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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)**

**2023 INTERIM RESULTS ANNOUNCEMENT**

**I. IMPORTANT NOTICES**

- 1. This interim results announcement is derived from the 2023 Interim Report. To comprehensively understand operating results, financial position and future development plans of Beijing Jingcheng Machinery Electric Company Limited (the “Company”), investors should carefully read the full text of the 2023 Interim Report.**
- 2. The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”), the directors (the “Directors”), the supervisors and senior management of the Company guarantee the authenticity, accuracy and completeness of the contents of the 2023 interim results announcement, in which there are no false representations, misleading statements contained, or material omissions, and assume several and joint responsibilities.**
- 3. All Directors of the Company have attended the meetings of the Board.**
- 4. The 2023 interim results have not been audited.**
- 5. The proposal of distribution of profit for the reporting period or the transfer of capital reserve to equity considered by the Board**

Nil

## II. BASIC INFORMATION OF THE COMPANY

### 1 Company profile

#### Basic Information of the Company's Shares

Type of shares	Place of listing of the shares	Stock abbreviation	Stock code	Stock abbreviation before changes
A share	Shanghai Stock Exchange	京城股份	600860	京城股份
H share	The Stock Exchange of Hong Kong Limited	JINGCHENG MAC	00187	JINGCHENG MAC

#### Contact persons and contact information

	Secretary to the Board	Securities affairs representative
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## 2 Major financial data

*Unit: Yuan*  
*Currency: RMB*

<b>Principal Accounting Data</b>	<b>For the reporting period (January – June 2023)</b>	<b>For the same period last year</b>	<b>Increase/Decrease comparing the reporting period with the same period last year (%)</b>
	Operating income	625,983,732.52	637,677,016.77
Net profit attributable to shareholders of the listed company	-29,690,936.02	10,576,997.42	–
Net profit attributable to shareholders of the listed company after extraordinary items	-31,831,469.28	7,256,597.49	–
Net cash flow from operating activities	-6,466,898.65	-18,915,591.19	–
			<b>Increase/Decrease comparing the end of the reporting period with the end of last year (%)</b>
	<b>As at the end of the reporting period</b>	<b>As at the end of last year</b>	
Net assets attributable to shareholders of the listed company	1,048,730,607.94	1,075,757,552.12	-2.51
Total assets	2,731,445,014.25	2,496,004,308.13	9.43

### 3 Shareholdings of top ten shareholders

Total number of shareholders as at the end of the reporting period	53,474
Total number of preference shareholders with voting rights restored at the end of the reporting period	Nil

*Unit: share*

#### Shareholdings of top ten shareholders

Name of shareholder (full name)	Increase/ decrease during the Reporting Period	Number of shares held at the end of the period	Percentage (%)	Number of shares held subject to selling restrictions	Pledged, tagged or frozen		Shareholder(s) nature
					Share status	Number	
Beijing Jingcheng Machinery Electric Holding Co., Ltd	0	245,735,052	45.32	63,000,000	Nil		State-owned legal person
HKSCC NOMINEES LIMITED	-4,000	99,415,027	18.33	0	Unknown		Unknown
Li Hong	-913,800	18,185,766	3.35	7,639,826	Unknown		Domestic natural person
Zhao Qing	0	6,540,785	1.21	2,616,314	Unknown		Domestic natural person
Qingdao Eternal Economic Information Consulting Co., Ltd.	0	4,686,960	0.86	1,874,784	Unknown		Domestic non-state-owned legal person
Wang Xiaohui	-100,000	3,939,404	0.73	1,615,762	Unknown		Domestic natural person
Yang Ping	-1,710,800	3,695,065	0.68	0	Unknown		Domestic natural person
Wang Huadong	0	2,015,123	0.37	0	Unknown		Domestic natural person
Hong Kong Securities Clearing Company Limited	1,312,965	1,780,188	0.33	0	Unknown		Unknown
Guotai Junan Securities Co., Ltd.	1,551,601	1,551,601	0.29	0	Unknown		Unknown

Notes:

- (1) Beijing Jingcheng Machinery Electric Holding Co., Ltd. (“**Jingcheng Machinery Electric**”) is the substantial shareholder of the Company, no share of which are being pledged or frozen.
- (2) 63,000,000 A Shares held by Jingcheng Machinery Electric have been listed and circulated on 10 July 2023. For details, please refer to the “Announcement on the Listing and Circulation of 2020 Non-public Issuance of Restricted Shares” (《2020年非公开发行限售股上市流通的公告》) published by the Company on “Shanghai Securities News”, the website of Shanghai Stock Exchange (www.sse.com.cn) and the HKEXnews website of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (www.hkexnews.hk) on 3 July 2023.
- (3) HKSCC Nominees Limited held shares on behalf of many of its clients and the Company has not been notified by HKSCC Nominees Limited that there was any holder of H Shares who individually held 5% or more of the total share capital of the Company.
- (4) As at 30 June 2023, Mr. Cheng Lei’s spouse held 5,700 A Shares in the Company. Save as disclosed above, as at 30 June 2023, so far as was known to the Directors, the supervisors and chief executive of the Company or their respective associates did not have any interest or short position in the shares, underlying shares or debentures of the Company or any associated corporations below (within the meaning of Part XV of the Securities and Futures Ordinance (the “**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the “Model Code for Securities Transactions by Directors of Listed Issuers” (the “**Model Code**”) contained in the “Rules Governing the Listing of Securities on the Stock Exchange” (the “**Listing Rules**”), to be notified to the Company and the Stock Exchange.
- (5) Save as disclosed above, as at 30 June 2023, the Directors were not aware of any person (not being a Director, supervisor or chief executive of the Company) having any interests or short positions in the shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.
- (6) There is no provision for pre-emptive rights under the laws of the PRC and the articles of association of the Company.
- (7) As of 30 June 2023, the Company did not issue any convertible securities, share options, warrants or any other similar right.

**4 Particulars of the total number of shareholders of preference shares and top ten shareholders of preference shares as at the end of the reporting period**

Applicable     Not applicable

**5 Changes in controlling shareholder or beneficial controller**

Applicable     Not applicable

**6 Undue and unpaid or overdue corporate bonds**

Applicable     Not applicable

### III. MANAGEMENT DISCUSSION AND ANALYSIS

The year 2023 is a critical year for the “14th Five-Year Plan”. In the first half of the year, the Company, centering on the strategic objectives and annual budget, has resolutely implemented the various deployments of the work conference held at the beginning of the year, and has solidly promoted market development, technological innovation, cost reduction and efficiency enhancement, etc. Despite facing certain operational difficulties, positive progress was made in a number of key areas of work. The Company has made certain achievements in strategic product innovation, optimization of industrial layout, improvement of governance system, consolidation of its position in the domestic and overseas markets, and enhancement of refined management.

#### 1. Unwavering market development and keeping operation stable

##### ***Gas Storage and Transportation Segment:***

Facing up to the challenges in the international market, the Company actively visited customers and invited customers for site visits, paid close attention to the development of new products and new customers, and secured orders to stabilize the downward trend of the export business. Asian markets achieved growth; sales to multinational gas companies also increased. Domestic market development has also made positive progress. Domestic sales resources were integrated for the traditional seamless steel gas cylinders market, a perfect sales model was built, incentive mechanisms were established, resulting in a growth of sales revenue in the first half of the year. Breakthroughs have been made consecutively in the high value-added markets such as those of Type III and Type IV cylinders, and the Type IV cylinder CNG system has been loaded on a complete set for trial operation, with obvious advantages in weight reduction and market response has been favorable.

##### ***Intelligent Manufacturing Segment:***

Relying on its own research and development and comprehensive integration capabilities, the Company provides customers with total solutions for production line automation, information technology construction, upgrading and transformation, and intelligent factories, and the Company’s main products continue to expand into the home appliance industry in both depth and breadth. As for the ground conveyance and assembly system, the Company has won a number of orders, capitalizing on its advantages in the overall planning of the construction of intelligent factories. As for stamping lines, with years of project experience and breakthroughs in design and research and development, the Company has further expanded its stamping lines into the area of stamping automation for a number of parts in the pre-processing of water heaters, refrigerators, etc. In terms of suspension chains, the Company has continued to expand into new applications and establish a flow production model for refrigerator doors from door shell stamping to door body foaming to door body installation and distribution, solving the problems of flexible production of “door shell, door lining and door body” and intelligent distribution.

## 2. Unwavering strategic leadership and active promotion of various tasks and measures

The Company effectively launched the mid-term evaluation of its strategy. The Company actively promoted the reform and adjustment of Beijing Tianhai Hydrogen Energy Equipment Co., Ltd. (“**Tianhai Hydrogen**”), carried out the integration of business and asset transfer; completed the acceptance of the industrialization projects such as Phase II of Type IV cylinders; promoted Phase III of the industrialization project of hydrogen energy in an orderly manner.

The Company relied on the Group’s industrial deployment, focusing on the key aspects of home appliance manufacturing in connection with the intelligentization of key processes, substitution of key positions by robots, intelligent optimization and control of the production process, optimization of the supply chain, etc. Cooperation was launched in the integration innovation and industrial application of a new generation of information technology and manufacturing equipment, and upgrading of manufacturing equipment and construction of intelligent factories were promoted.

## 3. Unwavering innovation and development, system construction and planned progression of research projects

The Company increased the investment in research and development, and orderly promoted the research and development of Type IV cylinders product series and liquid hydrogen products; hydrogen refuelling station development has been equipped with 70MPa hydrogen refuelling station integration capacity; Shanghai Tianhai Composite Cylinders Co., Ltd. (“**Shanghai Tianhai**”) was awarded the title of “Specialized and Sophisticated Enterprise Producing New and Unique Products” and “Innovative Small and Medium-sized Enterprise” by Shanghai Municipality, and Beijing Tianhai Industry Co., Ltd. (“**Tianhai Industry**”) has incubated a total of 5 specialized and new enterprises. The Company introduced robots and digital equipment, optimizing production processes, deeply integrating automation and information technology, and upgrading manufacturing standards, realizing staff reduction and increase in efficiency.

Through understanding the demand for orders and the industry’s replicative demand for equipment, the Company made breakthroughs in technological research and development to provide technical support for obtaining orders: the core unit of the stamping line – the changing cart was successfully developed on its own and marketed for application, which significantly reduced the overall cost of stamping line products and improved the market competitiveness of the product. As for friction bar and suspension chain, the research and development of large load friction driven trolley has successfully allowed the product to be applied to the field of transportation of large air-conditioning parts with a high load. Successful product development and application has further improved the profitability of the Company.

#### **4. Unwavering lean management and steady strengthening of internal management**

The Company continuously realizes technological cost reduction through design improvement, domestic procurement of materials, substitution of parts and components, technological transformation and skill refinement. At the same time, the Company has continued to promote the construction of systems and processes, insisting on legal compliance in audits, audit supervision, internal control compliance evaluation and other work as a means of timely detection of incomplete and inadequate implementation of systems and processes, and stepping up rectification efforts.

In the second half of 2023, the Company will, based on its own technical characteristics, follow the industry dynamics, grasp the trend of market demand, continue the research and development of high-quality products, extend and expand the field of application, and enhance its core competitiveness in the market. Efforts will be put to improve the incentive mechanism, stimulate the innovation of the research team, and continue the recruitment of excellent talents. The Company will also enhance the research and development of core technologies in specialized fields and promote the implementation and transformation of research results to provide strong support for the quality improvement of the Company. Through continuous promotion of lean management, reducing costs and increasing efficiency, quality and efficiency will be further improved. The Company will continue to strengthen the construction of internal control compliance, and enhance its risk management and control capabilities.

##### ***1. Focusing on comprehensive budgeting and seizing new opportunities in market development***

The Company will increase the depth and breadth of overseas market visits and actively explore emerging markets, enhance product competitiveness by optimizing product structure, upgrading product quality, improving delivery time and cost control. The Company will consolidate its existing market share while seeking new incremental market growth.

##### ***2. Focusing on platform construction and stimulating new momentum by innovation drive***

Adhering to the principle of science and technology as the prime engine for productivity, talent as the prime resource, and innovation as the prime driving force, the Company will implement the strategy of innovation-driven development in depth, and continue to shape new driving forces and new advantages for development. The Company will continue to improve the innovation system and mechanism, and integrate core talent management methods to fully motivate technicians to innovate. The Company will accelerate the transformation and upgrading of digitalized intelligent manufacturing, strengthen the construction of core business systems and deepen its applications, and innovate management model to achieve quality and efficiency enhancement. The Company will continue to promote the optimization and upgrading of existing products, optimize product design and skills in a market-oriented manner, and enhance the competitiveness of conventional products.



For the intelligent manufacturing segment, the Company plans to recruit talents in visibility technology development to expand the application of visibility technology so as to further expand its business in robot integration and application segment and non-standard equipment segment, develop in depth and breadth, and obtain relevant equipment development project orders in new areas to expand the Company's business scope. The Company will make breakthroughs in technological research and development in response to new demands for industrial automation projects, integration of information technology software systems, and research and development of suspension conveyor systems, so as to develop better foresight for downstream demands, respond rapidly and maintain continuous development capability.

