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Chongqing Machinery & Electric Co., Ltd.*
重慶機電股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 02722)

OVERSEAS REGULATORY ANNOUNCEMENT
2011 Chongqing Machinery & Electric Co., Ltd. Corporate Bonds
2011 Annual Report

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange Limited.

The announcement titled “2011 Annual Report of 2011 Chongqing Machinery & Electric Co., Ltd.* Corporate Bonds”, as set out on page 3 to page 20 of this announcement for reference purpose only, was published by Chongqing Machinery & Electric Co., Ltd.* (the “Company”) on the website of the Shanghai Stock Exchange (after trading hours) on March 30, 2012.

IMPORTANT NOTICE

The 2011 annual report (the “Report”), which are set out in this announcement and were prepared by the Company and its subsidiaries in accordance with the China Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

The board of directors, the supervisory committee and the directors, supervisors and senior management of Company warrant that there is no false representation, misleading statement in or material omission from this announcement with the Report, and jointly and severally accepts full responsibility for the truthfulness, accuracy and completeness of the contents contained herein and therein. The Report are prepared in Chinese and English. In case of any inconsistency of understanding between Chinese and English versions, the Chinese version shall prevail.

None of the directors, supervisors and senior management has made any statement that he/she could not confirm or has expressed any objection to the truthfulness, accuracy and completeness of the Report.

By Order of the Board
Chongqing Machinery & Electric Co., Ltd.*
Xie Hua Jun
Chairman Executive Director

Chongqing, the PRC
March 31, 2012

As at the date of this announcement, the executive Directors are Mr. Xie Hua Jun, Mr. Yu Gang, Mr. Liao Shaohua and Mr. Chen Xianzheng; the non-executive Directors are Mr. Huang Yong, Mr. Wang Jiyu, Mr. Yang Jingpu and Mr. Liu Liangcai; and the independent non-executive Directors are Mr. Lo Wah Wai, Mr. Ren Xiaochang and Mr. Kong Weiliang.

* *for identification purposes only*

2011 Chongqing Machinery & Electric Co., Ltd. Corporate Bonds
2011 Annual Report

IMPORTANT NOTICE

The board of directors of the Company and all its members confirm that this report does not contain any false information, misleading statements or material omissions, and accept joint and several responsibility for the truthfulness, accuracy and completeness of the contents of this report. PricewaterhouseCoopers Zhong Tian CPAs Limited Company has audited the financial statements of the Company for year ended 31 December 2011 which are prepared under PRC GAAP and issued an auditor's report with a standard unqualified opinion.

I. COMPANY PROFILE:

- (I) Company name: 重慶機電股份有限公司
(Chongqing Machinery & Electric Co., Ltd.)
- (II) Registered address: No. 155 Zhongshan Third Road, Yuzhong District,
Chongqing City, the PRC (the Company is in the process
of changing its registered address)
- (III) Legal representative: Xie Hua Jun
- (IV) Secretary to the board of directors: Chen Xianzheng
Contact address: No. 60, Middle Section of Huangshan Avenue,
New North Zone, Chongqing City, the PRC
Telephone: 023-63075686
Fax: 023-63075733
- (V) Website for publication of this annual report designated by China Securities
Regulatory Commission: www.sse.com.cn
- (VI) The Company's domestic auditor: PricewaterhouseCoopers
Zhong Tian CPAs Limited Company

II. SUMMARY OF THE BONDS

- (I) Name of the Bonds: 2011年重慶機電股份有限公司公司債券 (2011 Chongqing Machinery & Electric Co., Ltd. Corporate Bonds)
- (II) Abbreviation: 11重機債 (11 Chong Ji Zhai)
- (III) Code:122091
- (IV) Term: Five years
- (V) Total principal amount: RMB1 billion
- (VI) Interest rate: Fixed coupon rate 6.59% per annum
- (VII) Repayment of principal : Interest on the Bonds shall be paid annually.
and payment The principal will be repaid in one installment
of interest upon maturity.
- (VIII) Rating: AA+
- (IX) First day when the Bonds were issued: 17 August 2011
- (X) First day when the Bonds were listed and commenced trading: 5 September 2011
- (XI) Listing place: Shanghai Stock Exchange

