB

Items	Amount of current period	Amount of previous period
Wage	68,461,985.30	68,904,343.01
Travel expenses	15,529,016.99	13,456,214.86
Depreciation	11,888,935.22	18,203,746.77
Repair fees	2,981,097.66	18,203,746.77
Taxes	12,956,434.12	13,101,140.96
R& D expenses	136,696,260.57	135,620,731.54
Total	265,472,065.47	262,258,841.68

**65. Financial expenses**

In RMB

Items	Amount of current period	Amount of previous period
Interest expense	51,668,462.64	45,289,423.09
Less: Incoming interests	-11,079,762.54	-13,375,163.42
Exchange gains/losses		4,247,262.59
Less : exchange gains	-1,643,030.05	
Bills discounted rate	9,576,943.91	9,629,943.80
	3,092,970.73	3,488,862.02
Handling charges		



Total	51,615,584.69	49,280,328.08
-------	---------------	---------------

**66. Asset impairment loss**

√Applicable □Not applicable

In RMB

Items	Amount of current period	Amount of previous period
I.Losses for bad debts	695,283.58	-1,482,288.38
II.Losses for falling price of inventory		
III.Losses of available for sale financial assets impairment		
IV.Impairment on held-to-maturity investments		
V.Impairment on long-term equity investment		
VI.Impairment on investment properties		
VII.Impairment on fixed assets		
VIII. Impairment on construction materials		
IX. Impairment on construction in progress		
X. Impairment on bearer biological assets		
XI. Impairment on oil and gas assets		
XII. Impairment on intangible assets		
XIII. Impairment on goodwill		
XIV.Other		
Total	695,283.58	-1,482,288.38

**67. Gains on the changes in the fair value**

□Applicable √Not applicable

**68. Investment income**

√Applicable □Not applicable

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income under equity method	1,679,147.83	-219,428.66
Investment loss through disposal of long-term equity investment		
Income from financial assets measured by fair value with changes in fair value recognised in profit or loss		

Investment income from disposal of financial assets measured by fair value with changes in fair value recognised in profit or loss		
Investment income received from holding of held-to-maturity investments during holding period		
Investment income received from available for sale financial assets during holding period		
Investment income from disposal of available for sale financial assets		
Investment income from the remaining equity recalculated by fair value after losing control		
Total	1,679,147.83	-219,428.66

**69. Non-operating gains**

In RMB

Items	Amount of current period	Amount of previous period	Recorded in the amount of the non-recurring gains and losses
Total gains from disposal of non-current assets	1,822,796.20	36,947.96	1,822,796.20
Including : Gains from disposal of fixed assets	1,822,796.20	36,947.96	1,822,796.20
Gains from disposal of intangible assets			
Gains from debt restructuring			
Non-monetary assets exchange gains			
Accepting donations			
Government grants	20,121,577.30	29,728,468.03	20,121,577.30
Quality claims and other	6,324,810.45	3,023,794.63	6,324,810.45
Total	28,269,183.95	32,789,210.62	28,269,183.95

## Government subsidy reckoned into current gains/losses

In RMB

Items	Amount of this period	Amount of last period	Assets-related/income -related
Namely VAT That levy refunds		1,482,826.71	Related to income
Tax return	6,394,300.00	12,113,720.00	Related to income
Subsidies for social security center		1,571,640.00	Related to income
Technological Center Capacity Building Project	800,000.00	5,000,000.00	Related to income
Provincial science and technology innovation and development of special funds	1,200,000.00	3,800,000.00	Related to income

Special funds for foreign economic & trade Development	1,020,000.00		Related to income
Development Project of small & medium Enterprises	400,000.00		Related to income
Auto special project award	800,000.00		Related to income
Science and technology awards categories of government grants	3,061,213.00	3,646,669.65	Related to income
Staging included in deferred income	6,446,064.30	2,113,611.67	Related to income
Total	20,121,577.30	29,728,468.03	/