### ***3. Focusing on strategic leadership and opening a new chapter in reform and adjustment***

The Company will implement the requirements of the mid-term strategic evaluation, optimize strategic initiatives, refine its implementation plan, carry out publicity work and strengthen execution supervision. The Company will systematically review the results of the three-year phased reform of state-owned enterprises, summarize the experience and make improvement on the shortcomings, so as to lay the foundation for a new round of state-owned enterprise reform. The Company will continue to deepen reform and foster innovation and development.

### ***4. Focusing on lean management and achieving new breakthroughs in quality and efficiency improvement***

Based on the core indicators of "One Profit and Five Ratios", the Company will analyze in-depth the driving factors affecting the level of the indicators, launch a comprehensive value diagnosis, look for shortcomings and weaknesses, define the work objectives and priorities, and formulate improvement measures to continuously strengthen the construction of the enterprise's value creation capability and comprehensively enhance the level of value creation. The Company will continue to promote cost reduction and efficiency enhancement and consolidate the results of the "three cuttings, one reduction and one improvement" special action. The Company will focus on product structure adjustment, optimize product profitability, and increase the share of high value-added products in the middle- and high-end markets.

### ***5. Focusing on compliance building to elevate the risk control system to a new level***

The Company will strengthen the implementation of systems and processes, enhancing internal control compliance evaluation and audit supervision, and promoting system improvement and effective implementation. The Company will step up on legal compliance audits, promotion of in-depth integration of audits and business, improvement of audit quality, firm control of the bottom line and efficiency in support of the Company's development. The Company will enhance financial compliance management and risk control, strengthen the Group's financial control functions, and continue to promote the mechanism of assigning financial officers. The Company will enhance the cultivation of financial teams, and upgrade the professional quality of financial staff through training on finance and tax laws and regulations.

## Analysis of core competitiveness during the reporting period

### *(I) Gas Storage and Transportation Segment*

After many years of development, the Company has the following competitive advantages in terms of scale and brand, technology, sales network, human resources, financing etc.:

#### *1. Scale and Brand Advantages*

The Company is a group company consisted of eight production bases for the manufacture of professional gas storage and transportation equipment and a company located in the United States. With more than 20 years of operation and development, the Company has established a corporate image of fine technology foundation and product stability and reliability in the industry; and the Tianhai brand has become one of the well-known brands in the industry.

#### *2. Technology Advantages*

With continuous technology research and development, the Company has obtained A1, A2, C2 and C3 level pressure vessel design qualifications and A1, A2, B1, B2, B3, C2, C3, D1 and D2 level pressure vessel manufacturing qualifications. It can now produce over 800 types and specifications of seamless steel gas cylinders, winding gas cylinders, accumulator shells, asbestos-free acetylene cylinders, welded insulated cylinders, carbon fiber full-winding compound gas cylinders (including those for vehicles), plastic carbon fiber full-winding compound gas cylinders, cryogenic tanks and filling stations, etc. Products of the Company are widely applied in automotive, chemical, fire-fighting, medical, petroleum, energy, urban construction, food, metallurgy, machinery, electronics and other industries.

Meanwhile, with an accurate grasp of the clean energy market, the Company has combined technologies in respect of LNG cylinders for vehicles, CNG cylinders, cryogenic tanks and natural gas vehicle filling stations and is able to provide customers with LNG/CNG system solutions. The Company is also capable of designing and manufacturing cryogenic tanks and IMO tank container products of different volumes and pressure levels in accordance with China pressure vessel standards, EU ADM and 97/23//ECPED and Australia/New Zealand AS1210 standards.

#### *3. Sales Network Advantages*

The Company has established a complete sales network equipped with over 30 distribution offices scattering across the country, achieving a full geographical coverage nationwide, and is capable of offering parts and components to the largest-scale automobile manufacturers of the national automobile industry in the supply chain of parts and components for domestic mainstream automobile manufacturers. The Company has also set up eight overseas sales offices which are mainly located in the United States, Singapore, Korea, India, Australia and other countries. Relevant products have been accepted by

seven out of the world's top eight influential gas companies. To build a bridge between the basic unit and the market, and to increase the vitality of the strategy execution unit and the results of operation, the Company carried out transformation and upgrading of internal management and control so that each of its subsidiaries could establish a business model of unifying research, production, supply and sales, so as to fully unleash the potential of the organization, make flexible and quick responses to the changes in the market and effectively enhance the results of operation.

Leveraging advanced technology, outstanding management, reliable products and optimized aftersales services system, the Company is keeping its pace of becoming a global leading manufacturing and service enterprise of energy gas storage devices.

#### *4. Human Resources Advantages*

In order to provide a career development platform for its management and employees to grow with the enterprise and share the fruits of development and to build a good corporate culture, the Company has established an internal organizational system and operational mechanism, a performance appraisal mechanism and a salary and welfare system meeting the requirements for market competition. It aims to retain talents with strong prospects, competitive remuneration and sentimental attachments. It has established a team of core talents with ability and integrity, core competence and professional quality in respect of research and development, sales, management, operation and production.

### ***(II) Intelligent Manufacturing Segment***

Qingdao BYTQ United Digital Intelligence Co., Ltd. (“BYTQ”) will rely on the Group's strategic co-operation in the future to plough into the field of home appliance business and gradually diversify its business customers, so as to ensure that the company's business grows steadily in the long term.

#### *1. Technology Advantages*

The company focuses on the industrial automation field and deeply engages in the home appliances industry. With the enterprise information technology business segment as the driving core and customized intelligent manufacturing equipment as the base, the company has the ability to provide industrial automation, digitalization, networking and intelligent products and services to customers by connecting the equipment with the control system, operation and decision making.

## 2. Sales Advantages

The company has established a strong sales team which focuses on core customers, understands customers' needs in depth, fully releases the vitality of the team, and can quickly adjust the marketing model in response to market changes. With advanced technology, reliable quality and excellent sales management team, the company has targeted at the sub-markets of the home appliances business and steadily expanded its market share.

## 3. Human Resources Advantages

The company has set up an efficient and professional team of staff, established a performance appraisal and salary and welfare system to fully mobilize the employees' innovation initiatives, and provided a platform for employees to grow together with the enterprise. The company cultivates excellent talents with high professional quality in core positions such as technology, production, sales, management and operation.

## PRINCIPAL OPERATION DURING THE REPORTING PERIOD

### (I) Analysis of principal businesses

#### 1. Table of movement analysis for the related items in financial statements

			<i>Unit: Yuan</i>
			<i>Currency: RMB</i>
<b>Item</b>	<b>Current period</b>	<b>Corresponding period of last year</b>	<b>Changes (%)</b>
Operating income	625,983,732.52	637,677,016.77	-1.83
Operating cost	546,091,446.53	553,123,507.27	-1.27
Sales expense	17,906,764.13	15,841,866.48	13.03
Management expense	47,814,777.88	38,334,532.86	24.73
Financial expense	6,290,198.97	2,940,495.83	113.92
R&D expenditure	28,174,206.18	21,615,500.91	30.34
Net cash flows from operating activities	-6,466,898.65	-18,915,591.19	—
Net cash flows from investing activities	-48,948,528.84	-8,990,156.01	—
Net cash flows from financing activities	195,759,584.01	62,543,584.45	213.00

Reasons for the change in operating income: decreased by 1.83% as compared with the corresponding period of last year, basically remained unchanged as compared with the same period of the last year;

Reasons for the change in operating cost: decreased by 1.27% as compared with the corresponding period of last year, mainly due to lower costs as a result of lower operating income;

Reasons for the change in sales expense: increased by 13.03% as compared with the corresponding period of last year, mainly due to the impact from the inclusion of BYTQ in the scope of the consolidated financial statements;

Reasons for the change in management expense: increased by 24.73% as compared with the corresponding period of last year, mainly due to the impact from the inclusion of BYTQ and Beijing Jingcheng Haitong Technology Culture Development Co., Ltd. (“**Jingcheng Haitong**”) in the scope of consolidation financial statements;

Reasons for the change in financial expense: increased by 113.92% as compared with the corresponding period of last year, mainly due to the increase in unrecognized finance costs as a result of the inclusion of Jingcheng Haitong in the scope of the consolidated financial statements during the current period, which was affected by the new leasing standards;

Reasons for the change in R&D expenditure: increased by 30.34% as compared with the corresponding period of last year, mainly due to increased research and development efforts during the current period;

Reasons for the change in net cash flows from operating activities: increased by approximately RMB12.4487 million as compared with the corresponding period of last year, mainly due to the decrease in cash flows from purchases of goods and provision of labor during the current period;

Reasons for the change in net cash flows from investing activities: decreased by RMB39.9584 million as compared with the corresponding period of last year, mainly due to net cash received from subsidiaries and other operating units acquired in the last period;

Reasons for the change in net cash flows from financing activities: increased by RMB133.216 million as compared with the corresponding period of last year, mainly due to the receipt of special funds for the Hydrogen Energy Frontier Technology Industry Development Project during the current period.

**2. *Details of the material changes in type of business, profit components or income source of the Company in the current period***

Applicable     Not applicable

**(II) Description of material change in profit due to non-principal business**

Applicable     Not applicable

### (III) Analysis of assets and liabilities

√ Applicable    □ Not applicable

#### 1. Assets and liabilities

Unit: Yuan  
Currency: RMB

Name of item	Balance at the end of the current period	Balance at the end of the current period over total assets (%)	Balance at the end of the corresponding period last year	Balance at the end of last year over total assets (%)	Change in amount at the end of current period over last year (%)	Description
Monetary funds	467,202,377.56	17.10	336,627,993.24	13.49	38.79	Mainly due to the acquisition of specific payables by subsidiaries during the current period
Notes receivable	2,575,614.68	0.09	8,603,853.52	0.34	-70.06	Mainly due to the transfer of undue acceptance bills
Receivables financing	10,354,186.85	0.38	29,790,417.72	1.19	-65.24	Mainly due to the transfer of undue acceptance bills
Other current assets	39,365,754.78	1.44	10,221,016.45	0.41	285.15	Mainly due to the increase in value-added tax retained by subsidiaries
Construction in progress	28,431,780.91	1.04	59,457,140.18	2.38	-52.18	Mainly due to the transfer to fixed assets
Other non-current assets	37,589,050.02	1.38	26,835,176.42	1.08	40.07	Mainly due to the increase in prepayment for equipment purchased by subsidiaries during the current period
Short-term borrowings	170,000,000.00	6.22	100,000,000.00	4.01	70.00	Mainly due to the increase in bank borrowings of subsidiaries during the current period
Employee compensation payable	15,933,973.13	0.58	25,714,018.81	1.03	-38.03	Mainly due to the payment of prior year's remuneration payable during the current period
Taxes payable	6,472,438.43	0.24	21,834,560.15	0.87	-70.36	Mainly due to the payment of unpaid tax at the end of previous year during the current period
Long-term payables	253,207,700.00	9.27	113,207,700.00	4.54	123.67	Mainly due to the acquisition of specific payables by subsidiaries during the current period
Deferred incomes	9,720,315.08	0.36	358,604.17	0.01	2,610.60	Mainly due to the receipt of special R&D funding by subsidiaries during the current period
Other comprehensive income	4,248,157.27	0.16	2,128,736.81	0.09	99.56	Mainly due to the impact of exchange differences arising from translation of foreign currency statement

Other description

Nil

## 2. *Overseas Assets*

Applicable  Not applicable

### (1) *Size of assets*

Including: overseas assets of 89,278,654.87 (Unit: Yuan Currency: RMB), accounting for 3.27% of the total assets.

### (2) *Relevant details of a higher proportion of overseas assets*

Applicable  Not applicable

Other descriptions

Nil

## 3. *Major restricted assets at the end of the reporting period*

Applicable  Not applicable

*Unit: Yuan  
Currency: RMB*

<b>Item</b>	<b>Ending carrying amount</b>	<b>Reasons for restriction</b>
Monetary funds	18,540,393.82	L/C guarantee deposit
	43,474,454.29	Deposits of bank acceptance bill
	2,926.79	Bond for letter of guarantee
Total	62,017,774.90	—

## 4. *Other descriptions*

Applicable  Not applicable

(IV) **Analysis of investments**

**1. General analysis of external equity investments**

Applicable     Not applicable

(1) Material equity investments

Applicable     Not applicable

(2) Material non-equity investments

Applicable     Not applicable

(3) Financial assets measured at fair value

Applicable     Not applicable

(4) Securities investment

Applicable     Not applicable

(5) Explanation on securities investment

Applicable     Not applicable

(6) Private fund investment

Applicable     Not applicable

(7) Derivatives investment

Applicable     Not applicable



**(V) Material disposal of assets and equity interest**

Applicable     Not applicable

**(VI) Analysis of major subsidiaries and associates**

Applicable     Not applicable

Company name	Business nature	Principal products or services	Registered capital	Total assets	Net assets	Net profit
Beijing Tianhai Industry Co. Ltd.	Production	Production and sale of gas cylinders, accumulator shells, pressure vessels and auxiliary equipment, etc.	RMB548,759,761.19	RMB2,174,116,917.97	RMB551,985,950.88	-RMB40,681,875.03
Jingcheng Holding (Hong Kong) Company Limited	Trading and investment	Import and export trade, investment holding and consultancy services, etc.	HK\$1,000	RMB161,602,587.04	RMB149,836,570.06	RMB2,097,879.23
Qingdao BYTQ United Digital Intelligence Co., Ltd.	Production	Robots and automation equipment products etc.	RMB21,418,633	RMB348,719,109.98	RMB244,185,051.06	-RMB646,469.51

**(VII) Structured entities under the control of the Company**

Applicable     Not applicable

## (VIII) Potential risks

Applicable    Not applicable

### (I) Gas Storage and Transportation Segment

#### 1. Risk of deterioration of the international situation

Uncertainties in international trade and market demand have increased, and the risks of overseas trade have intensified.

