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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)**

## 2015 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 Directors failing to attend the meeting: Independent non-executive directors Wu Yan, Fan Yong could not attend the meeting due to other business and authorized independent non-executive directors Liu Ning, Yang Xiaohui to act as proxies to attend and vote at the meeting respectively.
- 1.3 Hu Chuanzhong, Person-in-charge of the Company, Li Junjie, Person-in-charge of the Accounting work, and Jiang Chi, director (Head of accounting) of the accounting firm, have declared that they guarantee 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. FINANCIAL HIGHLIGHTS AND CHANGES IN SHAREHOLDERS

### 2.1 Financial Highlights

*Unit: RMB Yuan*

	<b>At the end of the reporting period</b>	<b>At the end of last year</b>	<b>Increase/Decrease comparing the end of the reporting period with the end of last year (%)</b>
Total assets	2,432,303,667.74	2,507,883,349.66	-3.01
Net assets attributable to shareholders of listed company	894,010,303.19	919,530,631.51	-2.78
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year</b>	<b>Increase/Decrease on Year-over- year basis (%)</b>
Net cash flow from operating activities	-25,192,622.61	-12,629,275.56	N/A
	<b>From the beginning of the year to the end of the reporting period</b>	<b>From the beginning of last year to the end of last year</b>	<b>Increase/Decrease on Year-over- year basis (%)</b>
Operating income	290,609,882.41	446,388,718.32	-34.90
Net profit attributable to shareholders of listed company	-25,520,328.32	47,337,245.01	-153.91
Net profit attributable to shareholders of listed company after extraordinary items	-24,913,669.16	-19,581,959.55	N/A
Weighted average return on net assets (%)	-2.81	5.72	Decrease by-8.53 percentage points
Basic earnings per share (RMB/share)	-0.06	0.11	-154.55
Diluted earnings per share (RMB/share)	-0.06	0.11	-154.55

## Extraordinary Items and Amount

Applicable    Not Applicable

*Unit: RMB Yuan*

<b>Items</b>	<b>Amount for current period</b>	<b>Description</b>
Profit/loss on disposal of non-current assets	-511,949.16	Loss on disposal of fixed assets during the current period
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)	112,912.00	Financial assistance for short term export credit insurance from the Commission of Commerce of the Beijing municipal government
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		
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		

Items	Amount for current period	Description
Current net profit/loss of subsidiaries resulting from merger of enterprises under common control from the beginning of the period to the date of merger		
Profit/loss from contingencies irrelevant to the normal operations of the Company		
Apart from hedging instruments relating to the normal operations of the Company, profit/loss from change in fair value of held-for-trading financial assets and held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets		
Write back of the provision for impairment of accounts receivable that is individually tested for impairment		
Profit/loss from external entrusted loans		
Profit/loss from changes in fair value of investment properties using the fair value model for subsequent measurement		
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	-239,575.43	
Other profit and loss items falling within the meaning of non-recurring profit and loss		
Effect on minority interests (after tax)	31,953.42	
Effect on income tax		
Total	-606,659.17	

**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		17,261 (in which: 17,191 holders of A shares, 70 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.	201,620,000	47.78	0	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	99,039,199	23.47	0	Unknown	–	Unknown
Rising Securities Co., Ltd.	3,606,905	0.85	0	Unknown	–	Unknown
Li Aier (李愛兒)	2,489,390	0.59	0	Unknown	–	Unknown
Credit Agricole Corporate and Investment Bank	1,649,016	0.39	0	Unknown	–	Unknown
Zeng Youquan (曾佑泉)	1,560,291	0.37	0	Unknown	–	Unknown
Gao Xueping (高雪萍)	1,330,050	0.32	0	Unknown	–	Unknown
Han Weisen (韓維森)	1,008,894	0.24	0	Unknown	–	Unknown
Nai Xiaoli (賴小麗)	834,706	0.20	0	Unknown	–	Unknown
Zhang Lixin (章李歆)	790,000	0.19	0	Unknown	–	Unknown