III. CORPORATE PROFILE

The Company was established on 27 July 2007, with Chongqing Machinery and Electronic Holding (Group) Co., Ltd., Chongqing Yufu Asset Management Co., Ltd. (重慶渝富資產經營管理有限公司) (now known as Chongqing Yufu Assets Management (Group) Co., Ltd. (重慶渝富資產經營管理集團有限公司)), Chongqing Jiangong Group Co., Ltd. (重慶建工集團有限責任公司) (now known as Chongqing Construction Engineering Group Co., Ltd. (重慶建工集團股份有限公司)) and China Huarong Asset Management Co., Ltd. as joint investors and promoters. The Company was listed on The Stock Exchange of Hong Kong Limited on 13 June 2008 and the stock code is 02722.HK. As a large equipment manufacturing conglomerate in Western China, the Company's principal operations comprise four major segments including commercial vehicle parts and components, power equipment, general machinery and CNC machine tools.

1. Commercial vehicle parts and components. The Company is one of the leading manufactures of core parts and components of commercial vehicles in China. It principally engages in design, manufacture and sale of diesel engines, gear transmission systems, braking and steering systems, vehicle suspension systems and clutches. The Company's products are primarily used in large-sized trucks, buses, engineering, machinery and mining vehicles, marine vessels, special-purpose vehicles, etc. as well as back-up power supply for buildings and self-contained power supply for industrial enterprises.
2. Power equipment. The Company maintains a leading position in the domestic power equipment market, with its products primarily used in generation, transmission and distribution of power. The Company has been designated by the National Development and Reform Commission of China as a production base for large-capacity and impact-type hydroelectric turbine generators with high hydraulic heads as the Company is a leading player in the relevant market. With abundant undeveloped hydropower resources and huge market potential in China, the Company's advantages will come into full play. Chongqing ABB, an associated company of the Company, is one of the largest high-voltage transformer manufacturers in China. Chongqing Pigeon Electric Wire & Cable Co., Ltd., a controlled subsidiary of the Company, is among the top 3 manufacturers in China's electric wire industry and the "Pigeon (鴿牌)" is a well-known trademark in China. Chongqing Huahao Smelting Co., Ltd., a wholly-owned subsidiary of the Company, has become the largest non-ferrous copper

powder manufacturer in Asia. The diversified product mix allows the Company to capture the opportunities presented by China's hydropower potential, the build-up of a nationwide high-voltage electricity transmission network and the urbanization of Western China.

3. General machinery. The Company is one of the leading manufacturers in China's high-end general machinery industry, and its products are used in a wide range of industries, including iron & steel, metallurgical, construction materials, oil and gas, environmental protection, electricity, nuclear power, pharmaceutical, chemical, aeronautics and astronautics and food industries. Its products, such as compressors, separation machines and industrial pumps, embodying advanced domestic technologies, dominate their respective enormous-potential niche markets in China. The Company has obtained the production, manufacture, and sale qualifications for our nuclear power plant secondary pumps, the first company possessing such qualifications in China. In addition, we have expanded the capacity of our wind power rotor blades from 850KW to 1.5MW and 2.0MW. The Company plans to expand the production scale for such products in a bid to fully benefit from the rapid increase in market demand.
4. CNC machine tools. The Company is a flagship manufacturer in China's CNC machine tools industry and the gear cutting machine industry. The Company's products are used in a wide range of industries including motor vehicles, motorcycles, engineering and machinery, agricultural machinery and mining machinery industries. The Company is the world's largest gear cutting machine manufacturer in terms of production and sales volumes. The Company boasts a national-level technology R&D center and formulates the industrial standards for China's gear cutting machine industry. The Company's gear cutting machines are officially recognized as China's famous brand. The Company is well positioned to capitalize on the growth and digitalization of the machine tools industry in China to further develop our CNC machine tools business through innovation. Furthermore, we will serve as an industry leader to create market opportunities.

