



中国恒天
CHTC

经纬纺织机械股份有限公司
JINGWEI TEXTILE MACHINERY CO., LTD.

(於中華人民共和國註冊成立之股份有限公司)
股份代號：0350.HK 000666.SZ

INTERIM REPORT

2015

半年度報告



Chapter I Important Notes, Contents and Definitions

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of Jingwei Textile Machinery Company Limited undertake that the information contained in this interim report is true, accurate and complete, and there are no misrepresentation, misleading statement or material omission in this report and are jointly and severally liable for this interim report.

All directors attended the meeting to review this report.

The Company will not distribute cash dividend, bonus shares, nor increase share capital from capital reserve.

Mr. Ye Maoxin (Chairman of the Board and person in charge of the Company), Mr. Yao Yuming (Director and General Manager), Mr. Mao Faqing (Financial Controller) and Ms. An Yongzhi (Head of Finance Department) hereby declare that the financial reports as disclosed in this interim report are true, accurate and complete.

The interim results of the Company have not been audited by any accounting firms, but have been reviewed by the audit committee of the Board.

This report is originally prepared in Chinese. If there is any discrepancy between the Chinese and English versions, the Chinese version shall prevail.

Contents

Chapter I	Company Profile	4
Chapter II	Summary of Accounting Data and Financial Indicators	5
Chapter III	Directors' Report	8
Chapter IV	Significant Events	17
Chapter V	Movements in Share Capital and Information on Shareholders	25
Chapter VI	Directors, Supervisors and Senior Management	29
Chapter VII	Interim Financial Statements Prepared in Accordance with the PRC Accounting Standards for Business Enterprises (Unaudited)	30
Chapter VIII	Condensed Interim Financial Statements Prepared in Accordance with Hong Kong Financial Reporting Standards (Unaudited)	128
Chapter IX	Documents Available for Inspection	142

Definitions

Item	Definition
CSRC	China Securities Regulatory Commission
Shenzhen Stock Exchange, SSE	Shenzhen Stock Exchange
Company, the Company, JWTM	Jingwei Textile Machinery Co., Ltd.
CHG or China Hengtian	China Hengtian Group Company Limited
CTMC	China Textile Machinery (Group) Company Limited
SASAC	State-owned Assets Supervision and Administration Commission of the State Council
Company Law	Company Law of the People's Republic of China
Securities Law	Securities Law of the People's Republic of China
China Securities Depository and Clearing Corporation	China Securities Depository and Clearing Corporation Limited
Board	Board of Jingwei Textile Machinery Co., Ltd
Shareholders' Meeting	Shareholders' Meeting of Jingwei Textile Machinery Co., Ltd.
RMB, RMB'0000, RMB 100 million	Renminbi Yuan, Renminbi '0000, Renminbi 100 million
Zhongrong Trust	Zhongrong International Trust Co., Ltd.
CHTC Heavy Industry	CHTC Heavy Industry Co., Ltd.
KAMA	KAMA Co., Ltd.

Chapter I Company Profile

I. Corporate information

Abbreviation of Shares	經緯紡機	Stock Codes	000666/00350
Stock Exchanges on which shares of the Company are listed	Shenzhen Stock Exchange/The Stock Exchange of Hong Kong Limited		
Name of the Company in Chinese	經緯紡織機械股份有限公司		
Chinese abbreviation (if any)	經緯紡機		
Name of the Company in English (if any)	JINGWEI TEXTILE MACHINERY COMPANY LIMITED		
Abbreviation of Company's English name (if any)	JWTM		
Legal representative of the Company	Ye Maoxin		

II. Contact Person and Contact Details

Company Secretary to the Board of Directors	
Name	Ye Xuehua
Contact address	Level 7, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC
Telephone	8610 84534078-8188
Facsimile	8610 84534135
Email	jwzd@jwgf.com

III. Other information

1. Contact details of the Company

Registered address:	8 Yongchangzhong Road, Beijing Economic & Technological Development Zone, Beijing, the PRC
Postal Code:	100176
Business address of the Company:	Level 7, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC
Postal Code:	100125
Worldwide website:	http://www.jwgf.com
Email address:	jwgf@jwgf.com

2. Information Disclosure and Place where Information is Available for Inspection

Designated newspapers for information disclosure:	Securities Times
Designated websites for publication of the interim report of the Company:	website of CNINF (http://www.cninfo.com.cn) website of the Hong Kong Stock Exchange (http://www.hkex.com.hk) website of the Company (http://www.jwgf.com)
Place for inspection of the Company's interim report:	The office of the Board of the Company

3. Change in registration

During the reporting period, there were no change in relevant registration of the Company such as the date and place of incorporation and registration, business licence registration number of enterprise legal person, tax registration certificate number and organization code.

Date and place of initial incorporation and registration:	15 August 1995 at Taiyuan, Shanxi, the PRC
Dates and places of changes to registration particulars:	29 March 1996 at Taiyuan, Shanxi, the PRC 5 September 1996 at Taiyuan, Shanxi, the PRC 4 December 1996 at Taiyuan, Shanxi, the PRC 31 October 2000 at Taiyuan, Shanxi, the PRC 8 October 2003 at Beijing, the PRC 9 April 2007 at Beijing, the PRC 31 January 2013 at Beijing, the PRC
Business licence registration number of enterprise legal person:	110000450005710
Tax registration certificate number:	110192110052522
Organization code:	11005252-2

Chapter II Summary of Accounting Data and Financial Indicators

I. Key accounting data and financial indicators

	Reporting period	Corresponding period of the previous year	Increase/Decrease at the end of the current reporting period as compared to the corresponding period of the previous year (%)
Operating income (RMB)	2,413,922,492.58	2,427,349,262.94	-0.55%
Net profit attributable to shareholders of the listed company (RMB)	311,301,696.20	217,129,958.44	43.37%
Net profit after extraordinary items attributable to shareholders of the listed company (RMB)	179,126,489.55	206,039,340.63	-13.06%
Net cash flow generated from operating activities (RMB)	578,841,850.73	1,061,821,820.18	-45.49%
Basic earnings per share (RMB/share)	0.44	0.31	41.94%
Diluted earnings per share (RMB/share)	0.44	0.31	41.94%
Weighted average net assets income rate (%)	5.40%	4.19%	1.21%

	As of the end of the reporting period	As at the end of the previous year	Increase/Decrease at the end of the reporting period as compared to the end of the previous year (%)
Total assets (RMB)	25,562,835,850.14	21,314,618,156.21	19.93%
Net assets attributable to shareholders of the listed company (RMB)	5,898,456,824.74	5,590,919,388.43	5.50%

II. Differences of accounting data under domestic and foreign accounting standards

1. Differences of net profit and net assets in the financial statements simultaneously disclosed pursuant to the international accounting standards and PRC GAAP

There are no differences of net profit and net assets in the financial statements of the Company simultaneously disclosed pursuant to the international accounting standards and PRC GAAP during the reporting period.

2. Differences of net profit and net assets in the financial statements simultaneously disclosed pursuant to the foreign accounting standards and PRC GAAP

Unit: RMB

	Net profit attributable to shareholders of the listed company		Net assets attributable to shareholders of the listed company	
	Current period	Previous period	Closing balance	Opening balance
Under PRC GAAP	311,301,696.20	217,129,958.44	5,898,456,824.74	5,590,919,388.43
Adjustment to items and amounts under foreign GAAP				
Special reserve	2,315,378.26	3,147,343.84		
Under foreign GAAP	313,617,074.50	220,277,302.28	5,898,456,824.74	5,590,919,388.43

III. Extraordinary gains/losses items and their amounts

Unit: RMB

Item	Amount	Description
Gains/losses from disposal of non-current assets (including the write-off part for which asset impairment has been provided)	138,975,311.18	
Government grant which recorded into profit/loss of current period, except for those closely related to operation of the enterprise in fixed amount according to unified standards	13,062,802.35	
Debt restructuring gains/losses	214,639.87	
Profit or loss on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities (excluding the valid hedging business relating to the Company's business), as well as investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	927,155.77	
Other non-operating income and expense except above	3,802,838.42	
Less: Effect on taxation	23,760,586.45	
Effect on minority interest (after-tax)	1,046,954.49	
Total	<u>132,175,206.65</u>	

During the reporting period, the Company has no item that should be defined as item of extraordinary gain or loss according to the definition and illustration in the Explanatory Announcement on Information Disclosure by Companies Offering Their Securities to the Public No.1 – Extraordinary Gains or Losses.



**IV. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
Prepared in Accordance with Hong Kong Financial Reporting Standards (Unaudited)**

For the six months ended 30 June 2015

	2015 RMB '000	2014 RMB '000
Revenue	4,475,575	4,840,411
Cost of sales	(1,684,364)	(2,153,484)
Gross profit	2,791,211	2,686,927
Other income	208,226	51,476
Profit/(loss) on fair value changes of financial assets at fair value through profit or loss	3	(13,254)
Distribution and selling expenses	(71,697)	(84,679)
Administrative expenses	(1,432,916)	(1,319,332)
Finance costs	(130,674)	(97,083)
Share of profit of associates	29,712	24,055
Profit before taxation	1,393,865	1,248,110
Income tax expense	(351,438)	(369,798)
Profit for the period	1,042,427	878,312
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>		
Exchange difference on translation of foreign operations	(797)	425
Profit/(loss) on fair value change of available-for-sale financial assets	122,996	(55,941)
Income tax relating to components of other comprehensive income/(loss)	(30,749)	13,985
Other comprehensive income/(loss) for the period, net of income tax	91,450	(41,531)
Total comprehensive income for the period	<u>1,133,877</u>	<u>836,781</u>
Profit for the period attributable to:		
Owners of the Company	313,617	220,277
Non-controlling interests	728,810	658,035
	<u>1,042,427</u>	<u>878,312</u>
Total comprehensive income for the period attributable to:		
Owners of the Company	342,744	204,893
Non-controlling interests	791,133	631,888
	<u>1,133,877</u>	<u>836,781</u>
Earnings per share		
Basic and diluted	<u>RMB0.44</u>	<u>RMB0.31</u>

Chapter III Directors' Report

I. Overview

Predecessor of Jingwei Textile Machinery is the former Jingwei Textile Machinery Factory with over 60 years of history. Over the years, the Company is dedicated to the development of China's textile machinery industry, has a complete system of product development, technique and technology, production and manufacturing, marketing and operation and management and is the flagship in the textile machinery manufacturing industry in China, which enjoys great reputation both domestically and internationally. On top of strengthening its textile machinery business, the Company also actively expanded new business areas, including financial trust and new energy automobiles, to construct an operation pattern with the co-ordinated development of the textile machinery, financial and equity investment and non-textile machinery businesses. During the reporting period, the credit grading of the Company had changed from AA to AA+, the financing ability of the Company was further enhanced.

For textile machinery business: the Company possesses production and manufacturing system with advanced craftsmanship and sophisticated manufacturing, vast sales network and complete after-sales service system, and is dedicated to provide a full-flow of complete set of textile machinery and client solutions with good quality and satisfactory to its clients. The products are divided into six main business units which include cotton weaving machinery, beamed yarn machinery, special parts of textile machinery, twisting machinery, warp knitting machinery and dyeing and finishing machinery. Our products are sold all over China and exported to more than 40 countries and regions, enjoying a high reputation among textile and textile machinery industry both domestically and overseas. We have been a leader in the industry in China and major player in terms of innovation.

For the financial business: The financial operation of the Company is mainly undertaken by Zhongrong Trust, a financial company established in the PRC upon the approval of the China Bank Regulatory Commission ("CBRC") with a registered capital of RMB6 billion and a regulatory rating of 2C. It is principally engaged in two main types of business, one is trust business and the other is self-operated business. According to the scope of business as stipulated in its business license, articles of association and financial license, the trust business and self-operated business are in its normal and ordinary course of business. For over two decades, Zhongrong Trust has been striving for reforms and innovations. It has cultivated the traditional trust business while exploring new self-operated business by means of loans, leasing and investment with its self-operated assets to gain income from spreads and investment income. It has been committed to enhancing its comprehensive capabilities of asset management, and established three key divisions namely private investment banking, asset management and wealth management in order to transform to a "comprehensive asset manager" from an "asset provider". It has extensive experience in the monetary market, capital market, derivative products, real estate investment, risk investments and other domains. In recent years, its business in collaboration with banks, private equity investment, securities investment and real estate investment recorded rapid growth and found huge room for development in the field of asset management for high net worth clients. Operation results continued to grow steadily, a good development trend was maintained, the scale of asset management grew significantly, the strength of net capital continued to be enhanced, indicators such as the scale of asset management, operating revenue, net profit were among those top performers in the industry, providing effective guarantee for the growth of our results and stable market capitalisation as well as bringing satisfactory profits for investors.

Zhongrong Trust is principally engaged in trust of capital, movable property, immovable property, marketable securities and other assets or interests therein; investment fund business as a promoter of an investment fund or fund management company; reorganisation, acquisition and merger of enterprise assets, project financing, corporate finance and financial advisory services; securities underwriting approved by relevant authorities under the State Council of the PRC; handling brokerage, consulting and credit investigation; safe custody and safe deposit box business; applying its own fixed assets by means of inter-bank deposits, inter-bank transactions, loans, lease and investment; guarantees for third parties with its own fixed assets; inter-bank lending; and other businesses approved by laws, regulations or the CBRC. All trust business and self-operated business were carried out in compliance with relevant regulations including the Measures for the Administration of Trust Companies.

For non-textile machinery business: with the advantages of precision machining and lean management in the textile machinery manufacturing industry for many years, business sector of non-textile machinery centered on automobiles has been formed. The Company possesses the capability and qualification for vehicle production, has certain advantages in market segments of special vehicle (such as heavy trucks) business; at the same time, core technologies of international new energy automobiles were introduced quickly through capital operation, operating income achieved a relatively fast growth.

Since the beginning of the year, market competition has been intensified but the Company has strove to develop innovations continuously by adhering to the policy of "reform and innovate to enhance quality and raise efficiency", and to try their best in cutting cost and enhancing profit as a result.

II. Management discussion and analysis

Long-term capital and working capital needs of the Group were mainly satisfied by income derived from textile machinery, financial and equity investment and non-textile machinery businesses, and cash from bank borrowings. During the reporting period, the Group maintained proper management over liquidity while adhering to a prudent financing policy and keeping a sound capital structure with sufficient cash flow. During the first half of 2015, the Company achieved a total operating revenue of RMB4,502,930,000, representing a decrease of 7.73% over the same period last year; revenue from the principal operations was RMB3,961,600,000, representing a decrease of 10.25% over the same period last year; total gross profit was RMB1,390,830,000, representing an increase of 11.79% over the same period last year; net profit was RMB1,039,400,000, representing an increase of 18.88% over the same period last year; sales revenue from export was RMB487,040,000, representing an increase of 14.20% over the same period last year.

During the first half of the year, the Company developed a new sales model for its textile machinery business under the decision of the Board to capture opportunities in Xinjiang, which well-positioned the Company under the new normal to fulfil its goals for the year and lay a sound foundation for development in the coming years.

The automobile business made great strides especially for new energy vehicles, which was in line with China's development direction of energy saving.

The financial business recorded steady growth in asset management with sound business development. Zhongrong Trust continuously adjusted its operational and management philosophy in the year and steadily advanced with its strategic transformation through reforming management and organization of its three key divisions namely private investment banking, asset management and wealth management. As at the end of June 2015, total assets under management amounted to RMB934.074 billion, increased by RMB211.426 billion compared to the beginning of the year. Indicators met regulatory requirements. Net capital surplus amounted to RMB1,147 million. Risk capital amounted to RMB8,483 million, increased by 42.40% compared to the same period of last year. Net capital coverage ratio was 113.52%.

Under the financial report prepared in accordance with HKFRSs, the Group's revenue and the profit attributable to shareholders for the six months ended 30 June 2015 were RMB4,475,575,000 and RMB313,617,000 respectively, representing a decrease of 7.54% and an increase of 42.37% as compared with the corresponding period in the previous year. As at 30 June 2015, the Group's carrying bank balance was RMB7,907,170,000 (RMB5,232,098,000 as at 31 December 2014), borrowings due within one year was RMB2,652,040,000 (RMB2,344,850,000 as at 31 December 2014), of which borrowings in the U.S. dollars amounted to US\$Nil (US\$22,144,000 as at 31 December 2014) and in Euros amounted to EU\$20,654,000 (EU\$Nil as at 31 December 2014) (equivalent to RMB141,641,000 on an aggregated basis (RMB135,496,000 as at 31 December 2014)), and the remaining balances were borrowings in RMB. The Group had long-term borrowings of RMB2,751,392,000 (RMB1,400,000,000 as at 31 December 2014) of which borrowings in the U.S. dollars amounted to US\$225,000,000 (US\$Nil as at 31 December 2014) (equivalent to RMB1,351,392,000 (RMB0 as at 31 December 2014) on an aggregated basis). As at 30 June 2015, the Group had total bank borrowings of RMB2,444,440,000 on an aggregated basis which bear fixed interest rate (RMB1,501,000,000 as at 31 December 2014). Fixed-rate bank loans bear annual interest rates from 2.5% to 10.44% (2014: 5.6% to 10.44%) per annum. Variable-rate bank loans bear annual interest rates from 5.6% to 6% (2014: 2.2% to 4.1%). The gearing ratio (long-term borrowings divided by net asset value) was 21.11% (11.65% as at 31 December 2014).

As of 30 June 2015, the pledged loans of the Group amounted to RMB1,305,800,000 (as at 31 December 2014: RMB1,317,000,000) and the book value of the pledged assets are set out in the below table:

Unit: RMB'000

Items	30 June 2015	31 December 2014
Property, plant and equipment	7,266	7,117
Land use right	310,360	239,742
Inventories	8,080	8,080

Although the Company has financial assets and liabilities denominated in foreign currencies, the Group's revenue and expenses are mainly denominated in Renminbi, the Group does not expect that material currency risk would incur. During the period under review, the Group did not use any financial instrument for any hedging purpose.

On 12 January 2015, Tianjin Hongda Textile Machinery Company Limited, a wholly-owned subsidiary of the Company signed the compensation agreement for relocation with Tianjin Security Housing Construction and Investment Company and Tianjin Hebei District Construction and Development Company to sell the idle land at No. 56 Wanliucun Street, Hebei District, Tianjin for RMB232,660,000. The transaction is expected to generate RMB135 million net of costs, which will support the healthy and sustainable development of the Company by increasing to a certain extent cash flow and asset liquidity of the Company.

II. Management discussion and analysis (continued)

There was no major acquisition or disposal of subsidiaries and associates by the Company for the six months ended 30 June 2015.

Save for the securities investment business engaged in by the Company's subsidiary Zhongrong Trust, the Group had no material investment.

As at 30 June 2015, the Group did not have contingent liabilities (31 December 2014: RMB150,000,000).

As at 30 June 2015, the total number of staff of the Group was 11,842 (30 June 2014: 12,355). For the six months ended 30 June 2015, the total remuneration for the staff of the Group amounted to RMB 1,210,715,000 (RMB1,177,425,000 for the corresponding period of last year). The remuneration is determined with reference to the standard of the position and performance of the staff.

In the second half of 2015, the Company will continue to implement consistently the development objectives and operation plans as disclosed in the 2014 annual report.

