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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)

2017 FIRST 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, Li Junjie, person-in-charge of the accounting work, and Jiang Chi, 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

	<i>Unit: Yuan</i> <i>Currency: RMB</i>		
	At the end of the reporting period	At the end of last year	Increase/Decrease comparing the end of the reporting period with the end of last year (%)
Total assets	1,849,850,081.84	1,849,908,902.76	-0.00
Net assets attributable to shareholders of listed company	546,349,277.42	565,197,855.29	-3.33
	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	-39,191,315.10	-27,233,037.35	N/A
	From the beginning of the year to the end of the reporting period	From the beginning of last year to the end of last year	Increase/Decrease on Year-over- year basis (%)
Operating income	270,438,514.09	229,373,055.81	17.90
Net profit attributable to shareholders of listed company	-18,848,577.87	-30,331,649.30	N/A
Net profit attributable to shareholders of listed company after extraordinary items	-20,698,394.36	-32,787,270.49	N/A
Weighted average return on net assets (%)	-3.39	-4.35	N/A
Basic earnings per share (RMB/share)	-0.04	-0.07	N/A
Diluted earnings per share (RMB/share)	-0.04	-0.07	N/A

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	-119,424.80	
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)	1,471,569.56	
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	932,338.81	
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 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		
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		
Other profit and loss items falling within the meaning of non-recurring profit and loss		
Effect on minority interests (after tax)	-434,667.08	
	<hr/>	
Effect on income tax		
Total	1,849,816.49	
	<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		21,168 (in which: 21,102 holders of A shares, 66 holders of H shares)				
		Shareholding of Top Ten Shareholders				
		Pledged or frozen				
Name of shareholder (Full name)	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	99,221,200	23.51	0	Unknown	–	Unknown
Wen Lixia	1,965,361	0.47	0	Unknown	–	Unknown
Bank of Communications Co., Ltd. – Chang Xin Quantify the Mixed Type Securities Investment Fund (交通銀行股份有限公司 – 長信量化先鋒混合型證券 投資基金)	1,900,075	0.45	0	Unknown	–	Unknown
He Yong	1,387,100	0.33	0	Unknown	–	Unknown
Yang Qing	1,308,224	0.31	0	Unknown	–	Unknown
Liu Shuizhen	1,230,400	0.29	0	Unknown	–	Unknown
Xu Rui	1,149,600	0.27	0	Unknown	–	Unknown
Wen Wei	1,089,200	0.26	0	Unknown	–	Unknown
Cao Xianfeng	937,900	0.22	0	Unknown	–	Unknown

Shareholding of Top Ten Shareholders not subject to Trading Moratorium

Name of shareholder	Number of circulating shares not subject to trading moratorium	Class	Class and number of shares Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	RMB ordinary shares	182,735,052
HKSCC NOMINEES LIMITED	99,221,200	Foreign shares listed overseas	99,221,200
Wen Lixia	1,965,361	RMB ordinary shares	1,965,361
Bank of Communications Co., Ltd. – Chang Xin Quantify the Mixed Type Securities Investment Fund (交通銀行股份有限公司 – 長信量化先鋒混合型證券 投資基金)	1,900,075	RMB ordinary shares	1,900,075
He Yong	1,387,100	RMB ordinary shares	1,387,100
Yang Qing	1,308,224	RMB ordinary shares	1,308,224
Liu Shuizhen	1,230,400	RMB ordinary shares	1,230,400
Xu Rui	1,149,600	RMB ordinary shares	1,149,600
Wen wei	1,089,200	RMB ordinary shares	1,089,200
Cao Xianfeng	937,900	RMB ordinary shares	937,900

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.
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Description on preferred shareholder of which voting rights had resumed and its shareholdings	N/A
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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
Other receivables	2,585,807.98	4,580,549.80	-43.55	Mainly due to the recovery of export tax rebate
Advance from customers	20,624,519.63	43,159,742.00	-52.21	Mainly due to the increase in advance from customers at the end of last year as a result of the Company's adjustment in selling price for customers who pay in advance since the steel price surged at the end of last year
Employee benefits payable	16,236,896.42	25,073,101.25	-35.24	Mainly due to current period's issuance of last year's provision for performance by subsidiaries
Interest payable	138,975.00	26,583.33	422.79	Mainly due to the increase in current period's provision for non-paid interest payable

