

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



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

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

2018 THIRD QUARTERLY REPORT

I. IMPORTANT NOTICE

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

II. BASIC INFORMATION OF THE COMPANY

2.1 Financial Highlights

Unit: Yuan
Currency: RMB

	At the end of the reporting period	At the end of last year	Increase/Decrease comparing the end of the reporting period with the end of last year (%)
Total assets	1,852,060,941.80	1,925,062,021.12	-3.79
Net assets attributable to shareholders of listed company	544,542,271.37	588,375,286.55	-7.45
	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 last year (January to September)	Increase/Decrease on Year-over- year basis (%)
Net cash flow from operating activities	59,676,750.40	-78,498,955.45	—
	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 last year (January to September)	Increase/Decrease on Year-over- year basis (%)
Operating income	763,276,665.20	848,367,431.30	-10.03
Net profit attributable to shareholders of listed company	-44,148,603.58	-68,959,329.42	—
Net profit attributable to shareholders of listed company after extraordinary items	-58,593,950.40	-75,922,899.89	—
Weighted average return on net assets (%)	-7.80	-12.99	increased 5.19 percentage points
Basic earnings per share (RMB/share)	-0.10	-0.16	—
Diluted earnings per share (RMB/share)	-0.10	-0.16	—

Extraordinary Items and Amount

✓ Applicable ☐ Not Applicable

Unit: Yuan
Currency: RMB

Items	Amount for the current period (July – September	Amount for the period from the beginning of the year to the end of the reporting period (January – September	Description
Profit/loss on disposal of non-current assets	7,603,524.04	7,560,913.37	
Contingence tax refund or exemption, or due to override approval or document without formal approval			
Government subsidy accounted into profit and loss for the current period (except for those closely associated with the normal operations of the Company which were accounted for in certain standard amount or volume in compliance with the requirement of the policies of the State and in accordance with uniform standard of the state)	736,000.00	2,552,557.00	
Fund possession cost paid by non-financial enterprises and recorded under current profit and loss			
Profit arising from investment costs for acquisition of subsidiaries, associates and joint ventures less than the revenue generated from their identifiable net assets of the invested entity at fair value at the time of acquisition			
Profit/loss of non-monetary asset swap			
Profit/loss from entrusted investment or asset management			

Items	Amount for the current period (July – September	Amount for the period from the beginning of the year to the end of the reporting period (January – September	Description
Provision for impairment of assets due to force majeure such as natural disaster			
Profit/loss from debt restructuring		423,181.50	
Corporate restructuring expenses, such as expenses on employee placement, and integration costs			
Profit/loss from the excess of the fair value compared to the unfair consideration of a transaction			
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger			
Profit/loss from contingencies irrelevant to the normal operations of the Company			
Apart from hedging instruments relating to the normal operations of the Company, profit/ loss from change in fair value of held-for- trading financial assets and held-for- trading financial liabilities, and investment income from disposal of held-for trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets			
Write back of the provision for impairment of accounts receivable that is individually tested for impairment			
Profit/loss from external entrusted loans			
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement			

Items	Amount for the current period (July – September	Amount for the period from the beginning of the year to the end of the reporting period (January – September	Description
Effects of one-off adjustment to current profit/loss in accordance with laws and regulations on taxation and accounting, etc			
Income of entrustment fees from entrusted operations			
Other non-operating income and expenses save for the above	7,650,832.24	7,611,988.53	
Other gain or loss items conforming with the definition of non-recurring gain or loss			
Effect on minority interests (after tax)	-3,114,008.84	-3,462,442.01	
	<hr/>	<hr/>	
Effect on income tax	201,622.16	-240,851.57	
Total	13,077,969.60	14,445,346.82	
	<hr/> <hr/>	<hr/> <hr/>	

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 the reporting period

Unit: share

Total number of shareholders

15,308

Name of shareholder (Full name)	Shareholding of Top Ten Shareholders			Pledged or frozen		
	Shareholding as at the end of the period	Proportion (%)	Number of shares subject to selling restrictions	Status	Number of shares	Nature of shareholder
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	43.30	0	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	99,243,200	23.52	0	Unknown	–	Unknown
Tsinghua Unigroup Co., Ltd.	3,738,095	0.89	0	Unknown	–	Unknown
Liao Lunwan	2,506,274	0.59	0	Unknown	–	Unknown
Hu Suhua	1,944,500	0.46	0	Unknown	–	Unknown
He Yong	1,918,400	0.45	0	Unknown	–	Unknown
Dou Jinhua	1,720,492	0.41	0	Unknown	–	Unknown
Xin Xiangdong	1,382,300	0.33	0	Unknown	–	Unknown
Xu Rui	1,177,600	0.28	0	Unknown	–	Unknown
Lyu Linying	1,004,853	0.24	0	Unknown	–	Unknown

