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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)

2014 FIRST QUARTERLY REPORT

1. IMPORTANT NOTICES

1.1 The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors and senior management of Beijing Jingcheng Machinery Electric Company Limited (“the Company”) confirm that information contained in this quarterly report is true, accurate, and complete without any false and misleading statements or material omissions, and severally and jointly accept legal responsibility for the above.

1.2 All Directors of the Company attended the Board Meeting to consider this quarterly report.

1.3 Name of Person-in-charge of the Company	Jiang Zili
Name of Person-in-charge of Accounting	Hu Chuanzhong
Name of the director (the Head of accounting) of the accounting body	Jiang Chi

Jiang Zili, the Person-in-charge of the Company, Hu Chuanzhong, the Person-in-charge of Accounting, and Jiang Chi, the director (the Head of accounting) of the accounting body, have guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

1.4 The 2014 First Quarterly Financial Report of the Company has not been audited.

2. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

2.1 Major Financial Data

Unit: Yuan Currency: RMB

		As at the end of last year		Increase/ Decrease comparing the end of the reporting period with the end of last year (%)
	As at the end of the reporting period	After adjustment	Before adjustment	
Total assets	2,708,255,836.73	2,829,360,876.07	2,829,360,876.07	-4.28
Net assets attributable to shareholders of listed company	851,033,756.57	803,573,308.22	803,573,308.22	5.91

		From the beginning of last year to the end of reporting period last year		Increase/ Decrease as compared with the corresponding period last year (%)
	From the beginning of the year to the end of the reporting period	After adjustment	Before adjustment	
Net cash flow from operating activities	-12,629,275.56	-104,784,429.20	-27,191,631.33	N/A

	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of reporting period last year		Increase/ Decrease as compared with the corresponding period last year (%)
		After adjustment	Before adjustment	
Operating income	446,388,718.32	708,214,295.61	152,265,233.01	-36.97
Net profit attributable to shareholders of listed company	47,337,245.01	-18,041,627.97	-17,628,522.23	N/A
Net profit attributable to shareholders of listed company after extraordinary items	-19,581,959.55	-16,249,282.35	-18,627,575.67	N/A
Weighted average return on net assets (%)	5.72	-1.26	-3.04	+6.99%
Basic earnings per share (RMB/share)	0.112	-0.04	-0.042	0.152
Diluted earnings per share (RMB/share)	0.112	-0.04	-0.042	0.152

Description: The financial data before adjustments as stated in the first quarterly report of 2013 was the financial data disclosed in the first quarterly report of the Company in 2013. Pursuant to Corporate Accounting Standard 20, Business Combination, adjustments shall be made to the relevant items of the statements for acquisition under same control. As such, the financial data after adjustments as stated in 2013 first quarterly report includes the financial data of outgoing assets and incoming assets.

Deducting extraordinary items and amount:

Unit: Yuan Currency: RMB

Extraordinary items	Amount for current period (January to March)	Description
Profit/loss on disposal of non-current assets	78,400,929.12	The Company's subsidiary Tianhai Industry Co., Ltd transferred the college apartment which is located in No.25 building Huaweixili, Chaoyang District, Beijing city to Beijing Jingcheng Mechanical & Electrical Asset Management Co., Ltd.
Other non-operating income and expenses save for the above	-309,791.81	
Effect of income tax	-11,171,932.75	
Total	<u>66,919,204.56</u>	

2.2 Total number of shareholders, shareholding of top ten shareholders and shareholding of top ten shareholders of shares not subject to trading moratorium at the end of reporting period

Unit: share

Total number of shareholders

17,776 (in which: 17,700 holders of A shares, 76 holders of H shares)

Shareholding of Top Ten Shareholders

Name of shareholder	Nature of shareholder	Shareholding ratio (%)	Total number of shares held	Number of shareholdings subject to trading moratorium	Number of shares pledged or frozen
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	State-owned legal-person	47.78	201,620,000	0	Nil
HKSCC NOMINEES LIMITED	Unknown	23.45	98,963,199	0	Unknown
Ningbo Liyuan Import and Export Co., Ltd.	Unknown	0.80	3,395,570	0	Unknown
Zeng Youquan (曾佑泉)	Unknown	0.30	1,270,089	0	Unknown
Beijing Tonglong Investment Consulting Co., Ltd.	Unknown	0.24	1,000,000	0	Unknown
Beijing Rixin Economic & Trade Development Co., Ltd.	Unknown	0.21	870,000	0	Unknown
Beijing Haohong Real Estate Co., Ltd.	Unknown	0.20	850,000	0	Unknown
Xiong Sanzhong (熊三忠)	Unknown	0.20	849,340	0	Unknown
Wu Zhiqiang (伍志强)	Unknown	0.20	827,649	0	Unknown
Beijing BBEF Electronics Group Co., Ltd.	Unknown	0.17	722,100	0	Unknown

Shareholding of Top Ten Shareholders of Circulating Shares not subject to Trading Moratorium

Name of shareholder (Full name)	Number of circulating shares not subject to trading moratorium held at the end of the period	Class and number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	201,620,000	Renminbi ordinary shares 201,620,000
HKSCC NOMINEES LIMITED	98,963,199	Foreign shares listed overseas 98,963,199
Ningbo Liyuan Import and Export Co., Ltd.	3,395,570	Renminbi ordinary shares 3,395,570
Zeng Youquan (曾佑泉)	1,270,089	Renminbi ordinary shares 1,270,089
Beijing Tonglong Investment Consulting Co., Ltd.	1,000,000	Renminbi ordinary shares 1,000,000
Beijing Rixin Economic & Trade Development Co., Ltd.	870,000	Renminbi ordinary shares 870,000
Beijing Haohong Real Estate Co., Ltd.	850,000	Renminbi ordinary shares 850,000
Xiong Sanzhong (熊三忠)	849,340	Renminbi ordinary shares 849,340
Wu Zhiqiang (伍志强)	827,649	Renminbi ordinary shares 827,649
Beijing BBEF Electronics Group Co., Ltd.	722,100	Renminbi ordinary shares 722,100