III. Analysis of principal operations

Changes in the major financial information as compared with the corresponding period in the previous year

Unit: RMB

	The reporting period	Corresponding period in the last year	Increase/Decrease y-o-y (%)	Reasons for the change
Operating revenue	2,413,922,492.58	2,427,349,262.94	-0.55%	
Operating cost	1,549,305,967.34	2,037,399,628.59	-23.96%	
Selling expenses	71,697,361.18	84,678,691.92	-15.33%	
Administrative expenses	1,412,947,801.12	1,312,190,328.38	7.68%	
Finance costs	130,446,532.88	99,946,875.35	30.52%	Increase in the financial expenses as compared with the corresponding period of the previous year was mainly due to the increase in loans resulting in the increase in interest expenses, as well as the foreign exchange losses due to the changes in foreign exchange rates.
Income tax expense	351,437,839.92	369,797,965.51	-4.96%	
Net cash flow generated from operating activities	578,841,850.73	1,061,821,820.18	-45.49%	Decrease in net cash flows from operating activities as compared with the corresponding period of the previous year was mainly due to the decrease in sales revenue of textile machinery business.
Net cash flow generated from investing activities	-871,283,000.10	-148,636,028.51	-486.19%	Mainly due to the investments made by Zhongrong Trust in China Trust Protection Fund Co., Ltd..
Net cash flow generated from financing activities	3,051,646,804.47	127,761,294.14	2,288.55%	Mainly due to the increase in cash inflows of Zhongrong Trust from issue of bonds and placements from other financial institutions.
Net increase in cash and cash equivalents	2,758,690,929.39	1,041,915,755.52	164.77%	Mainly due to the increase in cash inflows of Zhongrong Trust from issue of bonds and placements from other financial institutions.

There is no significant change in constitution or source of profit of the Company during the reporting period.

There is no disclosure of future development and planning continued during the reporting period in public documents such as IPO prospectus, offering prospectus and asset reconstruction report.



III. Analysis of principal operations (continued)

Progress of operating plans disclosed in corporate review during the reporting period

In the first half of the year, the Company actively advanced the innovation of its marketing models to capture the historic opportunities brought by the development of the textile industry in Xinjiang, which has paved the way for the achievement of full-year objectives in the second half of the year. For automobile business, major progress has been made in the product development; for financial business, the size of assets under management recorded steady growth. Its business grew steadily and the transformation and upgrading continued to move forward.

(1) Reform and reorganisation moved forward steadily, and progress had been made for all business

The Company actively pushed forward its pilot mixed ownership reform, reorganisation of collectively-owned enterprises, stimulation company, ownership of management and subdivision of accounting units, in order to energize its corporate structure.

Zhongrong Trust steadily pushed forward the transformation of its business model to private equity banking, assets management and wealth management. By improving its governance mechanism and formulating operational standards suitable for development of new business, its operation efficiency has been improved. It improved the risk management system and tightened management and control of risk to ensure that project risks are kept under control. The size of assets under management continued to grow and the results of operation were further improved. In the first half of the year, net profit increased by 9.54% as compared with the corresponding period last year.

For automobile business, the positioning and development goal was further identified, generating notable results. The development and testing of pure electric logistics vehicles and cleaning vehicles was completed; the national production permit for hazardous chemical packaging and vessels had been obtained for its tank trucks, and its semi-trailer towing vehicles passed E-mark certification; GINAF 95-ton heavy pure electric logistics vehicles were put into operation in Brazil; and substantial progress had been made on DURABUS, a new generation of pure electric shuttle bus.

(2) Notable achievements were made on product development, continuing to enhance its competitiveness

Sticking to the direction of “Made in China 2025” and “Internet +”, it improved the thick and thin link rail dispatch system, which is based on the improvement of Jingwei e system and significantly improved the intelligence level through full-process digitalization. It developed AGV smart cars, which enabled automatic transport of doublers and bobbin cans.

(3) Marketing innovations were quickly pushed forward, and its profit model gradually changed

With the aim of providing customers with comprehensive solutions, it effectively integrated local favourable policies, capital strengths, technical strengths from complete sets of products and comprehensive service capacity to boost sales. The “textile mill removes preservation workers” service model has won wide recognition in the market. In particular, it met the needs of strategic customers, providing strong support for the transformation of the Company’s business model. Through acquisition of internet companies, it quickly established an “Internet + spare parts” marketing platform to enhance internet marketing and promotion of its services.

(4) Measures to lower cost and increase efficiency continued to be implemented and control measures were further improved

The Company actively strived for lowered cost through design improvement and the replacement of electronic parts with those under strong brands. It designated procurement monitoring staff to the enterprises under its management which had effectively lowered unreasonable procurement costs, improved the quality of goods procured and enabled it to form a common interest community with suppliers. It continued to optimise work force and controllable expenses were substantially lowered. It strengthened centralized fund management, focused on the pre-control of expenses and costs, and kept a close eye on the achievement of budgets and objectives.

(5) Management model was further optimised and the effectiveness of management and control was notably enhanced

The Company completed the business intelligence (BI) phase I project and built a multi-dimensional data warehouse platform integrating information on “production, supply, sales, human resources and properties”, providing a tool to support its management and control capability and improve its decision-making efficiency. It developed customised assessment and evaluation proposals catering different enterprises, and 165 young key personnel have been included in the young talent database. It continued to improve its risk management and control system, enhanced the correction of deficiencies in internal control, and adhered to strict review in accordance with economic contracts, rules and regulations, important policies and laws.

IV. Composition of main business

Unit: RMB

	Principle operating income	Principle operating cost	Gross profit margin	Increase/decrease of principal operating income as compared with same period last year	Increase/decrease of principal operating cost as compared with same period last year	Increase/decrease of gross profit margin as compared with same period last year
By industry						
Textile machinery	1,127,543,449.44	1,021,996,222.41	9.36%	-31.52%	-29.73%	-2.31%
Financial trust and capital investment	2,431,813,396.85		100.00%	-0.85%		
Non-textile machinery	402,241,034.49	377,625,034.12	6.12%	27.84%	33.12%	-3.73%
Sub-total	3,961,597,880.78	1,399,621,256.53	64.67%	-10.25%	-19.48%	4.19%
By geographical area						
Domestic revenue	3,474,560,746.43	966,518,345.99	72.18%	-12.86%	-28.39%	6.03%
Overseas revenue	487,037,134.35	433,102,910.54	11.07%	14.20%	11.51%	2.14%
Sub-total	3,961,597,880.78	1,399,621,256.53	64.67%	-10.25%	-19.48%	4.19%

V. Analysis on Core Competitiveness

1. Access to Enterprise Resources

As an A and H shares listed company and the Company owns Zhongrong International Trust Co., Ltd., the Company has a strong financing capacity. All the commercial banks, customers, professional and technical personnel, special raw materials and bulk materials suppliers have a long-term stable cooperation relationship with the Company. The Company's acquisition abilities of key resources such as customers, capital, talents and raw materials, are all at an advanced level in the industry.

2. Self-innovation Capability of the Company

The Company has set up a secondary product research and development system and has two state-level enterprise technology centres, five provincial-level enterprise technology centres, and four municipal level engineering technology research centres; the Company established a postdoctoral workstation and Beijing textile machinery and machine visual engineering research centre in Beijing; it possesses the core technology for full-process and automated complete sets of equipment for cotton manufacturing. Its new products and processes have been leading in the textile machinery manufacturing industry in the PRC. In particular, its self-developed Jingwei e-system has facilitated the entering of a digital smart era of textile workshops, the integration of informatization and industrialisation of the cotton textile industry, and the transformation and upgrade of the PRC textile industry, which has in turn brought the Company significant competitive advantages and represents the direction of the development of the industry.

3. Comprehensive User Service Capabilities

The Company possesses a complete product organization structure and a comprehensive product line portfolio and adequate manufacturing capacity, and enjoys good reputation among domestic and overseas customers. The advanced complete sets of technology, the completeness of the product category and the reliability of scheduled delivery were widely known to a large number of customers. It provides customers with comprehensive service solutions and innovative marketing models and services, which has resulted in the significant increase in the Company's market share during the period of fast growth of Xinjiang's textile industry. The Company continued to improve the management and productivity of its whole process from marketing to production by way of information tools including SAP, CRM and BI.

4. Cost Control Capabilities

The Company established a group-wide management and control platform in respect of standardizing cost management, research and development management, procurement management and capital management to share the Group's advantageous supply chain resources around the world. The cost control capabilities of the Company were enhanced by a variety of ways including focus on process improvement, centralizing fund management, and adjusting the capital structure.



V. Analysis on Core Competitiveness (continued)

5. Trust and Investment Business Capability

The trust and investment business team of the Company has acute market responsive capability and strong professional management capability, and maintains high implementation efficiency and first mover advantage for products. The Company has a sound corporate management system which has aligned the interests of the Company and those of its core management and procured the sharing of risks and in turn facilitated the healthy, sustainable growth of the Company. It has a comprehensive risk management system and a professional risk management team, stringent business management work flow and a well established IT system, forming an integrated risk prevention and control system that is human controlled, computer controlled and system binding.

VI. Investment analysis

1. Foreign equity investment

(1) Foreign investment

Investment for the reporting period (RMB)	Foreign investment		Changes (%)
	Investment for corresponding period last year (RMB)		
776,000,000.00	77,188,400.00		905.33%

Name	Main business	Invested company	
			Proportion of equity in invested company for listed company
China Trust Protection Fund Co., Ltd.	Mainly responsible for the raising, management and utilization of the trust protection funds		13.04%
Zhongrong International Bond 2015 Limited	Investment management		100.00%
Shanghai Changkun Investment Management Co., Ltd.	Investment management and investment consulting		100.00%
Dazi Dingrui Capital Investment Co., Ltd.	Investment management and assets management		100.00%
Shenzhen Zhongrong Rongyitong Internet Financial Services Co., Ltd.	Financial intermediary services and investment consulting		80.00%
Zhongrong Guofu Investment Management Co., Ltd.	Investment management and assets management		80.00%
Zhongrong Huixing Assets Management Co., Ltd.	Investment management and assets management		80.00%
Dazi Dingcheng Capital Investment Co., Ltd.	Investment management and assets management		100.00%
Dazi Dingrui Capital Investment Co., Ltd.	Investment management and assets management		100.00%
Wuhan Fangyou Technology Co., Ltd.	Electronic commerce in relation to textile machinery and equipment		70.00%

(2) Description on shareholdings held in financial enterprises

As at the end of the reporting period, the Company did not hold any shareholdings in financial enterprises.

VI. Investment analysis (continued)
1. Foreign equity investment (continued)
(3) Securities investment

Class of securities	Stock Code	Stock Abbreviation	Original investment cost (RMB)	Number of shares held at the beginning of the period (share)	Percentage of shareholding at the beginning of the period	Number of shares held at the end of the period (share)	Percentage of shareholding at the end of the period	Closing book balance (RMB)	Gain or loss during the reporting Period (RMB)	Accounting item	Source of shares
Stock	01H01528	Macalline	18,850,694.40	-	-	1,800,000	0.17%	17,885,448.00	-965,246.40	Held-for-trading financial assets	Purchase
Stock	01H06886	HTSC	18,325,171.36	-	-	937,000	0.05%	15,591,174.02	-2,733,997.34	Held-for-trading financial assets	Purchase
Stock	01H01633	Vita Mobile	6,062,756.80	-	-	3,100,000	0.36%	6,307,222.80	244,466.00	Held-for-trading financial assets	Purchase
Stock	01H00260	AVIC Joy Holdings	3,010,165.06	-	-	9,310,000	0.16%	3,817,770.30	3,818,322.34	Held-for-trading financial assets	Purchase
Stock	01H03396	legend holdings	3,050,462.52	-	-	90,000	0.02%	3,048,333.30	-2,129.22	Held-for-trading financial assets	Purchase
Fund	000846	Zhongrong Monetary Market Fund	5,843,234,604.21	5,452,384,604.21	-	5,965,290,553.37	-	5,965,290,553.37	122,055,949.16	Held-for-trading financial assets	Purchase
Total			5,892,533,854.35	5,452,384,604.21	-	5,980,527,553.37	-	6,011,940,501.79	122,417,364.54	-	-
Announcement date of the Board approving investment in securities											
Announcement date (if any) of the general meeting approving investment in securities											

(4) Description of securities investment

The held-for-trading financial assets in the table above represent the securities investment business of Zhongrong International Trust Co., Ltd., a subsidiary of the Company, which makes investment strictly in accordance with the internal control system and limits, thus effectively controlling the investment risks.

(5) Description of equity investment in other listed companies:

Name of Listed Company	Number of shares held (share)	Book value at the end of period (RMB)	Investment Income (RMB)
Hengyuan Coal Industry and Electricity Power	20,525,850.00	187,811,527.50	8,620,857.00

VI. Investment analysis (continued)

2. Entrusted wealth management, derivative investment and entrusted loans

(1) Entrusted wealth management

During the reporting period, the Company has no entrusted wealth management activity.

(2) Derivative investment

During the reporting period, the Company did not conduct derivative investment.

(3) Entrusted loans

During the reporting period, the Company did not have entrusted loans.

3. Use of funds raised

During the reporting period, the Company did not utilise any funds raised.

4. Analysis on major subsidiaries and investees

Unit: RMB

Name of Company	Type of Company	Industry	Principal products or services	Registered Capital	Total Assets	Net Assets	Operating Income	Operating Profit	Net Profit
Zhongrong International Trust Co., Ltd.	Subsidiary	Financial	Financial trust	6,000,000,000.00	16,467,817,895.39	10,902,506,952.14	437,003,823.71	1,836,959,880.87	1,427,214,508.94
Qingdao Hongda Textile Machinery Company Limited	Subsidiary	Manufacturing of textile machinery	Blowing-carding, winding machine	114,000,000.00	761,196,188.57	200,111,789.74	194,126,039.94	-19,190,533.35	-18,082,229.50
Wuxi Hongda Textile Machinery and Special Parts Company Limited	Subsidiary	Manufacturing of textile machinery and special parts	Friction twister, covering spindle and textile spindle bearings	20,000,000.00	256,243,655.46	47,814,719.66	71,335,408.53	2,412,812.61	3,008,978.57
Yichang Jingwei Textile Machinery Company Limited	Subsidiary	Manufacturing of textile machinery	Cabling machinery, glassy twisting machine and carpet yarn twisting machine	20,000,000.00	314,610,065.67	100,853,572.80	70,723,486.49	2,772,354.84	4,228,079.83
Beijing Jingwei Textile Machinery New Technology Company Limited	Subsidiary	Manufacturing of textile machinery	Foreign fibre sorting machine and textile machinery control system	100,000,000.00	409,910,324.08	161,441,364.22	85,743,396.73	3,576,738.18	3,637,352.65
China Texmatech Co., Ltd	Investee	Trading	Sale of textile machinery	120,000,000.00	1,476,290,174.57	349,052,563.95	1,181,001,598.77	7,060,455.46	7,607,331.05
Beijing Hang Tang Wealth Investment Management Company Limited	Investee	Financial service	Financial service	50,000,000.00	783,960,865.36	354,153,617.11	992,743,414.93	133,664,661.73	103,454,873.73

5. Highlights of major investments not financed by fund-raising

The Company had no major investments which was financed by fund-raising during the reporting period.

VII. Profit distribution during the reporting period

The net profit of the Company of year 2014 is RMB17,912,619.01, in accordance with the Articles of Association, the Company will appropriate 10% of net profit, i.e., RMB1,791,261.90, as statutory surplus reserve. The Company's distributable profit of year is RMB16,121,357.11 and the total realizable distributable profit to shareholders is RMB99,717,953.73. In view of the profit condition of the Company in 2014 and taking into full consideration of shareholders' interest and the long term development of the Company, the profit distribution plan for 2014 is as follows: distribute 2014 final dividend of RMB0.05 per share (tax inclusive), totalling RMB35,206,500 on the basis of share capital of 704,130,000 shares, including 523,330,000 A shares and 180,800,000 H shares. The undistributed profit of RMB64,511,453.73 will be carried forward to next year.

Particulars of Cash Dividend Policy

Was it in compliance with the requirements of the Articles of Association and the resolution of the general meeting?	Yes
Was the dividend distribution criteria and proportion well-defined and clear?	Yes
Was the related decision making process and mechanism in place?	Yes
Did independent Directors fulfill their duties and play their roles?	Yes
Were the minority shareholders given opportunities to sufficiently voice their opinion and make requests and were the legal interests of the minority shareholders fully protected?	Yes
Were conditions and procedures legal and transparent in respect of adjustments and changes to cash dividend policy?	Not applicable

VIII. The Company's plans on profit distribution and share capital increase from capital reserve during the reporting period

The Company intends not to distribute cash dividend, bonus shares and increase share capital from capital reserve for the period under review.

IX. Registration form of receiving investigation, communication and interview activities during the reporting period

There were no investigations, communications or interviews involving the Company during the reporting period.



Chapter IV Significant Events

I. CORPORATE GOVERNANCE

Since its establishment, the Company has committed to perfecting its corporate governance structure in strict compliance with the Company Law, Securities Law, “Code of Corporate Governance for Listed Companies” and the relevant laws and regulations and related requirements of the rules set out by relevant regulatory bodies including the CSRC, Shenzhen Stock Exchange and Hong Kong Stock Exchange so as to further refine and establish a healthy and complete internal control and management system of the Company.

During the reporting period, the convening of the shareholders’ general meeting, Board meeting and the meeting of the Supervisory Committee of the Company and decision-making process is in compliance with the requirements of the Company Law, Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, Guidelines for the Proper Management of Listed Companies and the Articles of Association. Currently, the actual status of corporate governance is in compliance with the requirements set out by regulatory bodies including the CSRC. The Company will continue to refine its structure of corporate governance and enhance the level of corporate governance so as to protect the legal interests of the Company and all shareholders, in particular the medium and minority shareholders.

II. MATERIAL LITIGATION AND ARBITRATION

The Company has no material litigation and arbitration during the reporting period.

III. MATTERS QUESTIONED BY MEDIA

The Company did not have matters questioned by media during the reporting period.

IV. BANKRUPTCY AND RESTRUCTURING RELATED MATTER

The Company did not have bankruptcy and restructuring related matter during the reporting period.

V. ASSETS TRANSACTION

1. Acquisition of assets

Counterparty of the transaction or ultimate controller	Assets acquired or purchased	Price of transaction (RMB'000)	Progress	Effect on the operations of the Company	Effect on the profit or loss of the Company (RMB'000)	Ratio of the net profit contribution to the listed company by the asset involved over total net profit	Connected transaction or not	Relationship with the party(ies) involved (applicable to connected transactions)	Disclosure date	Disclosure index
Hua Zhengang, Wang Fang	70% equity interests in Wuhan Fangyou Technology Co., Ltd.	1,400	Transfer of all related assets is completed	No impact on the continuity of operation and reliability of management of the Company	-67	-0.06%	No	Not applicable	Not applicable	Not applicable

2. Disposal of assets

The Company did not dispose any asset during the reporting period.

3. Matters related to merger of companies

The Company did not have matters related to merger of companies during the reporting period.

VI. IMPLEMENTATION OF STOCK OPTION INCENTIVE AND ITS EFFECT

The Company did not have matters related to stock option incentive plan and its implementation during the reporting period.

VII. SIGNIFICANT CONNECTED TRANSACTIONS

1. Connected transactions arising from the course of normal operations

The Company did not have significant connected transactions related to its daily operations during the reporting period.

2. Connected transactions arising from acquisition and disposal of assets

The Company did not have connected transactions arising from acquisition and disposal of assets during the reporting period.

3. Connected transactions arising from joint external investment

The Company did not have connected transactions arising from joint external investment during the reporting period.

4. Related creditor's right and debt transactions

There was no related significant creditor's right and debt transaction for the Company during the reporting period.

5. Other connected transactions

The Company did not have other connected transactions during the reporting period.

VIII. NON-OPERATING FUNDS OF THE LISTED COMPANY OCCUPIED BY ITS CONTROLLING SHAREHOLDERS AND THEIR ASSOCIATES

There were no non-operating funds of the listed company occupied by its controlling shareholders and their associates during the reporting period.

IX. MATERIAL CONTRACTS AND EXECUTION

1. Trust, contracting and lease

(1) Trust

There was no trust related matter for the Company during reporting period.

(2) Contracting

There was no contracting related matter for the Company during the reporting period.

(3) Lease

The Company had no matters related to lease during the reporting period.