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

Name of shareholder	Class and number of shares		
	Number of circulating shares not subject to trading moratorium	Class	Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	201,620,000	RMB ordinary shares	201,620,000
HKSCC NOMINEES LIMITED	99,039,199	Foreign shares listed overseas	99,039,199
Rising Securities Co., Ltd.	3,606,905	RMB ordinary shares	3,606,905
Li Aier (李愛兒)	2,489,390	RMB ordinary shares	2,489,390
Credit Agricole Corporate and Investment Bank	1,649,016	RMB ordinary shares	1,649,016
Zeng Youquan (曾佑泉)	1,560,291	RMB ordinary shares	1,560,291
Gao Xueping (高雪萍)	1,330,050	RMB ordinary shares	1,330,050
Han Weisen (韓維森)	1,008,894	RMB ordinary shares	1,008,894
Nai Xiaoli (賴小麗)	834,706	RMB ordinary shares	834,706
Zhang Lixin (章李歆)	790,000	RMB ordinary shares	790,000

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

### III. IMPORTANT MATTERS

#### 3. Details and reasons for material changes in major items of financial statement and financial indices of the Company

Applicable     Not Applicable

1. The monetary funds decreased by 61.73% as compared with that at the beginning of the year, which was mainly due to the decrease in cash received from the sale of goods;
2. The notes receivable increased by 414.93% as compared with that at the beginning of the year, which was mainly attributable to the increase in notes received;
3. The notes payable decreased by 80.95% as compared with that at the beginning of the year, which was mainly due to the decrease in notes as some expired at beginning of the year and no new notes incurred for the current period;
4. The employee benefit payable decreased by 42.98% as compared with that at the beginning of the year, which was mainly due to the decrease in wages payable to employees;
5. The interest payable decreased by 100% as compared with that at the beginning of the year, which was mainly due to the payment by provision for repayment of interest payable;
6. The operating income decreased by 34.9% on year-over-year basis, which was due to the decrease in main operating income affected by the domestic market condition;
7. The cost of operation decreased by 30.21% on year-over-year basis, which was mainly due to the decrease in main operating income;
8. The business taxes and surcharges increased by 72.46% on year-over-year basis, which was mainly due to the increase in tax paid for the current period;
9. The sales expense decreased by 37.25% on year-over-year basis, which was mainly due to the decrease in operating income;

10. The management expense decreased by 33.88% on year-over-year basis, which was mainly due to the Company's strengthened budget management and its strict control on expenses;
11. The financial expenses decreased by 35.71% on year-over-year basis, which was mainly due to the decrease in interest expenses for the current period;
12. The investment income increased by RMB2,600,800 on year-over-year basis, which was mainly due to the increase in profits from associated companies;
13. The non-operating income decreased by 99.52% on year-over-year basis, which was mainly due to the compensated transfer of the university apartment located in No.25 building Huaweixili, Chaoyang District, Beijing by Beijing Tianhai Industry Co., Ltd., the Company's subsidiary, in the corresponding period of last year;
14. The non-operating expenses increased by 186.65% on year-over-year basis, which was mainly due to the increase in loss on disposal of non-current assets;
15. The total profits decreased by RMB89,159,500 or 157.15% on year-over-year basis, which was mainly due to the decrease in non-operating income;
16. The income tax decreased by 94.63% on year-over-year basis, which was mainly due to the decrease in profits;
17. The net profit attributable to shareholders of the parent company decreased by 153.91% on year-over-year basis, which was mainly due to the decrease in net profit because of decrease in total profits;
18. Basic earnings per share and diluted earnings per share decreased by 154.55% on year-over-year basis, which was mainly due to the decrease in net profit attributable to shareholders of the parent company;
19. Cash from sale of goods and rendering of services decreased by 33.55% on year-over-year basis, which was mainly due to the decrease in payment collection from sales during the current period;
20. Receipt of tax refunds decreased by 100% on year-over-year basis, which was mainly due to the decrease in export tax refunds for current period as compared with the corresponding period of last year;



