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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)

2018 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

	<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	1,935,148,969.16	1,925,062,021.12	0.52
Net assets attributable to shareholders of listed company	566,725,091.53	588,375,286.55	-3.68
	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	19,620,001.89	-39,191,315.10	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	235,780,484.45	270,438,514.09	-12.82
Net profit attributable to shareholders of listed company	-21,650,195.02	-18,848,577.87	N/A
Net profit attributable to shareholders of listed company after extraordinary items	-21,696,484.22	-20,698,394.36	N/A
Weighted average return on net assets (%)	-3.75	-3.39	N/A
Basic earnings per share (RMB/share)	-0.05	-0.04	N/A
Diluted earnings per share (RMB/share)	-0.05	-0.04	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	-42,610.67	
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)	35,282.00	
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	216,539.01	
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	-24.98	
Other profit and loss items falling within the meaning of non-recurring profit and loss		
Effect on minority interests (after tax)	-110,665.24	
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Effect on income tax	-52,230.92	
Total	46,289.20	
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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 15,034

Name of shareholder (Full name)	Shareholding of Top Ten Shareholders		Number of shares subject to selling restrictions	Pledged or frozen		
	Shareholding as at the end of the period	Proportion (%)		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	99,239,200	23.52	0	Nil	–	Unknown
Tsinghua Unigroup Co., Ltd.	3,888,095	0.92	0	Nil	–	Unknown
Dou Jinhua	2,613,252	0.62	0	Nil	–	Unknown
Liao Lunwan	2,506,274	0.59	0	Nil	–	Unknown
He Yong	2,186,300	0.52	0	Nil	–	Unknown
Wang Junmin	1,526,466	0.36	0	Nil	–	Unknown
Yang Qing	1,409,500	0.33	0	Nil	–	Unknown
Xu Rui	1,157,300	0.27	0	Nil	–	Unknown
Lyu Linying	1,004,853	0.24	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	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		Foreign shares listed overseas	
Tsinghua Unigroup Co., Ltd.	3,888,095	RMB ordinary shares	3,888,095
Dou Jinhua	2,613,252	RMB ordinary shares	2,613,252
Liao Lunwan	2,506,274	RMB ordinary shares	2,506,274
He Yong	2,186,300	RMB ordinary shares	2,186,300
Wang Junmin	1,526,466	RMB ordinary shares	1,526,466
Yang Qing	1,409,500	RMB ordinary shares	1,409,500
Xu Rui	1,157,300	RMB ordinary shares	1,157,300
Lyu Linying	1,004,853	RMB ordinary shares	1,004,853

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
Prepayments	91,309,114.39	49,912,905.26	82.94	Mainly due to the increase in prepayments as a result of change of the payment method by the steel suppliers
Dividends receivables	6,075,169.12	8,756,869.09	-30.62	Mainly due to the receipt of 2015 dividend
Construction work in progress	1,887,177.28	68,468,558.01	-97.24	Mainly due to the completion of the Kuancheng Tianhai work which was subsequently transferred to fixed assets
Notes payable	21,000,000.00	3,000,000.00	600.00	Mainly due to the increase of bank's acceptance bill billed by the subsidiaries
Taxes expenses payable	6,524,261.76	16,683,209.97	-60.89	Mainly due to the payment in current period of non-paid taxes payable as at the end of last year
Interest payable	24,427.54	446,534.71	-94.53	Mainly due to the decrease in current period's provision for non-paid interest payable
Long-term borrowings	18,000,000.00	5,060,000.00	255.73	Mainly due to the receipt of long-term borrowings current balance of the loan of 18 million due in 36 months under the loan agreement that the subsidiary of Beijing Tianhai Industrial Co., Ltd. ("Tianhai Industrial"), a subsidiary of the Company, Kuancheng Tianhai Pressure Vessel Co., Ltd. and Bank of China Limited Chengde branch entered into

