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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 THIRD QUARTERLY REPORT**

**I. IMPORTANT NOTICE**

- 1.1 The board of directors, supervisory committee and the directors, supervisors and senior management officers of 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 Li Junjie, the Person-in-charge of the Company, Li Junjie, the Person-in-charge of Accounting, and Jiang Chi, the director (the Head of accounting) of the accounting body, have guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.
- 1.4 The Third Quarterly Financial Report of the Company has not been audited.

## II. 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	2,332,478,888.18	2,507,883,349.66	-6.99
Net assets attributable to shareholders of listed company	838,023,472.52	919,530,631.51	-8.86

  

	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of last year to the end of the reporting period of the last year (January to September)</b>	<b>Increase/Decrease on Year-over- year basis (%)</b>
Net cash flow from operating activities	88,319,600.89	-29,576,775.80	N/A

	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of last year to the end of the reporting period of the last year (January to September)</b>	<b>Increase/Decrease on Year-over- year basis (%)</b>
Operating income	840,204,906.09	1,515,179,387.53	-44.55
Net profit attributable to shareholders of listed company	-82,464,282.27	90,546,441.99	-191.07
Net profit attributable to shareholders of listed company after extraordinary items	-100,210,784.83	-77,396,434.28	N/A
Weighted average return on net assets (%)	-9.39	10.67	Decrease by 20.06 percentage point
Basic earnings per share (RMB/share)	-0.20	0.21	-195.24
Diluted earnings per share (RMB/share)	-0.20	0.21	-195.24

## Extraordinary Items and Amount

Applicable     Not Applicable

*Unit: RMB Yuan*

<b>Items</b>	<b>Amount for current period (July to September)</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>Description</b>
Profit/loss on disposal of non-current assets	-18,827.36	18,320,721.92	
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	
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			

<b>Items</b>	<b>Amount for current period (July to September)</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>Description</b>
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			
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			

<b>Items</b>	<b>Amount for current period (July to September)</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>Description</b>
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	298,293.44	-724,002.25	
Other profit and loss items falling within the meaning of non-recurring profit and loss			
Effect on income tax	-15,047.97	21,916.46	
Effect on minority interests (after tax)	-64,358.89	14,954.43	
	<hr/>	<hr/>	
Total	<u><u>200,059.22</u></u>	<u><u>17,746,502.56</u></u>	

## 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		21,835 (in which: 21,768 holders of A shares, 67 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.	180,620,000	42.80	0	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	99,155,199	23.50	0	Unknown	–	Unknown
Penghua Denotative Growth Flexibly Configured Hybrid Securities Investment Fund (鵬華外延成長靈活 配置混合型證券投資基金)	2,691,434	0.64	0	Unknown	–	Unknown
Putian Earnings Securities Investment Fund (普天收益證券投資 基金)	2,544,687	0.60	0	Unknown	–	Unknown
Southern Active Configured Securities Investment Fund (南方積 極配置證券投資基金)	2,336,300	0.55	0	Unknown	–	Unknown
Rising Securities Co., Ltd.	1,706,739	0.40	0	Unknown	–	Unknown
Taixin Blue Chip Selected Stock- based Securities Investment Fund (泰信藍籌精選股票型證券投資基金)	1,690,076	0.40	0	Unknown	–	Unknown
Zeng Youquan (曾佑泉)	1,619,891	0.38	0	Unknown	–	Unknown
Foreign Trade Trust • Huijin Jufu No 43. Securities Investment Assembled Funds Trust Plan (外貿信託 • 匯金聚 富43期證券投資集合資金信託計畫)	1,100,000	0.26	0	Unknown	–	Unknown
China Evserbright Bank Company Limited (泰信先行策略開放式證券投 資基金)	1,054,700	0.25	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.	180,620,000	RMB ordinary shares	180,620,000
HKSCC NOMINEES LIMITED	99,155,199	Foreign shares listed overseas	99,155,199
Penghua Denotative Growth Flexibly Configured Hybrid Securities Investment Fund (鵬華外延成長靈活配置混合型證券投資基金)	2,691,434	RMB ordinary shares	2,691,434
Putian Earnings Securities Investment Fund (普天收益證券投資基金)	2,544,687	RMB ordinary shares	2,544,687
Southern Active Configured Securities Investment Fund (南方積極配置證券投資基金)	2,336,300	RMB ordinary shares	2,336,300
Rising Securities Co., Ltd.	1,706,739	RMB ordinary shares	1,706,739
Taixin Blue Chip Selected Stock-based Securities Investment Fund (泰信藍籌精選股票型證券投資基金)	1,690,076	RMB ordinary shares	1,690,076
Zeng Youquan (曾佑泉)	1,619,891	RMB ordinary shares	1,619,891
Foreign TradeTrust•Huijin Jufu No 43. Securities Investment Assembled Funds Trust Plan (外貿信託•匯金聚富43期證券投資集合資金信托計畫)	1,100,000	RMB ordinary shares	1,100,000
China Evserbright Bank Company Limited (泰信先行策略開放式證券投資基金)	1,054,700	RMB ordinary shares	1,054,700

