京城機電股份
JINGCHENG MAC

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)

ANNOUNCEMENT ON 2024 ANNUAL RESULTS

The board of directors (the "**Board**") of Beijing Jingcheng Machinery Electric Company Limited (the "**Company**") hereby announces that the audited preliminary consolidated results for the year ended 31 December 2024 (the "**Reporting Period**") prepared by the Company and its subsidiaries (the "**Group**") in accordance with the China Accounting Standards for Business Enterprises are as follows:

I. FINANCIAL DATA

(All amounts are stated in RMB Yuan unless otherwise stated)

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

Prepared by: Beijing Jingcheng Machinery Electric Company Limited

Unit: Yuan Currency: RMB

Item	*Note*	31 December 2024	31 December 2023
Current assets:			
Cash at bank and on hand		**482,988,509.97**	502,766,015.92
Settlement reserve			
Loans to banks and other financial institutions			
Financial assets held for trading			
Derivative financial assets			
Notes receivable		**14,048,892.34**	3,590,000.00
Accounts receivable		**499,865,493.32**	385,061,945.72
Receivable financing		**17,738,416.42**	32,346,639.47
Advances to suppliers		**44,784,447.17**	50,416,543.28
Premiums receivable			

Item	*Note*	**31 December 2024**	31 December 2023
Reinsurance premium receivable			
Reinsurance contract reserves receivable			
Other receivables		**3,253,586.63**	2,887,349.53
Including: Interest receivable			
Dividends receivable			
Financial assets purchased under agreements to resell			
Inventories		**322,798,726.80**	290,385,240.50
Including: Data resources			
Contractual assets		**17,727,137.20**	
Assets held for sale			
Non-current assets due within one year			
Other current assets		**66,859,038.79**	9,687,325.81
Total current assets		**1,470,064,248.64**	1,277,141,060.23
Non-current assets:			
Loans and advances			
Debt investments			
Other debt investments			
Long-term receivables			
Long-term equity investments		**113,338,773.49**	104,890,267.71
Investments in other equity instruments			
Other non-current financial assets			
Investment properties			
Fixed assets		**603,611,099.03**	636,006,382.70
Construction in progress		**280,234,944.36**	74,093,650.27
Bearer biological assets			
Oil and gas assets			
Right-of-use assets		**184,732,895.25**	203,292,878.66
Intangible assets		**173,323,950.09**	182,280,480.78
Including: Data resources			
Development expenditures			
Including: Data resources			
Goodwill		**168,996,039.10**	168,996,039.10
Long-term deferred expenses		**11,538,542.98**	13,586,338.18
Deferred income tax assets		**62,473,777.37**	63,662,495.78
Other non-current assets		**18,299,049.58**	88,393,971.47
Total non-current assets		**1,616,549,071.25**	1,535,202,504.65
Total assets		**3,086,613,319.89**	2,812,343,564.88

Item	*Note*	**31 December 2024**	31 December 2023
Current liabilities:			
Short-term borrowings		**230,000,000.00**	140,000,000.00
Borrowings from the central bank			
Placements from banks and other financial institutions			
Financial liabilities held for trading			
Derivative financial liabilities			
Notes payable		**116,344,018.02**	85,759,357.39
Accounts payable		**395,135,400.60**	350,116,028.25
Advances from customers			
Contractual liabilities		**65,835,225.59**	47,451,038.27
Financial assets sold under agreements to repurchase			
Deposits and placements from other financial institutions			
Securities brokering			
Securities underwriting			
Employee benefits payable		**37,221,250.27**	31,113,332.96
Taxes payable		**17,922,431.27**	18,694,312.91
Other payables		**69,177,703.97**	77,468,799.94
Including: Interest payable			
Dividends payable			
Handling charges and commissions payable			
Reinsurance amounts payable			
Liabilities held for sale			
Non-current liabilities due within one year		**15,578,997.72**	15,339,940.56
Other current liabilities		**14,537,663.61**	9,200,236.26
Total current liabilities		**961,752,691.05**	775,143,046.54

Item	*Note*	**31 December 2024**	31 December 2023
Non-current liabilities:			
Reserve of insurance contract			
Long-term borrowings		**133,350,000.00**	70,000,000.00
Bonds payable			
Including: Preferred shares			
Perpetual bonds			
Lease liabilities		**220,087,249.70**	234,016,247.39
Long-term payables		**253,207,700.00**	253,207,700.00
Long-term employee benefits payable		**33,131,627.97**	31,730,620.28
Estimated liabilities		**7,986,099.32**	4,989,719.00
Deferred income		**13,453,008.53**	7,998,474.74
Deferred income tax liabilities		**51,487,703.77**	56,850,982.85
Other non-current liabilities			
Total non-current liabilities		**712,703,389.29**	658,793,744.26
Total liabilities		**1,674,456,080.34**	1,433,936,790.80
Owners' equity (or shareholders' equity):			
Paid-in capital (or share capital)		**547,665,988.00**	547,665,988.00
Other equity instruments			
Including: Preferred shares			
Perpetual bonds			
Capital reserves		**1,195,306,532.75**	1,186,456,814.83
Less: Treasury stocks			
Other comprehensive income		**4,172,992.51**	3,094,393.89
Special reserves		**1,222,044.23**	381,371.62
Surplus reserves		**45,665,647.68**	45,665,647.68
Provisions for general risk			
Undistributed profit		**-709,876,579.95**	-717,353,627.48
Total owners' equity (or shareholders' equity) attributable to the parent company		**1,084,156,625.22**	1,065,910,588.54
Minority interest		**328,000,614.33**	312,496,185.54
Total owners' equity (or shareholders' equity)		**1,412,157,239.55**	1,378,406,774.08
Total liabilities and owners' equity (or shareholders' equity)		**3,086,613,319.89**	2,812,343,564.88

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024

Prepared by: Beijing Jingcheng Machinery Electric Company Limited *Unit: Yuan* *Currency: RMB*

Item	*Note*	**2024**	2023
I. Total operating revenue		**1,648,860,246.58**	1,405,495,692.08
Including: Operating revenues		**1,648,860,246.58**	1,405,495,692.08
Interest incomes			
Earned premiums			
Handling charges and commissions incomes			
II. Total operating cost		**1,604,664,069.62**	1,444,884,526.48
Including: Operating cost		**1,340,508,218.30**	1,191,424,025.09
Interest expenses			
Fees and commissions expenses			
Cash surrender amount			
Net expenses of claim settlement			
Net provision for insurance contract reserves			
Policyholder dividend expenses			
Expenses for reinsurance accepted			
Taxes and surcharges		**11,288,726.80**	7,911,881.71
Selling expenses		**44,335,591.91**	45,065,193.02
Administrative expenses		**127,786,552.09**	120,477,225.32
R&D expenses		**69,021,375.00**	66,447,976.37
Financial expenses		**11,723,605.52**	13,558,224.97
Including: Interest expenses		**18,115,965.90**	18,182,783.46
Interest income		**5,275,823.47**	4,618,837.01
Add: Other earnings		**12,540,134.71**	10,491,764.13
Investment incomes (with "-" for losses)		**17,014,252.86**	11,998,754.61
Including: Investment income from affiliated enterprises and joint ventures		**6,006,496.51**	11,855,196.49
Derecognition income of financial asset measured at the amortized cost			
Exchange gains (with "-" for losses)			
Gains from net exposure hedges (with "-" for losses)			
Gains from changes of fair values (with "-" for losses)			

Item	*Note*	**2024**	2023
Credit impairment losses (with "-" for losses)		**-11,361,408.14**	-5,077,178.43
Assets impairment losses (with "-" for losses)		**-22,606,278.80**	-32,396,390.18
Incomes of assets disposal (with "-" for losses)		**171,297.46**	123,479.33
III. Operating profit (with "-" for losses)		**39,954,175.05**	-54,248,404.94
Add: Non-operating income		**1,114,470.68**	1,735,053.15
Less: Non-operating expenses		**1,330,884.68**	858,877.75
IV. Total profits (with "-" for total losses)		**39,737,761.05**	-53,372,229.54
Less: Income tax expenses		**17,192,582.04**	22,879,768.10
V. Net profits (with "-" for net losses)		**22,545,179.01**	-76,251,997.64
(I) Classified according to operating continuity			
1. Net profit from continuing operations (with "-" for net losses)		**22,545,179.01**	-76,251,997.64
2. Net profit from discontinued operations (with "-" for net losses)			
(II) Classified according to attribution of the ownership			
1. Net profit attributable to the parent company's shareholders (with "-" for net losses)		**7,477,047.53**	-51,675,143.59
2. Profit and loss of minority interests (with "-" for net losses)		**15,068,131.48**	-24,576,854.05
VI. Other net comprehensive incomes after-tax		**1,194,001.93**	1,066,767.58
(I) Other net after-tax comprehensive income attributable to owner of the parent company		**1,078,598.62**	965,657.08
1. Other comprehensive income that cannot be reclassified through profit or loss			
(1) Remeasurement of changes in the defined benefit plan			
(2) Other comprehensive incomes that cannot be transferred to profit or loss under the equity method			
(3) Changes in fair value of investments in other equity instruments			
(4) Changes in fair value of the enterprise's credit risk			