21. Cash from other operating-related activities decreased by 72.46% on year-over-year basis, which was mainly due to the decrease in cash received from other related operating activities;
22. Payment in cash for goods and service decreased by 31.74% on year-over-year basis, which was mainly due to the reduction in expenses because of the funding constraints;
23. Cash paid to other operating activities decreased by 48.09% on year-over-year basis, which was mainly due to the rational control on expenses;
24. Net cash flow from operating activities decreased by RMB12,563,300 on year-over-year basis, which was mainly attributable to the decrease in cash received from sale of goods and rendering of services by 33.55% while cash paid for purchase of goods and services decreased by 31.74% as compared with the corresponding period of last year;
25. Net cash flow from investment activities increased by RMB28,630,500 on year-over-year basis, which was mainly attributable to that the cash received from disposal of fixed assets during the current period decreased by RMB27,583,400 while cash paid for purchase of fixed assets decreased by RMB47,379,000 as compared with the corresponding period of last year;
26. Cash received from borrowings increased by 33.33% on year-over-year basis, which was mainly due to the changes in the repayment term of the borrowings;
27. Cash paid for loan repayments increased by 39.62% on year-over-year basis, which was mainly due to the changes in the repayment term of the borrowings;
28. Cash paid for dividends, profits appropriation or payments of interest decreased by 43.08% on year-over-year basis, which was mainly due to the decrease in interest on borrowings;
29. Cash paid to other financing activities decreased by 100% on year-over-year basis, which was mainly due to the decrease in repayment of borrowings from controlling shareholder(s).

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

Applicable  Not Applicable

### 3.3 Status of fulfillment of commitments undertaken by the Company and the shareholders holding more than 5% of shares

Applicable  Not Applicable

Background	Type of commitment	Undertaking party	Contents of the commitment	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Commitment in relation to the Material Asset Reorganisation	Settlement of connected transactions	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "In respect of the unavoidable connected transaction matters or those which take place with reasonable grounds in the future between the Company and the other companies under the control of the Company and the Listed Company and the companies under its control, the Company and the other companies under the control of the Company will follow the principles of openness, fairness and justice for market transactions to conduct transactions at fair and reasonable market prices, and will perform the decision process of connected transactions according to the relevant law, regulations and standardization documents, perform the duty of information disclosure. The Company warrants that the Company and the other companies under the control of the Company will not obtain any improper benefits through the connected transactions with the Listed Company and the companies under its control or cause the Listed Company and the companies under its control bear any improper duties. The Company will bear the responsibilities of compensating the Listed Company and the companies under its control for their losses if the Company is in violation of the above undertaking when carries out transactions with the Listed Company and the companies under its control."	Long term	Yes	Yes		
Commitment in relation to the Material Asset Reorganisation	Solution of competition with its peers	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "In response to the businesses or business opportunities similar to those of the Listed Company including that the Company and the other companies under the control of the Company anticipate or substantially in place to conduct, and assets and businesses of such businesses or business opportunities that may constitute potential competition with its peers."	Long term	Yes	Yes		

