

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 DECEMBER 2014
(All amounts in RMB Yuan unless otherwise stated)

ASSETS	31 December 2014 Consolidated	31 December 2013 Consolidated Restated	1 January 2013 Consolidated Restated	31 December 2014 Company	31 December 2013 Company Restated
Current assets					
Cash at bank and on hand	1,887,546,662	2,239,522,051	2,769,740,311	732,882,890	1,058,063,148
Financial assets at fair value through profit or loss	194,938,504	-	-	194,807,240	-
Notes receivable	1,010,654,541	1,059,299,708	993,645,294	21,672,026	1,880,700
Accounts receivable	2,162,647,896	2,057,115,169	2,010,019,595	-	-
Advances to suppliers	400,837,484	273,124,628	408,244,379	-	-
Interest Receivable	1,108,686	1,316,991	-	13,620,060	-
Dividends receivable	313,425,521	157,464,178	60,737,455	313,525,983	171,164,367
Other receivables	148,231,674	172,701,603	145,595,320	299,056,179	568,841,378
Disbursement of advances and loans	438,059,857	276,350,289	-	-	-
Inventories	2,198,904,539	2,134,580,067	1,998,854,295	-	-
Other current assets	26,044,804	37,676,101	11,904,046	-	-
Total current assets	8,782,400,168	8,409,150,785	8,398,740,695	1,575,564,378	1,799,949,593
Non-current assets					
Available-for-sale financial assets	8,028,729	5,839,753	6,653,224	20,000,000	20,000,000
Long-term receivables	-	-	-	569,779,353	224,000,000
Long-term equity investments	876,275,927	845,747,594	785,801,866	4,555,538,763	4,502,795,299
Investment properties	132,485,593	133,515,539	137,729,353	-	-
Fixed assets	2,050,185,169	1,696,805,719	1,639,133,484	2,285,931	3,110,169
Construction in progress	788,336,211	878,412,402	390,206,553	4,254,555	4,154,555
Construction materials	-	-	43,735	-	-
Intangible assets	602,342,714	615,628,867	574,108,212	-	-
Goodwill	143,018,489	143,018,489	143,018,489	-	-
Long-term prepaid expenses	133,108,602	82,681,021	76,435,701	-	-
Deferred tax assets	72,514,558	74,818,620	73,611,792	-	-
Other non-current assets	167,605,752	96,633,409	101,733,946	-	-
Total non-current assets	4,973,901,744	4,573,101,413	3,928,476,355	5,151,858,602	4,754,060,023
TOTAL ASSETS	13,756,301,912	12,982,252,198	12,327,217,050	6,727,422,980	6,554,009,616

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31 DECEMBER 2014
(All amounts in RMB Yuan unless otherwise stated)

