

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



北京京城機電股份有限公司
Beijing Jingcheng Machinery Electric Company Limited

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 0187)

2020 THIRD QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1** The board of directors (the “**Board**”), supervisory committee and the directors, supervisors and senior management officers of Beijing Jingcheng Machinery Electric Company Limited (the “**Company**”) confirm that the information contained in this quarterly report is true, accurate, and complete without any false and misleading statements or material omissions, and individually and jointly accept legal responsibility for the contents of this quarterly report.
- 1.2** All directors of the Company attended the board meeting to consider this quarterly report.
- 1.3** Wang Jun, person-in-charge of the Company, Jiang Chi, person-in-charge of the accounting work, and Wang Yandong, person-in-charge of the accounting body (head of accounting), guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4** The Third Quarterly Financial Report of the Company has not been audited.

II. BASIC INFORMATION OF THE COMPANY

2.1 Financial Highlights

			<i>Unit: Yuan</i>
			<i>Currency: RMB</i>
	At the end of the reporting period	At the end of last year	Increase/Decrease comparing the end of the reporting period with the end of last year (%)
Total assets	1,703,294,965.98	1,670,839,500.81	1.94
Net assets attributable to shareholders of listed company	508,374,805.40	337,286,095.32	50.73
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period last year (January to September)	Increase/Decrease on year-over- year basis (%)
Net cash flow from operating activities	57,108,506.89	46,756,410.91	22.14
	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of last year to the end of the reporting period last year (January to September)	Increase/Decrease on year-over- year basis (%)
Operating income	815,569,696.60	887,349,416.75	-8.09
Net profit attributable to shareholders of listed company	-35,365,483.46	-63,858,836.73	44.62
Net profit attributable to shareholders of listed company after extraordinary items	-39,256,229.95	-64,624,690.51	39.26
Weighted average return on net assets (%)	-10.11	-14.69	Increased by 4.58 percentage points
Basic earnings per share (RMB/share)	-0.08	-0.15	
Diluted earnings per share (RMB/share)	-0.08	-0.15	

Extraordinary Items and Amount

Applicable Not Applicable

*Unit: Yuan
Currency: RMB*

Items	Amount for the current period (July - September)	Amount for the period from the beginning of the year to the end of the reporting period (January - September)	Description
Profit/loss on disposal of non-current assets	176,351.42	-70,933.50	
Contingence tax refund or exemption, or due to override approval or document without formal approval			
Government subsidy accounted into profit and loss for the current period (except for those closely associated with the normal operations of the Company which were accounted for in certain standard amount or volume in compliance with the requirement of the policies of the State and in accordance with uniform standard of the State)	357,388.06	1,886,444.94	
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss			
Profit arising from investment costs for acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition			
Profit/loss of non-monetary asset swap			
Profit/loss from entrusted investment or asset management			
Provision for impairment of assets due to force majeure such as natural disaster			
Profit/loss from debt restructuring			
Corporate restructuring expenses, such as expenses on employee placement, and integration costs			
Profit/loss from the excess of the fair value compared to the unfair consideration of a transaction			

Items	Amount for the current period (July – September)	Amount for the period from the beginning of the year to the end of the reporting period (January – September)	Description
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger			
Profit/loss from contingencies irrelevant to the normal operations of the Company			
Apart from hedging instruments relating to the normal operations of the Company, profit/loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities and derivative financial liabilities and other debt investment			
Write back of the provision for impairment of accounts receivable and contractual assets that is individually tested for impairment	-135,784.76	2,620,639.81	
Profit/loss from external entrusted loans			
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement			
Effects of one-off adjustment to current profit/loss in accordance with laws and regulations on taxation and accounting, etc			
Income of entrustment fees from entrusted operations			
Other non-operating income and expenses save for the above	285,079.26	194,494.42	
Other profit/loss items falling within the meaning of non-recurring profit/loss			
Effect on minority interests (after tax)	-359,450.11	-723,570.04	
Effect on income tax	-9,770.94	-16,329.14	
Total	<u>313,812.93</u>	<u>3,890,746.49</u>	

2.2 Total number of shareholders, shareholding of top ten shareholders and shareholding of top ten shareholders of circulating shares not subject to selling restrictions at the end of the reporting period

