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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 THIRD QUARTERLY REPORT**

**I. 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 Hu Chuanzhong, the Person-in-charge of the Company, Li Junjie, 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 Third Quarterly Financial Report of the Company has not been audited.

## II. MAJOR FINANCIAL DATA AND CHANGES IN SHAREHOLDERS

### 2.1 Major Financial Data

Unit: Yuan  
Currency: RMB

	As at the end of the reporting period	As at the end of last year		Increase/Decrease comparing the end of the reporting period with the end of last year (%)
		After adjustment	Before adjustment	
Total assets	2,686,615,732.91	2,829,360,876.07	2,829,360,876.07	-5.05
Net assets attributable to shareholders of listed company	1,018,648,110.94	803,573,308.22	803,573,308.22	26.76
	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 reporting period last year (January to September)		Increase/Decrease as compared with the corresponding period last year (%)
		After adjustment	Before adjustment	
Net cash flow from operating activities	-29,576,775.80	-228,960,089.64	-44,667,891.60	87.08

	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 reporting period last year (January to September)		Increase/Decrease as compared with the corresponding period last year
		After adjustment	Before adjustment	(%)
Operating income	1,515,179,387.53	2,216,005,075.90	557,870,088.70	-31.63
Net profit attributable to shareholders of listed company	90,546,441.99	-46,878,986.62	-36,897,249.95	N/A
Net profit attributable to shareholders of listed company after extraordinary items	-77,396,434.28	-61,829,617.20	-38,939,881.49	N/A
Weighted average return on net assets (%)	10.67	-3.32	-6.48	Increase 13.99 percentage points
Basic earnings per share (RMB/ share)	0.21	-0.11	-0.09	N/A
Diluted earnings per share (RMB/ share)	0.21	-0.11	-0.09	N/A

Description: The financial data before adjustments for the corresponding period last year was the relevant financial data disclosed in the third quarterly report of the Company in 2013. Pursuant to Corporate Accounting Standard 20, Business Combination, adjustments shall be made to the amounts for the beginning of the period as stated in the consolidated balance sheet as well as the relevant items of the income statements and cash flow statements for acquisition under same control. As such, the financial data after adjustments for the corresponding period last year 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 (July to September)	Amount for the beginning of the year to the end of reporting period (January to September)	Description
Profit/loss on disposal of non-current assets	6,295,949.82	84,532,102.39	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. during the year.
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)	328,236.13	938,969.13	
Gain or loss on debt restructuring	843,021.41	843,021.41	
Other non-operating income and expenses save for the above	184,342.63	-1,070,814.37	
Gain or loss from transferring of long-term equity investment	99,093,567.22	99,093,567.22	Gains from the disposal of equity interests in Jingcheng Compressor, the subsidiary
Effect of income tax	-1,804,592.00	-13,443,001.10	
Effects on non-controlling interests (after tax)	-2,955,867.7468	-2,950,968.41	
Total	101,984,657.46	167,942,876.27	

## 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 15,992 (in which: 15,922 holders of A shares, 70 holders of H shares)

### Shareholding of Top Ten Shareholders

Name of shareholder (Full name)	Changes during the reporting period	Shareholding as at the end of the period	Proportion (%)	Number of shares subject to selling restrictions held	Pledged or locked up		
					Status	Number of shares	Nature of shareholder
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	0	201,620,000	47.78	0	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	120,000	99,085,199	23.48	0	Unknown	–	Unknown
Ningbo Liyuan Import and Export Co., Ltd.	919,030	4,871,000	1.15	0	Unknown	–	Unknown
Zeng Youquan (曾佑泉)	15,600	1,472,889	0.35	0	Unknown	–	Unknown
Zeng Ping (曾平)	1,390,000	1,390,000	0.33	0	Unknown	–	Unknown
Gao Xue Ping (高雪萍)	1,040,000	1,040,000	0.25	0	Unknown	–	Unknown
Lin Xin (林新)	-76,700	840,026	0.20	0	Unknown	–	Unknown
Wu Zhiqiang (伍志強)	-57,100	770,949	0.18	0	Unknown	–	Unknown
Li Guanghui (李光惠)	27,600	766,587	0.18	0	Unknown	–	Unknown
Beijing BBEF Electronics Group Co., Ltd.	0	722,100	0.17	0	Unknown	–	Unknown