Item	*Note*	**2024**	2023
2. Other comprehensive incomes that can be reclassified into profit or loss		**1,078,598.62**	965,657.08
(1) Other comprehensive incomes that can be transferred to profit or loss under the equity method		**-7,990.73**	8,939.39
(2) Change of fair value of other debt investments			
(3) Amount of financial assets reclassified into other comprehensive income			
(4) Credit impairment provisions for other debt investment			
(5) Reserves for cash flows hedges			
(6) Converted difference in foreign currency financial statements		**1,086,589.35**	956,717.69
(7) Others			
(II) Net other comprehensive income attributable to minority shareholders after tax		**115,403.31**	101,110.50
VII. Total comprehensive incomes		**23,739,180.94**	-75,185,230.06
(I) Total comprehensive incomes attributable to owners of the parent company		**8,555,646.15**	-50,709,486.51
(II) Total comprehensive income attributable to minority shareholders		**15,183,534.79**	-24,475,743.55
VIII. Earnings per share:			
(I) Basic earnings per share (Yuan per share)		**0.01**	-0.10
(II) Diluted earnings per share (Yuan per share)		**0.01**	-0.10

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

I. Scope of Consolidated Financial Statements

The Company's consolidated financial statements cover Qingdao BYTQ United Digital Intelligence Co., Ltd. ("**BYTQ**"), Jingcheng Holding (Hong Kong) Co., Ltd., Beijing Tianhai Industry Co., Ltd. ("**Beijing Tianhai**" or "**Tianhai Industry**") and its subsidiaries Tianjin Tianhai High Pressure Container Co., Ltd. ("**Tianjin Tianhai**"), Shanghai Tianhai Composite Cylinders Co., Ltd. ("**Shanghai Tianhai**"), Beijing Tianhai Cryogenic Equipment Co., Ltd., Beijing Tianhai Hydrogen Energy Equipment Co., Ltd. ("**Hydrogen Energy Company**"), Beijing Minghui Tianhai Gas Storage Equipment Sales Co., Ltd. ("**Minghui Tianhai**"), Kuancheng Tainhai Pressure Container Co., Ltd., Beijing Jingcheng Haitong Technology Culture Development Co., Ltd. ("**Jingcheng Haitong**") and BTIC America Corporation.

II. Basis for Preparation of Financial Statements

1. Preparation basis

The Group prepared these financial statements based on transactions and events that had actually occurred in accordance with "Accounting Standards for Business Enterprises" issued by the Ministry of Finance and relevant application guidelines, interpretations and other related requirements (collectively hereinafter the "**Accounting Standards for Business Enterprises**"), the "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports" (revised in 2023) of China Securities Regulatory Commission (the "**CSRC**") and relevant rules, and relevant provisions on disclosure of the Companies Ordinance of Hong Kong and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Hong Kong Listing Rules**").

2. Going concern

The Group has evaluated its ability to continue as a going concern for the twelve months beginning 31 December 2024, and no matters or circumstances have been identified that cast significant doubt on its ability to continue as a going concern. These financial statements are presented on a going concern basis.

III. Significant Accounting Policies and Accounting Estimates

Specific accounting policies and accounting estimates indication:

1. Statement of compliance with Accounting Standards for Business Enterprises

The financial statements comply with the requirements of the Accounting Standards for Business Enterprises and give a true, accurate and complete account of the financial position of the Company and the Group as at 31 December 2024 and of their operating results and cash flows for the year 2024 and other related information.

2. Accounting period

The accounting period of the Company is from 1 January to 31 December of each calendar year.

3. **Business cycle**

The Group treats 12 months as a dividing standard for the liquidity of assets and liabilities since the business cycle is rather short for the Group's business.

4. **Recording currency**

RMB is the recording currency for the Company and its subsidiaries, except for BTIC America Corporation and Jingcheng Holding (Hong Kong) Co., Ltd., which use USD as their recording currency.

5. **Methodology of determining materiality standard and basis for selection**

Item	**Materiality standard**
Significant individual receivables with provisions for bad debts	There is objective evidence that the credit risk of a single receivable has changed significantly compared with that of other receivables in its portfolio, and the amount is greater than RMB10 million
Recovery or reversal of significant bad debt provisions on receivables	Individual recovery or reversal amount accounts for more than 10% of the total amount of various types of receivables and the amount is greater than RMB10 million
Write-off of significant receivables	The amount of write-off of a single item accounts for more than 10% of the total amount of bad debt provision for various types of receivables and the amount is greater than RMB10 million
Prepayments aged over 1 year	The amount of prepayments aged over 1 year accounts for more than 10% of the total prepayments and its amount is greater than RMB10 million
Important projects under construction	The budget of a single item is greater than RMB10 million
Payables aged over 1 year	Accounts payable aged over 1 year account for more than 10% of the total accounts payable and the amount is greater than RMB10 million
Material changes in book value of contractual liabilities	Changes in the book value of contractual liabilities account for more than 10% of the balance of contractual liabilities at the beginning of the year and the amount is greater than RMB10 million
Contractual liabilities aged over 1 year	Contractual liabilities aged over 1 year account for more than 10% of the total contractual liabilities and the amount is greater than RMB10 million
Other payables aged over 1 year	The amount of other payables aged over 1 year individually accounts for more than 10% of the total amount of other payables and the amount is greater than RMB10 million

Item	Materiality standard
Significant non-wholly owned subsidiaries	Non-wholly owned subsidiaries whose revenues account for more than 10% of the Group's revenues and amount to more than RMB100 million
Significant associates and joint ventures	The book value of long-term equity investment in a single investee unit accounts for more than 5% of the Group's net assets and the amount is greater than RMB10 million, or the profit or loss of the investment under the equity method of long-term equity investment accounts for more than 10% of the Group's consolidated net profit
Significant undertakings and contingencies	The amount of a single item exceeds RMB10 million
Significant subsequent events	The amount of a single item exceeds RMB10 million

6. Accounting treatment method for business merger under common control and different control

(1) Business merger under common control

A business merger under common control is one in which all of the merging enterprises are ultimately controlled by the same party or parties both before and after the business merger, and that control is not transitory.

The assets and liabilities acquired by the Group, as the combined party, from business combination under common control should be measured based on the book value in the ultimate controlling party's consolidated statements of the combining party on the combination date. The difference between the book value of the net assets obtained and the book value of the consideration paid (or the aggregate nominal amount of the shares issued) shall be used to adjust the capital reserves; where the capital reserves are not sufficient to be offset, the retained earnings shall be adjusted.

(2) Business merger under different control

A business merger not under common control is a business merger in which all of the merging entities are not ultimately controlled by the same party or parties both before and after the business merger.

The identifiable assets, liabilities and contingent liabilities of the acquiree acquired in the business merger not under common control are measured at fair value at the acquisition date by the Group as the acquirer. If the cost of merging is larger than the fair value of the identifiable net assets of the acquiree obtained from the combination, the difference shall be recognized as goodwill; if the cost of merging is less than the fair value of the identifiable net assets of the acquiree obtained from the combination, the fair value of various identifiable assets, liabilities and contingent liabilities obtained in business merger and the cost of merging shall be reviewed first. If, after review, the cost of merger is still less than the fair value of identifiable net assets of the acquiree obtained from the combination, the difference shall be included in the non-operating income for the current period.

7. **Criteria for determining the control and preparation methods of consolidated financial statements**

The scope of consolidation of the consolidated financial statements is determined based on control, including the Company and all the subsidiaries controlled by the Company. The standard for the Group to determine whether an entity is under control is when the Group has the rights to control, to variable returns from its involvement in the investee and has the ability to affect those returns through its power over the investee.

When preparing consolidated financial statements, if the accounting policy or the accounting period adopted is inconsistent between the subsidiaries and the Company, the financial statements of subsidiaries shall be adjusted according to the accounting policy or the accounting period of the Company.

The effect of all intra-group transactions between the Company and its subsidiaries and among subsidiaries on the consolidated financial statements is eliminated on consolidation. Shares in owners' equity of subsidiaries but not attributable to the parent company, shares attributable to minority interests in net profit and loss for the current period, other comprehensive income and total comprehensive income shall be respectively listed in consolidated financial statements as "minority interests, minority profit and loss of minority interests, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders".

Operating results and cash flows of subsidiaries which are acquired by business merger under common control are included in consolidated financial statements from the beginning of the period during which the merger occurs. Upon the preparation of comparative consolidated financial statements, adjustments to relevant items in financial statements of the previous year are made as if the reporting entity resulting from the merger had existed since the point in time when the ultimate controlling party began to exercise control.

As for subsidiaries acquired by business merger under different control, operating results and cash flows shall be incorporated into consolidated financial statements from the date when the Group takes the control. In preparing consolidated financial statements, adjustments to financial statements of subsidiaries are based on the fair value of each identifiable assets, liabilities or contingent liabilities determined at the purchase date.

8. **Classification of joint arrangements and accounting treatment method for joint operations**

The Group's joint arrangements include joint operations and joint ventures. Joint operation refers to a joint arrangement where the joint operators have rights to the assets and assume the liabilities associated with the arrangement. Joint venture refers to a joint arrangement in which the joint venturers have rights only to the net assets of the arrangement.