Income statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Taxes and surcharges	3,738,899.89	2,485,419.85	50.43	Mainly due to the inclusion of property tax and relevant taxes into such item in accordance with the value-added tax accounting treatment rules issued by the Ministry of Finance
Investment income	620,955.89	2,634,176.60	-76.43	Mainly due to the decrease in profits from joint ventures as compared with last year
Non-operating expenses	119,424.80	32,308.70	269.64	Mainly due to the decrease in loss on disposal of non-current assets as compared with the corresponding period of last year
Total profits	-24,802,628.06	-42,876,552.18	N/A	Mainly due to the increase in operating income as compared with last year and improved profitability
Income tax expense	1,049,979.40	787,543.48	33.32	Mainly due to the increase in profits of the subsidiaries of Tianhai Industrial, a subsidiary of the Company

Cash flow statement items	Amount for the		Change (%)	Description
	Amount for the current period	corresponding period last year		
Cash from other operating-related activities	4,387,088.54	2,975,634.97	47.43	Mainly due to the increase in cash received from other related operating activities
Cash paid for goods and services	121,152,445.02	71,679,318.72	69.02	Mainly due to the increase in market demand as compared with last year and hence the production investment increased
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	113,069.40	-100.00	Mainly due the decrease in cash from disposal of fixed assets for current period as compared with the corresponding period of last year
Cash paid to acquire fixed assets, intangible assets and other long-term assets	8,913,526.10	24,130,522.00	-63.06	Mainly due to the decrease in the payment of the amount of equipment payable
Cash received from borrowings	88,279,160.00	60,000,000.00	47.13	Mainly due to the increase in borrowings by subsidiaries in current period
Cash paid for loan repayments	60,000,000.00	86,315,080.00	-30.49	Mainly due to the decrease in current period's borrowings payable
Cash paid to other financing activities	600,000.00			Mainly due to the repayment of borrowings to controlling shareholders by subsidiaries
Effect of changes in foreign exchange rate on cash and cash equivalents	-295,036.62	-67,507.72	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

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	28 April 2017

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

31 March 2017

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	94,774,230.61	118,829,271.77
Transaction settlement funds		
Loans to other banks		
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable	14,100,169.72	16,314,951.71
Accounts receivable	264,738,103.52	215,185,885.26
Advances to suppliers	28,146,623.28	36,211,833.81
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable		
Dividends receivable		
Other receivables	2,585,807.98	4,580,549.80
Financial assets purchased with agreement to re-sale		
Inventories	337,516,510.10	317,127,619.90
Held-to-sale assets		
Non-current assets due within one year		
Other current assets	51,437,068.45	54,172,565.88
Total current assets	793,298,513.66	762,422,678.13