## 70. Non-Operation expense

In RMB

Items	Amount of current period	Amount of previous period	The amount of non-operating gains & loss
Total of non-current asset Disposition loss	4,660,500.90	6,164,369.73	4,660,500.90
Incl: loss of fixed assets disposition	4,660,500.90	6,164,369.73	4,660,500.90
loss of intangible assets disposition			
Loss on debt reconstruction			
Non-monetary asset exchange losses			
Foreign donations	200,000.00		200,000.00
Other	1,187,801.64	2,919,194.02	1,187,801.64
Total	6,048,302.54	9,083,563.75	6,048,302.54

## 71. Income tax expense

## (1) Lists of income tax expense

In RMB

Items	Report period	Same period of the previous year
Current income tax expense	8,309,518.62	9,728,587.03
Deferred income tax expense	16,899.35	2,126,565.54
Total	8,326,417.97	11,855,152.57

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

In RMB

Items	Report period
Total profits	100,793,432.54
Current income tax expense accounted by tax and relevant regulations	15,832,385.60
Effect of different tax rates applicable to subsidiaries	
Income tax adjustments on prior periods	402,708.32
Impact of non-taxable income	

Impact of non-deductible costs, expenses and losses	1,285,493.39
Affect the use of deferred tax assets early unconfirmed deductible losses	
This issue does not affect the deferred tax assets recognized deductible temporary differences or deductible loss	
Additional impact of research and development expenses deduction	-9,211,068.69
Influence of deferred income tax assets	16,899.35
Income tax expenses	8,326,417.97

## 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 current period	Amount of previous period
Other Unit	37,413,865.83	25,850,602.83
Fine and Quality compensation	6,324,810.44	2,715,046.63
Interest income	11,079,762.54	13,381,884.36
Generation advances and utilities	5,236,801.21	3,653,704.66
Government Subsidy	13,675,513.01	32,838,609.65
Total	73,730,753.03	78,439,848.13

### (2) Other cash paid relevant to operating activities

In RMB

Items	Amount of current period	Amount of previous period
Office ,transportation and other	89,138,479.30	85,713,672.85
Water and electricity	1,892,112.23	3,198,637.32
Technology Development costs	65,795,259.91	46,188,524.16
Other Current account	43,589,814.71	10,732,113.26
Total	200,415,666.15	145,832,947.59

### (3) Other cash received relevant to investment activity

In RMB

Items	Amount of current period	Amount of previous period
Government grants related to assets received	33,874,000.00	7,000,000.00
Total	33,874,000.00	7,000,000.00

### (4) Other cash paid relevant to Investment financing activity

In RMB

Items	Amount of current period	Amount of previous period
Sale cash assets to pay back rent		22,500,000.00
合计		22,500,000.00

### (4) Other cash paid relevant to financing activity

In RMB

Items	Amount of current period	Amount of previous period
Sale cash assets to pay back rent	36,469.71	1,892,776.00
Total	36,469.71	1,892,776.00

**74. Supplement Information for cash flow statement**

## (1) Supplement Information for cash flow statement

In RMB

Supplement Information	Amount of current period	Amount of previous period
I. Adjusting net profit to cash flow from operating activities		
Net profit	92,467,014.57	83,198,411.88
Add: Impairment loss provision of assets	695,283.58	-1,482,288.38
Depreciation of fixed assets, oil and gas assets and consumable biological assets	119,373,943.03	105,267,596.13
Amortization of intangible assets	2,986,601.72	2,164,594.03
Amortization of Long-term deferred expenses	1,999,942.86	1,054,836.23
Loss on disposal of fixed assets, intangible assets and other long-term deferred assets	2,837,704.70	6,127,421.77
Loss from scrapping of fixed assets		
Loss from fair change		
Financial cost	61,245,406.55	55,278,498.58
Loss on investment	-1,679,147.83	219,428.66
Decrease in deferred income tax assets	16,899.35	2,386,772.16
Increased of deferred income tax liabilities		
Decrease of inventories	24,999,589.65	96,737,246.55
Decrease of operating receivables	203,816,390.68	28,674,773.26
Increased of operating Payable	-7,009,574.05	-174,192,850.58
Other		
Net cash flows arising from operating activities	501,750,054.81	205,434,440.29
II. Significant investment and financing activities that without cash flows:		
Transferring debts to capital		
Convertible corporate bond to mature within one year		
Leasing fixed assets through financing		
III. The information of net increase of cash and cash equivalent		
Balance of cash at the End of the period	553,841,516.54	467,564,876.57
Less: Balance of cash at the beginning of the period	467,564,876.57	441,509,529.30
Add: Balance of cash equivalent at the end of the period		
Less: Balance of cash equivalent at the beginning of the period		
Net increase in cash and cash equivalents	86,276,639.97	26,055,347.27

