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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)

2019 FIRST QUARTERLY REPORT

I. IMPORTANT NOTICE

- 1.1 The board of directors (the “Board”), supervisory committee and the directors, supervisors and senior management officers of the Beijing Jingcheng Machinery Electric Company Limited (the “Company”) confirm that the information contained in this quarterly report is true, accurate, and complete without any false and misleading statements or material omissions, and individually and jointly accept legal responsibility for the contents of 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 Yan Dong, 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 First 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	1,755,699,725.50	1,775,485,766.32	-1.11
Net assets attributable to shareholders of listed company	444,289,615.24	466,876,306.94	-4.84
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year	Increase/Decrease on Year-over- year basis (%)
Net cash flow from operating activities	9,802,114.94	19,620,001.89	-50.04
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year	Increase/Decrease on Year-over- year basis (%)
Operating income	251,055,252.01	235,780,484.45	6.48
Net profit attributable to shareholders of listed company	-22,586,691.70	-21,650,195.02	—
Net profit attributable to shareholders of listed company after extraordinary items	-24,280,858.47	-21,696,484.22	—
Weighted average return on net assets (%)	-4.96	-3.75	Decreased by 1.21 percentage points
Basic earnings per share (RMB/share)	-0.05	-0.05	—
Diluted earnings per share (RMB/share)	-0.05	-0.05	—

Extraordinary Items and Amount

✓Applicable ☐ Not Applicable

Unit: Yuan
Currency: RMB

Items	Amount for current period	Description
Profit/loss on disposal of non-current assets	-39,614.44	
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)	1,510,066.00	
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		
Provision for impairment of assets due to force majeure such as natural disaster		
Profit/loss from debt restructuring	3,618.00	
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		

Items	Amount for current period	Description
Apart from hedging instruments relating to the normal operations of the Company, profit/loss from change in fair value of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and investment income from disposal of held-for-trading financial assets, derivative financial assets, held-for-trading financial liabilities, derivative financial liabilities and other debt investment		
Write back of the provision for impairment of accounts receivable and contractual assets that is individually tested for impairment		
Profit/loss from external entrusted loans		
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
Effects of one-off adjustment to current profit/loss in accordance with laws and regulations on taxation and accounting, etc		
Income of entrustment fees from entrusted operations		
Other non-operating income and expenses save for the above	-323,981.90	
Other profit and loss items falling within the meaning of non-recurring profit and loss		
Effect on minority interests (after tax)	-543,654.11	
Effect on income tax	-425.00	
Total	606,008.55	

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				23,220		
Shareholding of Top Ten Shareholders						
Name of shareholder (Full name)	Shareholding as at the end of the period	Proportion (%)	Number of shares subject to selling restrictions	Pledged or frozen		Nature of shareholder
				Status	Number of shares	
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	43.30	0	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	99,293,200	23.53	0	Nil	–	Unknown
Industrial and Commercial Bank of China - Zhonghai Energy Strategy Mixed Securities Fund	4,264,714	1.01	0	Nil	–	Unknown
Tsinghua Unigroup Co., Ltd.	2,738,095	0.65	0	Nil	–	Unknown
Feng Liancheng	2,030,500	0.48	0	Nil	–	Unknown
Liao Lunwan	1,917,074	0.45	0	Nil	–	Unknown
He Yong	1,865,020	0.44	0	Nil	–	Unknown
Xu Zihua	1,708,100	0.40	0	Nil	–	Unknown
Hong Kong Securities Clearing Company Limited	1,657,004	0.39	0	Nil	–	Unknown
Xu Rui	1,560,200	0.37	0	Nil	–	Unknown