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	75,802,637.47	75,181,681.58
Investment properties		
Fixed assets	812,354,088.83	841,900,126.42
Construction in progress		
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	150,458,835.63	151,586,583.57
Research and development expenses		
Goodwill	3,679,654.40	3,679,654.40
Long-term expenses to be amortized	14,016,326.85	14,852,487.39
Deferred tax assets	240,025.00	285,691.27
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	1,056,551,568.18	1,087,486,224.63
	<hr/>	<hr/>
Total assets	<u>1,849,850,081.84</u>	<u>1,849,908,902.76</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans	218,279,160.00	190,000,000.00
Borrowings from central bank		
Deposit taking and deposit in inter-bank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit and loss		
Financial liability derivatives		
Notes payable	33,000,000.00	30,000,000.00
Accounts payable	276,823,833.66	268,518,401.08
Advance from customers	20,624,519.63	43,159,742.00
Funds from selling out and repurchasing financial assets		
Fees and commission payable		
Employee benefits payable	16,236,896.42	25,073,101.25
Taxes payable	5,868,398.03	4,755,774.34
Interests payable	138,975.00	26,583.33
Dividends payable		
Other payables	183,373,281.33	167,017,675.53
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	279,193.40	279,193.40
	<hr/>	<hr/>
Total current liabilities	<u>765,624,257.47</u>	<u>739,830,470.93</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee benefits payable	31,163,678.50	31,163,678.50
Special payables	103,900,000.00	103,900,000.00
Estimated liabilities	3,129,430.00	3,129,430.00
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>138,193,108.50</u>	<u>138,193,108.50</u>
Total liabilities	<u><u>903,817,365.97</u></u>	<u><u>878,023,579.43</u></u>
Owners' Equity		
Share capital	422,000,000.00	422,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	683,803,181.69	683,803,181.69
Less: Treasury shares		
Other comprehensive income	2,390,915.53	2,390,915.53
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
General risk reserves		
Retained earnings	-607,510,467.48	-588,661,889.61
Total equity attributable to shareholders of the Company	546,349,277.42	565,197,855.29
Non-controlling interest	399,683,438.45	406,687,468.04
	<hr/>	<hr/>
Total owners' equity	<u>946,032,715.87</u>	<u>971,885,323.33</u>
	<hr/>	<hr/>
Total liabilities and owners' equity	<u><u>1,849,850,081.84</u></u>	<u><u>1,849,908,902.76</u></u>

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Li Junjie

Person-in-charge of
accounting body:
Jiang Chi

Balance Sheet of the Parent Company

31 March 2017

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	3,392,789.45	3,764,017.52
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable		
Accounts receivable		
Advances to suppliers		
Interest receivables	16,270,562.82	16,270,562.82
Dividend receivables		
Other receivables	345,100,000.00	345,100,000.00
Inventories		
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		9,393.32
	<hr/>	<hr/>
Total current assets	<u>364,763,352.27</u>	<u>365,143,973.66</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	694,842,724.41	694,842,724.41
Investment properties		
Fixed assets	6,611.53	6,923.08
Construction in progress		
Construction materials		
Disposal of fixed assets		
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		
	_____	_____
Total non-current assets	<u>694,849,335.94</u>	<u>694,849,647.49</u>
Total assets	<u><u>1,059,612,688.21</u></u>	<u><u>1,059,993,621.15</u></u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans		
Financial liabilities at fair value through profit and loss		
Financial liability derivatives		
Notes payable		
Accounts payable		
Advance from customers		
Employee benefits payable	140,529.60	718,140.84
Taxes payable	8,314.85	15,154.89
Interests payable		
Dividends payables		
Other payables	6,676,548.23	5,565,688.80
Held-to-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	279,193.40	279,193.40
	_____	_____
Total current liabilities	7,104,586.08	6,578,177.93
	=====	=====
Non-current liabilities:		
Long-term loans		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee benefits payable		
Special Payables		
Estimated liabilities		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
	_____	_____
Total non-current liabilities	_____	_____
	_____	_____
Total liabilities	7,104,586.08	6,578,177.93
	=====	=====

Item	Balance at the end of the period	Balance at the beginning of the year
Owners' equity:		
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	-74,203,167.96	-73,295,826.87
	<hr/>	<hr/>
Total owners' equity	1,052,508,102.13	1,053,415,443.22
	<hr/>	<hr/>
Total liabilities and owners' equity	<u>1,059,612,688.21</u>	<u>1,059,993,621.15</u>

Legal Representative: Wang Jun	Person-in-charge of accounting work: Li Junjie	Person-in-charge of accounting body: Jiang Chi
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Consolidated Income Statement