## (2) Net Cash paid of obtaining the subsidiary

Applicable Not applicable

## (3) Net Cash receive of disposal of the subsidiary

Applicable Not applicable

## (4) Cash and cash equivalents

In RMB

Items	Closing balance	Opening balance
I. Cash	553,841,516.54	467,564,876.57
Including: cash at hand	10,570.37	2,316.67
Demand bank deposit	374,053,584.61	289,246,889.74
Demand other monetary funds	179,777,361.56	178,315,670.16
Usable money in Central Bank		
Money saved in associated financial bodies		
Money from associated financial bodies		
II. Cash equivalents		
Of which: bond investment which will due in three months		
III. Closing balance of cash and cash equivalents	553,841,516.54	467,564,876.57
Including: Cash and cash equivalents of parent company or subsidiaries with use restrictions		

Notes: Margin other cash more than three months due to RMB 102,271,489.59.

**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**

√Applicable □Not applicable

In RMB

Items	Closing book value	Restricted reason
Monetary capital	282,048,851.15	Deposit
Bills receivable	3,838,000.00	Issuing bank acceptance bill
Inventory		
Fixed assets		
Intangible assets		
Total	285,886,851.15	/

**77. Foreign currency monetary items**

√Applicable □Not applicable

## (1) Foreign currency monetary items

In RMB

Items	Closing foreign currency balance	Exchange rate	Closing convert to RMB balance
Monetary capital			
Including: USD	2,753,203.11	6.4936	17,878,199.72
Euro	1,508,488.46	7.0952	10,703,027.32
HKD			

RMB			
RMB			
Account receivable			
Including: USD	21,232,881.21	6.4936	137,877,837.42
Euro	2,432,671.12	7.0952	17,260,288.14
HKD			
RMB			
RMB			
Long-term loans			
Including: USD			
Euro			
HKD			
RMB			
RMB			
Short-term loans			
Including: USD	40,300,000.00	6.4936	261,692,080.00

(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

Applicable Not applicable

## VIII. Changes of merge scope

### 1. Business merger not under same control

Applicable Not applicable

### 2. Business combination under the same control

Applicable Not applicable

### 3.Counter purchase

Applicable Not applicable

### 4.The disposal of subsidiary

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

Applicable  Not applicable

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

Applicable  Not applicable

### 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

Applicable Not applicable

(1) The structure of the enterprise group\

Name of the subsidiary	Main operating	Registration place	Nature of business	Proportion of shareholding(%)	Way of gaining
------------------------	----------------	--------------------	--------------------	-------------------------------	----------------

	place			Directly	Indirectly	
Wuhu Abaur Mechanical & Electrical Co., Ltd.	Wuhu	Wuhu	Manufacturing	75.00		Investment
Huangshi Dongbei Founry Co., Ltd.	Huangshi	Huangshi	Manufacturing		38.46	Under the same control business combination
Huangshi Dongbei International Trade Co., Ltd.	Huangshi	BVI	Trading	100.00		Under the same control business combination
Dongbei Electromechanical (Jiangsu) Co., Ltd.	Suqian	Suqian	Manufacturing	100.00		Investment
Dongbei(Wuhan) Technology Innovation Co., Ltd.	Wuhan	Wuhan	R&D Centre	100.00		Investment
Alashankou Dongbei Greenergy Co., Ltd.	Alashankou	Alashankou	Power Generation		60.00	Investment

## (2) Significant not wholly owned subsidiary

In RMB

Subsidiary	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
Wuhu Abaur Mechanical & Electrical Co., Ltd.	25.00	17,846,747.90		144,912,057.50
Huangshi Dongbei Founry Co., Ltd.	48.72	4,351,093.25		50,732,889.92