Particulars of top ten holders of shares not subject to selling restrictions

Name of shareholder	Number of tradable shares held not subject to selling restrictions	Class and number of shares	
		Class	Number
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	Ordinary shares denominated in RMB	182,735,052
HKSCC NOMINEES LIMITED	99,243,200	Overseas listed foreign share	99,243,200
Tsinghua Unigroup Co., Ltd.	3,738,095	Ordinary shares denominated in RMB	3,738,095
Liao Lunwan	2,506,274	Ordinary shares denominated in RMB	2,506,274
Hu Suhua	1,944,500	Ordinary shares denominated in RMB	1,944,500
He Yong	1,918,400	Ordinary shares denominated in RMB	1,918,400
Dou Jinhua	1,720,492	Ordinary shares denominated in RMB	1,720,492
Xin Xiangdong	1,382,300	Ordinary shares denominated in RMB	1,382,300
Xu Rui	1,177,600	Ordinary shares denominated in RMB	1,177,600
Lyu Linying	1,004,853	Ordinary shares denominated in RMB	1,004,853
Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders	As of the Reporting Period, shares subject to selling restrictions 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.		
Explanation on preferred shareholders whose voting rights has resumed and their shareholdings	N/A.		

2.3 As at the end of the reporting period, total number of shareholders of preference shares, shareholding of top ten shareholders of preference shares and shareholding of top ten shareholders not subject to trading moratorium

☐ Applicable ☒ Not Applicable

III. IMPORTANT MATTERS

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

☒ Applicable ☐ Not Applicable

Balance sheet items	Balance at the end of the period	Balance at the beginning of the year	Change (%)	Description
Notes receivable and accounts receivable	212,118,281.80	382,745,366.93	-44.58	Mainly due to the substantial decrease in accounts receivable during the current period
Prepayments	85,044,606.65	49,912,905.26	70.39	Mainly due to the increase in prepayments as a result of the payment policy of steel suppliers during the current period
Construction work in progress	10,489,042.51	68,468,558.01	-84.68	Mainly due to the transfer of construction in progress to fixed assets upon completion
Employee benefits payable	19,961,211.71	36,862,542.56	-45.85	Mainly due to the decrease in employee benefits payable at the end of the year
Other current liabilities	—	5,380,893.08	-100.00	Mainly due to the decrease in pending changeover VAT on sales
Long-term borrowings	18,000,000.00	5,060,000.00	255.73	Mainly due to the increase in long-term borrowings by Kuancheng Tianhai, a subsidiary of the Company
Deferred income	835,394.16	2,000,000.00	-58.23	Mainly due to payment of R&D subsidies of the 70MPa hydrogen cylinder development project during the current period

Income statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Credit impairment loss	6,918,423.39	10,718,176.89	-35.45	Mainly due to the impairment loss for account receivables were decreased as compared with same period of last year
R&D expenses	1,970,964.04	7,039,060.84	-72.00	Mainly due to the payment of subsidies of the 70MPa hydrogen cylinder development project during the current period.
Investment income	4,972,146.55	-2,322,702.26	–	Mainly due to the increase in profits from associates and joint ventures as compared with the corresponding period last year
Gain from disposal of assets	7,560,913.37	4,668,113.66	61.97	Mainly due to the disposal of the fixed assets of Langfang Tianhai during the current period
Non-operating income	10,953,676.44	5,199,931.84	110.65	Mainly due to Langfang Tianhai's liquidation income increase
Non-operating expenses	365,949.41	2,516,173.78	-85.46	Mainly due to the compensation paid for the damaged assets by a subsidiary of a subsidiary according to the settlement agreement during the corresponding period of last year
Total profit	-53,822,559.07	-79,659,594.32	–	Mainly due to the increase in profitability for the current period
Income tax expenses	6,197,963.98	3,242,856.71	91.13	Mainly due to increase in income of a subsidiary of the subsidiary Tianhai Industrial
Net profits attributable to parent company	-44,148,603.58	-68,959,329.42	–	Mainly due to the increase in profitability for the current period
Net other comprehensive income after tax	579,962.10	3,828.10	15,050.13	Mainly due to the effect of the translation balance in the financial statements of foreign currency