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

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

Description on preferred shareholder of which voting rights had resumed and its shareholdings

N/A



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

Applicable  Not applicable

**III. IMPORTANT MATTERS**

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

Applicable  Not Applicable

<b>Items</b>	<b>Balance at the end of the reporting period</b>	<b>Balance at the beginning of the year</b>	<b>Change (%)</b>	<b>Reason</b>
Cash and cash equivalents	101,907,988.16	163,962,823.33	-37.85	Mainly due to the decrease in cash received from sale of products
Notes receivable	35,453,730.71	13,148,883.12	169.63	Mainly due to the notes received increased
Advances to suppliers	53,458,726.99	78,985,528.99	-32.32	Mainly due to the decrease in advances from customers paid
Construction in progress	11,211,457.01	22,888,621.63	-51.02	Mainly due to the transfer of construction-in-progress
Long-term expenses to be amortized	1,013,562.64	1,493,671.24	-32.14	Mainly due to the amortization of long-term expenses to be amortized
Short-term loans	202,427,934.00	318,051,050.00	-36.35	Mainly due to the decrease in bank loans during the period
Notes payable	–	105,000,000.00	-100.00	Mainly due to no bank acceptance notes issued in the period
Advance from customers	40,352,051.09	29,715,136.98	35.80	Mainly due to the increase in advance received
Tax payable	-49,604,134.65	-34,274,412.01	N/A	Mainly due to increase in tax to be offset

<b>Items</b>	<b>Balance at the end of the reporting period</b>	<b>Balance at the beginning of the year</b>	<b>Change (%)</b>	<b>Reason</b>
Other payable	214,413,167.61	109,898,562.61	95.10	Mainly due to the loans from the controlling shareholder increased
Other comprehensive income	1,075,856.29	118,733.00	806.11	Mainly due to the change in exchange rate
Retained earnings	-314,521,213.14	-232,056,930.86	N/A	Mainly due to the loss for the period

<b>Items</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period of last year (January to September)</b>	<b>Change (%)</b>	<b>Reason</b>
Operating income	840,204,906.09	1,515,179,387.53	-44.55	Mainly due to the decrease in main operating income affected by the domestic market condition
Operating cost	790,670,842.05	1,362,298,860.70	-41.96	Mainly due to the decrease in main operating income and the decrease in main operating cost
Business taxes and surcharges	6,784,940.60	15,538,830.32	-56.34	Mainly due to the decrease in operating income
Financial expenses	10,417,209.87	31,048,750.99	-66.45	Mainly due to the interest expense decreased during the period
Assets impairment loss	18,207,321.76	-1,452,431.32	N/A	Mainly due to the increase in provision for assets impairment
Investment income	-3,484,833.57	100,788,201.40	-103.46	Mainly due to the income generated from the transfer Jingcheng Compressor during the same period of last year

<b>Items</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period of last year (January to September)</b>	<b>Change (%)</b>	<b>Reason</b>
Non-operating income	18,886,398.96	87,015,517.20	-78.30	Mainly due to the income generated from assets disposal from subsidiary during the same period of last year
Non-operating expenses	1,176,767.29	1,772,238.64	-33.60	Mainly due to the transfer of Jingcheng Compressor during the same period of last year, and there is change in the scope of consolidation
Total profits	-116,903,786.07	94,852,025.21	-223.25	Mainly due to the non-operating income and investment income decreased as compared to the same period of last year
Income tax expense	2,651,807.52	7,102,969.07	-62.67	Mainly due to the decrease in profits from subsidiaries as compared with the same period of last year
Net profit	-119,555,593.59	87,749,056.14	-236.25	Mainly due to the decrease in total profit
Net cash flow from operating activities	88,319,600.89	-29,576,775.80	N/A	Mainly due to the decrease in cash for payment of products
Net cash flow from investment activities	-32,679,135.04	168,177,548.62	-119.43	Mainly due to the cash received from disposal of subsidiary during the same period of last year
Net cash flow from financing activities	-123,683,992.78	-100,140,671.56	N/A	Mainly due to the increase in loans repayment during the period