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

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

3. SIGNIFICANT EVENTS

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

✓ Applicable ☐ Not Applicable

1. Cash and cash equivalents decreased by 43.60% compared with the beginning of the year, mainly due to the decrease in cash received from sales of products;
2. Bills receivable decreased by 49.36% compared with the beginning of the year, mainly due to the transfer of endorsed bill;
3. Prepayments increased by 65.66% compared with the beginning of the year, mainly due to that certain contracts for imported components required that prepayments shall be made;
4. Other receivables increased by 35.25% compared with the beginning of the year, mainly due to the increase in reserve fund;
5. Other current assets decreased by 100% compared with the beginning of the year, mainly due to that the Company's subsidiary Tianhai Industry Co., Ltd transferred the college apartment which is located in No.25 building Huaweixili, Chaoyang District, Beijing city and relevant procedures had been completed;
6. Receipts in advance decreased by 37.47% compared with the beginning of the year, mainly due to the decrease in sales income;
7. Tax payable increased by 677.14% compared with the beginning of the year, mainly due to the increase in outstanding tax payable;
8. Interest payable decreased by 100% compared with the beginning of the year, mainly due to the payment of the accrued interest payable;
9. Operating income decreased by 36.97% compared with the corresponding period last year, and the operating income after outgoing assets decreased by 20.89%;
10. Operating expense decreased by 34.40% compared with the corresponding period last year, and the operating expense after outgoing assets decreased by 18.11%;
11. Sales expenses decreased by 54.39% compared with the corresponding period last year, and the sales expenses after outgoing assets decreased by 33.51%, mainly due to the decrease in sales income;

12. Administrative expenses decreased by 39.84% compared with the corresponding period last year, and the administrative expenses after outgoing assets decreased by 5.80%;
13. Financial expenses decreased by 37.53% compared with the corresponding period last year, and the financial expenses after outgoing assets decreased by 5.30%;
14. Impairment loss on assets decreased by 100% compared with the corresponding period last year, and the impairment loss on assets after outgoing assets was nil;
15. Investment income decreased by 235.22% compared with the corresponding period last year, and the investment income after outgoing assets decreased by 215.14%, mainly due to decrease in associates' profits;
16. Non-operating income increased by 6,347.10% compared with the corresponding period last year, mainly due to that the Company's subsidiary Tianhai Industry Co., Ltd transferred the college apartment which is located in No.25 building Huaweixili, Chaoyang District, Beijing city and relevant procedures had been completed;
17. Non-operating expense decreased by 269.34% compared with the corresponding period last year, mainly due to the decrease in the loss of disposal of non-current assets compared with the corresponding period last year;
18. Total profit increased by RMB72,940,000 compared with the corresponding period last year, and total profit after outgoing assets increased by RMB55,250,000, mainly due to increase in non-operating income;
19. Cash receipts from sale of goods and rendering of services decreased by 47.65% compared with the corresponding period last year, and cash receipts from sale of goods and rendering of services after outgoing assets decreased by 29.25%;
20. Receipts of taxes and levy refunds decreased by 99.19% compared with the corresponding period last year, mainly due to the decrease in the export tax refunds compared with the corresponding period last year resulting from the changes of tax policies;
21. Cash payments for goods and services acquired decreased by 64.54% compared with the corresponding period last year, and cash payments for goods and services acquired after outgoing assets decreased by 55.99%, mainly due to the decrease in expenses resulting from the tight budget;

22. Cash outflow from operating activities decreased by 55.49% compared with the corresponding period last year, and cash outflow from operating activities after outgoing assets decreased by 40.26%, mainly due to the decrease in cash payments for goods and services acquired;
23. Net cash flow from operating activities increased compared with the corresponding period last year, mainly due to decrease in cash receipts from sales of goods and rendering of services of 47.65% (decreased by 29.25% after deducting outgoing assets) and decrease in cash payments for goods and services acquired of 64.54% (decreased by 55.99% after deducting outgoing assets) compared with the corresponding period last year;
24. Net cash flow from investing activities increased compared with the corresponding period last year, mainly due to the increase in cash received from disposal of fixed assets of 2,360.14% (increased by 112,684.10% after deducting outgoing assets), and the decrease in cash paid for acquisition of fixed assets of 30.65% (decreased by 29.24% after deducting outgoing assets) compared with the corresponding period last year;
25. Cash receipts from borrowings decreased by 73.56% compared with the corresponding period last year, and cash receipts from borrowings after outgoing assets decreased by 33.33%, mainly due to the changes of borrowing terms;
26. Cash paid for repayment of debts decreased by 32.17% compared with the corresponding period last year, and cash paid for repayment of debts after outgoing assets increased by 30,492.20%, mainly due to the changes of borrowing terms;
27. Net cash flow from financing activities decreased by 306.22% compared with the corresponding period last year, and the net cash flow from financing activities after outgoing assets decreased by 259.60%, mainly due to decrease in cash inflow from financing activities of 75.70% (decreased by 45.45% after deducting outgoing assets) and decrease in cash outflow from financing activities of 34.29% (increased by 124.01% after deducting outgoing assets) compared with the corresponding period last year.