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

In RMB

Subsidiary	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
Wuhu Abaur Mechanical & Electrical Co., Ltd..	115,577.39	35,522.40	151,099.79	96,296.47	560.00	96,856.47	119,583.66	33,679.04	153,262.70	104,870.35	630.00	105,500.35
Huangshi Dongbei Founry Co., Ltd.	26,558.80	16,804.46	43,363.26	29,378.09	3,572.02	32,950.1	29,764.61	17,559.18	47,323.79	33,294.84	4,508.87	37,803.71

Subsidiary	Amount of current period				Amount of previous period			
	Business income	Net profit	Total comprehensive income	Business cash flow	Business income	Net profit	Total comprehensive income	Business cash flow
Wuhu Abaur Mechanical & Electrical Co., Ltd..	141,777.38	6,480.98	6,480.98	13,382.04	150,924.66	6,048.84	6,048.84	9,832.39
Huangshi Dongbei Founry Co., Ltd.	46,291.16	893.08	893.08	4,604.87	47,521.57	1,351.29	1,351.29	5,510.40

(4) Using the asset and settle debts enterprise Group Enterprise Group Major limitations:

(5) To the consolidated financial statements of the scope of financial support provided by the structured body or other support:

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

Applicable Not applicable

3. Equity in joint venture arrangement or associated enterprise

(1) Significant joint venture arrangement or associated enterprise

Name	Main operating place	Registration place	Business nature	Proportion		Accounting treatment of the investment of joint venture or associated enterprise
				Directly	Indirectly	
Huangshi Aibo Property Co., Ltd.	Huangshi	Huangshi	Real estate		24.00	Equity method
Hubei Jinling Fine Agriculture Co., Ltd	Huangshi	Huangshi	Development of the agricultural products		24.00	Equity method

(2) Main financial information of significant joint venture

(3) Equity in joint venture arrangement or associated enterprise

Applicable Not applicable

4. Significant common operation

Applicable Not applicable

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

Applicable Not applicable

## XI. The disclosure of the fair value

Applicable Not applicable

## XII. Related party and related Transaction

### 1. Information related to parent company of the Company

In RMB

Name of parent company	Registered place	Business scope	Registered capital (RMB'0000)	Proportion of share held by parent(%)	Proportion of voting rights owned by(%)
Huangshi Dongbei Electromechanical Group Co., Ltd.	Huangshi	Manufacturing	24,184.00	50.04	50.04

## 2. Subsidiaries of the Company

The details to Notes

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

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

Applicable Not applicable

## 4. Information on other related parties

Applicable  Not applicable

Name	Relationship with the Company
Huangshi Dongbei Refrigerating Co., Ltd.	Subsidiary of parent company
Huangshi Dongbei Electromechanical Group Co., Ltd.	Other
Huangshi Aibo Technology Development Co., Ltd.	One of the shareholders of the parent Company Huangshi Dongbei Electromechanical Group Co., Ltd., Trust holdings shares of Huangshi Dongbei Group Employees.
Wuhu Farici Investment Co., Ltd.	Other
Hubei Xingdong Investment Co., Ltd.	Other
Jiangsu Luoke Electrical Group Co., Ltd.	One of the shareholders of the parent Company Huangshi Dongbei Electromechanical Group Co., Ltd.
Huangshi Chenxin Photoelectric Co., Ltd.	Other
Hubei Dongbei New Energy Co., Ltd.	Other
Dongbei New Energy (Wuhu) Co., Ltd.	Other
Yuzhou Weiyu Dongbei New Energy Co., Ltd.	Other
Huangshi Jinling Property Services Co., Ltd.	Other
Wuhu Abaur Real estate Co., Ltd.	Other
Luotian Jinbei Agriculture Co., Ltd.	Other
Hubei Jinling Fine agricultural Linyang Co., Ltd.	Other
Hubei Jinling Fine agricultural Co., Ltd.	Other
Huangshi Jinbei Dairy Co., Ltd.	Other
Huangshi Huangshi Director Dongxing Petty Loan Co., Ltd.	Other
Huangshi Dongbei Refrigerator industry Co., Ltd.	Other
Jiangsu Zidong Real Estate Co., Ltd.	Other
Huangshi Huizhi Investment Partnership (Limited partnership)	Other
Lin Yinkun	Other
Lu Lihua	Other
Zhu Yushan	Other
Gao Jianjun	Other
Dou Zuowei	Other
Ma Yanping	Other
Hu Rongzhi	Other