Firstly, in 2023, the risk of global economic recession will rise, inflation is expected to continue, geopolitical conflicts will escalate and threaten the recovery of global trade, developed economies will raise their demand for security in the industrial chain, the game between major countries in key areas will intensify, and the export market as a whole will face greater downward pressure. Secondly, in the past five years, the United States through tariff barriers, import restrictions and subsidies, etc., prompted U.S. companies to shift their imports from China to other countries or regions. Thirdly, the Russia-Ukraine conflict has led to irreversible changes in the energy structure of Europe, with the energy structure changing from natural gas to electrification in the long term. There will be major changes in the LNG market, resulting in a reduction in demand for LNG storage and transportation equipment.

#### 2. Risk of intensified market competition

Although the overall gas storage and transportation market have been showing a steady rising trend, competition in the industry is intensifying. The product market may change in the future, which will bring some uncertain factors and influences to the Company's business development. Therefore, in the future, the Company must focus on technological self-reliance, continue to improve its independent innovation capability, make scientific deployments, and make every effort to drive scientific and technological innovation. The Company will also enhance market and competitive awareness, emphasize the direction of professional development, and consolidate, expand and enlarge its market share.

### 3. Risk of developing new businesses and new markets

Hydrogen energy and fuel cells are currently dominated by commercial vehicles in China, mainly used in logistics, public transportation and large buses, and are still at the stage of gaining momentum. Due to national and local policies and other sources of uncertainty, the Company has encountered unexpected risks in the development of new businesses and new markets. The Company will continue to drive the development of hydrogen energy business and enhance core technologies to improve the core competitiveness of its products.

#### *(II) Intelligent Manufacturing Segment*

The industrial automation industry is a strategic industry that provides technical equipment for all sectors of the national economy, and is highly valued by the government and strongly supported by national regulations and policies, with huge and diversified market demand. The current national policy actively supports the intelligent manufacturing industry and it is predicted that the policy of encouraging the research and development and application of industrial robotics and promoting the innovative development of industries such as industrial robotics will remain unchanged in the short term. In terms of traditional industrial technology transformation, factory automation and enterprise informatization, the market demand for industrial automation will continue to increase. If China's economic development is restricted by the macroeconomic trend, the downstream industries, account for a larger proportion of the industry demand, will be affected by the cycle, leading to a reduction in its new fixed asset investment and an adverse impact on the production and operation of the Company. The Company will keep abreast of the macroeconomic situation, pay attention to upstream and downstream development, broaden product application areas, while strengthening core technology development and expanding new product markets to keep industry policy risk factors to a minimum level and reduce the impact on the Company.

The Company's intelligent equipment manufacturing market mainly concentrates on the home appliance industry. Market development of products gradually shifts to the direction of medicine, electronics, automobiles, etc. The market for new products may change in the future, which will bring certain uncertainties and impacts to the Company's operation and development. The Company will continue to enhance the ability to innovate, research and develop new products, gradually expanding its market share in other industries with the home appliances industry as its foundation.

## (IX) Other disclosures

Applicable    Not applicable

### 1. *Financial position analysis*

By implementing prudent financial policies, the Company established a strict risk control system for investment, financing and cash management to maintain a sound capital structure and solid financing channels. The Company has kept its loan scale under strict control such that it can satisfy the capital need of operating activities while minimizing its financial costs and preventing financial risks in a timely manner by fully utilizing financial instruments, in order to achieve sustainable development of the Company and maximize its shareholders' value.

#### *Liquidity and capital structure*

	<b>At the end of the period</b>	<b>At the beginning of the period</b>
(1) Gearing ratio	49.57%	43.38%
(2) Quick ratio	122.14%	121.39%
(3) Liquidity ratio	169.93%	171.54%

### 2. *Bank loans*

The Company seriously implemented its annual capital income and expenditure budget plan in accordance with the change in market conditions and requirement of customers to strictly control the bank loan scale, to satisfy the Company's capital need of operating activities while minimizing its financial costs and preventing financial risks in a timely manner by fully utilizing financial instruments, and to improve the profit of the Company and the shareholders. As at the end of the reporting period, the Company had short-term loan amounting to RMB170,000,000, representing an increase of 70% as compared with the beginning of the year.

### 3. *Foreign exchange risk management*

The Company is mainly exposed to foreign exchange risk relating to USD and Euro. The main operation of the Company and its subsidiaries (the "Group") is settled by RMB, except Tianhai Industrial, BTIC America Corporation and Jingcheng Holding (Hong Kong) Company Limited, all being the Company's subsidiaries, which use USD and Euro for procurement and sales. Accordingly, it may be exposed to foreign exchange risks arising from the changes in the exchange rate between USD, Euro and RMB. The Company actively adopted measures to reduce the foreign exchange risk.

#### **4. Principal sources of fund and its use**

##### **(1) Cash flows from operating activities**

The Company's cash inflow from operating activities was mainly derived from the income of product sales during the reporting period. Cash outflow was mainly related to the expenses from production and operating activities. The Company's cash inflow from operating activities for the reporting period amounted to RMB559,048,100, while cash outflow amounted to RMB565,515,000. Net cash flow during the reporting period from operating activities amounted to -RMB6,466,900.

##### **(2) Cash flows from investing activities**

The Company's cash inflow from investing activities during the reporting period amounted to RMB141,600, which was mainly due to net cash recovered from disposal of fixed assets, intangible assets and other long-term assets during the current period. Cash outflow from investing activities amounted to RMB49,090,100, which was mainly used for capital expense on the purchase of fixed assets. Net cash flow from investing activities for the reporting period amounted to -RMB48,948,500.

##### **(3) Cash flows from financing activities**

Cash inflows from financing activities for the reporting period amounted to RMB210,000,000, which was mainly derived from bank loans, special funds for research and development allocated by the controlling shareholder. Cash outflows from financing activities during the reporting period amounted to RMB14,240,400, which were mainly due to the repayment of interest and payment of rentals for leased operations. Net cash flows from financing activities for the reporting period amounted to RMB195,759,600.

During the reporting period, net cash flows from operating activities increased by approximately RMB12,448,700 as compared to the corresponding period of last year, mainly due to the decrease in cash flows from purchases of goods and provision of services during the current period. Net cash flows generated from investing activities decreased by approximately RMB39,958,400 as compared to the corresponding period of last year, mainly due to the net cash received from the acquisition of subsidiaries and other business units during the previous period. Net cash flows generated from financing activities increased by approximately RMB133,216,000 as compared to the corresponding period of last year, mainly due to the special funds the Company received for the development of the Hydrogen Energy Frontier Technology Industry Development Project.

## 5. Capital structure

The Company's capital structure consisted of shareholders' equity interests and liabilities during the reporting period. Shareholders' equity interests amounted to RMB1,377,407,300, of which, minority shareholders' interests amounted to RMB328,676,700, and total liabilities amounted to RMB1,354,037,700. Total assets amounted to RMB2,731,445,000. As at the end of the reporting period, the Company's gearing ratio was 49.57%.

### Capital structure by liquidity

Total current liabilities	RMB752,146,400	Accounting for 27.54% of assets
Total equity interest attributable to shareholders	RMB1,377,407,300	Accounting for 50.43% of assets
Of which: minority shareholders' interests	RMB328,676,700	Accounting for 12.03% of assets

## 6. Contingent liabilities

As at the end of the reporting period, the group had no significant contingency that needs to be disclosed.

## 7. Details of the Company's charge on assets

Unit: Yuan  
Currency: RMB

Item	Ending carrying amount	Reasons for restriction
Monetary funds	18,540,393.82	L/C guarantee deposit
	43,474,454.29	Deposits of bank acceptance bill
	2,926.79	Bond for letter of guarantee
<b>Total</b>	<b>62,017,774.90</b>	—

**8. Number of employees, employees' rewards, remuneration policy and training program during the reporting period**

(1) Number of employees

Number of employees during the reporting period was 1,346.

(2) Remunerations

Remunerations for employees during the reporting period were RMB86,480,900.

(3) Remuneration policies

The Company implemented a diversified salaries system based on the performance of positions as the main remuneration policy. On the basis of performance-based salary standards of positions, the salary level of each position is determined by job evaluation with reference to labour market for confirming the relative value of the position, so as to ensure the internal and external fairness of salaries level. On this basis, the remuneration policy is to be implemented subject to different personnel and different nature of work to build a tiered and diversified salaries system such as the implementation of skills-based compensation and technological innovation incentives for technicians; the implementation of the sales commission approach for marketing staff; the implementation of the piecework wage system for production workers and the implementation of the annual salary system for the senior management.

(4) Training plan

In the first half of 2023, according to the "2023 Annual Training Plan", a total of 17,041 training hours were completed with 4,843 training attendances, and the number of training hours per employee reached 14.19 hours. According to the annual training plan, the Company has organized and completed a total of 117 training programs, including "Compliance and Internal Control Management Manual", "Position Core Competency Enhancement Training", "Thematic Learning of the 20th Party Congress", "Non-destructive Testing Level 2 Re-examination Training", "Discipline and Inspection Cadre Business Competency Enhancement Training", and "The Spirit of the 2023 National People's Congress Program Series", etc.

## **9. Corporate governance**

During the reporting period, the Company effectively ensured that the general meeting, the Board, the Supervisory Committee and managers of the Company have well-defined powers and responsibilities, allowing them to maintain checks and balances, coordinate with each other and operate in compliance with requirements. The Board of the Company and its strategic committee, audit committee, remuneration and monitoring committee and nomination committee, and the Supervisory Committee carried out their work according to their responsibilities. The information of the Company was disclosed on a true, accurate, complete and timely basis. The actual situation of the Company's governance complied with relevant requirements.

## **10. Others**

- (1) The applicable enterprise income tax rate for the Company for the reporting period was 25%.
- (2) The unaudited 2023 interim report of the Company has been reviewed by the audit committee under the Board of the Company.
- (3) The Company has been in compliance with the code provisions set out in Part 2 of Appendix 14 "Corporate Governance Code" of the Listing Rules during the reporting period.
- (4) During the reporting period, the Company has adopted a code of conduct regarding securities transactions by directors and supervisors on terms no less exacting than the required standards set out in the Model Code under Appendix 10 to the Listing Rules of the Stock Exchange. After making specific enquiries with all directors and supervisors, the Company confirmed that, each of the directors and supervisors has complied with the required standards on securities transactions by directors and supervisors as set out in the Model Code for the six months ended 30 June 2023.
- (5) During the reporting period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares.
- (6) There was no change in the scope of the consolidated statements as compared to the financial report for the previous year.



#### **IV. DESCRIPTION OF THE APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS**

Applicable     Not applicable

Description of change of accounting firms during the audit period

Applicable     Not applicable

The Company's explanation of "Non-Standard Audit Report" of the accounting firm

Applicable     Not applicable

The Company's description of "Non-Standard Audit Report" issued by the accountant on the financial report in the annual report for the previous year

Applicable     Not applicable

#### **V. MATTERS RELATING TO BANKRUPTCY AND REORGANISATION**

Applicable     Not applicable

#### **VI. MATERIAL LITIGATIONS AND ARBITRATIONS**

The Company has material litigations and arbitrations during the reporting period

The Company has no material litigations nor arbitrations during the reporting period

#### **VII. PUNISHMENT AND RECTIFICATION AGAINST THE COMPANY AND ITS DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT, CONTROLLING SHAREHOLDERS AND BENEFICIAL CONTROLLER**

Applicable     Not applicable

#### **VIII. DESCRIPTION OF THE CREDIT STATUS OF THE COMPANY AND ITS CONTROLLING SHAREHOLDER, BENEFICIAL CONTROLLER DURING THE REPORTING PERIOD**

Applicable     Not applicable

During the reporting period, the Company and its controlling shareholder had good credit status.