IV. MAJOR FINANCIAL DATA AND FINANCIAL INDICATORS OF THE COMPANY

(I) Major financial data (Unit:RMB0'000)

(Prepared under PRC GAAP)

Item	2011	2010	Increase/ decrease %
Total assets	1,143,781.50	993,734.19	15.1%
Total liabilities	620,505.04	510,444.92	21.6%
Total owners' equity	523,276.46	483,289.27	8.3%
Total equity attributable to equity holders of the Company	519,080.76	476,868.12	8.9%
Revenue	864,761.76	746,531.67	15.8%
Net profit	73,072.61	68,246.08	7.1%
Net profit attributable to equity holders of the Company	72,280.83	67,143.29	7.7%
Net cash flows from operating activities	-10,310.34	-23,510.19	-56.1%

(II) Major financial indicators

Item	2011	2010	Increase/ decrease %
Liquidity ratio	1.88	1.59	18.2%
Quick ratio	1.42	1.18	20.3%
Asset to liability ratio	54.3%	51.4%	5.6%

(1) Liquidity ratio = current assets/current liabilities

(2) Quick ratio = (current assets- inventories)/current liabilities

(3) Asset to liability ratio = total liabilities/total assets*100%

V. USE OF PROCEEDS

The proceeds of RMB1 billion from issue of the Corporate Bonds are intended to be used mainly for repayment of bank loans and general corporate purposes. At present, the proceeds are being used in succession as planned.

VI. STATEMENTS ON WHETHER THERE WAS ANY DEFAULT IN PAYMENT OF THE BOND PRINCIPAL AND INTEREST OR RISKS REGARDING PAYMENTS AS SCHEDULED

The Company had no breaches in respect of payment of interest or principal of the issued bonds, nor was there any sign indicating that there were risks regarding payment of the bond principal and interest by the Company as scheduled.

VII. BUSINESS REVIEW AND OUTLOOK

In 2011, in face of a complex and volatile international political and economic environment, the central government implemented a proactive fiscal policy and prudent monetary policy. As a result, China recorded a 9.2% GDP growth in 2011. In response to the tough external environment and heated competition, the Company sized up the situation, overcame difficulties and followed the business philosophy of “dedication, innovation, open-up and speed-up”. Harnessing the spirit of innovation and taking a pragmatic attitude, the Company spared no effort in operation management and market expansion, merger and financing, technological transformation and project implementation, internal control and corporate management, as well as culture shaping and brand building. By virtue of innovation and breakthroughs as well as good corporate governance, the Company has developed by leaps and bounds and completed all the development goals for the year.

In 2011, the Company recorded revenue of approximately RMB8,648 million, representing an increase of 15.8% over last year. Gross profit was approximately RMB1,389 million, representing an increase of approximately RMB131 million or approximately 10.4% over last year. Profit attributable to the shareholders of the Company amounted to approximately RMB722.8 million (2010: RMB671.4 million), representing an increase of approximately RMB51.4 million or approximately 7.7% over last year. Earnings per share was approximately RMB0.20 (2010: RMB0.18), representing an increase of approximately RMB0.02 or approximately 11.1% over last year.

Business review and outlook of each segment of the Company are as follows:

(I) Commercial vehicle parts and components

In 2011, against the backdrop of macroeconomic regulation, credit tightening and fierce competition in the industry, China's automobile industry experienced a pullback and correction in production and sales. Strong players survived in industrial slowdown and weak ones were eliminated. However, the Company's commercial vehicle parts and components business kept growing. The transmission business grew at a satisfactory level, with market shares increased and production capacity improved. The braking and steering system business did well in accommodating the market demand. The diesel engine business continued to maintain rapid growth, boosted by adjustment of product mix and development of electrical equipment, engineering machinery and shipbuilding markets. The commercial vehicle parts and components segment as a whole sustained rapid growth in sales, with full-year revenue amounting to approximately RMB1,612 million, representing an increase of approximately 4.6%.

