

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2013
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	JUNE 30,2013	DECEMBER 31,2012
Current assets		
Cash at bank and on hand	2,281,423,916	2,769,740,311
Held for trading financial assets	12,000,000	-
Notes receivable	774,575,949	993,645,294
Accounts receivable	2,413,938,973	2,010,019,595
Advances to suppliers	362,206,300	408,244,379
Dividends receivable	1,937,456	60,737,455
Interest receivable	3,572,277	-
Other receivables	1,048,364,939	145,595,320
Inventories	2,112,796,980	1,998,854,295
Other current assets	20,658,030	11,904,046
Total current assets	9,031,474,820	8,398,740,695
Non-current assets		
Available-for-sale financial assets	2,965,471	3,653,224
Long-term equity investments	1,007,258,727	788,801,866
Investment properties	135,675,319	137,729,353
Fixed assets	1,650,005,065	1,639,133,484
Construction in progress	462,911,046	390,206,553
Construction materials	43,735	43,735
Intangible assets	581,367,319	574,108,212
Goodwill	143,018,489	143,018,489
Long-term prepaid expenses	78,775,450	76,435,701
Deferred tax assets	80,485,023	73,579,242
Other non-current assets	134,487,970	101,733,946
Total non-current assets	4,276,993,614	3,928,443,805
TOTAL ASSETS	13,308,468,434	12,327,184,500

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2013
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND OWNERS' EQUITY	JUNE 30, 2013	DECEMBER 31, 2012
Current liabilities		
Short-term borrowings	1,159,763,455	1,254,559,744
Notes payable	734,359,801	641,920,669
Accounts payable	1,582,142,899	1,283,837,597
Advances from customers	760,957,895	847,745,067
Employee benefits payable	101,287,092	110,776,054
Taxes payable	147,766,463	164,698,909
Interest payable	60,321,959	24,795,440
Dividends payable	149,824,383	23,227,597
Other payables	924,755,382	379,602,744
Current portion of non-current liabilities	153,956,311	205,396,693
Total current liabilities	5,775,135,640	4,936,560,514
Non-current liabilities		
Long-term borrowings	253,382,338	166,739,232
Debentures payable	995,317,800	994,677,800
Long-term payables	48,013,521	51,664,332
Payables for specific projects	5,166,629	5,635,480
Other non-current liabilities	392,117,753	416,782,303
Deferred tax liabilities	23,113,982	24,526,179
Total non-current liabilities	1,717,112,023	1,660,025,326
Total liabilities	7,492,247,663	6,596,585,840
Owners' equity		
Paid-in capital	3,684,640,154	3,684,640,154
Capital surplus	49,650,995	53,598,736
Surplus reserve	211,698,698	211,698,698
Undistributed profits	1,526,032,216	1,440,735,780
Difference on translation of foreign currency financial statements	-316,705	1,126,510
Total equity attributable to equity holders of the Company	5,471,705,358	5,391,799,878
Minority interest	344,515,413	338,798,782
Total owners' equity	5,816,220,771	5,730,598,660
TOTAL LIABILITIES AND OWNERS' EQUITY	13,308,468,434	12,327,184,500

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED INCOME STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2013

(All amounts in RMB Yuan unless otherwise stated)

Items	Six months ended June 30	
	2013	2012
Revenue	4,857,059,271	4,490,852,112
Less: Cost of sales	(4,317,634,806)	(3,915,843,365)
Taxes and surcharges	(11,591,394)	(11,388,879)
Selling and distribution expenses	(156,678,862)	(145,579,637)
General and administrative expenses	(343,378,222)	(308,332,691)
Financial expenses – net	(71,562,285)	(76,254,584)
Asset impairment losses	(2,061,824)	(8,072,985)
Add: Investment income	202,907,003	260,340,437
Including: Share of profit of associates and joint ventures	197,281,557	243,931,038
Operating profit	157,058,883	285,720,408
Add: Non-operating income	74,590,911	35,953,063
Less: Non-operating expenses	(2,924,209)	(1,623,880)
Including: Losses on disposal of non-current assets	(10,620)	(329,519)
Total profit	228,725,585	320,049,591
Less: Income tax expenses	(9,663,160)	(19,045,908)
Net profit	219,062,425	301,003,683
Attributable to equity holders of the Company	213,345,793	294,349,994
Minority interest	5,716,632	6,653,689
Earnings per share		
Basic earnings per share	0.06	0.08
Diluted earnings per share	0.06	0.08
Other comprehensive income	(5,390,956)	104,456
Total comprehensive income	213,671,469	301,108,139
Attributable to equity holders of the Company	207,954,837	294,454,450
Minority interest	5,716,632	6,653,689

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED CASH FLOW STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2013
(All amounts in RMB Yuan unless otherwise stated)

Items	Six months ended June 30	
	2013	2012
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	3,924,858,349	5,085,055,516
Cash received relating to other operating activities	556,003,979	15,774,931
Sub-total of cash inflows	4,480,862,328	5,100,830,447
Cash paid for goods and services	(2,865,467,990)	(4,082,198,655)
Cash paid to and on behalf of employees	(484,600,093)	(480,485,931)
Payments of taxes and surcharges	(165,764,388)	(174,981,010)
Cash paid relating to other operating activities	(1,245,165,362)	(330,923,806)
Sub-total of cash outflows	(4,760,997,833)	(5,068,589,402)
Net cash flows from operating activities	(280,135,505)	32,241,045
Cash flows from investing activities		
Cash received from disposal of investments	705,582,942	3,382,034,377
Cash received from returns on investments	132,106,209	238,427,803
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,011,213	47,505,409
Cash received relating to other investing activities	20,208,435	33,800,400
Sub-total of cash inflows	867,908,799	3,701,767,989
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(220,307,807)	(135,862,137)
Cash paid to acquire investments	(806,439,009)	(3,366,000,000)
Sub-total of cash outflows	(1,026,746,816)	(3,501,862,137)
Net cash flows from investing activities	(158,838,017)	199,905,852
Cash flows from financing activities		
Cash received from borrowings	717,122,591	538,364,373
Sub-total of cash inflows	717,122,591	538,364,373
Cash repayments of borrowings	(775,699,147)	(661,239,211)
Cash payments for interest expenses and distribution of dividends or profits	(55,527,356)	(58,747,979)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(2,364,574)	(5,696,505)
Cash payments relating to other financing activities	(1,738,670)	(676,100)
Sub-total of cash outflows	(832,965,173)	(720,663,290)
Net cash flows from financing activities	(115,842,582)	(182,298,917)
Effect of foreign exchange rate changes on cash and cash equivalents	(151,902)	432,566
Net increase in cash and cash equivalents	(554,968,006)	50,280,546
Add: Cash and cash equivalents at beginning of year	2,525,880,916	2,482,570,858
Cash and cash equivalent at end of year	1,970,912,910	2,532,851,404