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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)

2021 INTERIM RESULTS ANNOUNCEMENT

I. IMPORTANT NOTICES

1. This interim results announcement is derived from the 2021 Interim Report. To comprehensively understand operating results, financial position and future development plans of Beijing Jingcheng Machinery Electric Company Limited (the “Company”, together with its subsidiaries, the “Group”), investors should carefully read the full text of the 2021 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 2021 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 2021 interim results has 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

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Securities affairs representative

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2 Major financial data of the Company

Unit: Yuan
Currency: RMB

	For the reporting period (January – June 2021)	For the same period last year	Increase/Decrease comparing the reporting period with the same period last year (%)
Operating income	526,554,520.75	523,831,648.77	0.52
Net profit attributable to shareholders of listed company	-1,313,304.91	-24,089,791.77	–
Net profit attributable to shareholders of listed company after extraordinary items	-9,270,610.57	-27,666,725.33	–
Net cash flow from operating activities	-42,048,198.13	26,638,246.85	–
	As at the end of the reporting period	As at the end of last year	Increase/Decrease comparing the end of the reporting period with the end of last year (%)
Net assets attributable to shareholders of listed company	697,873,302.44	699,472,630.04	-0.23
Total assets	1,584,850,794.15	1,705,430,862.39	-7.07

3 Shareholdings of top ten shareholders

Unit: share

Total number of shareholders as at the end of the reporting period 15,345

Total number of preference shareholders with voting rights restored at the end of the reporting period 0

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 reporting period	Ratio (%)	Number of shares held subject to selling restrictions	Pledged or frozen		
					Share status	Number	Shareholder(s) nature
Beijing Jingcheng Machinery Electric Holding Co., Ltd	0	245,735,052	50.67%	63,000,000	Nil	0	State-owned legal-person
HKSCC NOMINEES LIMITED	-2,120	99,313,027	20.48%	0	Unknown	0	Unknown
Li Hongjie	3,759,937	4,900,037	1.01%	0	Unknown	0	Unknown
Jiang Genqing	3,787,700	3,787,700	0.78%	0	Unknown	0	Unknown
He Yong	601,200	2,147,520	0.44%	0	Unknown	0	Unknown
Hong Kong Securities Clearing Company Limited	1,163,742	1,842,817	0.38%	0	Unknown	0	Unknown
Xu Zihua	0	1,708,700	0.35%	0	Unknown	0	Unknown
Xu Rui	700	1,705,500	0.35%	0	Unknown	0	Unknown
Huang Zhiping	-86,573	1,660,027	0.34%	0	Unknown	0	Unknown
Wang Zhengyue	663,000	1,363,000	0.28%	0	Unknown	0	Unknown

Explanation on the connected relationship of the shareholders and action in concert among the aforesaid shareholders As of the reporting period, shares subject to selling restrictions held by the Company were all listed for circulation in the market. The Company is not aware of any connected relationship among the aforesaid shareholders, nor is the Company aware of any parties acting in concert as defined in Measures for Management on Information Disclosure of Changes in Shareholdings of Listed Company's Shareholders.

Explanation on preferred shareholders whose voting rights has resumed and their shareholdings N/A

Notes:

- (1) Beijing Jingcheng Machinery Electric Holding Co., Ltd. is the controlling shareholder of the Company, no share of which are being pledged or frozen.
- (2) On 9 July 2020, the share registration procedures of the non-public issuance of new A Shares of the Company are completed in the Shanghai Branch of China Securities Depository and Clearing Corporation Limited. The newly issued A Shares of the issuance are circulating shares subject to selling restrictions, 63,000,000 shares subject to restrictions are held by Beijing Jingcheng Machinery Electric Company Limited, with a lock-up period of 36 months and will be listed and traded on the Shanghai Stock Exchange on the next trading day upon the expiry of the lock-up period. For details, please refer to the “Indicative announcement in relation to the changes in interests of the controlling shareholder” disclosed by the Company on 10 July 2020.
- (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 2021, so far as was known to the Directors, the Directors, the supervisors and chief executive of the Company or their respective associates do not have any interest or short positions 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 are required to be notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are 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 are 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 Hong Kong Stock Exchange (the “Listing Rules”), to be notified to the Company and the Hong Kong Stock Exchange.
- (5) Save as disclosed above, as at 30 June 2021, 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 2021, the Company did not issue any convertible securities, 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

In the first half of 2021, faced with the severe and complex international situation, the Company unswervingly implemented its strategic development objectives formulated at the beginning of the year and firmly implemented all the plans conforming to its annual budget; the Company also had breakthroughs in main economic indicators and attained progress in several key tasks, which have laid a solid foundation for a good start to the 14th Five Year Plan.

During the reporting period, the Company realized operating income of approximately RMB526,554,500, representing an increase of approximately 0.52% as compared with the corresponding period of the previous year. Net profits attributable to shareholders of the Company was approximately RMB-1,313,300, representing a reduction of loss of approximately RMB22,776,500. During the reporting period, the Company focused on the following work:

1. Achieving remarkable progress in market development

Domestic market: Along with the domestic economic recovery and further clarification of low carbon environmental protection oriented policies, the gas storage and transportation market showed an overall positive trend in the first half of the year. The Company kept up with the policy changes and seized the market opportunities to actively expand sales. In the field of natural gas applications, the LNG storage tanks orders increased by 116%; in the industrial gas and fire services market, the sales revenue of industrial cylinders increased by 51% as compared with the corresponding period of the previous year and the sales revenue of cryogenic gas cylinders increased by 110% as compared with the corresponding period of the previous year; and in the field of hydrogen, the Company achieved bulk sales of hydrogen storage systems to several vehicle manufacturers.

International market: The economic and social activities in the international market were gradually recovering as the epidemic is getting under control in some countries. In the European market, the Company's sales revenue increased by 11% in the first half of the year as compared with the corresponding period of the previous year, and the cooperation projects with European manufacturers were progressing steadily. Demand in the US market rebounded steadily, and the Company overcame the difficulties of rising prices of raw material and freight, stabilised major customers and developed new ones, achieving a year on year growth of 5.6% in sales revenue. Emerging markets continued to be affected by the epidemic with surging medical demand. Demand for steel cylinders in South America and India remained high, and sales revenue increased by 142% in the first half of the year. Multinational company business development was stable and broadly in line with the corresponding period of the previous year.

2. Focusing on innovation-driven with smooth progress in key projects

On 17 May, Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company, convened a press conference in Beijing for the launching of type IV cylinders, the new generation of vehicle-mounted hydrogen cylinder with full independent intellectual property rights. It has completed the product design and trial production of various specifications including 20MPa, 35MPa and 70MPa, various indicators have been met or exceeded the requirements of both group standards in China and the ISO International Standard. The introduction of type IV cylinders also solved the bottleneck problems of type IV cylinders in China, overcame the technical difficulties of metal valve seat and plastic liner connections and the sealing of high-pressure cylinders, achieved breakthroughs in forming technology of plastic liners and pressured winding and solidification technology, and application for various invention patents and utility model patents has been made.

3. Constantly improving the level of internal management

The Company established a group management and control model with “efficient coordination, orderly decentralization, and proper execution”, conducted a flattening and streamlining reform, continuously optimized the group governance capacity and construction level of governance system of the Company, comprehensively strengthened production and operation management, and provided a strong organizational structure for a good start to implement the 14th Five-Year Plan strategy.

4. Smooth implementation in the reform of remuneration system

In the first half of this year, the Company officially implemented an updated version of Remuneration Management Measures for Employees and further improved the remuneration management system of the Company that emphasise on the effectiveness of the two structural units of values and job achievements, and implemented dynamic management of salary focusing on evaluation of performance and capability, which is more conducive to the implementation of distribution according to work. In the meantime, the Company introduced Management Measures for Core Talent, which has built a diversified career development channel for employees in different positions of technical grade, skill grade, business grade and management grade. The measures have motivated employees to take root in their positions and constantly work hard to improve their work ability.

5. Significant progress made in reducing costs and increasing efficiency

This year, all the subsidiaries have improved internal capabilities and developed their potentials, actively promoted the implementation of the measures of “three cutting, one reduction and one improvement”, vigorously increased revenue and reduced expenditure, steadily improved operating efficiencies, continuously optimized the structure of inventory receivables, and achieved significant results in reducing costs expended in technology, labor, finance and procurement.

6. Strengthening internal control management to guard against business risks

The Company's quality management system continued to operate effectively. The Company continued to strengthen the construction of risk prevention and control system, improved the construction of measures, and comprehensively rationalize its business processes. The compliance pilot programme was implemented in full scale to promote procurement and publicize compliance management, case management was strengthened by making phased progress in major cases, the management and control of overseas investment was strengthened and audit work of overseas enterprises were carried out. Also, the Company strengthened internal audit and its rectification work, with its risk prevention and control capacity enhanced to ensure orderly operation and management of the Company.

In the second half of the year, the Company will focus on the following work:

In the second half of the year, the demand for clean energy equipment supported by the carbon neutrality policies will drive the growth in demand for storage and transport equipment. The Company will keep up with the industrial trends, grasp the trends of market demand, constantly develop and launch high-quality products based on its own technical characteristics and extend and expand into different application fields to strengthen its core competitiveness in the market. The Company will improve the incentive mechanism, stimulate the vitality of research teams to be innovative, strengthen research and development of core technologies in professional fields, and promote the commercialization of research achievements to provide strong support for achieving carbon emission peak and carbon neutrality.

1. *Closely monitor the revenue budget target, manage the orders externally and guarantee the delivery internally*

The Company should enhance the planning of production scheduling, make smooth connection between supply and production, accelerate the speed of input and output, and improve the efficiency of capital utilization. The Company will strengthen the communication with freight forwarders, flexibly adjust the ways of cooperation between sea and railway transportation, overcome difficulties such as skyrocketing ocean freight costs and difficulty in booking shipping space, improve the shipping efficiency and reduce the storage time. Also, the Company will put more efforts on market development of its strategic products and increase the sales revenue of products.

