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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)**

## BEIJING JINGCHENG MACHINERY ELECTRIC COMPANY LIMITED 2021 THIRD QUARTERLY REPORT

The board of directors and all members of the board of directors of the Company warrant that this announcement does not contain any false information, misleading statement or material omission and accept joint and several responsibilities for the truthfulness, accuracy and completeness of the contents herein contained.

### IMPORTANT NOTICE:

The board of directors (the “**Board**”), 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 this quarterly report.

Wang Jun, person-in-charge of the Company, Feng Yongmei, person-in-charge of the accounting work, and Wang Yandong, person-in-charge of the accounting body (head of accounting), guaranteed the truthfulness, accuracy and completeness of the financial statements contained in this quarterly report.

### Whether the third quarterly financial statements are audited

☐ Yes    ☒ No

# I. KEY FINANCIAL DATA

## Key accounting data and financial indicators

Unit: Yuan    Currency: RMB

Items	Reporting Period	Increase/Decrease comparing the beginning of the year to the end of the Reporting Period with the same period of last year (%)			Increase/Decrease comparing the end of the Reporting Period with the end of last year (%)
		Increase/Decrease comparing the Reporting Period with the same period of last year (%)	From the beginning of the year to the end of the Reporting Period		
Operating income	325,949,970.94	11.73	852,504,491.69		4.53
Net profit attributable to shareholders of listed company	-5,698,037.08	—	-7,011,341.99		—
Net profit attributable to shareholder of listed company after extraordinary items	-6,500,439.67	—	-15,771,050.24		—
Net cash flow from operating activities	N/A	N/A	-34,095,893.23		—
Basic earnings per share (RMB/share)	0.00	—	-0.01		—
Diluted earnings per share (RMB/share)	0.00	—	-0.01		—
Weighted average return on net assets (%)	-0.82	Increased by 1.88 percentage points	-1.01	Increased by 9.10 percentage points	
	<b>At the end of the Reporting Period</b>		<b>At the end of last year</b>		
Total assets	1,519,962,957.68		1,705,430,862.39		-10.88
Owners' equity attributable to shareholders of listed company	692,175,265.36		699,472,630.04		-1.04

Note: the "Reporting Period" refers to the three-month period from the beginning of this quarter to the end of this quarter, hereinafter the same.

## Extraordinary Items and Amount

<i>Unit: Yuan    Currency: RMB</i>			
Items	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Description
Profit/loss on disposal of non-current assets (including the write-off of the asset impairment provision)	-20,202.65	-62,192.80	
Contingence tax refund or exemption, or due to override approval or document without formal approval			
Government subsidy accounted into profit and loss for the current period (except for those closely associated with the normal operations of the Company which were accounted for in certain standard amount or volume in compliance with the requirement of the policies of the State and in accordance with uniform standard of the State)	434,381.44	8,188,827.38	
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			
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			

Items	Amount for the Reporting Period	Amount for the period from the beginning of the year to the end of the Reporting Period	Description
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, 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		819,000.00	
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	36,942.39	620,709.51	
Other profit/loss items falling within the meaning of non-recurring profit/loss			
Less: effect on income tax	-9,046.01	300,344.45	
Effect on minority interests (after tax)	-342,235.4	506,291.39	
Total	<u>802,402.59</u>	<u>8,759,708.25</u>	

**Explanation on the definition of extraordinary profit or loss as recurring profit or loss as set out in the “Explanatory Announcement No. 1 on Information Disclosure by Public Issuers – Extraordinary Profit or Loss Items”**

☐ Applicable    ☒ Not applicable

## Changes in major accounting data and financial indicators and the reasons

√ Applicable    □ Not applicable

Items	Changes (%)	Main reason
Net profit attributable to shareholders of listed company	80.17	The Company strictly controlled costs and other expenses, resulting in an increase in profits during the current period
Net profit attributable to shareholders of listed company after extraordinary items	59.83	The Company strictly controlled costs and other expenses, resulting in an increase in profits during the current period
Net cash flow from operating activities	-159.70	Caused by higher raw material prices and an increase in cash flow used to paid for the purchase of commodities during the current period
Owners' equity attributable to shareholders of listed company	36.21	The Company strictly controlled costs and other expenses, resulting in an increase in profits during the current period