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

Name of shareholder	Number of circulating shares not subject to trading moratorium held	Class and number of shares  Class	Number
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	201,620,000	Renminbi ordinary shares	201,620,000
HKSCC NOMINEES LIMITED	99,085,199	Foreign shares listed overseas	99,085,199
Ningbo Liyuan Import and Export Co., Ltd.	4,871,000	Renminbi ordinary shares	4,871,000
Zeng Youquan (曾佑泉)	1,472,889	Renminbi ordinary shares	1,472,889
Zeng Ping (曾平)	1,390,000	Renminbi ordinary shares	1,390,000
Gao Xue Ping (高雪萍)	1,040,000	Renminbi ordinary shares	1,040,000
Lin Xin (林新)	840,026	Renminbi ordinary shares	840,026
Wu Zhiqiang (伍志强)	770,949	Renminbi ordinary shares	770,949
Li Guanghui (李光惠)	766,587	Renminbi ordinary shares	766,587
Beijing BBEF Electronics Group Co., Ltd.	722,100	Renminbi ordinary shares	722,100

<p>Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders</p>	<p>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.</p>
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<p>Explanation on preference shareholders who resume the voting rights and their shareholding</p>	<p>N/A</p>
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### III. 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

Item	Balance at the end of the reporting period	Balance at the beginning of the year	Change (%)	Explanation
Prepayments	83,314,274.11	41,013,304.21	103.14	Mainly due to certain contracts for raw materials required that prepayments shall be made;
Other receivables	8,398,739.62	5,686,434.58	47.70	Mainly due to the increase in deposits, securities and reserve funds;
Other current assets		15,718,684.47	-100.00	Mainly due to that the Company's subsidiary Tianhai Industrial transferred the college apartment which is located in No.25 building Huaweixili, Chaoyang District, Beijing city and relevant procedures had been completed;
Investment properties		9,519,696.39	-100.00	Mainly due to the disposal of equity interest in Jingcheng Compressor, the subsidiary and the decrease in consolidation scope;
Long-term unamortised expenses	1,653,707.44	2,634,697.21	-37.23	Mainly due to the disposal of equity interest in Jingcheng Compressor, the subsidiary and the decrease in consolidation scope;
Deferred income tax assets	5,598,348.00	9,131,448.40	-38.69	Mainly due to the disposal of equity interest in Jingcheng Compressor, the subsidiary and the decrease in consolidation scope;
Bills payables	55,000,000.00	80,000,000.00	-31.25	Mainly due to the decrease in bills issued by the subsidiary;

Item	Balance at the end of the reporting period	Balance at the beginning of the year	Change (%)	Explanation
Receipts in advance	37,083,778.84	135,006,560.18	-72.53	Mainly due to the decrease in receipts in advance of goods received by the subsidiary;
Wage payable	10,549,206.73	20,445,882.88	-48.40	Mainly due to the disposal of equity interest in Jingcheng Compressor, the subsidiary and the decrease in consolidation scope;
Tax payable	-1,475,328.61	2,260,951.16	-165.25	Mainly attributable to increase in the tax payment;
Interest payable		305,666.69	-100.00	Mainly due to the provision for the payment of interest payables;
Dividends payable		1,551,900.00	-100.00	Mainly due to the disposal of equity interest in Jingcheng Compressor, the subsidiary and the decrease in consolidation scope;
Other payables	108,105,677.27	416,598,343.16	-74.05	Mainly due to the repayment of loans to holding company;
Undistributed profit	-132,155,074.41	-222,701,516.40	-40.66	Mainly due to the profits generated during the period;
Exchange difference arising on translation of foreign currency statements	-665,644.03	-89,449.76	644.15	Mainly due to the effect of foreign exchange rate;
Minority interests	531,808,926.93	360,064,980.19	47.70	Mainly due to the introduction of investors by the subsidiary;