2. *Focus on innovation-driven, accelerate the promotion of key projects and provide inexhaustible power for corporate development*

Innovation is considered as the primary driving force for development and the innovation-driven are distinctive feature of and essential to high-quality development. The Company will fully promote the projects of type IV cylinders, and complete the additional certification work of key products according to the market demand. The Company will improve the joint adjustment and joint test of intelligent production line to ensure that the digital platform system is put into use simultaneously with production. The Company will accelerate the development of hydrogen transport and hydrogenation series products, make substantial breakthroughs in products such as container group, compressor skid of hydrogenation station and hydrogen cylinder sets for hydrogen refueling station, and implement the strategic requirements of the 14th Five-year Plan. The Company will put strong emphasis on projects of liquid hydrogen cylinders and liquid hydrogen tanks to ensure that these projects are completed on time.

3. *Continue to deepen reform with strategic guidance*

The Company will continue to follow the strategic guidance, steadily promote the acquisition and reorganization of Qingdao BYTQ United Digital Intelligence Co., Ltd. and take the acquisition and reorganization as the breakthrough point of strategic development, to help the Company to promote industrial transformation and upgrading, develop high-end equipment manufacturing business, and improve sustainable profitability.

The Company will also continue to deepen reform and enhance the level of informatization. The Company will strengthen the use of new generation information technologies such as digitalization, networking and intelligence, and promote digitalization and intelligent upgrading of products, manufacturing, and management services. On the basis of strategy and management and control, the Company will continue to strengthen its capacities and coordination. Each department will strengthen its professional and specialized functions, to explore the implementation of the subject system and the project system, tackle the management difficulties and pain points in the process of operation, and solve the problems with efforts of various parties.

4. Observe legal compliance and improve the integrated risk management

The Company will strengthen compliance management and improve the operation mechanism of compliance management, constantly embed risk control and legal compliance requirements into the system and process to form a long-term effective mechanism. The Company will strengthen audit supervision in key areas and enhance supervision of overseas enterprises, strengthen guidance, supervision and training on contract management of subsidiaries, encourage subsidiaries to gradually implement the three audit items, prevent contract legal risks, strengthen the management, guidance and training of legal, internal control, compliance and risk prevention capacity building of subsidiaries, and improve the professional management level of subsidiaries. The Company will improve its intellectual property management and organization and relevant systems, promote technological innovation and form independent intellectual property rights, strengthen the maintenance and authorization management of trademarks and patents, and enhance the ability to protect intellectual property rights.

Analysis of core competitiveness during the reporting period

√ Applicable Not applicable

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 (including Beijing Tianhai, Minghui Tianhai, Tianhai Cryogenic, Tianjin Tianhai, Shanghai Tianhai, Kuancheng Tianhai, Tianhai Hydrogen Energy, Jiangsu Tianhai) and a company located in the United States. With 20 years of operation 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 wellknown brands.

2. Technology Advantages

After continuous technology research and development, the Company has C2, D1 and D2 level pressure vessel design qualifications and B1, B2, B3, C2, D1 and D2 level pressure vessel manufacturing qualifications currently. It can produce over 800 types 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), cryogenic tanks and filling stations; the Company's products 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 volume and pressure level in accordance with China pressure vessel standards, EU ADM and 97/23/EC PED 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 components to largest-scaled automobile manufacturers of the national automobile industry in the supply chain of 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 results of operation, the Company carried out transformation and upgrade of the 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 on advanced technology, outstanding management, reliable products and completed 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 Advantage*

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

(I) Analysis of principal businesses

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

Unit: Yuan
Currency: RMB

Item	Current period	Corresponding period of last year	Changes (%)
Operating income	526,554,520.75	523,831,648.77	0.52
Operating cost	453,219,285.37	460,653,282.50	-1.61
Sales expense	15,050,487.21	23,619,779.98	-36.28
Management expense	39,916,462.24	32,304,626.97	23.56
Financial expense	6,189,937.17	9,724,015.22	-36.34
R&D expenditure	10,015,871.43	9,163,732.02	9.30
Net cash flows from operating activities	-42,048,198.13	26,638,246.85	—
Net cash flows from investment activities	-33,123,899.27	18,036,307.86	—
Net cash flows from financing activities	-74,779,453.38	137,635,630.94	—

Reasons for the change in the operating income: increase of 0.52% as compared with the corresponding period of last year, which was on the same level as the corresponding period of last year;

Reasons for the change in operating cost: decrease of 1.61% as compared with the corresponding period of last year, mainly because the Company has reduced procurement costs and technological costs;

Reasons for the change in sales expense: decrease of 36.28% as compared with the corresponding period of last year, mainly because the Company has tightly controlled expenditures;

Reasons for the change in management expense: increase of 23.56% as compared with the corresponding period of last year, mainly due to significant increase in salaries as compared with the corresponding period of last year and the exemption in social security insurance enjoyed in the corresponding period of last year due to the epidemic;

Reasons for the change in financial expense: decrease of 36.34% as compared with the corresponding period of last year, mainly due to the decrease in loans which resulted in decrease in interest;

Reasons for the change in R&D expenditure: increase of 9.30% as compared with the corresponding period of last year, mainly due to the increase in R&D investment during the current period;

Reasons for the change in net cash flows from operating activities: decrease of approximately RMB68,686,400 as compared with the corresponding period of last year, mainly due to the decrease in cash received from operating activities while increase in cash paid for operating activities;

Reasons for the change in net cash flows from investment activities: decrease of approximately RMB51,160,200 as compared with the corresponding period of last year, mainly due to the capital contribution to the joint venture in the current period and the receipt of equity transfer funds in the corresponding period of last year;

Reasons for the change in net cash flows from financing activities: decrease of approximately RMB212,415,100 as compared with the corresponding period of last year, mainly due to the obtaining of fund from capital increase in the corresponding period of last year.

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

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	109,896,372.32	6.93	279,067,536.83	16.36	-60.62	Mainly due to the receipt of transfer price of the Wufangqiao property assets in the previous period by Beijing Tianhai, a subsidiary of the Company
Inventories	365,440,503.75	23.06	274,506,836.67	16.10	33.13	Mainly due to the reserve of raw materials to cope with an increase in the prices of raw materials
Deferred income tax assets	54,991.30	0.00	287,827.59	0.02	-80.89	Mainly due to the impact of deferred taxation of subsidiaries
Short-term borrowings	108,000,000.00	6.81	168,000,000.00	9.85	-35.71	Mainly due to the decrease in borrowings of subsidiaries for the current period
Notes payable	20,000,000.00	1.26	56,000,000.00	3.28	-64.29	Mainly due to the decrease in issuance of the bank acceptance bill by subsidiaries
Contractual liabilities	85,965,855.60	5.42	60,853,270.89	3.57	41.27	Mainly due to the increase in advances from customers of subsidiaries
Employee benefits payable	17,239,837.40	1.09	28,176,562.77	1.65	-38.81	Mainly due to employee benefits payable in the previous year being paid in the current period

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
Taxes payable	3,148,984.89	0.20	6,720,070.38	0.39	-53.14	Mainly due to unpaid taxes of the end of the previous year being paid in the current period
Other payables	22,040,189.30	1.39	45,176,375.13	2.65	-51.21	Mainly due to payments to minority shareholders for capital reduction for the current period
Current portion of non-current liabilities		0.00	15,540,454.46	0.91	-100.00	Mainly due to the subscribed capital contribution of joint ventures for the current period
Other current liabilities	4,157,447.04	0.26	8,472,856.14	0.50	-50.93	Mainly due to the decrease in reclassification of value-added tax in contract liabilities for the current period
Long-term borrowings		0.00	1,154,907.30	0.07	-100.00	Mainly due to the exempted loans for subordinate enterprises, which benefited from supportive policies to facilitate development of small and medium-sized enterprises
Long-term payables	7,000,000.00	0.44	10,000,000.00	0.59	-30.00	Mainly due to the subscribed capital contribution of associated companies for the current period
Other comprehensive income	-611,447.28	-0.04	-325,424.59	-0.02	87.89	Mainly due to the impact of exchange differences arising from translation of foreign currency statements

Other descriptions

Nil

2. *Overseas Assets*

Applicable Not Applicable

(1) *Size of assets*

Including: overseas assets of 183,004,161.45(Unit: Yuan Currency: RMB), accounting for 11.55% of the total assets.

