

Stock code: 200054

Stock Abbreviation: Jianmo B

Announcement No.: 2017-013

Chongqing Jianshe Motorcycle Co., Ltd.

Summary of the Annual Report 2016

1. Important notes

The summary is abstract from full-text of summary of the semi-annual report, for more details information , investors should found in the full-text of annual report that published on website of Shenzhen Stock Exchange and other website appointed by CSRC.

Company Profile

Objection statement of directors, supervisors and senior executives

Name	Position	Content and reason
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Statement

Other directors attending the Meeting for annual report deliberation except for the followed:

The name of director who did not attend the meeting in person	Positions	Reason	The name of director who was authorized
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Non-standard auditor's opinion

Applicable Not applicable

Plans for profit distribution on ordinary shares or conversion of capital reserves into share capital proposed to the Board during the reporting period.

Applicable Not applicable

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

Plans for profit distribution on preference shares for the reporting period approved by the Board

Applicable Not applicable

II. Basic information about the company

1. Company profile

Stock abbreviation	Jianmo B	Stock code	200054
Stock exchange for listing	Shenzhen Stock Exchange		
Contact person and contact manner	Board secretary	Securities affairs Representative	
Name	Xue Gangyi	Liu Hongyu	
Office address	No.1 Jianshe Road, Huaxi Industrial Zone, Ba'nán District , Chongqing	No.1 Jianshe Road, Huaxi Industrial Zone, Ba'nán District , Chongqing	
Fax	023-66295333	023-66295333	
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E-mail	cqjismc@jianshe.com.cn	cqjismc@jianshe.com.cn	

2. Brief introduction to the main business or products in the reporting period

At the end of 2015, the company completed the major asset restructuring of stripping motorcycle business,

thus realized a major adjustment of industrial structure, so the company has become the auto parts manufacturing enterprise and mainly engaged in automotive air-conditioning compressor production and sales. The products include rotary vane iron type and aluminum type compressor, piston swashplate fixed displacement compressor, piston swashplate variable displacement compressor and electric compressor, covering 32cc to 480cc displacement. The main products won the "China famous brand", "High quality products of French science and technology quality supervision and evaluation committee", "China enters WTO Recommended Products" and so on. The strategic customers of the products are the manufacturing enterprises with vehicle production and sales in the top list, and the strategic customers include Chang'an Automobile, Peugeot, Dongfeng Nissan, Chang'an Suzuki and Great Wall Automobile, and the sales ranks in top three in the industry.

3. Major accounting data and financial indicators

(1) Major accounting data and financial indicators for the last three years

Retrospective adjustment to or restatement of the accounting data for prior years by the Company due to change of accounting policies and correction of accounting errors

Yes No

In RMB

	2016	2015	Changed over last year (%)	2014
Operating Gross income (RMB)	873,286,486.75	1,341,331,910.93	-34.89%	1,763,619,804.97
Net profit attributable to the shareholders of the listed company (RMB)	12,267,006.14	240,735,112.20	-94.90%	-133,593,949.98
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	12,908,428.98	-255,602,553.80	-105.06%	-153,898,341.02
Cash flow generated by business operation, net (RMB)	108,619,119.02	82,306,010.61	31.97%	94,598,651.91
Basic earning per share(RMB/Share)	0.103	2.017	-94.89%	-1.119
Diluted gains per share(RMB/Share)(RMB/Share)	0.103	2.017	-94.89%	-1.119
Net asset earning ratio (%)	4.68%	175.35%	-170.67%	-158.82%
	End of 2016	End of 2015	Changed over last year (%)	End of 2014
Gross assets (RMB)	1,559,334,881.03	1,550,615,831.44	0.56%	2,389,211,010.43
Net assets attributable to shareholders of the listed company (RMB)	268,383,091.65	256,116,085.51	4.79%	17,321,196.61

(2) Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	208,588,488.00	259,588,803.88	222,817,415.03	182,291,779.84
Net profit attributable to the shareholders of the listed company	4,399,465.72	4,103,379.70	4,314,063.61	-549,902.89
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	4,348,808.65	4,012,998.17	5,164,583.47	-617,961.31
Net Cash flow generated by business operation	24,195,604.08	37,744,133.71	34,576,909.96	12,102,471.27

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes No

4.Share capital and shareholders

(1) Number of holders of ordinary shares and preference shares with restored voting right and Top 10 shareholders

In shares

Shareholders	Nature of shareholder	Proportion of shares held (%)	Number of shares held at period -end	Amount of restricted shares held	Number or share pledged/frozen	
				State of share		Amount
Chongqing Jianshe Mechanical and Electric Co., Ltd.	State-owned legal person	71.13%	84,906,250	84,906,250		
Gu Zuocheng	Domestic natural person	1.89%	2,261,000	2,218,750		
Anhui Hengsheng Economic Development Group Co., Ltd.	Domestic non-state-owned legal person	1.47%	1,750,000	1,750,000		
Liu Dan	Domestic natural person	0.88%	1,054,001	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.60%	716,920	0		
Yu Lingfeng	Domestic natural person	0.52%	623,621	0		
Chen Xinqiang	Domestic natural person	0.51%	612,400	0		
Xu Yuanhui	Domestic natural person	0.51%	610,789	0		
Zhang Meilan	Domestic natural person	0.43%	513,560	0		
Feng Yonghui	Domestic natural person	0.42%	500,000	500,000		
Explanation on associated relationship among the aforesaid shareholders	There isn't any associated relationship between the sponsoring shareholder and the other shareholders among the top-10 list. None of them are regarded as 'Acting in concert' in accordance with 'The rules of information disclosure on change of shareholding.' Foreign shareholders are unknown for their condition of 'Associated relationship' and 'Acting in concert'.					