The government's emphasis on the development of "high-end equipment manufacturing industry" and "new energy automobile", which is specified in the national "Twelfth Five-Year Plan", will help boost the sustained growth of the Company's commercial vehicle parts and components business. As our high-powered engines business grows rapidly, the 200,000 units project for phase 1 of the production base with an annual output of 400,000 gear boxes for medium and heavy-duty vehicles will commence construction, and adjustment in the business of braking and steering systems is to be completed, this segment is expected to maintain rapid growth as a whole in 2012.

(II) Power equipment

In 2011, the implementation of the national “Twelfth Five-Year Plan” and the State’s move to accelerate development of electricity transmission and transformation, hydropower, nuclear power and wind power provided sustained impetus for our power equipment-related business. The Company made every effort to expand into overseas markets and received large scale big orders for its hydroelectric generation equipment, making it a strong backstop. The electrical wires and cables business kept on the rise despite the negative impact of housing market regulation and high copper prices. The power equipment segment maintained its established advantages and grew at a fast pace. Its full-year revenue amounted to approximately RM3,479 million, up approximately 18.5% over the same period last year.

Notwithstanding the sluggish growth of the electrical wires and cables business due to tougher housing industry regulation in 2012, the whole sector is expected to sustain growth in 2012 driven by favourable factors such as sufficient orders for hydroelectric generation equipment, accelerated adjustment of product mix and substantial rise in output of non-ferrous metal powder.

(III) General machinery

In 2011, the Company closely followed the national strategy for new energy development and expedited the development of nuclear power, wind power, oil, petrochemical products and market expansion to minimize the impact of adjustment in the steel & iron, metallurgy and cement industries. Water pressure test pumps and centrifugal upward injection pumps, secondary pumps for million-kilowatt pressurized water reactor nuclear power station, came into industrialized production. Industrial fans, refrigeration machines and wind power rotor blades maintained favourable growth momentum in terms of orders and sales. Large gas compressors business grew rapidly. GKH model centrifugal machine was successfully brought to the US market. The general machinery segment as a whole experienced a relatively rapid recovery, recording a full-year revenue of approximately RMB1,365 million, up approximately 11.1% over the same period last year.

In 2012, the general machinery business of the Company will continue to tap into the markets of wind power, nuclear power, oil and petrochemical industries, vigorously develop containment spray pumps and low pressure safety injection pumps (secondary pumps for nuclear power station) and new products e.g. filter (presses) and separators, and continue to exert the advantages of high-temperature centrifugal fans, water pressure test pumps and centrifugal upward injection pumps for nuclear power stations and mega-watt wind power rotor blades in terms of product quality, industry-leading technology, premium brand and leading market position. It is expected that this business segment will keep growth at relatively high levels in 2012.

(IV) CNC Machine Tools

Despite the negative impact of macroeconomic regulation and credit tightening, China's auto industry maintained growth in 2011. Boosted by demands from the engineering machinery and general mechanical industries and backed by leading-edge technology and famous brand of the CNC gear hobbing machine and gear shaving machine, this business segment attained and maintained the leading market position and sustained relatively rapid growth, recording a full-year revenue of approximately RMB2,191 million, up approximately 24.6%.

In 2012, China's auto industry is likely to emerge from the wild fluctuation it experienced in the past two years and return to normal gradually. In spite of declining market demands for CNC machine tools, this business segment is expected to sustain growth in 2012 by virtue of product quality, market presence and famous brand.

On the whole, despite some recovery, the global economy remains shaky and faces the risk of a second recession in 2012, as the European crisis is yet to be fully resolved, the overall recovery remains weak and the adjustment is still ongoing. Meanwhile, as the Chinese economy is shifting from increasing inflation and overheated growth to disinflation, a relatively easy monetary policy will be adopted. Accordingly, the pressure of banks and enterprises in liquidity will be eased to certain extent and moderate economic growth will be maintained. The State's policies in favor of structural upgrading of machinery industry and the development opportunities therefrom are still in place. Benefiting from the industry policies, the Company's businesses such as commercial vehicle parts and components, power equipment, general machinery and CNC machine tools, still have access to favourable development opportunities amid challenges. The Company will leverage on its strengths in market, product, R&D, capital, manpower, brand and corporate governance to seize the opportunities and accelerate its development pace. The Company's businesses are expected to maintain a sound growth in 2012.