(2) *Details of overseas assets*

Applicable Not Applicable

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

Applicable Not Applicable

*Unit: Yuan
Currency: RMB*

Item	Ending carrying amount	Reasons for restriction
Monetary funds	15,350,166.73	Deposits of bank acceptance bill, guarantee deposits and litigation freeze

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

Asset acquisition by way of share issuance and cash payment

In order to enhance the Company's ongoing operation and profitability, the Company is implementing the acquisition of 80% equity interests in Qingdao BYTQ United Digital Intelligence Co., Ltd.. In the transaction, the listed company will acquire assets by way of issuing shares to 17 natural persons including Li Hong and Qingdao Eternal Economic Information Consulting Co., Ltd. and payment in cash, and raised supporting funds through non-public issuance of shares to no more than 35 target subscribers. The Company convened the fifth extraordinary meeting of the tenth session of the Board on 17 August 2020 for the consideration and approval of each resolution in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 29 December 2020, the eighth extraordinary meeting of the tenth session of the Board was convened for the consideration and approval of each resolution in relation to the amendments to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds. On 9 February 2021, the Company convened the first extraordinary general meeting of 2021, the first A share class meeting of 2021 and the first H share class meeting of 2021 to vote for the various resolutions in relation to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds, and to agree and authorize the Board to handle the matters related to the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company. On 25 February 2021, the Company received the "CSRC Acceptance Notice of the Application for Administrative Permission" (Acceptance No.: 210440) (《中國證監會行政許可申請受理單》(受理序號：210440號)) issued by the CSRC. On 19 May 2021, the Listed Company Merger and Reorganization Vetting Committee of the CSRC convened the 10th working meeting of the MRVC for the year of 2021, at which the Asset Acquisition by way of Share Issuance of the Company and Cash Payment and Raising of Supporting Funds was vetted. In accordance with the vetting results of the meeting, the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds of the Company was not approved. On 9 June 2021, the Company received the "Decision of Disapproval for the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited" (Zheng Jian Xu Ke [2021] No.1879) issued by the CSRC. On 11 June 2021, the eleventh extraordinary meeting of the tenth session of the Board was convened and the "Resolution in relation to Continuance of the Asset Acquisition by way of Share Issuance and Cash Payment and Raising of Supporting Funds of Beijing Jingcheng Machinery Electric Company Limited" was considered and approved. After study and investigation, the Board agreed to proceed with the proposal of the asset acquisition by way of share issuance and cash payment and raising of supporting funds.

(2) *Material non-equity investments*

Applicable Not Applicable

(3) *Financial assets measured at fair value*

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.	US\$90,719,500	RMB1,581,551,446.93	RMB619,366,251.80	RMB-3,905,975.16
Jingcheng Holding (Hong Kong) Company Limited	Trading and investment	Import and export trade, investment holding and consultancy services, etc.	HK\$1,000	RMB155,747,035.66	RMB151,552,301.96	RMB856,932.68

(VII) Structured entities under the control of the Company

Applicable Not Applicable

(VIII) Potential risks

Applicable Not Applicable

(1) Industry policy risks

First, factors such as oil and gas price differentials and new energy industry policies resulted in significant change to market demand in natural gas storage and transportation industry, impacting the Company's principal business of natural gas storage and transportation segment. Second, the Company's hydrogen energy storage and transportation segment is categorized as a "new industry", which may easily be affected by national policy, economic environment, upstream and downstream industrial chain development, and other factors. Therefore, in response to the abovementioned risks, the Company will grasp the national macro policy in a timely manner, identify industrial development trends, broaden areas of product application, and at the same time strengthen core technology development, expand new markets, minimize risk factors associated with industry policy to reduce the impact on the Company.

(2) Risk of intensified market competition

Although the gas storage and transportation market has been showing a steadily rising trend overall, 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 arrangements, and make every effort to drive scientific and technological innovation. The Company will also enhance market and competition awareness, highlight the direction of professional development, and consolidate, expand and enlarge its market share.

(3) Development risk on new business and new market

Hydrogen energy and fuel cells are currently dominated by commercial vehicles in China, they are 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 uncertain factors, the Company will encounter unexpected risks in the development of new business and new markets. In 2021, with the implementation of hydrogen energy industry planning in Beijing and other regions of the country, the trend of industrialization and commercialization will become increasingly obvious. The Company will continue to drive the development of hydrogen energy business to gradually get on the right track, which is crucial to product positioning and planning investment.

(4) Risk of skyrocketing international shipping costs

The Company's export business accounts for more than 50% of its overall business. At present, the continued surge in international shipping costs and difficulties of booking shipping space have the impact of uncertainty on the Company's export market and increases business risks. The Company will actively communicate with shipping companies to book shipping space in advance to minimize the impact.

(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 against 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	At the end of the period	At the beginning of the period
(1) Gearing ratio	36.86%	41.27%
(2) Quick ratio	72.20%	90.34%
(3) Liquidity ratio	140.95%	132.75%

2. Bank loans

The Company seriously implemented its annual capital income and expenditure budget plan in accordance with the 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 against financial risks in a timely manner by fully utilizing financial instruments, and to improve the profit of the Company and shareholders. As at the end of the reporting period, the Company had short-term loan amounting to RMB108,000,000, representing a decrease of 35.71% as compared with the beginning of the year. Long-term borrowings: long-term borrowings amounted to RMB0 as at the end of the period, non-current liabilities due within one year amounted to RMB0, representing a decrease of RMB15,540,500 for the current period; representing a decrease of 100% as compared with the beginning of the year calculated in accordance with non-reclassification method.

3. Foreign exchange risk management

Foreign exchange risk refers to the risk of loss due to changes in exchange rate. The Group is mainly exposed to foreign exchange risk relating to USD. The Group's main operation is settled by RMB, except BTIC America Corporation and Jingcheng Holding (Hong Kong) Co., Ltd., subsidiaries of the Company, which use USD for procurement and sales. Accordingly, it may be exposed to foreign exchange risks arising from the changes in the exchange rate between USD 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 inflows are 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 RMB451,978,300, while cash outflow amounted to RMB494,026,500. Net cash flow during the reporting period from operating activities amounted to RMB-42,048,200.

2. Cash flows from investment activities

Cash inflow from investment activities during the reporting period amounted to RMB803,600, cash outflow to investment activities amounted to RMB33,927,500, which was mainly used for capital expense on the contributions to joint ventures and associated companies and purchase of fixed assets. Net cash flow from investment activities for the reporting period amounted to RMB-33,123,900.

3. *Cash flows from fund-raising activities*

Cash inflow from fund-raising activities during the reporting period amounted to RMB0, cash outflow to fundraising activities during the reporting period amounted to RMB74,779,500. Net cash flow from fund-raising activities for the reporting period amounted to RMB-74,779,500.

Net cash flow from operating activities during the current period decreased by approximately RMB68,686,400 compared with the corresponding period last year, which was mainly due to the decrease in cash inflow from operating activities and the increase in cash outflow from operating activities during the period, which reduced the net cash flows from operating activities during the period. Net cash flow generated from the investment activities decreased by approximately RMB51,160,200 compared with the corresponding period last year was mainly attributable to the subscribed capital contribution to joint ventures and associated companies for the current period and the receipt of equity transfer funds for the previous period. Net cash flow generated from fundraising activities decreased by approximately RMB212,415,100 compared with the corresponding period last year, which was mainly due to the obtaining of fund from capital increase in the corresponding period of last year.

Net cash flow generated from operating activities for the current period was RMB-68,686,400. Net profit for the current period was RMB-618,800. The Company mainly raised capital for operations from cash flow generated internally.

5. *Capital structure*

The Company's capital structure consists of shareholders' equity interests and liabilities during the reporting period. Shareholders' equity interests amounted to RMB1,000,670,700, of which, minority interests amounted to RMB302,797,300, and total liabilities amounted to RMB584,180,100. Total assets amounted to RMB1,584,850,800. As at the end of the reporting period, the Company's gearing ratio was 36.86%.

Capital structure by liquidity

Total current liabilities	RMB531,529,000	Accounting for 33.54% of assets
Total equity interest attributable to shareholders	RMB1,000,670,700	Accounting for 63.14% of assets
Of which: minority shareholders' interests	RMB302,797,300	Accounting for 19.11% of assets

6. *Contingent liabilities*

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

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

*Unit: Yuan
Currency: RMB*

Item	Book value at the end of period	Reason for restriction
Monetary funds	15,350,166.73	Deposits of bank acceptance bill, guarantee deposits, litigation freeze

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 1,323.

(2) Remunerations:

Remunerations for employees during the reporting period: RMB77,838,500.

(3) Remuneration Policies

The Company implemented a diversified salaries system based on the performance on job positions as the main remuneration policy. On the basis of performance-based salary standards of positions, the salary level of the 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 equality of salaries level. On this basis, the remuneration policy is to be implemented in accordance with different personnel and nature of work to undertake a diversified salaries system such as the implementation of technology and technological innovation incentives for technical staff; the sales commission approach for marketing staff; piecework or hourly wage system for production workers, evaluation of performance and ability for management and annual salary system for senior management. In May 2021, the Company officially implemented Remuneration Management Measures for Employees and further improved the remuneration management system of the Company, which is more conducive to follow the principle of distribution according to work. In the meantime, the Company introduced Management Measures for Core Talent and set up various career paths for employees in different positions and from different departments including aspects of technology, skills, business, and management. The measures has motivated employees to be firm on their positions and constantly raised the initiative of employees to improve their business capabilities.

(4) Training Plan

In the first half of 2021, according to the 2021 Annual Training Plan, a total of 12,580 training hours were completed with training of 2,773 employees, number of training hours per employees reached 10.1 hours. According to the Company's annual training plan, the Company organized and completed training courses such as Improving Digital Management Skills, Promotion and Implementation on Regulation on Safety Technology for Gas Cylinder, Training for Technology Research and Development Staff, Training on Basic Knowledge of Products, Compliance Training for Sales, and Promotion and Implementation on Laws and Regulations of the Production Safety Law.

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 power and responsibilities, allowing them to maintain checks and balances, coordinate with each other and to operate in compliance with requirements. The Board and its strategic committee, the audit committee, the remuneration and monitoring committee and the 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 2021 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 provisions in the Code on Corporate Governance Practices as set out in Appendix 14 of the Hong Kong Listing Rules during the reporting period.
- (4) During the reporting period, the Company has adopted the model code of conduct regarding securities transactions by directors and supervisors on terms no less exacting than the required standards set in the Model Code in Appendix 10 of the Hong Kong Listing Rules. After making specific enquiries to all directors and supervisors, the Company confirmed that, each of directors and supervisors has complied with the required standards on securities transactions by directors and supervisors as set in the Model Code for the six months ended 30 June 2021.
- (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 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

(I) Litigations and arbitrations have been disclosed in extraordinary announcements with no subsequent developments

√ Applicable Not Applicable

Summary and type of matter

Contractual dispute of Shanghai Junzheng Logistics Co., Ltd.