**Shareholding of Top Ten Shareholders not subject to
Trading Moratorium**

Name of shareholder	Number of circulating shares not subject to trading moratorium		Class and number of shares	
		Class		Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	RMB ordinary shares		182,735,052
HKSCC NOMINEES LIMITED	99,293,200	Foreign shares listed overseas		99,293,200
Industrial and Commercial Bank of China - Zhonghai Energy Strategy Mixed Securities Fund	4,264,714	RMB ordinary shares		4,264,714
Tsinghua Unigroup Co., Ltd.	2,738,095	RMB ordinary shares		2,738,095
Feng Liancheng	2,030,500	RMB ordinary shares		2,030,500
Liao Lunwan	1,917,074	RMB ordinary shares		1,917,074
He Yong	1,865,020	RMB ordinary shares		1,865,020
Xu Zihua	1,708,100	RMB ordinary shares		1,708,100
Hong Kong Securities Clearing Company Limited	1,657,004	RMB ordinary shares		1,657,004
Xu Rui	1,560,200	RMB ordinary shares		1,560,200

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

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

Description on preferred shareholder of
which voting rights had resumed and its
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
Prepayments	85,793,298.82	58,395,221.68	46.92	Mainly due to the increase in prepayments as a result of change of the payment method by the steel suppliers
Employee benefits payable	12,442,300.43	22,929,823.79	-45.74	Mainly due to the payment in current period of benefits payable of last year
Taxes payable	6,513,984.13	15,822,084.92	-58.83	Mainly due to the payment in current period of non-paid taxes payable as at the end of last year

Income statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
R&D costs	232,659.27			Mainly due to the increase in R&D input during the period
Investment incomes	-22,350.73	-73,300.28		Mainly due to the decrease in profits from associates and joint ventures as compared with last year
Incomes of assets disposal		-42,610.67		Mainly due to the absence of disposal of non-current assets during the period
Non-operating income	1,561,284.25	271,796.03	474.43	Mainly due to the increase in government subsidy
Non-operating expenses	411,196.59	20,000.00	1,955.98	Mainly due to reasons such as the disposal of retired assets of subsidiary
Income tax expenses	726,514.85	1,354,289.16	-46.35	Mainly due to the decrease in income tax expenses of subsidiary during the period
Non-controlling profit and loss	-7,722,235.11	-3,883,479.02		Mainly due to the increase in the amount of losses attributable to the non-controlling shareholders

Cash flow statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Refund of taxes	8,084,074.51	2,086,082.84	287.52	Mainly due to the increase 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	58,750.00			Mainly due to the increase in cash received from disposal of fixed assets in current period as compared with last year
Cash paid to acquire fixed assets, intangible assets and other long-term assets	828,566.48	37,571,941.11	-97.79	Mainly due to the decrease in the payment of the amount of equipment payable
Cash received from borrowings		79,542,505.00	-100.00	Mainly due to there was no borrowings in current period
Cash paid for loan repayments		36,602,505.00	-100.00	Mainly due to there was no borrowing payable in current period
Effect of changes in foreign exchange rate on cash and cash equivalents	-564,463.22	-1,297,821.60	N/A	Mainly due to the effect of changes in foreign exchange rate

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

✓Applicable ☐ Not Applicable

1. On 29 August 2018, after “the Resolution on Proposed Acquisition of 10.91% Equity Interest in Beijing Bolken Energy Technology Inc. by External Investment in Cash by Beijing Tianhai Industry Co., Ltd., a Subsidiary of the Company” was considered and passed at the sixth extraordinary meeting of the ninth session of the Board of the Company. On 6 September 2018, Beijing Tianhai Industry Co., Ltd. (“Beijing Tianhai”) and Shaanxi Aerospace Science and Technology Group Co. Ltd. entered into an equity transfer agreement in respect of the abovementioned equity transfer and successfully obtained shareholding in Beijing Bolken Energy Technology Inc. (“Bolken Energy”). On 22 February 2019, the industrial and commercial registration procedures for equity change was completed and the transfer of 10.91% equity interest in Bolken Energy to Beijing Tianhai was completed. By becoming a shareholder of Bolken Energy, the Company will further strengthen the deep cooperation with Bolken Energy in the fields of natural gas and hydrogen energy, and will realize the synergy effects on basic business of Beijing Tianhai and Bolken Energy to improve the basic business of Beijing Tianhai. The Company will make full use of the gas cylinder advantage of Beijing Tianhai and the research and development advantage of Bolken Energy in the field of hydrogen energy, and learn from each other’s strength to enter various industrial chain links in the field of hydrogen energy.
2. To further optimize the capital structure, seize market opportunities, and enhance sustained profitability and ability to withstand risks, the Company planned the non-public issuance of A shares on 20 December 2018. The number of non-public issuance of A shares will be determined by the proceeds divided by the issue price, and no more than 20% of the total share capital of the Company before the issuance, i.e. 84,400,000 shares, the number of final number of issuance will be the number of issuance approved by China Securities Regulatory Commission. The proceeds from non-public issuance of A shares will be used for the Company’s type IV cylinders project, hydrogen energy research and development projects, replenishment of working capital and repayment of debts, etc. The non-public issuance for this time covers not more than 10 specific targets, including Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling shareholder of the Company, or its related parties. The project is in progress.