3.2 The progress and impact of significant events and the analysis and explanation for the solutions

✓ Applicable ☐ Not Applicable

The Company was informed by Jingcheng Holding on 6 April 2012 that it was planning to implement a material assets reorganisation related to the Company. The Company immediately published an Announcement of Suspension of Trading for such purpose and trading of shares of the Company was suspended from 9 April 2012. It then published an Announcement of Suspension of Trading in relation to a Material Asset Reorganisation on 13 April 2012 and an Announcement of Extension of Suspension Period in relation to a Material Asset Reorganisation on 15 May 2012 and 14 June 2012 respectively. During such period, the Company published an Announcement on the Progress of Material Asset Reorganisation once every week. On 5 July 2012, the Company convened the first board meeting for the material assets reorganisation. The trading of shares of the Company was resumed on 6 July 2012 and a proposal of material reorganisation of assets and connected transaction was disclosed on the same date. On 2 November 2012, the Company convened the second board meeting for the material assets reorganisation and disclosed material assets reorganisation proposal. On 18 December 2012, proposal for material assets reorganisation was considered and passed at the extraordinary general meeting of the Company.

On 4 January 2013, the Company announced that it received the Acceptance Notice of the Application for Administrative Permission 《中國證監會行政許可申請受理通知書》 from the CSRC. On 21 January 2013, the Company announced that it received a notice from the CSRC that the vetting of the Company's Material Asset Reorganisation matters has been carried out in the 2013 second working conference and unconditionally approved by the Listed Companies Merger and Reorganisation Vetting Committee of the CSRC. Yet, on 25 January 2013, the Company received a notice from CSRC that since party/parties concerned for the Company's material asset reorganisation is/are suspected of violating the laws and such matter has been filed for investigation, the vetting of the Company's application for the material assets reorganisation has been temporarily suspended by the CSRC.

On 26 September 2013, the Company received the approval in relation to the Material Assets Reorganisation of Beiren Printing Machinery Holdings Company Limited (Zheng Jian Xu Ke [2013] No. 1240) from the China Securities Regulatory Commission, whereby the Company's material asset reorganization and connected transaction matters have been approved. The Company exchanged all of its assets and liabilities with 88.50% equity interest in Beijing Tianhai Industry Co., Ltd, 100% equity interest in Jingcheng Holding (Hong Kong) Company Limited and 100% equity interest in Beijing Jingcheng Compressor Co., Ltd. held by Jincheng Holding, with the difference is to be paid in cash by Jincheng Holding.

On 31 October 2013, the Company entered into “Material Asset Reorganisation Completion Agreement between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beiren Group Corporation” with Jingcheng Holding and Beiren Group Corporation. On 11 April 2014, the Company has disclosed “Announcement on the Completion of Material Asset Reorganization and Connected Transaction” and “Report on the Progress of Material Asset Reorganization and Connected Transaction”. As at the date of disclosure, incoming assets (88.50% equity interests in Tianhai Industrial, 100% equity interests in Jingcheng Compressor and 100% equity interests in Jingcheng HK) have been transferred and registered under the name of the Company. The book value of the assets delivered by or of which the transfer registration was completed by the Company (as at 31 October 2013, the benchmark date for completion and auditing, the same date for the following amounts mentioned in this paragraph) was RMB1,513,913,600, or 94.56% of the aggregate book value of the Outgoing Assets of RMB1,601,041,400. For those assets of which the transfer registration has not been completed, the Company, Jingcheng Holding and Beiren Group have made proper arrangements. The original liabilities of the Company have been transferred to Beiren Group. The outgoing liabilities of the Company have been transferred to Beiren Group, including the book value of the liabilities for which consent letters have been obtained is RMB646,955,700, or 85.64% of the book value of the liabilities, of which the consent letters of transfer of liabilities have been obtained from all financial institution creditors; the book value of those liabilities already repaid after the period is RMB36,751,100, or 4.86% of the book value of the liabilities; the book value of those liabilities for which no consent letter has been obtained and the amount of which has not been repaid is RMB71,714,000, or 9.49% of the book value of the liabilities. The Company, Jingcheng Holding and Beiren Group have made proper arrangements on the liabilities for which no consent letter has been obtained and the amount of which has not been repaid.

The Company and the parties concerned will continue to press on with the follow-up work in respect of the material asset reorganisation and perform the information disclosure obligation in accordance with the requirements of relevant laws and regulations.

3.3 Status of fulfillment of commitments undertaken by the Company and the shareholders holding more than 5% of shares

✓ Applicable ☐ Not Applicable

Definitions of terms in the Appendices	
Beiren Holdings	Beiren Printing Machinery Holdings Limited, the name of the Company before change of name
Jingcheng Holding	Beijing Jingcheng Machinery Electric Holding Co., Ltd, the controlling shareholder of the Company
Beiren Group	Beiren Group Corporation, the controlling shareholder of the Company
Tianhai Industrial	Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company
Jingcheng Compressor or Jingcheng Environmental Protection	Beijing Jingcheng Compressor Co., Ltd., a subsidiary of the Company, previously known as Beijing Jingcheng Environmental Protection Development Co., Ltd. before change of name