Unit: share

Total number of shareholders **13,729**

Name of shareholder (Full name)	Shareholding of Top Ten Shareholders		Number of shares subject to selling restrictions	Pledged or frozen		
	Shareholding as at the end of the period	Proportion (%)		Status	Number of shares	Nature of shareholder
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	245,735,052	50.67	63,000,000	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	99,315,147	20.48	0	Nil	0	Unknown
Li Qidong	2,506,628	0.52	0	Nil	0	Unknown
Huang Zhiping	1,794,330	0.37	0	Nil	0	Unknown
Xu Zihua	1,708,400	0.35	0	Nil	0	Unknown
Xu Jiali	1,689,800	0.35	0	Nil	0	Unknown
Xu Rui	1,681,200	0.35	0	Nil	0	Unknown
He Yong	1,546,320	0.32	0	Nil	0	Unknown
Jin Xuanfeng	1,360,000	0.28	0	Nil	0	Unknown
Hong Kong Securities Clearing Company Limited	1,308,958	0.27	0	Nil	0	Unknown

Shareholding of Top Ten Shareholders not subject to selling restrictions

Name of shareholder	Number of circulating shares not subject to selling restrictions	Class and number of shares	
		Class	Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	RMB ordinary shares	182,735,052
HKSCC NOMINEES LIMITED	99,315,147	Foreign shares listed overseas	99,315,147
Li Qidong	2,506,628	RMB ordinary shares	2,506,628
Huang Zhiping	1,794,330	RMB ordinary shares	1,794,330
Xu Zihua	1,708,400	RMB ordinary shares	1,708,400
Xu Jiali	1,689,800	RMB ordinary shares	1,689,800
Xu Rui	1,681,200	RMB ordinary shares	1,681,200
He Yong	1,546,320	RMB ordinary shares	1,546,320
Jin Xuanfeng	1,360,000	RMB ordinary shares	1,360,000
Hong Kong Securities Clearing Company Limited	1,308,958	RMB ordinary shares	1,308,958

Explanation on the connected relationship of the shareholders and acting in concert among the aforesaid shareholders

As at the end of the reporting period, shares subject to selling restrictions held by the Company were all listed for circulation in the market. The Company was not aware of any connected relationship among the aforesaid shareholders, nor was the Company aware of any parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders.

Explanation on shareholders of preferred shares whose voting rights had resumed and its shareholdings N/A

Notes:

- (1) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (hereinafter referred to as "Jingcheng Machinery Electric") is the controlling shareholder of the Company, no share of which is being pledged or frozen.
- (2) On 9 July 2020, the share registration procedures of the non-public issuance of new A Shares of the Company are completed in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The newly issued A Shares of the issuance are circulating shares subject to selling restrictions, 63,000,000 shares subject to restrictions are held by Jingcheng Machinery Electric, with a lock-up period of 36 months and will be listed and traded on the Shanghai Stock Exchange on the next trading day upon the expiry of the lock-up period. For details, please refer to the "Indicative Announcement in relation to the Changes in Interests of the Controlling Shareholder" disclosed by the Company on 10 July 2020.

- (3) HKSCC Nominees Limited held shares on behalf of many of its clients and the Company has not been notified by HKSCC Nominees Limited that there was any holder of H Shares who individually held 5% or more of the total share capital of the Company.

2.3 As at the end of the reporting period, total number of shareholders of preferred shares, shareholding of top ten shareholders of preferred shares and shareholding of top ten shareholders of preferred shares not subject to selling restrictions

Applicable Not Applicable

III. IMPORTANT MATTERS

3.1 Details and reasons for material changes in major items of financial statement and financial indices of the Company

Applicable Not Applicable

Unit: Yuan
Currency: RMB

Balance sheet items	Balance at the end of the period	Balance at the beginning of the year	Change (%)	Description
Monetary funds	179,961,803.52	83,509,311.05	115.50	Mainly due to the increase in operating cash inflows during the current period
Other receivables	9,435,589.58	46,407,948.62	-79.67	Mainly due to the recovery of equity transfer funds and dividends receivable of Shandong Tianhai during the current period
Contractual assets	11,697,210.86	21,661,449.47	-46.00	Mainly due to the decrease in rent of Jingcheng Haitong
Other current assets	33,826,809.67	55,967,530.79	-39.56	Mainly due to the decrease in retention tax credit during the current period
Construction in progress	47,606,036.84	25,554,133.59	86.29	Mainly due to the increase of investment in Type IV cylinder project
Deferred income tax assets	247,497.56	434,480.65	-43.04	Mainly due to the deferred taxation impact of the subsidiaries
Short-term borrowings	189,258,978.48	290,964,226.81	-34.95	Mainly due to change in financing methods
Notes payable	83,100,000.00		100.00	Mainly due to the increase in bank acceptance bill issued by subsidiaries
Other payables	145,140,450.60	83,829,249.76	73.14	Mainly due to the increase in borrowing by the subsidiaries to Jingcheng Machinery Electric during the current period
Other current liabilities		281,811.60	-100.00	Mainly due to the decrease in pending changeover tax on sales