January – March 2017

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Current period	Last period
1. Total operating income	270,438,514.09	229,373,055.81
Including: Operating income	270,438,514.09	229,373,055.81
Interest income		
Earned insurance premiums		
Fees and commission income		
2. Total operating cost	298,146,581.61	277,912,402.55
Including: Cost of operation	252,685,838.31	224,227,232.67
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	3,738,899.89	2,485,419.85
Selling and distribution expenses	13,500,785.01	16,292,580.79
Administrative expenses	23,539,066.13	30,575,107.53
Financial expenses	4,681,992.27	4,332,061.71
Loss on impairment of assets		
Add: Gain arising from the changes in fair value (loss listed with “-”)		
Investment income (Loss listed with “-”)	620,955.89	2,634,176.60
Including: Income from investments in associates and joint ventures (Loss listed with “-”)	620,955.89	2,634,176.60
Exchange gain (Loss listed with “-”)		

Item	Current period	Last period
3. Operating profit (Loss listed with “-”)	-27,087,111.63	-45,905,170.14
Add: Non-operating income	2,403,908.37	3,060,926.66
Including: Gain from disposal of non-current assets		
Less: Non-operating expenses	119,424.80	32,308.70
Including: Loss on disposal of non-current assets	119,424.80	32,308.70
4. Total profit (Loss listed with “-”)	-24,802,628.06	-42,876,552.18
Less: Income tax expenses	1,049,979.40	787,543.48
5. Net profit (Net loss listed with “-”)	-25,852,607.46	-43,664,095.66
Net profit attributable to the owners of the parent company	-18,848,577.87	-30,331,649.30
Minority shareholder’s profit and loss	-7,004,029.59	-13,332,446.36
6. Net other comprehensive income after tax		
Net comprehensive income after-tax attributable to owners of the parent company		
(1) Other comprehensive income not reclassified to profit and loss in the future		
1. Net liability or net asset movement due to recalculation on defined benefit plan		
2. Other comprehensive income not classified to profit and loss in the future shared by investee accounted under equity method		
(2) Other comprehensive income reclassified to profit and loss in the future		
1. Other comprehensive income classified to profit and loss in the future shared by investee accounted under equity method		
2. Gain/loss on fair value movement for available-for-sale financial assets		
3. Gain/loss on held-till-maturity investment reclassified to financial assets available-for-sale		
4. Effective Gain/loss on cash flow hedge		
5. Difference in translation of foreign currencies		
6. Others		
After-tax net comprehensive income attributable to minority shareholders		

Item	Current period	Last period
7. Total comprehensive income	-25,852,607.46	-43,664,095.66
Total comprehensive income attributable to owners of the parent company	-18,848,577.87	-30,331,649.30
Total comprehensive income attributable to minority shareholders	-7,004,029.59	-13,332,446.36
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.04	-0.07
(2) Diluted earnings per share (RMB/share)	-0.04	-0.07

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

Income Statement of the Parent Company

January – March 2017

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB
Audit type: Unaudited

Item	Current period	Last period
1. Operating income		
Less: Operating cost		
Taxes and surcharges		
Selling expenses		
Administrative expenses	906,481.09	2,298,769.09
Financial expenses	860.00	816.12
Loss on impairment of assets		
Add: Gain arising from the changes in fair value (Loss listed with “-”)		
Investment income (Loss listed with “-”)		
Including: Income from investments in associates and joint ventures		
2. Operating profit (Loss listed with “-”)	-907,341.09	-2,299,585.21
Add: Non-operating income		
Including: Gain from disposal of non-current assets		
Less: Non-operating expenses		
Including: Loss on disposal of non-current assets		
3. Total profit (Total loss listed with “-”)	-907,341.09	-2,299,585.21
Less: Income tax expenses		
4. Net profit (Net loss listed with “-”)	-907,341.09	-2,299,585.21

Item	Current period	Last period
5. After-tax net other comprehensive income		
(1) Other comprehensive income not reclassified to profit and loss in the future		
1. Net liability or net asset movement due to recalculation on defined benefit plan		
2. Other comprehensive income not classified to profit and loss in the future shared by investee accounted under equity method		
(2) Other comprehensive income reclassified to profit and loss in the future		
1. Other comprehensive income classified to profit and loss in the future shared by investee accounted under equity method		
2. Gain/loss on fair value movement for available-for-sale financial assets		
3. Gain/loss on held-till-maturity investment reclassified to financial assets available-for-sale		
4. Effective Gain/loss on cash flow hedge		
5. Difference in translation of foreign currencies		
6. Others		
6. Total comprehensive income	-907,341.09	-2,299,585.21