APPENDIX 1 UNDERTAKING MATTERS NOT YET DUE TO BE PERFORMED

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the reduction and standardization of connected transactions	Jingcheng Holding undertakes: "In respect of the unavoidable connected transaction matters or those which take place with reasonable grounds in the future between the Company and the other companies under the control of the Company and the Listed Company and the companies under its control, the Company and the other companies under the control of the Company will follow the principles of openness, fairness and justice for market transactions to conduct transactions at fair and reasonable market prices, and will perform the decision process of connected transactions according to the relevant law, regulations and standardization documents, perform the duty of information disclosure. The Company warrants that the Company and the other companies under the control of the Company will not obtain any improper benefits through the connected transactions with the Listed Company and the companies under its control or cause the Listed Company and the companies under its control bear any improper duties. The Company will bear the responsibilities of compensating the Listed Company and the companies under its control for their losses if the company is in violation of the above undertaking and carries out transactions with the Listed Company and the companies under its control."	Long term	To date, Jingcheng Holding has not committed any act in violation of the undertaking

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Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the avoidance of competition with its competitors	<p>“Jingcheng Holding undertakes: “In respect of the businesses or business opportunities similar to those of the Listed Company that the company and the other companies under the control of the Company that the latter contemplates to conduct or actually obtain in the future, and the assets and businesses generated by such businesses or business opportunities may constitute potential competition with its competitors.</p> <p>The Company will not conduct and make efforts to cause the other companies under the control of the Company not to conduct businesses which are the same as or similar to those of the Listed Company in order to avoid direct or indirect competition with the operation of business of the Listed Company. In addition, if unfair impact may be produced on the Listed Company in the areas of market share, business opportunities and resource allocation of the Company and the other companies under the control of the Company, the Company will voluntarily give up and make efforts to cause the other companies under the control of the Company to give up business competition with the Listed Company.</p> <p>The Company undertakes that starting from the date of issue of this Letter of Undertaking, it will compensate the Listed Company for any losses suffered or expenses incurred by the Listed Company as a result of the violation of any provisions of this undertaking by the Company. This Letter of Undertaking continues to be effective during the period in which the Listed Company legally and validly subsists and the company is the controlling shareholder (or beneficial controller) of the Listed Company.”</p>	Long term	To date, Jingcheng Holding has not committed any act in violation of the undertaking

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Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the maintaining the independence of the Listed Company	Jingcheng Holding undertakes that after the completion of this Material Asset Reorganisation, it will warrant the independence of the personnel, assets, finances, organizations, businesses of the Listed Company. Jingcheng Holding makes concrete undertaking in the areas of personnel independence, asset independence, financial independence, organizational independence, business independence. That undertaking continues to be valid, cannot be altered and is irrevocable during the period in which Jingcheng Holding is the controlling shareholder (or beneficial controller) of the Listed Company. If Jingcheng Holding is in violation of the above undertaking and causes economic losses to the Listed Company, Jingcheng Holding will compensate the Listed Company.	Long term	As of the date of disclosure, Jingcheng Holding has closed the financial management platform and centralized fund management platform to the Company's subsidiaries. Jingcheng Holding has not performed any act in violation of the undertaking.
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the handling of the liabilities of Beiren Printing Machinery Holdings Limited	<p>Jingcheng Holding undertakes: "1. Within 30 days from the receipt of a notice on this matter of Material Asset Reorganisation of Beiren Holdings by the creditors of Beiren Holdings, within 45 days from the date of the first announcement on this matter of Material Asset Reorganisation of Beiren Holdings in case of non-receipt of the notice, if they demand Beiren Holdings to make early repayment of liabilities or provide security, and Beiren Holdings has not repaid the liabilities or provided the security, the Company undertakes that it will bear the responsibilities of making early repayment of liabilities or providing security;</p> <p>2. If Beiren Holdings cannot reach the creditors, and for those creditors who have not expressed clear opinion after the receipt of the notice or the expiry of the notice period, if they have expressed clearly disagreement opinion before the completion of this Material Asset Reorganisation, and Beiren Holdings has not repaid the liabilities nor provided security upon their demand, the Company undertakes that it will bear the responsibilities of making early repayment of liabilities or providing security;</p> <p>3. For those creditors that Beiren Holdings really cannot reach, and those creditors who have not yet expressed clear opinion after the receipt of the notice or the expiry of the notice period, if after the completion of this Material Asset Reorganisation, the recipient of the Outgoing Assets cannot repay its liabilities, the company is in charge of the repayment. After the Company has been liable for guarantee responsibility and repayment responsibility, it has the right to seek repayment from the recipient of the Outgoing Assets."</p>	Long term	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and has undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company is not to suffer from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.

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Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the existing defects of the Outgoing Assets and the transfer of the outgoing liabilities	<p>Jingcheng Holding undertakes: “The Company is fully aware of the existing defects of the Outgoing Assets, and the Company will bear any losses or legal liabilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal liabilities due to the defects of the Outgoing Assets, and will not refuse to sign or request to terminate, change the “Framework Agreement for Material Asset Reorganisation between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd.”, the “Material Asset Reorganisation Agreement between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beiren Group Corporation” and the related agreement due to the defects of the Outgoing Assets.</p> <p>If no consent of the creditors regarding the transfer of liabilities involved in the Outgoing Assets (including newly incurred liabilities for the period from the benchmark date to the settlement date) has been obtained, Beiren Group Corporation undertakes all the duties, responsibilities and expense related to the claims made by those creditors to Beiren Holdings; if Beiren Holdings bears any responsibilities or suffers any losses as a result of the claim of those liabilities, Beiren Group Corporation will fully compensate Beiren Holdings. The Company undertakes: the Company will undertake several responsibilities for those compensation responsibilities of Beiren Group Corporation.”</p>	Long term	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company is not to suffer from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.
	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding compensating for the possible losses which may be resulted from the moving risks of the production workshops of Beijing Tianhai Industry Co., Ltd. in Mu Lin County	Jingcheng Holding undertakes: “If, in the future, the production workshops of Tianhai Industrial in Mu Lin County is needed to be relocated due to real estate problems in defects of the lease, the Company will fully compensate in cash the Listed Company after the completion of this transaction for all the losses of Tianhai Industrial caused by the relocating process.”	Long term	To date, Jingcheng Holding has not committed any act in violation of the undertaking.