Due to a contractual dispute, Shanghai Junzheng Logistics Co., Ltd. (herein after “Junzheng Company”) alleged that Beijing Tianhai Cryogenic Equipment Co., Ltd. (herein after Tianhai Cryogenic) had failed to produce, and deliver certain tank containers to it as requested, and sued Tianhai Cryogenic at the Shanghai No. 1 Intermediate People’s Court for confirmation as to the termination of the outstanding part of the “Tank Containers Procurement Contracts” entered into between Junzheng Company and Tianhai Cryogenic, and Tianhai Cryogenic shall refund the contract price, loss in occupation of funds, travelling expenses, vehicle rental fees and notarization fees etc. to Junzheng Company, which amounted to RMB66,035,037.2. Tianhai Cryogenic undertook to pay for the full security fee, insurance premium and all the litigation costs. For details, please refer to the “Announcement on litigation involving Beijing Tianhai Cryogenic Equipment Co. Ltd.” disclosed on the website of the SSE (www.sse.com.cn), Shanghai Securities News and the website of the Stock Exchange (www.hkexnews.hk).

Index for enquiry

The website of the SSE (www.sse.com.cn) and the website of the Stock Exchange (www.hkexnews.hk)

On 13 May 2021, the Company received a civil judgment from Shanghai No. 1 Intermediate People's Court which handed down a first-instance judgment on the case. The judgement is as follows: (1) The defendant Tianhai Cryogenic shall pay the plaintiff Junzheng Company the vehicle rental fees and travelling expenses of RMB20,000 within ten days from the effective date of the judgment; (2) Junzheng Company, the counterclaiming defendant, shall pay Tianhai Cryogenic, the counterclaiming plaintiff, storage fees of RMB1,800,000 within ten days from the effective date of the judgment; (3) the remaining claims of Junzheng Company, the plaintiff, are dismissed; (4) the remaining claims of Tianhai Cryogenic, the counterclaiming plaintiff, are dismissed. For details, please refer to the "Announcement on the progress of litigation involving Beijing Tianhai Cryogenic Equipment Co., Ltd." disclosed on the website of the SSE (www.sse.com.cn), Shanghai Securities News and the website of the Stock Exchange (www.hkexnews.hk).

Junzheng Company does not agree with the first-instance judgment handed down by Shanghai No. 1 Intermediate People's Court and submitted an appeal to Shanghai High Court in accordance with the laws. After the filing of the case in Shanghai High Court, a panel of judges will be formed in accordance with the laws and the hearing will be held on 24 August 2021. For details, please refer to the "Announcement on the receipt of the second instance summons and progress of litigation involving Beijing Tianhai Cryogenic Equipment Co., Ltd." disclosed on the website of the SSE (www.sse.com.cn), Shanghai Securities News and the website of the Stock Exchange (www.hkexnews.hk).

(II) Information on litigation and arbitration not disclosed in extraordinary announcements or with subsequent developments

Applicable Not Applicable

(III) Other descriptions

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

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

(I) Relevant share incentives matters disclosed in the extraordinary announcements without progress or change in the follow-up implementation

Applicable Not Applicable

(II) Incentive conditions and share incentive conditions not disclosed in the extraordinary announcement or with subsequent progress

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 extraordinary announcements without progress or change in the follow-up implementation*

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

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

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

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

4. *Results which are relating 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 extraordinary announcements without progress or change in the follow-up implementation*

Applicable Not Applicable

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

Applicable Not Applicable

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

Applicable Not Applicable

(IV) Related creditor's right and debt transactions

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

Applicable Not Applicable

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

Applicable Not Applicable

3. Matters which were not disclosed in extraordinary announcements

√ Applicable □ Not Applicable

Unit: Yuan
Currency: RMB

Related party	Relationship	Provision of funding to related party			Provision of funding by related party to listed company		
		Beginning balance	Amount occurred	Ending balance	Beginning balance	Amount occurred	Ending balance
Jiangsu Tianhai Special Equipment Co., Ltd.	Associate	1,646,332.00	1,206,404.03	2,852,736.03	5,012,811.31	77,246.00	5,090,057.31
Beijing Jingcheng Industrial Logistics Co., Ltd.	Subsidiary of Shareholders				902,227.27		902,227.27
Beijing Jingcheng Machinery Electric Holding Co., Ltd.	Controlling Shareholders	273,750.00	-273,750.00	0.00	7,574.30	-75.22	7,499.08
Beijing Lantian Vehicle Clean Fuel Technology Co., Ltd.	Others	3,270,914.89	-1,662,514.89	1,608,400.00	5,299.15	-5,299.15	0.00
Beijing No. 1 Machine Tool Plant	Subsidiary of Shareholders				486,159.09		486,159.09
Beijing Jingcheng Haitong Technology and Culture Development Co., Ltd.	Joint Venture	3,457,570.47	38,262.15	3,495,832.62	15,540,454.46	-15,540,454.46	0.00
Zheng Guoxiang	Others				5,442,594.21	-5,442,594.21	0.00
Guo Zhihong	Others				5,442,594.22	-5,442,594.22	0.00
Kuancheng Shenghua Pressure Container Manufacturing Co., Ltd.	Others		355,838.00	355,838.00	428.00	-428.00	0.00
Tianjin Seamless Investment Co. Ltd.	Others				4,294,369.42	1,546,698.85	5,841,068.27
Beijing Zhichuangf (Beijing) New Energy Automobile Technology Co., Ltd.	Associate				10,000,000.00	-3,000,000.00	7,000,000.00
Total		8,648,567.36	-335,760.71	8,312,806.65	47,134,511.43	-27,807,500.41	19,327,011.02
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 substantial connected transactions

Applicable Not Applicable

Continuing connected transactions

(VII) Others

Applicable Not Applicable

Connected Transaction

Beijing Tianhai Industry Co., Ltd. (herein after “Beijing Tianhai”), an indirectly wholly-owned subsidiary of the Company, entered into a 2021 cooperation framework agreement with Beijing Jingcheng Zhitong Robot Technology Co., Ltd (herein after “Jingcheng Zhitong”). Beijing Tianhai and its subsidiaries focus on the requirements for automation and intelligent application on the production site. The improvement of the process technology route is proposed, and Jingcheng Zhitong will be mainly responsible for the construction of automation and intelligent system through in-depth study of the production process. In the process of transformation of the production lines of Beijing Tianhai and its subsidiaries, Jingcheng Zhitong will deeply participate in the negotiation and overall planning and provide constructive opinions and transformation measures for the construction and planning of intelligent factories, while establishing close contacts to advance the promotion and application of the cooperation outcome.

Mr. Wang Jun is the chairman of the tenth session of the Board of the Company, and is a related natural person of the Company; at the same time, Mr. Wang Jun is the chairman of Jingcheng Zhitong, pursuant to the relevant requirements of the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Jingcheng Zhitong is a related legal person of the Company; Beijing Tianhai is an indirectly wholly-owned subsidiary of the Company, the transaction constitutes a related party transaction.

On 17 March 2021, the Company convened the third meeting of the tenth session of the Board and the eleven meeting of the tenth session of the Supervisory Committee, the resolution on the entering into of the 2021 Cooperation Framework Agreement and Related Party Transactions between Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company and Beijing Jingcheng Zhitong Robot Technology Co., Ltd., was considered and approved, respectively. Mr. Wang Jun, a related director, recused from voting. The transaction is not required to be submitted to the general meeting of the Company for consideration.

For details of the transaction, please refer to the “Voluntary announcement on entering into the 2021 cooperation framework agreement and related party transactions between Beijing Tianhai Industry Co., Ltd., a subsidiary of the Company and Beijing Jingcheng Zhitong Robot Technology Co., Ltd.” dated 17 March 2021 of the Company.

Pursuant to the relevant requirements under Chapter 14A of the Hong Kong Listing Rules, Jingcheng Zhitong is not a connected person of the Company. Therefore, the transaction does not constitute a connected transaction under Chapter 14A of the Hong Kong Listing Rules.

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

2. Metenal 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. The labor union of the Company distributes condolences, which are purchased from target poverty alleviation areas, to employees on major festivals. The total purchase of poverty alleviation products by the labour union in the first half of 2021 amounted to RMB296,200.
2. The raw materials of food purchased by the canteen of the Company are from the target poverty alleviation areas. The total purchase of poverty alleviation products by the canteen in the first half of 2021 amounted to approximately RMB221,200.

XIII. CONVERTIBLE BONDS

Applicable Not Applicable

XIV. ENVIRONMENTAL INFORMATION

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

Applicable Not Applicable

1. Information on emission of pollutants

Applicable Not Applicable

Tianjin Tianhai High Pressure Container Co., Ltd. (herein after “Tianjin Tianhai”), a subsidiary of the Company was included in the list of key pollutant-discharging units by Tianjin Environmental Protection Bureau in 2021.

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 in the extension area of the bonded area. Pollution factors include PH value, chemical oxygen demand, ammonia nitrogen, suspended solids, total phosphorus, petroleum, animal and vegetable oils, anionic surfactants, etc.

In the first half of 2021, the wastewater has undergone sampling and monitoring through Tianjin Guona Product Testing Technology Service Co., Ltd., and the results were in compliance with Tianjin Province “Overall Sewage Emission Standard” DB12/356-2018 (Level 3), and all reached the emission standard.

