

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 DECEMBER 2013
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	31 December 2013 Consolidated	31 December 2012 Consolidated	31 December 2013 Company	31 December 2012 Company
Current assets				
Cash at bank and on hand	2,239,522,051	2,769,740,311	1,058,063,148	1,142,783,766
Notes receivable	1,059,299,708	993,645,294	1,880,700	21,621,276
Accounts receivable	2,057,115,169	2,010,019,595	-	-
Advances to suppliers	273,124,628	408,244,379	-	-
Interest Receivable	1,316,991	-	-	-
Dividends receivable	157,464,178	60,737,455	171,164,367	60,837,918
Other receivables	172,701,603	145,595,320	568,841,378	194,632,781
Disbursement of advances and loans	276,350,289	-	-	-
Inventories	2,134,580,067	1,998,854,295	-	-
Other current assets	37,676,101	11,904,046	-	-
Total current assets	8,409,150,785	8,398,740,695	1,799,949,593	1,419,875,741
Non-current assets				
Available-for-sale financial assets	2,839,753	3,653,224	-	-
Long-term receivables	-	-	224,000,000	581,000,000
Long-term equity investments	848,747,594	788,801,866	4,522,795,299	4,049,907,016
Investment properties	133,515,539	137,729,353	-	-
Fixed assets	1,696,805,719	1,639,133,484	3,110,169	3,489,931
Construction in progress	878,412,402	390,206,553	4,154,555	4,154,555
Construction materials	-	43,735	-	-
Intangible assets	615,628,867	574,108,212	-	-
Goodwill	143,018,489	143,018,489	-	-
Long-term prepaid expenses	82,681,021	76,435,701	-	-
Deferred tax assets	75,834,720	73,579,242	-	-
Other non-current assets	96,633,409	101,733,946	-	306,000,000
Total non-current assets	4,574,117,513	3,928,443,805	4,754,060,023	4,944,551,502
TOTAL ASSETS	12,983,268,298	12,327,184,500	6,554,009,616	6,364,427,243

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 DECEMBER 2013
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND OWNERS' EQUITY	31 December 2013 Consolidated	31 December 2012 Consolidated	31 December 2013 Company	31 December 2012 Company
Current liabilities				
Short-term borrowings	866,551,803	1,254,559,744	-	-
Notes payable	781,610,772	641,920,669	-	-
Accounts payable	1,391,256,784	1,283,837,597	-	-
Advances from customers	631,258,201	847,745,067	-	-
Employee benefits payable	94,963,470	110,776,054	604,122	729,181
Taxes payable	154,350,259	164,698,909	189,945	64,453
Interest payable	26,892,689	24,795,440	24,740,000	24,740,000
Dividends payable	25,380,761	23,227,597	-	-
Other payables	399,974,055	379,602,744	80,557,803	108,255,983
Receipt of deposits and deposits from other banks				
	442,966,515	-	-	-
Current portion of non-current liabilities	119,171,422	205,396,693	25,119,228	25,896,260
Total current liabilities	4,934,376,731	4,936,560,514	131,211,098	159,685,877
Non-current liabilities				
Long-term borrowings	487,396,778	166,739,232	25,067,538	51,739,232
Debentures payable	995,996,732	994,677,800	995,996,732	994,677,800
Long-term payables	49,905,851	51,664,332	-	-
Payables for specific projects	4,984,681	5,635,480	-	-
Other non-current liabilities	380,838,875	416,782,303	-	-
Deferred tax liabilities	21,786,090	24,526,179	-	-
Total non-current liabilities	1,940,909,007	1,660,025,326	1,021,064,270	1,046,417,032
Total liabilities	6,875,285,738	6,596,585,840	1,152,275,368	1,206,102,909
Owners' equity				
Paid-in capital	3,684,640,154	3,684,640,154	3,684,640,154	3,684,640,154
Capital surplus	51,977,286	53,598,736	135,268,070	135,268,070
Surplus reserve	248,935,930	211,698,698	244,771,647	207,534,415
Undistributed profits	1,754,257,778	1,440,735,780	1,337,054,377	1,130,881,695
Difference on translation of foreign currency financial statements	751,349	1,126,510	-	-
Total equity attributable to equity holders of the Company	5,740,562,497	5,391,799,878	5,401,734,248	5,158,324,334
Minority interest	367,420,063	338,798,782	-	-
Total owners' equity	6,107,982,560	5,730,598,660	5,401,734,248	5,158,324,334
TOTAL LIABILITIES AND OWNERS' EQUITY	12,983,268,298	12,327,184,500	6,554,009,616	6,364,427,243

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013
(All amounts in RMB Yuan unless otherwise stated)