3. On 25 December 2018, the Company disclosed the “Indicative Announcement on Pre-Listing of Transferring Equity Interest of a Subsidiary” (Lin 2018-047). On 16 January 2019, the Company disclosed the “Announcement of Disposal of the Equity Interests in subsidiary by public tender” (Lin 2019-003). On 21 February 2019, the Company disclosed the “Announcement in relation to the Approval on the Asset Valuation Report of Shandong Tianhai By Beijing SASAC” (Lin 2019-007). On 7 March 2019, 51% equity interests in Shandong Tianhai High Pressure Containers Co., Ltd. was listed on China Beijing Equity Exchange Co., Ltd. for transfer by public tender. The base price of transfer consideration was RMB61,409,200. The Company will disclose the progress in strict compliance with the requirements of the listing rules of Shanghai and Hong Kong.

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	25 April 2019

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2019

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	31 March 2019	31 December 2018
Current assets:		
Cash at bank and on hand	51,784,428.38	61,162,121.34
Settlement reserve		
Loans to banks and other financial institutions		
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable	207,676,526.31	246,254,665.67
Including: Notes receivable	21,727,138.27	23,161,071.50
Accounts receivable	185,950,146.97	223,093,594.17
Advances to suppliers	85,793,298.82	58,395,221.68
Premiums receivable		
Reinsurance premium receivable		
Reinsurance contract reserves receivable		
Other receivables	21,368,219.54	20,470,775.75
Including: Interest receivable		
Dividends receivable	6,075,169.12	6,075,169.12
Financial assets purchased under agreements to resell		
Inventories	360,420,016.74	325,700,866.01
Contractual assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets	42,859,001.13	51,641,219.69
Total current assets	769,901,490.92	763,624,870.14

Item	31 March 2019	31 December 2018
Non-current assets:		
Loans and Advances		
Debt investment		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	124,876,598.66	124,898,949.39
Other equity instruments investment		
Other non-current financial assets		
Investment properties	28,678,859.52	28,723,902.58
Fixed assets	685,340,047.60	707,396,045.56
Construction in progress	9,559,795.95	11,653,942.58
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	127,848,288.22	128,526,552.10
Development expenditures		
Goodwill		
Long-term deferred expenses	9,245,246.29	10,298,416.72
Deferred income tax assets	249,398.34	363,087.25
Other non-current assets		
Total non-current assets	<u>985,798,234.58</u>	<u>1,011,860,896.18</u>
Total assets	<u><u>1,755,699,725.50</u></u>	<u><u>1,775,485,766.32</u></u>

Item	31 March 2019	31 December 2018
Current liabilities:		
Short-term borrowings	278,076,606.92	277,998,046.30
Borrowings from the central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable	285,908,749.79	264,374,639.10
Advances from customers		
Financial assets sold under agreements to repurchase		
Deposits and placements from other financial institutions		
Securities brokering		
Securities underwriting		
Employee benefits payable	12,442,300.43	22,929,823.79
Taxes payable	6,513,984.13	15,822,084.92
Other payables	102,890,626.15	80,624,608.94
Including: Interest payable	24,427.54	72,000.00
Dividends payable		
Fees and commissions payable		
Reinsurance amounts payable		
Contractual liabilities	34,551,611.82	48,104,438.48
Held-for-sale liabilities		
Non-current liabilities due within one year	18,000,000.00	18,000,000.00
Other current liabilities	279,193.39	286,545.11
Total current liabilities	738,663,072.63	728,140,186.64