LIABILITIES AND OWNERS' EQUITY	31 December 2014 Consolidated	31 December 2013 Consolidated	1 January 2013 Consolidated	31 December 2014 Company	31 December 2013 Company
		Restated	Restated		Restated
Current liabilities					
Short-term borrowings	860,545,187	866,551,803	1,254,559,744	-	-
Notes payable	1,059,613,506	781,610,772	641,920,669	-	-
Accounts payable	1,332,587,848	1,391,256,784	1,283,837,597	-	-
Advances from customers	833,505,354	631,258,201	847,745,067	-	-
Employee benefits payable	83,268,401	94,963,470	110,776,054	583,997	604,122
Taxes payable	138,790,274	156,364,009	165,226,159	200,978	189,945
Interest payable	27,220,914	26,892,689	24,795,440	-	24,740,000
Dividends payable	27,175,309	25,380,761	23,227,597	24,740,000	-
Other payables	204,004,000	399,124,035	379,853,724	151,793,278	80,557,803
Receipt of deposits and deposits from other banks					
	607,578,696	442,966,515	-	-	-
Current portion of non-current liabilities	241,534,725	119,171,422	205,396,693	25,158,403	25,119,228
Total current liabilities	5,415,824,214	4,935,540,461	4,937,338,744	202,476,656	131,211,098
Non-current liabilities					
Long-term borrowings	424,514,077	487,396,778	166,739,232	-	25,067,538
Debentures payable	997,430,601	995,996,732	994,677,800	997,430,601	995,996,732
Long-term payables	41,455	5,864,851	7,623,332	-	-
Payables for specific projects	4,526,629	4,984,681	5,635,480	-	-
Other non-current liabilities	324,806,962	380,838,875	416,782,303	-	-
Deferred tax liabilities	50,451,000	37,003,000	45,457,000	-	-
Total non-current liabilities	1,882,050,158	1,933,871,007	1,661,441,326	997,430,601	1,021,064,270
Total liabilities	7,297,874,372	6,869,411,468	6,598,780,070	1,199,907,257	1,152,275,368
Owners' equity					
Paid-in capital	3,684,640,154	3,684,640,154	3,684,640,154	3,684,640,154	3,684,640,154
Capital surplus	50,493,912	50,493,912	51,423,912	135,268,070	135,268,070
Surplus reserve	(3,085,350)	(1,257,727)	226,584	-	-
Undistributed profits	279,937,278	248,935,930	211,698,698	275,772,995	244,771,647
Difference on translation of foreign currency financial statements	2,039,950,720	1,762,608,398	1,441,648,850	1,431,834,504	1,337,054,377
Total equity attributable to equity holders of the Company	6,051,936,714	5,745,420,667	5,389,638,198	5,527,515,723	5,401,734,248
Minority interest	406,490,826	367,420,063	338,798,782	-	-
Total owners' equity	6,458,427,540	6,112,840,730	5,728,436,980	5,527,515,723	5,401,734,248
TOTAL LIABILITIES AND OWNERS' EQUITY	13,756,301,912	12,982,252,198	12,327,217,050	6,727,422,980	6,554,009,616

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY INCOME STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014
(All amounts in RMB Yuan unless otherwise stated)

Items	2014 Consolidated	2013 Consolidated Restated	2014 Company	2013 Company
Total revenues	9,485,570,437	9,701,043,785		
Including: Revenue	9,396,502,198	9,635,031,858	-	-
Interest revenue	85,673,564	64,194,927	-	-
Incomes from fees and commissions	3,394,675	1,817,000	-	-
Total operating costs				
Including: Cost of sales	-8,349,934,958	-8,545,043,193	-	-
Interest expenses	-15,764,097	-2,894,111	-	-
Fee and commission expenses	-1,669,067	-104,382	-	-
Taxes and surcharges	-27,438,515	-29,910,611	-	-
Selling and distribution expenses	-289,320,566	-307,795,738	-	-
General and administrative expenses	-755,815,485	-738,989,029	-40,554,722	-43,268,663
Financial expenses – net	-95,508,593	-108,775,004	-3,672,509	-20,649,565
Asset impairment losses	-38,277,361	-10,388,563	-	-
Add: Profit and loss arising from fair value changes	4,938,504	-	4,807,240	-
Investment income	362,711,902	403,425,834	349,198,917	428,513,559
Including: Share of profit of associates and joint ventures	361,405,778	390,723,572	340,951,293	383,693,068
Operating profit	279,492,201	360,568,988	309,778,926	364,595,331
Add: Non-operating income	350,317,069	208,448,897	234,557	7,802,927
Including: Gain from disposal of non-current assets	175,986,531	39,158,843	77,557	-
Less: Non-operating expenses	-18,497,678	-5,937,170	-	-25,939
Including: Losses on disposal of non-current assets	-6,525,173	-1,462,100	-	-
Total profit	611,311,592	563,080,715	310,013,483	372,372,319
Less: Income tax expenses	-66,905,875	-42,312,288	-	-
Net profit	544,405,717	520,768,427	310,013,483	372,372,319
Attributable to equity holders of the Company	492,575,678	487,159,185	310,013,483	372,372,319
Minority interest	51,830,039	33,609,242	-	-
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Remeasurements of retirement benefit obligations	-2,212,000	-417,700	-	-
Items that may be reclassified to profit or loss				
Share of other comprehensive income of investments accounted for using the equity method	451,512	-	-	-
Fair value gains/(losses) on available-for-sale financial assets	1,860,630	-691,450	-	-
Currency translation differences	-1,927,765	-375,161	-	-
Total comprehensive income	542,578,094	519,284,116	310,013,483	372,372,319
Attributable to equity holders of the Company	490,748,055	485,674,874	310,013,483	372,372,319
Minority interest	51,830,039	33,609,242	-	-
Earnings per share				
Basic earnings per share	0.13	0.13	—	—
Diluted earnings per share	0.13	0.13	—	—

CHONGQING MACHINERY & ELECTRIC CO., LTD.