Balance sheet items	Balance at the end of the period	Balance at the beginning of the year	Change (%)	Description
Long-term borrowings	1,205,387.70		100.00	Mainly due to the increase in long-term borrowings by American Tianhai, a subsidiary of the Company
Long-term payables	39,266,912.56	155,100,000.00	-74.68	Mainly due to the decrease in special payables during the current period
Deferred incomes	6,526,218.66	2,052,019.15	218.04	Mainly due to the receipt of funding from Technology Commission by the subsidiaries
Other comprehensive incomes	557,247.36	2,754,544.50	-79.77	Mainly due to the impact of exchange difference arising on translation of foreign currency statements

Unit: Yuan
Currency: RMB

Income statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
R&D expenses	13,782,742.08	6,079,205.39	126.72	Mainly due to the increase in R&D investment during the current period
Investment income	-7,621,161.57	-1,503,144.78	-407.01	Mainly due to the decrease in profits of the associates
Non-operating income	1,948,142.47	1,129,180.64	72.53	Mainly due to the increase in government subsidies during the period
Non-operating expenses	961,543.57	548,278.68	75.37	Mainly due to the disposal of scrap assets by subsidiaries
Operating profit	-50,756,876.28	-79,579,995.71	36.22	The Company endeavored to overcome the adverse effects brought by the pandemic through strictly controlling costs and other measures, resulting in an increase in profits during the current period
Total profit	-49,770,277.38	-78,999,093.75	37.00	The Company endeavored to overcome the adverse effects brought by the pandemic through strictly controlling costs and other measures, resulting in an increase in profits during the current period
Net Profit	-51,771,033.45	-81,179,643.46	36.23	The Company endeavored to overcome the adverse effects brought by the pandemic through strictly controlling costs and other measures, resulting in an increase in profits during the current period
Net profits attributable to parent company	-35,365,483.46	-63,858,836.73	44.62	The Company endeavored to overcome the adverse effects brought by the pandemic through strictly controlling costs and other measures, resulting in an increase in profits during the current period
Other net comprehensive income after-tax	-2,447,565.22	-335,590.65	-629.33	Mainly due to the impact of exchange difference arising on translation of foreign currency statements

Cash flow statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Cash received from return of investment	27,634,150.00	0.00	100.00	Mainly due to the receipt of equity transfer funds during the current period
Cash received from investment income	8,551,142.28	0.00	100.00	Mainly due to the receipt of investment income during the current period
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	170,271.87	0.00	100.00	Mainly due to the disposal of fixed assets during the current period
Cash paid for investments	14,750,903.56	0.00	100.00	Mainly due to the payment of the subscribed capital contribution by Tianhai Industry, a subsidiary of the Company, in current period
Cash paid to other investing activities	110,917,816.10	0.00	100.00	Mainly due to the repayment of special payables in the current period
Cash paid for loan repayments	250,239,478.00	191,499,893.26	30.67	Mainly due to the repayment of borrowings by the subsidiaries in current period
Cash received from absorbing investment	211,111,360.00	0.00	100.00	Mainly due to the of capital obtained increase during the current period
Cash received from other financing activities	0.00	12,000,000.00	-100.00	Mainly due to the special funding received in the previous period
Cash paid to other financing activities	1,042,439.00	0.00	100.00	Mainly due to the payment of service fees related to capital increase in current period
Effect of foreign exchange rate changes on cash and cash equivalents	-1,120,594.70	-5,417.66	-205.84	Mainly due to the effect of changes in foreign exchange rate

3.2 Analysis and description of the progress, impact and solutions of the important matters

Applicable Not Applicable

- 1 On 3 August 2020, the Company disclosed the Announcement on the “Contemplation of Material Matters Suspension of Trading in A Shares”.

On 17 August 2020, the fifth extraordinary meeting of the tenth session of the Board of the Company considered and approved the “Resolution in relation to the Issuance of Shares and Payment of Cash to Purchase Assets and Related Fund Raising” and other related resolutions, and agreed to the matters in relation to the acquisition of the control of Qingdao BYTQ United Digital Intelligence Co., Ltd. by way of issuance of shares and cash payment and fund raising by non-public issuance of shares.

On 31 August 2020, the Company received an enquiry letter issued by the Shanghai Stock Exchange (hereinafter referred to as the “SSE”) regarding the information disclosure in relation to the Issuance of Shares and Payment of Cash in Consideration of Asset Purchase and Fundraising (Letter of SSE [2020] No. 2484). The Company submitted the responding documents to the SSE on 21 September 2020, and disclosed relevant documents including “Proposal in relation to the Issuance of Shares and Payment of Cash in Consideration of Asset Purchase and Fundraising of Beijing Jingcheng Machinery Electric Company Limited” (Revised Draft).