Item	31 March 2019	31 December 2018
Non-current liabilities:		
Reserve of insurance contract		
Long-term borrowings	11,000,000.00	11,000,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bond		
Leasing liabilities		
Long-term payables	143,100,000.00	143,100,000.00
Provisions	24,637,440.48	24,637,440.48
Deferred incomes	3,251,807.32	3,251,807.32
Deferred income tax liabilities	2,087,460.36	2,087,460.36
Other non-current liabilities		
Total non-current liabilities	<u>184,076,708.16</u>	<u>184,076,708.16</u>
Total liabilities	<u><u>922,739,780.79</u></u>	<u><u>912,216,894.80</u></u>
Owners' equity (or shareholders' equity):		
Paid in capital (or capital stock)	422,000,000.00	422,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserves	687,349,089.60	687,349,089.60
Less: treasury stocks		
Other comprehensive incomes	2,308,000.57	2,308,000.57
Surplus reserves	45,665,647.68	45,665,647.68
Provisions for general risk		
Undistributed profit	-713,033,122.61	-690,446,430.91
Total owners' equity (or shareholders' equity)		
attributable to parent company	444,289,615.24	466,876,306.94
Non-controlling interest	388,670,329.47	396,392,564.58
Total owners' equity (or shareholders' equity)	<u>832,959,944.71</u>	<u>863,268,871.52</u>
Total liabilities and owners' equity		
(or shareholders' equity)	<u><u>1,755,699,725.50</u></u>	<u><u>1,775,485,766.32</u></u>

Legal Representative:
Wang Jun

Person-in-charge of accounting
work:
Jiang Chi

Person-in-charge of accounting
body:
Wang Yan Dong

Balance Sheet of the Parent Company*31 March 2019*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

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

Item	31 March 2019	31 December 2018
Current assets:		
Cash at bank and on hand	1,405,537.92	3,199,803.46
Financial assets held for trading		
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable and accounts receivable		
Including: Notes receivable		
Accounts receivable		
Advances to suppliers		280.00
Other receivables	373,391,396.14	373,391,396.14
Including: Interest receivable	27,691,396.14	27,691,396.14
Dividends receivable		
Inventories		
Contractual assets		
Held-for-sale assets		
Current portion of non-current assets		
Other current assets		
Total current assets	374,796,934.06	376,591,479.60

Item	31 March 2019	31 December 2018
Non-current assets:		
Debt investment		
Available-for-sale financial assets		
Other debt investments		
Held-to-maturity 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	43,445.33	40,541.86
Construction in progress		
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets		
Development expenditures		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	<hr/> 694,886,169.74	<hr/> 694,883,266.27
	<hr/>	<hr/>
Total assets	<hr/> <hr/> 1,069,683,103.80	<hr/> <hr/> 1,071,474,745.87

Item	31 March 2019	31 December 2018
Current liabilities:		
Short-term borrowings		
Financial liabilities held for trading		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable and accounts payable		
Advances from customers		
Contractual liabilities		
Employee benefits payable	118,383.73	1,719,891.15
Taxes payable	134,370.58	722,783.52
Other payables	4,473,733.27	2,141,585.68
Including: Interest payable		
Dividends payable		
Held-for-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	279,193.39	279,193.39
Total current liabilities	5,005,680.97	4,863,453.74
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bond		
Leasing liabilities		
Long-term payables		
Provisions		
Deferred incomes		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	5,005,680.97	4,863,453.74

Item	31 March 2019	31 December 2018
Owners' equity (or shareholders' equity):		
Paid in capital (or capital stock)	422,000,000.00	422,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bond		
Capital reserves	666,639,987.85	666,639,987.85
Less: treasury stocks		
Other comprehensive incomes		
Surplus reserves	38,071,282.24	38,071,282.24
Undistributed profit	-62,033,847.26	-60,099,977.96
	<hr/>	<hr/>
Total owners' equity (or shareholders' equity)	1,064,677,422.83	1,066,611,292.13
	<hr/> <hr/>	<hr/> <hr/>
Total liabilities and owners' equity (or shareholders' equity)	1,069,683,103.80	1,071,474,745.87
	<hr/> <hr/>	<hr/> <hr/>
	Person-in-charge of accounting	Person-in-charge of accounting
Legal Representative:	work:	body:
Wang Jun	Jiang Chi	Wang Yan Dong