## IX. SHARE INCENTIVE SCHEME, EMPLOYEE SHARE SCHEME OR OTHER INCENTIVE MEASURES FOR EMPLOYEES AND THEIR IMPACTS

### (I) Relevant share incentive matters disclosed in the provisional announcements without progress or change in the follow-up implementation

√ Applicable    □ Not applicable

Summary of matter	Index for enquiry
<p>At the twenty-second extraordinary meeting of the tenth session of the Board and the twenty-ninth meeting of the tenth session of the supervisory committee of the Company convened on 24 March 2023, the Board considered and approved resolutions in relation to the share incentive scheme such as the “Resolution in relation to the 2023 Restricted Share Incentive Scheme (Draft) and its Abstract”.</p>	<p>For details, please refer to the “Announcement on the Resolutions Passed at the Twenty-Second Extraordinary Meeting of the Tenth Session of the Board of Directors” and “Announcement on the Resolutions Passed at the Twenty-Ninth Meeting of the Tenth Session of the Supervisory Committee” published by the Company on the Shanghai Securities News and the website of the SSE (<a href="http://www.sse.com.cn">www.sse.com.cn</a>) and the HKEXnews website of the Stock Exchange (<a href="http://www.hkexnews.hk">www.hkexnews.hk</a>) on 24 March 2023.</p>
<p>The Company disclosed on 26 June 2023 that it had received the “Approval from the State-owned Assets Supervision and Administration Commission of Beijing Municipal Government (“<b>Beijing SASAC</b>”) on the implementation of the Share Incentive Scheme by Beijing Jingcheng Machinery Electric Company Limited.” The Beijing SASAC has agreed in principle to the implementation of the Share Incentive Scheme by the Company.</p>	<p>For details, please refer to the “Announcement on the Restricted Share Incentive Scheme being approved by the State-owned Assets Supervision and Administration Commission of Beijing Municipal Government” published by the Company on the Shanghai Securities News and the website of the SSE (<a href="http://www.sse.com.cn">www.sse.com.cn</a>) and the HKEXnews website of the Stock Exchange (<a href="http://www.hkexnews.hk">www.hkexnews.hk</a>) on 26 June 2023.</p>
<p>At the second meeting of the eleventh session of the supervisory committee of the Company convened on 28 June 2023, the “Resolution in relation to the Verification of the List of Subjects for the First Award of the Company's 2023 Restricted Share Incentive Scheme” was considered and approved.</p>	<p>For details, please refer to the “Announcement on the Resolutions Passed at the Second Meeting of the Eleventh Session of the Supervisory Committee” published by the Company on the Shanghai Securities News and the website of the SSE (<a href="http://www.sse.com.cn">www.sse.com.cn</a>) and the HKEXnews website of the Stock Exchange (<a href="http://www.hkexnews.hk">www.hkexnews.hk</a>) on 28 June 2023.</p>

**(II) Incentive conditions not disclosed in the provisional announcement or with subsequent progress**

Incentive conditions

Applicable     Not applicable

Other descriptions

Applicable     Not applicable

Employee share scheme

Applicable     Not applicable

Other incentive measures

Applicable     Not applicable

**X. MATERIAL CONNECTED TRANSACTIONS**

**(I) Connected transactions related to daily operation**

**1. *Matters disclosed in provisional announcements without progress or change in the follow-up implementation***

Applicable     Not applicable

**2. *Matters disclosed in provisional announcements with progress or change in the follow-up implementation***

Applicable     Not applicable

**3. *Matters which were not disclosed in provisional announcements***

Applicable     Not applicable

(II) **Connected transactions in relation to the acquisition or disposal of assets or equity interests**

**1. *Matters disclosed in provisional announcements without progress or change in the follow-up implementation***

Applicable     Not applicable

**2. *Matters disclosed in provisional announcements with progress or change in the follow-up implementation***

Applicable     Not applicable

The Company held the nineteenth extraordinary meeting of the tenth session of the Board and the twenty-seventh meeting of the tenth session of the Supervisory Committee on 16 November 2022, at which it considered and passed the “Resolution in relation to the Proposal for the Company’s Non-public Issuance of A Shares”, the “Resolution in relation to the Company’s Proposal for Non-public Issuance of A Shares”, the “Resolution in relation to the Feasibility Analysis Report on the Use of Proceeds Raised From the Non-public Issuance of A Shares for 2022 of Beijing Jingcheng Machinery Electric Company Limited” and other resolutions. The non-public issuance of A Shares constitutes connected transaction.

On 16 November 2022, the Company and Jingcheng Machinery Electric entered into the “Conditional Share Subscription Agreement between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. in relation to the Non-public Issuance of Shares of Beijing Jingcheng Machinery Electric Company Limited”. the Company intends to raise proceeds of not exceeding RMB1,172 million (inclusive) in total from the non-public issuance of A Shares to not more than 35 specific investors, who meet the conditions prescribed by the China Securities Regulatory Commission (“CSRC”), including Jingcheng Machinery Electric.

On 24 July 2023, the Company held the third extraordinary meeting of the eleventh session of the Board and the fourth meeting of the eleventh session of the Supervisory Committee meeting and considered and passed the “Resolution in relation to the Termination of Proposed Non-public Issuance of A Shares of the Company”. The Company and Jingcheng Machinery Electric had friendly consultations and unanimously decided to sign the “Subscription Termination Agreement to Terminate the Share Subscription Agreement” and the “Acquisition Termination Agreement to Terminate the Asset Acquisition Framework Agreement by Cash Payment”.

**3. *Matters which were not disclosed in provisional announcements***

Applicable     Not applicable

**4. *Results which are related to result agreements and shall be disclosed for the reporting period***

Applicable     Not applicable

**(III) Material connected transactions relating to common external investments**

**1. *Matters disclosed in provisional announcements without progress or change in the follow-up implementation***

Applicable     Not applicable

**2. *Matters disclosed in provisional announcements with progress or change in the follow-up implementation***

Applicable     Not applicable

**3. *Matters which were not disclosed in provisional announcements***

Applicable     Not applicable

**(IV) Related creditors' rights and debt transactions**

**1. *Matters disclosed in provisional announcements without progress or change in the follow-up implementation***

Applicable     Not applicable

**2. *Matters disclosed in provisional announcements with progress or change in the follow-up implementation***

Applicable     Not applicable

### 3. Matters which were not disclosed in provisional announcements

√ Applicable    □ Not applicable

*Unit: Yuan*  
*Currency: RMB*

Related party	Relationship	Provision of funding to related party			Provision of funding by related party to the Company		
		Beginning balance	Amount occurred	Ending balance	Beginning balance	Amount occurred	Ending balance
Jiangsu Tianhai Special Equipment Co., Ltd.*	Joint Venture	2,906,763.89	-2,869,816.21	36,947.68	6,994,228.43	6,784,146.82	13,778,375.25
Beijing Jingcheng Industrial Logistics Co., Ltd.*	Subsidiary of Shareholders				902,227.27		-902,227.27
Beijing Jingcheng Machinery Electric Holding Co., Ltd.*	Controlling Shareholders				772,751.39	894,142.54	1,666,893.93
Beijing Lantian Vehicle Clean Fuel Technology Co., Ltd.*	Others	3,803,812.43	764,362.46	4,568,174.89	11,609,601.75		11,609,601.75
Beijing No. 1 Machine Tool Plant*	Subsidiary of Shareholders				7,359.09		7,359.09
Kuancheng Shenghua Pressure Container Manufacturing Co., Ltd.*	Others	649,698.50		649,698.50			
Tianjin Seamless Investment Co. Ltd.*	Others				4,526,405.14	-950,461.48	3,575,943.66
Beijing Zhichuang (Beijing) New Energy Automobile Technology Co., Ltd.*	Joint Venture				7,000,000.00		7,000,000.00
Beijing Jingcheng Zhitong Robot Technology Co., Ltd*	Others				312,500.00		312,500.00
Li Hong	Others				10,860,433.38		10,860,433.38
<b>Total</b>		<b>7,360,274.82</b>	<b>-2,105,453.75</b>	<b>5,254,821.07</b>	<b>42,985,506.45</b>	<b>5,825,600.61</b>	<b>48,811,107.06</b>
Reasons for occurrence of related creditor's right and debt transactions		Normal operation					
Effects of related creditors' rights and debts on the results of operation and the financial conditions of the Company		Nil					

**(V) Financial business between the Company and its related financial company, and between financial company controlled by the Company and related parties**

Applicable     Not applicable

**(VI) Other major connected transactions**

Applicable     Not applicable

**(VII) Others**

Applicable     Not applicable

As at 30 June 2023, the Group has entered into connected transactions with the following entities which are regarded as connected persons of the Company according to the Listing Rules.

- (1) Jingcheng Machinery Electric is the Controlling Shareholder of the Company, holding 45.32% of the equity interest in the Company. As such, Jingcheng Machinery Electric is a connected person of the Company.
- (2) Beijing Jingcheng Machinery Electric Asset Management Co., Ltd. (the “**Asset Company**”) is a wholly-owned subsidiary of Jingcheng Machinery Electric, the Controlling Shareholder of the Company. As such, the Asset Company is a connected person of the Company.
- (3) Beijing Beiren Printing Equipment Co., Ltd. (“**Beiren Equipment**”) is a wholly-owned subsidiary of Jingcheng Machinery Electric, the Controlling Shareholder of the Company. As such, Beiren Equipment is a connected person of the Company.

As at 30 June 2023, details of the connected transactions and continuing connected transactions for the first half year of the Company were set out below:

## ***Connected Transactions***

### ***1. The implementation of the Non-public Issuance of A Shares which constitutes connected transaction***

On 16 November 2022, the nineteenth extraordinary meeting of the tenth session of the Board of the Company considered and approved the “Resolution in relation to the Proposal for the Company’s Non-public Issuance of A Shares” and other resolutions, pursuant to the relevant requirements of the “Company Law of the People’s Republic of China”, “Securities Law of the People’s Republic of China”, “Administrative Measures for the Issuance of Securities by Listed Companies”, “Detailed Implementation Rules for the Non-public Issuance of Shares by Listed Companies” and other laws and regulations, the Company proposed a plan for the non-public issuance of A shares.

On 16 November 2022, the Company and Jingcheng Machinery Electric entered into the “Conditional Share Subscription Agreement between Beijing Jingcheng Machinery Electric Company Limited and Beijing Jingcheng Machinery Electric Holding Co., Ltd. in relation to the Non-public Issuance of Shares of Beijing Jingcheng Machinery Electric Company Limited”. The Company intended to raise proceeds of not exceeding RMB1,172 million (inclusive) in total from the non-public issuance of A Shares to not more than 35 specific investors, who meet the conditions prescribed by the CSRC, including Jingcheng Machinery Electric.

On 24 July 2023, the Company held the third extraordinary meeting of the eleventh session of the Board and the fourth meeting of the eleventh session of the Supervisory Committee meeting and considered and passed the “Resolution in relation to the Termination of Proposed Non-public Issuance of A Shares of the Company”. The Company and Jingcheng Machinery Electric had friendly consultations and unanimously decided to sign the “Subscription Termination Agreement to Terminate the Share Subscription Agreement” and the “Acquisition Termination Agreement to Terminate the Asset Acquisition Framework Agreement by Cash Payment”.



## ***Continuing connected transactions***

### ***1. Continuing connected transaction relating to lease of Beiren Equipment's property for office use***

The Company intends to lease the property of Beiren Equipment, its connected person, located at Yichuang Park Area, Yizhuang, Beijing (the “**Property**”) for office use to satisfy the Company’s office needs. The Property has a gross floor area of 1,102 sq. m. and the lease term is three years. Rental for the first year is RMB2.55/sq. m. of GFA per day, and from the second year onwards, rental will be increased by 2% per year; Beiren Equipment will also provide property services at a property fee of RMB264,480 per year.

### ***2. Continuing connected transaction with the property leasing of Jingcheng Haitong***

Beijing Tianhai and Jingcheng Haitong entered into the “Lease Agreement” on 4 September 2018 with a lease term of 18 years. While transferring the property, Beijing Tianhai, the Asset Company and Jingcheng Haitong will sign an “Agreement on the Change of Party of the Lease” which will transfer all rights and obligations of Beijing Tianhai under the “Lease Agreement” to the Asset Company in general. On 6 July 2022, the Company issued the “Announcement of Completion of the Project of Acquisition of 2% Equity Interest of Jingcheng Haitong by a Subsidiary of the Company Beijing Tianhai Industry Co., Ltd.”. Upon completion of the acquisition, the Company holds a 51% equity interest in Jingcheng Haitong through Tianhai Industrial, pursuant to which, Jingcheng Haitong became a controlled subsidiary of the Company. In accordance with the Listing Rules, as Jingcheng Machinery Electric is the controlling shareholder of the Company, the Asset Company is a connected person of the Company. Accordingly, the transaction contemplated under the lease agreement became a continuing connected transaction of the Company upon completion of the acquisition.