**5. List of related-party transactions**

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

√Applicable □ Not applicable

Acquisition of goods and reception of labor service

In RMB

Related-party	Content	Amount of this period	Amount of last period
Huangshi Dongbei Refrigerating Co., Ltd.	Compressor parts	10,905.67	16,033.45
Huangshi Dongbei Electromechanical Group Co., Ltd.	Compressor parts	4,471.39	3,093.96
Huangshi Aibo Technology Development Co., Ltd.	Compressor parts	41,010.34	45,708.67
Jiangsu Luoke Electric Group Co., Ltd.	Compressor parts	27,136.68	36,316.77
Huangshi Jinbei Dairy Co., Ltd.	Agricultural products	412.53	348.78
Hubei Jinling Fine Agriculture Co., Ltd.	Agricultural products	80.57	45.01
Hubei Dongbei New Energy Co., Ltd.	Photovoltaic	40,455.39	11,938.30

Information of sales of goods and provision of labor service

In RMB

Related-party	Content	Amount of this period	Amount of last period
Huangshi Dongbei Refrigerating Co., Ltd.	Compressor	1,626.44	1,541.69
Huangshi Dongbei Electromechanical Group Co., Ltd.	Compressor parts	15.99	101.09
Huangshi Aibo Technology Development Co., Ltd.	Material	402.92	1,623.53
Jiangsu Luoke Electric Group Co., Ltd.		25.46	166.07

(2) Related trusteeship/contract

□ Applicable √ Not applicable

(3) Information of related lease

√Applicable □ Not applicable

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
Huangshi Dongbei Refrigerating Co., Ltd.	House	5,538,679.28	2,970,905.22
Huangshi Jinbei Dairy Co., Ltd.	House	148,680.00	146,880.00
Hubei Dongbei New Energy Co., Ltd.	House	861,973.92	108,000.00
Jiangsu Luoke Electrical Group Co., Ltd.	House	308,940.00	255,450.00
Wuhu Abaur Real estate Co., Ltd.	House	6,000.00	6,000.00
Wuhu Farici Investment Co., Ltd.	House	14,400.00	14,400.00

Jiangsu Luoke Electrical Group Co., Ltd.	House	90,840.00	
--	-------	-----------	--

The company was lessee:

In RMB

Lessor	Category of leased assets	The lease income confirmed in this year	The lease income confirmed in last year
Huangshi Dongbei Electromechanical Group Co., Ltd.	Land	36,000.00	36,000.00

(4) Related-party guarantee

The company was guarantor:

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Huangshi Dongbei Electromechanical Group Solar Energy Co., Ltd.	1,210.00	2015-11-11	2016-12-17	No
Dongbei Electromechanical (Jiangsu) Co., Ltd.	5,224.66	2015-7-10	2020-12-16	No
Dongbei Electromechanical Co., Ltd.	2,995.00	2015-7-16	2016-11-3	No
Wuhu Abaur Mechanical & Electrical Co., Ltd.	46,465.60	2015-6-8	2016-6-20	No
Alashankou Dongbei Clean Co., Ltd.	35,000	2015-5-28	2027-11-27	No
Huangshi Dongbei Foundry Co., Ltd.	709,063.00	2015-8-17	2016-6-25	No
Huangshi Aibo Technology Development Co., Ltd.	3,000.00	2015-12-28	2016-12-17	No
Huangshi Dongbei Refrigerating Co., Ltd.	7,317.94	2015-7-24	2016-6-29	No

The Company was secured party

In RMB

Guarantor	Guarantee amount	Start date	End date	Execution accomplished or not
Wuhu Abaur Mechanical & Electrical Co., Ltd.	11,000.00	2015-6-8	2016-6-20	No
Huangshi Dongbei Electromechanical Group Co., Ltd.	77,423.67	2015-7-3	2016-9-16	No

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

Applicable  Not applicable

## (6) Related party asset transfer and debt restructuring

√Applicable □ Not applicable

In RMB

Related party	Content	Amount of current period	Amount of previous period
Huangshi Dongbei Refrigerating Co., Ltd.	Fixed assets transfer	24,206,565.05	
Huangshi Aibo Technology Development Co., Ltd	Fixed assets transfer	20,805,356.68	
Total		45,011,921.73	