Consolidated Income Statement

January – March 2019

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
1. Total operating revenue	251,055,252.01	235,780,484.45
Including: Operating revenues	251,055,252.01	235,780,484.45
Interest incomes		
Earned premiums		
Fees and commissions incomes		
2. Total operating cost	281,765,400.90	260,095,754.41
Including: Operating cost	236,274,177.90	213,527,112.13
Interest expenses		
Fees and commissions expenses		
Cash surrender amount		
Net expenses of claim settlement		
Net amount of withdrawn policy reserve		
Policyholder dividend expenses		
Expenses for reinsurance accepted		
Taxes and surcharges	1,715,548.86	2,123,512.94
Selling expenses	15,334,981.38	12,891,360.38
Administrative expenses	23,535,827.08	25,282,506.74
R&D costs	232,659.27	
Financial expenses	4,672,206.41	6,271,262.22
Including: Interest expense	3,778,040.89	4,786,943.26
Interest incomes	7,005.05	61,804.76
Assets impairment losses		
Credit impairment losses		

Item	First quarter of 2019	First quarter of 2018
Add: Other earnings		
Investment incomes (with “-” for losses)	-22,350.73	-73,300.28
Including: Investment incomes from affiliated enterprises and joint ventures	-22,350.73	-73,300.28
Exchange gains (with“-”for losses)		
Net exposure hedging income (with “-” for losses)		
Income from changes in fair value (with“-”for loss)		
Incomes of assets disposal (with“-”for losses)		-42,610.67
3. Operating profit (with“-”for loss)	-30,732,499.62	-24,431,180.91
Add: non-operating income	1,561,284.25	271,796.03
Less: non-operating expenses	411,196.59	20,000.00
4. Total profits (with“-”for total losses)	-29,582,411.96	-24,179,384.88
Less: income tax expenses	726,514.85	1,354,289.16
5. Net profits (with “-” for net losses)	-30,308,926.81	-25,533,674.04
(1) Classified according to operating continuity	-30,308,926.81	-25,533,674.04
1. Net profit from continuing operations (with “-” for net loss)	-30,308,926.81	-25,533,674.04
2. Net profit from discontinuing operations (with “-” for net loss)		
(2) Classified according to attribution of the ownership	-30,308,926.81	-25,533,674.04
1. Net profits attributable to parent company (with “-” for net losses)	-22,586,691.70	-21,650,195.02
2. Non-controlling interests (with “-” for net losses)	-7,722,235.11	-3,883,479.02

Item	First quarter of 2019	First quarter of 2018
6. Other net comprehensive incomes after-tax		
Other net after-tax comprehensive income attributable to the owner of the parent company		
(1) Other comprehensive incomes that cannot be reclassified through profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method		
3. Changes in fair value of investment by other equity instruments		
4. Changes in fair value of the enterprise's credit risk		
(2) Other comprehensive incomes that will be re-classified into profits or losses		
1. Other comprehensive incomes that can be reclassified into profits or losses under the equity method		
2. Changes in fair value of other debt investment		
3. Change loss and profit of fair value of financial assets available-for-sale		
4. The amount of financial assets reclassified into other comprehensive incomes		
5. Mature investment reclassified to loss and profit of available-for-sale financial assets		
6. Provision for impairment of credit in other debt investments		
7. Reserves for cash flow hedge		
8. Converted difference in foreign currency statements for foreign currency		
9. Others		
Other comprehensive incomes after-tax attributable to minority shareholders		

Item	First quarter of 2019	First quarter of 2018
7. Total comprehensive incomes	-30,308,926.81	-25,533,674.04
Total comprehensive incomes attributable to shareholders of the parent company	-22,586,691.70	-21,650,195.02
Total comprehensive incomes attributable to minority shareholders	-7,722,235.11	-3,883,479.02
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.05	-0.05
(2) Diluted earnings per share (RMB/share)	-0.05	-0.05
Legal Representative: Wang Jun	Person-in-charge of accounting work: Jiang Chi	Person-in-charge of accounting body: Wang Yan Dong