Background	Type of commitment	Undertaking party	Contents of the commitment	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that after completion of this Material Asset Reorganisation, it warrants the independence in respect of the personnel, asset, finance, organization, business of the Listed Company. Jingcheng Holding has made concrete commitment on the areas of personnel independence, asset independence, financial independence, organizational independence, business independence. That undertaking continues to be valid, cannot be altered and is irrevocable during the period in which Jingcheng Holding is the controlling shareholder (or beneficial controller) of the Listed Company. If Jingcheng Holding is in violation of the above undertaking and causes economic losses to the Listed Company, Jingcheng Holding will compensate the Listed Company.	Long term	Yes	Yes	As of the date of disclosure, Jingcheng Holding has shut down its financial management platform and centralized fund management platform for the Company's subsidiaries. Jingcheng Holding so far has not performed any act in violation of its commitment.	
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "1. Within 30 days from receipt of the notice regarding this Material Asset Reorganisation from Beiren Holdings, or within 45 days from the date of the first announcement on this Material Asset Reorganisation of Beiren Holdings in case of not having received the notice, should creditors of Beiren Holdings demand Beiren Holdings to make early repayment of liabilities or provide security, and Beiren Holdings fails to repay the debts or provide any security, the Company undertakes that it will bear the responsibilities of making early repayment or providing security; 2. For those creditors whom Beiren Holdings cannot reach, and for those who have not expressed clear opinion after receipt of the notice or expiry of the notice period, should they clearly express any disagreement opinion before completion of this Material Asset Reorganisation, and Beiren Holdings is unable to repay the liabilities nor provide security upon their demand, the Company undertakes that it will bear the responsibilities of making early repayment or providing security; 3. For those creditors that Beiren Holdings really cannot reach, and those creditors who have not yet expressed clear opinion after receipt of the notice or expiry of notice period, upon completion of this Material Asset Reorganisation, should the undertaking body of the Outgoing Assets unable to repay its liabilities, the Company will be responsible to settle. After the Company has borne the guarantee responsibility or repayment responsibility, it has the right to seek repayment from the undertaking body of the Outgoing Assets."	Long term	Yes	Yes	As of the e date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and has undertaken that if Beiren Group fails to repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provision of security. The Company has not suffered from any loss arising from claims. Jingcheng Holding has not performed any act in violation of its commitment.	

Background	Type of commitment	Undertaking party	Contents of the commitment	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "The Company is fully aware of the existing defects of the Outgoing Assets, and the Company will bear any losses or legal liabilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal liabilities due to the defects of the Outgoing Assets, and will not refuse to sign or request to terminate, change the "Framework Agreement for Material Asset Reorganisation between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd.", the "Material Asset Reorganisation Agreement between Beiren Printing Machinery Holdings Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. and Beiren Group Corporation" and the related agreement due to the defects of the Outgoing Assets."	Long term	Yes	Yes	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Group cannot repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provision of security. The Company has not suffered from any loss arising from claims. Jingcheng Holding has not performed any act in violation of its commitment.	
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "If, in the future, the production workshop of Tianhai Industrial in Mu Lin County is needed to relocate due to the defects of the leased property, the Company will fully compensate in cash the Listed Company after completion of this transaction for all the losses suffered by Tianhai Industrial caused by the relocating process."	Long term	Yes	Yes		
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	Jingcheng Holding undertakes that: "The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes that when this reorganisation is implemented and relevant shareholders of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept that the long term equity investment in the above Outgoing Assets converts into cash assets at equivalent value, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities."	Long term	Yes	Yes		

Background	Type of commitment	Undertaking party	Contents of the commitment	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Commitment in relation to the Material Asset Reorganisation	Others	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the substantial shareholder	According to the "Supplementary Confirmation Letter of the Settlement of 17.01% equity interest of Beijing Beiyong Casting Co., Ltd." jointly signed by the Listed Company, Jingcheng Holding and Beiren Group, they jointly confirmed "Each party confirms that the equity transfer is deemed to be completed. The Listed Company would no longer record such equity interest as a long term investment which means that all shareholder's rights (including but not limited to equity return, voting right and election right), obligations, risks and liabilities of shareholders under such equity interest will be enjoyed or assumed by Beiren Group and the Listed Company has to cope with accordingly. Given that the change in shareholders does not have defensive power against a third party prior to the completion of the commerce and industry registration for changing shareholders, all parties have unanimously agreed that all liabilities or loss of the Listed Company resulted from lacking defensive power shall be actually undertaken by Jingcheng Holding."	Long term	Yes	Yes	Jingcheng Holding is performing its undertaking regarding the delivery of 17.01% equity interests in Beijing Beiyong, and it has not committed any act in violation of the undertaking.	
Commitment in relation to the Material Asset Reorganisation	Others	Recipient of the Outgoing Assets (Beiren Group)	Beiren Group undertakes that: "The Company is fully aware of the existing defects of the Outgoing Assets, and the Company will bear any losses or legal liabilities caused by the defects of the Outgoing Assets, and will not demand Beiren Holdings to bear any losses or legal liabilities due to the defects of the Outgoing Assets."	Long term	Yes	Yes	As of the date of disclosure, Jingcheng Holding has urged Beiren Group to repay the liabilities and undertaken that if Beiren Group fails to repay liabilities in time, Jingcheng Holding will be responsible for the repayment and provision of security. The Company has not suffered from any loss arising from claims. Jingcheng Holding has not performed any act in violation of the undertaking.	