Item	At the beginning of the year to the end of the reporting period (January to September)	At the beginning of last year to the end of the reporting period of last year (January to September)	Change (%)	Explanation
Operating income	1,515,179,387.53	2,216,005,075.90	-31.63	Operating income after outgoing assets decreased by 8.62%;
Business tax and surcharge	15,538,830.32	7,268,865.10	113.77	Business tax and surcharge after outgoing assets increased by 443.53%, mainly due to the effect of increase in tax payment;
Sales expenses	68,017,942.07	125,001,072.95	-45.59	Sales expense after outgoing assets decreased by 16.32%;
Administrative expenses	130,906,889.52	207,895,739.10	-37.03	Administrative expenses after outgoing assets remained the same;
Impairment loss on assets	-1,452,431.32	13,489,156.63	-110.77	Impairment loss on assets after outgoing assets decreased by 19.29%;
Investment income	100,788,201.40	3,781,024.08	2,565.63	Mainly due to the gains from the disposal of equity interests in Jingcheng Compressor, the subsidiary;
Non-operating income	87,015,517.20	5,558,965.50	1,465.32	Mainly due to the increase in gains from disposal of assets of the subsidiary;
Total profit	94,852,025.21	-39,049,966.48	342.90	Total profit increased by RMB133,902,000 as compared with the same period of last year, the total profit after outgoing assets increased by RMB171,183,200, mainly due to the increase in non-operating income and investment income;

Item	At the beginning		Change (%)	Explanation
	At the beginning of the year to the end of the reporting period (January to September)	of last year to the end of the reporting period of last year (January to September)		
Net cash flow from operating activities	-29,576,775.80	-228,960,089.63	87.08	Net cash flow from operating activities increased as compared with the same period of last year, mainly due to the cash receipts from sale of goods and rendering of services decreased by 37.84% as compared with the corresponding period of last year (after outgoing assets decreased by 10.41%) and cash payments for the purchase of goods and services decreased by 49.53% as compared with the corresponding period of last year (after outgoing assets decreased by 32.45%);
Net cash flow from investing activities	168,177,548.62	-152,824,412.36	210.05	Mainly due to the increase in cash received from the disposal of equity interest of subsidiary, compensation payment received from Jingcheng Holding and the introduction of investors by the subsidiary during the period;
Net cash flow from financing activities	-100,140,671.56	149,929,880.09	-166.79	Net cash flow from financing activities after outgoing assets decreased by 162.10%, due to the repayment of certain loans;

### **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".

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

Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Undertaking related to the Material Asset Reorganisation	Settlement of connected transactions	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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	Yes	Yes		
	Settlement of competition with its competitors	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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."	Long term	Yes	Yes		

Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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	Yes	Yes	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.	
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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; 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; 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."	Long term	Yes	Yes	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 suffer from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.	

Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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."	Long term	Yes	Yes	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.	
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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	Yes	Yes		
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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	Yes	Yes		

Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
	Profit forecast and compensation	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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.	Six months starting from the disclosure of the 2013 annual report of the Listed Company	Yes	Yes	As at 1 September 2014, the compensation amount of Jingcheng Holding of RMB100,159,700 in total has been fully credited into the account.	
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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. 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 of shareholders under such equity interest have been enjoyed or assumed by Beiren Group and 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."	Long term	Yes	Yes	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.	
	Others	Recipient of the Outgoing Assets (Beiren Group)	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."	Long term	Yes	Yes	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.	



Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
	Others	Recipient of the Outgoing Assets (Beiren Group)	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	Yes	Yes		
	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	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."	31 December 2013	Yes	No	At present, the ownership issue of the real estate properties with defects owned by Tianhai Industrial has been settled, and active handling of land and real estate ownership certificates are in process by Jingcheng Compressor; the Company has regulated the undertaking which has passed the performance deadline but not yet performed in accordance with Guideline No.4 and Notice No.35.	Upon the approval obtained at the 2013 annual general meeting of the Company held on 26 June 2014, the Company has announced on 25 September 2014 that the Company has completed the disposal of 100% equity interests in Jingcheng Compressor to Beijing Guotong Asset Management Company Limited. The Company has no longer hold any equity interests in Jingcheng Compressor.

Undertaking Background	Type of undertaking	Undertaking party	Contents of the undertaking	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
	Others	Incoming Assets (Jingcheng Compressor)	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"	31 December 2013	Yes	No	At present, active handling of land and real estate ownership certificates are in progress by Jingcheng Compressor. The Company has regulated the undertaking which has passed the performance deadline but not yet performed in accordance with Guideline No.4 and Notice No.35.	Upon the approval obtained at the 2013 annual general meeting of the Company held on 26 June 2014, the Company has announced on 25 September 2014 that the Company has completed the disposal of 100% equity interests in Jingcheng Compressor to Beijing Guotong Asset Management Company Limited. The Company has no longer hold any equity interests in Jingcheng Compressor.