Cash flow statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Cash received for goods and services	863,248,943.10	619,334,929.88	39.38	Mainly due to the increase in cash repayment of sales of goods in current period as compared with last year
Refund of taxes	18,111,057.58	25,875,540.68	-30.01	Mainly due to the decrease in export tax rebate in current period as compared with last year
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	27,296,980.00		–	Mainly due to the disposal of the fixed assets of Langfang Tianhai during the current period
Cash paid to acquire fixed assets, intangible assets and other long-term assets	43,556,289.62	21,397,340.57	103.56	Mainly due to the increase in the payment of the amount of equipment Payable
Cash paid for loan repayments	263,835,896.00	177,069,476.67	49.00	Mainly due to the increase in current period's borrowings payable
Cash paid for other financing activities	–	1,800,000.00	-100.00	Mainly to the repayment of borrowings to controlling shareholder by subsidiaries
Effect of changes in foreign exchange rate on cash and cash equivalents	-207,681.49	-1,300,892.12	–	Mainly due to the effect of changes in foreign exchange rate

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

☐ Applicable ☒ Not Applicable

3.3 Overdue commitments that have not been fulfilled during the Reporting Period

☐ Applicable ☒ Not Applicable

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

☐ Applicable ☒ Not Applicable

Name of the Company	Beijing Jingcheng Machinery Electric Company Limited
Legal Representative	Wang Jun
Date	29 October 2018

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

30 September 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	88,561,152.94	78,367,503.16
Transaction settlement funds		
Loans to other banks		
Trading financial assets		
Financial assets derivatives		
Notes receivable and accounts receivable	212,118,281.80	382,745,366.93
Including: notes receivable	2,998,840.00	27,812,323.12
accounts receivable	209,119,441.80	354,933,043.81
Advances to suppliers	85,044,606.65	49,912,905.26
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Other receivables	13,380,667.75	12,891,300.46
Including: interests receivable		
dividends receivable	6,075,169.12	8,756,869.09
Financial assets purchased with agreement to re-sale		
Inventories	477,867,312.98	389,219,002.78
Contractual assets		
Held-to-sale assets		
Non-current assets due within one year		
Other current assets	58,177,743.49	56,240,621.78
Total current assets	935,149,765.61	969,376,700.37

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Loans and advances to customers		
Debt investment		
Other debt investment		
Long-term receivables		
Long-term equity investments	76,666,629.02	71,694,482.47
Other equity instruments investment		
Other non-current financial assets		
Investment properties		
Fixed assets	676,411,194.82	657,289,324.75
Construction in progress	10,489,042.51	68,468,558.01
Productive biological assets		
Oil and gas assets		
Intangible assets	137,405,570.30	139,749,967.30
Research and development expenses		
Goodwill	3,679,654.40	3,679,654.40
Long-term expenses to be amortized	12,013,522.46	14,514,756.50
Deferred tax assets	245,562.68	288,577.32
Other non-current assets		
Total non-current assets	<u>916,911,176.19</u>	<u>955,685,320.75</u>
Total assets	<u><u>1,852,060,941.80</u></u>	<u><u>1,925,062,021.12</u></u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans	293,115,021.19	285,000,000.00
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Financial liability derivatives		
Notes payable and accounts payable	242,871,441.45	260,850,663.86
Advance from customers		
Contractual liabilities	55,061,787.90	45,878,250.70
Funds from selling out and repurchasing financial assets		
Fees and commission payable		
Employee benefits payable	19,961,211.71	36,862,542.56
Taxes payable	11,679,790.66	16,683,209.97
Other payables	93,619,112.08	90,988,717.35
Including: interests receivable dividends receivable	57,000.00	446,534.71
Reinsured accounts payable		
Reserves for insurance contract		
Funds from securities trading agency		
Funds from underwriting securities agency		
Held-to-sale liabilities		
Non-current liabilities due within one year	11,000,000.00	11,000,000.00
Other current liabilities		5,380,893.08
Total current liabilities	727,308,364.99	752,644,277.52