At present, various work is being carried out in an orderly manner. The transaction is still subject to the consideration and approval of the second board meeting, approval of the general meeting and approval of the competent regulatory authority before it is formally implemented;

It is uncertain whether relevant approvals on the transaction can be obtained, and when the relevant approvals will be obtained. Therefore, investors are advised to pay attention to the further announcements of the Company and pay attention to the investment risks. The Company will perform the obligation of information disclosure in strict compliance with the requirements of relevant laws and regulations based on the progress of the relevant matters, and will publish an announcement on the progress of such matters in a timely manner.

2. On 21 September 2020, the seventh extraordinary meeting of the tenth session of the Board of the Company considered and approved the resolution in relation to the disposal of the Wu Fang Qiao Property Assets of Beijing Tianhai Industry Co., Ltd. (“**Beijing Tianhai**”) and the authorization to the board of directors of Beijing Tianhai to handle the transfer. Beijing Tianhai would transfer the property assets to Beijing Jingcheng Machinery Electric Asset Management Co., Ltd at an appraised value of RMB 410.195 million (including value-added tax price) as the transaction price. The project is subject to the consideration and approval of general meeting before it is formally implemented. For details, please refer to the Announcement on “Discloseable and Connected Transaction Transfer of Wu Fang Qiao Assets” disclosed by the Company on 21 September 2020.

On 28 October 2020, the 2020 first extraordinary general meeting of the Company considered and approved the asset disposal. For details, please refer to the “Announcement of Resolutions Passed at the First Extraordinary General Meeting of 2020” disclosed by the Company on 28 October 2020. However, there are uncertainties in the specific timing of the transfer, investors are advised to pay attention to the investment risks. The Company will perform the obligation of information disclosure in strict compliance with the requirements of relevant laws and regulations based on the progress of the relevant matters, and will publish an announcement on the progress of such matters in a timely manner.

3.3 Overdue commitments that have not been fulfilled during the reporting period

Applicable Not Applicable

3.4 Warning and explanation of reasons as to the anticipated loss in accumulated net profit from the beginning of the year to the end of the next reporting period or significant changes of profit as compared with that of the corresponding period of last year

Applicable Not Applicable

Name of the Company	Beijing Jingcheng Machinery Electric Company Limited
Legal Representative	Wang Jun
Date	29 October 2020

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2020

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	30 September 2020	31 December 2019
Current assets:		
Cash at bank and on hand	179,961,803.52	83,509,311.05
Settlement reserve		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivatives financial assets		
Notes receivable		
Accounts receivable	197,182,140.86	190,226,684.14
Receivables financing	8,521,396.58	8,247,436.93
Prepayments	52,152,588.32	54,366,914.14
Insurance premium receivable		
Reinsurance premium receivable		
Reinsurance contract reserves receivable		
Other receivables	9,435,589.58	46,407,948.62
Including: Interests receivable		
Dividends receivable	270,300.00	7,619,884.14
Financial assets purchased under agreement to re-sell		
Inventories	339,315,316.10	322,173,505.52
Contractual assets	11,697,210.86	21,661,449.47
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	33,826,809.67	55,967,530.79
Total current assets	832,092,855.49	782,560,780.66

Item	30 September 2020	31 December 2019
Non-current assets:		
Loans and advance		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	52,362,455.43	61,184,187.22
Other equity instruments investments		
Other non-current financial assets		
Investment properties	27,313,319.19	27,917,854.93
Fixed assets	616,266,879.06	641,752,611.90
Construction in progress	47,606,036.84	25,554,133.59
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	121,843,423.04	124,393,260.49
Development expenditures		
Goodwill		
Long-term deferred expenses	5,562,499.37	7,042,191.37
Deferred income tax assets	247,497.56	434,480.65
Other non-current assets		
	_____	_____
Total non-current assets	871,202,110.49	888,278,720.15
	_____	_____
Total assets	1,703,294,965.98	1,670,839,500.81
	=====	=====

Item	30 September 2020	31 December 2019
Current liabilities:		
Short-term borrowings	189,258,978.48	290,964,226.81
Borrowings from central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	83,100,000.00	
Accounts payable	271,995,025.15	291,509,493.82
Advance from customers		
Contractual liabilities	60,374,588.57	61,714,542.49
Financial assets sold under agreements to repurchase		
Deposits and placements from other financial institutions		
Securities brokering		
Securities underwriting		
Employee benefits payable	20,889,706.44	25,880,020.05
Taxes payable	5,596,331.85	6,941,271.99
Other payables	145,140,450.60	83,829,249.76
Including: Interests payable		
Dividends payable		
Fees and commissions payable		
Reinsurance amounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	16,500,000.00	22,000,000.00
Other current liabilities		281,811.60
	<hr/>	<hr/>
Total current liabilities	792,855,081.09	783,120,616.52
	<hr/> <hr/>	<hr/> <hr/>