### Definitions of terms in the undertaking table

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
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

### 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

### 3.5 Effects on the consolidated financial statements upon adoption of new accounting standards

#### 3.5.1 Impacts of changes in standard for employee's emoluments

Unit: Yuan

Currency: RMB

Wage payable on 1 July 2014  
(+/-)

Equity attributable to shareholders of the  
Parent Company on 1 July 2014  
(+/-)

#### Description of impacts of changes in standard for employee's emoluments

According to the requirements of standard for employee's emoluments newly issued, the post-employment benefits provided to the employees by the Company is in the scope of defined benefit plans of the standard for employee's emoluments. As the Company needs to appoint a professional institution for estimating the obligations of the defined benefit plans, the quantitative adjusted data is currently not available. After the preliminary estimation, it is expected that this data adjustment has no material impact on the current financial situation and operating results of the Company. The Company will strictly comply with the relevant requirements and internal control system to carry forward the relevant work in a smooth and orderly manner. The supplemental disclosure in respect of the specific impact of changes in such accounting policy will be contained in the 2014 Annual Report of the Company.

Name of the Company	Beijing Jingcheng Machinery Electric Company Limited
Legal Representative	Hu Chuanzhong
Date	30 October 2014

*As at the date of this announcement, the Board comprises Mr. Hu Chuanzhong, Mr. Li Junjie, Mr. Wu Yanzhang and Ms. Jiang Chi as executive directors, Mr. Zhou Yongjun, Ms. Chang Yun and Mr. Xia Zhonghua as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.*

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2014

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan*

*Currency: RMB*

*Audit type: Unaudited*

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>		
Cash and cash equivalents	344,325,824.58	337,743,216.12
Transaction settlement funds		
Lendings to banks		
Financial assets held for trading		
Bills receivable	29,054,910.46	28,387,575.12
Accounts receivable	444,372,288.34	407,991,348.42
Prepayments	83,314,274.11	41,013,304.21
Premiums receivable		
Reinsurance receivables		
Reinsurance contract reserves receivable		
Interest receivable		
Dividends receivable		
Other receivables	8,398,739.62	5,686,434.58
Purchase and resale of financial assets		
Inventories	628,352,633.69	734,199,271.84
Non-current assets due within one year		
Other current assets		15,718,684.47
<b>Total current assets</b>	<b>1,537,818,670.80</b>	<b>1,570,739,834.76</b>

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Non-current assets:</b>		
Granted and entrusted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	59,034,947.95	63,231,444.54
Investment properties	—	9,519,696.39
Fixed assets	635,793,114.99	714,960,989.70
Construction in progress	278,880,541.65	278,770,258.89
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	161,274,058.02	173,810,162.12
Development expenditure		
Goodwill	6,562,344.06	6,562,344.06
Long-term unamortised expenses	1,653,707.44	2,634,697.21
Deferred income tax assets	5,598,348.00	9,131,448.40
Other non-current assets		
Total non-current assets	<u>1,148,797,062.11</u>	<u>1,258,621,041.31</u>
<b>Total assets</b>	<u><u>2,686,615,732.91</u></u>	<u><u>2,829,360,876.07</u></u>

<b>Items</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Current liabilities:</b>		
Short-term borrowings	425,700,320.00	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	55,000,000.00	80,000,000.00
Accounts payable	386,295,040.81	395,472,131.25
Receipts in advance	37,083,778.84	135,006,560.18
Funds from sale and repurchase of financial assets		
Handling charges and commission payable		
Wage payable	10,549,206.73	20,445,882.88
Tax payable	-1,475,328.61	2,260,951.16
Interest payable		305,666.69
Dividends payable		1,551,900.00
Other payables	108,105,677.27	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		
<b>Total current liabilities</b>	<b>1,021,258,695.04</b>	<b>1,534,254,587.66</b>

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special payables	114,900,000.00	131,468,000.00
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	<u>114,900,000.00</u>	<u>131,468,000.00</u>
<b>Total liabilities</b>	<u><u>1,136,158,695.04</u></u>	<u><u>1,665,722,587.66</u></u>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	683,803,181.70	558,698,626.70
Less: Treasury stock		
Special reserve		
Surplus reserve	45,665,647.68	45,665,647.68
General risk provision		
Undistributed profit	-132,155,074.41	-222,701,516.40
Exchange difference arising on translation of foreign currency statements	-665,644.03	-89,449.76
Total owners' equity attributable to parent company	1,018,648,110.94	803,573,308.22
Minority interests	<u>531,808,926.93</u>	<u>360,064,980.19</u>
Total owners' equity	<u><u>1,550,457,037.87</u></u>	<u><u>1,163,638,288.41</u></u>
<b>Total liabilities and owners' equity</b>	<u><u>2,686,615,732.91</u></u>	<u><u>2,829,360,876.07</u></u>
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi

## Balance Sheet of the Parent Company

30 September 2014

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan*

*Currency: RMB*

*Audit type: Unaudited*

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>		
Cash and cash equivalents	12,768,556.42	9,537,212.51
Financial assets held for trading		
Bills receivable		
Accounts receivable		
Prepayments		
Interest receivable		
Dividends receivable		
Other receivables	340,000,000.00	5,522,900.00
Inventories		
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b>352,768,556.42</b>	<b>15,060,112.51</b>





Items	Balance at the end of the period	Balance at the beginning of the year
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
<b>Total liabilities</b>	<b>2,452,162.05</b>	<b>13,774,136.35</b>
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Capital reserve	666,639,987.85	566,480,197.56
Less: Treasury stock		
Special reserve		
Surplus reserve	38,071,282.24	38,071,282.24
General risk provision		
Undistributed profit	-81,552,151.31	-165,579,836.05
Total owners' equity (or shareholders' equity)	<b>1,045,159,118.78</b>	<b>860,971,643.75</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>1,047,611,280.83</b>	<b>874,745,780.10</b>
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi

# Consolidated Income Statement

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of reporting period (January-September)	Amount for the period from the beginning of last year to the end of reporting period last year (January-September)
1. Total operating income	578,321,926.98	639,499,785.97	1,515,179,387.53	2,216,005,075.90
Including: Operating income	578,321,926.98	639,499,785.97	1,515,179,387.53	2,216,005,075.90
Interest income				
Premium income				
Handling charges and commission income				
2. Total operating cost	619,006,609.16	665,267,599.69	1,606,358,842.28	2,262,995,855.91
Including: Operating cost	538,160,890.15	531,479,954.64	1,362,298,860.70	1,866,056,940.86
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	2,372,142.82	2,406,635.97	15,538,830.32	7,268,865.10
Sales expenses	25,373,048.97	51,471,811.40	68,017,942.07	125,001,072.95
Administrative expenses	43,835,871.44	66,126,106.81	130,906,889.52	207,895,739.10
Financial expenses	8,021,934.43	13,647,779.68	31,048,750.99	43,284,081.27
Impairment loss on assets	1,242,721.35	135,311.19	-1,452,431.32	13,489,156.63

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of reporting period (January-September)	Amount for the period from the beginning of last year to the end of reporting period last year (January-September)
Add: Gain on change in fair value (loss expressed with “-”)				
Gain on investment (loss expressed with “-”)	100,364,304.13	1,806,321.76	100,788,201.40	3,781,024.08
Including: Gain on investments in associates and joint ventures	1,270,736.91	1,164,683.77	1,694,634.18	3,781,024.08
Exchange gain (loss expressed with “-”)				
3. Operating profit (loss expressed with “-”)	59,679,621.95	-23,961,491.96	9,608,746.65	-43,209,755.93
Add: Non-operating income	7,929,004.88	1,804,003.76	87,015,517.20	5,558,965.50
Less: Non-operating expenses	277,454.89	269,502.43	1,772,238.64	1,399,176.05
Including: Loss on disposal of non-current assets	49,659.20	37,867.59	257,470.15	1,167,456.16
4. Total profit (total loss expressed with “-”)	67,331,171.94	-22,426,990.63	94,852,025.21	-39,049,966.48
Less: Income tax expenses	-3,142,336.16	2,888,127.04	7,102,969.07	6,519,087.45
5. Net profit (net loss expressed with “-”)	70,473,508.10	-25,315,117.67	87,749,056.14	-45,569,053.93
Net profit attributable to owners of parent company	69,728,436.23	-25,592,719.26	90,546,441.99	-46,878,986.62
Minority interests	745,071.87	277,601.59	-2,797,385.85	1,309,932.69
6. Earnings per share:				
(1) Basic earnings per share (RMB/share)	0.17	-0.06	0.21	-0.11
(2) Diluted earnings per share (RMB/share)	0.17	-0.06	0.21	-0.11
7. Other comprehensive income	-1,298,487.03	-1,514,888.97	-1,090,096.97	-1,951,525.25
8. Total comprehensive income	69,175,021.07	-26,830,006.64	86,658,959.17	-47,520,579.18
Total comprehensive income attributable to owners of parent company	69,066,207.83	-27,329,564.47	89,970,247.72	-48,830,511.88
Total comprehensive income attributable to minority shareholders	108,813.24	499,557.83	-3,311,288.55	1,309,932.70
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi		