IX. MATERIAL CONTRACTS AND EXECUTION (continued)
2. Guarantees
Unit: RMB'0000

External guarantees undertaken by the Company (excluding guarantees provided to subsidiaries)								
Name of guaranteed party	Disclosure date of the announcement regarding the guaranteed amount	Guaranteed amount	Actual date of event (Signing date of the Agreement)	Actual guaranteed amount	Type of guarantee	Period of guarantee	Discharged or not	Whether in favour of any related party
Total external guaranteed amount approved during the reporting period (A1)			0	Total actual external guaranteed amount during the reporting period (A2)		0		
Total external guaranteed amount approved at the end of the reporting period (A3)			0	Balance of total actual guaranteed amount at the end of the reporting period (A4)		0		
Guarantee provided by the Company to subsidiaries								
Name of guaranteed party	Disclosure date of the announcement regarding the guaranteed amount	Guaranteed amount	Actual date of event (Signing date of the Agreement)	Actual guaranteed amount	Type of guarantee	Period of guarantee	Discharged or not	Whether in favour of any related party
Shenyang Hongda Textile Machinery Company Limited	16/04/2015	5,000	16/04/2015	5,000	Joint liability	16/04/2015-15/04/2018	No	No
Jingwei Tsudakoma (Xianyang) Textile Machinery Company Limited	06/06/2015	4,000	08/06/2015	4,000	Joint liability	08/06/2015-08/06/2017	No	No
Total approved amount guaranteed to subsidiaries during the reporting period (B1)			21,519.73	Total actual guaranteed amount to subsidiaries during the reporting period (B2)		9,000		
Total approved amount guaranteed to subsidiaries at the end of the reporting period (B3)			21,519.73	Balance of total actual guaranteed amount to subsidiaries at the end of the reporting period (B4)		9,000		
Guarantee provided by subsidiaries to subsidiaries								
Name of guaranteed party	Disclosure date of the announcement regarding the guaranteed amount	Guaranteed amount	Actual date of event (Signing date of the Agreement)	Actual guaranteed amount	Type of guarantee	Period of guarantee	Discharged or not	Whether in favour of any related party
Total approved amount guaranteed to subsidiaries during the reporting period (C1)			0	Total actual guaranteed amount to subsidiaries during the reporting period (C2)		0		
Total approved amount guaranteed to subsidiaries at the end of the reporting period (C3)			0	Balance of total actual guaranteed amount to subsidiaries at the end of the reporting period (C4)		0		
Total guarantee provided by the Company (The total of the above three items)								
Total guaranteed amount approved during the reporting period (A1+B1+C1)			21,519.73	Total actual guaranteed amount during the reporting period (A2+B2+C2)		9,000		
Total guaranteed amount approved at the end of the reporting period (A3+B3+C3)			21,519.73	Balance of total actual guaranteed amount at the end of the reporting period (A4+B4+C4)		9,000		
Ratio of total actual guaranteed amount (A4 + B4+C4) to the net asset of the Company				1.53%				
Remarks:								

The Company did not have external guarantees in violation of regulations during the reporting period.

IX. MATERIAL CONTRACTS AND EXECUTION (continued)
3. Other material contracts

During the reporting period, there was no other material contract for the Company.

4. Other material transactions

During the reporting period, there were no other material transactions for the Company.

X. COMMITMENTS MADE BY THE COMPANY OR SHAREHOLDERS HOLDING OVER 5% SHARES OF THE COMPANY IN THE REPORTING PERIOD OR PRIOR PERIODS AND EXTENDED TO THE REPORTING PERIOD

Commitments	Committed Party	Content	Made on	Term	Performance status
Commitment on share segregation reform	China Textile Machinery (Group) Company Limited (controlling shareholder)	CTMC undertakes not to trade or transfer its floating Shares during the three years from the date on which its non-floating Shares are granted the right to list on the Shenzhen Stock Exchange. Within two years after the expiry of such period, the number of originally non-floating Shares to be sold through trading on the Shenzhen Stock Exchange shall not exceed 30% of the number of Shares held by it on the date of the implementation of the Share Segregation Reform Proposal, and the sale price will be no less than RMB7 per Share (subject to such adjustment as may be made in connection with declaration of dividend, distribution or reallocation of capital reserve fund to share capital).	8 August 2006	8 August 2011	Completed
Undertaking made in offering documents or shareholding alternation documents					
Undertaking made during asset reconstruction					
Commitments made in Initial public offering or re-financing	China Textile Machinery (Group) Company Limited	Relevant commitments regarding non-public offering of A - shares: After the completion of this increase of holding, in order to prevent competition in the industry which may happen in the future, and effectively protect the interests of the listed company and other shareholders (particularly medium and minority shareholders), CTMC as the controlling shareholder of the listed company undertakes as follow: 1) Before this private offering, all assets and businesses related to the production and operation of cotton textile machinery of CTMC and other enterprises under its control have been injected into JWTM. Assets and businesses retained by CTMC and other enterprises under its control do not compete with JWTM and enterprises under its control. 2) In future developments, if CTMC and other enterprises under its control obtain business development opportunities in the existing business scope of JWTM, JWTM has the priority to choose to carry out the development according to its needs, and CTMC and other enterprises under its control will provide necessary support and assistance. 3) During the period CTMC remains a controlling shareholder of JWTM, CTMC and other enterprises under its control will avoid to engage in businesses that compete with the existing businesses of JWTM, and will no longer pursue to directly or indirectly engage in businesses that would compete with the existing businesses of JWTM by means of any joint venture, cooperation or joint-operation with any third party or by way of lease operation, subcontracted operation or entrusted management. 4) CTMC will not use its advantageous position as the direct holding company of JWTM to engage in any activities that would harm the interest of JWTM and other shareholders (particularly medium and minority shareholders). 5) If CTMC and other enterprises under its control breach the abovementioned undertakings and guarantees, they will terminate the businesses in competition with the existing businesses of JWTM immediately, and carry out necessary measures to rectify and situation.	8 October 2011	Long-term	Under normal performance



X. COMMITMENTS MADE BY THE COMPANY OR SHAREHOLDERS HOLDING OVER 5% SHARES OF THE COMPANY IN THE REPORTING PERIOD OR PRIOR PERIODS AND EXTENDED TO THE REPORTING PERIOD (continued)

Commitments	Committed Party	Content	Made on	Term	Performance status
	China Textile Machinery (Group) Company Limited	Relevant commitments regarding non-public offering of A - shares: In order to regulate and reduce the connected transactions that may be conducted by CTMC and other enterprises under its control with JWTM after this private offering, CTMC as the controlling shareholder of the listed company undertakes as follow: 1). After the completion of this private offering, CTMC will continue to exercise its rights as a shareholder or director, and perform its obligation as a shareholder or director strictly according to the requirements of laws and regulations such as the Company Law and the Articles of Association of JWTM. When voting in general meetings or board meetings on resolution in relation to connected transactions among CTMC, other enterprises under its control and JWTM, CTMC will perform its obligation and abstain from voting. 2). After the completion of this private offering, CTMC and other enterprises under its control will reduce connected transactions with JWTM as much as possible. When carrying out necessary and unavoidable connected transactions, they undertake to perform legal procedures, legally enter into agreements, guarantee the transparency, openness and fairness of transaction price, disclose information in a timely manner, and guarantee not to harm the legitimate interests of JWTM and other shareholders (particularly those of the medium and minority shareholders) through connected transactions according to the principles of market impartiality, fairness and openness and the requirements of relevant laws, regulations, regulatory documents and the Articles of Association of JWTM. 3). If CTMC and other enterprises under its control breach the undertakings and guarantees made above, CTMC and other enterprises will be liable for breach of contract according to the law, and be liable for joint and several liabilities for the loss incurred by JWTM and its other shareholders other than CTMC.	8 October 2011	Long-term	Under normal performance
	China Textile Machinery (Group) Company Limited	Relevant commitments regarding non-public offering of A - shares: To comply with the requirements of relevant laws, regulations and regulatory documents such as Measures on the Takeover of Listed Companies and Measures for Administration of the Issue of Securities by Listed Companies, CTMC undertakes not to transfer the privately offered A Shares of JWTM subscribed for within 36 months from the ending date of this offering of JWTM.	14 December 2012	14 December 2015	Under normal performance
	China Hengtian Group Company Limited	Relevant commitments regarding non-public offering of A - shares: In order to regulate and reduce the connected transactions that may be conducted by CHG and other enterprises under its control with JWTM after this private offering, CHG as the de facto controller of JWTM undertakes as follow: 1). After the completion of this private offering, CHG will continue to exercise its rights as a shareholder or director, and perform its obligation as a shareholder or director strictly according to the requirements of laws and regulations such as the Company Law and the Articles of Association of JWTM. When voting in general meetings or board meetings on resolution in relation to connected transactions which CHG, other enterprises under its control and JWTM are parties thereto, CHG will perform its obligation and abstain from voting. 2) After the completion of this private offering, CHG and other enterprises under its control will reduce connected transactions with JWTM as much as possible. When carrying out necessary and unavoidable connected transactions, they undertake to perform legal procedures, legally enter into agreements, guarantee the transparency, openness and fairness of transaction price, disclose information in a timely manner, and guarantee not to harm the legitimate interests of JWTM and other shareholders (in particular those of the medium and minority shareholders) through connected transactions according to the principles of market impartiality, fairness and openness and the requirements of relevant laws, regulations, regulatory documents and the Articles of Association of JWTM. 3). If CHG breaches the undertakings and guarantees made above, CHG will be liable for breach of contract according to the law, and be liable for joint and several liabilities for the loss incurred by JWTM and its other shareholders other than CTMC	8 October 2011	Long-term	Under normal performance



X. COMMITMENTS MADE BY THE COMPANY OR SHAREHOLDERS HOLDING OVER 5% SHARES OF THE COMPANY IN THE REPORTING PERIOD OR PRIOR PERIODS AND EXTENDED TO THE REPORTING PERIOD (continued)

Commitments	Committed Party	Content	Made on	Term	Performance status
	China Hengtian Group Company Limited	Relevant commitments regarding non-public offering of A - shares: Undertakings of CHG in relation to resolving and avoiding competition in the industry with Jingwei Textile Machinery Company Limited (hereinafter referred to as "JWTM"): 1). In respect of the competition or potential competition in the industry existing at this stage on specific textile machinery products between JWTM and CHTC Heavy Industry, CHG undertakes that: before 31 December 2014, CHG will, through the board of directors and the general meeting of CHTC Heavy Industry, procure CHTC Heavy Industry to transfer the textile machinery business in competition or potential competition in the industry with JWTM and the relevant assets at fair value to JWTM or independent third parties other than CHG and enterprises under its control. During the process of the transfer and acquisition of the above business and relevant assets, CHG undertakes not to harm the interest of JWTM and other medium and minority shareholders. Before completely resolving the existing or potential competition in the industry on specific textile machinery products, CHG will enhance the internal division of labour and management within the textile machinery business, urge CHTC Heavy Industry not to sell textile machinery products that may constitute competition in the same industry with JWTM to third parties other than JWTM. 2). In respect of the competition or potential competition in the industry existing at this stage on the commercial vehicle business between JWTM, CHTC Heavy Industry and Kama Co., Ltd. (hereinafter referred to as "Kama"), CHG undertakes that: before 16 August 2015, if CHG cannot resolve the existing competition or potential competition in the industry in the commercial vehicle business through asset restructuring or business integration, CHG will propose, through the board of directors and general meeting of JWTM, JWTM to dispose of all the equity interests of Hubei Xinchufeng Automobile Co., Ltd ("Xinchufeng") at fair value. The specific transferee (s) of equity interests includes but is not limited to Kama and/or CHG; at the same time, CHG will propose, through the board of directors and general meeting of Kama, Kama to acquire all the equity interests of Xinchufeng held by JWTM at fair value. If Kama does not possess the ability for acquisition for the time being, CHG will acquire the abovementioned equity interests first. During the process of the abovementioned equity interests disposal and acquisition, CHG undertakes not to harm the interest of JWTM and other medium and minority shareholders. Before completely resolving the existing competition or potential competition in the industry in the commercial vehicle business mentioned above, CHG will enhance the internal division of labour and management within the vehicle business, urge the abovementioned subsidiaries to develop their business with their respective major products, so as to avoid material product competition. 3). If CHG and other enterprises under its control obtain business development opportunities falling within the existing business scope of JWTM in the future, JWTM has the priority to choose to carry out the development according to its needs, and CHG and other enterprises under its control will provide necessary support and assistance. 4). CHG and other enterprises under its control undertakes not to damage the legitimate interests of the Company and the social public shareholders, and will avoid to engage in businesses that compete with the existing businesses of the Company in future, and will no longer pursue to directly or indirectly engage in businesses that would compete with the existing businesses of the Company by means of any joint venture, cooperation or joint-operation with any third party or by way of lease operation, sub-contracted operation or entrusted management. Same as the left column and no amendment is required. 5). If CHG and other enterprises under its control breach the abovementioned undertakings and guarantees, they will terminate the businesses in competition with the existing businesses of the Company immediately, and carry out necessary measures to rectify.	8 October 2011	16 August 2015	Under normal performance except for stated below: 1) in view of the competition or potential competition between JWTM and CHTC Heavy Industry, CHTC Heavy Industry has transferred its textile machinery business and related assets which compete with JWTM to independent third parties that are not connected to JWTM, CHTC Heavy Industry and their controlled corporations upon approval at the Board and general meeting of CHTC Heavy Industry. The undertaking has been performed; 2) as disclosed in the announcement of the Company dated 24 July 2015, the commercial vehicle business undertaking is in the process of changing the undertaking term, which is subject to approval at the general meeting.
	China Hengtian Group Company Limited	Relevant commitments regarding non-public offering of A - shares: To comply with the requirements of relevant laws, regulations and regulatory documents such as Measures on the Takeover of Listed Companies and Measures for Administration of the Issue of Securities by Listed Companies, CHG undertakes not to transfer the privately offered A Shares of JWTM subscribed for within 36 months from the ending date of this offering.	8 October 2011	14 December 2015	Under normal performance
	China Hengtian Group Company Limited	Relevant commitments regarding non-public offering of A - shares: Undertakings of CHG in respect of not giving up the actual control over JWTM: In the foreseeable future, CHG as the de facto controller of JWTM will take all necessary steps and measures to ensure the position of CTMC as the controlling shareholder of JWTM and its actual control over JWTM.	8 October 2011	Long-term	Under normal performance
Other undertakings made to minority shareholders of the Company					
Perform timely or not	No				
Reason for non-performance and future plan (if any)	In respect of the undertaking under "Commitments made in initial public offering or re-financing", China Hengtian Group Company Limited made a undertaking on 8 October 2011 on the commercial vehicle business competition. As Hubei Xinchufeng Automobile Co., Ltd. has been loss-making in recent years, KAMA currently is not qualified for acquisition. Pursuant to the Guideline No. 4 for the Supervision of Listed Companies – Undertakings and Fulfillment of Undertakings of the Actual Controllers, Shareholders, Affiliates, and Acquirers of Listed Companies as well as the Listed Companies issued by the CSRC, the method of performance and date of China Hengtian's undertaking in relation to the avoidance of competition between JWTM and Kama is revised as follows: China Hengtian will propose a resolution by 31 December 2016 to the board of directors and general meeting of JWTM on the disposal of its entire equity interests in Xinchufeng at fair value to a subsidiary of China Hengtian or CHTC Heavy Industry. (For details, please refer to the announcement No. 2015-42 of the Company dated 24 July 2015 in relation to the change in the undertaking in relation to the avoidance of competition made by China Hengtian Group Company Limited, the actual controller)				



XI. APPOINTMENT AND DISMISSAL OF ACCOUNTING FIRMS

Accounting firm appointed

Name of domestic accounting firm	Baker Tilly China (Special General Partnership)
Continuous term of auditing service for domestic accounting firm	7 years
Name of domestic CPA	Wen Wuxing Yuan Gang
Name of foreign accounting firm (if applicable)	Baker Tilly Hong Kong Limited
Continuous term of auditing service for foreign accounting firm (if applicable)	7 years
Name of certified public accountants of the overseas accounting firm (if any)	Lo Wing See

The interim report was unaudited.

XII. PUNISHMENT AND RECTIFICATION

There was no punishment and rectification occurred against the Company during the reporting period.

XIII. DISCLOSURE OF DELISTING RISK DUE TO VIOLATION OF LAWS AND REGULATIONS

The Company has no delisting risk due to violation of laws and regulations during the reporting period.

XIV. OTHER SIGNIFICANT EVENTS

1. Purchase, Sale or Redemption of securities of the Company

There was no purchase, sale or redemption of listed securities of the Company by the Company or any of its subsidiaries during the reporting period.

2. Voluntary General Offer of China Hengtian

Reference is made to the announcements of the Company dated 20 March 2014, 17 April 2014, 16 May 2014, 16 June 2014, 16 July 2014, 15 August 2014, 15 September 2014, 15 October 2014, 15 November 2014, 15 December 2014, 15 January 2015, 14 February 2015, 13 March 2015, 13 April 2015, 15 May 2015, 15 June 2015, 16 July 2015, 28 July 2015, 13 August 2015 and 2 September 2015, respectively. On 13 August 2015, China Hi-Tech Holding Company Limited informed the Board that UBS AG Hong Kong Branch will, on behalf of China Hi-Tech Holding Company Limited, make a voluntary conditional general offer for all the issued H shares of the Company at HK\$12 per share in cash (including the new condition subsequently announced in the announcement dated 2 September 2015). As disclosed in the announcement of the Company dated 13 August 2015 (supplemented by the announcement dated 2 September 2015), the offer will be subject to relevant conditions. Upon the offer becoming unconditional, the Company will make an application for the listing of the H Shares to be withdrawn from The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”) in accordance with Rule 6.12 of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”). As announced in the announcement dated 2 September 2015 in relation to the delay in despatch of the composite document, the despatch of the composite document to the shareholders containing, among other things, the detailed terms of the offer (including the expected timetable relating to the offer), a letter from the independent committee of the Board (the “IBC”) in relation to the offer, a letter from Gram Capital Limited (as the independent financial adviser to the IBC) in respect of the offer and a notice of the special general meeting for shareholders will be delayed to a date on or before 22 September 2015.

XIV. OTHER SIGNIFICANT EVENTS (continued)

3. Corporate governance code

During the reporting period, the Company has adopted the Corporate Governance Code in Appendix 14 to the Listing Rules and committed to maintaining a high standard of corporate governance in order to enhance transparency and protect the interest of shareholders. During the reporting period, the roles of the remuneration committee and nomination committee were performed by the Personnel Nomination and Remuneration Committee of the Company (because the Company believes that this mode of Personnel Nomination and Remuneration Committee has been effective and is more suitable for the Company's needs, and that the terms of reference of such Committee have covered the suggested provisions for the terms of reference of remuneration committee and nomination committee set out in the Corporate Governance Code, being capable of protecting the interest of shareholders). In addition, on 11 December 2014, Mr. Zuo Yan An resigned as an independent non-executive Director of the seventh Board of the Company, the chairman of the Personnel Nomination and Remuneration Committee, member of the Audit Committee and member of the Strategy Committee. Rule 3.10(1) of the Listing Rules requires there shall be at least three independent non-executive directors in the board of directors of a listed issuer; whilst Rule 3.10A requires the number of independent non-executive directors to be at least one-third of the board. Rule 3.21 of the Listing Rules requires there shall be at least three members in the audit committee of a listed issuer; whilst Rule 3.25 requires the majority of the remuneration committee to be independent non-executive directors and shall be chaired by an independent non-executive director. Following the resignation of Mr. Zuo, the Company was unable to fulfill such requirements for a short period. On 11 March 2015, Mr. Niu Hongjun was appointed as an independent non-executive Director of the seventh Board of the Company, the chairman of the Personnel Nomination and Remuneration Committee as well as the members of the Audit Committee and Strategy Committee. As a result, the Company again fulfilled the above requirements. Save for the matters disclosed above, the Board considers that the Company has fully complied with the code provisions of the Corporate Governance Code in Appendix 14 to the Listing Rules during the reporting period.