Item	30 September 2020	31 December 2019
Non-current liabilities:		
Reserves for insurance contract		
Long-term borrowings	1,205,387.70	
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	39,266,912.56	155,100,000.00
Long-term employee benefits payable	26,545,661.79	26,035,280.87
Provisions	4,995,761.75	3,906,332.75
Deferred incomes	6,526,218.66	2,052,019.15
Deferred income tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	78,539,942.46	187,093,632.77
	<hr/>	<hr/>
Total liabilities	871,395,023.55	970,214,249.29
	<hr/> <hr/>	<hr/> <hr/>
Owners' equity (or shareholders' equity):		
Paid-up capital (or capital stock)	485,000,000.00	422,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	833,000,580.28	687,349,089.60
Less: Treasury stocks		
Other comprehensive incomes	557,247.36	2,754,544.50
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
Provisions for general risk		
Undistributed profit	-855,848,669.92	-820,483,186.46
Total owners' equity (or shareholders' equity)		
attributable to parent company	508,374,805.40	337,286,095.32
Non-controlling interest	323,525,137.03	363,339,156.20
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	831,899,942.43	700,625,251.52
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity (or shareholders' equity)	1,703,294,965.98	1,670,839,500.81
	<hr/> <hr/>	<hr/> <hr/>

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Jiang Chi

Person-in-charge of
accounting body:
Wang Yandong

Balance Sheet of the Parent Company*30 September 2020*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB**Audit type: Unaudited*

Item	30 September 2020	31 December 2019
Current assets:		
Cash at bank and on hand	396,159.85	1,111,993.77
Financial assets held for trading		
Derivatives financial assets		
Notes receivable		
Accounts receivable		
Receivables financing		
Prepayments		280.00
Other receivables	381,890,146.14	390,404,067.80
Including: Interests receivable	38,890,146.14	35,404,067.80
Dividends receivable		
Inventories		
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets		1,491,320.85
Total current assets	382,286,305.99	393,007,662.42

Item	30 September 2020	31 December 2019
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	902,148,125.05	694,842,724.41
Other equity instruments investment		
Other non-current financial assets		
Investment properties		
Fixed assets	40,315.39	36,345.59
Construction in progress		
Productive biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<u>902,188,440.44</u>	<u>694,879,070.00</u>
Total assets	<u><u>1,284,474,746.43</u></u>	<u><u>1,087,886,732.42</u></u>
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers		
Contractual liabilities		
Employee benefits payable	101,714.55	1,927,283.45
Taxes payable	216,702.44	332,593.16
Other payables	6,972,254.18	16,776,285.12
Including: Interests payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
	<hr/>	<hr/>
Total current liabilities	<u><u>7,290,671.17</u></u>	<u><u>19,317,973.33</u></u>

Item	30 September 2020	31 December 2019
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	7,290,671.17	19,317,973.33
Owners' equity (or shareholders' equity):		
Paid-up capital (or capital stock)	485,000,000.00	422,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	811,365,185.81	666,639,987.85
Less: Treasury stocks		
Other comprehensive incomes		
Specific reserves		
Surplus reserves	38,071,282.24	38,071,282.24
Undistributed profit	-57,252,392.79	-58,142,511.00
Total owners' equity (or shareholders' equity)	1,277,184,075.26	1,068,568,759.09
Total liabilities and owners' equity (or shareholders' equity)	1,284,474,746.43	1,087,886,732.42

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Jiang Chi

Person-in-charge of
accounting body:
Wang Yandong

Consolidated Income Statement

January – September 2020

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
1. Total operating income	291,738,047.83	292,191,798.11	815,569,696.60	887,349,416.75
Including: Operating incomes	291,738,047.83	292,191,798.11	815,569,696.60	887,349,416.75
Interest incomes				
Earned insurance premiums				
Fees and commission incomes				
2. Total operating cost	306,228,917.54	322,602,476.38	845,901,571.20	949,933,362.96
Including: Operating cost	259,052,174.98	270,135,695.87	719,705,457.48	799,986,427.92
Interest expenses				
Fees and commission expenses				
Refunded insurance premiums				
Net expense of claim settlement				
Net amount of withdrawn policy reserve				
Policyholder dividend expenses				
Expenses for reinsurance accepted				
Taxes and surcharges	1,209,918.21	1,882,485.11	5,417,135.18	6,184,891.97
Selling expenses	15,027,423.12	15,164,731.09	38,647,203.10	45,194,684.00
Administrative expenses	21,999,766.93	27,860,611.12	54,304,393.90	75,574,681.38
R&D costs	4,619,010.06	1,590,771.16	13,782,742.08	6,079,205.39
Financial expenses	4,320,624.24	5,968,182.03	14,044,639.46	16,913,472.30
Including: Interest expenses	3,772,116.36	3,037,702.09	13,291,975.14	13,644,266.07
Interest incomes	232,583.98	158,097.77	905,196.07	222,050.84