Statistical table of emission concentration of water pollutant

Table 1-1 Unit: mg/L

Pollutants	Standard Limit	Emission concentration monitoring data (average)		Emission pattern	Emission flow
			2021		
Regular pollutants	PH value	6~9	7.79		Sewage treatment plant in the extended area of the bonded area
	COD	500	70.5		
	ammoniac nitrogen	45	11.05		
	suspended solids	400	14	Stable and	
	total phosphorous	8	1.075	continuous	
	petroleum	15	0.085	disposal	
	animal and vegetable oils	100	0.265		
	anionic surfactants	20	0.05		

Statistics of total emission volume of water pollutant

Table 1-2 Unit: tons

Pollutants	Data Source	2021		
		Production volume	Disposal volume	
Total disposal volume of wastewater	Statistical method	68,625	68,625	
Regular pollutants	PH value	Third-party testing	0.535	0.535
	chemical oxygen demand	Third-party testing	4.838	4.838
	ammoniac nitrogen	Third-party testing	0.758	0.758
	suspended solids	Third-party testing	0.961	0.961
	total phosphorous	Third-party testing	0.074	0.074
	petroleum	Third-party testing	0.0058	0.0058
	animal and vegetable oils	Third-party testing	0.018	0.018
	anionic surfactants	Third-party testing	0.0034	0.0034

2. *Information of exhaust gas emission*

Tianjin Tianhai has 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 smoke and dust, blackness of flue gas, sulfur dioxide, nitrogen oxides, benzene, sum of toluene and xylene and VOCS. In accordance with the “Pollutant Discharge License”, the total discharge volume of sulfur dioxide, nitrogen oxides and particulates are 0.747 tons, 11.223 tons and 0.747 tons, respectively.

In the first half of 2021, the exhaust gas undergone sampling and monitoring through Tianjin Guona Product Testing Technology Service Co., Ltd., the results were in compliance with “Emission Standard of Air Pollutants for Industrial Kilns and Furnaces” (DB12/556-2015) and “Volatile Organic Compound Emission Control Standards for Industrial Enterprises” (DB12/524-2014), and all reached the emission standard.

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

Pollutants		Maximum allowable emission concentration	Annual average of emission concentration monitoring data	Maximum allowable emission rate
		(mg/m ³)	(mg/m ³) 2021	(kg/h)
Natural gas combustion exhaust gas port				
Regular pollutants	sulfur dioxide	50	3.15	—
	nitrogen oxides	150	23.17	—
	particles	20	2.15	—

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

Pollutants		Maximum allowable emission concentration	Annual average of emission concentration monitoring data	Maximum allowable emission rate
		(mg/m ³)	(mg/m ³) 2021	(kg/h)
Spray paint exhaust gas port				
Characteristic pollutants	benzene	1	0.004	0.2
	VOCS	40	0.998	1.5

Statistical table of total emission volume of air pollutant

Table 2-3 Unit: tons/year

Emission volume of natural gas combustion		12,954.2755 m ³	2021
Emission volume of spray paint exhaust gas		13,515.77 m ³	
Pollutants		Source	Emission volume
Regular pollutants			
	sulfur dioxide	Third-party testing	0.408
	nitrogen oxides	Third-party testing	3
	particles	Third-party testing	0.216
	benzene	Third-party testing	0.0005
	VOCS	Third-party testing	0.135

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

Name	Waste categories	Major harmful substance	Form (solid, liquid, gas)	Source of generation	Generation volume per year (disposal volume)		Disposal method
					The first half of 2021		
1	HW08	Mineral oil	Liquid	Production process	0.63		
2	HW12	Paint	Solid	Production process	9.18		Third-party disposal
3	HW13	Resin	Solid	Production process	4.6		
4	HW49	Paint	Solid	Production process	8.69		
	Total				23.1		

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	Name of the solid waste	Generation volume	Comprehensive utilization	Disposal volume	Storage volume	Emission volume	Emission flow
2021	Tube head, scap iron	1212.33	1212.33	0	0	0	Recycled for utilization

5. *Emission control on noise pollution*

Table 5 Emission and disposal of noise pollution

Year	Measurement location	Corresponding noise source	Noise source properties	Daytime noise emissions (6:00—22:00)/dB(A)		Nighttime noise emissions (22:00—6:00)/dB(A)	
				Emission limit	Result	Emission limit	Result
2021	Around the plant area	Production equipment	Mechanical noise	65	56	-	-

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

Applicable Not Applicable

Tianjin Tianhai installed facilities for prevention and control of pollution in sewage node on each production facilities; exhaust gas ports which produce volatile organic compounds 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 are operating normally and effectively.

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

Applicable Not Applicable

In the first half of 2021, there was no construction project of the Company.

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 accident occurred in Tianjin Tianhai in a timely, high efficiency and proper manner. In accordance with the relevant requirements of the Environmental Protection Bureau of Tianjin Province and bonded area, emergency plans for unexpected environmental pollution accidents of Tianjin Tianhai was prepared and filed (file no.: 120117-2019-116-L). Potential environmental risk and possible environmental pollution incidents of Tianjin Tianhai are analyzed, emergency drills are organized in due time, and drills are summarized and evaluated and the plans are revised and refined in a timely manner.

5. Environmental self-monitoring scheme

√ Applicable □ Not Applicable

In the first half of 2021, Tianjin Guona Product Testing Technology Service Co., Ltd. was entrusted to test the discharge port in accordance with the requirements of the monitoring plan. The test results all meet the requirement of the standard (see table 1-1, table 2-2, table 5).

1. Implementation standard and limit of emission of water pollutant

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	
ammoniac nitrogen	45mg/L	
total phosphorous	8mg/L	
total nitrogen	70mg/L	
animal and vegetable oils	100mg/L	
anionic surfactants	20mg/L	

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

Source of pollution	Factors of pollution	Standard of concentration limit mg/m ³	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	
	particles	20	
	blackness of flue gas	≤1	
Piping	benzene	1	“VOC Emission Control Standards for Industrial Enterprises” (DB12/524-2020)
	total toluene and xylene	20	
	VOCS	40	

3. The noise level at the boundaries of the plants complies with class 3 and 4 standards of “Emission standard for industrial enterprises noise at boundary” (GB12348-2008), with 65~70dB (A) during the day and 55dB (A) during the night.

6. Other environmental matters

In the first half of 2021, there were no complaints on environmental issues or pollution incidents.

7. Administrative Penalty for environmental problems during the reporting period

Applicable Not Applicable

8. Other disclosable environmental information

Applicable Not Applicable

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

Applicable Not Applicable

1. Administrative Penalty for environmental problems

Applicable Not Applicable

2. Reference to other environmental information disclosed by key pollutant discharging companies

Applicable Not Applicable

3. Explanation of reasons for non-disclosure of environmental information

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 from 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 the impact of significant accounting errors amended by retrospective restatement during the reporting period

Applicable Not Applicable

(III) Others

Applicable Not Applicable

XVI. FINANCIAL STATEMENTS

Consolidated Balance Sheet

June 30, 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	30 June 2021	31 December 2020
Current assets:			
Cash at bank and on hand		109,896,372.32	279,067,536.83
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable		174,988,820.03	191,929,152.84
Receivables financing		5,234,897.48	4,153,285.64
Advances to suppliers		54,676,124.57	63,821,034.83
Premiums receivable			
Reinsurance premium receivable			
Reinsurance contract provision receivable			
Other receivables		8,564,832.57	8,706,093.49
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories		365,440,503.75	274,506,836.67
Contractual assets			
Held-for-sale assets			
Current portion of non-current assets			
Other current assets		30,412,758.17	37,045,785.67
Total current assets		<u>749,214,308.89</u>	<u>859,229,725.97</u>

Consolidated Balance Sheet (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Non-current assets:			
Loans and advances			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments		62,724,659.74	59,521,106.68
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		586,136,826.64	605,655,905.18
Construction in progress		62,622,542.84	54,395,871.51
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets		119,501,564.36	121,126,149.83
Development expenditures			
Goodwill			
Long-term deferred expenses		4,595,900.38	5,214,275.63
Deferred income tax assets		54,991.30	287,827.59
Other non-current assets			
		<hr/>	<hr/>
Total non-current assets		835,636,485.26	846,201,136.42
		<hr/>	<hr/>
Total assets		1,584,850,794.15	1,705,430,862.39

Consolidated Balance Sheet (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Current liabilities:			
Short-term borrowings		108,000,000.00	168,000,000.00
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		20,000,000.00	56,000,000.00
Accounts payable	2	270,976,653.38	258,315,791.75
Advances from customers			
Contractual liabilities		85,965,855.60	60,853,270.89
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Customer broking			
Securities underwriting			
Employee benefits payable		17,239,837.40	28,176,562.77
Taxes payable	4	3,148,984.89	6,720,070.38
Other payables		22,040,189.30	45,176,375.13
Including: Interest payable			424,599.25
Dividends payable			
Fees and commissions payable			
Reinsurance amounts payable			
Held-for-sale liabilities			
Current portion of non-current liabilities			15,540,454.46
Other current liabilities		4,157,447.04	8,472,856.14
Total current liabilities		531,528,967.61	647,255,381.52

Consolidated Balance Sheet (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Non-current liabilities:			
Insurance contract reserves			
Long-term borrowings			1,154,907.30
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables		7,000,000.00	10,000,000.00
Long-term employee benefits payable		28,991,298.85	28,206,118.61
Provisions		11,197,893.84	11,197,893.84
Deferred income		5,461,983.05	6,011,627.67
Deferred income tax liabilities			
Other non-current liabilities			
		<hr/>	<hr/>
Total non-current liabilities		52,651,175.74	56,570,547.42
		<hr/>	<hr/>
Total liabilities		584,180,143.35	703,825,928.94
		<hr/>	<hr/>