4. The audit committee of the Board of the Company has, together with the management, reviewed the accounting principles, accounting standards and methods adopted by the Group, and has discussed about issues regarding auditing, internal controls and financial reporting including review of the unaudited interim accounts and results of the Group for the six months ended 30 June 2015.

5. Adoption of Model Code for Securities Transaction by Directors

The Company has adopted a set of code which is not lower than the standard and requirements of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules. In response to specific enquiries made, the Directors confirmed that they had complied with the requirements regarding directors' securities transactions set out in such set of code during the accounting period covered by the interim results.

Chapter V Movements in Share Capital and Information on Shareholders

I. CHANGES IN SHARES

Unit: share(s)

	Before change		Increase/decrease (+,-)					After change	
	Number of shares	Proportion (%)	New issue	Bonus shares	Conversion from statutory surplus reserve	Other	Sub-total	Number of shares	Proportion (%)
I. Restricted floating shares subject to terms of lock up	229,841,234	32.64%	0	0	0	0	0	229,841,234	32.64%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by state legal persons	229,591,931	32.61%	0	0	0	0	0	229,591,931	32.61%
3. Other domestic shares	249,303	0.03%	0	0	0	0	0	249,303	0.03%
Including: Shares held by domestic legal persons	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural persons	249,303	0.03%	0	0	0	0	0	249,303	0.03%
4. Shares owned by foreign capital	0	0.00%	0	0	0	0	0	0	0.00%
Including: Shares held by overseas legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by overseas natural persons	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted floating shares not subject to terms of lock up	474,288,766	67.36%	0	0	0	0	0	474,288,766	67.36%
1. Domestically listed ordinary shares	293,488,766	41.68%	0	0	0	0	0	293,488,766	41.68%
2. Domestically listed foreign capital shares	0	0.00%	0	0	0	0	0	0	0.00%
3. Overseas listed foreign capital shares	180,800,000	25.68%	0	0	0	0	0	180,800,000	25.68%
4. Others	0	0.00%	0	0	0	0	0	0	0.00%
III. Total number of shares	704,130,000	100.00%	0	0	0	0	0	704,130,000	100.00%

II. NUMBER OF SHAREHOLDERS OF THE COMPANY AND SHAREHOLDING
Unit: share(s)

Total number of shareholders of ordinary shares as at the end of the reporting period 36,955 Total number of shareholders of preference shares with restored voting right as at the end of the reporting period (if any) 0

Shareholdings of shareholders interested in more than 5% of the shares of the Company or top 10 shareholders

Name of shareholders	Nature of shareholders	Percentage of shareholding	Number of shares held at the end of the reporting period	Number of restricted shares held	Number of non-restricted shares held	Share pledged or locked-up Status of shares	Number
China Textile Machinery (Group) Company Limited	State-owned legal person	31.13%	219,194,674	210,579,426 Lock-up	8,615,248 214,855,248	Pledged Nil	4,339,420
HKSCC Nominees Limited	Others	25.54%	179,815,598	0	179,815,598	Nil	
China Hengtian Group Company Limited	State-owned legal person	2.70%	19,012,505	19,012,505	0	Nil	
Guangzhou Anzhou Investment Management Co., Ltd.-Anzhou Prioritized Value Securities Investment Fund No. 2	Others	0.62%	4,336,116	0	4,336,116	Nil	
Guangzhou Anzhou Investment Management Co., Ltd.-Anzhou Value Growth Securities Investment Fund No. 3	Others	0.43%	3,000,000	0	3,000,000	Nil	
Industrial and Commercial Bank of China Limited - GF Jurui Stock Fund	Others	0.34%	2,399,805	0	2,399,805	Nil	
Xing Yingbiao	Domestic natural person	0.32%	2,229,905	0	2,229,905	Nil	
China Construction Bank Corporation Limited - Great Wall Reform Dividend Flexible Configuration Hybrid Securities Investment Fund	Others	0.31%	2,199,978	0	2,199,978	Nil	
Chang'an Fund - China Merchants Bank - Chang'an Anzhou Prioritized Value Multi-strategy No. 19 Classified Assets Management Plan	Others	0.29%	2,010,504	0	2,010,504	Nil	
National Council for Social Security Fund No. 108 Portfolio	Others	0.28%	1,999,963	0	1,999,963	Nil	
Strategic investors or general legal persons who have become one of the top ten shareholders as a result of the placing of new shares (if any)	Not applicable.						
Connected relationship or concerted party relationship among the above shareholders	China Textile Machinery (Group) Company Limited is connected to China Hengtian Group Company Limited and is a party acting in concert as defined in the Administrative Measures for Information Disclosure of the Movement in Shareholding of Listed Companies. It is not known whether other shareholders are connected with one another or whether any of these shareholders falls within the meaning of parties acting in concert as defined in the Administrative Measures for Information Disclosure of the Movement in Shareholding of Listed Companies.						

**II. NUMBER OF SHAREHOLDERS OF THE COMPANY AND SHAREHOLDING (continued)****Shareholdings of the top ten shareholders of shares not subject to term of lockup**

Name of shareholders	Number of unrestricted floating shares held at the end of the reporting period	Class of shares	Number
HKSCC Nominees Limited	179,815,598	Overseas listed foreign shares	179,815,598
China Textile Machinery (Group) Company Limited	8,615,248	Ordinary shares denominated in RMB	8,615,248
Guangzhou Anzhou Investment Management Co., Ltd.-Anzhou Prioritized Value Securities Investment Fund No. 2	4,336,116	Ordinary shares denominated in RMB	4,336,116
Guangzhou Anzhou Investment Management Co., Ltd.-Anzhou Value Growth Securities Investment Fund No. 3	3,000,000	Ordinary shares denominated in RMB	3,000,000
Industrial and Commercial Bank of China Limited – GF Jurui Stock Fund	2,399,805	Ordinary shares denominated in RMB	2,399,805
Xing Yingbiao	2,229,905	Ordinary shares denominated in RMB	2,229,905
China Construction Bank Corporation Limited – Great Wall Reform Dividend Flexible Configuration Hybrid Securities Investment Fund	2,199,978	Ordinary shares denominated in RMB	2,199,978
Chang'an Fund – China Merchants Bank – Chang'an Anzhou Prioritized Value Multi-strategy No. 19 Classified Assets Management Plan	2,010,504	Ordinary shares denominated in RMB	2,010,504
National Council for Social Security Fund No. 108 Portfolio	1,999,963	Ordinary shares denominated in RMB	1,999,963
China Industrial International Trust Limited – Xingying Dongguan Development No. 1 Collective Fund Trust Plan	1,974,500	Ordinary shares denominated in RMB	1,974,500
Connected relationship or concerted party relationship among the top ten shareholders of shares without selling restrictions, and among the top ten shareholders of shares without selling restrictions and the top ten shareholders	China Textile Machinery (Group) Company Limited is connected to China Hengqian Group Company Limited and is a party acting in concert as defined in the Administrative Measures for Information Disclosure of the Movement in Shareholding of Listed Companies. It is not known whether other shareholders are connected with one another or whether any of these shareholders falls within the meaning of parties acting in concert as defined in the Administrative Measures for Information Disclosure of the Movement in Shareholding of Listed Companies.		
Top ten ordinary shareholders involved in margin financing and securities lending transactions (if any)	Guangzhou Anzhou Investment Management Co., Ltd.-Anzhou Prioritized Value Securities Investment Fund No. 2 holds 4,336,116 shares in the Company, representing 0.62% of the total share capital of the Company, through the customer credit trading guarantee securities account of GF Securities Co., Ltd.; Xing Yingbiao holds 2,229,905 shares in the Company, representing 0.32% of the total share capital of the Company, through the customer credit trading guarantee securities account of China Merchants securities Co., Ltd.		

The top 10 ordinary shareholders and top 10 shareholders of non-restricted shares of the Company did not enter into any agreed repurchase transaction during the reporting period.

III. CHANGES IN CONTROLLING SHAREHOLDER OR BENEFICIAL CONTROLLER

During the reporting period, there was no change in controlling shareholder of the Company. During the reporting period, there was no change in beneficial controller of the Company.

IV. MATTERS CONCERNING PROPOSING OR IMPLEMENTING SHARE INCREASE PLAN BY SHAREHOLDERS OF THE COMPANY OR ITS PARTIES ACTING IN CONCERT

To the best knowledge of the Company, neither shareholders of the Company nor its parties acting in concert has proposed or implementing any share increase plan during the reporting period.

V. EXPLANATION ON OTHER MATTERS

As at 30 June 2015, so far as the Directors, Supervisors and senior management of the Company were aware, the following person/entity (other than Directors, Supervisors or senior management of the Company) who had interests or short positions in the shares or the underlying shares of the Company, which were required to be recorded in the register kept in accordance with section 336 of Part XV of the Securities and Futures Ordinance were as follows:

Long positions in the H shares of the Company:

	Capacity	Number of H shares (shares)	Approximate % of total issued H share capital (%)	Approximate % of total issued share capital (%)
Zhang Shenghan	Beneficial Owner	10,240,000	5.00 (Note 1)	1.45
Deutsche Bank Aktiengesellschaft	Beneficial Owner/Person Having a Security Interest in Shares	12,887,596	7.13 (Note 2)	1.83

Short positions in H shares of the Company:

	Capacity	Number of H shares (share)	Approximate % of total issued H share capital (%)	Approximate % of total issued share capital (%)
Deutsche Bank Aktiengesellschaft	Beneficial owner	1,488,000	0.82 (Notes 2 & 3)	0.21

H shares of the Company available for lending:

	Capacity	Number of H shares (share)	Approximate % of total issued H share capital (%)	Approximate % of total issued share capital (%)
Deutsche Bank Aktiengesellschaft	Custodian	101,600	0.06 (Note 2)	0.01

Notes:

- (1) Such information is extracted from the individual substantial shareholder notice of Zhang Shenghan filed on 21 October 2003 as shown on the website of the Hong Kong Stock Exchange. However, the number of H Shares held by Zhang Shenghan stated in such notice was 10,240,000 shares, which, if correct, represents approximately 5.66%, instead of 5.00% (as stated in such notice) of the total issued H shares of the Company as at 30 June 2015. Zhang Shenghan has not filed any individual substantial shareholder notice with the Company since 21 October 2003. The Company is also unable to ascertain the actual number of H Shares held by Zhang Shenghan from the register of members of the Company as none of the H Shares was registered in the name of Zhang Shenghan as at 30 June 2015.
- (2) Such information is extracted from the corporate substantial shareholder notice of Deutsche Bank Aktiengesellschaft filed on 27 April 2015 as shown on the website of the Hong Kong Stock Exchange.
- (3) According to the corporate substantial shareholder notice filed by Deutsche Bank Aktiengesellschaft on 27 April 2015 as set out in the website of the Hong Kong Stock Exchange, they are all short positions held through cash-settled derivatives.

Long positions in the A shares of the Company:

	Capacity	Number of A shares (shares)	Approximate % of total issued A share capital (%)	Approximate % of total issued share capital (%)
China Textile Machinery (Group) Company Limited	Beneficial Owner	219,194,674	41.88	31.13

Save as disclosed above, in accordance with the register required to be kept under Section 336 of Part XV of the Securities and Futures Ordinance, the Company had not received any notice regarding the interests or short positions in the shares and underlying shares of the Company as at 30 June 2015.



Chapter VI Directors, Supervisors and Senior Management

I. CHANGE IN SHAREHOLDINGS (IN THE A SHARES OF THE COMPANY) OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Name	Position	Status of position	Number of shares held at the beginning of the period	Increase in number of shares for the current period	Decrease in number of shares for the current period	Number of shares held at the end of the period	Number of restricted shares granted at the beginning of the period	Number of restricted shares granted during the period	Number of restricted shares granted at the end of the period
			(share)	(share)	(share)	(share)	(share)	(share)	(share)
Ye Maoxin	Chairman	In office	8,580	0	0	8,580	6,435	0	6,435
Yao Yuming	Director, general manager and secretary of the party committee	In office	81,304	0	0	81,304	60,978	0	60,978
Lin Jianwang	Deputy general manager	In office	40,000	0	0	40,000	30,000	0	30,000
Shi Jianping	Deputy general manager	In office	40,000	0	0	40,000	30,000	0	30,000
Liu Xianming	Deputy general manager	In office	42,520	0	0	42,520	31,890	0	31,890
Mao Faqing	Deputy general manager and financial controller	In office	40,000	0	0	40,000	30,000	0	30,000
Ye Xuehua	Deputy general manager and secretary to the Board	In office	40,000	0	0	40,000	30,000	0	30,000
Ding Yufei	Deputy chairman of the Supervisory Committee, deputy secretary of the party committee, and secretary of the Disciplinary Committee	In office	40,000	0	0	40,000	30,000	0	30,000
Total	-	-	332,404	0	0	332,404	249,303	0	249,303

II. SUPPLEMENTARY EXPLANATION TO THE SHAREHOLDINGS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Yao Yuming, Mr. Lin Jianwang, Mr. Shi Jianping, Mr. Mao Faqing, Mr. Ye Xuehua, Mr. Liu Yang, Mr. Fan Tao and Mr. Gao Kingshan indirectly purchased a total of 1.466 million H shares of the Company through China AMC Overseas Equity Classification Asset Management Plan on 26 June, 27 June, 28 June and 26 September 2013.

Save as disclosed above, as at 30 June 2015, none of the Directors, Supervisors, chief executives and their respective spouses or children under the age of 18 had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance), nor had any of them been granted any rights to subscribe for any interest in the shares, underlying shares or debentures and short positions of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which was required to be recorded in the register established and maintained in accordance with section 352 of the Securities and Futures Ordinance or required to be notified to the Company and the Hong Kong Stock Exchange in accordance with Model Code for Securities Transactions by Directors of the Listed Issuers. During the reporting period, none of the Directors, Supervisors or chief executives had any material interests in the contracts executed by the Company or its subsidiaries.

III. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT OF THE COMPANY

Name	Position	Category	Date	Reason
Lin Jianwang	Standing deputy general manager	Removed	10 April 2015	Change of work
Lin Jianwang	Deputy general manager	Appointed	10 April 2015	
Wu Xudong	Standing deputy general manager	Appointed	10 April 2015	
Mao Faqing	Deputy general manager and financial controller	Appointed	10 April 2015	

Chapter VII Interim Financial Statements Prepared in Accordance with the PRC Accounting Standards for Business Enterprises (Unaudited)

(All amounts are stated in RMB unless otherwise stated)

I. AUDITOR'S REPORT

The interim financial report of the Company has not been audited.

II. FINANCIAL STATEMENTS

The amounts in the statements are in RMB.

1. CONSOLIDATED BALANCE SHEET

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Cash and bank balance	7,907,170,265.08	5,232,098,235.32
Clearing settlement funds		
Lending funds		
Financial assets at fair value through profit or loss	6,011,940,501.79	6,042,235,482.50
Derivative financial assets		
Bills receivable	718,379,538.62	784,056,222.14
Accounts receivable	1,030,020,180.49	769,988,186.02
Prepayments	394,813,499.71	527,088,166.98
Interest receivables	7,534,546.67	7,739,384.47
Dividend receivables	34,280,000.00	34,280,000.00
Other receivables	447,681,054.58	329,103,171.46
Financial assets purchased under agreements to resell		
Inventories	1,540,758,274.80	1,542,273,525.88
Assets classified as held for sale		
Non-current assets due within one year	300,000,000.00	300,000,000.00
Other current assets	41,614,362.49	30,809,500.70
Total current assets	18,434,192,224.23	15,599,671,875.47
Non-current assets:		
Loans and advances granted		
Available-for-sale financial assets	1,170,554,332.61	648,065,357.60
Held-to-maturity investments	80,000,000.00	
Long-term receivables	96,976,675.34	
Long-term equity investments	1,117,490,803.23	337,778,358.20
Fixed assets	1,795,684,346.33	1,857,062,873.87
Construction in progress	193,729,217.94	131,754,878.24
Construction materials		
Disposal of fixed assets		
Intangible assets	574,498,051.20	589,475,889.66
Research and development expenditure	14,221,806.55	14,221,806.55
Goodwill	851,216,032.98	845,120,985.01
Long-term deferred expenses	24,852,255.07	22,789,114.87
Deferred income tax assets	459,420,104.66	518,677,016.74
Other non-current assets	750,000,000.00	750,000,000.00
Total non-current assets	7,128,643,625.91	5,714,946,280.74
Total assets	25,562,835,850.14	21,314,618,156.21



II. FINANCIAL STATEMENTS (continued)

1. CONSOLIDATED BALANCE SHEET (continued)

Unit: RMB

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	2,652,039,957.49	2,344,849,420.62
Placements from other financial institutions	1,700,000,000.00	
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Bills payable	175,002,879.96	406,586,626.39
Accounts payable	1,491,280,237.13	1,439,100,345.82
Advances from customers	535,016,078.67	624,376,235.33
Employee benefits payables	2,157,064,292.77	2,044,945,000.36
Taxation payables	294,580,508.43	461,255,177.52
Interest payables	28,017,658.06	52,213,735.05
Dividend payables	61,596,130.96	29,655,744.58
Other payables	461,704,356.87	305,610,634.64
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,361,159.74	1,644,810.20
Other current liabilities		
Total current liabilities	9,557,663,260.08	7,710,237,730.51
Non-current liabilities:		
Long-term borrowings	200,000,000.00	200,000,000.00
Bonds payable	2,551,391,793.51	1,200,000,000.00
Long-term payables	47,235,244.88	30,347,074.11
Long-term employee benefits payables	25,790,000.00	25,790,000.00
Special payables	17,000,000.00	22,200,000.00
Accrued liabilities		
Deferred income	97,601,356.84	102,352,673.14
Deferred income tax liabilities	32,206,759.76	4,201,498.21
Other non-current liabilities		
Total non-current liabilities	2,971,225,154.99	1,584,891,245.46
Total liabilities	12,528,888,415.07	9,295,128,975.97
Owners' equity:		
Share capital	704,130,000.00	704,130,000.00
Other equity instruments		
Capital reserve	1,922,392,827.79	1,922,392,827.79
Other comprehensive income	-13,755,114.99	-42,881,976.84
Special reserve	17,519,942.63	15,204,564.37
Surplus reserve	912,774,509.78	912,774,509.78
Provision for general risks	186,949,419.73	187,708,061.32
Undistributed profit	2,168,445,239.80	1,891,591,402.01
Total equity attributable to owners of the parent company	5,898,456,824.74	5,590,919,388.43
Minority interests	7,135,490,610.33	6,428,569,791.81
Total owners' equity	13,033,947,435.07	12,019,489,180.24
Total liabilities and owners' equity	25,562,835,850.14	21,314,618,156.21

Legal representative: Ye Maoxin Person-in-charge of accounting function: Mao Faqing Person-in-charge of accounting department: An Yongzhi

II. FINANCIAL STATEMENTS (continued)
2. BALANCE SHEET OF THE PARENT COMPANY
Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Cash and bank balance	567,127,184.56	676,049,758.08
Financial assets at fair value through profit or loss		
Derivative financial assets		
Bills receivable	205,482,017.75	434,656,917.43
Accounts receivable	717,410,451.79	611,534,588.47
Prepayments	362,047,774.98	504,484,473.25
Interest receivables	7,495,890.42	7,490,000.00
Dividend receivables	240,133,055.61	241,256,938.10
Other receivables	1,163,632,798.91	1,040,926,793.20
Inventories	226,542,928.91	186,134,845.50
Assets classified as held for sale		
Non-current assets due within one year	300,000,000.00	300,000,000.00
Other current assets	2,737,052.22	
Total current assets	<u>3,792,609,155.15</u>	<u>4,002,534,314.03</u>
Non-current assets:		
Available-for-sale financial assets	10,042,730.75	10,042,730.75
Held-to-maturity investments	80,000,000.00	
Long-term receivables	271,887,701.59	282,302,252.79
Long-term equity investments	3,867,046,963.08	3,833,761,837.52
Fixed assets	259,767,277.03	273,148,587.31
Construction in progress	8,705,486.25	10,222,950.73
Intangible assets	58,056,483.87	61,088,811.22
Research and development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>4,555,506,642.57</u>	<u>4,470,567,170.32</u>
Total assets	<u>8,348,115,797.72</u>	<u>8,473,101,484.35</u>