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term loans		
Bonds payable	18,000,000.00	5,060,000.00
Including: preferred shares		
perpetual bonds		
Long-term payables	103,900,000.00	103,900,000.00
Long-term employee benefits payable	32,871,892.94	32,871,892.94
Estimated liabilities	4,243,554.25	4,243,554.25
Deferred income	835,394.16	2,000,000.00
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	159,850,841.35	148,075,447.19
Total liabilities	887,159,206.34	900,719,724.71
Owners' equity (or shareholders' equity):		
Paid-up capital (or share capital)	422,000,000.00	422,000,000.00
Other equity instruments		
Including: preferred shares		
perpetual bonds		
Capital reserves	687,349,089.60	687,349,089.60
Less: Treasury shares		
Other comprehensive income	1,469,663.27	1,154,074.87
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
General risk reserves		
Retained earnings	-611,942,129.18	-567,793,525.60
Total equity attributable to shareholders of the parent company	544,542,271.37	588,375,286.55
Non-controlling interest	420,359,464.09	435,967,009.86
Total owners' equity (or shareholders' equity):	964,901,735.46	1,024,342,296.41
Total liabilities and owners' equity	1,852,060,941.80	1,925,062,021.12
Legal Representative: Wang Jun	Person-in-charge of accounting work: Jiang Chi	Person-in-charge of accounting body: Wang Yandong

Balance Sheet of the Parent Company*30 September 2018*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

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

Item	Balance at the end of the period	Balance at the beginning of the year
Current assets:		
Cash and cash equivalents	2,193,066.74	2,638,253.33
Trading financial assets		
Financial assets derivatives		
Notes receivable and accounts receivable		
Including: notes receivable accounts receivable		
Advances to suppliers		280.00
Other receivables	373,858,979.48	417,945,979.50
Including: interests receivable dividends receivable	25,758,979.48	19,845,979.50
Inventories		
Contractual assets		
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		
Total current assets	376,052,046.22	420,584,512.83

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	694,842,724.41	694,842,724.41
Other equity instruments investment		
Other non-current financial assets		
Investment properties		
Fixed assets	24,168.12	28,160.43
Construction in progress		
Productive biological assets		
Oil and gas assets		
Intangible assets		
Research and development expenses		
Goodwill		
Long-term expenses to be amortized		
Deferred tax assets		
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<hr/> 694,866,892.53 <hr/>	<hr/> 694,870,884.84 <hr/>
Total assets	<hr/> <u>1,070,918,938.75</u> <hr/>	<hr/> <u>1,115,455,397.67</u> <hr/>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans		50,000,000.00
Financial liabilities held for trading		
Financial liability derivatives		
Notes payable and accounts payable		
Advance from customers		
Contractual liabilities		
Employee benefits payable	443,654.74	1,352,402.33
Taxes payable	1,745,800.27	206,481.13
Other payables	4,547,037.55	2,243,356.96
Including: interests payable		86,395.83
dividends payable		
Held-to-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		279,193.41
Total current liabilities	6,736,492.56	54,081,433.83
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: preferred shares		
perpetual bonds		
Long-term payables		
Long-term employee benefits payable		
Estimated liabilities		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	6,736,492.56	54,081,433.83

Item	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
Other equity instruments		
Including: preferred shares		
perpetual bonds		
Capital reserves	666,639,987.85	666,639,987.85
Less: Treasury shares		
Other comprehensive income		
Specific reserves		
Surplus reserves	38,071,282.24	38,071,282.24
Retained earnings	-62,528,823.90	-65,337,306.25
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	<hr/>	<hr/>
	1,064,182,446.19	1,061,373,963.84
Total liabilities and owners' equity (or shareholders' equity)		
	<hr/>	<hr/>
	1,070,918,938.75	1,115,455,397.67
	<hr/>	<hr/>
Legal Representative: Wang Jun	Person-in-charge of accounting work: Jiang Chi	Person-in-charge of accounting body: Wang Yandong