## (7) Rewards for the key management personnel

√Applicable □ Not applicable

In RMB

Items	Amount of current period	Amount of previous period
Rewards for the key management personnel	1,813,487.48	3,256,892.32

## (8) Other related-party transactions

## 6. Receivables and payables of related parties

√Applicable □ Not applicable

## (1) Receivable

In RMB

Items	Related parties	Items		Related parties	
		Book balance	Bad debt reserve	Book balance	Bad debt reserve
Other account receivable	Huangshi Dongbei Refrigerating Co., Ltd.			5,237,329.05	
Prepayment	Huangshi Dongbei Electromechanical Group Co., Ltd.	8,476,792.53		21,018,436.58	
Dividend receivable	Huangshi Dongbei New Energy Co., Ltd	27,395,464.63		27,395,464.63	
Total		35,872,257.16		53,651,230.26	

## (2) Payables

In RMB

Items	Related party	Book Balance at period end	Book Balance at period beginning
Account payable	Huangshi Dongbei Refrigerating Co., Ltd.	9,826,471.93	339,453.31
Account payable	Huangshi Dongbei Electromechanical Group Solar Energy Co., Ltd.	318,105.00	739,077.49
Account payable	Huangshi Dongbei New Energy Co., Ltd	4,153,333.90	31,339,984.95
Other account payable	Huangshi Aibo Technology Development Co., Ltd.	86,564,629.33	16,716,004.40

Other account payable	Jiangsu Luoke Electrical Group Co., Ltd.	41,574,762.79	31,330,954.16
Other account payable	Huangshi Jinbei Dairy Co., Ltd.	149,435.00	149,435.00
Other account payable	Huangshi Aibo Technology Co., Ltd.	3,000,000.00	
Other account payable	Jiangsu Luoke Electric Co., Ltd.	2,022,045.74	
Total		147,608,783.69	80,465,474.31

## 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

Applicable  Not applicable

### 2. Contingency

Applicable  Not applicable

## XV. Events safter balance sheet date

### 1. Significant events had not adjusted

Applicable  Not applicable

### 2. Profit distribution

Applicable  Not applicable

### 3. Sales return

Applicable  Not applicable

### 4. Notes of other significant events

## XVI.Other significant events

### 1. The accounting errors correction in previous period

Applicable  Not applicable

### 2. Debt restructuring

Applicable  Not applicable

3. Replacement of assets

Applicable  Not applicable

4. Pension plan

Applicable  Not applicable

5. Discontinuing operation

Applicable  Not applicable

6. Segment information

Applicable  Not applicable

7. Other important transactions and events have an impact on investors decision-making

\_\_\_\_\_

8. Other

\_\_\_\_\_



## XVII. Notes of main items in financial reports of parent company

## 1. Account receivable

## (1) Account receivable classified by category

In RMB

Category	Year-end balance					Year-beginning				
	Book balance		Provision for bad debts		Balance value	Book balance		Provision for bad debts		Balance value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Receivables with major individual amount and bad debt provision provided individually	47,323,477.42	6.75			47,323,477.42	23,101,169.93	3.70			23,101,169.93
2. Other Receivables provided bad debt provision in groups	653,362,892.60	93.25	24,723,229.06	3.78	628,639,663.54	601,182,461.33	96.30	23,779,804.16	3.96	577,402,657.17
Other Account receivable with minor individual amount but bad debt provision is provided										
Total	700,686,370.02	/	24,723,229.06	/	675,963,140.96	624,283,631.26	/	23,779,804.16	/	600,503,827.1

Receivable accounts with large amount individually and bad debt provisions were provided

Applicable  Not applicable

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

Applicable  Not applicable

In RMB

Aging	Balance at year-end		
	Account receivable	Provision for bad debts	Proportion%
Within 1 year			
Including: Subitem within 1 year			
Subtotal within 1 year	641,358,793.40	12,827,175.87	2
1-2 years	5,863.66	293.18	5
2-3 years	146,393.62	43,918.09	30
Over 3 years			
3-4 years			60
Over 4 years	11,851,841.92	11,851,841.92	100
4-5 years			
Over 5 years			
Total	653,362,892.60	24,723,229.06	

In the groups, other 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:

Including :Receivable accounts written back or retrieved in the report period.