II. FINANCIAL STATEMENTS (continued)

2. BALANCE SHEET OF THE PARENT COMPANY (continued)

Unit: RMB

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	2,359,923,460.97	2,098,904,424.48
Bills payable	91,364,287.27	271,143,216.56
Accounts payable	491,607,772.17	540,084,622.12
Advances from customers	440,887,597.52	510,693,592.49
Employee benefits payables	16,114,039.25	32,809,021.34
Taxation payables	2,242,734.53	10,798,674.56
Interest payables	21,720,044.54	50,234,583.32
Dividend payables	34,431,851.55	62,465.17
Other payables	234,825,069.35	292,985,916.11
Other current liabilities		
Total current liabilities	3,693,116,857.15	3,807,716,516.15
Non-current liabilities:		
Long-term borrowings	200,000,000.00	200,000,000.00
Bonds payable	1,200,000,000.00	1,200,000,000.00
Long-term payables		
Special payables	10,000,000.00	10,000,000.00
Deferred income	12,926,721.83	13,526,721.83
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities	1,422,926,721.83	1,423,526,721.83
Total liabilities	5,116,043,578.98	5,231,243,237.98
Owners' equity:		
Share capital	704,130,000.00	704,130,000.00
Other equity instruments		
Capital reserve	2,048,294,189.80	2,048,294,189.80
Other comprehensive income	-71,350.17	-71,350.17
Special reserve	833,631.72	740,680.62
Surplus reserve	389,046,772.39	389,046,772.39
Undistributed profit	89,838,975.00	99,717,953.73
Total owners' equity	3,232,072,218.74	3,241,858,246.37
Total liabilities and owners' equity	8,348,115,797.72	8,473,101,484.35



II. FINANCIAL STATEMENTS (continued)

3. CONSOLIDATED INCOME STATEMENT

Unit: RMB

Item	Amounts for the reporting period	Amounts for the prior period
1. Total operating income	4,502,928,463.02	4,880,088,985.11
Of which: Operating income	2,413,922,492.58	2,427,349,262.94
Interest income	107,521,394.94	212,211,959.08
Premium earned		
Fee and commission income	1,981,484,575.50	2,240,527,763.09
2. Total operating costs	3,329,769,630.20	3,676,859,892.48
Of which: Operating costs	1,549,305,967.34	2,037,399,628.59
Interest expense		
Fee and commission expense		
Business tax and surcharges	146,781,573.26	142,514,555.52
Selling expenses	71,697,361.18	84,678,691.92
Administrative expenses	1,412,947,801.12	1,312,190,328.38
Financial expenses	130,446,532.88	99,946,875.35
Impairment loss in respect of assets	18,590,394.42	129,812.72
Add: Gains from changes in fair values (loss expressed with “-”)	3,289.04	-13,254,328.48
Investment income (loss expressed with “-”)	61,616,212.35	38,650,264.77
Of which: Income from investment in associates and joint ventures	29,712,445.03	24,055,007.06
Foreign exchange gain (loss expressed with “-”)	0.00	1,411,199.72
3. Operating profits (loss expressed with “-”)	1,234,778,334.21	1,230,036,228.64
Add: Non-operating income	170,275,584.26	17,151,266.28
Of which: Income from disposal of non-current assets	152,051,805.12	3,951,814.79
Less: Non-operating expenses	14,219,992.41	3,036,242.27
Of which: Loss from disposal of non-current assets	13,076,493.94	730,133.30
4. Total profits (loss expressed with “-”)	1,390,833,926.06	1,244,151,252.65
Less: Income tax expenses	351,437,839.92	369,797,965.51
5. Net profit (loss expressed with “-”)	1,039,396,086.14	874,353,287.14
Net profit attributable to owners of the parent company	311,301,696.20	217,129,958.44
Minority interests	728,094,389.94	657,223,328.70
6. Net other comprehensive income after tax	91,449,506.34	-41,531,269.33
Net other comprehensive income after tax attributable to owners of the parent company	29,126,861.85	-15,384,484.01
(I) Other comprehensive income that will not be reclassified to profit and loss in subsequent periods		0.00
1. Change in remeasurement of net defined benefit liability or assets		0.00
2. Share of other comprehensive income of equity accounted investees that will not be reclassified to profit and loss		
(II) Other comprehensive income that will be reclassified to profit and loss in subsequent periods	29,126,861.85	-15,384,484.01
1. Share of other comprehensive income of equity accounted investees that will be reclassified to profit and loss in subsequent periods		
2. Gains and losses from changes in fair value of available-for-sale financial assets	29,707,215.74	-15,720,895.83
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets		
4. Effective portion of hedging gains and losses from cash flows		
5. Exchange differences on translation of foreign operations	-580,353.89	336,411.82
6. Others		
Net other comprehensive income after tax attributable to minority interests	62,322,644.49	-26,146,785.32
7. Total comprehensive income	1,130,845,592.48	832,822,017.81
Total comprehensive income attributable to owners of the parent company	340,428,558.05	201,745,474.43
Total comprehensive income attributable to minority interests	790,417,034.43	631,076,543.38
8. Earnings per share		
(I) Basic earnings per share	0.44	0.31
(II) Diluted earnings per share	0.44	0.31

Legal representative: **Ye Maoxin** Person-in-charge of accounting function: **Mao Faqing** Person-in-charge of accounting department: **An Yongzhi**



II. FINANCIAL STATEMENTS (continued)

4. INCOME STATEMENT OF THE PARENT COMPANY

Unit: RMB

Item	Amounts for the reporting period	Amounts for the prior period
1. Operating income	850,417,873.15	1,382,360,768.15
Less: Operating costs	810,831,311.11	1,297,061,774.04
Business tax and surcharges	1,993,964.56	2,177,353.29
Selling expenses	30,343,528.27	36,689,511.84
Administrative expenses	83,678,445.48	83,074,818.80
Financial expenses	56,039,388.52	84,780,081.54
Impairment loss in respect of assets	8,009,540.74	
Investment income (loss expressed with “-”)	160,168,643.58	141,244,365.87
Of which: Income from investment in associates and joint ventures	18,775,125.56	11,180,897.12
2. Operating profits (loss expressed with “-”)	19,690,338.05	19,821,594.51
Add: Non-operating income	5,750,396.62	3,239,331.37
Of which: Income from disposal of non-current assets	741,754.93	456,138.92
Less: Non-operating expenses	113,213.40	93,531.88
Of which: Loss from disposal of non-current assets	95,797.05	47,955.59
3. Total profits (loss expressed with “-”)	25,327,521.27	22,967,394.00
Less: Income tax expenses		17,250.00
4. Net profit (loss expressed with “-”)	25,327,521.27	22,950,144.00
5. Net other comprehensive income after tax		
(I) Other comprehensive income that will not be reclassified to profit and loss in subsequent periods		
(II) Other comprehensive income that will be reclassified to profit and loss in subsequent periods		
6. Total comprehensive income	25,327,521.27	22,950,144.00
7. Earnings per share:		
(I) Basic earnings per share		
(II) Diluted earnings per share		

II. FINANCIAL STATEMENTS (continued)
5. CONSOLIDATED CASH FLOW STATEMENT
Unit: RMB

Item	Amounts for the reporting period	Amounts for the prior period
1. Cash flows from operating activities:		
Cash receipts from sale of goods and the renderings of services	1,805,435,175.33	3,009,157,341.53
Net increase in disposal of financial assets at fair value through profit or loss	282,655,743.01	0.00
Net increase in available-for-sale financial assets	0.00	0.00
Interest, fee and commission received	2,381,542,197.98	2,546,744,808.67
Receipts of tax refunds	7,262,771.34	11,967,400.50
Other cash receipts relating to operating activities	68,506,859.10	65,862,111.85
Sub-total of cash inflows from operating activities	4,545,402,746.76	5,633,731,662.55
Cash paid for purchase of goods and services received	1,879,963,181.89	2,698,098,125.01
Cash payments to and on behalf of employees	1,062,924,214.21	911,020,979.25
Payments of all types of taxes	677,813,359.67	761,973,797.05
Other cash payments relating to operating activities	345,860,140.26	200,052,364.27
Sub-total of cash outflows from operating activities	3,966,560,896.03	4,571,909,842.37
Net cash flows from operating activities	578,841,850.73	1,061,821,820.18
2. Cash flows from investing activities:		
Cash received from disposals of investments	181,295,332.28	101,470,782.30
Cash received from returns on investments	29,433,294.16	31,156,975.85
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	222,564,612.90	5,005,405.90
Net cash receipts from disposals of subsidiaries and other operating units	0.00	0.00
Other cash receipts relating to investing activities	0.00	0.00
Sub-total of cash inflows from investing activities	433,293,239.34	137,633,164.05
Cash paid to acquire fixed assets, intangible assets and other long-term assets	44,201,616.99	44,261,831.98
Cash payments to acquire investments	1,246,672,502.12	242,007,360.58
Net increase in pledged loans	0.00	0.00
Net cash paid for acquisition of subsidiaries and other business units	13,702,120.33	0.00
Other cash payments relating to investing activities	0.00	0.00
Sub-total of cash outflows from investing activities	1,304,576,239.44	286,269,192.56
Net cash flows from investing activities	-871,283,000.10	-148,636,028.51



II. FINANCIAL STATEMENTS (continued)

5. CONSOLIDATED CASH FLOW STATEMENT (continued)

Item	Amounts for the reporting period	Amounts for the prior period
3. Cash flows from financing activities:		
Receipt of cash investment	102,435,440.00	0.00
Of which: Capital injections to subsidiaries		
from minority shareholders	102,435,440.00	0.00
Cash receipts from borrowings	1,501,075,422.62	1,435,134,089.44
Cash receipts from bond issue	1,351,391,793.51	0.00
Other cash receipts relating to financing activities	1,700,000,000.00	0.00
Sub-total of cash inflows from financing activities	<u>4,654,902,656.13</u>	<u>1,435,134,089.44</u>
Cash paid for repayment of debts	1,164,354,124.48	974,630,993.28
Cash paid for dividend, profit appropriation		
or interest expenses	331,602,783.33	311,068,892.78
Other cash payments relating to financing activities	107,298,943.85	21,672,909.24
Sub-total of cash outflows from financing activities	<u>1,603,255,851.66</u>	<u>1,307,372,795.30</u>
Net cash flows from financing activities	<u>3,051,646,804.47</u>	<u>127,761,294.14</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	-514,725.71	968,669.71
5. Net increase in cash and cash equivalents	2,758,690,929.39	1,041,915,755.52
Add: Opening balance of cash and cash equivalents	4,993,815,408.98	9,314,093,479.56
6. Closing balance of cash and cash equivalents	<u><u>7,752,506,338.37</u></u>	<u><u>10,356,009,235.08</u></u>

II. FINANCIAL STATEMENTS (continued)
6. CASH FLOW STATEMENT OF THE PARENT COMPANY

Unit: RMB

Item	Amounts for the reporting period	Amounts for the prior period
1. Cash flows from operating activities:		
Cash receipts from sale of goods and the renderings of services	750,152,012.14	1,257,475,576.02
Receipts of tax refunds	172,232.06	47,815.12
Other cash receipts relating to operating activities	132,500,937.53	293,475,287.59
Sub-total of cash inflows from operating activities	882,825,181.73	1,550,998,678.73
Cash paid for purchase of goods and services received	706,374,870.88	953,814,457.56
Cash payments to and on behalf of employees	83,758,875.23	89,841,225.80
Payments of all types of taxes	29,822,746.38	48,500,751.50
Other cash payments relating to operating activities	279,611,961.01	443,887,701.47
Sub-total of cash outflows from operating activities	1,099,568,453.50	1,536,044,136.33
Net cash flows from operating activities	-216,743,271.77	14,954,542.40
2. Cash flows from investing activities:		
Cash received from disposals of investments	0.00	60,000,000.00
Cash received from returns on investments	142,431,197.20	125,079,137.87
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		63,840.00
Net cash receipts from disposals of subsidiaries and other operating units		
Other cash receipts relating to investing activities		
Sub-total of cash inflows from investing activities	142,431,197.20	185,142,977.87
Cash paid to acquire fixed assets, intangible assets and other long-term assets	1,789,731.94	6,655,981.09
Cash payments to acquire investments	146,886,534.00	143,770,000.00
Net cash paid for acquisition of subsidiaries and other business units		
Other cash payments relating to investing activities	3,500,000.00	44,441,021.58
Sub-total of cash outflows from investing activities	152,176,265.94	194,867,002.67
Net cash flows from investing activities	-9,745,068.74	-9,724,024.80



II. FINANCIAL STATEMENTS (continued)

6. CASH FLOW STATEMENT OF THE PARENT COMPANY (continued)

Unit: RMB

Item	Amounts for the reporting period	Amounts for the prior period
3. Cash flows from financing activities:		
Receipt of cash investment		
Cash receipts from borrowings	1,350,000,000.00	1,350,000,000.00
Cash receipts from bond issue		
Other cash receipts relating to financing activities	227,341,381.26	570,548,717.74
	<u>1,577,341,381.26</u>	<u>1,920,548,717.74</u>
Sub-total of cash inflows from financing activities		
Cash paid for repayment of debts	1,089,293,466.05	904,909,548.28
Cash paid for dividend, profit appropriation or interest expenses	133,299,147.43	120,574,965.82
Other cash payments relating to financing activities	216,106,228.19	691,382,909.24
	<u>1,438,698,841.67</u>	<u>1,716,867,423.34</u>
Sub-total of cash outflows from financing activities		
Net cash flows from financing activities	<u>138,642,539.59</u>	<u>203,681,294.40</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents		
	-1,044.48	-480,020.48
5. Net increase in cash and cash equivalents		
Add: Opening balance of cash and cash equivalents	614,214,090.19	536,826,287.23
	<u>614,214,090.19</u>	<u>536,826,287.23</u>
6. Closing balance of cash and cash equivalents	<u>526,367,244.79</u>	<u>745,258,078.75</u>

II. FINANCIAL STATEMENTS (continued)
7. CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
Amounts for the reporting period
Unit: RMB

Item	Current period											Total owners' equity	
	Other equity instruments				Equity attributable to owners of the parent company								
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Undistributed profit		Minority interests
I. Balance as at the end of the previous year	704,130,000.00				1,922,392,827.79		-42,881,976.84	15,204,564.37	912,774,509.78	187,708,061.32	1,891,591,402.01	6,428,569,791.81	12,019,489,180.24
Add: accounting policy change													
II. Balance as at the beginning of the year	704,130,000.00				1,922,392,827.79		-42,881,976.84	15,204,564.37	912,774,509.78	187,708,061.32	1,891,591,402.01	6,428,569,791.81	12,019,489,180.24
III. Changes in the period ("-" denotes decrease)							29,126,861.85	2,315,378.26		-758,641.59	276,853,837.79	706,920,818.52	1,014,458,254.83
(I) Total comprehensive income							29,126,861.85				311,301,696.20	790,417,034.43	1,130,845,592.48
(II) Capital paid in and reduced by owners												103,377,836.58	103,377,836.58
1. Ordinary shares paid by shareholders													
2. Capital paid by holders of other equity instruments													
3. Amounts of share-based payments recognised in owners' equity													
4. Others												103,377,836.58	103,377,836.58
(III) Profit distribution										-758,641.59	-34,447,858.41	-187,590,000.00	-222,796,500.00
1. Transfer to surplus reserve													0.00
2. Transfer to general risk provision										-758,641.59	758,641.59		0.00
3. Distribution to owners (shareholders)											-35,206,500.00	-187,590,000.00	-222,796,500.00
4. Others													
(IV) Transfer within owner's equity													
1. Capitalization of capital reserve													
2. Capitalization of surplus reserve													
3. Loss offset by surplus reserve													
4. Others													
(V) Special reserve								2,315,378.26				715,947.51	3,031,325.77
1. Transfer in the current period								6,528,384.22				1,495,098.39	8,200,408.73
2. Use in the current period								4,213,005.96				779,150.88	5,169,082.96
(VI) Others													
IV. Balance at the end of the current period	704,130,000.00				1,922,392,827.79		-13,755,114.99	17,519,942.63	912,774,509.78	186,949,419.73	2,168,445,239.80	7,135,490,610.33	13,033,947,455.07

II. FINANCIAL STATEMENTS (continued)
7. CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (continued)
Amounts for the prior period
Unit: RMB

Item	Current period											Total owners' equity	
	Other equity instruments				Equity attributable to owners of the parent company								
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Provision for general risks	Undistributed profit		Minority interests
I. Balance as at the end of the previous year	704,130,000.00				1,883,304,144.37		-3,721,933.80	10,587,684.57	820,492,967.34	105,343,583.49	1,593,931,859.21	5,086,198,387.37	10,200,266,692.55
Add: accounting policy change					47,539,336.07		-48,419,336.07				880,000.00		
II. Balance as at the beginning of the year	704,130,000.00				1,930,843,480.44		-52,141,269.87	10,587,684.57	820,492,967.34	105,343,583.49	1,594,811,859.21	5,086,198,387.37	10,200,266,692.55
III. Changes in the period (* "-" denotes decrease)					-8,450,652.65		9,259,293.03	4,616,879.80	92,281,542.44	82,364,477.83	296,779,542.80	1,342,371,404.44	1,819,222,487.69
(I) Total comprehensive income							9,259,293.03				541,838,563.07	1,477,736,882.77	2,028,834,738.87
(II) Capital paid in and reduced by owners					-8,587,626.90							83,141,334.06	74,553,727.16
1. Ordinary shares paid by shareholders												74,430,102.28	74,430,102.28
2. Capital paid by holders of other equity instruments													
3. Amounts of share-based payments recognised in owners' equity													
4. Others					-8,587,626.90							8,711,251.78	123,624.88
(III) Profit distribution									92,281,542.44	82,364,477.83	-245,059,020.27	-220,126,102.90	-290,539,102.90
1. Transfer to surplus reserve									92,281,542.44		-92,281,542.44		
2. Transfer to general risk provision										82,364,477.83	-82,364,477.83		
3. Distribution to owners (shareholders)											-70,413,000.00	-220,126,102.90	-290,539,102.90
4. Others													
(IV) Transfer within owner's equity													
1. Capitalization of capital reserve													
2. Capitalization of surplus reserve													
3. Loss offset by surplus reserve													
4. Others													
(V) Special reserve					136,974.25			4,616,879.80				1,619,270.51	6,373,124.56
1. Transfer in the current period					136,974.25			16,051,000.02				3,344,101.01	19,532,155.28
2. Use in the current period								-11,434,200.22				-1,724,830.50	-13,159,030.72
(VI) Others													
IV. Balance at the end of the current period	704,130,000.00				1,922,392,827.79		-42,881,976.84	15,204,564.37	912,774,509.78	187,708,061.32	1,891,591,402.01	6,428,569,791.81	12,019,489,180.24

II. FINANCIAL STATEMENTS (continued)
8. STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY
Amounts for the reporting period
Unit: RMB