VIII. MATERIAL LITIGATION INVOLVED BY THE COMPANY

The Company was not involved in any on-going or pending litigation, arbitration or administrative proceedings that could have a material adverse effect on the financial conditions or results of operations of the Company, nor is the Company aware of any potential litigation, arbitration or administrative proceedings that could bring material adverse effect.

IX. CHANGES IN THE ISSUED BONDS

As at 31 March 2012, the Company has RMB1 billion of bonds in issue, namely the 11重機債(11 Chong Ji Zhai), with an aggregate principal amount of RMB1 billion and maturing in 5 years. There has been no change in the principal amount and maturity of the issued bonds since the date of issue.

X. FINANCIAL STATEMENTS

Please refer to the attachment for the 2011 consolidated balance sheets, consolidated income statements and consolidated cash flow statements of the Company.

Chongqing Machinery & Electric Co., Ltd.

31 March 2012

CONSOLIDATED BALANCE SHEETS AS AT 31 DECEMBER 2011

(Prepared under PRC GAAP)

(All amounts in RMB Yuan unless otherwise stated)

	31 December 2011	31 December 2010	31 December 2011	31 December 2010
ASSETS	Consolidated	Consolidated	Company	Company
Current assets				
Cash at bank and on hand	2,777,144,418	2,152,385,647	1,521,430,376	863,971,747
Notes receivable	933,270,928	733,859,143	105,713,538	—
Accounts receivable	1,651,302,795	1,456,308,456	—	—
Advances to suppliers	197,760,631	293,685,227	—	—
Dividends receivable	236,201,079	1,937,455	255,314,683	29,198,660
Other receivables	136,446,223	147,668,786	254,471,121	89,921,513
Inventories	1,916,969,291	1,653,962,536	—	—
Current portion of non-current liabilities	—	—	40,000,000	25,000,000
Other current assets	8,276,152	—	—	—
Total current assets	7,857,371,517	6,439,807,250	2,176,929,718	1,008,091,920
Non-current assets				
Available-for-sale financial assets	3,528,851	4,316,541	—	—
Long-term receivables	—	—	363,958,387	153,957,387
Long-term equity investments	716,432,933	1,018,142,584	3,797,284,972	3,973,309,925
Investment properties	141,763,307	98,302,526	—	—
Fixed assets	1,677,994,752	1,632,964,476	1,820,665	2,227,803
Construction in progress	168,624,305	89,017,896	3,052,500	2,207,500
Construction materials	43,735	3,935,413	—	—
Intangible assets	399,438,480	401,242,093	—	—
Goodwill	143,018,489	143,018,489	—	—
Long-term prepaid expenses	56,208,843	7,179,644	—	—
Deferred tax assets	68,722,079	99,414,998	—	—
Other non-current assets	204,667,718	—	—	—
Total non-current assets	3,580,443,492	3,497,534,660	4,166,116,524	4,131,702,615
TOTAL ASSETS	11,437,815,009	9,937,341,910	6,343,046,242	5,139,794,535

LIABILITIES AND OWNERS' EQUITY	31 December 2011 Consolidated	31 December 2010 Consolidated	31 December 2011 Company	31 December 2010 Company
Current liabilities				
Short-term borrowings	952,899,695	869,716,784	—	—
Notes payable	250,343,759	509,719,066	—	—
Accounts payable	1,304,611,088	1,189,381,357	—	—
Advances from customers	739,685,346	654,283,955	—	—
Employee benefits payable	197,822,215	193,815,585	310,357	104,051
Taxes payable	145,906,093	151,051,974	26,879	22,736
Interest payable	24,740,000	117,041	24,740,000	—
Dividends payable	40,183,764	23,730,904	15,676,997	—
Other payables	320,352,610	287,896,796	85,517,243	42,112,063
Current portion of non-current liabilities	212,692,196	161,180,479	65,959,710	52,285,524
Total current liabilities	<u>4,189,236,766</u>	<u>4,040,893,941</u>	<u>192,231,186</u>	<u>94,524,374</u>
Non-current liabilities				
Long-term borrowings	445,087,711	480,934,317	191,825,703	263,085,949
Debentures payable	993,451,000	—	993,451,000	—
Long-term payables	96,605,841	132,923,000	—	—
Payables for specific projects	5,566,629	3,034,960	—	—
Other non-current liabilities	442,982,076	417,351,542	—	—
Deferred tax liabilities	32,120,377	29,311,397	—	—
Total non-current liabilities	<u>2,015,813,634</u>	<u>1,063,555,216</u>	<u>1,185,276,703</u>	<u>263,085,949</u>
Total liabilities	<u>6,205,050,400</u>	<u>5,104,449,157</u>	<u>1,377,507,889</u>	<u>357,610,323</u>