## Income Statement of the Parent Company

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan*

*Currency: RMB*

*Audit type: Unaudited*

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of reporting period (January- September)	Amount for the period from the beginning of last year to the end of reporting period last year (January- September)
1. Operating income	2,490,566.04	82,458,226.44	2,490,566.04	292,548,687.81
Less: Operating cost		74,559,751.34		247,165,048.57
Business tax and surcharge		592,371.79		2,477,361.74
Sales expenses		7,959,209.57		20,660,246.28
Administrative expenses	2,447,981.00	13,367,631.25	3,617,251.70	42,864,084.48
Financial expenses	-6,347.90	2,728,935.71	-74,513.58	8,786,532.25
Impairment loss on assets				5,866,010.87
Add: Gain on change in fair value (loss expressed with “-”)				
Gain on investment (loss expressed with “-”)	85,079,856.82	-90,232.60	85,079,856.82	-1,035,843.51
Including: Gains on investments in associates and joint ventures		-79,996.79		-383,969.71

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of reporting period (January- September)	Amount for the period from the beginning of last year to the end of reporting period last year (January- September)
2. Operating profit (loss expressed with “-”)	85,128,789.76	-16,839,905.82	84,027,684.74	-36,306,439.89
Add: Non-operating income		36,318.06		756,035.05
Less: Non-operating expenses		23.54		1,391.69
Including: Loss on disposal of non-current assets				1,368.15
3. Total profit (total loss expressed with “-”)	85,128,789.76	-16,803,611.30	84,027,684.74	-35,551,796.53
Less: Income tax expenses				
4. Net profit (net loss expressed with “-”)	85,128,789.76	-16,803,611.30	84,027,684.74	-35,551,796.53
5. Earnings per share:				
(1) Basic earnings per share (RMB/share)				
(2) Diluted earnings per share (RMB/share)				
6. Other comprehensive income				
7. Total comprehensive income	85,128,789.76	-16,803,611.30	84,027,684.74	-35,551,796.53
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi		

## Consolidated Cash Flow Statement

January-September 2014

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>1. Cash flow from operating activities:</b>		
Cash receipts from sale of goods and rendering of services	868,495,912.18	1,397,269,962.96
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		

<b>Items</b>	<b>Amount for the period from the beginning of the year to the end of the reporting period (January-September)</b>	<b>Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)</b>
Receipts of taxes and levy refunds	6,546,878.55	1,480,648.16
Other cash receipts in operating activities	48,285,322.40	20,900,368.59
Subtotal of cash inflows from operating activities	923,328,113.13	1,419,650,979.71
Cash payments for goods and services acquired	501,728,252.55	994,037,878.76
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	228,924,030.43	385,398,594.85
Payment of taxes and levy	88,089,945.28	88,615,455.97
Other cash payments in operating activities	134,162,660.67	180,559,139.77
Subtotal of cash outflows from operating activities	952,904,888.93	1,648,611,069.35
Net cash flow from operating activities	-29,576,775.80	-228,960,089.64
<b>2. Cash flow from investing activities:</b>		
Cash receipts from sale of investment		
Cash receipts from investment income	7,864,263.33	11,008,727.28
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets	28,558,406.87	1,148,230.00
Net cash receipts from disposal of subsidiaries and other business units	227,502,615.38	
Other cash receipts in investing activities	102,105,049.22	212,909.28
Subtotal of cash inflows from investing activities	366,030,334.80	12,369,866.56