## **XI. MATERIAL CONTRACTS AND THEIR EXECUTION**

### **1. Trust, contracting and lease matters**

Applicable     Not applicable

#### ***(1) Trust***

Applicable     Not applicable

#### ***(2) Contracting***

Applicable     Not applicable

### (3) Lease

Applicable     Not applicable

*Unit: Yuan*  
*Currency: RMB*

Name of lessor	Name of lessee	Details of lease of assets	Amount involved in lease of assets	Starting date of lease	Ending date of lease	Lease revenue	Determining basis for lease revenue	Effect of lease revenue on the Company	Is it a connected transaction	Relationship
Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.	Shenzhen Tenglong Holdings Co., Ltd.	The leased area is 45,043.62 sq.m	1,100,925,887.91	21 February 2021	18 October 2036	25,696,876.30	Lease Agreement	Major operating revenue	No	
Beijing Jingcheng Machinery Electric Asset Management Co., Ltd.	Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.	The leased area is 45,143.62 sq.m	445,013,628.70	1 May 2020	18 October 2036	-11,184,219.00	Lease Agreement	Major operating revenue	Yes	Sister Company of the Group

#### Explanation on leases

Nil

### 2. Material guarantee and outstanding material guarantee during the reporting period

Applicable     Not applicable

### 3. Other material contracts

Applicable     Not applicable

## XII. DETAILS ON PERFORMANCE OF CONSOLIDATION OF ANTI-POVERTY ACHIEVEMENTS AND RURAL REJUVENATION

Applicable    Not applicable

1. Some of the raw materials of food purchased by the canteen of the Company were from the target poverty alleviation areas. The total purchase of poverty alleviation products by the canteen in the first half of 2023 amounted to approximately RMB609,830.11, of which poverty alleviation products amounted to RMB190,238.51, while non-poverty alleviation products amounted to RMB419,591.6, The proportion of poverty alleviation products was 31%.
2. The labour union of the Company distributed festive gifts, which were purchased from target poverty alleviation areas, to employees for major festivals. The purchase of poverty alleviation products by the labour union in the first half of 2023 amounted to approximately RMB275,300, of which all of them were poverty alleviation products, representing 100% of the gifts.

## XIII. CONVERTIBLE BONDS

Applicable    Not applicable

## XIV. ENVIRONMENTAL INFORMATION

### (I) Description on the environmental protection of the Company and its major subsidiaries falling under key sewage emission entities announced by the environmental protection authorities

Applicable    Not applicable

#### 1. Information on emission of pollutants

Applicable    Not applicable

Tianjin Tianhai High Pressure Container Co., Ltd, (“**Tianjin Tianhai**”), an indirect subsidiary of the Company, was included in the list of key pollutant-discharging units in Tianjin Province by Tianjin Environmental Protection Bureau in 2023.

#### 1. Information of wastewater emission

Tianjin Tianhai has 2 comprehensive wastewater discharge ports, the wastewater is discharged into the urban sewage pipe network after sedimentation and discharged after being treated by the sewage treatment plant at the bonded area of Tianjin Port. Pollution factors include PH value, suspended solids, chemical oxygen demand, petroleum, biochemical oxygen demand, ammonia nitrogen, etc.

In the first half of 2023, the wastewater underwent sampling and monitoring through Tianjin Guona Product Testing Technology Service Co., Ltd., and the results were in compliance with the “Overall Sewage Emission Standard” DB12/356-2018 (Level 3) of Tianjin Province, and reached the emission standard in the first half of 2023.

Statistical table of emission concentration of water pollutants

Table 1-1

*Unit: mg/L*

Pollutants		Standard limit	Emission concentration monitoring data (average)		Emission pattern	Emission flow
			in the first half of 2023			
Regular pollutants	PH value	6~9	7.85		Stable and continuous disposal	Sewage treatment plant at the bonded area of Tianjin Port
	chemical oxygen demand	500	56			
	ammonia nitrogen	45	1.435			
	suspended solids	400	7			
	total nitrogen	70	9.57			
	total phosphorous	8	0.255			
Characteristic pollutants	petroleum	15	0.03			

## Statistics of total emission volume of water pollutants

Table 1-2

*Unit: tons*

Pollutants	Data source	The first half of 2023		
		Production volume	Disposal volume	
Total disposal volume of wastewater	Statistical method	48,525	48,525	
Regular pollutants	chemical oxygen demand	Third-party testing	2.717	2.717
	ammonia nitrogen	Third-party testing	0.07	0.07
	suspended solids	Third-party testing	0.034	0.034
	total nitrogen	Third-party testing	0.464	0.464
	total phosphorous	Third-party testing	0.012	0.012
Characteristic pollutants	petroleum	Third-party testing	0.003	0.003

### 2. *Information of exhaust gas emission*

Tianjin Tianhai has a total of 9 exhaust gas ports, of which there are 2 spray paint exhaust gas ports, 1 manual touch-up exhaust gas port, 2 heat treatment furnace exhaust gas ports, 2 spinning machines exhaust gas ports, 1 spraying solidification exhaust gas port and 1 wrapped-up solidification exhaust gas port. Exhaust gas pollution factors are soot, smoke blackness, sulfur dioxide, nitrogen oxides, benzene, toluene, xylene and VOCs. The total discharge volume of sulfur dioxide, nitrogen oxides and particulates were 0.747 tons, 11.223 tons and 0.747 tons, respectively.

In the first half of 2023, the exhaust gas underwent sampling and monitoring through Tianjin Guona Product Testing Technology Service Co., Ltd., and the results were in compliance with the requirements under “Emission Standard of Air Pollutants for Industrial Kilns and Furnaces” (DB12/556-2015) and “Volatile Organic Compound Emission Control Standards for Industrial Enterprises” (DB12/524-2020), and all reached the emission standard.

Table 2-1 Statistical table of emission concentration monitoring of air pollutants

Pollutants		Maximum allowable emission concentration (mg/m <sup>3</sup> )	Annual average of emission concentration monitoring data (mg/m <sup>3</sup> ) in the first half of 2023	Maximum allowable emission rate (kg/h)	Actual emission rate (kg/h) in the first half of 2023
		Natural gas combustion exhaust gas port			
Regular pollutants	sulfur dioxide	50	3.375	Nil	0.037
	nitrogen oxides	150	7.93	Nil	0.09
	particulates	20	0.9	Nil	0.006

Table 2-2 Statistical table of emission concentration monitoring of air pollutants

Pollutants		Maximum allowable emission concentration (mg/m <sup>3</sup> )	Annual average of emission concentration monitoring data (mg/m <sup>3</sup> ) in the first half of 2023	Maximum allowable emission rate (kg/h)	Annual average of emission rate monitoring data (kg/h) in the first half of 2023
		Spray paint exhaust gas port			
Characteristic pollutants	benzene	1	0.01	0.2	0.0001
	non-methane hydrocarbon	40	1.91	0.75	0.024

Table 2 – 3 Statistical table of total emission volume of air pollutants

*Unit: tons/year*

Emission volume of natural gas combustion	102,209,129m <sup>3</sup>	<b>The first half of 2023</b>
Emission volume of spray paint and winding exhaust gas	144,228,591m <sup>3</sup>	

<b>Pollutants</b>	<b>Source</b>	<b>Emission volume (tons)</b>
Regular pollutants	sulfur dioxide	Third-party testing 0.811
	nitrogen oxides	Third-party testing 0.345
	particulates	Third-party testing 0.13
	benzene	Third-party testing 0.001
	non-methane hydrocarbon	Third-party testing 0.276

3. *Emission control on hazardous waste*

Hazardous waste generated during the production process shall be transferred to Tianjin Hejia Veolia Environmental Services Co., Ltd., a qualified hazardous waste disposal unit for disposal in accordance with the regulations.

Table 3 Statistical table of the generation and disposal of hazardous waste

*Unit: tons/year*

<b>Number</b>	<b>Waste categories</b>	<b>Major harmful substance</b>	<b>Form (solid, liquid, gas)</b>	<b>Source of generation</b>	<b>Generation volume per year (disposal volume)</b>		<b>Disposal method</b>
					<b>in the first half of 2023</b>		
1	HW13	Resin	Solid	Production process	4.99	Third party disposal	
2	HW49	Adhesive	Solid	Production process	0.37		
	<b>Total</b>				<b>5.36</b>		

4. *Emission control on general industrial solid waste*

General industrial solid wastes generated during the production process, such as tube head and scrap iron, shall be purchased by Tianjin Qingjiangqiang Trade Co., Ltd.\*.

Table 4 Emission and disposal of general industrial solid waste

*Unit: tons/year*

Year	Name of solid waste	Generation volume	Comprehensive utilization	Disposal volume	Storage volume	Emission volume	Emission flow
2023	Short tube head	94.91	94.91	0	0	0	Recycled for utilization
	Small pot head	254.29	254.29	0	0	0	Recycled for utilization
	Oxide scale	70.06	70.06	0	0	0	Recycled for utilization
	Steel ring	137.02	137.02	0	0	0	Recycled for utilization
	Steel scrap	211.15	211.15	0	0	0	Recycled for utilization
	Waste cylinder	19.882	19.882	0	0	0	Recycled for utilization
<b>Total (tons)</b>		<b>747.312</b>					

5. *Emission control on noise pollution*

Table 5 Emission and disposal of noise pollution

Year	Measurement location	Corresponding noise source	Type of noise source	Daytime noise emissions (6:00 – 22:00)/dB(A)		Nighttime noise emissions (22:00 – 6:00)/dB(A)	
				Emission limit	Result	Emission limit	Result
The first half of 2023	Around the plant area	Production equipment	Mechanical noise	65	58	-	-



**2. Construction and operation of pollution prevention and treatment facilities**

Applicable   Not applicable

Tianjin Tianhai installed facilities for prevention and control of pollution in sewage node on each production facility, exhaust gas ports which produce volatile organic compounds and adopted regeneration processes of dry filters + activated carbon absorption + catalytic combustion and desorption. It also adopted secondary dedusting in shot blasting process. Facilities for prevention and control of pollution operated normally and effectively.

**3. Environmental impact assessment of construction project and other administrative licenses regarding environmental protection**

Applicable   Not applicable

**4. Environmental emergency response plan**

Applicable   Not applicable

In order to deal with unexpected environmental risk accidents, Tianjin Tianhai has established a sound emergency response mechanism for unexpected environmental pollution accidents to handle unexpected environmental pollution accidents occurred in Tianjin Tianhai in a timely, highly efficient and proper manner. In accordance with the relevant requirements of the Environmental Protection Bureau of Tianjin Province and the bonded area, potential environmental risks and possible environmental pollution incidents of Tianjin Tianhai were analyzed and evaluated. On 10 January 2023, the emergency plan for unexpected environmental pollution accidents of Tianjin Tianhai was refined and filed.

**5. Environmental self-monitoring scheme**

Applicable   Not applicable

In the first half of 2023, Tianjin Tianhai entrusted Tianjin Guona Product Testing Technology Service Co., Ltd. to test the discharge ports in accordance with the requirements of the monitoring plan. The test results all met the requirements of the standard (see table 1-1, table 2-2, table 5).

1. *Implementation standard and limit of emission of water pollutants*

Items	Standard of concentration limit	Source of standard
PH value	6~9	“Overall Sewage Emission Standard” DB12/356 – 2018 (level 3)
suspended solids	400mg/L	
chemical oxygen demand	500mg/L	
petroleum	15mg/L	
biochemical oxygen demand	300mg/L	
ammonia nitrogen	45mg/L	
total phosphorous	8mg/L	
total nitrogen	70mg/L	

2. *Implementation standard and limit of discharge of gaseous waste*

Source of pollution	Factors of pollution	Standard of concentration limit (mg/m) <sup>3</sup>	Source of standard
Kilns and furnaces	sulfur dioxide	50	“Emission Standard of Air Pollutants for Industrial Kilns and Furnaces” DB12/556 – 2015
	nitrogen oxides	300	
	particulates	20	
	blackness of flue gas	≤1	
Piping	benzene	1	“VOC Emission Control Standards for Industrial Enterprises” DB12/524 – 2020
	total toluene and xylene	20	
	non-methane hydrocarbon	40	
	TRVOC	50	

3. *The noise level at the boundaries of the plants complies with classes 3 and 4 standards of “Emission Standard for Industrial Enterprises Noise at Boundary” (GB12348-2008), with 65~70dB (A) during daytime and 55dB (A) during nighttime.*

6. ***Administrative penalty for environmental problems during the reporting period***

Applicable     Not applicable

7. ***Other disclosable environmental information***

Applicable     Not applicable

**(II) Description on the environmental protection of the companies other than those falling under key sewage emission entities**

Applicable     Not applicable

**(III) Description of the follow-up progress or changes in the disclosure of environmental information during the reporting period**

Applicable     Not applicable

**(IV) Information on efforts conducive to ecological protection, pollution prevention and control and environmental responsibility fulfillment**

Applicable     Not applicable

**(V) Measures adopted for reducing carbon emissions during the reporting period and their effects**

Applicable     Not applicable

## **XV. EXPLANATION ON OTHER IMPORTANT MATTERS**

**(I) Details, reasons and impact of the changes to the accounting policies, accounting estimates and audit methods compared with the last accounting period**

Applicable     Not applicable

**(II) Particulars, correction amount, reason and impact of significant accounting errors amended by retrospective restatement during the reporting period**

Applicable     Not applicable

**(III) Others**

Applicable     Not applicable

## XVI. FINANCIAL STATEMENT

### Consolidated Balance Sheet

June 30, 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Item	Note	30 June 2023	31 December 2022
<b>Current assets:</b>			
Cash at bank and on hand	VII. 1	467,202,377.56	336,627,993.24
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable	VII. 4	2,575,614.68	8,603,853.52
Accounts receivable	VII. 5	349,071,295.07	315,652,015.26
Receivables financing	VII. 6	10,354,186.85	29,790,417.72
Advances to suppliers	VII. 7	45,997,328.51	46,525,117.75
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables	VII. 8	4,103,406.46	4,809,858.44
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories	VII. 9	359,424,331.64	310,798,445.44
Contractual assets			
Held-for-sale assets			
Current portion of non-current assets			
Other current assets	VII. 13	39,365,754.78	10,221,016.45
<b>Total current assets</b>		<u>1,278,094,295.55</u>	<u>1,063,028,717.82</u>