For joint operations, the Group, as a joint operator in a joint operation, recognises assets and liabilities held and assumed individually and based on its share, and recognises the related revenues and expenses individually or based on its share in accordance with the relevant agreements. When a transaction occurs with a joint operation involving the purchase or sale of assets that do not constitute part of the business, only the share of the profit or loss arising from the transaction that is attributable to the other participants in the joint operation is recognised.

9. **Standards for determining cash and cash equivalents**

Cash shown in the cash flow statement of the Group refers to both cash on hand and the deposit held in bank available for payment at any time. Cash equivalent in the cash flow statement refers to investments with a holding period of not more than 3 months, of high liquidity, which can be easily converted to known amounts of cash and subject to insignificant risk of value changes.

10. Changes in significant accounting policy

Unit: Yuan Currency: RMB

Contents and reasons of changes in accounting policies	Financial statement item affected	Amount affected
In December 2024, the Ministry of Finance issued the "Notice on Issuing 'the Interpretation of Accounting Standards for Business Enterprises No. 18'", which clarifies that provisions arising from assurance-type warranties (which do not constitute distinct performance obligations) shall be accounted for in accordance with "Accounting Standards for Business Enterprises No. 13 – Contingencies". An enterprise shall, while recognizing an estimated liability, include the relevant amount in operating cost, with the estimated liability presented based on its liquidity. On the date of its initial implementation, the Company adopted the retrospective adjustment method for this change in accounting policy and adjusted the presentation of the related items in the comparative financial statements.	Operating cost, selling expenses	**Operating cost: 1,152,937.84** **Selling expenses: -1,152,937.84**

Other Description:

Nil

11. Turnover

Unit: Yuan Currency: RMB

	Amount in the current year		Amount in the previous year	
Category of contracts	**Revenue**	**Cost**	Revenue	Cost
Classification by type of goods				
Including: Gas storage and transportation product	**1,277,349,944.20**	**1,117,317,434.21**	1,094,185,563.55	1,011,247,690.64
Automatic manufacturing equipment system integration	**266,466,140.26**	**183,364,371.14**	224,793,890.46	146,746,872.83
Others	**63,735,395.76**	**16,400,439.96**	63,735,395.76	16,400,439.96
Classification by business area				
Including: Domestic	**965,585,410.79**	**741,340,230.03**	871,297,795.41	715,993,438.06
Overseas	**641,966,069.43**	**575,742,015.28**	511,417,054.36	458,401,565.37
Total	**1,607,551,480.22**	**1,317,082,245.31**	1,382,714,849.77	1,174,395,003.43

12. Taxes

Item	Amount in current year	Amount in previous year
Corporate income tax in the current year	**21,367,142.71**	21,926,975.37
Deferred income tax	**-4,174,560.67**	952,792.73
Total	**17,192,582.04**	22,879,768.10

13. Dividend

No dividend was paid or proposed during 2024, and no dividend has been proposed since the end of the Reporting Period (2023: nil).

14. Accounts receivable

(1) Accounts receivable

Unit: Yuan Currency: RMB

Type	Closing balance Book balance Amount	Closing balance Provision for bad debts Amount	Closing balance Book value	Opening balance Book balance Amount	Opening balance Provision for bad debts Amount	Opening balance Book value
Provision for bad debts made on an individual basis	**24,640,314.87**	**24,640,314.87**	**0**	28,801,960.76	28,801,960.76	0
Provision for bad debts made on a collective basis	**554,210,737.99**	**54,345,244.67**	**499,865,493.32**	424,580,003.79	39,518,058.07	385,061,945.72
Including: Aging portfolio	**554,210,737.99**	**54,345,244.67**	**499,865,493.32**	424,580,003.79	39,518,058.07	385,061,945.72
Total	**578,851,052.86**	**78,985,559.54**	**499,865,493.32**	453,381,964.55	68,320,018.83	385,061,945.72

(2) Accounts receivable listed by age

Unit: Yuan Currency: RMB

Aging	Closing balance	Opening balance
Within 1 year (including 1 year)	**408,118,264.17**	323,622,147.25
1-2 years	**77,675,581.33**	58,056,494.92
2-3 years	**28,878,806.20**	16,705,104.02
Over 3 years		
Including: 3-4 years	**15,398,899.60**	7,288,015.89
4-5 years	**6,620,385.53**	2,247,891.13
Over 5 years	**42,159,116.03**	45,462,311.34
Total	**578,851,052.86**	453,381,964.55

The aging analysis of the Group is presented based on the relevant transaction dates.

15. Accounts payable

(1) Presentation of accounts payable

Unit: Yuan Currency: RMB

Item	**Closing balance**	Opening balance
Material payment, etc.	**392,733,171.51**	328,585,935.89
Project payment	**2,402,229.09**	21,530,092.36
Total	**395,135,400.60**	350,116,028.25

(2) Significant payables with the aging over 1 year

Not applicable

(3) Presentation of accounts payable by age

Unit: Yuan Currency: RMB

Aging of accounts payable	**Closing balance**	Opening balance
Within 1 year	**303,134,255.63**	267,500,480.61
1-2 years	**44,902,996.10**	33,738,963.68
2-3 years	**8,608,284.03**	35,798,475.90
Over 3 years	**38,489,864.84**	13,078,108.06
Total	**395,135,400.60**	350,116,028.25

16. Undistributed profit

Unit: Yuan Currency: RMB

Item	Current year	Previous year
Opening balance	**-717,353,627.48**	-665,678,483.89
Add: Adjusted amount of opening undistributed profits	**0.00**	0.00
Opening balance of the current year	**-717,353,627.48**	-665,678,483.89
Add: Net profit attributable to owners of parent company for the current year	**7,477,047.53**	-51,675,143.59
Less: Appropriation to statutory surplus reserves	**0.00**	0.00
Appropriation of discretionary surplus reserves	**0.00**	0.00
Appropriation to general risk provision	**0.00**	0.00
Ordinary share dividends payable	**0.00**	0.00
Ordinary share dividends transferred into share capital	**0.00**	0.00
Closing balance of the current year	**-709,876,579.95**	-717,353,627.48

17. Income tax expenses

Unit: Yuan Currency: RMB

Income tax expenses	Amount in current year	Amount in previous year
Current income tax calculated according to tax law and relevant provisions	**21,367,142.71**	21,926,975.37
1. Mainland China corporate income tax	**17,369.142.76**	17,545,930.30
2. Hong Kong income tax	**0.00**	0.00
3. Other regions (USA)	**3,997,999,95**	4,381,045.07
Deferred income tax expenses	**-4,174,560.67**	952,792.73
Total	**17,192,582.04**	22,879,768.10

18. Return on net assets and earnings per share

Unit: Yuan Currency: RMB

Profit for the Reporting Period	Weighted average return on net assets (%)	Earnings per share: Basic earnings per share	Earnings per share: Diluted earnings per share
Net profits attributable to ordinary shareholders of the Company	0.70	0.01	0.01
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit and loss	-0.52	-0.12	-0.12

II. MANAGEMENT DISCUSSION AND ANALYSIS

1. Chairman's Report

I. Review

The year 2024 marked the 75th anniversary of the founding of the People's Republic of China, and the 10th anniversary of General Secretary Xi Jinping's important speech regarding the development of Beijing. It was also a pivotal year for the Company to achieve its strategic goals and tasks under the "14th Five-Year Plan". Led by the Beijing Municipal Communist Party Committee, Beijing Municipal People's Government and Beijing Municipal State-owned Assets Supervision and Administration Commission as well as Beijing Jingcheng Machinery Electric Holding Co., Ltd. ("**Jingcheng Machinery Electric**"), guided by the Board and with the joint efforts of the management, the Company carried out decisions and plans with resolution, actively implemented the "Five Initiatives", and quickly adapted itself to the new development dynamic. With the "14th Five-Year Plan" strategic planning in mind, the Company regarded the call for transformation and innovation as an opportunity and made steady progress in market development, technological innovation, reforms and adjustments, as well as quality and efficiency enhancement.

During the Reporting Period, the Company focused on the following tasks:

1. Stabilizing its main business and promoting its growth

(1) Gas storage and transportation segment:

In 2024, the Company focused on the new needs of key customers in the international market and increased related extended services, with a view to enhancing customer stickiness and maintaining its market share. Meanwhile, the Company took full advantage of its overseas platforms to improve its warehousing and logistics capacity. In addition, the Company achieved notable results in new business development with its research and development ("**R&D**") of more cost-effective lightweight high-pressure cylinders.

In the domestic market, the Company drove conventional cylinder products towards the mid- to high-end market and expanded their applications with the support of new businesses and technologies, thereby further achieving differentiation and quality enhancement. In the compound gas cylinders and system integration industry, the Company leveraged its strengths to enter into cooperation with several automobile manufacturers and operators.

(2) Intelligent manufacturing segment:

BYTQ, a subsidiary of the Company, made steady progress in 2024 with growth in both revenue and profit. It made a remarkable breakthrough in the field of 3C production equipment, with rapid development in related businesses. It also accelerated its research on the intelligent manufacturing of hydrogen cylinders and on digital factories, which enhanced its ability to secure orders. Meanwhile, it strengthened its budget management and improved the efficiency of its capital utilization by preparing capital plans.