Income statement items	Amount for the current period	Amount for the corresponding period last year	Change (%)	Description
Taxes and surcharges	2,123,512.94	3,738,899.89	-43.20	Mainly due to the decrease in property tax and relevant taxes expenses as a result of disposal of Langfang property in the second half of 2017
Finance expenses	6,271,262.22	4,681,992.27	33.94	Mainly due to the increase in facility and finance expenses
Investment incomes	-73,300.28	620,955.89	-111.80	Mainly due to the decrease in profits from joint ventures as compared with last year
Gain from disposal of assets	-42,610.67	-119,424.80	N/A	Mainly due to the decrease in loss on disposal of non-current assets as compared with last year
Non-operating income	271,796.03	2,403,908.37	-88.69	Mainly due to the decrease in government subsidy and income from debt restructuring
Non-operating expenses	20,000.00	–		Mainly due to the expenses on environmental protection of subsidiaries in current period

Cash flow statement items	Amount for the		Change (%)	Description
	Amount for the current period	corresponding period last year		
Cash paid for goods and services	224,870,194.34	154,929,133.06	45.14	Mainly due to the increase in cash repayment of sales of products in current period as compared with last year
Refund of taxes	2,086,082.84	7,308,341.61	-71.46	Mainly due to the decrease in export tax rebate in current period as compared with last year
Taxes and fees paid	19,811,903.95	11,754,054.56	68.55	Mainly due to the payment of income tax of Tianjin Tianhai High Pressure Container Co., Ltd., a subsidiary of Tianhai Industrial
Cash paid to acquire fixed assets, intangible assets and other long-term assets	37,571,941.11	8,913,526.10	321.52	Mainly due to the increase in the payment of the amount of equipment payable
Cash paid for loan repayments	36,602,505.00	60,000,000.00	-39.00	Mainly due to the decrease in current period's borrowings payable
Cash paid to other financing activities	–	600,000.00	N/A	Mainly due to the repayment of borrowings to controlling shareholders by subsidiaries last year
Effect of changes in foreign exchange rate on cash and cash equivalents	-1,297,821.60	-295,036.62	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	26 April 2018

IV. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

31 March 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	96,331,625.75	78,367,503.16
Transaction settlement funds		
Loans to other banks		
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable	28,780,605.91	27,812,323.12
Accounts receivable	298,619,056.23	354,933,043.81
Advances to suppliers	91,309,114.39	49,912,905.26
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable		
Dividends receivable	6,075,169.12	8,756,869.09
Other receivables	4,867,701.60	4,134,431.37
Financial assets purchased with agreement to re-sale		
Inventories	412,029,293.27	389,219,002.78
Held-to-sale assets		
Non-current assets due within one year		
Other current assets	64,750,457.79	56,240,621.78
Total current assets	1,002,763,024.06	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		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	71,621,182.19	71,694,482.47
Investment properties		
Fixed assets	701,525,721.20	657,289,324.75
Construction in progress	1,887,177.28	68,468,558.01
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	138,923,111.93	139,749,967.30
Research and development expenses		
Goodwill	3,679,654.40	3,679,654.40
Long-term expenses to be amortized	14,503,535.42	14,514,756.50
Deferred tax assets	245,562.68	288,577.32
Other non-current assets		
	<hr/>	<hr/>
Total non-current assets	932,385,945.10	955,685,320.75
	<hr/>	<hr/>
Total assets	<u>1,935,148,969.16</u>	<u>1,925,062,021.12</u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans	315,046,461.70	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 at fair value through profit and loss		
Financial liability derivatives		
Notes payable	21,000,000.00	3,000,000.00
Accounts payable	221,949,362.80	257,850,663.86
Advance from customers	50,981,513.50	45,878,250.70
Funds from selling out and repurchasing financial assets		
Fees and commission payable		
Employee benefits payable	27,652,329.69	36,862,542.56
Taxes payable	6,524,261.76	16,683,209.97
Interests payable	24,427.54	446,534.71
Dividends payable		
Other payables	115,765,649.53	90,542,182.64
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	5,380,893.08
	<hr/>	<hr/>
Total current liabilities	775,324,899.60	752,644,277.52
	<hr/> <hr/>	<hr/> <hr/>