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

✓Applicable     Not Applicable

The Company was informed by Jingcheng Holding on 26 June 2015 that it was planning to implement a material assets reorganisation related to the Company. The Company immediately published an Announcement of Significant Matter and Suspension of Trading for such purpose and trading of shares of the Company was suspended from 29 June 2015. It then published an Announcement of Significant Matter and Continued Suspension of Trading on 3 July 2015. After discussion and negotiation among the parties concerned, the issue of shares in consideration of asset purchase which is under planning constitutes material assets reorganisation, the Company has entered into the material assets reorganisation procedures upon application and an Announcement on the Suspension of Trading in relation to Material Assets Reorganisation was issued on 10 July 2015. After that, the Company issued Announcement on Continued Suspension of Trading in relation to Material Assets Reorganisation, Announcement on Continued Suspension of Trading in relation to Material Assets Reorganisation and Announcement on Continued Suspension of Trading in relation to Material Assets Reorganisation, respectively, on 11 August 2015, 11 September 2015 and 14 October 2015. It is expected that trading in the shares of the Company will be suspended for not more than two months. During the period of suspension of trading, the Company will release an announcement in relation to the progress of material assets reorganisation at the interval of every five trading days.

At present, the Company has entered into a framework agreement with Beijing Jingcheng Machinery Electric Holding Co., Ltd., the relevant consideration and other details are yet to be finalized, and also the Company and the related parties are actively advancing the related matters in the material assets reorganisation. Each intermediary is undergoing various related works as scheduled, including due diligence, auditing and valuation. As the relevant procedures are still under progress and there are still uncertainties in the matter, in order to ensure fair disclosure of information and safeguard the interests of the investors, the trading in shares of the Company will remain suspended. The Company, during the period of the suspension of trading in the shares of the Company, will fulfill the obligations of information disclosure in a timely manner in accordance with the Administrative Measures on Significant Asset Restructuring of Listing Companies and other related requirements, together with the progress of relevant matters during the suspension of trading in shares of the Company and announce the progress of the matter at the interval of five trading days. Upon the completion of the work, a board meeting will be convened to consider the proposal for material assets reorganisation. Announcements will be made and the trading in the shares of the Company will resume timely.

### 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 controlling 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 intra-industry competition	Beijing Jingcheng Machinery Electric Holding Co., Ltd., the controlling 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 controlling 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 controlling 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 controlling 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 controlling 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 controlling 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 controlling shareholder	According to the "Supplementary Confirmation Letter of the Settlement of 17.01% equity interest of Beijing Beiying 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 Beiying, 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		

### 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

<b>Name of the Company</b>	Beijing Jingcheng Machinery Electric Company Limited
<b>Legal Representative</b>	Li Junjie
<b>Date</b>	29 October 2015

Beijing, the PRC

*As at the date of this announcement, the board of directors of the Company comprises Mr. Li Junjie as executive director, 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.*

## IV. APPENDIX

### 4.1 Financial Statements

#### Consolidated Balance Sheet

30 September 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan    Currency: RMB    Audit Type: 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	101,907,988.16	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	35,453,730.71	13,148,883.12
Accounts receivable	339,845,719.67	404,135,634.03
Advances to suppliers	53,458,726.99	78,985,528.99
Insurance premium receivable		
Reinsurance premium receivable		
Reserves for reinsurance contract receivable		
Interests receivable		
Dividends receivable		
Other receivables	7,181,516.68	6,435,698.19
Financial assets purchased with agreement to re-sale		
Inventories	509,136,428.96	572,992,423.57
Held-to-sale assets		
Non-current assets due within one year		
Other current assets		
<b>Total current assets</b>	<b><u>1,046,984,111.17</u></b>	<b><u>1,239,660,991.23</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>		
Loans and advances to customers		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	69,664,143.11	55,004,776.68
Investment properties		
Fixed assets	1,035,408,819.37	1,016,720,860.27
Construction in progress	11,211,457.01	22,888,621.63
Construction materials		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	156,710,011.78	160,501,145.59
Research and development expenses		
Goodwill	6,562,344.06	6,562,344.06
Long-term expenses to be amortized	1,013,562.64	1,493,671.24
Deferred tax assets	4,924,439.04	5,050,938.96
Other non-current assets		
Total non-current assets	<u>1,285,494,777.01</u>	<u>1,268,222,358.43</u>
<b>Total assets</b>	<u><u>2,332,478,888.18</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	202,427,934.00	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		105,000,000.00
Accounts payable	439,061,632.07	371,989,158.86
Advance from customers	40,352,051.09	29,715,136.98
Funds from selling out and repurchasing financial assets		
Fees and commission payable		
Employee benefits payable	13,357,509.50	17,397,862.19
Taxes payable	-49,604,134.65	-34,274,412.01
Interests payable	76,666.67	76,666.67
Dividends payable		
Other payables	214,413,167.62	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>871,084,826.30</b>	<b>928,854,025.30</b>