Background	Type of commitment	Undertaking party	Contents of the commitment	Date and duration of undertaking	Whether have deadline for performance	Whether strictly perform in a timely manner	If not perform timely, describe the specific reasons	If not perform timely, describe plans in next steps
Commitment in relation to the Material Asset Reorganisation	Others	Recipient of the Outgoing Assets (Beiren Group)	Beiren Group undertakes that: "The Company is fully aware of the existence of the above problems of the Outgoing Assets, and undertakes when this reorganisation is implemented, if relevant shareholders of the above subsidiaries of Beiren Holdings exercise the pre-emptive right, then the Company will agree to accept that the long term equity investment in the above Outgoing Assets converts into cash assets at equivalent value, and will not demand to terminate or alter the Material Asset Reorganisation Agreement previously signed by all parties due to the changes in the form of the Outgoing Assets, or demand Beiren Holdings to compensate for any losses or bear any legal liabilities."	Long term	Yes	Yes		

#### **Definitions of terms in the undertaking table**

Beiren Holdings	Beiren Printing Machinery Holdings Limited, the name of the Company before change of name
Jingcheng Holding	Beijing Jingcheng Machinery Electric Holding Co., Ltd, the controlling shareholder of the Company Beiren Group
Beiren Group	Corporation (the former controlling shareholder of the Company)
Tianhai Industrial	Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company

#### **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	Hu Chuanzhong
Date	30 April 2015

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

31 March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: RMB Yuan  
Unaudited*

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Current assets</b>		
Cash and cash equivalents	62,751,628.76	163,962,823.33
Transaction settlement funds		
Loans to other banks		
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable	67,707,328.73	13,148,883.12
Accounts receivable	411,871,456.22	404,135,634.03
Advances to suppliers	89,191,334.81	78,985,528.99
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable		
Dividends receivable		
Other receivables	5,366,505.27	6,435,698.19
Financial assets purchased with agreement to re-sale		
Inventories	555,941,601.18	572,992,423.57
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b>1,192,829,854.97</b>	<b>1,239,660,991.23</b>

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Non-current assets</b>		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	55,216,385.54	55,004,776.68
Investment properties		
Fixed assets	992,332,158.17	1,016,720,860.27
Construction in progress	20,259,039.26	22,888,621.63
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	158,636,140.45	160,501,145.59
Research and development expenses		
Goodwill	6,562,344.06	6,562,344.06
Long-term expenses to be amortized	1,808,446.35	1,493,671.24
Deferred tax assets	4,659,298.94	5,050,938.96
Other non-current assets		
Total non-current assets	<u>1,239,473,812.77</u>	<u>1,268,222,358.43</u>
<b>Total assets</b>	<u><u>2,432,303,667.74</u></u>	<u><u>2,507,883,349.66</u></u>



Item	Balance at the end of the period	Balance at the beginning of the year
<b>Current liabilities:</b>		
Short-term loans	310,000,000.00	318,051,050.00
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	20,000,000.00	105,000,000.00
Accounts payable	413,116,059.45	371,989,158.86
Advance from customers	27,536,231.71	29,715,136.98
Funds from selling out and repurchasing financial assets		
Fees and commission payable		
Employee benefits payable	9,920,845.36	17,397,862.19
Taxes payable	-33,729,832.59	-34,274,412.01
Interests payable	0.00	76,666.67
Dividends payable	0.00	0.00
Other payables	128,455,690.35	109,898,562.61
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		
<b>Total current liabilities</b>	<b>886,298,994.28</b>	<b>928,854,025.30</b>