Income Statement of the Parent Company

January – March 2019

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
1. Operating revenues		
Less: Operating cost		
Taxes and surcharges		1,384.95
Selling expenses		
Administrative expenses	1,933,573.92	1,181,702.26
R&D costs		
Financial expenses	295.38	36,104.63
Including: Interest expense		
Interest incomes	465.72	757.54
Assets impairment losses		
Credit impairment losses		
Add: Other earnings		
Investment incomes (with “-” for losses)		
Including: Investment incomes from affiliated enterprises and joint ventures		
Net exposure hedging income (with “-” for losses)		
Income from changes in fair value (with “-” for loss)		
Incomes of assets disposal (with“-”for losses)		
2. Operating profit (with“-”for loss)	-1,933,869.30	-1,219,191.84
Add: non-operating income		
Less: non-operating expenses		
3. Total profits (with“-”for total losses)	-1,933,869.30	-1,219,191.84
Less: income tax expenses		

Item	First quarter of 2019	First quarter of 2018
4. Net profits (with “-” for net losses)	-1,933,869.30	-1,219,191.84
(1) Net profit from continuing operations (with “-” for net loss)	-1,933,869.30	-1,219,191.84
(2) Net profit from discontinuing operations (with “-” for net loss)		
5. Other net comprehensive incomes after-tax		
(1) Other comprehensive incomes that cannot be reclassified through profit or loss		
1. Changes arising from re-measurement of the defined benefit plan		
2. Other comprehensive incomes that cannot be reclassified into profits or losses under the equity method		
3. Changes in fair value of investment by other equity instruments		
4. Changes in fair value of the enterprise’s credit risk		
(2) Other comprehensive incomes that will be re-classified into profits or losses		
1. Other comprehensive incomes that can be reclassified into profits or losses under the equity method		
2. Changes in fair value of other debt investment		
3. Change loss and profit of fair value of financial assets available-for-sale		
4. The amount of financial assets reclassified into other comprehensive incomes		
5. Mature investment reclassified to loss and profit of available-for-sale financial assets		
6. Provision for impairment of credit in other debt investments		
7. Reserves for cash flow hedge		
8. Converted difference in foreign currency statements for foreign currency		
9. Others		

Item	First quarter of 2019	First quarter of 2018
6. Total comprehensive incomes	-1,933,869.30	-1,219,191.84

7. Earnings per share:

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

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

Consolidated Cash Flow Statement

January – March 2019

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services	232,587,385.66	224,870,194.34
Net increase in deposits and placements from financial institutions		
Net increase in due to central banks		
Net increase in placement from other financial institutions		
Cash received from premiums of original insurance contract		
Net amount of reinsurance business		
Net increase in deposits of the insured and investment		
Cash received from interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in repurchasing		
Net cash received from securities brokering		
Taxes and surcharges refunds	8,084,074.51	2,086,082.84
Other cash received concerning operating activities	6,968,242.49	5,404,766.11
Subtotal of cash inflows from operating activities	247,639,702.66	232,361,043.29
Cash paid for goods and services	146,335,078.78	113,061,917.07
Net increase in loans and advances		
Net increase in deposits in the Central Bank and other financial institutions		
Cash paid for claim settlements on original insurance contract		

Item	First quarter of 2019	First quarter of 2018
Net increase in financial assets held for trading		
Net increase in loans to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for policy dividends		
Cash paid to and for employees	54,860,161.45	57,918,482.83
Taxes and surcharges cash payments	14,762,259.92	19,811,903.95
Other cash paid concerning operating activities	21,880,087.57	21,948,737.55
Subtotal of cash outflows from operating activities	237,837,587.72	212,741,041.40
Net cash flows from operating activities	9,802,114.94	19,620,001.89