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Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Letter of Undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the pre-emptive right of investees of Beiren Printing Machinery Holdings Limited	Jingcheng Holding undertakes: “The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes that when this reorganisation is implemented and the relevant shareholders of some of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities.”	Long term	To date, Jingcheng Holding has not committed any act in violation of the undertaking.
	Controlling shareholder	Letter regarding the compensating Beiren Printing Machinery Holdings Limited for the failure to meet the 2013 profit forecast	<p>Jingcheng Holding undertakes: “Jingcheng Holding will compensate the Company by cash 100% of the amount of the loss of 2013 of the Incoming Assets and 100% of the amount of projected profit of 2013 of the Incoming Assets. According to the Audit Report for the Implementation of Profit Forecasts Regarding Incoming Assets issued by Shinewing Certified Public Accountants LLP (XYZH/2013TJA2024-4), the compensation amount was RMB100,159,700 in total.</p> <p>Within 10 trading days from the disclosure date of the Annual Report of 2013 of the Company, Jingcheng Holding will compensate 50% of the total compensation amount in cash, and it will compensate the other 50% after six months.”</p>	Six months starting from the disclosure of the 2013 annual report of the Listed Company	On 10 April 2014, the Company received the compensation amount of RMB50,079,900, representing 50% of the total compensation amount, from Jingcheng Holding. To date, Jingcheng Holding has not committed any act in violation of the undertaking.

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Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Undertaking regarding the delivery of 17.01% equity interests in Beijing Beiyong	<p>According to the “Supplementary Confirmation Letter of the Settlement of 17.01% equity interest of Beijing Beiyong Casting Co., Ltd.” jointly signed by listed company, Jingcheng Holding and Beiren Group, they jointly confirmed “Each party confirms that the equity transfer is deemed to be completed. Jingcheng Company would no longer record such equity interest as a long-term investment which means that all shareholder’s rights (including but not limited to equity return, voting right and election right), obligations, risks and liabilities under such equity interest have been enjoyed or assumed by Beiren Group and Jingcheng Company has to act correspondingly. Given that the change in shareholders does not have defensive power against a third party prior to the completion of the commerce and industry registration for changing shareholders, all parties have unanimously agreed that all liabilities assumed or loss suffered by Jingcheng Company as a result of lacking defensive power shall be actually taken by Jingcheng Holding.”</p> <p>Jingcheng Holding has undertaken in the supplementary confirmation letter that: Jingcheng Holding will take over any liability assumed or loss suffered by the Jingcheng Company due to fact that the legal consequence from delivering 17.01% equity interests in Beijing Beiyong does not carry any defensive power against a third party (a bona fides third party).</p>	Long term	Jingcheng Holding is performing its undertaking regarding the delivery of 17.01% equity interests in Beijing Beiyong, and it has not committed any act in violation of the undertaking.

APPENDIX 1 UNDERTAKING MATTERS NOT YET DUE TO BE PERFORMED

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Recipient of the Outgoing Assets (Beiren Group)	Letter of Undertaking by Beiren Group Corporation regarding the existing defects of the Outgoing Assets and the transfer of the Outgoing Liabilities	<p>Beiren Group undertakes: “The Company is fully aware of the existing defects of the Outgoing Assets, and the Company will bear any losses or legal liabilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal liabilities due to the defects of the Outgoing Assets.</p> <p>If no consent of the creditors regarding the transfer of liabilities involved in the Outgoing Assets (including newly incurred liabilities for the period from the benchmark date to the completion date) has been obtained, the Company undertakes all the duties, responsibilities and expense related to the claims made by those creditors to Beiren Holdings; if Beiren Holdings bears any responsibilities or suffers any losses as a result of the claim of those liabilities, the Company will fully compensate Beiren Holdings.</p>	Long term	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provide guarantee. The Company is not suffer from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.
	Recipient of the Outgoing Assets (Beiren Group)	Letter of Undertaking by Beiren Group Corporation regarding the pre-emptive right of investees of Beiren Printing Machinery Holdings Limited	Beiren Group undertakes: “The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes when this reorganisation is implemented, if the relevant shareholders of some of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept the equivalent cash assets converted from the long term equity investment in the above Outgoing Assets, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities.”	Long term	To date, Beiren Group has not committed any act in violation of the undertaking