Consolidated Income Statement

January – September 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
1. Total operating income	288,304,153.17	312,561,346.07	763,276,665.20	848,367,431.30
Including: Operating income	288,304,153.17	312,561,346.07	763,276,665.20	848,367,431.30
Interest income				
Earned insurance premiums				
Fees and commission income				
2. Total operating cost	321,442,112.33	350,615,898.10	840,220,011.22	933,056,195.08
Including: Cost of operation	268,055,571.66	298,460,981.17	680,774,058.36	772,039,903.16
Interest expenses				
Fees and commission expenses				
Refunded premiums				
Net amount of compensation payout				
Net withdrawal from reserves for reinsurance contract				
Policy dividend payment				
Reinsured expenses				
Taxes and surcharges	1,547,122.72	2,371,434.42	7,921,925.77	9,165,992.63
Selling and distribution expenses	12,964,641.14	12,786,030.74	36,568,486.59	38,270,242.65
Administrative expenses	33,546,572.09	30,279,742.18	83,327,248.56	71,933,716.71
R&D expenses	484,469.62	1,208,278.91	1,970,964.04	7,039,060.84
Financial expenses	5,572,845.37	5,509,430.68	17,585,122.02	16,930,825.73
Including: interest expenses	1,399,804.44	4,052,681.64	13,864,870.02	14,008,982.01
interest income	59,320.95	79,751.05	1,081,961.79	180,330.22
Loss on impairment of assets			5,153,782.49	6,958,276.47
Credit impairment losses	-729,110.27		6,918,423.39	10,718,176.89

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
Add: other gains				
Investment income (Loss listed with “-”)	1,776,264.98	183,876.08	4,972,146.55	-2,322,702.26
Including: Income from investments in associates and joint ventures	1,776,264.98	183,876.08	4,972,146.55	-2,322,702.26
Gain on net exposure hedges (loss listed with “-”)				
Gain arising from the changes in fair value (loss listed with “-”)				
Gain from disposal of assets (Loss listed with “-”)	7,560,913.37	3,854,242.48	7,560,913.37	4,668,113.66
Exchange gain (Loss listed with “-”)				
3. Operating profit (Loss listed with “-”)	-23,800,780.81	-34,016,433.47	-64,410,286.10	-82,343,352.38
Add: Non-operating income	8,481,172.76	970,208.56	10,953,676.44	5,199,931.84
Less: Non-operating expenses	51,729.85	361,078.30	365,949.41	2,516,173.78
4. Total profit (Loss listed with “-”)	-15,371,337.90	-33,407,303.21	-53,822,559.07	-79,659,594.32
Less: Income tax expenses	3,524,680.07	1,152,450.07	6,197,963.98	3,242,856.71
5. Net profit (Net loss listed with “-”)	-18,896,017.97	-34,559,753.28	-60,020,523.05	-82,902,451.03
(1) Classified according to operating continuity	-18,896,017.97	-34,559,753.28	-60,020,523.05	-82,902,451.03
1. Net profit from continuing operations (with “-” for net losses)	-18,896,017.97	-34,559,753.28	-60,020,523.05	-82,902,451.03
2. Net profit from discontinuing operations (with “-” for net losses)				
(2) Classified according to attribution of the ownership	-18,896,017.97	-34,559,753.28	-60,020,523.05	-82,902,451.03
1. Net profits attributable to parent company	-15,466,153.25	-24,909,337.72	-44,148,603.58	-68,959,329.42
2. Non-controlling interests	-3,429,864.72	-9,650,415.56	-15,871,919.47	-13,943,121.61

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
6. Net other comprehensive income after tax	33,688.81	980,309.37	579,962.10	3,828.10
Net comprehensive income after-tax attributable to owners of the parent company	33,688.81	500,892.26	315,588.40	3,828.10
(1) Other comprehensive income not reclassified to profit and loss				
1. Movement due to recalculation on defined benefit plan				
2. Other comprehensive income not classified to profit and loss under equity method				
3. Changes in fair value of other equity instruments investments				
4. Changes in fair value of corporate credit risk				
(2) Other comprehensive income reclassified to profit and loss	33,688.81	500,892.26	315,588.40	3,828.10
1. Other comprehensive income classified to profit and loss under equity method				
2. Changes in fair value of other debt investment				
3. Amount included in other comprehensive income on reclassification of financial assets				
4. Provision for credit impairment of other debt investments				
5. Cash flows hedging reserve				
6. Difference in translation of foreign currencies	33,688.81	500,892.26	315,588.40	3,828.10
After-tax net comprehensive income attributable to minority shareholders	–	479,417.11	264,373.70	