**Consolidated Balance Sheet (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan  
Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Non-current assets:</b>			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	<i>VII. 17</i>	88,425,698.97	83,828,193.76
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets	<i>VII. 21</i>	646,254,526.84	594,584,383.38
Construction in progress	<i>VII. 22</i>	28,431,780.91	59,457,140.18
Bearer biological assets			
Oil and gas assets			
Right-of-use assets	<i>VII. 25</i>	211,468,853.54	220,518,068.16
Intangible assets	<i>VII. 26</i>	187,545,724.76	192,378,307.38
Development expenditures			
Goodwill	<i>VII. 28</i>	168,996,039.10	168,996,039.10
Long-term deferred expenses	<i>VII. 29</i>	15,310,522.87	16,622,473.45
Deferred income tax assets	<i>VII. 30</i>	69,328,521.69	69,755,808.48
Other non-current assets	<i>VII. 31</i>	37,589,050.02	26,835,176.42
<b>Total non-current assets</b>		<u>1,453,350,718.70</u>	<u>1,432,975,590.31</u>
<b>Total assets</b>		<u>2,731,445,014.25</u>	<u>2,496,004,308.13</u>

**Consolidated Balance Sheet (Continued)**

June 30, 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	30 June 2023	31 December 2022
<b>Current liabilities:</b>			
Short-term borrowings	VII. 32	170,000,000.00	100,000,000.00
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable	VII. 35	95,927,453.58	77,497,454.43
Accounts payable	VII. 36	284,146,129.87	242,600,960.24
Advances from customers			
Contractual liabilities	VII. 38	74,532,255.04	60,289,757.30
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer broking			
Securities underwriting			
Employee benefits payable	VII. 39	15,933,973.13	25,714,018.81
Taxes payable	VII. 40	6,472,438.43	21,834,560.15
Other payables	VII. 41	76,617,572.36	63,942,916.44
Including: Interest payable			
Dividends payable			
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities	VII. 43	21,491,889.73	21,127,930.84
Other current liabilities	VII. 44	7,024,715.60	6,677,447.44
<b>Total current liabilities</b>		<u>752,146,427.74</u>	<u>619,685,045.65</u>

**Consolidated Balance Sheet (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan  
Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Non-current liabilities:</b>			
Insurance contract reserves			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities	<i>VII. 47</i>	240,552,018.75	248,801,063.86
Long-term payables	<i>VII. 48</i>	253,207,700.00	113,207,700.00
Long-term employee benefits payable	<i>VII. 49</i>	31,127,711.39	30,779,454.07
Provisions	<i>VII. 50</i>	7,981,101.32	8,020,131.96
Deferred income	<i>VII. 51</i>	9,720,315.08	358,604.17
Deferred income tax liabilities		59,302,455.66	61,991,575.69
Other non-current liabilities			
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>601,891,302.20</b>	<b>463,158,529.75</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>1,354,037,729.94</b>	<b>1,082,843,575.40</b>

**Consolidated Balance Sheet (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Owner's equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)	<i>VII. 53</i>	542,265,988.00	542,265,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserves	<i>VII. 55</i>	1,151,111,016.32	1,151,111,016.32
Less: Treasury stocks			
Other comprehensive income	<i>VII. 57</i>	4,248,157.27	2,128,736.81
Special reserves	<i>VII. 58</i>	669,531.59	124,960.21
Surplus reserves	<i>VII. 59</i>	45,665,647.68	45,665,647.68
General risk reserve			
Undistributed profits	<i>VII. 60</i>	<u>-695,229,732.92</u>	<u>-665,538,796.90</u>
<b>Total equity attributable to owners (or shareholders) of the parent company</b>		<u>1,048,730,607.94</u>	<u>1,075,757,552.12</u>
<b>Minority interest</b>		<u>328,676,676.37</u>	<u>337,403,180.61</u>
<b>Total owners' equity (or shareholders' equity)</b>		<u>1,377,407,284.31</u>	<u>1,413,160,732.73</u>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>		<u>2,731,445,014.25</u>	<u>2,496,004,308.13</u>

*Person in charge of the  
Company:***Mr. Li Junjie***Person in charge of accounting:***Ms. Feng Yongmei***Person in charge of the  
accounting firm:***Mr. Wang Yandong**



## Balance Sheet of Parent Company

June 30, 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	30 June 2023	31 December 2022
<b>Current assets:</b>			
Cash at bank and on hand		25,248,639.30	53,043,574.83
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable	<i>XVII. 1</i>	64,960,685.13	51,455,610.49
Receivables financing			
Prepayment			
Other receivables	<i>XVII. 2</i>	400,105,579.98	382,107,891.53
Including: Interest receivable		32,918,353.69	37,918,353.69
Dividends receivable			
Inventory			
Contractual assets			
Held-for-sale assets			
Current portion of non-current liabilities			
Other current liabilities		147,943.54	
<b>Total current liabilities</b>		<u>490,462,847.95</u>	<u>486,607,076.85</u>

**Balance Sheet of Parent Company (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Non-current assets:</b>			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments	<i>XVII. 3</i>	1,377,330,040.36	1,239,348,125.05
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		125,028.96	139,583.28
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		1,665,295.14	2,119,466.54
Intangible assets			
Development expenditures			
Goodwill			
Long-term deferred expenses		1,020,449.32	1,298,753.68
Deferred income tax assets		350,697.09	460,670.43
Other non-current assets			
<b>Total non-current assets</b>		<u>1,380,491,510.87</u>	<u>1,243,366,598.98</u>
<b>Total assets</b>		<u>1,870,954,358.82</u>	<u>1,729,973,675.83</u>

**Balance Sheet of Parent Company (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Current liabilities:</b>			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable		50,012,861.73	53,462,653.20
Advances from customers			
Contractual liabilities		19,242,477.91	1,274,336.28
Employee benefits payable		115,948.37	2,655,500.86
Taxes payable		7,173.09	614,941.03
Other payables		21,636,492.00	23,710,531.21
Including: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Current portion of non-current liabilities		920,715.35	889,946.63
Other current liabilities			165,663.72
<b>Total current liabilities</b>		<b>91,935,668.45</b>	<b>82,773,572.93</b>

**Balance Sheet of Parent Company (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Non-current liabilities:</b>			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities		482,073.01	952,735.10
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred income tax liabilities		416,323.79	529,866.64
Other non-current liabilities			
		<hr/>	<hr/>
<b>Total non-current liabilities</b>		<b>898,396.80</b>	<b>1,482,601.74</b>
		<hr/>	<hr/>
<b>Total liabilities</b>		<b>92,834,065.25</b>	<b>84,256,174.67</b>
		<hr/>	<hr/>

**Balance Sheet of Parent Company (Continued)***June 30, 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan  
Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>30 June 2023</b>	<b>31 December 2022</b>
<b>Owner's equity (or shareholders' equity):</b>			
Paid-up capital (or share capital)		542,265,988.00	542,265,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserves		1,261,798,659.48	1,123,816,744.17
Less: Treasury stocks			
Other comprehensive income			
Special reserves			
Surplus reserves		38,071,282.24	38,071,282.24
Undistributed profits		<u>-64,015,636.15</u>	<u>-58,436,513.25</u>
<b>Total owners' equity</b>			
<b>(or shareholders' equity)</b>		<u>1,778,120,293.57</u>	<u>1,645,717,501.16</u>
<b>Total liabilities and owners' equity</b>			
<b>(or shareholders' equity)</b>		<u>1,870,954,358.82</u>	<u>1,729,973,675.83</u>

*Person in charge of the  
Company:*  
**Mr. Li Junjie**

*Person in charge of accounting:*  
**Ms. Feng Yongmei**

*Person in charge of the  
accounting firm:*  
**Mr. Wang Yandong**

## Consolidated Income Statement

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>I. Total operating revenue</b>		625,983,732.52	637,677,016.77
Including: Operating revenue	VII. 61	625,983,732.52	637,677,016.77
Interest income			
Earned premiums			
Fee and commission income			
<b>II. Total operating cost</b>		649,492,960.84	635,491,143.05
Including: Operating cost	VII. 61	546,091,446.53	553,123,507.27
Interest expenses			
Fee and commission expenses			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Reinsurance expenses			
Taxes and surcharges	VII. 62	3,215,567.15	3,635,239.70
Selling expenses	VII. 63	17,906,764.13	15,841,866.48
Administrative expenses	VII. 64	47,814,777.88	38,334,532.86
R & D expenses	VII. 65	28,174,206.18	21,615,500.91
Financial expenses	VII. 66	6,290,198.97	2,940,495.83
Including: Interest expenses		8,830,075.36	2,882,848.89
Interest income		2,177,647.04	222,568.30

## Consolidated Income Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
Add: Other incomes	VII. 67	1,562,792.50	1,834,312.92
Investment income (loss to be listed with “-”)	VII. 68	4,568,847.96	13,545,545.90
Including: Income from investment in associates and joint ventures		4,568,847.96	12,254,352.49
Derecognition income of financial asset measured at the amortized cost (loss to be listed with “-”)			
Exchange gain (loss to be listed with “-”)			
Net exposure hedging income (loss to be listed with “-”)			
Income from changes in fair value (loss to be listed with “-”)			-5,952.01
Credit impairment losses (loss to be listed with “-”)	VII. 71	-3,252,605.18	-861,311.24
Asset impairment losses (loss to be listed with “-”)	VII. 72	-12,595,858.77	-4,631,897.06
Income from assets disposal (loss to be listed with “-”)	VII. 73	55,422.47	
<b>III. Operating profit (loss to be listed with “-”)</b>		<b>-33,170,629.34</b>	<b>12,066,572.23</b>
Add: Non-operating revenue	VII. 74	1,243,897.98	722,359.80
Less: Non-operating expenses	VII. 75	257,935.94	1,066,190.71

## Consolidated Income Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>IV. Total profit (total loss to be listed with “-”)</b>			
		-32,184,667.30	11,722,741.32
Less: Income tax expenses	VII. 76	6,574,895.30	3,034,715.00
<b>V. Net profit (net loss to be listed with “-”)</b>		-38,759,562.60	8,688,026.32
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with “-”)		-38,759,562.60	8,688,026.32
2. Net profit from discontinuing operations (net loss to be listed with “-”)			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the owner of the parent company (net loss to be listed with “-”)		-29,690,936.02	10,576,997.42
2. Non-controlling interests (net loss to be listed with “-”)		-9,068,626.58	-1,888,971.10
<b>VI. Net of tax of other comprehensive income</b>	VII. 77	2,332,083.51	1,966,372.71
(1) Net of tax of other comprehensive income attributable to the owner of the parent company		2,119,420.46	1,783,243.77
(I) Other comprehensive income that cannot be reclassified into profit or loss			
(1) Changes arising from remeasurement of the defined benefit plan			
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method			
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of the enterprise’s credit risk			



## Consolidated Income Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
(II) Other comprehensive income that will be reclassified into profit or loss		2,119,420.46	1,783,243.77
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method		28,657.25	3,496.18
(2) Changes in fair value of other debt investment			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Provision for impairment of credit in other debt investments			
(5) Reserves for cash flow hedge			
(6) Translation difference of foreign currency financial statements		2,090,763.21	1,779,747.59
(7) Others			
(2) Net of tax of other comprehensive income attributable to minority shareholders		212,663.05	183,128.94

## Consolidated Income Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>VII.Total comprehensive income</b>		-36,427,479.09	10,654,399.03
(1) Total comprehensive income attributable to shareholders of the parent company		-27,571,515.56	12,360,241.19
(2) Total comprehensive income attributable to minority shareholders		-8,855,963.53	-1,705,842.16
<b>VIII.Earnings per share:</b>			
(1) Basic earnings per share (RMB/share)		-0.05	0.02
(2) Diluted earnings per share (RMB/share)		-0.05	0.02

For the business combination under common control occurred during the current period, net profit of the acquiree realised before business combination was RMB0. Net profit of the acquiree realised during the last period was RMB0.