Item	Balance at the end of the period	Balance at the beginning of the year
<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>1,005,354,826.30</u></u>	<u><u>1,063,124,025.30</u></u>
<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	1,075,856.29	118,733.00
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
General risk reserves		
Retained earnings	-314,521,213.14	-232,056,930.86
Total equity attributable to shareholders of the Company	838,023,472.52	919,530,631.51
Non-controlling interest	<u>489,100,589.36</u>	<u>525,228,692.85</u>
Total owners' equity	<u><u>1,327,124,061.88</u></u>	<u><u>1,444,759,324.36</u></u>
<b>Total liabilities and owners' equity</b>	<u><u>2,332,478,888.18</u></u>	<u><u>2,507,883,349.66</u></u>

Legal Representative:  
Li Junjie

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Balance Sheet of the Parent Company

30 September 2015

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
<b>Current assets</b>		
Cash and cash equivalents	6,656,039.55	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	18,614,736.00	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>365,270,775.55</b>	<b>359,268,059.37</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>1,060,113,499.96</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	750,158.44	434,320.76
Interests payable		
Dividends payables		
Other payables	10,310,247.61	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>11,060,406.05</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>11,060,406.05</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>-77,658,176.18</u>	<u>-77,580,454.28</u>
Total owners' equity	<u><u>1,049,053,093.91</u></u>	<u><u>1,049,130,815.81</u></u>
<b>Total liabilities and owners' equity</b>	<u><u>1,060,113,499.96</u></u>	<u><u>1,054,110,783.78</u></u>

Legal Representative:  
Li Junjie

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Consolidated Income Statement

January – September 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Current Period (July to September)	Last Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<b>1. Total operating income</b>	242,020,805.11	578,321,926.98	840,204,906.09	1,515,179,387.53
Including: Operating income	242,020,805.11	578,321,926.98	840,204,906.09	1,515,179,387.53
Interest income				
Earned insurance premiums				
Fees and commission income				
<b>2. Total operating cost</b>	295,485,750.78	619,006,609.16	971,333,490.26	1,606,358,842.28
Including: Cost of operation	227,448,430.99	538,160,890.15	790,670,842.05	1,362,298,860.70
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	2,296,578.36	2,372,142.82	6,784,940.60	15,538,830.32

Item	Current		From the	From the
	Period (July to September)	Last Period (July to September)	beginning of the year to the end of the reporting period (January to September)	beginning of the year of last year to the end of the reporting period (January to September)
Selling and distribution expenses	20,076,238.95	25,373,048.97	48,498,287.32	68,017,942.07
Administrative expenses	34,353,184.15	43,835,871.44	96,754,888.66	130,906,889.52
Financial expenses	521,457.04	8,021,934.43	10,417,209.87	31,048,750.99
Loss on impairment of assets	10,789,861.29	1,242,721.35	18,207,321.76	-1,452,431.32
Add: Gain arising from the changes in fair value (loss listed with “-”)				
Investment income (Loss listed with “-”)	1,144,677.20	100,364,304.13	-3,484,833.57	100,788,201.40
Including: Income from investments in associates and joint ventures	1,144,677.20	1,270,736.91	-3,484,833.57	1,694,634.18
Exchange gain (Loss listed with “-”)				
<b>3. Operating profit (Loss listed with “-”)</b>	<b>-52,320,268.47</b>	<b>59,679,621.95</b>	<b>-134,613,417.74</b>	<b>9,608,746.65</b>
Add: Non-operating income	299,072.72	7,929,004.88	18,886,398.96	87,015,517.20
Including: Gain from disposal of non-current assets	0.00	6,345,609.02	18,474,414.24	84,789,572.54
Less: Non-operating expenses	19,606.64	277,454.89	1,176,767.29	1,772,238.64
Including: Loss on disposal of non-current assets	18,827.36	49,659.20	153,692.32	257,470.15
<b>4. Total profit (Loss listed with “-”)</b>	<b>-52,040,802.39</b>	<b>67,331,171.94</b>	<b>-116,903,786.07</b>	<b>94,852,025.21</b>
Less: Income tax expenses	739,929.16	-3,142,336.16	2,651,807.52	7,102,969.07