The above is the cumulative year-on-year change for the first three quarters of 2021, the year-on-year change for the Reporting Period in 2021 is shown in the table below:

Items	Changes (%)	Main reason
Net profit attributable to shareholders of listed company	49.47	The Company strictly controlled costs and other expenses, resulting in an increase in profits during the current period
Net profit attributable to shareholders of listed company after extraordinary items	43.91	The Company strictly controlled costs and other expenses, resulting in an increase in profits during the current period
Net cash flow from operating activities	-73.90	Caused by higher raw material prices and an increase in cash flow used to paid for the purchase of commodities during the current period

## II. SHAREHOLDER INFORMATION

### (I) Total number of ordinary shareholders and preferred shareholders of which voting rights have resumed and shareholding of top ten shareholders

*Unit: share*

Total number of ordinary shareholders as at the end of the Reporting Period	18,130	Total number of preferred shareholders of which voting rights have resumed as at the end of the Reporting Period (if any)	Nil
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#### Shareholding of Top Ten Shareholders

Name of shareholder	Nature of shareholder	Shareholding	Proportion (%)	Number of shares subject to selling restriction	Pledged, marked or frozen Status	Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	State-owned legal-person	245,735,052	50.67%	63,000,000	Nil	0
HKSCC NOMINEES LIMITED	Unknown	99,347,027	20.48%	0	Unknown	0
Haitong Securities Co., Ltd.	Unknown	3,499,300	0.72%	0	Unknown	0
Hong Kong Securities Clearing Company Limited	Unknown	2,542,148	0.52%	0	Unknown	0
Xu Zihua	Unknown	1,708,700	0.35%	0	Unknown	0
Xu Ru	Unknown	1,693,500	0.35%	0	Unknown	0
He Yong	Unknown	1,640,220	0.34%	0	Unknown	0
Nai Xiaoli	Unknown	1,292,100	0.27%	0	Unknown	0
Jin Limei	Unknown	1,208,916	0.25%	0	Unknown	0
Zhang Weifeng	Unknown	1,180,900	0.24%	0	Unknown	0

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

Name of shareholder	Number of circulating shares not subject to trading moratorium	Class and number of shares	
		Class	Number of shares
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	182,735,052	RMB ordinary shares	182,735,052
HKSCC NOMINEES LIMITED	99,347,027	Foreign shares listed overseas	99,347,027
Haitong Securities Co., Ltd.	3,499,300	RMB ordinary shares	3,499,300
Hong Kong Securities Clearing Company Limited	2,542,148	RMB ordinary shares	2,542,148
Xu Zihua	1,708,700	RMB ordinary shares	1,708,700
Xu Ru	1,693,500	RMB ordinary shares	1,693,500
He Yong	1,640,220	RMB ordinary shares	1,640,220
Nai Xiaoli	1,292,100	RMB ordinary shares	1,292,100
Jin Limei	1,208,916	RMB ordinary shares	1,208,916
Zhang Weifeng	1,180,900	RMB ordinary shares	1,180,900

Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders	The Company was not aware of any connected relationship among the aforesaid shareholders, nor was the Company aware of any parties acting in concert as defined in the “Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company’s Shareholders”.
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Explanation (if any) of the participation of the top ten shareholders and the top ten shareholders not subject to trading moratorium in the securities financing and transfer business	Nil
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### III. OTHER REMINDERS

Other important information that needs to be brought to the attention of investors in relation to the Company’s operations during the Reporting Period