2. *Dedicating itself to the promotion of technological innovation*

Beijing Tianhai, a subsidiary of the Company, continued to improve the development of its two-level R&D system, increase its investment in technological innovation, create original technology sources and deepen its R&D on core technology. On this basis, it actively developed new products in a market-oriented manner to meet the needs of different fields and applications. At the same time, it strengthened its 4A top-level architectural design regarding its business, data, applications and technology and gradually established an ERP-based architectural system of services and a digital empowerment platform to promote the intelligent upgrade of its production line of compound gas cylinders.

BYTQ, a subsidiary of the Company, attaches great importance to the R&D and breakthrough of new technologies. Its independently developed and promoted relevant control system project has filled a gap in the field of full automation of automatic press for refrigerators in China. In the suspension chain segment, the R&D and application of new technologies and devices have improved the load capacity of the company's products and expanded their applications. The enhancement of its technical capability has reduced product costs and guaranteed product quality, thus improving its profitability.

3. *Strengthening the management of regulatory compliance and internal control*

With regard to its compliance and internal control management, the Company stepped up its implementation of rules and regulations to enhance the legality and standardization of its internal management. The Company also ensured the security and soundness of its operation through special initiatives in relation to internal control and compliance. BYTQ, a subsidiary of the Company, further improved its development of systems and sorted out its business processes including procurement contract approval and payment approval. In addition, the Company strictly managed its internal control and audit work. The Company detected and rectified potential issues in a timely manner through regular audits and risk assessments, thus safeguarding its steady development.

4. *Enhancing financial control*

The Company improved its financial performance by the implementation of cost reduction strategies in technology, procurement and manufacturing. The Company intensified its control of financing costs. Through a series of effective strategies (including precise timing of financing, in-depth optimization of its financing structure as well as the judicious combination of short- and long-term financing instruments), the Company provided the financial security and support necessary for its steady development.

II. Outlook

1. Seizing new opportunities in the market and improving the profitability of the Company

(1) Gas storage and transportation segment:

In the composite gas cylinder industry, the Company will make full use of its first-mover advantage with IV cylinders in the hydrogen energy market, leveraging the synergy of Type III cylinders and Type IV cylinders to broaden the prospect of their market applications and secure orders. The Company will also actively pursue business development among major customers to ensure a robust order volume. In the non-hydrogen market, the Company must maintain its confidence, dedicate itself to the promotion of related products, continually optimize its after-sales network and provide reliable technical support. In the international market, the Company will accelerate the customer development and market expansion of compound gas cylinders.

With regard to the cylinder industry, the Company must closely monitor policy shifts, conduct research on and make adjustments to its operational strategies in a timely manner with a view to steadily enhancing its sales volume. Domestically, in the mid- to high-end market, the Company must leverage its quality and brand advantages to achieve competitive differentiation, thereby cementing and expanding its share of this customer segment. In the mid- to low-end market, the Company needs to swiftly implement cost reduction strategies to enhance the competitiveness of its products. In the electronic specialty gas market, the Company will gain an advantage over its competitors through its high-end product offerings.

In the cryogenic storage and transportation industry, the Company will continue to intensify its efforts in the industrial cryogenic cylinder market, enrich its product mix and enhance its direct sales capabilities to increase its market share. The Company will also continue to tap into new medical gas markets and expand the applications of cryogenic cylinders.

(2) Intelligent manufacturing segment:

The Company will seek to secure orders from the home appliances industry and make every effort to implement projects and pass relevant acceptance inspections. The Company's product mix in the home appliances industry will remain stable. Through its independently developed specialized machines, the Company will improve its technical level and supply chain management capabilities and reduce product costs. The Company will also continue to upgrade its final assembly line, including optimizing equipment and improving the structure of its inspection line. It will optimize the scheduling in the production of friction bars and suspension chains, reduce operating noise and improve production stability, so as to create high-quality products that satisfy customers.

The Company will enhance and deepen its development of systems, broaden the scope of management, and carry out daily management through the adaptation of information technology to improve efficiency and standardization and ensure that management practices are traceable, sustainable and replicable. It will also recruit more talents, enhance internal talent development and conduct regular employee training, with a view to improving the overall quality of its team.

2. *Creating new momentum for transformation through innovation*

The Company will focus on the field of hydrogen energy storage and transportation equipment, continually optimize its system for technological innovation, enhance its R&D capabilities and promote collaborative efforts among industry, academia, and research institutions. The Company aims to increase the demand for original technologies among enterprises, augment their supply at the source, optimize resource allocation and enhance the transfer and application of original technologies. It also aims to foster tech talents, an innovative team and a creative corporate culture while refining its incentive mechanisms, so as to kindle creativity and create an inspiring working environment.

3. *Strengthening corporate governance and enhancing management*

The Company will establish a sound corporate governance mechanism to ensure its efficient operation under a framework of regulatory compliance. By deepening the reform of its internal management systems and improving its standardized management of processes, the Company and its subsidiaries will establish a scientific, sensible and standardized operation and management system. The Company and its subsidiaries will promote the specialization, professionalization and standardization of the management tasks of various functions and provide solid protection for the healthy and orderly development of the two core segments of gas storage and transportation products and automatic manufacturing equipment.

4. *Strengthening risk prevention and control to ensure regulatory compliance*

The Company will deepen its internal control and compliance management and promote an in-depth integration of internal control and business activities. It will regularly review the effectiveness of its internal control processes and identify and rectify potential risk points in a timely manner, thus ensuring the continuous improvement and optimization of its internal control system. In addition, the Company will further enhance the transparency and effectiveness of its internal control management through the introduction of advanced mechanisms for auditing and overseeing internal control. It will also intensify the development of a compliance management system to enhance the risk prevention and control capabilities of its subsidiaries. Moreover, it will strictly adhere to the regulatory requirements for companies and state-owned assets and complete internal control audits and special inspections, while strengthening its production safety management to ensure the safe and stable operation of its production and operation.

5. *Laying a new foundation for operation and erecting new shields against risks*

The Company will continue to examine the quality of its accounting information, promote the integration of business development and financial management as well as the development of financial information systems, and enhance its financial analysis framework. It will also improve the management and control of its accounts receivable and inventory, strengthen the scheduling of its operation, and enhance the quality and efficiency of its operation. The Company will solidly promote the development of state-owned enterprises under the rule of law, reinforce its risk management, and continue to streamline its systems and processes, centralize their audit and bolster their implementation. It will also strengthen the development of compliance and internal control in key areas and promote the further in-depth integration of risk management and business development.

6. *Implementing measures to invigorate the Company*

To kindle the enthusiasm and creativity of employees, the Company will continue to advance the reform of its differentiated incentive mechanism, establishing an incentive system that integrates short-term, mid-term, and long-term strategies. In particular, by implementing innovative measures such as restricted share incentive schemes, the Company aims to closely align employees' personal interests with the Company's long-term development, driving the achievement of strategic goals with its employees to usher in a new era of proactive entrepreneurship.

(II) Principal operation during the Reporting Period

The year 2024 was a pivotal year for the "14th Five-Year Plan". The Company was committed to the implementation of the "Five Initiatives" and resolutely adapted itself to the new development dynamic. It was dedicated to contributing to the development of Beijing as an international science and technology innovation hub, while upholding the principle that high-quality development should be guided by high-quality party-building. It made steady progress in market development, technological innovation, reforms and adjustments, as well as quality and efficiency enhancement, achieving its annual operational goals and key missions. By advancing stable and sustainable high-quality development, it strove to contribute to a flawless conclusion of the "14th Five-Year Plan".

1. Enhancing its operational quality and efficiency while intensifying its market development efforts

Gas storage and transportation segment:

The Company focused on the new needs of major customers and increased its extended services and ancillary businesses to enhance customer stickiness. It took full advantage of its overseas platforms to improve its warehousing and logistics capacity, thus enhancing its delivery speed for small and medium-sized customers. It made significant progress in developing the compound gas cylinders market, entering into cooperation with several important customers. Adhering to the principles of cost reduction and differentiation, it consolidated its domestic sales resources and expanded the scope of direct sales of its cylinder products as well as their applications.

Intelligent manufacturing segment:

The Company achieved a strong breakthrough in the field of 3C production equipment and improved its customization capabilities for related production equipment. It also accelerated its research on intelligent manufacturing and digital factories, which enhanced its ability to secure orders. In the areas of ground conveyance and assembly systems, stamping lines and suspension chains, the Company continued to improve its product capabilities and expanded into new applications and new fields.