APPENDIX 2 UNDERTAKING MATTERS WHICH HAVE PASSED THE PERFORMANCE DEADLINE BUT NOT YET PERFORMED

Undertaking matters not yet completed	Undertaking party	Heading	Contents of the undertaking	Deadline for completion of the undertaking	Status of performance to date
Undertaking related to the Material Asset Reorganisation	Controlling shareholder	Additional undertaking by Beijing Jingcheng Machinery Electric Holding Co., Ltd. regarding the ownership issue for the Proposed Incoming Assets	Jingcheng Holding undertakes: "The Company will urge Tianhai Industrial and Jingcheng Compressor to strictly perform their undertaking, and finish the handling of the real estate ownership certificates before 31 December 2013. At the same time, in order to guarantee the fairness of the value of these Incoming Assets, the Company undertakes it will bear all the expenses incurred in the process of handling the above real estate properties with defects. If the ownership issue of the above real estate properties with defects cannot be resolved as scheduled, resulting in a loss to the Beiren Holdings after this Material Asset Reorganisation in the future, the Company will make full compensation in time to the Beiren Holdings after this Material Asset Reorganisation by cash."	2013-12-31	At present, the ownership issue of the real estate properties with defects has been settled by Tianhai Industrial, and active handling of land and real estate ownership certificates are in process by Jingcheng Compressor. The Company and Jingcheng Holding will actively carry out and properly deal with the above commitment in accordance with the requirements under relevant laws, regulations, regulatory documents and the Articles of Association.
	Incoming Assets (Jingcheng Compressor)	Supplemental undertaking by Beijing Jingcheng Compressor Co., Ltd. regarding the resolution of real estate defects of the Company	In respect of the total of 5 counts of real estate defects of Jingcheng Compressor, it undertakes: "The Company undertakes to finish the handling of everything before 31 December 2013".	2013-12-31	At present, active handling of land and real estate ownership certificates are in progress by Jingcheng Compressor. The Company and Jingcheng Holding will actively carry out and properly deal with the above commitment in accordance with the requirements under relevant laws, regulations, regulatory documents and the Articles of Association.

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

Beijing Jingcheng Machinery Electric Company Limited
Legal Representative: Jiang Zili
28 April 2014

4. APPENDIX

Consolidated Balance Sheet

As at 31 March 2014

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	190,474,567.83	337,743,216.12
Transaction settlement funds		
Lendings to banks		
Financial assets held for trading		
Bills receivable	14,376,258.00	28,387,575.12
Accounts receivable	501,417,608.41	407,991,348.42
Prepayments	67,944,015.22	41,013,304.21
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	7,691,045.80	5,686,434.58
Purchase and resale of financial assets		
Inventories	709,677,619.63	734,199,271.84
Non-current assets due within one year		
Other current assets		15,718,684.47
Total current assets	1,491,581,114.89	1,570,739,834.76

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Granted and entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	60,842,226.87	63,231,444.54
Investment properties	9,463,173.19	9,519,696.39
Fixed assets	701,564,296.57	714,960,989.70
Construction in progress	254,226,858.40	278,770,258.89
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	172,991,709.07	173,810,162.12
Development expenditure		
Goodwill	6,562,344.06	6,562,344.06
Long-term unamortised expenses	2,348,563.48	2,634,697.21
Deferred income tax assets	8,675,550.20	9,131,448.40
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	1,216,674,721.84	1,258,621,041.31
	<hr/>	<hr/>
Total assets	2,708,255,836.73	2,829,360,876.07
	<hr/> <hr/>	<hr/> <hr/>

Items	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings	550,950,738.00	482,613,152.34
Borrowings from central bank		
Receipt of deposits and deposits from other banks		
Loans from other banks		
Financial liabilities held for trading		
Bills payables	66,000,000.00	80,000,000.00
Accounts payable	337,515,168.84	395,472,131.25
Receipts in advance	84,422,871.31	135,006,560.18
Funds from sale and repurchase of financial assets		
Handling charges and commission payable		
Wage payable	17,109,641.20	20,445,882.88
Tax payable	17,570,792.01	2,260,951.16
Interest payable		305,666.69
Dividends payable	1,551,900.00	1,551,900.00
Other payables	292,223,643.41	416,598,343.16
Reinsurance payables		
Insurance contract reserves		
Funds from securities trading agency		
Funds from securities underwriting agency		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	1,367,344,754.77	1,534,254,587.66
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special payables	131,468,000.00	131,468,000.00
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	131,468,000.00	131,468,000.00
Total liabilities	1,498,812,754.77	1,665,722,587.66

Items	Balance at the end of the period	Balance at the beginning of the year
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	558,698,626.70	558,698,626.70
<i>Less:</i> Treasury stock		
Special reserve		
Surplus reserve	45,665,647.68	45,665,647.68
General risk provision		
Undistributed profit	-175,364,271.39	-222,701,516.40
Exchange difference arising on translation of foreign currency statements	33,753.58	-89,449.76
Total owners' equity attributable to parent company	851,033,756.57	803,573,308.22
Minority interests	358,409,325.39	360,064,980.19
Total owners' equity	<u>1,209,443,081.96</u>	<u>1,163,638,288.41</u>
Total liabilities and owners' equity	<u><u>2,708,255,836.73</u></u>	<u><u>2,829,360,876.07</u></u>

Legal Representative
of the Company:

Jiang Zili

Person-in-charge
of Accounting:

Hu Chuanzhong

Director of the
accounting body:

Jiang Chi

Balance Sheet of the Parent Company*As at 31 March 2014*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB

Items	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	1,141,459.06	9,537,212.51
Financial assets held for trading		
Bills receivable		
Accounts receivable		
Prepayments		
Interest receivable		
Dividends receivable		
Other receivables	5,522,900.00	5,522,900.00
Inventories		
Non-current assets due within one year		
Other current assets		
	<hr/>	<hr/>
Total current assets	6,664,359.06	15,060,112.51
	<hr/> <hr/>	<hr/> <hr/>

Items	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	859,685,667.59	859,685,667.59
Investment properties		
Fixed assets		
Construction in progress		
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term unamortised expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>859,685,667.59</u>	<u>859,685,667.59</u>
Total assets	<u><u>866,350,026.65</u></u>	<u><u>874,745,780.10</u></u>

Items	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Bills payable		
Accounts payable		
Receipts in advance		
Wage payable		
Tax payable		
Interest payable		
Dividends payable		
Other payables	5,500,180.40	13,774,136.35
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	<u>5,500,180.40</u>	<u>13,774,136.35</u>
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	<u>5,500,180.40</u>	<u>13,774,136.35</u>