√ Applicable    □ Not applicable

## 1. Progress on the implementation of the material assets reorganisation

In order to enhance the Company's ongoing operation and profitability, the Company is implementing on the acquisition of 80% equity interest in Qingdao BYTQ United Digital Intelligence Co., Ltd. On 17 August 2020, the Company convened the fifth extraordinary meeting of the tenth session of the Board for the consideration and approval of each resolution in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 29 December 2020, the Company convened the eighth extraordinary meeting of the tenth session of the Board for the consideration and approval of each resolution in relation to the amendments to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 9 February 2021, the Company convened the first extraordinary general meeting of 2021, the first A share class meeting of 2021 and the first H share class meeting of 2021 to vote for the various resolutions in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds, and to agree and authorize the Board to handle the matters related to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company. On 25 February 2021, the Company received the "CSRC Acceptance Notice of the Application for Administrative Permission" (Acceptance No.: 210440) (《中國證監會行政許可申請受理單》(受理序號：210440號)) issued by the China Securities Regulatory Commission ("CSRC"). On 19 May 2021, the Listed Company Merger and Reorganization Vetting Committee of the CSRC (the "MVRC") convened the 10th working meeting of the MRVC for the year of 2021, at which the asset acquisition by way of share issuance and cash payment and raising of supporting funds by the Company was vetted. In accordance with the vetting results of the meeting, the asset acquisition by way of share issuance and cash payment and raising of supporting funds was not approved. On 11 June 2021, the eleventh extraordinary meeting of the tenth session of the Board was convened and the "Resolution in relation to Continuance of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited" was considered and approved. After study and investigation, the Board agreed to proceed with the asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 3 September 2021, the Company convened the twelfth extraordinary meeting of the tenth session of the Board for the consideration and approval of each of the various resolutions on the amended asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 16 September 2021, the Company received the "CSRC Acceptance Notice of the Application for Administrative Permission" (Acceptance No.: 212436) (《中國證監會行政許可申請受理單》(受理序號：212436號)) issued by the CSRC. On 28 September 2021, the Company received the "Notice of First Feedback on the Review of Administrative Permission Items from CSRC" (No.: 212436)《中國證監會行政許可項目審查一次反饋意見通知書》(212436號) issued by the CSRC. The asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company is subject to the approval by the CSRC. Whether it will be approved by the CSRC and the time when such approval can be obtained remain uncertain. The Company will strictly perform information confidentiality work according to relevant progress, and perform its obligations of information disclosure in strict accordance with relevant laws and regulations, and announce the progress of this matter in a timely manner.

## 2. Progress of litigation involving a subsidiary of the Company

On 2 June 2020, the Company published the “Announcement on Litigation Involving Beijing Tainhai Cryogenic Equipment Co., Ltd.”. Beijing Tianhai Cryogenic Equipment Co., Ltd., (a subsidiary of the Company’s subsidiary Beijing Tianhai Industrial Co., Ltd.\*北京天海工業有限公司), received a “Notice of Response to Claim” issued by the Shanghai No. 1 Intermediate People’s Court and a civil writ filed by Shanghai Junzheng Logistics Co., Ltd. (上海君正物流有限公司) (“**Junzheng Company**”) to the Shanghai No. 1 Intermediate People’s Court. On 13 May 2021, the Company received a civil judgment from the Shanghai No. 1 Intermediate People’s Court, rendering a first instance judgment in the case. Junzheng Company did not agree with the first instance judgment (2020) Hu 01 Min Chu No. 127 made by the Shanghai No. 1 Intermediate People’s Court and has appealed to the Shanghai High Court in accordance with the law. The Shanghai High Court has filed a case and has formed a panel of judges to hear the case on 24 August 2021.

Since final judgment in respect of the litigation has not been made, and the impacts of the litigation on the current profits or subsequent profits of the Company cannot be estimated for the time being. The Company will actively respond to the claim to protect the legitimate interests of the Company. The Company will perform its information disclosure obligations in a timely manner based on the litigation progress. Investors are advised to pay attention to the relevant announcements and beware of investment risks.

## IV. QUARTERLY FINANCIAL STATEMENTS

### (I) Type of audit opinion

☐ Applicable    ☒ Not applicable

## (II) Financial Statements

### Consolidated Balance Sheet

30 September 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	30 September 2021	31 December 2020
<b>Current assets:</b>		
Cash at bank and on hand	94,057,157.64	279,067,536.83
Settlement reserve		
Loans to banks and other financial institutions		
Financial assets held for trading		
Derivatives financial assets		
Notes receivable		
Accounts receivable	151,878,521.38	191,929,152.84
Receivables financing	9,136,904.72	4,153,285.64
Advances to suppliers	60,458,118.35	63,821,034.83
Premium receivable		
Reinsurance premium receivable		
Reinsurance contract reserves receivable		
Other receivables	8,084,311.41	8,706,093.49
Including: Interests receivable		
Dividends receivable		
Financial assets purchased under agreement to re-sell		
Inventories	342,658,310.38	274,506,836.67
Contractual assets		
Held-for-sale assets		
Non-current assets due within one year		
Other current assets	25,413,181.87	37,045,785.67
<b>Total current assets</b>	<b>691,686,505.75</b>	<b>859,229,725.97</b>