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
Add: other earnings	7,964.61		525,800.49	506,001.66
Investment incomes (with “-” for losses)	-1,571,250.43	-1,664,945.96	-7,621,161.57	-1,503,144.78
Including: Investment incomes from affiliated enterprises and joint ventures	-1,571,250.43	-1,664,945.96	-7,621,161.57	-1,503,144.78
Derecognition gains on financial assets measured at amortized costs				
Exchange gains (with “-” for losses)				
Net exposure hedging income (with “-” for loss)				
Income from changes in fair value (with “-” for loss)				
Credit impairment losses (with “-” for losses)	823,846.44		-4,083,254.91	-5,815,385.93
Asset impairment losses (with “-” for losses)	1,104,494.52		-9,743,992.16	-10,183,520.45
Incomes of assets disposal (with “-” for losses)	497,606.47		497,606.47	
3. Operating profit (with “-” for loss)	-13,628,208.10	-32,075,624.23	-50,756,876.28	-79,579,995.71
Add: Non-operating income	685,600.78	145,641.32	1,948,142.47	1,129,180.64
Less: Non-operating expenses	372,353.12	129,499.72	961,543.57	548,278.68
4. Total profit (with “-” for total loss)	-13,314,960.44	-32,059,482.63	-49,770,277.38	-78,999,093.75
Less: Income tax expenses	1,010,060.72	593,684.09	2,000,756.07	2,180,549.71
5. Net profit (with “-” for net loss)	-14,325,021.16	-32,653,166.72	-51,771,033.45	-81,179,643.46
(1) Classified according to operating continuity				
1. Net profit from continuing operations	-14,325,021.16	-32,653,166.72	-51,771,033.45	-81,179,643.46
2. Net profit from discontinuing operations				

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
(2) Classified according to attribution of the ownership				
1. Net profits attributable to shareholders of the parent company	-11,275,691.69	-28,284,971.02	-35,365,483.46	-63,858,836.73
2. Non-controlling interests	-3,049,329.47	-4,368,195.70	-16,405,549.99	-17,320,806.73
6. Other net comprehensive income after-tax (with “-” for losses)	-2,791,411.66	-19,943.76	-2,447,565.22	-335,590.65
(1) Other net after-tax comprehensive income attributable to the owner of the parent company	-2,516,856.25	-19,943.76	-2,197,297.14	-180,635.13
1. Other comprehensive incomes that cannot be reclassified through profit or loss				
(1) Changes arising from re-measurement of the defined benefit plan				
(2) Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method				
(3) Changes in fair value of investment by other equity instruments				
(4) Changes in fair value of the enterprise’s credit risk				
2. Other comprehensive incomes that will be re-classified into profits or losses	-2,516,856.25	-19,943.76	-2,197,297.14	-180,635.13
(1) Other comprehensive incomes that can be reclassified into profits or losses under the equity method				
(2) Changes in fair value of other debt investment				

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
(3) The amount of financial assets reclassified into other comprehensive incomes				
(4) Provision for impairment of credit in other debt investments				
(5) Reserves for cash flow hedge				
(6) Converted difference in foreign currency statements for foreign currency	-2,516,856.25	-19,943.76	-2,197,297.14	-180,635.13
(7) Others				
(2) Other net after-tax comprehensive incomes attributable to minority shareholders	-274,555.41		-250,268.08	-154,955.52
7. Total comprehensive incomes (with “-” for loss)	-17,116,432.82	-32,673,110.48	-54,218,598.67	-81,515,234.11
(1) Total comprehensive incomes attributable to shareholders of the parent company	-13,792,547.94	-28,304,914.78	-37,562,780.60	-64,039,471.86
(2) Total comprehensive incomes attributable to minority shareholders	-3,323,884.88	-4,368,195.70	-16,655,818.07	-17,475,762.25
8. Earnings per share (with “-” for loss)				
(1) Basic earnings per share (RMB/share)	-0.02	-0.07	-0.08	-0.15
(2) Diluted earnings per share (RMB/share)	-0.02	-0.07	-0.08	-0.15