2. Promoting technological innovation while continuing to build a technological system

The Company continued to strengthen its technological innovation and industry upgrades by making substantial R&D investments throughout the year. Currently, within the Company's system, there are 6 enterprises recognized as "Specialized and Sophisticated Enterprises Producing New and Unique Products" and 7 recognized as High- and New-Technology Enterprises. The Company's innovative achievements earned it many awards, including the Second Prize of Beijing Scientific and Technological Progress Awards and the Bronze Prize of the 18th Beijing Invention and Innovation Competition. Focusing on the core technology of hydrogen energy storage and transportation equipment, the Company made breakthroughs in key technologies in relation to Type IV cylinders. Keeping up with market demand, the Company developed new products in various fields. Meanwhile, the Company promoted intelligent manufacturing, developed the 4A top-level structure, used coding systems to standardize data and achieved remote monitoring of equipment as well as partial networking and numerical control, with its production line of compound gas cylinders leading the country in terms of intelligent upgrading.

BYTQ, a subsidiary of the Company, significantly enhanced the competitiveness of its products through its technological breakthroughs and promotional efforts in the control system of related products. The enhancement of its technical capabilities reduced product costs, ensured the quality of products and bolstered its profitability.

3. Strengthening management efforts while continuing to enhance governance effectiveness

The Company benchmarked itself against exemplary enterprises, paid close attention to internal management, sorted out the standard costs of products, and formulated improvement strategies covering operation, costs, market dynamics and policy support to address existing deficiencies. It promoted cost reduction and efficiency enhancement through various measures, including product development, achieving cost reduction by leveraging technology and optimizing procurement. It implemented a talent-driven corporate development strategy focusing on recruiting young talents, enhancing professional skills and completing innovative apprenticeship programs. It initiated the 6S workplace management by delineating responsibility areas, issuing work guidelines, and fostering an atmosphere of full participation to improve the work environment and enhance employees' competencies.

4. Mitigating risks while continuing to bolster operational security

The Company established a comprehensive risk management framework, prepared information and organized training programs to enhance legal compliance and risk mitigation awareness of all the employees, thereby safeguarding the sustainable development of core operations. At the same time, the Company improved its platform systems to build a strong line of defense in its operation. Focusing on audit supervision, it implemented various auditing methods to enhance internal control and management standards. It also examined the quality of accounting information of several of its subsidiaries and provided management recommendations.

(III) Analysis of principal business

1. ***Table of movement analysis on the related items in income statement and cash flow statement***

Unit: Yuan Currency: RMB

Item	**Current year**	**Corresponding period of last year**	**Change (%)**
Operating income	1,648,860,246.58	1,405,495,692.08	17.32
Operating cost	1,340,508,218.30	1,191,424,025.09	12.51
Selling expense	44,335,591.91	45,065,193.02	-1.62
Administrative expense	127,786,552.09	120,477,225.32	6.07
Financial cost	11,723,605.52	13,558,224.97	-13.53
R&D expenses	69,021,375.00	66,447,976.37	3.87
Net cash flows generated from operating activities	-57,592,661.96	66,359,922.32	–
Net cash flows generated from investing activities	-85,565,852.79	-157,070,258.23	–
Net cash flows generated from financing activities	120,738,636.11	256,190,368.87	-52.87
Taxes and surcharges	11,288,726.80	7,911,881.71	42.68
Investment income	17,014,252.86	11,998,754.61	41.80
Credit impairment loss	-11,361,408.14	-5,077,178.43	-123.77
Asset impairment losses	-22,606,278.80	-32,396,390.18	30.22
Income from disposal of assets	171,297.46	123,479.33	38.73
Non-operating revenue	1,114,470.68	1,735,053.15	-35.77
Non-operating expenses	1,330,884.68	858,877.75	54.96

2. *Analysis of income and cost*

(1) Principal business by product and by region

Unit: Yuan Currency: RMB

Principal business by product

By product	**Operating income**	**Operating cost**	**Gross profit margin (%)**	**Increase/ decrease in operating income over last year (%)**	**Increase/ decrease in operating cost over last year (%)**	**Increase/ decrease in gross profit margin over last year (%)**
Gas storage and transportation products	1,277,349,944.20	1,117,317,434.21	12.53	16.74	10.48	4.95
Automatic manufacturing equipment system integration	266,466,140.26	183,364,371.14	31.19	18.54	24.02	-3.04
Others	63,735,395.76	16,400,439.96	74.27	0.00	0.00	0.00
Total	1,607,551,480.22	1,317,082,245.31	18.07	16.26	12.15	3.09

Principal business by region

By region	**Operating income**	**Operating cost**	**Gross profit margin (%)**	**Increase/ decrease in operating income over last year (%)**	**Increase/ decrease in operating cost over last year (%)**	**Increase/ decrease in gross profit margin over last year (%)**
Domestic	965,585,410.79	741,340,230.03	23.22	10.82	3.37	5.40
Overseas	641,966,069.43	575,742,015.28	10.32	25.53	25.60	-0.05
Total	1,607,551,480.22	1,317,082,245.31	18.07	16.26	12.04	3.00

Description of principal business by product and by region

Domestic market: By the effective integration of its marketing resources and the continuous optimization of its product mix, the Company recorded a 10.82% year-on-year increase in revenue during the Reporting Period.

International market: Focusing intensely on the needs of its core customers, the Company enhanced customer stickiness through extended services, thereby cementing its market position and recording a 25.53% year-on-year increase in revenue during the Reporting Period.

(2) Analysis of production and sales volume

Principal product	Unit	Production volume	Sales volume	Inventory volume	Increase/ decrease in production volume over last year (%)	Increase/ decrease in sales volume over last year (%)	Increase/ decrease in inventory volume over last year (%)
Conventional cylinder industry	Unit	1,023,340	1,305,112	186,977	11	12	1
Compound gas cylinders and system integration industry	Unit	136,547	128,011	11,828	41	30	207
Cryogenic storage and transportation industry	Unit	11,113	10,456	1,634	26	35	7

Description of production and sales volume

In 2024, the Company made every effort to enhance the quality and efficiency of its operation and continued to intensify its market expansion efforts. Focusing on the "main battlefield" and major clients, the Company devised differentiated market strategies for different competitive environments and achieved positive results. The sales volumes in the cylinder segment, compound gas cylinders and system integration segment, and cryogenic storage and transportation segment all recorded year-on-year growth. In particular, the significant increase in the compound gas cylinders and system integration segment was mainly due to the accelerated development and marketing of new products such as Type III and Type IV cylinders, while the significant increase in the cryogenic storage and transportation segment was mainly due to substantial increases in the sales of HPDI-T6 products and exported cryogenic cylinders.

(3) Cost analysis

Unit: Yuan Currency: RMB

By product							
By product	Component of cost	Current period	Proportion over total cost for the current period (%)	Corresponding period of last year	Proportion over total cost for the corresponding period of last year (%)	Change in amount over last year (%)	Description
Gas storage and transportation products	Materials	712,715,301.76	63.79	657,399,713.86	65.01	8.41	
	Labour cost	96,606,840.70	8.64	94,718,999.89	9.37	1.99	
	Manufacturing cost	307,995,291.75	27.57	259,183,270.79	25.62	18.83	
	Total	1,117,317,434.21	100.00	1,011,301,984.54	100.00	10.48	
Automatic manufacturing equipment system integration	Materials	158,131,487.26	86.24	122,836,347.12	83.08	28.73	
	Labour cost	7,829,964.03	4.27	9,612,833.42	6.50	-18.55	
	Manufacturing cost	17,402,919.85	9.49	15,396,336.23	10.42	13.03	
	Total	183,364,371.14	100.00	147,845,516.77	100.00	24.02	
Others	Lease cost	16,400,439.96	100.00	16,400,439.96	100.00	0.00	
	Total	16,400,439.96	100.00	16,400,439.96	100.00	0.00	

Other information on cost analysis

During the Reporting Period, the Company further reduced the procurement costs of raw materials and auxiliary materials through the development of new suppliers, centralized procurement and negotiations, thus effectively controlling any excessive rise in procurement costs.

(4) Information on major customers and major suppliers

Sales to the five largest customers amounted to RMB381,228,600, representing 23.14% of the total annual sales, of which sales to related parties were RMB0, representing 0% of total annual sales.

Procurement from the five largest suppliers amounted to RMB364,166,000, representing 29.85% of total annual procurement cost, of which procurement from related parties were RMB130,494,400, representing 10.70% of total annual procurement cost.