Item	30 September 2021	31 December 2020
<b>Non-current assets:</b>		
Loans and advance		
Debt investment		
Other debt investments		
Long-term receivables		
Long-term equity investments	65,742,482.55	59,521,106.68
Other equity instruments investments		
Other non-current financial assets		
Investment properties		
Fixed assets	569,638,132.04	605,655,905.18
Construction in progress	70,043,808.09	54,395,871.51
Bearer biological assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	118,410,721.75	121,126,149.83
Development expenditures		
Goodwill		
Long-term deferred expenses	4,435,792.79	5,214,275.63
Deferred income tax assets	5,514.71	287,827.59
Other non-current assets		
	<hr/>	<hr/>
<b>Total non-current assets</b>	<b>828,276,451.93</b>	<b>846,201,136.42</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>1,519,962,957.68</b>	<b>1,705,430,862.39</b>
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Item	30 September 2021	31 December 2020
<b>Current liabilities:</b>		
Short-term borrowings	80,000,000.00	168,000,000.00
Borrowings from central bank		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Derivative financial liabilities		
Notes payable	24,000,000.00	56,000,000.00
Accounts payable	278,682,431.37	258,315,791.75
Advance from customers		
Contractual liabilities	21,467,173.58	60,853,270.89
Financial assets sold under agreements to repurchase		
Deposits and placements from other financial institutions		
Securities brokering		
Securities underwriting		
Employee benefits payable	17,076,441.27	28,176,562.77
Taxes payable	5,914,224.56	6,720,070.38
Other payables	51,815,705.54	45,176,375.13
Including: Interests payable	424,599.25	
Dividends payable		
Fees and commissions payable		
Reinsurance amounts payable		
Held-for-sale liabilities		
Non-current liabilities due within one year	15,540,454.46	
Other current liabilities	1,630,133.42	8,472,856.14
<b>Total current liabilities</b>	<b>480,586,109.74</b>	<b>647,255,381.52</b>

Item	30 September 2021	31 December 2020
<b>Non-current liabilities:</b>		
Reserves for insurance contract		
Long-term borrowings		1,154,907.30
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables	7,000,000.00	10,000,000.00
Long-term employee benefits payable	28,206,118.61	28,206,118.61
Provisions	10,868,893.84	11,197,893.84
Deferred incomes	5,350,147.48	6,011,627.67
Deferred income tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>51,425,159.93</b>	<b>56,570,547.42</b>
<b>Total liabilities</b>	<b>532,011,269.67</b>	<b>703,825,928.94</b>

Item	30 September 2021	31 December 2020
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or capital stock)	485,000,000.00	485,000,000.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	833,183,835.84	833,183,835.84
Less: Treasury stocks		
Other comprehensive incomes	-611,447.28	-325,424.59
Specific reserves		
Surplus reserves	45,665,647.68	45,665,647.68
Provisions for general risk		
Undistributed profit	-671,062,770.88	-664,051,428.89
Total owners' equity (or shareholders' equity) attributable to parent company	692,175,265.36	699,472,630.04
Non-controlling interest	295,776,422.65	302,132,303.41
<b>Total owners' equity (or shareholders' equity)</b>	<b>987,951,688.01</b>	<b>1,001,604,933.45</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>1,519,962,957.68</b>	<b>1,705,430,862.39</b>
Person-in-charge of the Company: Wang Jun	Person-in-charge of accounting work: Feng Yongmei	Person-in-charge of accounting body: Wang Yandong

## Consolidated Income Statement

January – September 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
<b>1. Total operating income</b>	852,504,491.69	815,569,696.60
Including: Operating incomes	852,504,491.69	815,569,696.60
Interest incomes		
Earned insurance premiums		
Fees and commission incomes		
<b>2. Total operating cost</b>	868,410,799.35	845,901,571.20
Including: Operating cost	748,967,932.41	719,705,457.48
Interest expenses		
Fees and commission expenses		
Cash surrender amount		
Net expense of claim settlement		
Net amount of withdrawn policy reserve		
Policyholder dividend expenses		
Expenses for reinsurance accepted		
Taxes and surcharges	4,238,536.74	5,417,135.18
Selling expenses	34,972,069.78	38,647,203.10
Administrative expenses	56,448,388.01	54,304,393.90
R&D costs	15,130,233.62	13,782,742.08
Financial expenses	8,653,638.79	14,044,639.46