Item	Current period										
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	Total owners' equity
I. Balance as at the end of the previous year	704,130,000.00				2,048,294,189.80		-71,350.17	740,680.62	389,046,772.39	99,717,953.73	3,241,858,246.37
Add: accounting policy change											
II. Balance as at the beginning of the year	704,130,000.00				2,048,294,189.80		-71,350.17	740,680.62	389,046,772.39	99,717,953.73	3,241,858,246.37
III. Changes in the period ("-" denotes decrease)								92,951.10		-9,878,978.73	-9,786,027.63
(I) Total comprehensive income										25,327,521.27	25,327,521.27
(II) Capital paid in and reduced by owners											
(III) Profit distribution										-35,206,500.00	-35,206,500.00
1. Transfer to surplus reserve											
2. Distribution to owners (shareholders)										-35,206,500.00	-35,206,500.00
(IV) Special reserve								92,951.10			92,951.10
1. Transfer in the current period								1,407,876.00			1,407,876.00
2. Use in the current period								1,314,924.90			1,314,924.90
IV. Balance at the end of the current period	704,130,000.00				2,048,294,189.80		-71,350.17	833,631.72	389,046,772.39	89,838,975.00	3,232,072,218.74



II. FINANCIAL STATEMENTS (continued)

8. STATEMENT OF CHANGES IN OWNERS' EQUITY OF THE PARENT COMPANY (continued)

Amounts for the prior period

Unit: RMB

Item	Current period										Total owners' equity
	Share capital	Preference shares	Perpetual bonds	Others	Capital reserve	Less: treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profit	
I. Balance as at the end of the previous year	704,130,000.00				2,047,960,760.48			91,111.10	386,807,862.04	149,980,760.57	3,288,970,494.19
Add: accounting policy change					72,830.18		-72,830.18				
II. Balance as at the beginning of the year	704,130,000.00				2,048,033,590.66		-72,830.18	91,111.10	386,807,862.04	149,980,760.57	3,288,970,494.19
III. Changes in the period ("-" denotes decrease)					260,599.14		1,480.01	649,569.52	2,238,910.35	-50,262,806.84	-47,112,247.82
(I) Total comprehensive income							1,480.01			17,912,619.01	17,914,099.02
(II) Capital paid in and reduced by owners					123,624.89				447,648.45	4,028,836.05	4,600,109.39
1. Others					123,624.89				447,648.45	4,028,836.05	4,600,109.39
(III) Profit distribution									1,791,261.90	-72,204,261.90	-70,413,000.00
1. Transfer to surplus reserve									1,791,261.90	-1,791,261.90	
2. Distribution to owners (shareholders)										-70,413,000.00	-70,413,000.00
(IV) Special reserve					136,974.25			649,569.52			786,543.77
1. Transfer in the current period					136,974.25			3,144,777.00			3,281,751.25
2. Use in the current period								-2,495,207.48			-2,495,207.48
IV. Balance at the end of the current period	704,130,000.00				2,048,294,189.80		-71,350.17	740,680.62	389,046,772.39	99,717,953.73	3,241,858,246.37

III. GENERAL INFORMATION OF THE COMPANY

Jingwei Textile Machinery Company Limited (hereinafter referred to as the “Company”), was established on 15 August 1995 by China Textile Machinery (Group) Company Limited (“CTMC”, formerly known as China National Textile Machinery Corporation). There were 220,000,000 state-owned shares when the Company was set up. The legal representative of the Company is Ye Maoxin and the registered address is No. 8 Yongchangzhong Road, Beijing Economic & Technological Development Zone, Beijing and the office address is 7/F, First Shanghai Center, 39 Liangma Qiao Road, Chaoyang, Beijing.

After the approval by Chinese Securities Regulatory Commission (“CSRC”) under the State Council in the document entitled No.2 (1996), the Company was listed on the Stock Exchange of Hong Kong with issuance of 180,800,000 H shares in February 1996. It was granted as a foreign invested company limited by the former Ministry of Foreign Trade and Economic Cooperation in March 1996. In November 1996, the Company, after being approved by CSRC with No.347 (1996) document and No. 348 (1996) document, issued 23,000,000 A shares and in May 2000, the Company issued an additional 180,000,000 A shares. In November 2012, after the approval by CSRC with regulatory approval [2012] No.1118, the Company privately issued 100,330,000 A shares. Subsequent to these issuances, the total number of shares issued by the Company amounted to 704,130,000.

The Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and sales of textile machinery and providing trust and fiduciary services.

(1) The parent company and the beneficial owner

As at 31 December 2014, CTMC holds 31.13% of the equity interest in the Company, China Hengtian Group Company Limited (“China Hengtian”) directly holds 2.70% of the equity interest in the Company, and the remaining 66.17% equity interests are widely held by various other shareholders.

CTMC, which has substantial control over the Company, is the parent company of the Company. The ultimate holding company of the Company is China Hengtian Group Company Limited.

(2) The organ which authorizes the issuance of the financial statements and date of approval

The financial statements of the Company were approved for issue at the 17th meeting of the seventh board of directors of the Company on 24 August 2015.

IV. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements have been prepared on the going concern basis which are based on the actual transactions occurred, the following significant accounting policies and accounting estimates in accordance with Accounting Standards for Business Enterprises.

2. Going concern

The Company has ability for continuous operation and there are no significant events which affect the ability for continuous operation.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1. Statement of Compliance with the Accounting Standards for Business Enterprises

The financial statements on the above basis of preparation have been prepared by the Company in conformity with the latest Accounting Standards for Business Enterprises (“ASBE”) and application guide, explanations and other relevant provisions issued by the Ministry of Finance of the PRC, which truly and fully reflect the financial position, operating results and cash flows and other information of the Company.

In addition, these financial statements also refer to the presentation and disclosure requirements of the “Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports (revised in 2014)” (“No.15 (revised in 2014)”).

2. Accounting period

The Group has adopted the calendar year as its accounting year, i.e. from 1 January to 31 December.

3. Functional currency

Given the fact that Renminbi is the major currency of the circumstances where the Company and its domestic subsidiaries are primarily operated, the Company and domestic subsidiaries adopt RMB as their functional currency. Foreign subsidiaries of the Company like Hong Kong Huaming Co., Limited, China Hengtian New Energy Automobile Co., Limited, China Hi-Tech (International) Limited and Zhongrong International Capital Management Co., Ltd, adopt Hong Kong Dollar as functional currency based on operating environments. Foreign subsidiaries of the Company like CHTC Europe Holding B.V., Ginaf Trucks Nederland B.V., TAM-DURABUS, Proizvodnja gospodarskih vozil, d.o.o and JW-PROTTI MACCHINE TESSILI S.R adopt European Dollars as functional currency based on operating environments. Foreign subsidiaries of the Company like America Jingwei Textile Machinery LLC, Zhongrong International Holdings Limited(BVI) and Zhongrong International Bond 2015 Limited adopt US Dollar as functional currency based on operating environments. The Group adopts RMB as the functional currency for the preparation of the financial statements.

4. Accounting treatments of business combination under common control and not under common control

(1) *A business combination under common control*

The Group realized business combination under common control through acquisition by a transaction or by steps through multiple transactions. The assets and liabilities acquired a under business control are measured at their carrying amounts in consolidated financial statements of the ultimate shareholder on the acquisition date. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or the aggregate face value of shares issued as consideration) is adjusted to share premium in capital reserve. If the share premium in capital reserve is not sufficient to cover the difference, any excess is adjusted against retained earnings.

(2) *A business combination not under common control*

Where the cost of combination exceeds the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the difference is recognized as goodwill by the Group on acquisition date. Where the cost of combination is less than the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the difference is accounted for as follows: firstly, the acquirer reassesses the measurement of the fair values of the acquiree’s identifiable assets, liabilities and contingent liabilities and measurement of the cost of combination; then, if after that reassessment, the cost of combination is still less than the acquirer’s interest in the fair value of the acquiree’s identifiable net assets, the acquirer recognizes the remaining difference immediately in profit or loss for the current period.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)****4. Accounting treatments of business combination under common control and not under common control (continued)****(2) A business combination not under common control (continued)**

For a merger of enterprises through several swap transactions, they shall be recorded in the following sequence:

- 1) Adjustment shall be made to the balance of the carrying amount of long-term equity investment. The sum of the carrying amount of the equity investment of acquiree previously held by the acquirer and the newly added investment cost on acquisition date shall be taken as initial investment cost of such investment; The other comprehensive income of the acquiree before the acquisition date relating to the previously held interest in the acquiree is transferred to investment income.
- 2) Compare the costs of each individual cost of transactions and the identifiable share of the fair value of assets, to determine the goodwill or the amount which should be included in the current income statement. The goodwill recognized at the acquisition date (or the amount recorded in the current income statement) should be aggregated for each individual transaction.
- 3) As to the equity acquired before the acquisition date, it shall be re-measured based on the fair value of such equity on acquisition date and the investment income should be recognized accordingly and the other comprehensive income should be recognized as investment gain.

The situation concerning disposal of equities step by step until losing control over subsidiaries through several swap transactions:

- 1) The judgemental principle for whether each transaction during disposal of equities step by step until losing control of subsidiaries shall be treated as a whole deal.

Different deals are treated as a whole deal when any one or more below situations are satisfied with terms, conditions and economic effects of each deal of disposal of subsidiary:

- a) These contracts of transactions are considered with the time and its related effects;
 - b) Only the whole transaction can make a complete business consequence;
 - c) One transaction depends on the occurrences of at least one of the others;
 - d) One transaction is not economical in single, but is economical in consideration with others.
- 2) The accounting treatments for each transaction in relation to disposal of equities step by step until losing control of subsidiaries shall be treated as a whole deal

The disposing subsidiaries until losing control belong to deals as a whole should be treated as one transaction, but the difference between disposal income and proportionate share of the subsidiary's identifiable net assets before losing control should be recognized as other comprehensive income and charged to profit or loss when losing control.

In the consolidated financial statements, retained equity should be revalued based on the fair value of the date of the disposal. The proceeds and the fair value of retained equity less the origin proportionate share of continue calculating subsidiary's net assets from acquired date should be charged to profit or loss. The original subsidiary's equity investment relating to other comprehensive income should be transferred to profit or loss.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

4. Accounting treatments of business combination under common control and not under common control (continued)

(2) A business combination not under common control (continued)

- 3) The accounting treatments for each transaction in relation to disposal of equities step by step until losing control of subsidiaries shall not be treated as a whole deal

When disposing the shares of subsidiaries without losing control, the proceeds less the proportionate share of subsidiary's net assets adjust to the capital reserves, if the share premium in capital reserve is not sufficient to cover the difference, any excess is adjusted against retained earnings.

In the consolidated financial statements, retained equity should be revalued based on the fair value of the date of the disposal. The disposal income and the fair value less the origin proportionate share of continue calculating subsidiary's net assets from acquired date should be charged to profit or loss for the current period. The original subsidiary's equity investment related to other comprehensive income should be transferred to profit or loss.

5. Preparation of consolidated financial statements

The consolidated financial statements were prepared based on the financial statement of the parent company and its subsidiaries by the Group in accordance with other relevant information and Accounting Standard for Business Enterprises No. 33 – Consolidated Financial Statements.

The scope of consolidated financial statements is determined on the basis of control. Control is achieved when the Company has power over the investee; is exposed, or has rights, to variable return from its involvement with the investee; and has ability to use its power to affect its returns.

The dates on which the Group obtains or loses control of its subsidiaries are considered as the acquisition date and the date of disposal. For a subsidiary already disposed of, its operating results and cash flows before the date of disposal are appropriately included in the consolidated income statement and the consolidated cash flow statement; for a subsidiary disposed of during the current period, no adjustments are made to the opening balance of the consolidated balance sheet. Where a subsidiary has been acquired through a business combination not under common control, the subsidiary's operating results and cash flows after the acquisition date are appropriately included in the consolidated income statement and the consolidated cash flow statement, and no adjustments are made to the opening balance and comparative figures of the consolidated financial statements. Where a subsidiary has been acquired through a business combination involving enterprises under common control, the subsidiary's operating results and cash flows from the beginning of the reporting period to the combination date are appropriately included in the consolidated income statement and the consolidated cash flow statement, and adjustments are made to the comparative figures of the consolidated financial statement accordingly.

Major accounting policies and accounting periods adopted by the subsidiaries are defined according to the standardized accounting policies and accounting periods established by the Company. All significant intra-group balances and transactions between the Company and its subsidiaries or between subsidiaries are eliminated on consolidation.

The portion of a subsidiary's equity that is not attributable to the parent company is treated as non-controlling interests and presented as "non-controlling interests" in the consolidated balance sheet within owners' equity. The portion of net profit or loss of subsidiaries for the period attributable to non-controlling interests is presented in the consolidated income statement below the "net profit" line item as "non-controlling interests". In consolidated financial statement, if the portion of losses attributable to subsidiary's non-controlling interests is higher than its portion of shareholders' equity, the balances continue to offset the non-controlling interest.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

6. Classification of joint arrangements and accounting treatment for joint ventures

(1) Recognition and classification of joint arrangements

A joint arrangement refers to an arrangement of two or more parties have joint control. The joint arrangement has the following characteristics: 1) All participants are subject to restriction of such arrangement; 2) Two or more than two participants has joint control over such arrangement. Any each of the participant are unable to separately control such arrangement, and any participant which has joint control over such arrangement is able to prevent other participants or combination of participants separately controlling such arrangement.

Joint control is the Company's contractually agreed sharing of control over an arrangement, which relevant activities of such arrangement must be decided by unanimously agreement from parties who share control.

Joint arrangement is classified as joint operation and joint venture. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

(2) Accounting treatment for joint operations

The parties of joint operation should recognise the following items in relation to their share of interest in joint operation, and proceed with accounting in accordance with the relevant provisions under the Accounting Standards for Business Enterprises: 1) to recognize their separate assets or liabilities held, and recognize the assets or liabilities jointly held according to their respective shares; 2) to recognize the income from the disposal of their output share under joint operation; 3) to recognize the income from the disposal of output under joint operation according to their respective shares; 4) to recognize the expense incurred separately, and 5) recognize the expenses incurred under joint operation according to their respective shares.

The parties of a joint venture should perform accounting for investments by the joint venture in accordance with the Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments.

7. Standards for recognising cash and cash equivalents

Cash and cash equivalents of the Group include cash on hand, deposits readily available for payment purpose and short-term (normally fall due within three months from the date of acquisition) and highly liquid investments held the Company which are readily convertible into known amounts of cash and which are subject to insignificant risk of value change.

8. Foreign currency operations and translation of statements denominated in foreign currency

(1) Translation of foreign currency operations

On initial recognition, foreign currency transactions are translated with the spot exchange rate at the dates of the transactions. At the balance sheet date, foreign currency monetary items are translated into RMB using the spot exchange rate at that date. Exchange differences arising from different exchange rate, except for the differences arising from foreign currency borrowings related to the acquisition or construction of fixed assets which are qualified for capitalization, are included in current profit or loss. The foreign currency non-monetary items measured at historical cost shall still be translated by the spot exchange rate on the date of the transaction, and the amounts denominated in RMB shall not be changed; the foreign currency non-monetary items carried at fair value are translated using the spot exchange rates at the date when the fair value was determined, the differences arising from which are included in current profit or loss or other comprehensive income.

(2) Translation of foreign currency financial statements

The assets and liabilities of balance sheet are translated with the spot exchange rate at the balance sheet date. The equity items except retained earnings are translated using the spot exchange rate at the transaction date. The income and expenses in the income statement are translated using the spot at the transaction date. The difference arising from translation of financial statements denominated in foreign currencies shall be recognized as other comprehensive income.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(1) *Classification of financial assets and financial liabilities*

At the initial recognition, financial assets are classified as the following four categories: financial assets measured at fair value through current profit and loss (including financial assets held for trading and financial assets or financial liabilities that are directly to be measured at fair value through current profit and loss), held-to-maturity investments, loan and accounts receivable and available-for-sale financial assets.

At the initial recognition, financial liabilities are classified as the following two categories: financial liabilities measured at fair value through current profit and loss (including financial liabilities held for trading and financial liabilities that are directly to be measured at fair value through current profit and loss) and other financial liabilities.

(2) *Recognition, measurement method and derecognition of financial assets and financial liabilities*

Financial assets or financial liabilities will be recognized when the Group became one of the parties under a financial instrument contract. Financial assets and financial liabilities are initially recognized at fair value. For financial assets and financial liabilities measured at fair value through current profit and loss, relevant trading costs are directly included in current profit or loss; for other categories of financial assets or financial liabilities, relevant trading costs are included in the amount initially recognized.

Financial assets are subsequently measured at fair value and the trading costs which may occur upon disposal of such financial assets in future shall not be deducted, while except for the following: 1) held-to-maturity investments and loan and accounts receivable are measured at amortized cost with effective interest method; 2) The investment in equity instruments that are not quoted in an active market and the fair value of which cannot be reliably measured as well as derivative financial assets that are linked to such instruments and shall be settled through delivery of the equity instruments shall be measured at cost.

Financial liabilities are subsequently measured at amortized cost with effective interest method by the Company, while except for the following: 1) Financial liabilities measured at fair value through current profit and loss are measured at fair value and the trading costs which may occur upon settlement of financial liabilities in future shall not be deducted, 2) The derivative financial liabilities which are linked to the equity instruments that are not quoted in an active market and the fair value of which cannot be reliably measured and settled through delivery of such instruments shall be measured at cost; 3) For the financial guarantee contract not belonging to financial liabilities measured at fair value through current profit and loss and the loan commitments which are not designated to be measured at their fair values and the variation of which is included into the current profits and losses and at an interest rate that is lower than the market interest rate, they shall be subsequently measured at the higher of the following amount on initial recognition: 1) the amount recognized according to Accounting Standards for Business Enterprises No. 13 – Contingencies; 2) the amount initially recognized after deducting the accumulated amortization recognized according to Accounting Standards for Business Enterprises No. 14 – Revenue.

Any gains or losses arising from changes in the fair value on financial assets or financial liabilities, other than those hedging instrument, are accounted for as follows: (1) Gains or losses arising from the change in fair value on financial assets or financial liabilities at fair value through profit or loss are recorded as gains or losses from change in fair value; Any interest or dividend income earned during the holding on such financial assets are recognised to profit or loss. On disposal, the differences between the consideration received and initial recognised amount are recognised as investment income and adjust to the gains or losses from change in fair value accordingly. (2) Changes in fair value of available-for-sale financial assets are recorded in the other comprehensive income. Interest calculated using the effective interest method for the periods, in which the assets are held, are recognised as investment income. Cash dividends from available-for-sale equity investments are recognised as investment income when the dividends are declared by the investee. On disposal, the differences between the considerations received and the carrying amounts of financial assets after deducting the accumulated fair values adjustments previously recorded in the capital reserve are recognised as investment income.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired; or when all risks and rewards relating to the ownership of the financial asset have been transferred. A financial liability is derecognised when the underlying present obligations (or part of it) are discharged.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(3) *Transfer of financial assets*

If the Company transfers substantially all the risks and rewards of ownership of the financial asset to other parties, the Group shall derecognize the financial assets. If the Company retains substantially all the risks and rewards of ownership of the financial assets, the Company shall continue to recognize the financial assets transferred and recognize the consideration received as a liability. If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial assets, the Company shall deal with it in the following manner: 1) If the Company has not retained control, it shall derecognize the financial asset and recognize the corresponding assets and liabilities. 2) If the Company has retained control, it shall continue to recognize the financial assets to the extent of its continuing involvement in the financial asset as well as the corresponding liabilities.

For a transfer of a financial asset in its entirety that satisfies the derecognition criteria, the difference of the following is recognised to profit or loss: (i) The carrying amount of the financial asset transferred; and (ii) The sum of the consideration received from the transfer and any cumulative gain or loss that has been previously included in changes of fair value of the owner's equity. If a part of the transferred financial asset qualifies for derecognition, the carrying amount of the transferred financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the respective fair values of those parts. The difference of the following is recognised to profit or loss: (i) The carrying amount allocated to the part derecognised; and (ii) The sum of the consideration received for the part derecognised and any cumulative gain or loss allocated to the part derecognised which has been previously recognised.