Other information

Nil

3. *Expenses*

Unit: Yuan Currency: RMB

Item	Current year	Corresponding period of last year	Change (%)
Selling expense	**44,335,591.91**	45,065,193.02	-1.62
Administrative expense	**127,786,552.09**	120,477,225.32	6.07
Research and development expenses	**69,021,375.00**	66,447,976.37	3.87
Financial cost	**11,723,605.52**	13,558,224.97	-13.53

4. *Research and development expenditure*

(1) Breakdown of research and development expenditure

Unit: Yuan Currency: RMB

Research and development expenditure recorded in expenses during the period	69,021,375.00
Research and development expenditure capitalised during the period	
Total research and development expenditure	69,021,375.00
Percentage of total research and development expenditure over operating income (%)	4.19
Percentage of research and development expenditure capitalised (%)	

(2) Description

☐ Applicable ✔Not Applicable

5. Cash flows

Unit: Yuan Currency: RMB

Item	Current year	Corresponding period of last year	Change (%)
Cash inflows from operating activities	**1,238,839,920.84**	1,240,538,087.35	-0.14
Cash outflows from operating activities	**1,296,432,582.80**	1,174,178,165.03	10.41
Net cash flows generated from operating activities	**-57,592,661.96**	66,359,922.32	–
Cash inflows from investing activities	**17,206,572.00**	3,175,195.39	441.91
Cash outflows from investing activities	**102,772,424.79**	160,245,453.62	-35.87
Net cash flows from generated investing activities	**-85,565,852.79**	-157,070,258.23	–
Cash inflows from financing activities	**295,000,000.00**	419,582,000.00	-29.69
Cash outflows from financing activities	**174,261,363.89**	163,391,631.13	6.65
Net cash flows from generated financing activities	**120,738,636.11**	256,190,368.87	-52.87

Description:

1. Net cash flows from operating activities decreased by approximately RMB123,952,600 year on year, which was mainly due to an increase in cash paid for goods and services during the current period as compared with the previous period;

2. Net cash flows from investing activities increased by approximately RMB71,504,400 year on year, which was mainly due to an increase in net cash derived from the disposal of fixed assets, intangible assets and other long-term assets during the current period and a year-on-year decrease in cash paid for the purchase of fixed assets, intangible assets and other long-term assets during the current period;

3. Net cash flows from financing activities decreased by approximately RMB135,451,700 year on year, which was mainly due to the special funds and employee share incentive payments received during the previous period.

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

Not applicable

(V) Analysis of assets and liabilities

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 previous period	Balance at the end of the previous period over total assets (%)	Change in amount over the previous period (%)	Description
Notes receivable	14,048,892.34	0.46	3,590,000.00	0.13	291.33	Mainly due to an increase in undue acceptance bills
Accounts receivable	499,865,493.32	16.19	385,061,945.72	13.69	29.81	Mainly due to longer credit periods given to customers, which led to an increase in receivables
Receivable financing	17,738,416.42	0.57	32,346,639.47	1.15	-45.16	Mainly due to a decrease in undue acceptance bills
Contractual assets	17,727,137.20	0.57	–	0.00	100.00	Mainly due to the reclassification of undue retention receivables
Other current assets	66,859,038.79	2.17	9,687,325.81	0.34	590.17	Mainly due to an increase in value-added tax retained by subsidiaries
Construction in progress	280,234,944.36	9.08	74,093,650.27	2.63	278.22	Mainly due to the increased investment in production lines by subsidiaries
Other non-current assets	18,299,049.58	0.59	88,393,971.47	3.14	-79.30	Mainly due to a decrease in prepayments for equipment by subsidiaries during the current period
Short-term borrowings	230,000,000.00	7.45	140,000,000.00	4.98	64.29	Mainly due to an increase in bank borrowings by subsidiaries during the current period
Notes payable	116,344,018.02	3.77	85,759,357.39	3.05	35.66	Mainly due to an increase in bank acceptances issued by subsidiaries
Contractual liabilities	65,835,225.59	2.13	47,451,038.27	1.69	38.74	Mainly due to an increase in advances from customers during the current period
Other current liabilities	14,537,663.61	0.47	9,200,236.26	0.33	58.01	Mainly due to an increase in notes receivable of subsidiaries that did not meet the conditions for derecognition and an increase in the reclassification of value-added tax in contractual liabilities during the current period
Long-term borrowings	133,350,000.00	4.32	70,000,000.00	2.49	90.50	Mainly due to an increase in long-term borrowings by subsidiaries for project development during the current period
Estimated liabilities	7,986,099.32	0.26	4,989,719.00	0.18	60.05	Mainly due to the accrual of quality guarantee deposits by subsidiaries during the current period
Deferred incomes	13,453,008.53	0.44	7,998,474.74	0.28	68.19	Mainly due to the receipt of special research and development funds by subsidiaries during the current period
Other comprehensive income	4,172,992.51	0.14	3,094,393.89	0.11	34.86	Mainly due to the effect of exchange differences on foreign currency statements
Special reserves	1,222,044.23	0.04	381,371.62	0.01	220.43	Mainly due to an increase in the accrual of production safety expenses by subsidiaries

Other information

Nil

2. Major restricted assets at the end of the Reporting Period

Unit: Yuan Currency: RMB

	End of the year			
Item	**Book balance**	**Book value**	**Type of restriction**	**Condition of restriction**
Fixed assets	160,638,154.58	96,058,176.93	Pledged property buildings	Security for borrowings and bank acceptance
Financing receivables	2,800,000.00	2,800,000.00	Pledged notes receivable	Pledge
Monetary funds	69,544,018.02	69,544,018.02	Margin	Deposits for bank acceptance bills
	1,639,488.83	1,639,488.83	Margin	Letter of credit guarantee deposit
	1,232,613.74	1,232,613.74	Litigation freeze	Litigation freeze
Total	235,854,275.17	171,274,297.52	–	–

	Beginning of the year			
Item	**Book balance**	**Book value**	**Type of restriction**	**Condition of restriction**
Fixed assets	139,823,125.79	78,551,161.30	Pledged property buildings	Mortgage
Financing receivables	4,928,000.00	4,928,000.00	Pledged notes receivable	Pledge
Monetary funds	65,688,058.02	65,688,058.02	Margin	Deposits for bank acceptance bills
	7,228,638.76	7,228,638.76	Margin	Letter of credit guarantee deposit
	500.69	500.69	Margin	Bond for letter of guarantee
Total	217,668,323.26	156,396,358.77	–	–

3. Other description

Not Applicable

(VI) Analysis of industry operation

(1) Gas Storage and Transportation Segment

The upstream of the gas storage and transportation equipment industry is mainly steel, forgings, etc.. The midstream industry is the gas storage and transportation equipment manufacturing industry, and the downstream is the gas storage and transportation equipment application industry, mainly used in chemical, medical, food processing, aviation and aerospace and other fields. The market demand for the gas storage and transportation equipment industry maintained a relatively stable growth trend, and the market size was maintained at a high level.

Cylinders segment:

The overall development trend of China's industrial gas market was stable and improving, and the total market volume of the cylinders segment was relatively stable. However, the domestic economic environment was challenging in 2024, with enterprises which were end-users of gases facing difficulties in their operation. As a result, the market demand for gas cylinders was lower than expected. It is expected that in 2025, with the unrolling of supporting policies and the advancement of industry upgrading, the segment will show steady growth with higher demand for cylinders.

Compound gas cylinders segment:

The hydrogen energy industry chain was still in the stage of being cultivated by policy support. According to data from China Association of Automobile Manufacturers, in 2024, the production and sales volume of fuel cell vehicles in China were 5,548 and 5,405 vehicles respectively, representing a year-on-year decrease of 10.4% and 12.6% respectively. It is expected that in 2025, bolstered by the vision of carbon neutrality, the demand for hydrogen will pick up and the sales of hydrogen fuel cell vehicles will grow.

Cryogenic storage and transportation segment:

In recent years, the overall market demand for cryogenic cylinders has been affected by the reduction of bulk industrial gas consumption caused by the drop in infrastructure investment. Meanwhile, in the market for cylinders for vehicles, heavy-duty trucks in China have focused on replacing their existing stocks in recent years. It is expected that the market for industrial storage tanks and vehicle-mounted LNG cylinders will remain stable in 2025.

(2) Intelligent Manufacturing Segment

Automation equipment industry:

In 2024, China's automation equipment market continued to grow. Industrial automation equipment remained the driving force, as it was widely used in vehicles, electronics and other industries, helping enterprises to improve efficiency and reduce costs. Equipment is evolving towards greater intelligence and flexibility, while industrial robots and other technical levels continue to improve.

The competitive landscape of the industry is becoming increasingly concentrated, with leading companies commanding significant market shares due to their technological and brand advantages, and emerging enterprises rising in sub-segments through innovation and customized services. Although the industry is exhibiting a robust growth trajectory, it still faces challenges such as technological upgrades and intensified market competition.

In the future, the industry is poised to advance towards greater intelligence and sustainability. As a result, enterprises need to perpetually innovate and enhance their core competitiveness to adapt to market changes and seize opportunities for development.

Home appliances industry:

In 2024, the retail sales of home appliances above the designated size in China's home appliance industry amounted to RMB1,030.7 billion, representing a year-on-year growth of 12.3%. Export market performance was strong, with the export value of white goods in the first 11 months increasing by 14.3% year on year to USD117.46 billion and the export volume of televisions expected to break through 100 million units again. Leading enterprises were also accelerating their expansion into emerging overseas markets. The impact of policy support was obvious, with the "old-for-new" trade-in program driving four consecutive months of double-digit growth from September to December. The effectiveness of these policies drove the industry to accelerate the release of demand for upgrading manufacturing equipment.

Currently, the home appliances industry is imposing greater demands on its manufacturing equipment, particularly in terms of high-end innovation, intelligent advancements, and green transformation, such as the integration of artificial intelligence and robotic technology, and sustainable manufacturing. The entry of internet technology companies into these domains has created significant competitive pressure on traditional equipment manufacturers.