Legal Representative:
Wang Jun

Person-in-charge
of accounting work:
Jiang Chi

Person-in-charge
of accounting body:
Wang Yandong

Income Statement of the Parent Company

January – September 2020

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
1. Operating income				
Less: Operating cost				
Taxes and surcharges		82,640.93	51,931.30	88,164.31
Selling expenses				
Administrative expenses	2,896,441.10	4,196,594.21	5,842,904.69	8,455,304.49
R&D costs				
Financial expenses	-6,784,921.20	-8,681,267.40	-6,784,954.20	-9,471,601.97
Including: Interest expenses				
Interest incomes	6,790,792.52	8,683,282.93	6,789,302.79	9,475,843.83
Add: Other earnings				
Investment incomes				
Including: Investment incomes from affiliated enterprises and joint ventures				
Derecognition gains on financial assets measured at amortized costs				
Net exposure hedging income				
Income from changes in fair value				
Credit impairment losses				
Asset impairment losses				
Incomes of assets disposal				
2. Operating profit (with “-” for loss)	3,888,480.10	4,402,032.26	890,118.21	928,133.17
Add: Non-operating income				
Less: Non-operating expenses				

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
3. Total profits (with “-” for total losses)	3,888,480.10	4,402,032.26	890,118.21	928,133.17
Less: Income tax expenses		232,033.29		232,033.29
4. Net profits (with “-” for net losses)	3,888,480.10	4,169,998.97	890,118.21	696,099.88
(1) Net profit from continuing operations				
(2) Net profit from discontinuing operations				
5. Other net comprehensive incomes after-tax				
(1) Other comprehensive incomes that cannot be reclassified through profit or loss				
1. Changes arising from re-measurement of the defined benefit plan				
2. Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method				
3. Changes in fair value of investment by other equity instruments				
4. Changes in fair value of the enterprise’s credit risk				
(2) Other comprehensive incomes that will be re-classified into profits or losses				
1. Other comprehensive incomes that can be reclassified into profits or losses under the equity method				
2. Changes in fair value of other debt investment				
3. The amount of financial assets reclassified into other comprehensive incomes				
4. Provision for impairment of credit in other debt investments				
5. Reserves for cash flow hedge				

Item	Third quarter of 2020 (July – September)	Third quarter of 2019 (July – September)	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
6. Converted difference in foreign currency statements for foreign currency				
7. Others				
6. Total comprehensive incomes	3,888,480.10	4,169,998.97	890,118.21	696,099.88

7. Earnings per share

- (1) Basic earnings per share (RMB/share)
- (2) Diluted earnings per share (RMB/share)

Legal Representative: Wang Jun	Person-in-charge of accounting work: Jiang Chi	Person-in-charge of accounting body: Wang Yandong
-----------------------------------	------------------------------------------------------	---------------------------------------------------------

Consolidated Cash Flow Statement

January – September 2020

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	784,414,314.49	789,803,833.72
Net increase in deposits from customers and deposits from other financial institutions		
Net increase in loans from central bank		
Net increase in placement from other financial institutions		
Cash receipts of premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash receipts of interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in assets of repurchasing business		
Net cash received from securities brokering		
Cash received from taxes refund	32,807,417.05	25,889,838.11
Cash received from other operating activities	37,758,997.47	30,495,654.29
Sub-total of cash inflows from operating activities	<u>854,980,729.01</u>	<u>846,189,326.12</u>
Cash paid for goods and services	534,184,582.34	490,897,123.37
Net increase in loans and advances		
Net increase in deposits with central bank and other financial institutions		
Cash paid for claims settlement on original insurance contracts		
Net increase in placement to banks and other financial institutions		

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
Cash paid for interests, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	140,277,766.64	153,227,175.79
Taxes and surcharges cash payments	29,059,485.41	34,206,953.05
Cash paid to other operating activities	94,350,387.73	121,101,663.00
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	797,872,222.12	799,432,915.21
	<hr/>	<hr/>
Net cash flows from operating activities	<u>57,108,506.89</u>	<u>46,756,410.91</u>
 2. Cash flows from investing activities:		
Cash received from return of investment	27,634,150.00	
Cash received from investment income	8,551,142.28	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	170,271.87	
Net cash received from disposal of subsidiaries and other business entities		
Cash received from other investing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	36,355,564.15	
	<hr/>	<hr/>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	14,378,251.98	16,884,368.77
Cash paid for investments	14,750,903.56	
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities		
Cash paid to other investing activities	110,917,816.10	
	<hr/>	<hr/>
Sub-total of cash outflow from investing activities	140,046,971.64	16,884,368.77
	<hr/>	<hr/>
Net cash flows from investing activities	<u>-103,691,407.49</u>	<u>-16,884,368.77</u>