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
7. Total comprehensive income	-18,862,329.16	-33,579,443.91	-59,440,560.95	-82,898,622.93
Total comprehensive income attributable to owners of the parent company	-15,432,464.44	-24,408,445.46	-43,833,015.18	-68,955,501.32
Total comprehensive income attributable to minority shareholders	-3,429,864.72	-9,170,998.45	-15,607,545.77	-13,943,121.61
8. Earnings per share:				
(1) Basic earnings per share (RMB/share)	-0.03	-0.06	-0.10	-0.16
(2) Diluted earnings per share (RMB/share)	-0.03	-0.06	-0.10	-0.16
 Legal Representative: Wang Jun	 Person-in-charge of accounting work: Jiang Chi		 Person-in-charge of accounting body: Wang Yandong	

Income Statement of the Parent Company

January – September 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
1. Operating income		10,022,327.09		10,808,883.70
Less: Operating cost				
Taxes and surcharges	82,916.84	72,661.68	94,271.46	72,661.68
Selling expenses				
Administrative expenses	3,217,067.43	1,320,787.97	5,579,277.43	3,414,178.81
R&D expenses				
Financial expenses	-8,701,410.29	608,299.79	-9,418,192.02	596,790.02
Including: interest expenses	102,104.17	612,625.01	1,445,166.69	612,625.01
interest income	8,804,281.95	5,855.37	10,866,676.14	19,522.23
Loss on impairment of assets				
Credit impairment loss				
Add: other gains				
Investment income (Loss listed with “-”)				
Including: Income from investments in associates and joint ventures				
Gains on net exposure hedges (loss listed with “-”)				
Gain arising from the changes in fair value (loss listed with “-”)				
Gain from disposal of assets (Loss listed with “-”)				

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
2. Operating profit (Loss listed with “-”)	5,401,426.02	8,020,577.65	3,744,643.13	6,725,253.19
Add: Non-operating income				
Less: Non-operating expenses				
3. Total profit (Total loss listed with “-”)	5,401,426.02	8,020,577.65	3,744,643.13	6,725,253.19
Less: Income tax expenses	936,160.78		936,160.78	
4. Net profit (Net loss listed with “-”)	4,465,265.24	8,020,577.65	2,808,482.35	6,725,253.19
(1) Net profit from continuing operations (with “-” for net losses)	4,465,265.24	8,020,577.65	2,808,482.35	6,725,253.19
(2) Net profit from discontinuing operations (with “-” for net losses)				
5. After-tax net other comprehensive income				
(1) Other comprehensive income not reclassified to profit and loss				
1. Movement due to recalculation on defined benefit plan				
2. Other comprehensive income not classified to profit and loss under equity method				
3. Changes in fair value of other equity instruments investments				
4. Changes in fair value of corporate credit risk				
(2) Other comprehensive income reclassified to profit and loss				

Item	Amount for the current period (July – September)	Amount for the last period (July – September)	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 (January – September)
1. Other comprehensive income classified to profit and loss under equity method				
2. Changes in fair value of other debt investment				
3.Amount included in other comprehensive income on reclassification of financial assets				
4.Provision for credit impairment of other debt investments				
5.Cash flows hedging reserve				
6. Difference in translation of foreign currencies				
6. Total comprehensive income	4,465,265.24	8,020,577.65	2,808,482.35	6,725,253.19
7. Earnings per share:				
(1) Basic earnings per share (RMB/share)				
(2) Diluted earnings per share (RMB/ share)				
 Legal Representative: Wang Jun	 Person-in-charge of accounting work: Jiang Chi	 Person-in-charge of accounting body: Wang Yandong		

Consolidated Cash Flow Statement

January – September 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	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 (January – September)
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	863,248,943.10	619,334,929.88
Net increase in deposits from customers and deposits from other banks		
Net increase in loans from central bank		
Net increase in loans from other financial institutions		
Cash receipts of premium of direct insurance contracts		
Net cash received from reinsurance contracts		
Net increase in deposits from insurance policy holders and investment		
Net increase in disposal of financial assets at fair value through profit and loss		
Cash receipts of interest, fees and commission		
Net increase in placement from banks and other financial institution		
Net increase in sale and repurchase operations		
Cash received from taxes refund	18,111,057.58	25,875,540.68
Cash received from other operating activities	26,438,832.24	27,605,558.45
Sub-total of cash inflows from operating activities	907,798,832.92	672,816,029.01