Item	Balance at the end of the period	Balance at the beginning of the year
Non-current liabilities:		
Long-term loans	18,000,000.00	5,060,000.00
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term employee benefits payable	32,871,892.94	32,871,892.94
Special payables	103,900,000.00	103,900,000.00
Estimated liabilities	4,243,554.25	4,243,554.25
Deferred income	2,000,000.00	2,000,000.00
Deferred tax liabilities		
Other non-current liabilities		
	<hr/>	<hr/>
Total non-current liabilities	<u>161,015,447.19</u>	<u>148,075,447.19</u>
Total liabilities	<u><u>936,340,346.79</u></u>	<u><u>900,719,724.71</u></u>
Owners' Equity		
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	1,154,074.87	1,154,074.87
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
General risk reserves		
Retained earnings	-589,443,720.62	-567,793,525.60
Total equity attributable to owners of the Company	566,725,091.53	588,375,286.55
Non-controlling interest	432,083,530.84	435,967,009.86
	<hr/>	<hr/>
Total owners' equity	<u>998,808,622.37</u>	<u>1,024,342,296.41</u>
	<hr/>	<hr/>
Total liabilities and owners' equity	<u><u>1,935,148,969.16</u></u>	<u><u>1,925,062,021.12</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 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	2,812,892.15	2,638,253.33
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable		
Accounts receivable		
Advances to suppliers		280.00
Interest receivables	18,345,979.50	19,845,979.50
Dividend receivables		
Other receivables	398,100,000.00	398,100,000.00
Inventories		
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		
Total current assets	419,258,871.65	420,584,512.83

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	26,829.66	28,160.43
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>694,869,554.07</u>	<u>694,870,884.84</u>
Total assets	<u><u>1,114,128,425.72</u></u>	<u><u>1,115,455,397.67</u></u>

Item	Balance at the end of the period	Balance at the beginning of the year
Current liabilities:		
Short-term loans	50,000,000.00	50,000,000.00
Financial liabilities at fair value through profit and loss		
Financial liability derivatives		
Notes payable		
Accounts payable		
Advance from customers		
Employee benefits payable	434,468.82	1,352,402.33
Taxes payable	32,026.44	206,481.13
Interests payable		86,395.83
Dividends payables		
Other payables	3,227,965.05	2,156,961.13
Held-to-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities	279,193.41	279,193.41
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Total current liabilities	53,973,653.72	54,081,433.83
	<hr/> <hr/>	<hr/> <hr/>
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		
	<hr/>	<hr/>
Total non-current liabilities	0	
	<hr/>	<hr/>
Total liabilities	53,973,653.72	54,081,433.83
	<hr/> <hr/>	<hr/> <hr/>

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	-66,556,498.09	-65,337,306.25
	<u>1,060,154,772.00</u>	<u>1,061,373,963.84</u>
Total owners' equity	<u>1,060,154,772.00</u>	<u>1,061,373,963.84</u>
Total liabilities and owners' equity	<u>1,114,128,425.72</u>	<u>1,115,455,397.67</u>

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

January – March 2018

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Audit type: Unaudited

Item	Current period	Last period
1. Total operating income	235,780,484.45	270,438,514.09
Including: Operating income	235,780,484.45	270,438,514.09
Interest income		
Earned insurance premiums		
Fees and commission income		
2. Total operating cost	260,095,754.41	298,146,581.61
Including: Cost of operation	213,527,112.13	252,685,838.31
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	2,123,512.94	3,738,899.89
Selling and distribution expenses	12,891,360.38	13,500,785.01
Administrative expenses	25,282,506.74	23,539,066.13
Financial expenses	6,271,262.22	4,681,992.27
Loss on impairment of assets	–	
Add: Gain arising from the changes in fair value (loss listed with “-”)		
Investment income (Loss listed with “-”)	-73,300.28	620,955.89
Including: Income from investments in associates and joint ventures (Loss listed with “-”)	-73,300.28	620,955.89
Gain from disposal of assets (Loss listed with “-”)	-42,610.67	-119,424.80
Exchange gain (Loss listed with “-”)		
Other income		