Item	Current		From the	From the
	Period (July to September)	Last Period (July to September)	beginning of the year to the end of the reporting period (January to September)	beginning of the year of last year to the end of the reporting period (January to September)
<b>5. Net profit (Net loss listed with “-”)</b>	-52,780,731.55	70,473,508.10	-119,555,593.59	87,749,056.14
Net profit attributable to the owners of the parent company	-34,639,537.34	69,728,436.23	-82,464,282.27	90,546,441.99
Minority shareholder’s profit and loss	-18,141,194.21	745,071.87	-37,091,311.32	-2,797,385.85
<b>6. Net other comprehensive income after tax</b>	1,948,075.66	-1,298,487.03	1,920,331.12	-1,090,096.97
Net comprehensive income after-tax attributable to owners of the parent company	970,777.24	-662,228.40	957,123.29	-576,194.27
(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	970,777.24	-662,228.40	957,123.29	-576,194.27
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	970,777.24	-662,228.40	957,123.29	-576,194.27
6. Others				

Item	Current Period (July to September)	Last Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
After-tax net comprehensive income attributable to minority shareholders	977,298.42	-636,258.63	963,207.83	-513,902.70
<b>7. Total comprehensive income</b>	-50,832,655.89	69,175,021.07	-117,635,262.47	86,658,959.17
Total comprehensive income attributable to owners of the parent company	-33,668,760.10	69,066,207.83	-81,507,158.98	89,970,247.72
Total comprehensive income attributable to minority shareholders	-17,163,895.79	108,813.24	-36,128,103.49	-3,311,288.55
<b>8. Earnings per share:</b>				
(1) Basic earnings per share (RMB/share)	-0.08	0.16	-0.20	0.21
(2) Diluted earnings per share (RMB/share)	-0.08	0.16	-0.20	0.21
Legal Representative: Li Junjie	Person-in-charge of Finance: Li Junjie	Finance Manager: Jiang Chi		

## Income Statement of the Parent Company

January – September 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

Item	Current Period (July to September)	Last Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<b>1. Operating income</b>	10,951,402.55	2,490,566.04	12,030,404.86	2,490,566.04
Less: Operating cost				
Business taxes and surcharges	613,278.55		673,074.10	
Selling expenses				
Administrative expenses	3,866,326.28	2,447,981.00	11,480,733.26	3,617,251.70
Financial expenses	-25,892.50	-6,347.90	-45,680.60	-74,513.58
Loss on impairment of assets				
Add: Gain arising from the changes in fair value (Loss listed with “-”)				
Investment income (Loss listed with “-”)		85,079,856.82		85,079,856.82
Including: income from investments in associates and joint ventures				
<b>2. Operating profit (Loss listed with “-”)</b>	6,497,690.22	85,128,789.76	-77,721.90	84,027,684.74
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>	6,497,690.22	85,128,789.76	-77,721.90	84,027,684.74
Less: Income tax expenses				

Item	Current Period (July to September)	Last Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<b>4. Net profit (Net loss listed with “-”)</b>	6,497,690.22	85,128,789.76	-77,721.90	84,027,684.74
<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				

Item	Current Period (July to September)	Last Period (July to September)	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<b>6. Total comprehensive income</b>	6,497,690.22	85,128,789.76	-77,721.90	84,027,684.74

**7. Earnings per share:**

(1) Basic earnings per share (RMB/  
share)

(2) Diluted earnings per share (RMB/  
share)

Legal Representative:  
Li Junjie

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi



## Consolidated Cash Flow Statement

January – September 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB Audit Type: Unaudited