Item	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 (January – September)
Cash paid for goods and services	540,552,364.22	455,012,296.70
Net increase in loans and advances to customers		
Net increase in deposit with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Cash paid for interest, fees and commission		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	157,790,643.03	157,943,536.20
Payments of taxes and surcharges	45,726,801.39	39,428,249.59
Cash paid to other operating activities	104,052,273.88	98,930,901.97
Sub-total of cash outflows from operating activities	848,122,082.52	751,314,984.46
Net cash flows from operating activities	59,676,750.40	-78,498,955.45
2. Cash flows from investing activities:		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	27,296,980.00	
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
Sub-total of cash inflows from investing activities	27,296,980.00	
Cash paid to acquire fixed assets, intangible assets and other long-term assets	43,556,289.62	21,397,340.57
Cash paid for investments		
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid to other investing activities		
Sub-total of cash outflow from investing activities	43,556,289.62	21,397,340.57
Net cash flows from investing activities	-16,259,309.62	-21,397,340.57

Item	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 (January – September)
3. Cash flows from financing activities:		
Cash received from investment		
Including: Cash received by subsidiaries from investment absorption of non-controlling interest		
Cash received from borrowings	239,775,896.00	231,968,599.92
Cash received from issuance of bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	239,775,896.00	231,968,599.92
Cash paid for loan repayments	263,835,896.00	177,069,476.67
Cash paid for dividends, profits appropriation or payments of interest	8,956,109.51	10,982,251.69
Including: Dividends and profits paid to non-controlling interest		
Cash paid to other financing activities		1,800,000.00
Sub-total of cash outflows from financing activities	272,792,005.51	189,851,728.36
Net cash flows from financing activities	-33,016,109.51	42,116,871.56
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-207,681.49	-1,300,892.12
5. Net increase in cash and cash equivalents	10,193,649.78	-59,080,316.58
Add: Cash and cash equivalents at the beginning of the period	76,867,503.16	102,580,611.77
6. Cash and cash equivalents at the end of the period	87,061,152.94	43,500,295.19

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Jiang Chi

Person-in-charge of
accounting body:
Wang Yandong

Cash Flow Statement of the Parent Company

January – September 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	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 (January – September)
1. Cash flows from operating activities:		
Cash received from sale of good and rendering of services		
Cash received from taxes refund		
Cash received from other operating activities	371,330.64	565,141.59
Sub-total of cash inflows from operating activities	371,330.64	565,141.59
Cash paid for goods and services		
Cash paid to and on behalf of employees	1,463,023.83	943,123.49
Payments of taxes and surcharges	644,692.48	531,934.74
Cash paid to other operating activities	2,772,405.07	55,332,428.37
Sub-total of cash outflows from operating activities	4,880,121.38	56,807,486.60
Net cash flows from operating activities	-4,508,790.74	-56,242,345.01
2. Cash flows from investing activities:		
Cash received from investment		
Cash received from investment income		
Cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	55,595,166.67	5,631,226.67
Sub-total of cash inflows from investing activities	55,595,166.67	5,631,226.67

Item	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 (January – September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets		
Cash paid for investments		
Net cash paid to acquire subsidiaries or other business units		
Cash paid to other investing activities		
Sub-total of cash outflows from investing activities		
Net cash flows from investing activities	55,595,166.67	5,631,226.67
3. Cash flows from financing activities:		
Cash received from investment		
Cash received from borrowings		50,000,000.00
Cash received from issuing bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		50,000,000.00
Cash paid for loan repayments	50,000,000.00	
Cash paid for dividends, profits appropriation or payments of interests	1,531,562.52	612,625.01
Cash paid to other financing activities		
Sub-total of cash outflows from financing activities	51,531,562.52	612,625.01
Net cash flows from financing activities	-51,531,562.52	49,387,374.99
4. Effect of changes in foreign exchange rate on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-445,186.59	-1,223,743.35
Add: Cash and cash equivalents at the beginning of the period	2,638,253.33	3,764,017.52
6. Cash and cash equivalents at the end of the period	2,193,066.74	2,540,274.17

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Jiang Chi

Person-in-charge of
accounting body:
Wang Yandong

4.2 Audit reports

☐ Applicable ☒ Not Applicable

By Order of the Board

Beijing Jingcheng Machinery Electric Company Limited

Luan Jie

Company Secretary

Beijing, the PRC

29 October 2018

As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Ms. Jin Chunyu, Mr. Du Yuexi, Mr Xia Zhonghua. and Ms. Li Chunzhi as non-executive directors and Ms. Wu Yan, Mr. Liu Ning, Mr. Yang Xiaohui and Mr. Fan Yong as independent non-executive directors.