Item	Current period	Last period
3. Operating profit (Loss listed with “-”)	-24,431,180.91	-27,206,536.43
Add: Non-operating income	271,796.03	2,403,908.37
Less: Non-operating expenses	20,000.00	—
4. Total profit (Loss listed with “-”)	-24,179,384.88	-24,802,628.06
Less: Income tax expenses	1,354,289.16	1,049,979.40
5. Net profit (Net loss listed with “-”)	-25,533,674.04	-25,852,607.46
(1) Categorized by operation continuity		
1. Net profit from continuing operations (net loss presented by “-”)	-25,533,674.04	-25,852,607.46
2. Net profit from discontinued operation (net loss presented by “-”)		
(2) Categorized by ownership		
1. Minority shareholder’s profit and loss	-3,883,479.02	-7,004,029.59
2. Net profit attributable to the shareholders of the parent company	-21,650,195.02	-18,848,577.87
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		
Total comprehensive income attributable to owners of the parent company	-21,650,195.02	-18,848,577.87
Total comprehensive income attributable to minority shareholders	-3,883,479.02	-7,004,029.59
8. Earnings per share:		
(1) Basic earnings per share (RMB/share)	-0.05	-0.04
(2) Diluted earnings per share (RMB/share)	-0.05	-0.04

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

Income Statement of the Parent Company

January – March 2018

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	1,384.95	
Selling expenses		
Administrative expenses	1,181,702.26	906,481.09
Financial expenses	36,104.63	860.00
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		
Gain from disposal of assets (Loss listed with “-”)		
Other income		
2. Operating profit (Loss listed with “-”)	-1,219,191.84	-907,341.09
Add: Non-operating income		
Less: Non-operating expenses		
3. Total profit (Total loss listed with “-”)	-1,219,191.84	-907,341.09
Less: Income tax expenses		
4. Net profit (Net loss listed with “-”)	-1,219,191.84	-907,341.09
(1) Net profit from continuing operations (net loss presented by “-”)	-1,219,191.84	-907,341.09
(2) Net profit from discontinued operation (net loss presented by “-”)		

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	-1,219,191.84	-907,341.09

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 Yan Dong
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Consolidated Cash Flow Statement

January – March 2018

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	224,870,194.34	154,929,133.06
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	2,086,082.84	7,308,341.61
Cash received from other operating activities	5,404,766.11	4,387,088.54
Sub-total of cash inflows from operating activities	<u>232,361,043.29</u>	<u>166,624,563.21</u>
Cash paid for goods and services	113,061,917.07	121,152,445.02
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	57,918,482.83	52,039,273.57
Payments of taxes and surcharges	19,811,903.95	11,754,054.56
Cash paid to other operating activities	<u>21,948,737.55</u>	<u>20,870,105.16</u>
Sub-total of cash outflows from operating activities	<u>212,741,041.40</u>	<u>205,815,878.31</u>
Net cash flows from operating activities	<u><u>19,620,001.89</u></u>	<u><u>-39,191,315.10</u></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		
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	37,571,941.11	8,913,526.10
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	<u>37,571,941.11</u>	<u>8,913,526.10</u>
Net cash flows from investing activities	<u><u>-37,571,941.11</u></u>	<u><u>-8,913,526.10</u></u>

Cash Flow Statement of the Parent Company

January – March 2018

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	757.54	
Sub-total of cash inflows from operating activities	757.54	
Cash paid for goods and services		
Cash paid to and on behalf of employees	415,801.78	328,499.07
Payments of taxes and surcharges	185,165.13	
Cash paid to other operating activities	638,755.97	42,729.00
Sub-total of cash outflows from operating activities	1,239,722.88	371,228.07
Net cash flows from operating activities	<u>-1,238,965.34</u>	<u>-371,228.07</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	2,120,479.17	_____
Sub-total of cash inflows from investing activities	<u>2,120,479.17</u>	_____
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	<u><u>2,120,479.17</u></u>	<u><u> </u></u>
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	706,875.01	
Cash paid to other financing activities	_____	_____
Sub-total of cash outflows from financing activities	<u>706,875.01</u>	_____
Net cash flows from financing activities	<u><u>-706,875.01</u></u>	<u><u> </u></u>

Item	Current period	Last period
4. Effect of changes in foreign exchange rate on cash and cash equivalents	0	
5. Net increase in cash and cash equivalents	174,638.82	-371,228.07
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	2,812,892.15	3,392,789.45

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

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
26 April 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.