(4) *Determination of fair value of financial assets and financial liabilities*

For a financial asset or financial liability which has an active market, the Group considers the quoted price in the active market to determine its fair value. For a financial assets or financial liability which has no active market, the Group uses a valuation technique (valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models) to determine its fair value. For a financial asset acquired or a financial liability assumed initially, its fair value is based on the price of market transactions.

The Group adopts valuation techniques to determine the fair value including the market approach, income approach and cost approach.

The fair value of input could be classified as three levels:

The input value of the first level is the market price obtained from the active market for the identical assets and liabilities. Active market means frequency and volume of transactions of related assets and liabilities are sufficient to provide information of price in the market continuously.

The input value of the second level is directly or indirectly observed value of related assets and liabilities except the first level.

The input value of the third level is non-observed value of related assets and liabilities.

The Group adopts the first level (the quoted price of active market) to determine their fair value if they exist in an active market. Otherwise, the Group adopts the second and third input value to determine fair value.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

9. Financial instruments (continued)

(5) *Impairment test and provision method of financial assets*

At each balance sheet date, the Group reviews the carrying amounts of its financial assets other than those financial assets at fair value through profit or loss. If there is objective evidence that a financial asset is impaired, the Group determines the amount of any impairment loss.

The Group conducts independent impairment tests for financial assets with significant single amounts. With regard to the financial assets with insignificant single amounts, an independent impairment test may be carried out, or they may be included in a combination of financial assets with similar credit risk features so as to carry out an impairment test. Financial assets not impaired upon independent tests (including financial assets with or without significant single amounts) shall be re-tested in a combination of financial assets with similar credit risk features.

At the end of the reporting period, if there is objective evidence that an impairment loss on a financial asset carried at amortised cost has occurred, an impairment loss is recognised as the excess of the carrying amount of the financial asset over its present value of estimated future cash flows to profit or loss. If an impairment loss has been incurred on an investment in unquoted equity instrument without a quoted price in an active market whose fair value cannot be reliably measured, or on a derivative financial asset that is linked to and must be settled by delivery of such equity instrument, an impairment loss is recognised as the excess of the carrying amount of the unquoted equity investment or a derivative financial asset over its present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset to profit or loss.

For available-for-sale financial assets, the Group will conduct analysis on the impairment at balance sheet date to judge whether the fair value of financial assets has continued to decline. Under normal conditions, in the event the ending fair value of available-for-sale financial assets has decreased by 50% or over 50% as compared with its cost, or the period of continuous decline reached or exceeded 12 months, and it is expected this decline is not temporary after taking into account relevant factors, impairment loss shall be recognised. If an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value that had been recognised directly in owner' equity is removed from capital reserve and recognised in profit or loss.

Recognition criteria for impairment losses on available-for-sale financial assets: For an investment in an equity instrument classified as available-for-sale, its fair value being less than its cost are not enough to explain that impairment has occurred. Instead, The Group shall consider comprehensive factors to judge whether the decline in fair value shall belong to significant or not temporary decline over the whole period of holding such investment in an equity instrument classified as available-for-sale.

10. Accounts receivable

(1) *Receivables those are individually significant for which bad debt provision is individually assessed*

Basis or monetary criteria for determining an individually significant receivable	The Group classifies receivables with amounts of or over RMB10 million as individual receivable with significant amounts.
Method of determining provision for receivables that are individually significant for which bad debts provision is individually assessed	Provision for bad debts should be made according to amount of the carrying amount that lower than present value of future cash flow after individual impairment tests.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

10. Accounts receivable (continued)

(2) Method for making bad debt provision according to credit risk characteristics

Name of portfolio	Method for making bad debt provision
Within 1 year (including 1 year)	Aging Analysis
1-2 years	Aging Analysis
2-3 years	Aging Analysis
Over 3 years	Aging Analysis

Use of ageing analysis for making bad debt provision in the portfolio:

Applicable Not applicable

Ageing	Ratio of accounts receivable provision (%)	Ratio of other accounts receivable provision (%)
Within 1 year (including 1 year)	0.00%	0.00%
1-2 years	20.00%	20.00%
2-3 years	50.00%	50.00%
Over 3 years	100.00%	100.00%

The provisions for bad debt are made based on percentage method in portfolio:

Applicable Not applicable

The provisions for bad debt are made based on other methods in portfolio:

Applicable Not applicable

(3) Receivables not individually significant for which provision is assessed individually

Reason for provision individually	The Group shall recognize an impairment loss if exists impairment indication, for example: there is a dispute with each other or involved in litigation, arbitration; there are obvious indications that the debtor was unable to fulfill repayment obligations.
Method for provision individually	Provision for bad debts is made using the difference between the present value of future cash flows and the book value of receivables.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)****11. Inventories****(1) Classification of inventories**

Inventories include finished goods or merchandise held for sale in the ordinary course of business, work in progress in the process of production, raw materials to be consumed in the production process.

(2) Pricing of inventories dispatched

The costs of inventories transferred out is determined by using the weighted average method on a monthly basis and specific-unit-cost method.

(3) Recognition of net realisable value of inventory and provision for inventory impairment

At the balance sheet date, inventories are measured at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. For inventories directly for sale, net realisable value is measured based on the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes. For inventories that need processing, net realisable value is measured based on the estimated selling price of finished goods in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and relevant taxes. At the balance sheet date, for an item of inventories where a portion of inventories is subject to contractual price while the remainder is not, their net realisable values are determined separately and compared with their corresponding costs respectively to recognise the amount of provision for decline in value of inventories, or reversal of the provision.

(4) Inventory system of inventories

The perpetual inventory system is adopted by the Company.

(5) Consumables and the amortization method of packaging

1) Consumables with low value

Amortization method: One-off amortization method

2) Packaging materials

Amortization method: One-off amortization method

12. Classified as assets held for sale

The Company recognizes the non-current assets which meet the following conditions as assets held for sale:

- (1) The non-current assets or disposal group must be under the current conditions only according to the usual terms of the sale of such non-current assets or disposal group, then sell immediately;
- (2) The Group has been offered a resolution with disposition of such non-current assets or disposal group and appropriate approval has been obtained;
- (3) The Group has entered into agreement on irrevocable transformation with the transferee;
- (4) Transformation will be completed within 1 year.

The assets and liabilities in the non-current asset or disposal groups which have been classified as assets held for sale are classified as current assets and current liabilities.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

12. Classified as assets held for sale (continued)

A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, can be clearly distinguished operationally and for financial reporting purposes from the rest of the Group and:

- (1) represents a separate major line of business or geographical area of operations;
- (2) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations;
- (3) is a subsidiary acquired exclusively with a view to resale.

With regard to fixed assets held for sale, the expected net residual value of the asset is adjusted to reflect the amount of its fair value deducted by disposal costs (but not to exceed the original book value when the asset meets the requirements as assets held for sale). If the former is higher than the adjusted book value of expected net residual value, the difference shall be recognized as asset impairment loss in profit or loss.

Intangible assets and other assets meeting the requirements above shall be recognized as held for sale assets as well.

13. Long-term equity investment

(1) Recognition of cost of investment

- 1) For business combination under common control: if the combined party makes payment in cash, transfers non-cash assets or bears debts and issues equity securities as the consideration for the business combination, the book value of the owner's equity of the acquiree in the consolidated financial statements of the ultimate controller is recognized as the initial cost of the long-term equity investment on the combination date. The capital reserves (share premium or capital premium) should be adjusted at the difference between the initial investment cost of long-term equity investments and the carrying amount of the consolidated consideration paid or the total nominal value of shares issued; if there is no sufficient capital reserve for write-downs, the retained earnings are adjusted.

Stepwise combination under common control, the proportionate share of carrying amount of subsidiary's net assets recognized as initial cost. The original book value and fair value of consideration for obtained new share less investment cost charged to capital reserves (share premium or capital premium), if capital reserves are not sufficient to cover the difference, any excess is adjusted against retained earnings.

- 2) For a long-term equity investment acquired through business combination not involving enterprises under common control, the initial investment cost is the fair value of the consideration given for combination at the date of acquisition.
- 3) For a long-term equity investment acquired other than through a business combination: If the investment is acquired by paying of cash, the initial investment cost is the actual purchase price paid; If the investment is acquired by the issue of equity securities, the initial investment cost is the fair value of the securities issued; If the investment is contributed by the investor, the initial investment cost is the value stipulated in the investment contract or agreement, except that where the value stipulated in the investment contract or agreement is not fair.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)****13. Long-term equity investment (continued)****(2) Subsequent measurement and recognition in profit or loss**

The long-term equity investments are stated in accordance with cost method where the Company can exercise control over the investee; For a long-term equity investment where the Company has joint control or significant influence over the investee, the investment is stated in accordance with equity method.

Under the cost method, a long-term equity investment is measured at its initial investment cost. Except receiving the actual consideration paid for the investment or the declared but not yet distributed cash dividends or profits which is included in the consideration, investment gains for the period is recognised as the cash dividends or profits declared by the investee, and impairment is tested for long-term investments in accordance with the relevant asset impairment policies.

Under the equity method, where the initial investment cost of a long-term equity investment exceeds the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, no adjustment shall be made to the initial investment cost. Where the initial investment cost is less than the investor's interest in the fair value of the investee's identifiable net assets at the acquisition date, the difference shall be charged to profit or loss for the current period, and the cost of the long term equity investment shall be adjusted accordingly.

Under the equity method, the Group recognizes its share of the net profits or losses made by the investee as investment income or losses, and adjusts the carrying amount of the investment accordingly. The Group recognizes its share of the investee's net profits or losses after making appropriate adjustment to the investee's net profits and losses on the fair value of the investee's identifiable assets at the acquisition date, using the Group's accounting policies and periods, and eliminating the portion of the profits or losses arising from internal transactions with its joint ventures and associates, attributable to the investing entity according to its share ratio (but impairment losses for assets arising from internal transactions shall be recognised in full). The carrying amount of the investment is reduced based on the Group's share of any profit distributions or cash dividends declared by the investee. The Group's share of net losses of the investee is recognised to the extent the carrying amount of the investment together with any long term interests in substance form part of its net investment in the investee is reduced to zero, except that the Group has the obligations to assume additional losses. The Group adjusts the carrying amount of the long term equity investment for any changes in owner's equity of the investee (other than net profits or losses) and included the corresponding adjustments in the owner's equity of the Group.

(3) Basis for determining for control, significant influence over investee

Control is the power over an investee, in which an investor must have exposure or rights to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect the amount of the investor's returns. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

13. Long-term equity investment (continued)

(4) Disposal of long-term equity investment

- 1) Partial disposal of long-term equity investment in subsidiaries without losing control

For partial disposal of long-term equity investment in subsidiaries without losing control, the difference between the considerations for and the book value of equity interest disposed of shall be recognised in current period investment income.

- 2) Lose control over subsidiaries due to partial disposal of long-term equity investment or other reasons

① In separate financial statements, the remaining equity interest shall be accounted pursuant to the above requirements; meanwhile, the book value of remaining equity interest after losing control is accounted for as long term equity investment or other financial asset as appropriate. If the remaining equity interest could exercise joint control or significant influence, the cost accounting method shall be changed to equity method for accounting.

② In the consolidated financial statements, the remaining equity interest is re-measured at fair value on the date of losing control. The sum of disposal considerations and the fair value of the remaining equity interest less the share of net asset value by the original equity interest prior to disposal are recognized as current period investment income upon losing control. Other attributable comprehensive income is recognized as current period investment income upon losing control.

(5) Methods of impairment assessment and determining the provision for impairment loss

For an investment in subsidiaries, associates, and joint venture, an impairment is provided for based on the excess of the carrying amount over the recoverable amount when there is objective evidence that the investment is impaired at the balance sheet date.

14. Fixed assets

(1) Conditions for recognition

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and have a useful life of more than one accounting year. Fixed assets are recorder based on the actual cost when acquired and depreciation is provided from the month after they are brought to working condition for the intended uses, using the straight-line method.

(2) Method for depreciation

Category	Method for depreciation	Useful lives of depreciation	Residual value	Annual depreciation rate
Housing and building structure	Straight-line method	9-50	5%	1.90-10.56
Machinery and equipment	Straight-line method	5-22	5%	4.32-19.00
Transportation equipment	Straight-line method	5-14	5%	6.79-19.00

(3) The recognition standards, measurements and method for depreciation of fixed assets under finance lease

Examples of situations that individually or in combination would normally lead to a lease being classified as a finance lease are: 1) The lease transfers ownership of the asset to the lessee by the end of the lease term; 2) The lessee has the option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date that the option becomes exercisable for it to be reasonably certain, at the inception of the lease, that the option will be exercised; 3) The lease term is for the major part of the economic life of the asset even if the title is not transferred Usually accounted for more than 75% of economic life (including 75%); 4) At the inception of the lease, the present value of the minimum lease payments amounts to at least substantially all of the fair value of the leased asset 90% or more (including 90%); 5) The leased assets are of such a specialized nature that only the lessee can use them without major modifications. The lower of fair value at the date of commencement of lease and the present value of the minimum lease payments amounts is recognized as the cost of finance lease assets, depreciated in accordance with accounting policy of fixed assets.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

15. Construction in progress

- (1) Construction-in-progress is transferred into fixed assets when it is ready for its intended use based on the actual cost. For a completed project ready for intended use but with final account unsettled, the asset is transferred into fixed assets based on estimated value. After final account of the project has been settled, the Company shall base on actual cost to make adjustment on the previous estimated value, but need not to adjust the depreciation retrospectively.
- (2) At the balance sheet date, an impairment is provided basing on the excess of the carrying amount over the recoverable amount when there is evidence that the Construction-in-progress is impaired.

16. Borrowing costs

(1) *Determination Principle for Capitalization of borrowing costs*

Borrowing costs directly attributable to the acquisition, construction or origination of assets qualified for capitalization are capitalized as part of the cost of those assets. Other borrowing costs are expensed and charged to current profit or loss when incurred.

(2) *Timing of borrowing costs capitalization*

- 1) Borrowing costs shall be capitalized when a) capital expenditures and b) borrowing costs have been incurred, and c) activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.
- 2) Capitalization of borrowing costs should be suspended during periods in which abnormal interruption has lasted for more than three months during the process of acquisition, construction or production of assets qualified for capitalization. The borrowing cost incurred during interruption is recognised as current expenses until the acquisition, construction or production activities resume.
- 3) The capitalization of borrowing costs ceases when the assets acquired, constructed or produced and qualified for capitalization are ready for their intended use or sale.

(3) *Capitalized amount of borrowing costs*

For specific borrowings used to acquire, construct or produce assets qualified for capitalization, the amount of interest costs (including amortization of discount or premium determined using the effective interest method) actually incurred on such borrowings for the period shall be capitalized after deducting any interest earned from depositing the unused borrowings in the bank or any investment income arising from the temporary investment of those borrowings during the capitalization period. For general borrowings used to acquire, construct or produce assets qualified for capitalization, the capitalized amount of interests on general borrowings shall be determined on the basis that the weighted average (of the excess of cumulative assets expenditures over the specific borrowings) times capitalization rate (of used general borrowings).

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

17. Intangible assets

(1) Valuation method, useful life and impairment test

- 1) Intangible assets, including land use rights, computer software, patent rights, non-patented technologies and trademark right, are initially measured at cost.
- 2) Intangible assets with definite useful lives are reasonably amortised over their estimated useful lives based on the pattern of the economic benefits relating to the intangible assets are expected to be realised. Intangible assets whose economic benefits realisation pattern cannot be reliably anticipated are amortised on a straight line basis over the following useful lives:

Item	Amortisation period (Year)
Land use rights	9-50
Computer software	3-10
Patent rights	3-10
Non-patented technologies	3-10
Trademark right	3-10

- 3) For intangible assets with definite useful lives, an impairment is provided for based on the excess of the carrying amount over the recoverable amount when there is evidence at the balance sheet date that the intangible assets are impaired. For intangible assets with indefinite useful lives and those not ready for use, an impairment test is performed each year, irrespective of whether there is evidence of impairment.

(2) Accounting policies concerning internal Research and development (“R&D”) expenditure

Expenditure on the research phase is recognized in profit or loss in the period in which it is incurred. Expenditure on the development phase is recognized as an intangible asset only when the Group can demonstrate all of the followings as below: 1) it is technically feasible that the intangible asset can be used or sold upon completion; 2) there is intention to complete the intangible asset for use or sale; 3) the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset; 4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; 5) the expenses attributable to the development phase of the intangible asset can be measured reliably.

Expenditure on the development phase is recognized as an intangible asset only when the Group can demonstrate all of the followings as below. Otherwise, it is charged to profit or loss:

- 1) it is technically feasible that the intangible asset can be used or sold upon completion;
- 2) there is intention to complete the intangible asset for use or sale;
- 3) the intangible asset can produce economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there exists usage for the intangible asset;
- 4) there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset;
- 5) the expenses attributable to the development phase of the intangible asset can be measured reliably.

If the expenditure on the research and development phase cannot be identified, the expenditure incurred should be fully recognized in profit or loss for the current period.



V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

18. Impairment of long-term assets

(1) *Impairment test and provision method of long term equity investment*

For an investment in subsidiaries, associates and joint venture, an impairment is provided for based on the different between the carrying amount and the recoverable amount when there is indication that the investment is impaired at the balance sheet date.

(2) *Impairment test and provision method of fixed asset*

The impairment is provided for based on the different between the carrying amount and the recoverable amount when there is indication that the fixed asset is impaired at the balance sheet date.

(3) *Impairment test and provision method of construction-in-progress*

The impairment is provided for based on the different between the carrying amount and the recoverable amount when there is indication that the construction-in-progress is impaired at the balance sheet date.

(4) *Impairment test and provision method of intangible assets*

For intangible assets with definite useful lives, an impairment is provided for based on the excess of the carrying amount over the recoverable amount when there is evidence at the balance sheet date that the intangible assets are impaired. For intangible assets with indefinite useful lives and those not ready for use, an impairment test is performed each year, irrespective of whether there is evidence of impairment.

(5) *Impairment test and provision method of goodwill*

Goodwill arising on a business combination is tested for impairment each year irrespective of whether there is indication of impairment. For the purpose of impairment testing, goodwill is considered together with the related assets group(s), i.e., goodwill is reasonably allocated to the related assets group(s) or each of assets group(s) expected to benefit from the synergies of the combination. An impairment loss is recognised if the recoverable amount of the assets group or sets of assets groups (including goodwill) is less than its carrying amount. The impairment loss is firstly allocated to reduce the carrying amount of any goodwill allocated to such assets group or sets of assets groups, and then to the other assets of the group pro-rata on the basis of the carrying amount of each asset (other than goodwill) in the group.

19. Long-term deferred expenses

Long-term deferred expenses are measured at actual amount and amortized evenly over the beneficial or required period. If the long-term deferred expenses are no longer beneficial to the subsequent accounting periods, the unamortized balance is then fully transferred to current profit or loss.

The long-term deferred expenses of the Group mainly are expenses on improvements of fixed assets under operating lease and expenses from use of product announcement and customer resources.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)****20. Remuneration of Employees****(1) Accounting of short term remuneration**

Short-term remuneration incurred during the accounting in which the Company's staff provided services for the Company is recognised as liability, and included in profit or loss for the current period or related asset costs. Of which, non-monetary welfare is measured at fair value.

(2) Accounting of post-employment benefits

1) Defined contribution plan

The Group participated in the defined basic pension plan set up and administered by the government authorities. Basic pensions are provided monthly according to stipulated proportions and bases, which are paid to local labor and social security institutions. After retirement of employees, local labor and social security institutions will pay related pensions to employees accordingly. The Group recognizes such amount paid in accordance with the above requirements of social pension as liabilities during the period employees render service to the company, which are included in current profit or loss or relevant costs of assets.