Items	2013 Consolidated	2012 Consolidated	2013 Company	2012 Company
Total revenues				
Including: Revenue	9,635,031,858	8,908,031,883	-	-
Interest revenue	64,194,927	-	-	-
Incomes from fees and commissions	1,817,000	-	-	-
Total operating costs				
Including: Cost of sales	(8,545,043,193)	(7,812,244,139)	-	-
Interest expenses	(2,894,111)	-	-	-
Fee and commission expenses	(104,382)	-	-	-
Taxes and surcharges	(29,910,611)	(26,542,292)	-	-
Selling and distribution expenses	(307,795,738)	(310,223,657)	-	-
General and administrative expenses	(746,426,579)	(691,262,720)	(43,268,663)	(50,007,122)
Financial expenses – net	(108,775,004)	(137,986,455)	(20,649,565)	(24,099,935)
Asset impairment losses	(10,388,563)	(13,876,504)	-	-
Add: Investment income	403,425,834	404,908,337	428,513,559	487,943,249
Including: Share of profit of associates and joint ventures	390,723,572	375,053,484	383,693,068	369,112,515
Operating profit	353,131,438	320,804,453	364,595,331	413,836,192
Add: Non-operating income	208,448,897	148,917,947	7,802,927	60,663
Less: Non-operating expenses	(5,937,170)	(3,990,355)	(25,939)	(32,463)
Including: Losses on disposal of non-current assets	(1,462,100)	(885,734)	-	-
Total profit	555,643,165	465,732,045	372,372,319	413,864,392
Less: Income tax expenses	(42,312,288)	(29,687,584)	-	-
Net profit	513,330,877	436,044,461	372,372,319	413,864,392
Attributable to equity holders of the Company	479,721,635	421,140,549	372,372,319	413,864,392
Minority interest	33,609,242	14,903,912	-	-
Earnings per share				
Basic earnings per share	0.14	0.12	—	—
Diluted earnings per share	0.14	0.12	—	—
Other comprehensive income	(1,066,611)	710,175	-	-
Total comprehensive income	512,264,266	436,754,636	372,372,319	413,864,392
Attributable to equity holders of the Company	478,655,024	421,850,724	372,372,319	413,864,392
Minority interest	33,609,242	14,903,912	-	-

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

(All amounts in RMB Yuan unless otherwise stated)

Items	2013 Consolidated	2012 Consolidated	2,013 Company	2012 Company
Cash flows from operating activities				
Cash received from sales of goods or rendering of services	10,802,846,505	8,591,815,153	-	-
Net increase of deposits from customers and other banks	442,966,515	-	-	-
Cash received from interests, fees and commissions	74,739,828	-	-	-
Cash received relating to other operating activities	74,037,977	129,458,757	23,000	927,882
Sub-total of cash inflows	11,394,590,825	8,721,273,910	23,000	927,882
Cash paid for goods and services	(9,104,281,104)	(6,747,536,389)	-	-
Net increase of customer's loans and advances	(279,141,706)	-	-	-
Net increase of deposits in central bank and other banks	(203,029,545)	-	-	-
Cash paid to and on behalf of employees	(908,063,381)	(1,038,507,141)	(13,774,031)	(14,354,210)
Payments of taxes and surcharges	(365,202,960)	(301,448,357)	(139,074)	(8,319,578)
Cash paid relating to other operating activities	(513,617,959)	(627,870,203)	(28,828,992)	(30,882,754)
Sub-total of cash outflows	(11,373,336,655)	(8,715,362,090)	(42,742,097)	(53,556,542)
Net cash flows from operating activities	21,254,170	5,911,820	(42,719,097)	(52,628,660)
Cash flows from investing activities				
Cash received from disposal of investments	723,986,064	5,095,081,951	708,118,082	5,095,081,951
Cash received from returns on investments	329,326,304	478,921,076	337,180,743	400,716,020
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,409,693	48,364,227	-	80,970
Cash received relating to other investing activities	50,073,678	68,581,573	430,299,622	233,728,944
Sub-total of cash inflows	1,106,795,739	5,690,948,827	1,475,598,447	5,729,607,885
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(616,731,985)	(465,709,329)	(379,653)	(3,432,322)
Cash paid to acquire investments	(808,439,009)	(5,066,000,000)	(894,000,000)	(5,066,000,000)
Net cash paid to acquire subsidiaries and other business units	-	-	-	(306,000,000)
Cash paid relating to other investing activities	-	-	(400,490,403)	(217,041,613)
Sub-total of cash outflows	(1,425,170,994)	(5,531,709,329)	(1,294,870,056)	(5,592,473,935)
Net cash flows from investing activities	(318,375,255)	159,239,498	180,728,391	137,133,950
Cash flows from financing activities				
Cash received from capital contributions	-	294,000,000	-	-
Including: Cash received from capital contributions by minority shareholders of subsidiaries	0	294,000,000	-	-
Cash received from borrowings	1,663,149,731	1,561,989,515	-	-
Cash received relating to other financing activities	-	2,800,000	-	20,613,846
Sub-total of cash inflows	1,663,149,731	1,858,789,515	-	20,613,846
Cash repayments of borrowings	(1,807,406,465)	(1,564,237,204)	(27,448,725)	(180,149,921)
Cash payments for interest expenses and distribution of dividends or profits	(289,954,682)	(417,218,655)	(197,621,318)	(303,570,902)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(4,987,961)	(13,341,345)	-	-
Cash payments relating to other financing activities	(1,758,481)	(1,384,686)	-	-
Sub-total of cash outflows	(2,099,119,628)	(1,982,840,545)	(225,070,043)	(483,720,823)
Net cash flows from financing activities	(435,969,897)	(124,051,030)	(225,070,043)	(463,106,977)
Effect of foreign exchange rate changes on cash and cash equivalents	(430,936)	2,209,770	2,322,734	843,959
Net increase in cash and cash equivalents	(733,521,918)	43,310,058	(84,738,015)	(377,757,728)
Add: Cash and cash equivalents at beginning of year	2,525,880,916	2,482,570,858	1,137,728,076	1,515,485,804
Cash and cash equivalent at end of year	1,792,358,998	2,525,880,916	1,052,990,061	1,137,728,076