*Person in charge of the  
Company:*

**Mr. Li Junjie**

*Person in charge of accounting:*

**Ms. Feng Yongmei**

*Person in charge of the  
accounting firm:*

**Mr. Wang Yandong**

## Income Statement of Parent Company

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>I. Operating revenue</b>	<i>XVII. 4</i>	454,601.78	212,991.15
Less: Operating cost			
Taxes and surcharges		70,915.50	8,486.10
Selling expenses			
Administrative expenses		4,702,981.80	5,606,374.66
R & D expenses			
Financial expenses		-31,440.02	-15,754.99
Including: Interest expenses			
Interest income		74,372.90	17,801.26
Add: Other incomes			
Investment income (loss to be listed with “-”)			
Including: Income from investment in associates and joint ventures			
Derecognition income of financial asset measured at the amortized cost (loss to be listed with “-”)			
Net exposure hedging income (loss to be listed with “-”)			
Income from changes in fair value (loss to be listed with “-”)			
Credit impairment losses (loss to be listed with “-”)		-1,294,836.91	-154,997.92
Asset impairment losses (loss to be listed with “-”)			
Income from assets disposal (loss to be listed with “-”)			

## Income Statement of Parent Company (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>II. Operating profit (loss to be listed with with “-”)</b>		-5,582,692.41	-5,541,112.54
Add: Non-operating revenue			
Less: Non-operating expenses			
<b>III. Total profit (total loss to be listed with “-”)</b>		-5,582,692.41	-5,541,112.54
Less: Income tax expenses		-3,569.51	
<b>IV. Net profit (net loss to be listed with “-”)</b>		-5,579,122.90	-5,541,112.54
(I) Net profit from continuing operations (net loss to be listed with “-”)		-5,579,122.90	-5,541,112.54
(II) Net profit from discontinued operations (net loss to be listed with “-”)			
<b>V. Net of tax of other comprehensive income</b>			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes arising from remeasurement of the defined benefit plan			
2. Other comprehensive income that cannot be reclassified into profit or loss under the equity method			
3. Changes in fair value of other equity instrument investments			
4. Changes in fair value of the enterprise’s credit risk			

## Income Statement of Parent Company (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan

Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
(II) Other comprehensive income that will be reclassified into profit or loss			
1. Other comprehensive income that can be reclassified into profit or loss under the equity method			
2. Changes in fair value of other debt investment			
3. Amount of financial assets reclassified into other comprehensive income			
4. Provision for impairment of credit in other debt investments			
5. Reserves for cash flow hedge			
6. Translation difference of foreign currency financial statements			
7. Others			
<b>VI. Total comprehensive income</b>		-5,579,122.90	-5,541,112.54

### VII. Earnings per share:

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

*Person in charge of the Company:*

**Mr. Li Junjie**

*Person in charge of accounting:*

**Ms. Feng Yongmei**

*Person in charge of the accounting firm:*

**Mr. Wang Yandong**

## Consolidated Cash Flow Statement

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or provision of services		525,026,772.39	570,729,387.64
Net increase in deposits from customers and placements from financial institutions			
Net increase in borrowings from the central bank			
Net increase in placement from other financial institutions			
Cash received from premiums of original insurance contract			
Net cash received from reinsurance business			
Net increase in policyholders' deposits and investment			
Cash received from interests, fees and commissions			
Net increase in placement from banks and other financial institutions			
Net increase in repurchasing business funds			
Net cash received from securities brokering			
Taxes and surcharges refunds		1,677.44	35,643,452.41
Other cash receipts related to operating activities	VII. 78	34,019,617.07	5,996,611.01
<b>Subtotal of cash inflows from operating activities</b>		<u>559,048,066.90</u>	<u>612,369,451.06</u>

## Consolidated Cash Flow Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
Cash paid for goods and services		353,942,773.34	480,168,219.02
Net increase in loans and advances to customers			
Net increase in deposits with the central bank and other financial institutions			
Cash paid for claim settlements on original insurance contract			
Net increase in loans to banks and other financial institutions			
Cash paid for interests, fees and commissions			
Cash paid for policy dividends			
Cash paid to and for employees		121,606,211.63	103,795,626.52
Taxes and surcharges payments		47,464,385.67	19,100,844.38
Other cash payments related to operating activities	VII. 78	<u>42,501,594.90</u>	<u>28,220,352.33</u>
<b>Subtotal of cash outflows from operating activities</b>		<u>565,514,965.54</u>	<u>631,285,042.25</u>
<b>Net cash flows from operating activities</b>	VII. 78	<u>-6,466,898.65</u>	<u>-18,915,591.19</u>

## Consolidated Cash Flow Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>II. Cash flows from investing activities:</b>			
Cash received from return of investment			
Cash received from investment income			297,877.25
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		141,620.00	7,937.52
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities	VII. 78		36,233,354.22
Subtotal of cash inflows from investing activities		141,620.00	36,539,168.99
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		49,090,148.84	45,298,459.00
Cash paid to acquire investments			230,866.00
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
<b>Subtotal of cash outflows from investing activities</b>		<u>49,090,148.84</u>	<u>45,529,325.00</u>
<b>Net cash flows from investing activities</b>		<u>-48,948,528.84</u>	<u>-8,990,156.01</u>



## Consolidated Cash Flow Statement (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022	
<b>III. Cash flows from financing activities:</b>				
Cash received from absorbing investment				
Including: Cash received from minority shareholders' investment in subsidiaries				
Cash received from borrowings		70,000,000.00	75,679,600.00	
Other cash receipts related to financing activities	VII. 78	140,000,000.00	23,207,700.00	
Subtotal of cash inflows from financing activities		210,000,000.00	98,887,300.00	
Cash paid for repayments of debts				
Cash paid for distribution of dividends, profits or interest repayment				
Including: Dividends and profits paid to minority shareholders by subsidiaries		1,971,666.67	1,961,555.55	
Other cash payments related to financing activities	VII. 78	12,268,749.32		
<b>Subtotal of cash outflows from financing activities</b>		<u>14,240,415.99</u>	<u>36,343,715.55</u>	
<b>Net cash flows from financing activities</b>		<u>195,759,584.01</u>	<u>62,543,584.45</u>	
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>				
		1,038,246.16	1,256,935.38	
<b>V. Net increase in cash and cash equivalents</b>				
		VII. 78	141,382,402.68	35,894,772.63
Add: Beginning balance of cash and cash equivalents				
		VII. 78	<u>263,802,199.98</u>	<u>79,891,833.74</u>
<b>VI. Ending balance of cash and cash equivalents</b>				
		VII. 78	405,184,602.66	115,786,606.37

Person in charge of the  
Company:

Mr. Li Junjie

Person in charge of accounting:

Ms. Feng Yongmei

Person in charge of the  
accounting firm:

Mr. Wang Yandong

## Cash Flow Statement of Parent Company

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
<b>I. Cash flows from operating activities:</b>			
Cash received from sales of goods or provision of services		58,876,400.00	29,332,800.00
Taxes and surcharges refunds			
Other cash receipts related to operating activities		288,572.95	9,632,123.36
<b>Subtotal of cash inflows from operating activities</b>		<u>59,164,972.95</u>	<u>38,964,923.36</u>
Cash paid for goods and services		56,782,598.40	19,869,300.00
Cash paid to and for employees		5,210,114.33	5,724,274.48
Taxes and surcharges payments		698,619.29	628,177.41
Other cash payments related to operating activities		4,203,576.50	4,478,584.56
<b>Subtotal of cash outflows from operating activities</b>		<u>66,894,908.52</u>	<u>30,700,336.45</u>
<b>Net cash flows from operating activities</b>		<u>-7,729,935.57</u>	<u>8,264,586.91</u>
<b>II. Cash flows from investing activities:</b>			
Cash received from return of investment			
Cash received from investment income			
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			
Net cash received from disposal of subsidiaries and other business units			
Other cash receipts related to investing activities		5,000,000.00	
<b>Subtotal of cash inflows from investing activities</b>		<u>5,000,000.00</u>	

## Cash Flow Statement of Parent Company (Continued)

January-June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Note	Half year of 2023	Half year of 2022
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		65,000.00	
Cash paid to acquire investments		140,000,000.00	
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities		25,000,000.00	
<b>Subtotal of cash outflows from investing activities</b>		<b>165,065,000.00</b>	
<b>Net cash flows from investing activities</b>		<b>-160,065,000.00</b>	
<b>III. Cash flows from financing activities:</b>			
Cash received from absorbing investment			
Cash received from borrowings			
Other cash receipts related to financing activities		140,000,000.00	23,207,700.00
<b>Subtotal of cash inflows from financing activities</b>		<b>140,000,000.00</b>	<b>23,207,700.00</b>
Cash paid for repayment of debts			
Cash paid for distribution of dividends, profits or interest repayment			
Other cash payments related to financing activities			23,207,700.00
<b>Subtotal of cash outflows from financing activities</b>			<b>23,207,700.00</b>
<b>Net cash flows from financing activities</b>		<b>140,000,000.00</b>	

**Cash Flow Statement of Parent Company (Continued)***January-June 2023*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan  
Currency: RMB*

<b>Item</b>	<i>Note</i>	<b>Half year of 2023</b>	<b>Half year of 2022</b>
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		0.04	
<b>V. Net increase in cash and cash equivalents</b>		-27,794,935.53	8,264,586.91
Add: Beginning balance of cash and cash equivalents		<u>53,043,574.83</u>	<u>1,639,496.85</u>
<b>VI. Ending balance of cash and cash equivalents</b>		25,248,639.30	9,904,083.76

*Person in charge of the  
Company:***Mr. Li Junjie***Person in charge of accounting:***Ms. Feng Yongmei***Person in charge of the  
accounting firm:***Mr. Wang Yandong**

# Consolidated Statement of Changes in Owners' Equity

January – June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Half year of 2023														Total owners' equity
	Equity attributable to owners of the parent company													Minority interest	
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others	Subtotal		
I. Closing balance of the previous period	542,265,988.00				1,151,111,016.32		2,128,736.81	124,960.21	45,665,647.68		-669,031,286.39		1,072,265,062.63	334,216,404.18	1,406,481,466.81
Add: Changes in accounting policies											3,492,489.49		3,492,489.49	3,186,776.43	6,679,265.92
Corrections of prior period errors															
Business combination under common control															
Others															
II. Opening balance of the current period	542,265,988.00				1,151,111,016.32		2,128,736.81	124,960.21	45,665,647.68		-665,538,796.90		1,075,757,552.12	337,403,180.61	1,413,160,732.73
III. Movements of the current period (decrease to be listed with "-")							2,119,420.46	544,571.38			-29,690,936.02		-27,026,944.18	-8,726,504.24	-35,753,448.42
(I) Total comprehensive income							2,119,420.46				-29,690,936.02		-27,571,515.56	-8,855,963.53	-36,427,479.09
(II) Capital invested and decreased by shareholders															
1. Common shares invested by owners															
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as owners' equity															
4. Others															
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-over in owners' equity															
1. Transfer from capital reserves to capital (or share capital)															
2. Transfer from surplus reserves to capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained earnings carried over from other comprehensive income															
6. Others															
(V) Special reserves								544,571.38					544,571.38	129,459.29	674,030.67
1. Appropriation in current period								4,155,087.55					4,155,087.55	1,584,108.73	5,739,196.28
2. Use in current period								-3,610,516.17					-3,610,516.17	-1,454,649.44	-5,065,165.61
(VI) Others													0.00		0.00
IV. Closing balance of the current period	542,265,988.00				1,151,111,016.32		4,248,157.27	669,531.59	45,665,647.68		-695,229,732.92		1,048,730,607.94	328,676,676.37	1,377,407,284.31

# Consolidated Statement of Changes in Owners' Equity (Continued)

January – June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Half year of 2022													Total owners' equity	
	Equity attributable to owners of the parent company												Minority interest		
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserves	Undistributed profits	Others			Subtotal
I. Closing balance of the previous period	485,000,000.00				835,353,861.68		-1,030,194.20		45,665,647.68		-687,333,700.32		677,655,614.84	283,756,432.50	961,412,047.34
Add: Changes in accounting policies															
Corrections of prior period errors															
Merger of enterprises under common control															
Others															
II. Opening balance of the current period	485,000,000.00				835,353,861.68		-1,030,194.20		45,665,647.68		-687,333,700.32		677,655,614.84	283,756,432.50	961,412,047.34
III. Movements of the current period															
(decrease to be listed with "-")	46,481,314.00				176,564,243.63		1,783,243.77	-			10,576,997.42		235,405,798.82	32,845,148.07	268,250,946.89
(I) Total comprehensive income							1,783,243.77				10,576,997.42		12,360,241.19	-1,705,842.16	10,654,399.03
(II) Capital invested and decreased by owners	46,481,314.00				176,564,243.63								223,045,557.63	34,550,990.23	257,596,547.86
1. Common shares invested by owners	46,481,314.00				173,284,801.59								219,766,115.59	34,550,990.23	254,317,105.82
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as owners' equity															
4. Others					3,279,442.04								3,279,442.04		3,279,442.04
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation to general risk reserves															
3. Distribution to owners (or shareholders)															
4. Others															
(IV) Internal carry-over in owners' equity															
1. Transfer from capital reserves to capital (or share capital)															
2. Transfer from surplus reserves to capital (or share capital)															
3. Recovery of losses by surplus reserves															
4. Retained earnings carried over from changes in defined benefit plans															
5. Retained earnings carried over from other comprehensive income															
6. Others															
(V) Special reserves															
1. Appropriation in current period															
2. Use in current period															
(VI) Others															
IV. Closing balance of the current period	531,481,314.00				1,011,918,105.31		753,049.57		45,665,647.68		-676,756,702.90		913,061,413.66	316,601,580.57	1,229,662,994.23