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Non-current liabilities</b>		
Long-term loans		
Bonds payable		
Including: preferred shares perpetual bonds		
Long-term payables		
Long-term employee benefits payable	30,370,000.00	30,370,000.00
Special payables	103,900,000.00	103,900,000.00
Estimated liabilities		
Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	<u>134,270,000.00</u>	<u>134,270,000.00</u>
<b>Total liabilities</b>	<u><u>1,020,568,994.28</u></u>	<u><u>1,063,124,025.30</u></u>

Item	Balance at the end of the period	Balance at the beginning of the year
<b>Owners' Equity</b>		
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	118,733.00	118,733.00
Specific reserves	0.00	0.00
Surplus reserves	45,665,647.68	45,665,647.68
General risk reserves		
Retained earnings	-257,577,259.18	-232,056,930.86
Total equity attributable to shareholders of the Company	894,010,303.19	919,530,631.51
Non-controlling interest	517,724,370.27	525,228,692.85
	<u>1,411,734,673.46</u>	<u>1,444,759,324.36</u>
<b>Total owners' equity</b>	<b><u>1,411,734,673.46</u></b>	<b><u>1,444,759,324.36</u></b>
<b>Total liabilities and owners' equity</b>	<b><u>2,432,303,667.74</u></b>	<b><u>2,507,883,349.66</u></b>

Legal Representative:  
Hu Chuanzhong

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Balance Sheet of the Parent Company

31 March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: RMB Yuan  
Unaudited*

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Current assets</b>		
Cash and cash equivalents	11,165,835.75	11,915,900.48
Financial assets at fair value through profit and loss		
Financial assets derivatives		
Notes receivable		
Accounts receivable		
Advances to suppliers		756,603.33
Interest receivables	6,595,555.56	6,595,555.56
Dividend receivables		
Other receivables	340,000,000.00	340,000,000.00
Inventories		
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b><u>357,761,391.31</u></b>	<b><u>359,268,059.37</u></b>

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Non-current assets:</b>		
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		
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>694,842,724.41</u>	<u>694,842,724.41</u>
<b>Total assets</b>	<b><u><u>1,052,604,115.72</u></u></b>	<b><u><u>1,054,110,783.78</u></u></b>

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Current liabilities:</b>		
Short-term loans		
Financial liabilities at fair value through profit and loss		
Financial liability derivatives		
Notes payable		
Accounts payable		
Advance from customers		
Employee benefits payable		
Taxes payable	35,156.08	434,320.76
Interests payable		
Dividends payables		
Other payables	6,224,436.81	4,545,647.21
Held-to-sale liabilities		
Non-current liabilities due within one year		
Other current liabilities		
	_____	_____
<b>Total current liabilities</b>	<b><u>6,259,592.89</u></b>	<b><u>4,979,967.97</u></b>
<b>Non-current liabilities:</b>		
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	0.00	0.00
	_____	_____
<b>Total liabilities</b>	<b><u>6,259,592.89</u></b>	<b><u>4,979,967.97</u></b>

<b>Item</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Owners' equity</b>		
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	<u>-80,366,747.26</u>	<u>-77,580,454.28</u>
<b>Total owners' equity</b>	<b><u>1,046,344,522.83</u></b>	<b><u>1,049,130,815.81</u></b>
<b>Total liabilities and owners' equity</b>	<b><u>1,052,604,115.72</u></b>	<b><u>1,054,110,783.78</u></b>

Legal Representative:  
Hu Chuanzhong

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Consolidated Income Statement

January – March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: RMB Yuan  
Unaudited