CONSOLIDATED AND COMPANY CASH FLOW STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

(All amounts in RMB Yuan unless otherwise stated)

Items	2014 Consolidated	2013 Consolidated	2,014 Company	2013 Company
Cash flows from operating activities				
Cash received from sales of goods or rendering of services	9,251,295,061	10,802,846,505	-	-
Net increase of deposits from customers and other banks	164,612,181	442,966,515	-	-
Net reduction of central bank and interbank payments	442,213,010	-	-	-
Cash received from interests, fees and commissions	3,394,675	74,739,828	-	-
Cash received relating to other operating activities	142,146,387	74,037,977	157,000	23,000
Sub-total of cash inflows	10,003,661,314	11,394,590,825	157,000	23,000
Cash paid for goods and services	-7,637,144,329	-9,104,281,104	-	-
Net increase of customer's loans and advances	-161,709,568	-279,141,706	-	-
Net increase of deposits in central bank and other banks	-	-203,029,545	-	-
Cash paid to and on behalf of employees	-966,986,312	-908,063,381	-17,383,207	-13,774,031
Payments of taxes and surcharges	-290,092,279	-365,202,960	-4,697	-139,074
Cash paid relating to other operating activities	-870,009,946	-513,617,959	-22,066,270	-28,828,992
Sub-total of cash outflows	-9,925,942,434	-11,373,336,655	-39,454,174	-42,742,097
Net cash flows from operating activities	77,718,880	21,254,170	-39,297,174	-42,719,097
Cash flows from investing activities				
Cash received from disposal of investments	40,740,483	723,986,064	40,280,018	708,118,082
Cash received from returns on investments	209,884,605	329,326,304	253,805,243	337,180,743
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	305,364,606	3,409,693	209,238	-
Cash received relating to other investing activities	32,644,182	50,073,678	431,475,459	430,299,622
Sub-total of cash inflows	588,633,876	1,106,795,739	725,769,958	1,475,598,447
Cash paid to acquire fixed assets, intangible assets and other long-term assets	-736,376,207	-616,731,985	-150,610	-379,653
Cash paid to acquire investments	-229,991,054	-808,439,009	-329,991,424	-894,000,000
Net cash paid to acquire subsidiaries and other business units	-1,374,783	-	-	-
Cash paid relating to other investing activities	-	-	-403,807,788	-400,490,403
Sub-total of cash outflows	-967,742,044	-1,425,170,994	-733,949,822	-1,294,870,056
Net cash flows from investing activities	-379,108,168	-318,375,255	-8,179,864	180,728,391
Cash flows from financing activities				
Cash received from capital contributions				
Including: Cash received from capital contributions by minority shareholders of subsidiaries				
Cash received from borrowings	1,248,461,937	1,663,149,731	-	-
Cash received relating to other financing activities				
Sub-total of cash inflows	1,248,461,937	1,663,149,731	-	-
Cash repayments of borrowings	(1,238,246,273)	(1,807,406,465)	(25,028,363)	(27,448,725)
Cash payments for interest expenses and distribution of dividends or profits	(295,144,577)	(289,954,682)	(252,506,729)	(197,621,318)
Including: Cash payments for dividends or profit to minority shareholders of subsidiaries	(5,687,583)	(4,987,961)	-	-
Cash payments relating to other financing activities	(1,394,798)	(1,758,481)	-	-
Sub-total of cash outflows	(1,534,785,648)	(2,099,119,628)	(277,535,092)	(225,070,043)
Net cash flows from financing activities	(286,323,711)	(435,969,897)	(277,535,092)	(225,070,043)
Effect of foreign exchange rate changes on cash and cash equivalents	(1,138,680)	(430,936)	(114,156)	2,322,734
Net increase in cash and cash equivalents	(588,851,679)	(733,521,918)	(325,126,286)	(84,738,015)
Add: Cash and cash equivalents at beginning of year	1,792,358,998	2,525,880,916	1,052,990,061	1,137,728,076
Cash and cash equivalent at end of year	1,203,507,319	1,792,358,998	727,863,775	1,052,990,061