(VII) Analysis of investments

1. General analysis of external equity investments

(1) Material equity investments

Unit: 0'000 Yuan Currency: RMB

Investee	Principal business	Whether the target is principally engaged in the investment business	Investment method	Invested amount	Shareholding percentage	Whether consolidated in the financial statements of the Group	Financial statement items (if applicable)	Sources of funds	Impact on profit or loss for the current period	Whether involved in litigation	Disclosure date (if any)	Disclosure index (if any)
Beijing Tianhai Industry Co., Ltd.	Gas storage and transportation equipment	Yes	Capital Increase	20,000	100%	Yes		Budget funds for state-owned capital operation for 2022		No	2024.12.30	Website of the Stock Exchange (www.hkexnews.hk)
Beijing Tianhai Hydrogen Energy Equipment Co., Ltd.	Gas storage and transportation equipment	Yes	Capital Increase	34,000	100%	Yes		RMB200 million from budget funds for state-owned capital operation for 2022 +RMB140 million from capital reserve		No	2024.12.30	website of the Stock Exchange (www.hkexnews.hk)
Total	/	/	/	54,000	/	/		/		/	/	/

(2) Material non-equity investments

Not applicable

(3) Financial assets measured at fair value

Not applicable

(VIII) Material disposal of assets and equity interest

Not applicable

(IX) Analysis of major subsidiaries and associates

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.	RMB748,759,761.190	RMB2,386,555,265.17	RMB663,945,208.64	RMB-21,833,490.28
Jingcheng Holding (Hong Kong) Company Limited	Trading and investment	Import and export trade, investment holding and consultancy services, etc.	HK$1,000	RMB9,248,661.43	RMB3,293,684.68	RMB98,698.17
Qingdao BYTQ United Digital Intelligence Co., Ltd.	Production	Robots and automation equipment etc.	RMB21,418,633	RMB470,823,851.52	RMB333,458,147.13	RMB45,794,191.99

(X) Structured entities under the control of the Company

Not applicable

(XI) Industry structure and trends

1. Gas storage and transportation segment

Cylinders industry: With the heightened risks of tax increases in the United States and the European Union's anti-dumping investigations on cylinders exported from China, the uncertainties and pressures in the international market have further increased. Conversely, driven by policy stimuli and advancements in industrial upgrading, the demand for industrial cylinders in the domestic market will continue to recover. Demand for cylinders for specialty gases is expected to keep soaring as high-tech sectors such as the semiconductor and chip industries are thriving. However, the domestic market remains mostly a zero-sum game, with increasingly fierce competition. The fire extinguisher market is becoming further differentiated. The demand from fire safety in buildings is expected to maintain 2024 levels, while the demand from fire safety in new railway infrastructures will further decline, as the number of urban rail construction projects in China decreases year by year with the gradual improvement of the country's urban rails. On the other hand, the marine fire safety market is expected to record steady growth.

Compound gas cylinders industry: As the four-year demonstration period (from August 2021 to August 2025) regarding the use of hydrogen energy in five city clusters in China is drawing to an end, the government may expedite the implementation of demonstration projects regarding the adoption of hydrogen fuel cell vehicles. It is estimated that there remain 8,400 target vehicles from within these clusters and an additional 1,300 vehicles from outside these clusters, bringing the total to 9,700 vehicles. Furthermore, as the "low-altitude economy" has increasingly featured in government work reports, the hydrogen energy business will see new opportunities in the drone sector. The rapid decline in the costs of compound gas cylinders has made it possible to transport high value-added gases such as electronic gases in bundles. In the international market, there will also be certain market opportunities in the storage and transportation of helium, hydrogen and natural gas.

Cryogenic storage and transportation industry: The overall market demand for industrial cryogenic gas cylinders is expected to remain steady in 2025. As the Russia-Ukraine conflict and natural gas supply gradually stabilize, the sales of HPDI products are expected to maintain the high levels observed in 2024.

2. Intelligent manufacturing segment

In 2024, under the auspices of national support policies, China's industrial robot industry continued to develop healthily, with the output of industrial robots increasing by 14.2% year on year. Although the annual sales of industrial robots fell slightly year on year, they continue to exhibit a promising trend across various sectors. After years of industry consolidation and technology accumulation, China's industrial robot industry is advancing towards international competition and domestic substitution, with significant growth in the export volume as well as the market share of domestically produced products in 2024.

As the trend of active investment and financing in China's industrial robot industry continues, the market is set to enter a pivotal phase in 2025, which will be characterized by technological integration, market expansion and a diversification of competitive dynamics. The development potential of domestic industrial robots appears immensely promising, with an expected increase in market share and accelerated progress towards domestic substitution.

(XII) Development strategies of the Company

1. Gas Storage and Transportation Segment

Positioning: A global leading enterprise in the manufacturing and services of gas storage and transportation equipment.

Strategy: Continuously strengthening the leading position and market position of industrial gas cylinder and fire-fighting gas cylinders to enhance its profitability; focusing and optimizing the product structure of natural gas business, maintaining an appropriate scale, innovating the operating model to enhance its competitive edge; increasing its expansion into the hydrogen energy market and its efforts in technology transfer, accelerating the industrialisation and batching process of Type IV cylinders to seize the opportunity to develop the hydrogen energy industry.

2. Intelligent Manufacturing Segment

Positioning: An industry leading comprehensive intelligent manufacturing solutions provider

Strategy: Focusing on the industrial automation equipment manufacturing field and deeply engaging in the home appliances industry, industrial automation, robotics integration applications, production and manufacturing as well as integrated applications of intelligent manufacturing equipment and other products, providing comprehensive solutions for enterprises in intelligent manufacturing, maintaining the competitive advantages of existing products and actively expanding new markets.

(XIII) Operating plan

The year 2025 marks the concluding year of the "14th Five-Year Plan" and is also a pivotal year for its implementation. Guided by its "14th Five-Year Plan" strategy, the Company will wholeheartedly embrace the new development philosophy, with a view to contributing to the development of Beijing as an international science and technology innovation hub, implementing the "Five Initiatives" and adapting itself to the new development dynamic. It will drive development through innovation, carry out reforms to create new momentum and comprehensively enhance its management. It will accelerate the robust development of the hydrogen energy industry while continuously deepening its commitment to stringent party governance. It will be devoted to realizing its goals set for 2025, making every effort to promote its high-quality development and achieve new results.

(XIV) Potential risks

1. Risk of deterioration of the international situation

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

Firstly, the risk of global economic recession will rise, inflation is expected to continue, geopolitical conflicts will escalate and threaten the recovery of global trade, and the export market as a whole will face greater downward pressure.

Secondly, the competition between China and the United States will escalate, with more tariff hurdles and trade frictions. Meanwhile, with the increasing competition in the European market, there will be greater uncertainty in export market revenues.

Thirdly, the ongoing tensions resulting from the Russia-Ukraine conflict has led to significant changes in the energy structure of Europe, with the energy structure changing from natural gas to electrification in the long term. There will be major changes in the LNG market, resulting in a reduction in demand for LNG storage and transportation equipment.

2. Risk of intensified market competition

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

3. Risk of new business and new market development

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

(XV) Analysis of financial position and operating results of the Company during the Reporting Period

During the Reporting Period, the Company's total profit increased by approximately RMB93,110,000 year on year. The operating profit increased by approximately RMB94,202,600 year on year and the net non-operating expenses decreased by approximately RMB1,092,600 year on year. The operating income increased by approximately RMB243,364,600 year on year and the operating cost increased by approximately RMB149,084,200 year on year.

During the Reporting Period, taxes and surcharges increased by approximately RMB3,376,800 or 42.68% year on year, which was mainly due to an increase in current tax payable.

During the Reporting Period, investment income increased by approximately RMB5,015,500 or 41.80% year on year, which was mainly due to an increase in gain on debt restructuring.

During the Reporting Period, credit impairment loss increased by approximately RMB6,284,200 year on year, which was mainly due to an increase in receivables, which led to an increase in bad debt provisions.

During the Reporting Period, asset impairment loss decreased by approximately RMB9,790,100 year on year, which was mainly due to a decrease in the difference between the net realizable value of inventories and selling prices during the year, which resulted in a corresponding decrease in the provision for inventory write-downs.

During the Reporting Period, income from the disposal of assets increased by approximately RMB47,800 year on year, which was mainly due to an increase in income from the disposal of assets.

During the Reporting Period, non-operating income decreased by approximately RMB620,600, which was mainly due to the receipt of compensation by subsidiaries in the previous period.

During the Reporting Period, non-operating expenses increased by approximately RMB472,000, which was mainly due to the payment of compensation by subsidiaries and an increase in loss on the damage or retirement of fixed assets.

1. Analysis of assets, liabilities and shareholders' equity

Total assets and total liabilities increased at the end of the Reporting Period, as compared with that of the beginning of the year. Total assets amounted to approximately RMB3,086,613,300, representing an increase of approximately RMB274,269,800 or 9.75% as compared with the beginning of the year. Total liabilities amounted to approximately RMB1,674,456,100, representing an increase of approximately RMB240,519,300 or 16.77% as compared with the beginning of the year. Total shareholders' equity amounted to approximately RMB1,412,157,200, representing an increase of approximately RMB33,750,500 or 2.45% as compared with the beginning of the year.

2. Analysis of financial position

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 kept its loan scale under strict control so that it could satisfy the capital needs for its operating activities while minimizing its financing cost and preventing financial risks by fully utilizing financial instruments, with a view to achieving sustainable growth and maximizing shareholder value.