Item	Current period	Last period
<b>1. Total operating income</b>	290,609,882.41	446,388,718.32
Including: Operating income	290,609,882.41	446,388,718.32
Interest income		
Earned insurance premiums		
Fees and commission income		
<b>2. Total operating cost</b>	322,607,238.06	465,355,486.83
Including: Cost of operation	275,512,191.89	394,775,124.02
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		
Business taxes and surcharges	1,867,520.86	1,082,859.72
Selling and distribution expenses	10,251,492.32	16,337,484.47
Administrative expenses	28,893,608.41	43,699,371.03
Financial expenses	6,082,424.58	9,460,647.59
Loss on impairment of assets		
Add: Gain arising from the changes in fair value (loss listed with “-”)		
Investment income (Loss listed with “-”)	211,608.86	-2,389,217.67
Including: Income from investments in associates and joint ventures (Loss listed with “-”)	211,608.86	-2,389,217.67
Exchange gain (Loss listed with “-”)		



Item	Current period	Last period
<b>3. Operating profit (Loss listed with “-”)</b>	-31,785,746.79	-21,355,986.18
Add: Non-operating income	377,565.66	78,445,635.70
Including: Gain from disposal of non-current assets	264,653.66	78,400,929.12
Less: Non-operating expenses	1,016,178.25	354,498.39
Including: Loss on disposal of non-current assets	776,602.82	
<b>4. Total profit (Loss listed with “-”)</b>	-32,424,359.38	56,735,151.13
Less: Income tax expenses	600,291.52	11,171,932.75
<b>5. Net profit (Net loss listed with “-”)</b>	-33,024,650.90	45,563,218.38
Net profit attributable to the owners of the parent company	-25,520,328.32	47,337,245.01
Minority shareholder’s profit and loss	-7,504,322.58	-1,774,026.63
<b>6. Net other comprehensive income after tax</b>	0.00	241,575.17
Net comprehensive income after-tax attributable to owners of the parent company	0.00	123,203.34
(1) Other comprehensive income not reclassified to profit and loss in the future	0.00	
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	0.00	123,203.34
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		123,203.34
6. Others		
After-tax net comprehensive income attributable to minority shareholders		118,371.83

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
<b>7. Total comprehensive income</b>	-33,024,650.90	45,804,793.55
Total comprehensive income attributable to owners of the parent company	-25,520,328.32	47,460,448.35
Total comprehensive income attributable to minority shareholders	-7,504,322.58	-1,655,654.80
<b>8. Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)	-0.06	0.11
(2) Diluted earnings per share (RMB/share)	-0.06	0.11

Legal Representative:  
Hu Chuanzhong

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Income Statement of the Parent Company

January – March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: RMB Yuan  
Unaudited

Item	Current period	Last period
<b>1. Operating income</b>	11,224.42	
Less: Operating cost		
Business taxes and surcharges		
Selling expenses		
Administrative expenses	2,796,489.72	121,372.86
Financial expenses	1,027.68	424.64
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		
<b>2. Operating profit (Loss listed with “-”)</b>	-2,786,292.98	-121,797.50
Add: Non-operating income		
Including: Gain from disposal of non-current assets		
Less: Non-operating expenses		
Including: Loss on disposal of non-current assets		
<b>3. Total profit (Total loss listed with “-”)</b>	-2,786,292.98	-121,797.50
Less: Income tax expenses		
<b>4. Net profit (Net loss listed with “-”)</b>	-2,786,292.98	-121,797.50

Item	Current period	Last period
<b>5. After-tax net other comprehensive income</b>		
(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		
<b>6. Total comprehensive income</b>	-2,786,292.98	-121,797.50

**7. Earnings per share:**

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

Legal Representative:  
Hu Chuanzhong

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Consolidated Cash Flow Statement

January – March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: RMB Yuan  
Unaudited

Item	Current period	Last period
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	152,767,789.56	229,890,053.30
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		96,659.91
Cash received from other operating activities	1,868,370.66	6,784,978.63
Sub-total of cash inflows from operating activities	154,636,160.22	236,771,691.84
Cash paid for goods and services	75,903,528.77	111,204,466.38