Consolidated Balance Sheet (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		485,000,000.00	485,000,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserves		833,183,835.84	833,183,835.84
Less: treasury stocks			
Other comprehensive income		-611,447.28	-325,424.59
Special reserves			
Surplus reserves		45,665,647.68	45,665,647.68
General risk reserve			
Undistributed profits		<u>-665,364,733.80</u>	<u>-664,051,428.89</u>
Total equity attributable to owners (or shareholders) of the parent company		<u>697,873,302.44</u>	<u>699,472,630.04</u>
Minority equity		<u>302,797,348.36</u>	<u>302,132,303.41</u>
Total owners' equity (or shareholders' equity)		<u>1,000,670,650.80</u>	<u>1,001,604,933.45</u>
Total liabilities and owners' equity (or shareholders' equity)		<u>1,584,850,794.15</u>	<u>1,705,430,862.39</u>

*Person in charge of the
Company:*
Mr. Wang Jun

*Person in charge of
accounting:*
Ms. Jiang Chi

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

Balance Sheet of Parent Company

June 30, 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	30 June 2021	31 December 2020
Current assets:			
Cash at bank and on hand		3,110,909.02	3,275,360.33
Financial assets held for trading			
Derivative financial assets			
Notes receivable			
Accounts receivable			
Receivable financing			
Advances to suppliers			274,650.00
Other receivables	1	375,353,312.81	381,353,312.81
Including: Interest receivable		35,353,312.81	35,353,312.81
Dividends receivable			
Inventories			
Contractual assets			
Held-for-sale assets			
Current portion of non-current assets			
Other current assets		65,481.17	
Total current assets		<u>378,529,703.00</u>	<u>384,903,323.14</u>

Balance Sheet of Parent Company (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Non-current assets:			
Debt investment			
Other debt investment			
Long-term receivables			
Long-term equity investments		902,148,125.05	902,148,125.05
Other equity instrument investments			
Other non-current financial assets			
Investment properties			
Fixed assets		31,650.82	37,427.20
Construction in progress			
Bearer biological assets			
Oil and gas assets			
Right-of-use assets			
Intangible assets			
Development expenditures			
Goodwill			
Long-term deferred expenses			
Deferred income tax assets			
Other non-current assets			
Total non-current assets		<u>902,179,775.87</u>	<u>902,185,552.25</u>
Total assets		<u>1,280,709,478.87</u>	<u>1,287,088,875.39</u>

Balance Sheet of Parent Company (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan**Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Current liabilities:			
Short-term borrowings			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable			
Accounts payable			
Advances from customers			
Contractual liabilities			
Employee benefits payable		175,254.64	2,441,818.16
Taxes payable		90,200.53	1,002,024.99
Other payables		6,833,395.87	4,754,685.52
Including: Interest payable			
Dividends payable			
Held-for-sale liabilities			
Current portion of non-current liabilities			
Other current liabilities		230,221.70	230,221.70
Total current liabilities		<u>7,329,072.74</u>	<u>8,428,750.37</u>
Non-current liabilities:			
Long-term borrowings			
Bonds payable			
Including: Preferred shares			
Perpetual bond			
Lease liabilities			
Long-term payables			
Long-term employee benefits payable			
Provisions			
Deferred income			
Deferred income tax liabilities			
Other non-current liabilities			
Total non-current liabilities			
Total liabilities		<u>7,329,072.74</u>	<u>8,428,750.37</u>

Balance Sheet of Parent Company (Continued)*June 30, 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	30 June 2021	31 December 2020
Owner's equity (or shareholders' equity):			
Paid-up capital (or share capital)		485,000,000.00	485,000,000.00
Other equity instruments			
Including: Preferred shares			
Perpetual bond			
Capital reserves		811,365,185.81	811,365,185.81
Less: treasury stocks			
Other comprehensive income			
Special reserves			
Surplus reserves		38,071,282.24	38,071,282.24
Undistributed profits		-61,056,061.92	-55,776,343.03
		<hr/>	<hr/>
Total owners' equity (or shareholders' equity)		1,273,380,406.13	1,278,660,125.02
		<hr/>	<hr/>
Total liabilities and owners' equity (or shareholders' equity)		1,280,709,478.87	1,287,088,875.39
		<hr/>	<hr/>

*Person in charge of the
Company:*
Mr. Wang Jun

*Person in charge of
accounting:*
Ms. Jiang Chi

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

Consolidated Income Statement

January – June 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
I. Total operating revenue		526,554,520.75	523,831,648.77
Including: Operating revenue	3	526,554,520.75	523,831,648.77
Interest income			
Earned premiums			
Fee and commission income			
II. Total operating cost		526,908,492.71	539,672,653.66
Including: Operating cost		453,219,285.37	460,653,282.50
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		2,516,449.29	4,207,216.97
Selling expenses		15,050,487.21	23,619,779.98
Administrative expenses		39,916,462.24	32,304,626.97
R & D expenses		10,015,871.43	9,163,732.02
Financial expenses		6,189,937.17	9,724,015.22
Including: Interest expenses		4,698,538.37	9,519,858.78
Interest income		880,727.71	672,612.09

Consolidated Income Statement (Continued)

January – June 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
Add: Other incomes		7,754,445.94	517,835.88
Investment income (loss to be listed with “-”)		3,532,099.11	-6,049,911.14
Including: Income from investment in associates and joint ventures (loss to be listed with “-”)		3,532,099.11	-6,049,911.14
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 “-”)			
Credit impairment losses (loss to be listed with “-”)		-3,016,842.78	-4,907,101.35
Asset impairment losses (loss to be listed with “-”)		-7,227,430.91	-10,848,486.68
Income from assets disposal (loss to be listed with “-”)		122,252.07	
III. Operating profit (loss to be listed with “-”)		810,551.47	-37,128,668.18
Add: non-operating revenue		583,967.12	1,262,541.69
Less: non-operating expenses		164,442.22	589,190.45

Consolidated Income Statement (Continued)*January – June 2021*

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

*Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
IV. Total profit (total loss to be listed with “-”)		1,230,076.37	-36,455,316.94
Less: income tax expenses		1,848,837.74	990,695.35
V. Net profit (net loss to be listed with “-”)		-618,761.37	-37,446,012.29
(I) Classified according to operating continuity			
1. Net profit from continuing operations (net loss to be listed with “-”)		-618,761.37	-37,446,012.29
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 “-”)		-1,313,304.91	-24,089,791.77
2. Non-controlling interests (net loss to be listed with “-”)		694,543.54	-13,356,220.52
VI. Net of tax of other comprehensive income		-315,521.28	343,846.44
(1) Net of tax of other comprehensive income attributable to the owner of the parent company		-286,022.69	319,559.11
(I) Other comprehensive income that cannot be reclassified into profit or loss			
(1) Changes arising from re-measurement of the defined benefit plan			
(2) Other comprehensive income that cannot be reclassified into profit or loss under the equity method			

Consolidated Income Statement (Continued)

January – June 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
(3) Changes in fair value of other equity instrument investments			
(4) Changes in fair value of the enterprise's credit risk			
(II) Other comprehensive income that will be reclassified into profit or loss		-286,022.69	319,559.11
(1) Other comprehensive income that can be reclassified into profit or loss under the equity method		-1,117.81	
(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		-284,904.88	319,559.11
(7) Others			
(2) Net of tax of other comprehensive income attributable to minority shareholders		-29,498.59	24,287.33
VII. Total comprehensive income		-934,282.65	-37,102,165.85
(1) Total comprehensive income attributable to shareholders of the parent company		-1,599,327.60	-23,770,232.66
(2) Total comprehensive income attributable to minority shareholders		665,044.95	-13,331,933.19

Consolidated Income Statement (Continued)

January – June 2021

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan
Currency: RMB

Item	<i>Note</i>	Half year of 2021	Half year of 2020
VIII. Earnings per share:	5		
(1) Basic earnings per share (RMB/share)		-0.01	-0.06
(2) Diluted earnings per share (RMB/ share)		-0.01	-0.06
<i>Person in charge of the Company:</i> Mr. Wang Jun	<i>Person in charge of accounting:</i> Ms. Jiang Chi	<i>Person in charge of the accounting firm:</i> Mr. Wang Yandong	

Income Statement of Parent Company

January – June 2021

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
I. Operating revenue			
Less: Operating cost			
Taxes and surcharges		14,400.76	51,931.30
Selling expenses			
Administrative expenses		5,284,975.05	2,946,463.59
R & D expenses			
Financial expenses		1,343.08	-33.00
Including: Interest expenses			
Interest income		3,208.35	1,489.73
Add: other incomes		21,000.00	
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 “-”)			
Asset impairment losses (loss to be listed with “-”)			
Income from assets disposal (loss to be listed with “-”)			
II. Operating profit (loss to be listed with with “-”)		-5,279,718.89	-2,998,361.89
Add: non-operating revenue			
Less: non-operating expenses			
III. Total profit (total loss to be listed with “-”)		-5,279,718.89	-2,998,361.89
Less: income tax expenses			

Income Statement of Parent Company (Continued)*January – June 2021**Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
IV. Net profit (net loss to be listed with “-”)			
(I) Net profit from continuing operations (net loss to be listed with “-”)		-5,279,718.89	-2,998,361.89
(II) Net profit from discontinuing operations (net loss to be listed with “-”)		-5,279,718.89	-2,998,361.89
V. Net of tax of other comprehensive income			
(I) Other comprehensive income that cannot be reclassified into profit or loss			
1. Changes arising from re-measurement 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			
(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			

Income Statement of Parent Company (Continued)*January – June 2021**Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
5. Reserves for cash flow hedge			
6. Translation difference of foreign currency financial statements			
7. Others			
VI. Total comprehensive income		-5,279,718.89	-2,998,361.89

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. Wang Jan***Person in charge of
accounting:***Ms. Jiang Chi***Person in charge of the
accounting firm:***Mr. Wang Yandong**