Items	Balance at the end of the period	Balance at the beginning of the year
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	566,480,197.56	566,480,197.56
Less: Treasury stock		
Special reserve		
Surplus reserve	38,071,282.24	38,071,282.24
General risk provision		
Undistributed profit	-165,701,633.55	-165,579,836.05
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	860,849,846.25	860,971,643.75
	<hr/>	<hr/>
Total liabilities and owners' equity (or shareholders' equity)	866,350,026.65	874,745,780.10
	<hr/> <hr/>	<hr/> <hr/>
Legal Representative of the Company:	Person-in-charge of Accounting:	Director of the accounting body:
Jiang Zili	Hu Chuanzhong	Jiang Chi

Consolidated Income Statement

January to March 2014

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the prior period
1. Total operating income	446,388,718.32	708,214,295.61
Including: Operating income	446,388,718.32	708,214,295.61
Interest income		
Premium income		
Handling charges and commission income		
2. Total operating cost	465,355,486.83	727,302,117.55
Including: Operating cost	394,775,124.02	601,824,695.93
Interest expenses		
Handling charges and commission expenses		
Payment of surrenders		
Net claim expenses		
Net provision for insurance contract reserves		
Policy dividend payment		
Expenses for reinsurance accepted		
Business tax and surcharge	1,082,859.72	2,789,975.59
Sales expenses	16,337,484.47	35,816,690.14
Administrative expenses	43,699,371.03	72,642,099.79
Financial expenses	9,460,647.59	15,145,271.72
Impairment loss on assets		-916,615.62
<i>Add: Gain on change in fair value (loss expressed with “-”)</i>		
Gain on investment (loss expressed with “-”)	-2,389,217.67	1,766,855.88
Including: Gain on investments in associates and joint ventures	-2,389,217.67	1,766,855.88
Exchange gain (loss expressed with “-”)		

Items	Amount for the current period	Amount for the prior period
3. Operating profit (loss expressed with “-”)	-21,355,986.18	-17,320,966.06
<i>Add:</i> Non-operating income	78,445,635.70	1,216,758.55
<i>Less:</i> Non-operating expenses	354,498.39	95,981.04
Including: Loss on disposal of non-current assets	78,400,929.12	-95,981.04
4. Total profit (total loss expressed with “-”)	56,735,151.13	-16,200,188.55
<i>Less:</i> Income tax expenses	11,171,932.75	2,753,831.12
5. Net profit (net loss expressed with “-”)	45,563,218.38	-18,954,019.67
Net profit attributable to owners of parent company	47,337,245.01	-18,041,627.97
Minority interests	-1,774,026.63	-912,391.70
6. Earnings per share:		
(1) Basic earnings per share	0.112	-0.04
(2) Diluted earnings per share	0.112	-0.04
7. Other comprehensive income	241,575.17	-453,433.59
8. Total comprehensive income	45,804,793.55	-19,407,453.26
Total comprehensive income attributable to owners of parent company	47,460,448.35	-18,487,559.98
Total comprehensive income attributable to minority shareholders	-1,655,654.80	-919,893.28
Legal Representative of the Company:	Person-in-charge of Accounting:	Director of the accounting body:
Jiang Zili	Hu Chuanzhong	Jiang Chi

Income Statement of the Parent Company

January to March 2014

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the prior period
1. Operating income	0	73,104,984.47
Less: Operating cost	0	59,649,353.96
Business tax and surcharge	0	1,018,231.87
Sales expenses	0	3,817,148.32
Administrative expenses	121,372.86	14,195,591.06
Financial expenses	424.64	3,023,046.43
Impairment loss on assets		-631,987.58
Add: Gain on change in fair value (loss expressed with “-”)	0	
Gain on investment (loss expressed with “-”)	0	-308,245.24
Including: Gains on investments in associates and joint ventures	0	-308,245.24
2. Operating profit (loss expressed with “-”)	-121,797.50	-8,274,644.83
Add: Non-operating income	0	700.00
Less: Non-operating expenses	0	
Including: Loss on disposal of non-current assets		
3. Total profit (total loss expressed with “-”)	-121,797.50	-8,273,944.83
Less: Income tax expenses	0	0
4. Net profit (net loss expressed with “-”)	-121,797.50	-8,273,944.83
5. Earnings per share:		
(1) Basic earnings per share		
(2) Diluted earnings per share		
6. Other comprehensive income		
7. Total comprehensive income		

Legal Representative
of the Company:

Jiang Zili

Person-in-charge
of Accounting:

Hu Chuanzhong

Director of the
accounting body:

Jiang Chi

Consolidated Cash Flow Statement

January to March 2014

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the prior period
1. Cash flow from operating activities:		
Cash receipts from sale of goods and rendering of services	229,890,053.30	439,116,813.72
Net increase in deposits from customer and other banks		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Cash received from insurance policy premium		
Net cash received from reinsurance		
Net increase in policyholder deposit and investments		
Net increase in disposal of financial assets held for trading		
Cash received from interests, handling charges and commission		
Net increase in loans from other banks		
Net increase in capital from repurchase business		
Receipts of taxes and levy refunds	96,659.91	11,919,816.48
Other cash receipts in operating activities	6,784,978.63	4,538,911.61
Subtotal of cash inflows from operating activities	236,771,691.84	455,575,541.81
Cash payments for goods and services acquired	111,204,466.38	313,584,301.63
Net increase in customers' loans and advances		
Net increase in placements with central bank and other banks		
Cash paid for insurance contract claims		
Cash paid for interests, handling charges and commission		
Cash paid for policy dividend		
Cash paid to and on behalf of employees	76,557,826.31	147,083,691.80
Payment of taxes and levy	15,115,184.43	27,391,289.40
Other cash payments in operating activities	46,523,490.28	72,300,688.18
Subtotal of cash outflows from operating activities	249,400,967.40	560,359,971.01
Net cash flow from operating activities	-12,629,275.56	-104,784,429.20