Applicable  Not applicable

(2) Account receivables actually written-off during the reporting period

Applicable  Not applicable

Including: Account receivables actually written-off during the reporting period:

Applicable  Not applicable

(3) Top five of account receivable of closing balance collected by arrears party

In RMB

Name	Closing balance	Proportion(%)	Bad debt Provision
1.Client 1	159,624,217.35	22.78	3,192,484.35
2.Client 2	54,140,813.91	7.73	1,082,816.28
3.Client 3	49,337,189.54	7.04	986,743.79
4.Client 4	39,377,937.80	5.62	787,558.76
5.Client 5	33,738,555.45	4.82	674,771.11
Total	336,218,714.05	47.98	6,724,374.28

(4) Derecognition of account receivable due to the transfer of financial assets

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

---

## 2. Other receivable

## (1) Category of Other receivable

In RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Balance value	Book balance		Provision for bad debts		Balance value
	Amount	Proportion(%)	Amount	Proportion(%)		Amount	Proportion(%)	Amount	Proportion(%)	
Accounts receivable of individual significance and subject to individual impairment assessment										
Accounts receivable subject to impairment assessment by credit risk characteristics of a portfolio	2,048,471.48	100.00	55,487.39	2.71	1992984.09	8,735,583.87	100.00	1,152,780.24	13.20	7,582,803.63
Accounts receivable of individual insignificance but subject to individual impairment assessment										
Total	2,048,471.48	/	55,487.39	/	1,992,984.09	8,735,583.87	/	1,152,780.24	/	7,582,803.63

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  Inapplicable

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

Applicable  Inapplicable

In RMB

Aging	Closing balance		
	Other account receivable	Provision for bad debts	Proportion(%)
Within 1 year			
Including: Subitem within 1 year			
Subtotal within 1 year	1,564,539.22	31,290.78	2
1-2 years	483,932.26	24,196.61	5
2-3 years			30
Over 3 years			
3-4 years			60
Over 4 years			100
4-5 years			
Over 5 years			
Total	2,048,471.48	55,487.39	

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:

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

Applicable  Not applicable

(3) Other account receivable classified by account nature

Applicable  Not applicable

In RMB

Nature	Closing book value	Opening book value
Current account	637,701.68	586,276.97
Cash/Deposit	227,623.04	237,623.04
Petty cash	380,000.00	1,303,638.15
Other	12,310.64	703,171.23
.Export rebates	790,836.12	5,904,874.48
Total	2,048,471.48	8,735,583.87

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

Applicable  Not applicable

In RMB

Name	Nature	Closing balance	Aging	Proportion(%)	Closing balance of bad debt provision
1.Export rebates	1.Export rebates	790,836.12	Within 1 year	38.61	15,816.72

2.Technology Development Dept.	Petty cash	300,000.00	Within 1 year	14.65	6,000.00
3.Beijing Lanyu Tianhong Technology Co., Ltd.	Current account	141,000.00	Within 1 year	6.88	2,820.00
4.Wu Jiong	Petty cash	80,000.00	Within 1 year	3.91	1,600.00
5.Fei Yinxin	Petty cash	60,000.00	Within 1 year	2.93	1,200.00
Total	/	1,371,836.12	/	66.98	27,436.72

(5) Accounts receivable involved with government subsidies

Applicable  Not applicable

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

(7)The amount of the assets and liabilities formed by the transfer and the continues involvement of other

Other notes:

### 3.Long-term equity investment

Applicable  Not applicable

In RMB

Items	Closing balance			Opening balance		
	Book balance	Bad debt provision	Book value	Book balance	Bad debt provision	Book value
Investment to the subsidiary	188,161,074.70		188,161,074.70	188,161,074.70		188,161,074.70
Investment to joint ventures and associated enterprises						
Total	188,161,074.70		188,161,074.70	188,161,074.70		188,161,074.70