Consolidated Cash Flow Statement

January – June 2021

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		414,020,281.79	462,159,937.68
Net increase in deposits and placements from financial institutions			
Net increase of borrowings from the central bank			
Net increase in placement from other financial institutions			
Cash received from premiums of original insurance contract			
Net amount of reinsurance business			
Net increase in deposit of the insured and investment			
Cash received from interests, fees and commissions			
Net increase in placement from banks and other financial institutions			
Net increase in repurchasing			
Net cash received from securities brokering			
Taxes and surcharges refunds		22,629,418.50	23,450,237.87
Other cash receipts related to operating activities		15,328,630.44	21,374,152.62
Subtotal of cash inflows from operating activities		<u>451,978,330.73</u>	<u>506,984,328.17</u>

Consolidated Cash Flow Statement (Continued)

January – June 2021

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
Cash paid for goods and services		329,152,780.93	313,541,812.65
Net increase in loans and advances			
Net increase in deposits with the central bank and other banks			
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		106,056,878.31	90,090,031.47
Taxes and surcharges cash payments		18,686,721.50	21,043,094.37
Other cash payments related to operating activities		40,130,148.12	55,671,142.83
		<hr/>	<hr/>
Subtotal of cash outflows from operating activities		494,026,528.86	480,346,081.32
		<hr/>	<hr/>
Net cash flows from operating activities		-42,048,198.13	26,638,246.85
		<hr/>	<hr/>
II. Cash flows from investing activities:			
Cash received from return of investment			27,634,150.00
Cash received from investment income		327,428.24	8,551,142.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		476,169.08	78,667.00
Net cash received from disposal of subsidiaries and other business entities			
Other cash receipts related to investing activities			
		<hr/>	<hr/>
Subtotal of cash inflows from investing activities		803,597.32	36,263,959.28
		<hr/>	<hr/>

Consolidated Cash Flow Statement (Continued)*January – June 2021**Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets		15,387,042.13	6,446,295.18
Cash paid to acquire investments		18,540,454.46	11,781,356.24
Net increase in pledge loans			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities		<u>33,927,496.59</u>	<u>18,227,651.42</u>
Net cash flows from investing activities		<u>-33,123,899.27</u>	<u>18,036,307.86</u>
III. Cash flows from financing activities:			
Cash received from absorbing investment Including: cash received from minority shareholders' investment in subsidiaries			211,111,360.00
Cash received from borrowings			61,243,929.45
Other cash receipts related to financing activities			40,000,000.00
Subtotal of cash inflows from financing activities			<u>312,355,289.45</u>

Consolidated Cash Flow Statement (Continued)

January – June 2021

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
Cash paid for repayments of debts		60,000,000.00	157,239,478.00
Cash paid for allocation of dividends, profits or interest repayment Including: dividends and profits paid to minority shareholders by subsidiaries		3,914,516.67	6,213,271.95
Other cash payments related to financing activities		10,864,936.71	11,266,908.56
Subtotal of cash outflows from financing activities		<u>74,779,453.38</u>	<u>174,719,658.51</u>
Net cash flows from financing activities		<u>-74,779,453.38</u>	<u>137,635,630.94</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		-1,648,341.52	320,793.73
V. Net increase in cash and cash equivalents		-151,599,892.30	182,630,979.38
Add: beginning balance of cash and cash equivalents		246,146,097.89	78,887,242.25
VI. Ending balance of cash and cash equivalents		94,546,205.59	261,518,221.63
<i>Person in Charge of the Company:</i> Mr. Wang Jan	<i>Person in charge of accounting:</i> Ms. Jiang Chi	<i>Person in charge of the accounting firm:</i> Mr. Wang Yandong	

Cash Flow Statement of Parent Company

January – June 2021

Unit: Yuan
Currency: RMB

Item	Note	Half year of 2021	Half year of 2020
I. Cash flows from operating activities:			
Cash received from sales of goods or rendering of services		6,000,000.00	
Taxes and surcharges refunds			5,980.33
Other cash receipts related to operating activities		452,896.12	452,397.77
Subtotal of cash inflows from operating activities		<u>6,452,896.12</u>	<u>458,378.10</u>
Cash paid for goods and services		54,400.00	
Cash paid to and for employees		1,834,348.30	1,155,536.95
Taxes and surcharges cash payments		1,451,370.27	853,986.87
Other cash payments related to operating activities		3,277,228.86	1,535,562.73
Subtotal of cash outflows from operating activities		<u>6,617,347.43</u>	<u>3,545,086.55</u>
Net cash flows from operating activities		<u>-164,451.31</u>	<u>-3,086,708.45</u>
II. Cash flows from investing activities:			
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 entities			
Other cash receipts related to investing activities			2,000,000.00
Subtotal of cash inflows from investing activities			<u>2,000,000.00</u>

Cash Flow Statement of Parent Company (Continued)*January – June 2021**Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
Cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets			13,098.00
Cash paid to acquire investments			
Net cash paid for acquisition of subsidiaries and other business units			
Other cash payments related to investing activities			
Subtotal of cash outflows from investing activities			13,098.00
Net cash flows from investing activities			1,986,902.00
III. Cash flows from financing activities:			
Cash received from absorbing investment			211,111,360.00
Cash received from borrowings			
Other cash receipts related to financing activities			
Subtotal of cash inflows from financing activities			211,111,360.00
Cash paid for repayment of debts			
Cash paid for allocation of dividends, profits or interest repayment			
Other cash payments related to financing activities			
Subtotal of cash outflows from financing activities			
Net cash flows from financing activities			211,111,360.00

Cash Flow Statement of Parent Company (Continued)*January – June 2021**Unit: Yuan
Currency: RMB*

Item	<i>Note</i>	Half year of 2021	Half year of 2020
IV. Effect of foreign exchange rate changes on cash and cash equivalents			
V. Net increase in cash and cash equivalents		-164,451.31	210,011,553.55
Add: beginning balance of cash and cash equivalents		<u>3,275,360.33</u>	<u>1,111,993.77</u>
VI. Ending balance of cash and cash equivalents		3,110,909.02	211,123,547.32

*Person in Charge of the
Company:*
Mr. Wang Jan

*Person in charge of
accounting:*
Ms. Jiang Chi

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

Consolidated Statement of Changes in Owners' Equity
January – June 2021

Unit: Yuan
Currency: RMB

Item	Half year of 2021													
	Equity attributable to owners of the parent company												Total owners' equity	
	Paid-up capital (or share capital)	Other equity instruments		Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	General risk reserve	Undistributed profits	Others	Subtotal		Minority equity
I. Closing balance of the previous period	485,000,000.00			833,183,835.84		-325,424.59		45,665,647.68		-664,051,428.89		699,472,630.04	302,132,303.41	1,001,604,933.45
Add: changes in accounting policies														
Corrections of prior period errors														
Business combination under common control														
Others														
II. Opening balance of the current period	485,000,000.00			833,183,835.84		-325,424.59		45,665,647.68		-664,051,428.89		699,472,630.04	302,132,303.41	1,001,604,933.45
III. Change in increase or decrease of the current period (decrease to be listed with "-")														
(I) Total comprehensive income								-286,022.69		-1,313,304.91		-1,599,327.60	665,044.95	-934,282.65
(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 of general risk provision														
3. Distribution to owners (or shareholders)														
4. Others														
(IV) Internal carry-over in owners' equity														
1. Transfer from capital reserves to capital stock														
2. Transfer from surplus reserves to capital stock														
3. Recovery of losses by surplus reserve														
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	485,000,000.00			833,183,835.84		-611,447.28		45,665,647.68		-665,364,733.80		697,873,302.44	302,797,348.36	1,000,670,650.80

Consolidated Statement of Changes in Owners' Equity (Continued)

January – June 2021

Unit: Yuan
Currency: RMB

Item	Half year of 2020													Total owners' equity	
	Equity attributable to owners of the parent company														
	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	General risk reserve	Undistributed profits	Others	Subtotal		Minority equity
I. Closing balance of the previous period	422,000,000.00				687,349,089.60		2,754,544.50		45,665,647.68		-820,483,186.46		337,286,095.32	363,339,156.20	700,625,251.52
Add: changes in accounting policies															
Corrections of prior period errors															
Merger of enterprises under common control															
Others															
II. Opening balance of the current period	422,000,000.00				687,349,089.60		2,754,544.50		45,665,647.68		-820,483,186.46		337,286,095.32	363,339,156.20	700,625,251.52
III. Change in increase or decrease of the current period (decrease to be listed with "-")	63,000,000.00				145,651,490.68		319,559.11				-24,089,791.77		184,881,258.02	-36,490,134.29	148,391,123.73
(I) Total comprehensive income							319,559.11				-24,089,791.77		-23,770,232.66	-13,331,933.19	-37,102,165.85
(II) Capital invested and decreased by owners	63,000,000.00				145,651,490.68								208,651,490.68	-23,158,201.10	185,493,289.58
1. Common shares invested by owners	63,000,000.00				144,725,197.96								207,725,197.96	-22,231,908.38	185,493,289.58
2. Capital invested by other equity instrument holders															
3. Amount of share-based payment recognized as owners' equity															
4. Others					926,292.72								926,292.72	-926,292.72	
(III) Profit distribution															
1. Appropriation to surplus reserves															
2. Appropriation of general risk provision															
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 reserve															
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	485,000,000.00				833,000,580.28		3,074,103.61		45,665,647.68		-844,572,978.23		522,167,353.34	326,849,021.91	849,016,375.25