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
Including: Interest expenses	4,258,059.68	13,291,975.14
Interest incomes	1,113,883.70	905,196.07
Add: Other earnings	7,872,016.31	525,800.49
Investment incomes (with “-” for losses)	6,548,804.11	-7,621,161.57
Including: Investment incomes from affiliated enterprises and joint ventures	6,548,804.11	-7,621,161.57
Derecognition income of financial assets measured at amortized costs		
Exchange gains (with “-” for losses)		
Net exposure hedging income (with “-” for loss)		
Income from changes in fair value (with “-” for loss)		
Credit impairment losses (with “-” for losses)	-2,411,356.12	-4,083,254.91
Asset impairment losses (with “-” for losses)	-7,422,483.60	-9,743,992.16
Incomes of assets disposal (with “-” for losses)	122,252.07	497,606.47
<b>3. Operating profit (with “-” for loss)</b>	-11,197,074.89	-50,756,876.28
Add: Non-operating income	1,066,585.08	1,948,142.47
Less: Non-operating expenses	313,509.37	961,543.57
<b>4. Total profit (with “-” for total loss)</b>	-10,443,999.18	-49,770,277.38
Less: Income tax expenses	2,923,223.57	2,000,756.07
<b>5. Net profit (with “-” for net loss)</b>	-13,367,222.75	-51,771,033.45
(1) Classified according to operating continuity		
1. Net profit from continuing operations (with “-” for net losses)	-13,367,222.75	-51,771,033.45
2. Net profit from discontinuing operations (with “-” for net losses)		
(2) Classified according to attribution of the ownership		
1. Net profits attributable to shareholders of the parent company (with “-” for net losses)	-7,011,341.99	-35,365,483.46
2. Non-controlling interests (with “-” for net losses)	-6,355,880.76	-16,405,549.99

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
<b>6. Other net comprehensive income</b>		
<b>after-tax</b>	-315,521.28	-2,447,565.22
(1) Other net after-tax comprehensive income		
attributable to the owner of		
the parent company	-286,022.69	-2,197,297.14
1. Other comprehensive incomes that cannot be		
reclassified through profit or loss		
(1) Changes arising from		
re-measurement of the defined benefit plan		
(2) Other comprehensive incomes that cannot be		
reclassified into profits or losses under the		
equity method		
(3) Changes in fair value of investment by other		
equity instruments		
(4) Changes in fair value of the enterprise's credit		
risk		
2. Other comprehensive incomes that will be		
re-classified into profits or losses	-286,022.69	-2,197,297.14
(1) Other comprehensive incomes that can be		
reclassified into profits or losses under the		
equity method	-1,117.81	
(2) Changes in fair value of other debt investment		
(3) The amount of financial assets reclassified		
into other comprehensive incomes		
(4) Provision for impairment of credit in other		
debt investments		
(5) Reserves for cash flow hedge		
(6) Converted difference in foreign currency		
statements for foreign currency	-284,904.88	-2,197,297.14
(7) Others		
(2) Other net after-tax comprehensive incomes		
attributable to minority shareholders	-29,498.59	-250,268.08

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
<b>7. Total comprehensive incomes</b>	-13,682,744.03	-54,218,598.67
(1) Total comprehensive incomes attributable to shareholders of the parent company	-7,297,364.68	-37,562,780.60
(2) Total comprehensive incomes attributable to minority shareholders	-6,385,379.35	-16,655,818.07
<b>8. Earnings per share:</b>		
(1) Basic earnings per share (RMB/share)	-0.01	-0.08
(2) Diluted earnings per share (RMB/share)	-0.01	-0.08

For the business combination under common control effected in the Reporting Period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

Person-in-charge  
of the Company:  
Wang Jun

Person-in-charge  
of accounting work:  
Feng Yongmei

Person-in-charge  
of accounting body:  
Wang Yandong

## Consolidated Cash Flow Statement

January – September 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan    Currency: RMB    Audit type: Unaudited