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
3. Cash flows from financing activities:		
Cash received from absorbing investment	211,111,360.00	
Including: Cash received by subsidiaries from investment absorption of minority interest		
Cash received from borrowings	199,733,462.00	225,876,365.50
Cash received from other financing activities		12,000,000.00
	<hr/>	<hr/>
Sub-total of cash inflows from financing activities	410,844,822.00	237,876,365.50
	<hr/>	<hr/>
Cash paid for loan repayments	250,239,478.00	191,499,893.26
Cash paid for allocation of dividends, profits or payments of interest	10,784,848.43	11,144,162.35
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash paid to other financing activities	1,042,439.00	
	<hr/>	<hr/>
Sub-total of cash outflows from financing activities	262,066,765.43	202,644,055.61
	<hr/>	<hr/>
Net cash flows from financing activities	<u>148,778,056.57</u>	<u>35,232,309.89</u>
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-1,120,594.70	-5,417.66
5. Net increase in cash and cash equivalents	101,074,561.27	65,098,934.37
Add: Opening balance of cash and cash equivalents	78,887,242.25	46,662,121.34
6. Closing balance of cash and cash equivalents	179,961,803.52	111,761,055.71

Legal Representative:
Wang Jun

Person-in-charge
of accounting work:
Jiang Chi

Person-in-charge
of accounting body:
Wang Yandong

Cash Flow Statement of the Parent Company

January – September 2020

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
1. Cash flows from operating activities:		
Cash received from sale of good and rendering of services		
Cash received from taxes refund		
Cash received from other operating activities	12,528,461.66	363,356.93
Sub-total of cash inflows from operating activities	12,528,461.66	363,356.93
Cash paid for goods and services		
Cash paid to and on behalf of employees	1,950,357.04	1,729,300.82
Taxes and surcharges cash payments	863,616.68	1,110,735.67
Cash paid to other operating activities	16,850,744.22	14,932,825.37
Sub-total of cash outflows from operating activities	19,664,717.94	17,772,861.86
Net cash flows from operating activities	-7,136,256.28	-17,409,504.93
2. Cash flows from investing activities:		
Cash received from return of investment		
Cash received from investment income		

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Cash received from other investing activities	3,670,000.00	4,000,000.00
Sub-total of cash inflows from investing activities	<u>3,670,000.00</u>	<u>4,000,000.00</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	13,098.00	5,850.00
Cash paid for investments	207,305,400.64	
Net cash paid to acquire subsidiaries or other business entities		
Cash paid to other investing activities		
Sub-total of cash outflows from investing activities	<u>207,318,498.64</u>	<u>5,850.00</u>
Net cash flows from investing activities	<u><u>-203,648,498.64</u></u>	<u><u>3,994,150.00</u></u>
3. Cash flows from financing activities:		
Cash received from absorbing investment	211,111,360.00	
Cash received from borrowings		
Cash received from other financing activities		12,000,000.00
Sub-total of cash inflows from financing activities	<u>211,111,360.00</u>	<u>12,000,000.00</u>
Cash paid for loan repayments		
Cash paid for allocation of dividends, profits or payments of interests		
Cash paid to other financing activities	1,042,439.00	
Sub-total of cash outflows from financing activities	<u>1,042,439.00</u>	
Net cash flows from financing activities	<u><u>210,068,921.00</u></u>	<u><u>12,000,000.00</u></u>

Item	First 3 quarters of 2020 (January – September)	First 3 quarters of 2019 (January – September)
4. Effect of changes in foreign exchange rate on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-715,833.92	-1,415,354.93
Add: Opening balance of cash and cash equivalents	1,111,993.77	3,199,803.46
6. Closing balance of cash and cash equivalents	396,159.85	1,784,448.53

Legal Representative:
Wang Jun

Person-in-charge
of accounting work:
Jiang Chi

Person-in-charge
of accounting body:
Wang Yandong

4.2 Adjustment to the relevant items in the financial statements at the beginning of the year upon first implementation of the new revenue standards or the new leasing standards since 2020

Applicable Not Applicable

4.3 Description of retrospective adjustment to comparative of previous period upon first implementation of the new revenue standards and new lease standards since 2020

Applicable Not Applicable

4.4 Audit reports

Applicable Not Applicable

By Order of the Board
Beijing Jingcheng Machinery Electric Company Limited
Luan Jie
Company Secretary

Beijing, the PRC
29 October 2020

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Wu Yanzhang, Mr Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.