Person in Charge of the
Company:
Mr. Wang Jan

Person in charge of
accounting:
Ms. Jiang Chi

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

Parent Company's Statement of Changes in Owner's Equity
January – June 2021

Unit: Yuan
Currency: RMB

Item	Half year of 2021										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
I. Closing balance of the previous period	485,000,000.00				811,365,185.81				38,071,282.24	-55,776,343.03	1,278,660,125.02
Add: changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current period	485,000,000.00				811,365,185.81				38,071,282.24	-55,776,343.03	1,278,660,125.02
III. Change in increase or decrease of the current period (decrease to be listed with "-")											
(I) Total comprehensive income										-5,279,718.89	-5,279,718.89
(II) Capital invested and decreased by owners										-5,279,718.89	-5,279,718.89
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											
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 reserve											
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	<u>485,000,000.00</u>	<u></u>	<u></u>	<u></u>	<u>811,365,185.81</u>	<u></u>	<u></u>	<u></u>	<u>38,071,282.24</u>	<u>-61,056,061.92</u>	<u>1,273,380,406.13</u>

Parent Company's Statement of Changes in Owner's Equity (Continued)
January – June 2021

Unit: Yuan
Currency: RMB

Item	Half year of 2020										
	Paid-up capital (or share capital)	Other equity instruments			Capital reserves	Less: treasury stocks	Other comprehensive income	Special reserves	Surplus reserves	Undistributed profits	Total owners' equity
I. Closing balance of the previous period	422,000,000.00				666,639,987.85				38,071,282.24	-58,142,511.00	1,068,568,759.09
Add: changes in accounting policies											
Corrections of prior period errors											
Others											
II. Opening balance of the current period	422,000,000.00				666,639,987.85				38,071,282.24	-58,142,511.00	1,068,568,759.09
III. Change in increase or decrease of the current period											
(decrease to be listed with “-”)	63,000,000.00				144,725,197.96					-2,998,361.89	204,726,836.07
(I) Total comprehensive income										-2,998,361.89	-2,998,361.89
(II) Capital invested and decreased by owners	63,000,000.00				144,725,197.96						207,725,197.96
1. Common shares invested by owners	63,000,000.00				144,725,197.96						207,725,197.96
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 reserve											
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	485,000,000.00				811,365,185.81				38,071,282.24	-61,140,872.89	1,273,295,595.16

*Person in Charge of the
 Company:*
Mr. Wang Jan

*Person in charge of
 accounting:*
Ms. Jiang Chi

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

Note:**1. Aging analysis of accounts receivable**

Unit: Yuan
Currency: RMB

Aging	Closing balance Book balance
Within one year	
Including: sub-items within one year	
Subtotal within one year	159,676,049.29
One to two years	17,430,452.09
Two to three years	5,567,827.12
More than three years	
Three to four years	1,469,088.15
Four to five years	5,209,900.19
More than five years	49,308,224.30
Total	238,661,541.14

2. Aging analysis of accounts payable**Significant payables with aging of over 1 year:**

Unit: Yuan
Currency: RMB

Item	Closing balance	Reasons for non-repayment or carrying over
Xinxiang Jinpeng Metallurgy Equipment Co., Ltd.	10,596,084.70	Unsettled
Beijing Ronghe Gear Manufacturing Co., Ltd.	6,208,281.20	Unsettled
Gaobeidian Baobei Telecommunication Equipment Factory	5,652,723.24	Unsettled
Gaobeidian Haihong Industry Co., Ltd.	5,539,395.54	Unsettled
Danyang Feilun Gasvalve Co., Ltd.	5,089,324.18	Unsettled
Beijing Yatai Hongda Trading Co., Ltd.	5,049,247.34	Unsettled
Shanxi Jinhengrui Metal Material Co., Ltd.	4,428,043.99	Unsettled
Tianjin Lebeier Catering Management Co., Ltd.	4,177,441.00	Unsettled
Xinxiang Shenkun Machinery equipment Manufacturing Co., Ltd.	4,030,692.22	Unsettled
Langfang Zhongshi Machinery Manufacturing Co., Ltd.	3,768,130.34	Unsettled
Jiangsu Wuxi Zhengda Metal Products Co., Ltd.	3,076,687.75	Unsettled
Beijing Jingqin Hengxin Metal Materials Co., Ltd.	2,953,002.38	Unsettled
Wuxi Zhengda Metal Products Co., Ltd.	2,907,186.95	Unsettled
Tianjin Mingchuang Gas Sales Co., Ltd.	2,889,166.35	Unsettled
Dingzhou Ruiyi Machinery Parts Manufacturing Co., Ltd.	2,517,183.30	Unsettled
Beijing Mingxin Century Packaging Products Co., Ltd.	2,509,316.54	Unsettled
TUV SUD Certification and Testing (China) Co., Ltd. Beijing Branch	2,495,451.34	Unsettled
Xianghe Yunxiu Wood Products Co., Ltd.	2,240,991.02	Unsettled
Wuhu Qinhui Technology Co., Ltd.	2,208,108.11	Unsettled
Beijing Zhongdu Huiyu Welding Technology Co., Ltd.	2,184,089.73	Unsettled
Beijing Kaitian Chengxin Science and Technology Co., Ltd.	2,145,345.12	Unsettled
Total	82,665,892.34	/

3. Revenue

The turnover shall include the received and receivable net sales value of different types of cryogenic storage-transport vessels and spare parts and net value of service provision, and their analysis is shown as follows:

Item	Amount in the current period	<i>Unit: Yuan</i>
		<i>Currency: RMB</i>
		Amount in the corresponding period of last year
Seamless Steel Gas Cylinder	254,696,194.16	207,812,689.70
Full-wrapped Cylinder	64,916,143.89	43,656,034.81
Cryogenic Cylinder	49,708,943.97	87,432,964.03
Cryogenic Storage and Transportation Equipment	79,600,581.96	75,647,600.29
Other	59,350,582.39	70,725,331.12
Gross Sales	508,272,446.37	485,274,619.95
Less: Sales Tax and Other Additional Charges	2,516,449.29	4,103,924.97
Total	505,755,997.08	481,170,694.98

4. Taxes

(1) Main Tax Types and Tax Rate

Tax Category	Taxation basis	Tax rate
Value-added tax	VAT payable	13%, 6%, 5%, 0%
City maintenance and construction tax	VAT payable	5%, 7%
Education surcharge	VAT payable	3%
Local education surcharge	VAT payable	2%
	70%-80% of the original house property value and income from house property leasing	
Property tax	leasing	1.2% and 12%
Corporate income tax	Taxable income	25%
Hong Kong profits tax	Taxable income	16.50%
Corporate income tax (USA)	Taxable income	21%

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

Names of the taxpayer	Income tax rate (%)
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.	25%
Beijing Tianhai Hydrogen Energy Equipment Co., Ltd.	25%
Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd.	25%
Kuancheng Tianhai Pressure Container Co., Ltd.	25%
BTIC AMERICA CORPORATION	21%
Jingcheng Holding (Hong Kong) Co., Ltd.	16.50%

(3) **Tax Preference**

Beijing Tianhai Industry Co., Ltd, a subsidiary of the Company, has obtained the High-tech Enterprise Certificate on 2 December 2019 jointly issued by Beijing Municipal Science & Technology Commission, Finance Bureau of Beijing Municipality, Beijing Municipal Office of SAT and Beijing Local Taxation Bureau, with the Certificate No. GR201911006923. The validity of the certificate is three years. In 2021, 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, its uncovered losses occurred in 5 years before its 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 is no change in taxation and taxation preferential policy this year compared with the previous year.

(5) **Taxes**

Item	Amount in the current period	Amount in the corresponding period of last year
Corporate Income Tax in the Current Year	1,616,001.45	849,998.08
Deferred Income Tax	232,836.29	140,697.27
Total	1,848,837.74	990,695.35

Unit: Yuan
Currency: RMB

5. Earnings Per Share

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

Unit: Yuan
Currency: RMB

Item	Current period	The corresponding period of last year
Consolidated net profit attributable to the common shareholders of the parent company	-1,313,304.91	-24,089,791.77
Consolidated net profit attributable to the common shareholders of the parent company (net of non-operating gains and loss)	-9,270,610.57	-27,666,725.33
The weighted average numbers of outstanding common shares of the parent company	485,000,000	485,000,000
Basic earnings per share (RMB/share)	-0.01	-0.06
Basic earnings per share (RMB/share) (net of non-operating gains and loss)	-0.02	-0.07

- (2) Diluted earnings per share

Unit: Yuan
Currency: RMB

Item	Current period	The corresponding period of last year
Adjusted consolidated net profit attributable to the basic shareholders of the parent company	-1,313,304.91	-24,089,791.77
Adjusted consolidated net profit attributable to the basic shareholders of the parent (net of non-operating gains and loss)	-9,270,610.57	-27,666,725.33
The adjusted weighted average numbers of outstanding common shares	485,000,000	485,000,000
Diluted earnings per share (RMB/share)	-0.01	-0.06
Diluted earnings per share (RMB/share) (net of non-operating gains and loss)	-0.02	-0.07

6. Share Capital

The change of the legal, issued and paid-up share capital of the Company is as follows: All the shares of the Company are ordinary share with the 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 surplus to share capital	Others	Subtotal	Amount	Ratio(%)
Total restricted shares	63,000,000	12.99						63,000,000	12.99
Total	63,000,000	12.99						63,000,000	12.99
Unrestricted shares									
RMB ordinary shares	322,000,000	66.39						385,000,000	66.39
Overseas listed foreign share	100,000,000	20.62						100,000,000	20.62
Total	422,000,000	87.01						422,000,000	87.01
Total shares	485,000,000	100.00						485,000,000	100.00

7. Dividend

No dividend was paid or declared during the first half of 2021. No dividend was declared after the end of the reporting period up to the date of this announcement (2020: none).

Beijing Jingcheng Machinery Electric Company Limited

Wang Jun

Chairman

Beijing, the PRC

11 August 2021

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