LIABILITIES AND OWNERS' EQUITY	31 December 2011 Consolidated	31 December 2010 Consolidated	31 December 2011 Company	31 December 2010 Company
Owners' equity				
Paid-in capital	3,684,640,154	3,684,640,154	3,684,640,154	3,684,640,154
Capital surplus	53,273,019	59,711,597	135,268,070	135,068,070
Surplus reserve	170,312,259	122,519,724	166,147,976	118,355,441
Undistributed profits	1,282,060,081	901,815,571	979,482,153	844,120,547
Difference on translation of foreign currency financial statements	522,052	(5,829)	—	—
Total equity attributable to equity holders of the Company	5,190,807,565	4,768,681,217	4,965,538,353	4,782,184,212
Minority interest	41,957,044	64,211,536	—	—
Total owners' equity	5,232,764,609	4,832,892,753	4,965,538,353	4,782,184,212
TOTAL LIABILITIES AND OWNERS' EQUITY	11,437,815,009	9,937,341,910	6,343,046,242	5,139,794,535

CONSOLIDATED INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(Prepared under PRC GAAP)

(All amounts in RMB Yuan unless otherwise stated)

Item	2011 Consolidated	2010 Consolidated	2011 Company	2010 Company
1. Revenue	8,647,617,595	7,465,316,674	—	—
Less: Cost of sales	(7,258,500,898)	(6,207,181,479)	—	—
Taxes and surcharges	(27,574,792)	(23,632,802)	—	—
Selling and distribution expenses	(338,571,134)	(314,308,313)	—	—
General and administrative expenses	(668,067,931)	(596,490,206)	(35,572,137)	(38,492,182)
Financial expenses – net	(116,095,714)	(68,126,954)	(8,871,509)	6,818,967
Asset impairment losses	(9,651,555)	(33,039,744)	—	—
Add: Investment income	464,478,075	384,605,151	502,571,000	402,485,683
Including: Share of profit of associates and joint ventures	441,506,955	381,062,283	461,368,351	375,224,478
2. Operating profit	693,633,646	607,142,327	458,127,354	370,812,468
Add: Non-operating income	126,223,809	98,175,829	21,098,000	800,000
Less: Non-operating expenses	(9,966,396)	(9,517,621)	(1,300,000)	(100,000)
Including: Losses on disposal of non-current assets	(1,133,839)	(2,052,712)	—	—
3 Total profit	809,891,059	695,800,535	477,925,354	371,512,468
Less: Income tax expenses	(79,165,005)	(13,339,777)	—	—
4. Net profit	730,726,054	682,460,758	477,925,354	371,512,468
Attributable to equity holders of the Company	722,808,258	671,432,928	477,925,354	371,512,468
Minority interest	7,917,796	11,027,830	—	—

Item	2011 Consolidated	2010 Consolidated	2011 Company	2010 Company
5. Earnings per share				
Basic earnings per share (<i>RMB Yuan</i>)	0.20	0.18	—	—
Diluted earnings per share (<i>RMB Yuan</i>)	0.20	0.18	—	—
6. Other comprehensive income	257,267	15,360,144	—	—
7. Total comprehensive income	730,983,321	697,820,902	477,925,354	371,512,468
Attributable to equity holders of the Company	723,065,525	686,793,072	477,925,354	371,512,468
Minority interest	7,917,796	11,027,830	—	—

CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

(Prepared under PRC GAAP)

(All amounts in RMB Yuan unless otherwise stated)

Item	2011 Consolidated	2010 Consolidated	2011 Company	2010 Company
1. Cash flows from operating activities				
Cash received from sales of goods or rendering of services	9,414,255,216	7,567,899,985	—	—
Cash received relating to other operating activities	227,661,202	147,485,951	1,029,000	800,000
Sub-total of cash inflows	9,641,916,418	7,715,385,936	1,029,000	800,000
Cash paid for goods and services	(7,804,833,667)	(6,145,587,146)	—	—
Cash paid to and on behalf of employees	(989,535,121)	(846,035,019)	(14,580,030)	(9,832,442)
Payments of taxes and surcharges	(344,677,872)	(370,488,115)	(8,051,758)	(6,832,202)
Cash paid relating to other operating activities	(605,973,160)	(588,377,566)	(19,799,817)	(25,112,954)
Sub-total of cash outflows	(9,745,019,820)	(7,950,487,846)	(42,431,605)	(41,777,598)
Net cash flows from operating activities	(103,103,402)	(235,101,910)	(41,402,605)	(40,977,598)
2. Cash flows from investing activities				
Cash received from disposal of investments	5,392,971,120	8,000,000	5,393,171,232	—
Cash received from returns on investments	547,540,012	246,359,252	595,435,059	254,747,866
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	25,582,965	42,366,233	—	—
Cash received relating to other investing activities	104,683,483	25,148,778	25,200,000	10,879,842
Sub-total of cash inflows	6,070,777,580	321,874,263	6,013,806,291	265,627,708
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(406,591,283)	(201,617,490)	(958,030)	(1,725,810)

Item	2011 Consolidated	2010 Consolidated	2011 Company	2010 Company
Cash paid to acquire investments	(5,370,000,000)	(11,306,605)	(5,397,500,000)	(52,912,000)
Net cash paid to acquire subsidiaries and other business units	(65,855,328)	(141,862,364)	—	(145,716,539)
Cash paid relating to other investing activities	—	—	(555,325,004)	(53,761,400)
Sub-total of cash outflows	(5,842,446,611)	(354,786,459)	(5,953,783,034)	(254,115,749)
Net cash flows from investing activities	228,330,969	(32,912,196)	60,023,257	11,511,959

3. Cash flows from financing activities

Cash received from capital contributions	20,000,000	4,900,000	—	—
Including: Cash received from capital contributions by minority shareholders of subsidiaries	20,000,000	4,900,000	—	—
Cash received from borrowings	2,178,600,791	1,231,657,580	993,000,000	136,371,473
Cash received relating to other financing activities	59,000,000	—	42,114,451	—
Sub-total of cash inflows	2,257,600,791	1,236,557,580	1,035,114,451	136,371,473
Cash repayments of borrowings	(1,074,940,063)	(918,768,839)	(57,586,060)	(15,000,000)
Cash payments for interest expenses and distribution of dividends or profits	(392,593,451)	(299,852,872)	(276,866,794)	(217,360,002)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(14,641,942)	(10,616,801)	—	—
Cash payments relating to other financing activities	(106,340,118)	(5,570,926)	(62,612,451)	—
Sub-total of cash outflows	(1,573,873,632)	(1,224,192,637)	(397,065,305)	(232,360,002)
Net cash flows from financing activities	683,727,159	12,364,943	638,049,146	(95,988,529)

Item	2011 Consolidated	2010 Consolidated	2011 Company	2010 Company
4. Effect of foreign exchange rate changes on cash and cash equivalents	(5,753,686)	(4,076,715)	(145,398)	588,676
5. Net increase/(decrease) in cash and cash equivalents	803,201,040	(259,725,878)	656,524,400	(124,865,492)
Add: Cash and cash equivalents at beginning of year	1,679,369,818	1,939,095,696	858,961,404	983,826,896
6. Cash and cash equivalent at end of period	2,482,570,858	1,679,369,818	1,515,485,804	858,961,404