<b>Item</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period (January to September)</b>
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	657,864,877.85	868,495,912.18
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	4,948,433.06	6,546,878.55
Cash received from other operating activities	5,485,242.45	48,285,322.40
Sub-total of cash inflows from operating activities	668,298,553.36	923,328,113.13
Cash paid for goods and services	280,505,261.07	501,728,252.55

<b>Item</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period (January to September)</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	172,673,756.99	228,924,030.43
Payments of taxes and surcharges	49,178,844.36	88,089,945.28
Cash paid to other operating activities	77,621,090.05	134,162,660.67
Sub-total of cash outflows from operating activities	579,978,952.47	952,904,888.93
Net cash flows from operating activities	88,319,600.89	-29,576,775.80
<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		7,864,263.33
Net cash received from disposal of subsidiaries and other business units	1,950,000.00	28,558,406.87
Cash received from other investing activities		227,502,615.38
Sub-total of cash inflows from investing activities		102,105,049.22
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,950,000.00	366,030,334.80
Cash paid for investments	33,519,652.26	127,026,146.87
Cash paid for investments		58,420,500.00
Net increase in pledged deposits		
Net cash paid to acquire subsidiaries and other business units		
Cash paid to other investing activities	1,109,482.78	12,406,139.31
Sub-total of cash outflow from investing activities	34,629,135.04	197,852,786.18
Net cash flows from investing activities	-32,679,135.04	168,177,548.62

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<b>3. Cash flows from financing activities:</b>		
Cash received from investment		200,000,000.00
Including: Cash received by subsidiaries from investment absorption of non-controlling interest		200,000,000.00
Cash received from borrowings	408,234,672.65	473,904,648.36
Cash received from issuance of bonds		
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	408,234,672.65	673,904,648.36
Cash paid for loan repayments	514,420,501.00	579,975,000.00
Cash paid for dividends, profits appropriation or payments of interest	17,498,164.43	33,712,384.59
Including: Dividends and profits paid to non-controlling interest		
Cash paid to other financing activities		160,357,935.33
Sub-total of cash outflows from financing activities	531,918,665.43	774,045,319.92
Net cash flows from financing activities	-123,683,992.78	-100,140,671.56
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	5,988,691.76	-31,302.17
<b>5. Net increase in cash and cash equivalents</b>	-62,054,835.17	38,428,799.09
Add: Cash and cash equivalents at the beginning of the period	125,462,823.33	305,897,025.49
<b>6. Cash and cash equivalents at the end of the period</b>	63,407,988.16	344,325,824.58

Legal Representative:  
Li Junjie

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

## Cash Flow Statement of the Parent Company

January – September 2015

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan    Currency: RMB    Audit Type: Unaudited

<b>Item</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period (January to September)</b>
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of good and rendering of services		2,640,000.00
Cash received from taxes refund		
Cash received from other operating activities	1,211,725.67	311,472.79
Sub-total of cash inflows from operating activities	1,211,725.67	2,951,472.79
Cash paid for goods and services		
Cash paid to and on behalf of employees	881,585.97	
Payments of taxes and surcharges	1,390,460.44	
Cash paid to other operating activities	3,057,792.28	6,491,275.50
Sub-total of cash outflows from operating activities	5,329,838.69	6,491,275.50
Net cash flows from operating activities	-4,118,113.02	-3,539,802.71

<b>Item</b>	<b>From the beginning of the year to the end of the reporting period (January to September)</b>	<b>From the beginning of the year of last year to the end of the reporting period (January to September)</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		249,922,800.00
Cash received from other investing activities		106,926,940.20
Sub-total of cash inflows from investing activities		356,849,740.20
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	1,141,747.91	350,078,593.58
Sub-total of cash outflows from investing activities	1,141,747.91	350,078,593.58
Net cash flows from investing activities	-1,141,747.91	6,771,146.62

Item	From the beginning of the year to the end of the reporting period (January to September)	From the beginning of the year of last year to the end of the reporting period (January to September)
<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>		
<b>5. Net increase in cash and cash equivalents</b>		
Add: Cash and cash equivalents at the beginning of the period	-5,259,860.93	3,231,343.91
	11,915,900.48	9,537,212.51
<b>6. Cash and cash equivalents at the end of the period</b>		
	6,656,039.55	12,768,556.42

Legal Representative:  
Li Junjie

Person-in-charge of Finance:  
Li Junjie

Finance Manager:  
Jiang Chi

#### 4.2 Audit reports

Applicable  Not Applicable