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: Li Junjie	Person-in-charge of accounting body: Jiang Chi
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Consolidated Cash Flow Statement

January – March 2017

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Current period	Last period
1. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	154,929,133.06	125,987,592.64
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	7,308,341.61	6,719,462.44
Cash received from other operating activities	4,387,088.54	2,975,634.97
Sub-total of cash inflows from operating activities	<u>166,624,563.21</u>	<u>135,682,690.05</u>
Cash paid for goods and services	121,152,445.02	71,679,318.72
Net increase in loans and advances to customers		

Item	Current period	Last period
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	52,039,273.57	48,063,645.37
Payments of taxes and surcharges	11,754,054.56	15,926,194.86
Cash paid to other operating activities	20,870,105.16	27,246,568.45
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	205,815,878.31	162,915,727.40
	<hr/>	<hr/>
Net cash flows from operating activities	<u>-39,191,315.10</u>	<u>-27,233,037.35</u>
 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		113,069.40
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities		113,069.40
	<hr/>	<hr/>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	8,913,526.10	24,130,522.00
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		
	<hr/>	<hr/>
Sub-total of cash outflow from investing activities	8,913,526.10	24,130,522.00
	<hr/>	<hr/>
Net cash flows from investing activities	<u>-8,913,526.10</u>	<u>-24,017,452.60</u>

Item	Current period	Last period
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	88,279,160.00	60,000,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	88,279,160.00	60,000,000.00
Cash paid for loan repayments	<u>60,000,000.00</u>	<u>86,315,080.00</u>
Cash paid for dividends, profits appropriation or payments of interest	3,334,323.34	4,173,934.73
Including: Dividends and profits paid to non-controlling interest		
Cash paid to other financing activities	<u>600,000.00</u>	<u></u>
Sub-total of cash outflows from financing activities	<u>63,934,323.34</u>	<u>90,489,014.73</u>
Net cash flows from financing activities	<u><u>24,344,836.66</u></u>	<u><u>-30,489,014.73</u></u>
4. Effect of changes in foreign exchange rate on cash and cash equivalents	-295,036.62	-67,507.72
5. Net increase in cash and cash equivalents	-24,055,041.16	-81,807,012.40
Add: Cash and cash equivalents at the beginning of the period	102,580,611.77	175,776,574.47
6. Cash and cash equivalents at the end of the period	78,525,570.61	93,969,562.07

Legal Representative:
Wang Jun

Person-in-charge of
accounting work:
Li Junjie

Person-in-charge of
accounting body:
Jiang Chi

Cash Flow Statement of the Parent Company

January – March 2017

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB
Audit type: Unaudited

Item	Current period	Last period
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		
Sub-total of cash inflows from operating activities		
Cash paid for goods and services		
Cash paid to and on behalf of employees	328,499.07	79,912.33
Payments of taxes and surcharges		
Cash paid to other operating activities	42,729.00	884,078.62
Sub-total of cash outflows from operating activities	371,228.07	963,990.95
Net cash flows from operating activities	<u>-71,228.07</u>	<u>-963,990.95</u>

Item	Current period	Last period
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		
Sub-total of cash inflows from investing activities		
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		
3. Cash flows from financing activities:		
Cash received from investment		
Cash received from borrowings		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities		
Cash paid for loan repayments		
Cash paid for dividends, profits appropriation or payments of interests		
Cash paid to other financing activities		
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities		

Item	Current period	Last period
4. Effect of changes in foreign exchange rate on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-371,228.07	-963,990.95
Add: Cash and cash equivalents at the beginning of the period	3,764,017.52	4,152,554.89
6. Cash and cash equivalents at the end of the period	3,392,789.45	3,188,563.94

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

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
28 April 2017

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