Liquidity and capital structure

	2024	2023
(1) Gearing ratio	**54.25%**	50.99%
(2) Quick ratio	**119.29%**	127.30%
(3) Current ratio	**152.85%**	164.76%

3. Bank loans

The Company prudently implemented its annual capital budget plan in accordance with changes in the market environment and the requirements of customers to strictly control its bank loan scale. The Company fully utilized financial instruments to reduce its financing cost and prevent financial risks to improve the profit of the Company and shareholders while satisfying the capital needs for the operating activities of the Company. At the end of the Reporting Period, the Company's short-term loans increased by RMB90,000,000 or 64.29%, as compared with the beginning of the period, and its long-term loans increased by RMB63,350,000 or 90.50% as compared with the beginning of the period.

4. Foreign exchange risk management

The Company is mainly exposed to foreign exchange risk relating to US dollars and euro. The Group's main operation is settled by RMB, except for the Company's subsidiaries, Beijing Tianhai, BTIC America Corporation and Jingcheng Holding (Hong Kong) Co., Ltd., which use US dollars and euro for procurement and sale. Accordingly, it may be exposed to foreign exchange risk arising from changes in exchange rates between US dollars, euro and RMB. The Company actively adopted measures to reduce foreign exchange risk.

(XVI) Principal sources of funds and their use

1. Cash flows from operating activities

Cash inflows from operating activities of the Company during the Reporting Period were mainly derived from the income from product sales. Cash outflows were mainly used in expenses related to production and operating activities. During the Reporting Period, cash inflows from operating activities amounted to RMB1,238,839,900, while cash outflows amounted to RMB1,296,432,600. Net cash flows during the Reporting Period from operating activities amounted to a loss of RMB57,592,700.

2. Cash flows from investing activities

During the Reporting Period, cash inflows from investing activities of the Company amounted to RMB17,206,600, which mainly came from the disposal of fixed assets during the period, while cash outflows from investing activities amounted to RMB102,772,400, which were mainly used in expenses for the purchase and construction of fixed assets. Net cash flows from investing activities during the Reporting Period amounted to a loss of RMB85,565,900.

3. Cash flows from financing activities

Cash inflows from financing activities during the Reporting Period amounted to RMB295,000,000, which were mainly derived from bank borrowings. Cash outflows from financing activities during the Reporting Period amounted to RMB174,261,400, which were mainly due to the repayment of loans, interest expenses and the payment of operating lease rentals. Net cash flows from financing activities during the Reporting Period amounted to RMB120,738,600.

In 2024, net cash flows from operating activities decreased by approximately RMB123,952,600 year on year, which was mainly due to an increase in cash paid for the purchase of goods and services as compared with the previous period. Net cash flows from investing activities increased by approximately RMB71,504,400 year on year, which were mainly due to an increase in net cash derived from the disposal of fixed assets, intangible assets and other long-term assets during the current period and a year-on-year decrease in cash paid for the purchase and construction of fixed assets, intangible assets and other long-term assets during the current period. Net cash flows from financing activities decreased by approximately RMB135,451,700 year on year, which was mainly due to the special funds and employee share incentive payments received during the previous period.

(XVII) Capital structure

During the Reporting Period, the Company's capital structure consisted of shareholders' equity and liabilities. Shareholders' equity amounted to RMB1,412,157,200, including minority interest of RMB328,000,600, and total liabilities amounted to RMB1,674,456,100. Total assets amounted to RMB3,086,613,300. As at the end of the period, the Company's gearing ratio was 54.25%.

Capital structure by liquidity

Total current liabilities	RMB961,752,700	Percentage of assets	31.16%
Total shareholders' equity	RMB1,412,157,200	Percentage of assets	45.75%
Of which: Minority interest	RMB328,000,600	Percentage of assets	10.63%

(XVIII) Contingent liabilities

As at the end of the Reporting Period, the Company did not have any discloseable significant contingent liabilities.

(XIX) Details of the Group's charge on assets

Unit: Yuan Currency: RMB

	End of the year			
Item	Book balance	Book value	Type of restriction	Condition of restriction
Fixed assets	160,638,154.58	96,058,176.93	Pledged property buildings	Security for borrowings and bank acceptance
Financing receivables	2,800,000.00	2,800,000.00	Pledged notes receivable	Pledge
Monetary funds	69,544,018.02	69,544,018.02	Margin	Deposits for bank acceptance bills
	1,639,488.83	1,639,488.83	Margin	Letter of credit guarantee deposit
	1,232,613.74	1,232,613.74	Litigation freeze	Litigation freeze
Total	235,854,275.17	171,274,297.52	–	–

	Beginning of the year			
Item	Book balance	Book value	Type of restriction	Condition of restriction
Fixed assets	139,823,125.79	78,551,161.30	Pledged property buildings	Mortgage
Financing receivables	4,928,000.00	4,928,000.00	Pledged notes receivable	Pledge
Monetary funds	65,688,058.02	65,688,058.02	Margin	Deposits for bank acceptance bills
	7,228,638.76	7,228,638.76	Margin	Letter of credit guarantee deposit
	500.69	500.69	Margin	Bond for letter of guarantee
Total	217,668,323.26	156,396,358.77	–	–

(XX) Occupation of funds and progress of repayment of debt during the Reporting Period

Not applicable

(XXI) Explanation of the Company on "Modified Auditors' Report" issued by the auditors

Not applicable

(XXII) Proposals for profit distribution or for converting surplus reserves into share capital

1. Formulation, implementation or adjustment of cash dividend policy

Not applicable

2. Profit distribution plan or proposal or plan or proposal to convert surplus reserves into share capital in the previous three years (inclusive of the Reporting Period) of the Company

Unit: Yuan Currency: RMB

Year of distribution	Number of shares to be distributed for every ten shares (share)	Amount to be distributed for every ten shares (RMB) (tax inclusive)	Number of shares to be converted into share capital for every ten shares (share)	Amount of cash dividend (inclusive of tax)	Net profit attributable to ordinary shareholders of listed company in the consolidated financial statements during the year of distribution	Percentage of the net profit attributable to ordinary shareholders of the listed companies in the consolidated financial statements (%)
2024	0	0	0	0	7,477,047.53	0
2023	0	0	0	0	-51,675,143.59	0
2022	0	0	0	0	19,011,605.47	0

3. Inclusion of repurchased shares by cash in cash dividend

Not applicable

4. If the Company records profits and the parent company records a positive undistributed profit attributable to ordinary shareholders during the Reporting Period but there has been no plan or proposal for the distribution of cash dividend of ordinary shares, the Company shall disclose the reasons and the usage of the undistributed profits and the usage plan in detail

Not applicable

III. EXPLANATION ON OTHER IMPORTANT MATTERS

1. **During the Reporting Period, the Company was subject to applicable enterprise income tax rates of 25% and 15%.**

2. **Review of financial statements for the Reporting Period by the audit committee**

   The audit committee of the Board of the Company has reviewed and confirmed the financial report for 2024.

3. **Corporate Governance Code**

   The Company complied with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange and the Hong Kong Listing Rules during the Reporting Period.

   The Company has adopted the code provisions set out in Part 2 of the Corporate Governance Code contained in Appendix C1 to the Hong Kong Listing Rules as its corporate governance code. The Board considers that the Company complied with all applicable code provisions set out in the Corporate Governance Code throughout the year.

4. **Model Code for Securities Transactions by Directors and Supervisors**

   During the Reporting Period, the Company adopted a model code regarding securities transactions by directors and supervisors on terms no less exacting than the required standards set out in the "Model Code for Securities Transactions by Directors of Listed Issuers" in Appendix C3 to the Hong Kong Listing Rules. After making specific enquiries with all directors and supervisors of the Company, the Company confirmed that, each of the directors and supervisors of the Company complied with the required standards on securities transactions by directors and supervisors as set out in the model code for the 12 months ended 31 December 2024.

5. Share capital

(1) Total number of shares and changes in share capital structure of the Company during the Reporting Period

Unit: share

	Opening balance	Increase and decrease (+,-) in the current change					Closing balance
		Issuance of new shares	Bonus issue	Conversion from reserve	Other	Subtotal	
Total shares	547,665,988.00	0	0	0	0	0	547,665,988.00

(2) During the Reporting Period, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

IV. ANNUAL REPORT AND OTHER INFORMATION

This announcement will be published on the websites of the Company (www.jingchenggf.com.cn) and the Stock Exchange (www.hkexnews.hk). The entire annual report will be published on the websites of the Company and the Stock Exchange in due course.

By Order of the Board
Beijing Jingcheng Machinery Electric Company Limited
Li Junjie
Chairman

Beijing, the PRC
28 March 2025

As at the date of this announcement, the Board comprises Mr. Zhang Jiheng as an executive director, Mr. Li Junjie, Mr. Zhou Yongjun, Mr. Man Huiyong and Ms. Li Chunzhi as non-executive directors, and Ms. Chen Junping, Mr. Zhao Xuguang, Mr. Liu Jingtai and Mr. Luan Dalong as independent non-executive directors.