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
Net increase in loans and advances to customers		
Net increase in deposit with central bank and inter-banks		
Cash paid for claims of direct insurance contracts		
Cash paid for interest, fees and commission		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	65,750,655.77	76,557,826.31
Payments of taxes and surcharges	14,023,925.49	15,115,184.43
Cash paid to other operating activities	24,150,672.80	46,523,490.28
Sub-total of cash outflows from operating activities	179,828,782.83	249,400,967.40
Net cash flows from operating activities	-25,192,622.61	-12,629,275.56
<b>2. Cash flows from investing activities:</b>		
Cash received from investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	950,000.00	28,533,406.87
Net cash received from disposal of subsidiaries and other business units		
Cash received from other investing activities	32,265.13	195,232.42
Sub-total of cash inflows from investing activities	982,265.13	28,728,639.29
Cash paid to acquire fixed assets, intangible assets and other long-term assets	23,865,199.67	71,244,173.99
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		8,997,945.07
Sub-total of cash outflow from investing activities	23,865,199.67	80,242,119.06
Net cash flows from investing activities	-22,882,934.54	-51,513,479.77

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
<b>3. Cash flows from financing activities:</b>		
Cash received from investment		
Including: Cash received by subsidiaries from investment absorption of non-controlling interest		
Cash received from borrowings	80,000,000.00	60,000,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	80,000,000.00	60,000,000.00
Cash paid for loan repayments	128,135,125.00	91,776,611.07
Cash paid for dividends, profits appropriation or payments of interest	6,411,673.47	11,265,133.31
Including: Dividends and profits paid to non-controlling interest		
Cash paid to other financing activities		34,515,394.34
Sub-total of cash outflows from financing activities	134,546,798.47	137,557,138.72
Net cash flows from financing activities	-54,546,798.47	-77,557,138.72
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	1,411,161.05	22,836.39
<b>5. Net increase in cash and cash equivalents</b>	-101,211,194.57	-141,677,057.66
Add: Cash and cash equivalents at the beginning of the period	163,962,823.33	305,897,025.49
<b>6. Cash and cash equivalents at the end of the period</b>	62,751,628.76	164,219,967.83

Legal Representative:  
Hu Chuanzhong

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Cash Flow Statement of the Parent Company

January – March 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: RMB Yuan  
Unaudited*

<b>Item</b>	<b>Current period</b>	<b>Last period</b>
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of good and rendering of services		
Cash received from taxes refund		
Cash received from other operating activities	681.93	150,000.00
Sub-total of cash inflows from operating activities	681.93	150,000.00
Cash paid for goods and services		
Cash paid to and on behalf of employees	31,715.84	
Payments of taxes and surcharges	64,969.65	
Cash paid to other operating activities	654,061.17	121,797.50
Sub-total of cash outflows from operating activities	750,746.66	121,797.50
Net cash flows from operating activities	-750,064.73	28,202.50



<b>Item</b>	<b>Current period</b>	<b>Last period</b>
<b>2. Cash flows from investing activities:</b>		
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		47,442.40
Sub-total of cash inflows from investing activities		47,442.40
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		8,471,398.35
Sub-total of cash outflows from investing activities		8,471,398.35
Net cash flows from investing activities		-8,423,955.95
<b>3. Cash flows from financing activities:</b>		
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		
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>		

Item	Current period	Last period
<b>5. Net increase in cash and cash equivalents</b>	-750,064.73	-8,395,753.45
Add: Cash and cash equivalents at the beginning		
of the period	11,915,900.48	9,537,212.51
<b>6. Cash and cash equivalents at the end of the period</b>	11,165,835.75	1,141,459.06

Legal Representative:

Hu Chuanzhong

Person-in-charge of Finance:

Li Junjie

Finance Manager:

Jiang Chi

#### 4.2 Audit reports

If the company's quarterly report with respect to which the Certified Public Accountant has issued unqualified opinion with emphasis of matter or other events, the Company shall disclose the full text of such audit report.

Not Applicable

On behalf of the board

**Beijing Jingcheng Machinery Electric Company**

**Limited**

**Jiang Chi**

*Company Secretary*

Beijing, the PRC, 30 April 2015

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