Items	Amount for the current period	Amount for the prior period
2. Cash flow from investing activities:		
Cash receipts from sale of investment		
Cash receipts from investment income		
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	28,533,406.87	1,159,829.14
Net cash receipts from disposal of subsidiaries and other business units		
Other cash receipts in investing activities	195,232.42	
Subtotal of cash inflows from investing activities	28,728,639.29	1,159,829.14
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	71,244,173.99	102,729,510.16
Cash paid for investments		
Net increase in pledged loans		
Net cash received from subsidiaries and other business units		
Other cash payments in investing activities	8,997,945.07	
Subtotal of cash outflows from investing activities	80,242,119.06	102,729,510.16
Net cash flow from investing activities	-51,513,479.77	-101,569,681.02
3. Cash flow from financing activities:		
Cash proceeds from absorbing investment		
Including: Cash receipts from absorbing minority shareholders' investments by subsidiary		
Cash receipts from borrowings	60,000,000.00	226,938,782.71
Cash receipts from issue of bonds		
Other cash receipts in financing activities		20,000,000.00
Subtotal of cash inflows from financing activities	60,000,000.00	246,938,782.71
Cash paid for repayment of debts	91,776,611.07	135,300,000.00
Cash paid for distribution of dividends or profits or payment of interest	11,265,133.31	13,376,870.80
Including: Subsidiary's payment of dividends and profits to minority shareholders		
Other cash payments in financing activities	34,515,394.34	60,653,000.00
Subtotal of cash outflows from financing activities	137,557,138.72	209,329,870.80
Net cash flow from financing activities	-77,557,138.72	37,608,911.91
4. Effect of exchange rate changes on cash and cash equivalents	22,836.39	-702,582.42

Items	Amount for the current period	Amount for the prior period
5. Net increase in cash and cash equivalents	-141,677,057.66	-169,447,780.73
<i>Add:</i> Balance of cash and cash equivalents at the beginning of the period	305,897,025.49	317,629,157.23
6. Balance of cash and cash equivalents at the end of the period	164,219,967.83	148,181,376.50

Legal Representative
of the Company:

Jiang Zili

Person-in-charge
of Accounting:

Hu Chuanzhong

Director of the
accounting body:

Jiang Chi

Cash Flow Statement of the Parent Company
January to March 2014

Unit: Yuan Currency: RMB

Items	Amount for the current period	Amount for the prior period
1. Cash flow from operating activities:		
Cash receipts from sale of goods and rendering of services	0	52,393,052.03
Receipts of taxes and levy refunds	0	654,587.80
Other cash receipts in operating activities	150,000.00	1,166,203.15
Subtotal of cash inflows from operating activities	150,000.00	54,213,842.98
Cash payments for goods and services acquired	0	31,293,955.16
Cash paid to and on behalf of employees	0	36,172,568.61
Payment of taxes and levy	0	4,277,422.99
Other cash payments in operating activities	121,797.50	10,135,621.20
Subtotal of cash outflows from operating activities	121,797.50	81,879,567.96
Net cash flow from operating activities	28,202.50	-27,665,724.98
2. Cash flow from investing activities:		
Cash receipts from sale of investment	0	80,000,000.00
Cash receipts from investment income	0	0
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	0	1,134,530.00
Net cash receipts from disposal of subsidiaries and other business units	0	0
Other cash received relating to investing activities	47,442.40	1,486,113.33
Subtotal of cash inflows from investing activities	47,442.40	82,620,643.33
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	0	304,539.29
Cash paid for investments	0	81,000,000.00
Net cash received from subsidiaries and other business units	0	
Other cash payments in investing activities	8,471,398.35	
Subtotal of cash outflows from investing activities	8,471,398.35	81,304,539.29
Net cash flow from investing activities	-8,423,955.95	1,316,104.04

Items	Amount for the current period	Amount for the prior period
3. Cash flow from financing activities:		
Cash proceeds from absorbing investment	0	0
Cash receipts from borrowings	0	135,000,000.00
Cash receipts from the issue of bonds		
Other cash receipts in financing activities	0	0
Subtotal of cash inflows from financing activities	0	135,000,000.00
Cash paid for repayment of debts	0	135,000,000.00
Cash paid for distribution of dividends or profits or payment of interest	0	3,445,182.67
Other cash payments in financing activities	0	0
Subtotal of cash outflows from financing activities	0	138,445,182.67
Net cash flow from financing activities	0	-3,445,182.67
4. Effect of exchange rate changes on cash and cash equivalents	0	-2,898.87
5. Net increase in cash and cash equivalents	-8,395,753.45	-29,797,702.48
Add: Balance of cash and cash equivalents at the beginning of the period	9,537,212.51	150,192,182.81
6. Balance of cash and cash equivalents at the end of the period	1,141,459.06	120,394,480.33

Legal Representative
of the Company:

Jiang Zili

Person-in-charge
of Accounting:

Hu Chuanzhong

Director of the
accounting body:

Jiang Chi

As at the date of this announcement, the Board comprises Mr. Wang Pingsheng, Mr. Hu Chuanzhong, Mr. Wu Yanzhang, Mr. Li Junjie and Ms. Jiang Chi as executive directors, Mr. Jiang Zili and Ms. Wu Dongbo as non-executive directors and Mr. Zhang Shuangru, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.