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	818,903,634.12	784,414,314.49
Net increase in deposits from customers and deposits from other financial institutions		
Net increase in loans from central bank		
Net increase in placement from other financial institutions		
Cash receipts of premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of the insured and investment		
Cash receipts of interests, fees and commissions		
Net increase in placements from banks and other financial institutions		
Net increase in assets of repurchasing business		
Net cash received from securities brokering		
Cash received from taxes refund	33,409,524.36	32,807,417.05
Cash received from other operating activities	54,020,625.94	37,758,997.47
Sub-total of cash inflows from operating activities	906,333,784.42	854,980,729.01

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
Cash paid for goods and services	692,291,169.31	534,184,582.34
Net increase in loans and advances		
Net increase in deposits with central bank and other financial institutions		
Cash paid for claims settlement on original insurance contracts		
Net increase in placement to banks and other financial institutions		
Cash paid for interests, fees and commissions		
Cash paid for dividends of insurance policies		
Cash paid to and on behalf of employees	150,390,148.15	140,277,766.64
Taxes and surcharges cash payments	28,548,388.94	29,059,485.41
Cash paid to other operating activities	69,199,971.25	94,350,387.73
	<hr/>	<hr/>
Sub-total of cash outflows from operating activities	940,429,677.65	797,872,222.12
	<hr/>	<hr/>
Net cash flows from operating activities	-34,095,893.23	57,108,506.89
	<hr/>	<hr/>
<b>2. Cash flows from investing activities:</b>		
Cash received from return of investment		27,634,150.00
Cash received from investment income	327,428.24	8,551,142.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	314,402.06	170,271.87
Net cash received from disposal of subsidiaries and other business entities		
Cash received from other investing activities		
	<hr/>	<hr/>
Sub-total of cash inflows from investing activities	641,830.30	36,355,564.15
	<hr/>	<hr/>

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	27,318,185.00	14,378,251.98
Cash paid for investments	18,540,454.46	14,750,903.56
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business entities		
Cash paid to other investing activities	10,822,598.18	110,917,816.10
Sub-total of cash outflow from investing activities	56,681,237.64	140,046,971.64
Net cash flows from investing activities	-56,039,407.34	-103,691,407.49
<b>3. Cash flows from financing activities:</b>		
Cash received from absorbing investment		211,111,360.00
Including: Cash received by subsidiaries from investment absorption of minority interest		
Cash received from borrowings	50,000,000.00	199,733,462.00
Cash received from other financing activities		
Sub-total of cash inflows from financing activities	50,000,000.00	410,844,822.00
Cash paid for loan repayments	138,000,000.00	250,239,478.00
Cash paid for allocation of dividends, profits or payments of interest	5,218,485.56	10,784,848.43
Including: Dividends and profits paid to minority shareholders by subsidiaries		
Cash paid to other financing activities		1,042,439.00
Sub-total of cash outflows from financing activities	143,218,485.56	262,066,765.43
Net cash flows from financing activities	-93,218,485.56	148,778,056.57

Item	First 3 quarters of 2021 (January – September)	First 3 quarters of 2020 (January – September)
<b>4. Effect of changes in foreign exchange rate on cash and cash equivalents</b>	-1,706,593.06	-1,120,594.70
<b>5. Net increase in cash and cash equivalents</b>	-185,060,379.19	101,074,561.27
Add: Opening balance of cash and cash equivalents	279,117,536.83	78,887,242.25
<b>6. Closing balance of cash and cash equivalents</b>	94,057,157.64	179,961,803.52
Person-in-charge of the Company: Wang Jun	Person-in-charge of accounting work: Feng Yongmei	Person-in-charge of accounting body: Wang Yandong

**(III) Adjustment to the relevant items in the financial statements of the beginning of the first year of implementation upon first implementation of the new leasing standards starting from 2021**

☐ Applicable    ☒ Not Applicable

By Order of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, the PRC  
28 October 2021

*As at the date of this announcement, the Board comprises Mr. Wang Jun, Mr. Li Junjie and Mr. Zhang Jiheng as executive directors, Mr. Wu Yanzhang, Mr. Xia Zhonghua and Ms. Li Chunzhi as non-executive directors and Mr. Xiong Jianhui, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.*