<b>Items</b>	<b>Amount for the period from the beginning of the year to the end of the reporting period (January-September)</b>	<b>Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)</b>
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	127,026,146.87	165,194,278.92
Cash paid for investments	58,420,500.00	
Net increase in pledged loans		
Net cash received from subsidiaries and other business units		
Other cash payments in investing activities	12,406,139.31	—
Subtotal of cash outflows from investing activities	197,852,786.18	165,194,278.92
Net cash flow from investing activities	168,177,548.62	-152,824,412.36
<b>3. Cash flow from financing activities:</b>		
Cash proceeds from absorbing investment	200,000,000.00	
Including: Cash receipts from absorbing minority shareholders' investments by subsidiary	200,000,000.00	
Cash receipts from borrowings	473,904,648.36	709,938,782.71
Cash receipts from issue of bonds		
Other cash receipts in financing activities		140,467,356.68
Subtotal of cash inflows from financing activities	673,904,648.36	850,406,139.39
Cash paid for repayment of debts	579,975,000.00	628,527,333.33
Cash paid for distribution of dividends or profits or payment of interest	33,712,384.59	40,543,695.32

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
Including: Subsidiary's payment of dividends and profits to minority shareholders		
Other cash payments in financing activities	160,357,935.33	31,405,230.65
Subtotal of cash outflows from financing activities	774,045,319.92	700,476,259.30
Net cash flow from financing activities	-100,140,671.56	149,929,880.09
4. Effect of exchange rate changes on cash and cash equivalents	-31,302.17	-5,591,896.89
5. Net increase in cash and cash equivalents	38,428,799.09	-237,446,518.80
Add: Balance of cash and cash equivalents at the beginning of the period	305,897,025.49	490,533,435.19
6. Balance of cash and cash equivalents at the end of the period	344,325,824.58	253,086,916.39
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi

## Cash Flow Statement of the Parent Company

January – September 2014

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>1. Cash flow from operating activities:</b>		
Cash receipts from sale of goods and rendering of services	2,640,000.00	203,339,500.41
Receipts of taxes and levy refunds		1,074,492.07
Other cash receipts in operating activities	311,472.79	4,348,905.31
Subtotal of cash inflows from operating activities	2,951,472.79	208,762,897.79
Cash payments for goods and services acquired		122,122,038.74
Cash paid to and on behalf of employees		92,830,006.16
Payment of taxes and levy		13,460,491.05
Other cash payments in operating activities	6,491,275.50	37,275,917.56
Subtotal of cash outflows from operating activities	6,491,275.50	265,688,453.51
Net cash flow from operating activities	-3,539,802.71	-56,925,555.72

<b>Items</b>	<b>Amount for the period from the beginning of the year to the end of the reporting period (January-September)</b>	<b>Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)</b>
<b>2. Cash flow from investing activities:</b>		
Cash receipts from sale of investment		90,000,000.00
Cash receipts from investment income		
Net cash receipts from disposal of fixed assets, intangible assets and other long-term assets		1,136,530.00
Net cash receipts from disposal of subsidiaries and other business units	249,922,800.00	
Other cash received relating to investing activities	106,926,940.20	4,235,541.10
Subtotal of cash inflows from investing activities	356,849,740.20	95,372,071.10
Cash paid for acquiring fixed assets, intangible assets and other long-term assets		2,485,870.10
Cash paid for investments		91,000,000.00
Net cash received from subsidiaries and other business units		
Other cash payments in investing activities	350,078,593.58	
Subtotal of cash outflows from investing activities	350,078,593.58	93,485,870.10
Net cash flow from investing activities	6,771,146.62	1,886,201.00

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>3. Cash flow from financing activities:</b>		
Cash proceeds from absorbing investment		
Cash receipts from borrowings		210,000,000.00
Cash receipts from the issue of bonds		
Other cash receipts in financing activities		
Subtotal of cash inflows from financing activities		210,000,000.00
Cash paid for repayment of debts		210,000,000.00
Cash paid for distribution of dividends or profits or payment of interest		12,529,729.34
Other cash payments in financing activities		
Subtotal of cash outflows from financing activities		222,529,729.34
Net cash flow from financing activities		-12,529,729.34
4. Effect of exchange rate changes on cash and cash equivalents		-57,230.18
5. Net increase in cash and cash equivalents	3,231,343.91	-67,626,314.24
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	12,768,556.42	82,565,868.57
Legal Representative of the Company: Hu Chuanzhong	Person-in-charge of Accounting: Li Junjie	Director of the accounting body: Jiang Chi

## 4.2 Audit reports

If the quarterly report is audited by the Certified Public Accountant, the appendices shall disclose the content of such audited report.

☐ Applicable    ☒ Not Applicable