

Stock code: 200054

Stock Abbreviation: Jianshe Vehicle B

Announcement No.: 2019-043

## **Chongqing Jianshe Vehicle System Co., Ltd.**

### **The First Quarterly Report 2019**

## 1 Important notes

The Board of Directors, the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Quarterly Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Quarterly Report.

Except the following directors, all the directors attended the board meeting for reviewing the annual Report.

The name of the directors absent	Positions	Reasons for the absence	Name of the consignee
Yan Xuechuan	Director	Business trip	Lv Hongxian
Hao Lin	Director	Business trip	Li Dingqing
Liu Zhiqiang	Independent Director	Business trip	Peng Jue

Mr. Lv Hongxian, The Company Leader, Mr.Tan Mingxian, Chief financial officer and the Ms.Niu Yanli, the person in charge of the accounting department (the person in charge of the accounting )hereby confirm the authenticity and completeness of the financial report enclosed in the report.

## II. Basic Information of the Company

### I. Main financial data and financial index

Indicate by tick mark whether the Company needs to retroactively restate any of its accounting data.

Yes  No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operation revenue (Yuan)	208,419,491.98	266,811,269.51	-21.89%
Net profit attributable to the shareholders of the listed company (Yuan)	-15,704,995.56	55,789.60	-28,250.40%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-15,991,228.39	-275,476.62	5,704.93%
Net Cash flow generated by business operation (Yuan)	29,472,232.97	18,706,058.10	57.55%
Basic earning per share(Yuan/Share)	-0.1316	0.0005	-26,420.00%
Diluted gains per share(Yuan/Share)(Yuan/Share)	-0.1316	0.0005	-26,420.00%
Net asset earning ratio (%)	-5.50%	0.02%	-5.52%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (Yuan)	1,322,738,049.45	1,461,770,573.54	-9.51%
Net assets attributable to shareholders of the listed company (Yuan)	277,596,454.98	293,301,450.54	-5.35%

Items and amount of non-current gains and losses

Applicable  Not applicable

In RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
Government subsidies recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	30,000.00	

Other non-business income and expenditures other than the above	256,232.83	
Total	286,232.83	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable     Not applicable

None of Non-recurring gain /loss items recorgnized as recurring gain /loss/itesm as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

## II. Total Shareholders and Shares Held by Top Ten Shareholders at the End of the Reporting Period

### 1. About Total Common Shareholders, Total Preference Shareholders with the Voting Power Recovered and the Shares Held by Top Ten Common Shareholders

In shares

Total number of common shareholders at the period-end	8,077	Total preference shareholders with the voting power recovered at the end of the reporting period(if any)	0			
Shares held by the top 10 shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
China Military Equipment Group Co., Ltd.	State-owned legal person	71.13%	84,906,250	84,906,250		
Gu Zuocheng	Domestic natural person	1.89%	2,261,000	2,218,750		
Hengsheng Sun Group Co., Ltd.	Domestic non-state-owned legal person	1.47%	1,750,000	1,750,000	Freeze	1,750,000
Liu Dan	Domestic natural person	0.90%	1,071,751	0		
Xu Yuanhui	Domestic natural person	0.56%	666,789	0		
Yu Lingfeng	Overseas natural person	0.51%	612,921	0		
Chen Xinqiang	Domestic natural person	0.51%	612,400	0		
Zhang Meilan	Domestic natural person	0.43%	513,560	0		
Feng Yonghui	Domestic natural person	0.42%	500,000	500,000		
Li Jianping	Domestic natural person	0.37%	445,569	0		
Shares held by the Top 10 Shareholders of Non-restricted shares						
Shareholders' Names	Number of the non-restricted shares held	Share type				
		Share type	Quantity			
Liu Dan	1,071,751	Foreign shares placed in domestic exchange	1,071,751			
Xu Yuanhui	666,789	Foreign shares placed in domestic exchange	666,789			
Yu Lingfeng	612,921	Foreign shares placed in domestic exchange	612,921			

Chen Xinqiang	612,400	Foreign shares placed in domestic exchange	612,400
Zhang Meilan	513,560	Foreign shares placed in domestic exchange	513,560
Li Jianping	445,569	Foreign shares placed in domestic exchange	445,569
CORE PACIFIC-YAMAICHI INTERNATIONAL (H.K.) LIMITED	424,550	Foreign shares placed in domestic exchange	424,550
Chen Houping	423,561	Foreign shares placed in domestic exchange	423,561
Liu Guosheng	345,575	Foreign shares placed in domestic exchange	345,575
Lin Fan	303,400	Foreign shares placed in domestic exchange	303,400
Explanation on associated relationship among the aforesaid shareholders	There is no affiliated relationship between the top ten non-restricted tradable shareholders and the controlling shareholder China Military Equipment Group Co., Ltd. nor do they belong to the consistent actors stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> ; it is unknown to the company whether there is an affiliated relationship between the top ten non-restricted tradable shareholders as well as between the top ten non-restricted tradable shareholders and the other top ten shareholders, or whether they are included in the consistent actors stipulated in the <i>Administrative Measures for the Acquisition of Listed Companies</i> .		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

Yes  No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

2.Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable  Not applicable

### III. Significant issues

#### III. Significant Issues I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Applicable  Not applicable

During the reporting period, the Company's product sales and sales price decreased YOY, resulting in a loss of net profit.