(1) Investment to the subsidiary

Applicable  Not applicable

In RMB

Name	Opening balance	Increase	Decrease	Closing balance	Withdrawn impairment provision in the reporting period	Closing balance of impairment provision
Wuhu Abaur Mechanical & Electrical Co., Ltd.	33,339,800.00			33,339,800.00		
Dongbei International Trade Co., Ltd.	6,821,274.70			6,821,274.70		
Dongbei(Wuhan) Technology Innovation Co., Ltd.	8,000,000.00			8,000,000.00		
Dongbei Electromechanical	140,000,000.00			140,000,000.00		

(Jiangsu) Co., Ltd.					
Total	188,161,074.70			188,161,074.70	

(2) Investment to joint ventures and associated enterprises

Applicable  Not applicable

#### 4. Business income and Business cost

In RMB

Items	Report period		Same period of the previous year	
	Income	Cost	Income	Cost
Main Business	2,628,198,278.93	2,421,003,149.21	2,704,621,901.48	2,478,923,855.00
Other Business	48,621,542.78	24,955,922.31	61,008,853.32	56,384,750.99
Total	2,676,819,821.71	2,445,959,071.52	2,765,630,754.80	2,535,308,605.99

#### 5. Investment income

Applicable  Not applicable

In RMB

Items	Amount of current period	Amount of previous period
Long-term equity investment income accounted by cost method		27,395,464.63
Long-term equity investment income accounted by equity method		
Investment income arising from disposal of long-term equity investments		3,117,733.27
Income from long-term equity investment income of equity method		
Investment income received from disposal of long-term equity investment calculated by fair value		
Investment income received from holding of held-to-maturity investment		
Investment income received from holding of available-for-sale financial assets		
Investment income arising from disposal of available-for-sale financial assets		
After the loss of control, the remaining equity remeasured at fair value gains arising		
Total		30,513,197.90

6. Other

## XVIII. Supplement Information

### 1. Non-recurring gains and losses of current year

In RMB

Items	Amount	Notes
Non-current asset disposal gain/loss	-462,241.68	
Tax refund, deduction and exemption that is examined and approved by authority exceeding or		

has no official approval document.		
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.	20,038,689.31	
Capital occupation fee collected from non-financial organizations and accounted as current gain/loss.		
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment		
Gains and losses from exchange of non-non-monetary assets		
Gains and losses from assets under trusted investment or Management		
Asset impairment provisions for force major such as natural disasters		
Gain/loss from debt reorganization		
Enterprise reorganization expenses, such as payment to stuff placement and consolidation expenses		
Gain/loss from trades obviously departed from fair value		
Net gain/loss of current term from consolidation of subsidiaries under common control from beginning of term to the consolidation date		
Gain/loss from debt forecasting without connection to the main business operation		
In addition to normal business with the company effective hedging related business, holders of tradable financial assets, transactions and financial liabilities arising from changes in fair value gains and losses, as well as the disposal of trading of financial assets, trading financial liabilities and available-for-sale financial assets gains return on investment;		
Single impairment test for impairment of receivables transferred back to preparation		
Gains and losses obtained from external trusted loans		
The use of fair value measurement model of follow-up to the fair value of real estate investment gains and losses arising from changes		
According to tax, accounting and other laws, regulations, the requirements of the current Gain/loss for a one-time adjustment of the impact of the current Gain/loss;		
Entrusted with the operating of the trust to obtain fee income		
Net amount of non-operating income and expense except the aforesaid items	2,644,433.78	
Other non-recurring Gains/loss items		
.Amount of influence of income tax	-3,879,230.38	
Amount of influence of minority interests	-7,250,561.72	
Total	11,091,089.31	

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.

In RMB

Items	Amount	Reason

## 2.Return on equity(ROE)and earnings per share(EPS)

Profit of the reporting period	Weighted average return on equity (%)	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to shareholders of parent company	7.20	0.297	
Net profit attributable to shareholders of parent company after deduction of non-current gains and losses	6.06	0.250	

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

Applicable  Not applicable

## 4.Other

## XII. Documents Available for Inspection

Documents Available for Inspection	Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
Documents Available for Inspection	Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
Documents Available for Inspection	The texts of all the Company's documents publicly disclosed on the newspapers and periodicals designated by China Securities Regulatory Commission in the report period.

Chairman of the board of directors: Zhu Jinming

Issue day approved by the Board of Directors: April 21, 2016