(2) Total preference shareholders and the shares held by the Top 10 Preference shareholders

Applicable Not applicable

Nil

(3)Block diagram of the ownership and control relations between the Company and the actual controller



5. Corporation bonds

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

No

1.Basic information of corporate bonds

Bond name	Bond short name	Bond code	Due day	Bond balance '0000	Interest rate
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2. Bond trustee and the credit rating agency information

3.The key accounting data and financial indicators of the latest two years to the end of the reporting period

In RMB'0000

Items	2016	2015	At the same time rate of change
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III. Discussion and Analysis of the Management

1. Business Operation summary in the reporting period

Whether the company needs to comply with the disclosure requirements of the particular industry

No

The year of 2016 is a year for the company's independent operation that features the main business of automotive air conditioning compressor. The total production of vehicle air conditioning compressor in the year was 2.369 million units, a year-on-year growth of 31.3%; the total sales was 2.157 million units, a year-on-year growth of 16.1%; and the sales ranks in top three in the industry. The main work carried out in the year was as follows:

Implementation of the reorganization of assets: the implementation of the spirit of the resolution of the board of directors, the successful implementation of the reorganization of assets, completed the restructuring of the organization after the reorganization, staffing, business process reconstruction, asset and liability transfer, internal

control system reconstruction work, in January 2017 the company received independent financial adviser Issued by the reorganization of the completion of the report, marking the successful completion of the reorganization of the work.

The aspect of adjustment of market structure: firstly, strengthened the management and development of large customers. To the year, the company realized the sales to GEELY. The company has become the supplier to the top three brands (Chang'an, Great Wall, Geely) of Chinese independent automobile brand; through increasing the proportion of high-quality customers, the sales to top ten strategic customers reached 93%, thus the company preliminarily shaped a reasonable echelon customer structure. Secondly, the company actively explored the new energy market. It has set up the new energy division and initially started the professional operation (including large displacement compressor).

The aspect of R & D capability enhancement: firstly, it has set up the technology center of Chongqing municipal level, and established the rotary vane technology platform and the piston technology platform and formed the three series products of iron, aluminum and electric-driven. Secondly, the experimental capability was further enhanced. The construction project for test ability was fully completed and the semi anechoic chamber was put into use, which has obtained low temperature capability recognition by CNAS (China National Accreditation Committee for Conformity Assessment). Thirdly, the project development capabilities for customers and the basic research level were further enhanced.

The aspect of manufacturing capacity: firstly, the capacity-expansion work for 0.5 million units was completed, thus formed the annual production capacity of 2.3 million units; secondly, the company promoted the just-in-time system, so the production efficiency has been continuously improved; thirdly, the company continuously optimized the quality management system, introduced STA (supplier technical support system) in the front end of industrial chain and established professional after-sales department for the customers, thus realized the whole process management of quality.

2. Material change in principal activities during the reporting period

Yes No

3. Products accounting for over 10% of revenue or profit from principal activities of the Company

Applicable Not applicable

In RMB

Name	Operating income	Operating cost	Gross profit ratio%	Increase /decrease of operating income (%)	Increase /decrease of operating cost (%)	Increase /decrease of Gross profit ratio (%)
Motorcycle and part	8,335,299.07	3,498,285.24	-5.58%	-98.41%	101.36%	4.28%
Vehicle air conditioner	845,417,715.99	12,516,222.14	17.78%	12.58%	149.18%	-3.12%

4. Seasonal or cyclical operations requiring special attention

Yes No

5. Material difference of revenue, operating costs or net profit attributable to holders of ordinary shares of the Company for the reporting period from the last reporting period

Applicable Not applicable

The end of 2015, the company completed the divestiture of the motorcycle business major asset restructuring, to achieve a major industrial restructuring, mainly engaged in automotive air conditioning compressor production and sales. For this period the relevant indicators than the previous period there is a big change.

6. Suspension in trading or delisting

Applicable Not applicable

7. Events relating to the financial report

(1) Reason for changes in accounting policies, accounting estimates and accounting methods as compared to the financial report for the prior year

Applicable Not applicable

1. Changes in significant accounting policy

Implementation of VAT Accounting Treatment

On December 3, 2016, Ministry of Finance issued the "VAT Accounting Treatment" (No. 22-[2016] Accounting), which is applicable to the relevant transactions occurred from May 1, 2016. The main impact of the company's implementation of the provision is as follows:

The contents and reasons of accounting policy changes	Approval procedure	Affected item name and amount in the report
(1) The "Business taxes and surcharges" in the profit statement is adjusted to be "Taxes and surcharges" item.	National uniform accounting system changes	Taxes and surcharges
2) The property tax, land use tax, vehicle and vessel usage tax and stamp tax incurred from the business activities since May 1, 2016 are reclassified into "Taxes and surcharges" item from the previous "management fees" item, but such taxes occurred before May 1, 2016 will not be adjusted. And The comparative data will not be adjusted.	National uniform accounting system changes	Adjustment of increasing RMB 2,217,753.53 in taxes and surcharges, while reducing RMB 2,217,753.53 for the year's management fees.

2. Changes in significant accounting estimates

There are no changes in significant accounting estimates for the company in the current year.

(2) Reason for retrospective restatement to correct major accounting errors during the reporting period

Applicable Not applicable

Nil

(3) Reason for changes in scope of the consolidated financial statements as compared to the financial report for the prior year

Applicable Not applicable

Nil