II. Cash flows from investing activities:

Cash received from return of investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	58,750.00	
Net cash received from disposal of subsidiaries and other business entities		
Other cash received concerning investing activities		
Subtotal of cash inflows from investing activities	58,750.00	
Cash paid for purchasing fixed assets, intangible assets and other long-term assets	828,566.48	37,571,941.11
Cash paid for investment		
Net increase in pledge loans		
Net cash paid for the disposal of subsidiaries and other business entities		
Other cash paid concerning investing activities		
Subtotal cash outflows from investing activities	828,566.48	37,571,941.11
Net cash flows from investing activities	-769,816.48	-37,571,941.11

Item	First quarter of 2019	First quarter of 2018
III. Cash flows from financing activities:		
Cash received from absorbing investment Including: Cash received from minority shareholder investment by subsidiaries		
Cash received from borrowings		79,542,505.00
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflows from financing activities		79,542,505.00
Cash paid for repayments of debts		36,602,505.00
Cash paid for allocation of dividends, profits or interest repayment	3,345,528.20	2,726,116.59
Including: dividends and profits paid to minority shareholders by subsidiaries		
Other cash paid concerning financing activities		
Subtotal of cash outflows from financing activities	3,345,528.20	39,328,621.59
Net cash flows from financing activities	-3,345,528.20	40,213,883.41
IV. Effects from change of exchange rate to cash and cash equivalents	-564,463.22	-1,297,821.60
V. Net increase in cash and cash equivalents	5,122,307.04	20,964,122.59
Add: Opening balance of cash and cash equivalents	46,662,121.34	76,867,503.16
VI. Closing balance of cash and cash equivalents	51,784,428.38	97,831,625.75
Legal Representative: Wang Jun	Person-in-charge of accounting work: Jiang Chi	Person-in-charge of accounting body: Wang Yan Dong

Cash Flow Statement of the Parent Company

January – March 2019

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	First quarter of 2019	First quarter of 2018
I. Cash flows from operating activities:		
Cash received from sales of goods or rendering of services		
Taxes and surcharges refunds		
Other cash received concerning operating activities	465.72	757.54
Subtotal of cash inflows from operating activities	465.72	757.54
Cash paid for goods and services		
Cash paid to and for employees	582,900.51	415,801.78
Taxes and surcharges cash payments	848,339.38	185,165.13
Other cash paid concerning operating activities	357,641.37	638,755.97
Subtotal of cash outflows from operating activities	1,788,881.26	1,239,722.88
Net cash flows from operating activities	-1,788,415.54	-1,238,965.34
II. Cash flows from investing activities:		
Cash received from return of investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business entities		
Other cash received concerning investing activities		2,120,479.17
Subtotal of cash inflows from investing activities		2,120,479.17

Item	First quarter of 2019	First quarter of 2018
Cash paid for purchasing fixed assets, intangible assets and other long-term assets	5,850.00	
Cash paid for investment		
Net cash paid for the disposal of subsidiaries and other business entities		
Other cash paid concerning investing activities		
Subtotal cash outflows from investing activities	5,850.00	
Net cash flows from investing activities	-5,850.00	2,120,479.17

III. Cash flows from financing activities:

Cash received from absorbing investment		
Cash received from borrowings		
Other cash received concerning financing activities		
Subtotal of cash inflows from financing activities		
Cash paid for repayments of debts		
Cash paid for allocation of dividends, profits or interest repayment		706,875.01
Other cash paid concerning financing activities		
Subtotal of cash outflows from financing activities		706,875.01
Net cash flows from financing activities		-706,875.01

IV. Effects from change of exchange rate to cash and cash equivalents

V. Net increase in cash and cash equivalents	-1,794,265.54	174,638.82
Add: Opening balance of cash and cash equivalents	3,199,803.46	2,638,253.33
VI. Closing balance of cash and cash equivalents	1,405,537.92	2,812,892.15

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

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

☐ Applicable ☒ Not Applicable

4.3 Description of retrospective adjustment to comparative figures of previous period upon first implementation of the new financial instrument standards or the new leasing standards

☐ Applicable ☒ Not Applicable

4.4 Audit reports

☐ Applicable ☒ Not Applicable

By Order of the Board

Beijing Jingcheng Machinery Electric Company Limited

Luan Jie

Company Secretary

Beijing, the PRC

25 April 2019

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.