#### II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal.

Applicable  Not applicable

1. Cancel the Technology Center of the branch Chongqing Jianshe Motorcycle Co., Ltd.

Chongqing Jianshe Motorcycle Co., Ltd. Branch Technology Center's business scope is motorcycle research and development, which is no longer the company's main business development direction. In order to further improve the company's business structure and reduce the level of operation, the company convened the 13th meeting of the eighth Board of Directors on January 14, 2019, and deliberated and passed the *Proposal on Cancellation of Branch Technology Center* (for details, see the *Announcement on Cancellation of Branch Technology Center* disclosed on January 16, 2019). The cancellation will not change the scope of the company's consolidated financial statements, will not affect the company's business development and sustained profitability, and will not harm the interests of the company and all shareholders.

On March 29, 2019, Chongqing Municipal Market Supervision Administration issued the Notice of Cancellation of Foreign-invested Enterprises (ZY) YZXZ Zi [2019] No. 000137, confirming that the Technology Center of the company's branch had been canceled.

2. Purchase of equity in Chongqing Jianshe HANON Automobile Thermal Management System Co., Ltd.

To further highlight the development of the main business, On March 31, 2019, the company held the 15th meeting of the eighth Board of Directors to consider and pass the *Proposal on the Purchase of Equity and Related Party Transactions of Chongqing Jianshe HANON Automobile Thermal Management System Co., Ltd.* On April 8, 2019, the company signed the *Stock Rights Transfer Agreement* with Chongqing Jianshe Mechanical and Electric Co., Ltd. to purchase 24.64% equity of Jianshe Hanang held by Chongqing Jianshe Mechanical and Electric Co., Ltd. at 24.64% of the appraised value, i.e. 102.7433 million yuan. On April 11, 2019, it was approved and implemented by the company's first extraordinary shareholders' meeting in 2019. On April 18, 2019, the company has already paid 102.7433 million yuan for this share transfer. After the completion of this transaction, our company and HANON respectively hold 50% equity in Jianshe Hanang. According to *Stock Rights Transfer Agreement*, the period from the base date of this equity transfer evaluation (November 30, 2018) to the actual delivery date of the equity transfer is the transitional period of this equity transfer, during which the Company shall enjoy or bear the profits and losses arising from Jianshe HANON .

3. Joint venture Chongqing Pingshan Taikai Carburetor Co., Ltd.

In order to improve the efficiency of the use of funds, the company and other shareholders of the joint venture Pingshan Taikai reduced the registered capital of Pingshan Taikai by a total of USD 9 million, of which the

company holds 50% equity in Pingshan Taikai and will recover the investment of USD 4.5 million. After the capital reduction is completed, the registered capital of Pingshan Taikai will be reduced from USD 19 million to USD 10 million US dollars. The capital reduction has been reviewed and approved by the 12th meeting of the eighth board of directors of the company on December 4, 2018, and by the 48th board meeting (temporary) of Pingshan Taikai on December 6, 2018. The industrial and commercial registration work for the capital reduction was completed on March 28, 2019.

Summary of material issues	Date of disclosure	Index of provisional announcement
Cancel the Technology Center of the branch Chongqing Jianshe Motorcycle Co., Ltd.	January 16,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-001,2019-002)
Purchase of equity in Chongqing Jianshe HANON Automobile Thermal Management System Co., Ltd.	January 16,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-001,2019-003)
	April 1,2019	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2019-014,2019-015, 2019-017, 2019-018, 2019-019 and 2019-023)
Joint venture Chongqing Pingshan Taikai Carburetor Co., Ltd.	December 5,2018	For details, please refer to the related announcements of the company disclosed on The Securities Times, Hong Kong Commercial Daily and <a href="http://www.cninfo.com.cn">www.cninfo.com.cn</a> (Announcement No.:2018-069,2018-071)

Progress in the implementation of share repurchase

Applicable  Not applicable

Progress in the implementation of the reduction of the repurchased shares by means of centralized bidding

Applicable  Not applicable

**III. Commitments finished in implementation by the Company, shareholders, actual controller, acquirer, directors, supervisors, senior executives or other related parties in the reporting period and commitments unfinished in implementation at the end of the reporting period**

Applicable  Not applicable

**No such cases in the reporting period.**



**IV. Prediction of Business performance for January- June 2019**

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

Applicable  Not applicable

**V Securities investments**

Applicable  Not applicable

No such cases in the Reporting Period

**VI. Investment in derivatives**

Applicable  Not applicable

No such cases in the Reporting Period

**VII. The registration form of acceptance of investigation, communication and interview in the report period for future reference**

Applicable  Not applicable

Reception time	Way of reception	Types of visitors	Basic index
January 16,2019	By phone	Other	Q: what is the purpose of acquiring the equity of Construction HANON? A: Further highlight the development of the main business, broaden the company's business scope in the field of auto parts, upgrade and expand the product technology capabilities, and achieve product and technology structure adjustment.
March 26,2019	By phone	Individual	Q: What's the impact of the acquisition of Construction HANON's equity on the Company? A: In the early stage namely the preparation stage and product market development stage of HANON, with the scale of production and sales of the company has not yet formed, so there will be certain losses, which will affect the investment income of the Company. However, in the long run, it will help the Company to participate in the competition in the middle and high-end market, avoiding future market competition risks and achieving a healthy development of the Company.

**VIII. External guarantee get out of line**

Applicable  Not applicable

**No such cases in the reporting period.**

**IX. Controlling shareholder and its related parties occupying non-business capital of the listed company**

Applicable  Not applicable

**No such cases in the reporting period.**