Person in charge of the  
Company:  
**Mr. Li Junjie**

Person in charge of accounting:  
**Ms. Feng Yongmei**

Person in charge of the  
accounting firm:  
**Mr. Wang Yandong**

# Parent Company's Statement of Changes in Owners' Equity

January – June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Half year of 2023										
	Paid-up capital (or share capital)	Preferred shares	Other equity instruments Perpetual bond	Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
I. Closing balance of the previous period	542,265,988.00				1,123,816,744.17				38,071,282.24	-58,367,317.04	1,645,786,697.37
Add: Changes in accounting policies										-69,196.21	-69,196.21
Corrections of prior period errors											
Others											
II. Opening balance of the current period	542,265,988.00				1,123,816,744.17				38,071,282.24	-58,436,513.25	1,645,717,501.16
III. Movements the current period (decrease to be listed with "-")					137,981,915.31					-5,579,122.90	132,402,792.41
(I) Total comprehensive income										-5,579,122.90	-5,579,122.90
(II) Capital invested and decreased by owners											
1. Common shares invested by owners											
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment recognized as owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over in owners' equity					137,981,915.31						137,981,915.31
1. Transfer from capital reserves to capital (or share capital)											
2. Transfer from surplus reserves to capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others					137,981,915.31						137,981,915.31
(V) Special reserves											
1. Appropriation in current period											
2. Use in current period											
(VI) Others											
IV. Closing balance of the current period	542,265,988.00				1,261,798,659.48				38,071,282.24	-64,015,636.15	1,778,120,293.57

# Parent Company's Statement of Changes in Owners' Equity (Continued)

January – June 2023

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan  
Currency: RMB

Item	Half year of 2022										
	Paid-up capital (or share capital)	Preferred shares	Other equity instruments Perpetual bond	Others	Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners equity
<b>I. Closing balance of the previous period</b>	485,000,000.00				811,365,185.81				38,071,282.24	-54,534,968.50	1,279,901,499.55
Add: Changes in accounting policies											
Corrections of prior period errors											
Others											
<b>II. Opening balance of the current period</b>	485,000,000.00				811,365,185.81				38,071,282.24	-54,534,968.50	1,279,901,499.55
<b>III. Movements of the current period</b>											
(decrease to be listed with "+")	46,481,314.00				173,284,801.59					-5,541,112.54	214,225,003.05
(I) Total comprehensive income										-5,541,112.54	-5,541,112.54
(II) Capital invested and decreased by owners	46,481,314.00				173,284,801.59						219,766,115.59
1. Common shares invested by owners	46,481,314.00				173,284,801.59						219,766,115.59
2. Capital invested by other equity instrument holders											
3. Amount of share-based payment recognized as owners' equity											
4. Others											
(III) Profit distribution											
1. Appropriation to surplus reserves											
2. Distribution to owners (or shareholders)											
3. Others											
(IV) Internal carry-over in owners' equity											
1. Transfer from capital reserves to capital (or share capital)											
2. Transfer from surplus reserves to capital (or share capital)											
3. Recovery of losses by surplus reserves											
4. Retained earnings carried over from changes in defined benefit plans											
5. Retained earnings carried over from other comprehensive income											
6. Others											
(V) Special reserves											
1. Appropriation in current period											
2. Use in current period											
(VI) Others											
<b>IV. Closing balance of the current period</b>	<b>531,481,314.00</b>				<b>984,649,987.40</b>				<b>38,071,282.24</b>	<b>-60,076,081.04</b>	<b>1,494,126,502.60</b>

Person in charge of the  
Company:  
**Mr. Li Junjie**

Person in charge of accounting:  
**Ms. Feng Yongmei**

Person in charge of the  
accounting firm:  
**Mr. Wang Yandong**



Notes:

1. Aging analysis of accounts receivable

Unit: Yuan  
Currency: RMB

Aging	Book balance at the end of the period
<b>Within one year</b>	
<b>Including: sub-items within one year</b>	
Within one year	296,834,874.89
Subtotal within one year	296,834,874.89
One to two years	52,107,822.30
Two to three years	10,599,431.48
<b>More than three years</b>	
Three to four years	5,948,824.68
Four to five years	1,143,462.56
More than five years	48,745,038.66
<b>Total</b>	<b>415,379,454.57</b>

2. Aging analysis of accounts payable

Significant payables with an age of over 1 year:

Unit: Yuan  
Currency: RMB

Item	Balance at the end of the period	Reasons for non-repayment or carrying over
Beijing Lantianda Vehicle Clean Fuel Technology Co., Ltd.	10,492,652.22	Unsettled
Beijing Machinery Industry Automation Research Institute Co., Ltd.	6,103,774.58	Unsettled
World Precise Machinery (China) Co., Ltd.	5,740,947.09	Unsettled
Kunshan Ocs Suspension Transportation System Co., Ltd.	3,510,619.55	Unsettled
Tianjin TPCO Investment Co., Ltd.	2,387,736.84	Unsettled
Jiangsu Wuxi Zhengda Metal Products Co., Ltd.	2,237,454.72	Unsettled
Beijing Zhongnengfa Power Equipment Co., Ltd.	2,095,862.83	Unsettled
Wuxi Zhengda Metal Products Co., Ltd.	1,856,961.28	Unsettled
Anhui Kechang Machinery Manufacturing Incorporated Co., Ltd.	1,769,000.00	Unsettled
Hebei Zhengsheng Electric Equipment Manufacturing Co., Ltd.	1,738,153.83	Unsettled
Qingdao Shengju Metal Manufacturing Co. Ltd.	1,554,000.00	Unsettled
<b>Total</b>	<b>39,487,162.94</b>	/

### 3. Turnover

Unit: Yuan  
Currency: RMB

Item	Amount in the current period	Amount in the corresponding period of last year
Gas storage and transportation product	537,610,872.31	467,883,214.59
Automated manufacturing equipment system integration	45,062,474.42	26,548,672.50
Others	31,877,074.03	117,316,788.98
<b>Gross Sales</b>	<b>614,550,420.76</b>	<b>611,748,676.07</b>
Less: Sales tax and other additional charges	3,215,567.15	3,635,239.70
<b>Total</b>	<b>611,334,853.61</b>	<b>608,113,436.37</b>

### 4. Taxes

#### (1) Main Tax Types and Tax Rate

Tax category	Taxation basis	Tax rate
Value-added tax	VAT payable	13%、9%、6%、5%
Excise tax		
Business tax		
City maintenance and construction tax	VAT payable	7%、5%
Corporate income tax	VAT payable	25%、15%
Education surcharge	VAT payable	3%
Local education surcharge	VAT payable	2%
Property tax	70%-80% of the original property value and income from property leasing	1.2% and 12%
Hong Kong profits tax	VAT payable	16.50%
Corporate income tax (USA)	VAT payable	21%

(2) **Description of taxpayers and the tax rates of different corporate income taxes:**

<b>Names of the taxpayer</b>	<b>Income tax rate (%)</b>
The Company	25%
Beijing Tianhai Industry Co., Ltd.*	15%
Tianjin Tianhai High Pressure Container Co., Ltd.*	25%
Shanghai Tianhai Composite Cylinders Co., Ltd.*	25%
Beijing Tianhai Cryogenic Equipment Co., Ltd.*	15%
Beijing Tianhai Hydrogen Energy Equipment Co., Ltd.*	25%
Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd.*	25%
Kuancheng Tianhai Pressure Container Co., Ltd.*	15%
BTIC AMERICA CORPORATION*	21%
Jingcheng Holding (Hong Kong) Co., Ltd.*	16.50%
Qingdao BYTQ United Digital Intelligence Co., Ltd.*	15%
Beijing Jingcheng Haitong Technology Culture Development Co., Ltd.	25%

(3) **Tax preference**

Applicable    Not applicable

Tianhai Industrial, a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 1 December 2022 jointly issued by Beijing Municipal Science & Technology Commission, Finance Bureau of Beijing Municipality, Beijing Municipal Tax Service of the State Taxation Administration (“SAT”) and Beijing Local Taxation Bureau, with Certificate No. GR202211004332. The validity of the certificate is three years. In the current period, provision for corporate income tax is based on the 15% preferential corporate income tax rate.

Kuancheng Tianhai Pressure Container Co., Ltd., a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 22 November 2022 jointly issued by Hebei Provincial Department of Science and Technology, the Hebei Provincial Department of Finance and the Hebei Provincial Tax Service of SAT, with Certificate No. GR202213003894. The validity of the certificate is three years. In the current period, provision for corporate income tax is based on the 15% preferential corporate income tax rate.

Beijing Tianhai Cryogenic Equipment Co., Ltd., a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 2 December 2020 jointly issued by Beijing Municipal Science & Technology Commission, Finance Bureau of Beijing Municipality, Beijing Municipal Tax Service of SAT and Beijing Local Taxation Bureau, with Certificate No. GR202012007641. The validity of the certificate is three years. In the current period, provision for corporate income tax is based on the 15% preferential corporate income tax rate.

BYTQ, a subsidiary of the Company, obtained the High-tech Enterprise Certificate on 14 November 2021 jointly issued by Qingdao Municipal Science and Technology Bureau, Qingdao Municipal Finance Bureau, and Qingdao Tax Service of SAT, with Certificate No. GR202137100429. The validity of the certificate is three years. In the current period, provision for corporate income tax is based on the 15% preferential corporate income tax rate.

In accordance with the “Notice of Ministry of Finance of the State Administration of Taxation on Extending the Deficit-carrying Years of High-tech Enterprises and Technology-based SMEs” (Cai Shui [2018] No. 76), since 1 January 2018, for high and new technologies enterprises or enterprises qualified as science and technology small and medium-sized enterprises (hereinafter the qualification) at that year, their uncovered losses occurred in 5 years before their qualifying year are allowed to be carried forward to cover up in following years, and the maximum carry-forward period is extended from 5 years to 10 years.

(4) **Changes in taxation and taxation preferential policy**

There was no change in taxation and taxation preferential policy this year compared with the previous year.

(5) **Taxes**

Item	<i>Unit: Yuan Currency: RMB</i>	
	Amount in the current period	Amount in the corresponding period of last year
Corporate Income Tax in the Current Year	8,836,567.38	3,547,898.81
Deferred Income Tax	-2,261,672.08	-513,183.81
<b>Total</b>	<b>6,574,895.30</b>	<b>3,034,715.00</b>

5. **Earnings per share**

(1) **Basic earnings per share is calculated through consolidated net profit attributable to the ordinary shareholders of the parent company divided by the weighted average outstanding ordinary shares.**

Item	<i>Unit: Yuan Currency: RMB</i>	
	Current period	Last period
Consolidated net profit attributable to the ordinary shareholders of the parent company	-29,690,936.02	10,576,997.42
Consolidated net profit attributable to the ordinary shareholders of the parent company (net of nonoperating gains and loss)	-31,831,469.28	7,256,597.49
The weighted average numbers of outstanding ordinary shares of the parent company	542,265,988	531,481,314
Basic earnings per share (RMB/share)	-0.05	0.02
Basic earnings per share (RMB/share) (net of nonoperating gains and loss)	-0.06	0.02

(2) **Diluted earnings per share**

Item	<i>Unit: Yuan Currency: RMB</i>	
	Current period	Last period
Consolidated net profit attributable to the ordinary shareholders of the parent company	-29,690,936.02	10,576,997.42
Consolidated net profit attributable to the ordinary shareholders of the parent company (net of nonoperating gains and loss)	-31,831,469.28	7,256,597.49
The weighted average numbers of outstanding ordinary shares of the parent company	542,265,988	531,481,314
Basic earnings per share (RMB/share)	-0.05	0.02
Basic earnings per share (RMB/share) (net of nonoperating gains and loss)	-0.06	0.02

## 6. Share capital

The change in the legal, issued and paid-up share capital of the Company was as follows. All the shares of the Company are ordinary shares with a face value of RMB1 per share.

*Unit: Yuan*  
*Currency: RMB*

Item	Opening amount		Change in the current period					Closing amount	
	Amount	Ratio(%)	Issuing new shares	Bonus shares	Transfer from capital surplus to share capital	Others	Subtotal	Amount	Ratio(%)
Total restricted shares	120,265,988	22.18%	0	0	0	-43,196,883	0	77,069,105	14.21%
Unrestricted shares	422,000,000	77.82%	0	0	0	43,196,883	0	465,196,883	85.79%
<b>Total</b>	<b>542,265,988</b>	<b>100.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>542,265,988</b>	<b>100.00%</b>
RMB ordinary shares	442,265,988	81.56%	0	0	0	0	0	442,265,988	81.56%
Overseas listed foreign shares	100,000,000	18.44%	0	0	0	0	0	100,000,000	18.44%
<b>Total</b>	<b>542,265,988</b>	<b>100.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>542,265,988</b>	<b>100.00%</b>
<b>Total shares</b>	<b>542,265,988</b>	<b>100.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>542,265,988</b>	<b>100.00%</b>

## 7. Dividend

No dividend was paid or declared during the first half of 2023. No dividend was declared after the end of the reporting period up to the date of this announcement (2022: none).

For and on behalf of the Board  
**Beijing Jingcheng Machinery Electric Company Limited**  
**Luan Jie**  
*Company Secretary*

Beijing, the PRC  
16 August 2023

*As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as executive director, Mr. Li Junjie, Mr. Wu Yanzhang, Mr. Zhou Yongjun, Mr. Cheng Lei, Mr. Man Huiyong 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.*

\* For identification purposes only