2) Defined benefit plans

a) Voluntary redundancy welfare

The Group offers voluntary redundancy welfare to the employees who accept voluntary redundancy. Voluntary redundancy welfare is the salaries paid to and social security paid for the employees who voluntarily resign from their current position after management's approval and before the statutory retirement age. When qualified, the Group applies accounting treatment on the above-mentioned welfare based on the one on dismiss welfare. Voluntary redundancy welfare estimated from the day of service ceased to the day of normal retirement is recognized as contingent liability and accounted into current profit and loss. The differences arising from changes in actuarial assumption and adjustment of welfare standards are accounted into current profit and loss when incurred.

b) Other supplementary retirement benefits

The Group also provides supplementary retirement benefits in addition to the insurance system as required by the State to the employees who meet certain conditions. Such supplementary retirement benefits belongs to defined benefit plans, and the defined benefit liability recognized in the balance sheet shall be the present value of defined benefit obligation less fair value of plan assets. The defined benefit obligation is calculated with expected cumulative welfare unit method by independent actuaries by adopting treasury bond rate of which maturity and currency are similar. The service costs related to supplementary retirement benefits (including current and past service costs and settlement gains or losses) and net interest shall be included in current profit or loss or relevant costs of assets, and the changes arising from remeasurement of net liabilities or assets under defined benefit plans shall be included in other comprehensive income.

(3) Termination Benefits

When the Group terminates the employment relationship with employees before the end of the employment contracts or provides compensation as an offer to encourage employees to accept voluntary redundancy, the Group shall recognise employee compensation liabilities arising from compensation for staff dismissal and included in profit or loss for the current period, when the Group cannot revoke unilaterally compensation for dismissal due to the cancellation of labour relationship plans and employee redundant proposals; and the Group recognise cost and expenses related to payment of compensation for dismissal and restructuring, whichever is earlier.

**V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)****21. Estimated Liability**

- (1) Estimated liability are recognised when the Company has a present obligation as a result of contingencies such as provision of external guarantee, litigation, quality warranty, and loss-making contract, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.
- (2) The Group conducts initial measurement on estimated liabilities basing on the best estimate of expenses required when fulfill current liabilities, and review the carrying amount of estimated liabilities on the balance sheet date.

22. Revenue**(1) Sales of goods**

Revenue from sales of goods is recognised when (1) the significant risks and rewards of ownership have been transferred to the buyer, (2) the company maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold, (3) the amount of revenue could be measured reliably, (4) the relevant economic benefits will likely inflow, (5) related costs incurred or to be incurred could be measured reliably.

(2) Rendering of services

At the balance sheet date, when transaction result of the rendering of services could be measured reliably (which means the amount of revenue can be measured reliably, the relevant economic benefits will probably flow to the Company, the percentage of construction work and relevant cost incurred or to be incurred can be measured reliably), related revenue from rendering of services is recognized according to the percentage of completion. The percentage of completion is based on the percentage of services rendered relative to the total volume of services to be rendered. When transaction result of the rendering of services could not be measured reliably at the balance sheet date, revenue from rendering of services is recognised as the service cost incurred which is carried forward if the costs of services rendered are expected to be compensated, otherwise it is not recognised with such costs recorded in the current profit or loss.

(3) Transfer of assets use rights

Revenue from transfer of assets use rights is recognised when the relevant economic benefits will probably flow to the Company, and the amount of revenue can be measured reliably. Interest income is recognized according to the length of time for which the Company's monetary funds are used by others and the effective interest rate. Income from usage fee is recognized according to timing and method as agreed under relevant contracts or agreements.

(4) Financial assets investment business

Since 2015, the management of Zhongrong International Trust Co., Ltd., a financial enterprise under the Group, and its subsidiaries ("Zhongrong Trust"), determined that, in light of prevailing market conditions, its scope of principal activities shall include trust assets management and financial assets investment, such as trust and fund subscription, and the size of financial assets investment of Zhongrong Trust shall expand over time. In order to make a more precise disclosure of the Company's results of operation, the Group determined in 2015 that the financial assets investment of Zhongrong Trust falls within the scope of its ordinary business and its profit or loss shall be included in operating revenue, including the gain or loss on disposal of available-for-sale financial assets, gain or loss on disposal of financial assets at fair value through profit or loss, and gain or loss of change in fair value of financial assets at fair value through profit or loss of Zhongrong Trust. Changes in fair value of available-for-sale financial assets are included in the income statement under other comprehensive income and are included in operating revenue upon their realisation. It represents management judgment in view of new situation and does not fall under the scope of change in accounting policies or accounting estimates or correction of previous errors, and no retrospective adjustment is required for the comparative data.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)

23. Government grants

(1) *Basis for determination and accounting of government grant related to an asset*

A government grant related to an asset is recognized as deferred income, when receives the government grant and evenly amortized to profit or loss over the useful life of the related asset which reaches the working condition for its intended use. If related assets are disposal, transferred, scrapped and damaged before useful life end, the residual of government grant should be all charged to the profit or loss which relates to.

(2) *Basis for determination and accounting of government grant related to income*

For a government grant related to income, if the grant is a compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income, and recognized in profit or loss over the periods in which the related costs are recognized; if the grant is a compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period.

24. Deferred tax assets and deferred tax liabilities

- (1) Deferred tax assets or deferred tax liabilities are recognised based on the difference between the carrying amounts of the assets or liabilities and their tax bases (or, for an item not recognised as assets or liabilities but whose tax base can be determined under tax laws, the difference between the tax base and the carrying amount), and are calculated at the tax rates expected to apply to the period in which the assets are recovered or the liabilities are settled.
- (2) Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. At the balance sheet date, deferred tax assets unrecognised in prior periods are recognised to the extent that there is obvious evidence that it has become probable that sufficient taxable profit will be available in subsequent periods against which the deductible temporary differences can be utilised.
- (3) The carrying amount of deferred tax assets is reviewed at the balance sheet date and written down to the extent that it is no longer probable that sufficient taxable profit will be available against which the deferred tax asset can be utilised. Such amount is written back to the extent that it has become probable that sufficient taxable profit will be available.
- (4) The Company's current and deferred income taxes are recognised in current profit or loss as tax expense or profit, excluding income tax arising from (a) business combination; (b) transactions or items directly recognised in owner's equity.

25. Leases

(1) *Accounting of operating leases*

When the Group acts as lessee, rental expenses under operating leases are recognized as relevant asset costs or in current profit or loss on the straight-line basis over the lease term, with any initial direct cost incurred directly charged to current profit or loss. Contingent rental is charged to current profit or loss when incurred.

When the Group acts as lessor, rental under operating leases are recognized in current profit or loss on the straight-line basis over the lease term, with any initial direct cost incurred directly charged to current profit or loss. Contingent rental is credited to current profit or loss when incurred.

(2) *Accounting of finance leases*

When the Group acts as lessee, at the inception of lease, the lower of fair value of leased assets at the inception of lease and the present value of minimum lease payment is recognised as the value of leased assets. The minimum lease payment is recognised as the value of long-term payable. Their difference is recorded as unrecognised finance costs with any initial direct expense incurred recorded in the value of leased assets. For each period of the lease term, current finance cost is calculated using effective interest method.

When the Group acts as lessor, at the inception of lease, the sum of minimum lease income at the inception of lease and the initial direct expense is recognised as the value of finance lease payment receivable, with unsecured balance also recorded. The difference between the sum of minimum lease income, initial direct expense and unsecured balance and the sum of their present values is recognised as unrealised finance income. For each period of the lease term, current finance income is calculated using effective interest method.

V. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES (continued)
26. Segment reporting

During the year, the Group reassessed the disclosure of its operating segments. During the year, the Group developed its accounting disclosure methods. Given the financial assets investment of Zhongrong Trust fall within the scope of its ordinary business, the financial trust segment has been renamed as financial trust services and fund investment segment, and income from financial assets investments is determined to be the operating revenue of the financial trust services and fund investment segment. It represents management judgment in view of new situation and does not fall under the scope of change in accounting policies or accounting estimates or correction of previous errors, and no retrospective adjustment is required for the comparative data.

VI TAXATION
1. Major taxes and tax rates

Taxes	Tax basis	Tax rates
VAT	Output tax less input tax	22% (Slovenia, Italy), 21% (Netherlands), 17%, 13%, 6%, 3%
Business tax	5% of assessable income	5%
City construction tax	7%,5% or 1% (subject to the location of subsidiaries)	7%, 5%, 1%
Income tax	Assessable profit income	27.5% (Italy), 25%, 20% (Netherlands), 17% (Slovenia), 16.5% (Hong Kong), 15%

Disclosure on the different enterprise income tax rate for entity subject to taxation

Entity subject to taxation	Income tax rate
Hong Kong Huaming Co., Ltd.	16.5%
China Hi-Tech New Energy Automobile Company Limited	16.5%
China Hi-Tech (International) Limited	16.5%
Zhongrong International Investment Management Co., Ltd.	16.5%
TAM-DURABUS, Proizvodnja gospodarskih vozil, d.o.o.	17%; Tax losses can be offset indefinitely, while the deductible amount in next year shall not exceed 50% of tax gains for the year
America Jingwei Textile Machinery LLC	Progressive tax rate at 15% to 35%
JW-PROTTI MACCHINE TESSILI S.R	27.5%
CHTC Europe Holding B.V	20% when the taxable income is below Euro 0.2 million and 25% when the taxable income is above Euro 0.2 million; Tax losses can be offset within 9 years
Ginaf Trucks Nederland B.V.	20% when the taxable income is below Euro 0.2 million and 25% when the taxable income is above Euro 0.2 million; Tax losses can be offset within 9 years
Zhongrong International Holdings Limited (BVI)	Exempted
Zhongrong International Bond 2015 Limited	Exempted
Other subsidiaries	25%

VI TAXATION (continued)

2. Tax Incentives

The Company and subsidiaries were granted the Advanced Technology Enterprise Certificates jointly by four government authorities including the provincial (Municipal) Science & Technology Office (Commission), Finance Department (Bureau), National and Local Taxation Bureaus. Pursuant to the law of the PRC on Enterprise Income Tax promulgated on 16 March 2007 and the requirements of relevant policies, the enterprise income tax rate of 15% became effective since 1 January 2008.

Pursuant to the approval document no. GR201411001129 jointly issued by four government authorities including Beijing Municipal Administration of State Taxation, the Company is designated as a new and high technology enterprise and enjoys a preferential income tax rate of 15% for 2015.

Pursuant to the approval document no. GR201411001677 jointly issued by four government authorities including Beijing Municipal Administration of State Taxation, Beijing Jingwei Textile Machinery New Technology Company Limited (“Beijing New Technology”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys a preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201412000056 jointly issued by four government authorities including National Taxation Bureau of Tianjin Municipal, Tianjin Hongda Textile Machinery Company Limited (“Tianjin Hongda”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys the preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201421000236 jointly issued by four government authorities including National Taxation Bureau of Liaoning province, Shenyang Hongda Textile Machinery Company Limited (“Shenyang Hongda”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys a preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201431001927 jointly issued by four government authorities including National Taxation Bureau of Shanghai Municipal, Shanghai Jingwei Protti Textile Machinery Company Limited (“Shanghai Protti”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys the preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201432000019 jointly issued by four government authorities including National Taxation Bureau of Jiangsu Province, Wuxi Hongda Textile Machinery and Special Parts Company Limited (“Wuxi Special Parts”), a subsidiary of the Company, is designated as a new and hi-tech enterprise and enjoys the preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GF201314000007 jointly issued by four government authorities including National Taxation Bureau of Shanxi Province, Shanxi Jingwei Textile Machinery and Special Parts Company Limited (“Shanxi Special Parts”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys the preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201443000128 jointly issued by four government authorities including National Taxation Bureau of Hunan Province, Changde Textile Machinery Company Limited (“Changde Textile Machinery”), a subsidiary of the Company, is designated as a new and hi-tech enterprise and enjoys the preferential income tax rate of 15% for 2015.

Pursuant to the approval document No. GR201442000572 jointly issued by four government authorities including National Taxation Bureau of Hubei Province, Yichang Jingwei Textile Machinery Company Limited (“Yichang Jingwei”), a subsidiary of the Company, is designated as a new and hi-tech enterprise and enjoys the preferential income tax rate of 15% for 2015.

According to Hu R-2009-0218 software enterprise confirmation certificate issued by the Shanghai Economic and Information Committee, Shanghai Huayuan Hyperthermia Technology Company Limited (“Shanghai Huayuan”), a subsidiary of the Company, is designated as a software enterprise. According to Caishui [2008] No. 1, Shanghai Huayuan enjoyed the preferential tax of two years’ exemption and third year’s half (兩免三減半) and is entitled to 50% enterprise income tax reduction in year 2015.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Monetary funds

Unit: RMB

Item	Closing balance	Opening balance
Treasury cash	657,022.36	767,793.18
Bank deposit	7,710,695,827.03	4,875,779,627.21
Other monetary funds	195,817,415.69	355,550,814.93
Total	<u>7,907,170,265.08</u>	<u>5,232,098,235.32</u>
Of which: Total deposits in overseas banks	<u>1,428,077,289.28</u>	<u>46,976,476.15</u>

Note: At the end of the period, there were amounts of RMB154,663,926.71 which have restriction on use due to pledge and security.

2. Financial assets measured at fair value through profit or loss

Unit: RMB

Item	Closing balance	Opening balance
Held-for-trading financial assets	46,649,948.42	589,850,878.29
Including: Equity instrument investment	46,649,948.42	589,850,878.29
Financial assets measured at fair value through profit or loss	5,965,290,553.37	5,452,384,604.21
Including: Equity instrument investment	5,965,290,553.37	5,452,384,604.21
Total	<u>6,011,940,501.79</u>	<u>6,042,235,482.50</u>

3. Bills receivable

(1) Classification of bills receivable

Unit: RMB

Item	Closing balance	Opening balance
Bank acceptance bills	718,379,538.62	637,584,028.54
Commercial acceptance bills		146,472,193.60
Total	<u>718,379,538.62</u>	<u>784,056,222.14</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Bills receivable (continued)

(2) Bills receivable of the Company pledged at the end of the period

Unit: RMB

Item	Pledged amount at the end of the period
Bank acceptance bills	1,000,000.00
Commercial acceptance bills	0.00
Total	<u>1,000,000.00</u>

(3) Outstanding bills receivable endorsed or discounted by the Company as at the balance sheet date

Unit: RMB

Item	Derecognised amount as at the end of the period	Recognised amount as at the end of the period
Bank acceptance bills		462,507,269.28
Total		<u>462,507,269.28</u>

4. Accounts receivable

(1) Disclosure of accounts receivable by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debt			Book balance		Provision for bad debt		
	Amount	Proportion	Amount	Proportion of provision	Carrying value	Amount	Proportion	Amount	Proportion of provision	Carrying value
Accounts receivable that are individually significant and are provided for bad debts separately	292,713,044.98	26.86%	3,936,000.00	1.34%	288,777,044.98	273,442,805.67	33.43%	3,936,000.00	1.44%	269,506,805.67
Accounts receivable that are provided for bad debts on credit risk features portfolio basis	717,191,485.64	65.81%	46,349,217.09	6.46%	670,842,268.55	462,212,495.13	56.51%	36,779,837.94	7.96%	425,432,657.19
Accounts receivable that are individually insignificant but are provided for bad debts separately	79,953,581.00	7.33%	9,552,714.04	11.95%	70,400,866.96	82,265,096.05	10.06%	7,216,372.89	8.77%	75,048,723.16
Total	<u>1,089,858,111.62</u>	<u>100.00%</u>	<u>59,837,931.13</u>		<u>1,030,020,180.49</u>	<u>817,920,396.85</u>	<u>100.00%</u>	<u>47,932,210.83</u>		<u>769,988,186.02</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
4. Accounts receivable (continued)
(1) Disclosure of accounts receivable by category (continued)

Accounts receivable that are individually significant and are provided for bad debts separately as at the end of the period:

Unit: RMB

Accounts receivable (by entity)	Closing balance			Reason for provision
	Accounts receivable	Provision for bad debt	Proportion of provision	
Tumushuke Qianhai Cotton Textile Company Limited	44,076,380.00			Expected to be recovered
Jiangsu Dacheng Group Co., Ltd.	37,314,473.30			Expected to be recovered
Wuhan Dongfuhai Trading Company Limited	30,512,189.55			Expected to be recovered
Dakang Yinxing Cotton Co., Ltd.	29,780,578.00			Expected to be recovered
Pulead Technology Industry Company Limited	23,677,950.00			Expected to be recovered
Others	127,351,474.13	3,936,000.00	3.09%	
Total	292,713,044.98	3,936,000.00	-	-

Accounts receivable in the portfolio for which bad debt provision is made using ageing analysis method:

Unit: RMB

Age	Closing balance		
	Accounts receivable	Provision for bad debt	Proportion of provision
Within 1 year			
Subtotal of within 1 year	629,100,238.90		
1-2 years	29,073,509.83	5,814,701.97	20.00%
2-3 years	36,966,443.59	18,483,221.80	50.00%
Over 3 years	22,051,293.33	22,051,293.33	100.00%
Total	717,191,485.64	46,349,217.09	

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
4. Accounts receivable (continued)
(2) Provision, recovery or reversal of bad debt provision for the period

Bad debt provision for the current period amounted to RMB8,505,032.75. The amount for bad debt provision recovered or reversed during the current period was RMB69,149.86.

(3) Particulars of accounts receivable actually written off during the reporting period

Unit: RMB

Item	Amount written off
Accounts receivable actually written off	361,751.05

(4) Top five accounts receivable according to closing balance of debtors

Name of company	Relationship with the Company	Closing balance	Proportion (%)	Bad debt provision
China Texmatech Company Limited	Associate	120,093,247.50	11.02	58,565.86
Tumushuke Qianhai Cotton Textile Company Limited	Third party	44,076,380.00	4.04	
Jiangsu Dacheng Group Co., Ltd.	Third party	37,314,473.30	3.42	
Wuhan Dongfuhai Trading Company Limited	Third party	30,512,189.55	4.11	
Dakang Yinxing Cotton Co., Ltd.	Third party	29,780,578.00	2.73	
Total		<u>261,776,868.35</u>	<u>24.01</u>	<u>58,565.86</u>

5. Prepayments
(1) Presentation of prepayments stated according to ageing analysis

Unit: RMB

Ageing	Closing balance		Opening balance	
	Amounts	Percentage	Amounts	Percentage
Within 1 year	264,414,064.32	66.97%	386,231,152.28	73.28%
1-2 years	47,430,513.94	12.01%	94,447,441.93	17.92%
2-3 years	39,975,169.52	10.13%	28,279,779.05	5.37%
Over 3 years	42,993,751.93	10.89%	18,129,793.72	3.43%
Total	<u>394,813,499.71</u>	<u>—</u>	<u>527,088,166.98</u>	<u>—</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
5. Prepayments (continued)
(2) Top five prepayment according to closing balance of prepaid parties

Name of company	Relationship with the Company	Closing balance	Proportion (%)
Tianjin Textile Machinery Manufacturing Co., Ltd.	Controlled or influenced by key personnel	71,235,611.92	18.04
Xinjiang Tiansheng Industrial Company Limited	Third party	52,375,016.55	13.26
Jinzhong Jingwei Electromechanical Equipment Company Limited	Associate	35,083,571.54	8.89
Jingwei Machinery (Group) Company Limited	Associate	28,000,000.00	7.09
Hubei Zhongjia Trading Company Limited	Third party	24,663,465.30	6.25
Total		211,357,665.31	53.53

6. Interest receivables
(1) Classification of interest receivables
Unit: RMB

Item	Closing balance	Opening balance
Fixed time deposit	38,656.25	249,384.47
Held-to-maturity investment-interest income	7,495,890.42	7,490,000.00
Total	7,534,546.67	7,739,384.47

7. Dividend receivables
(1) Dividend receivables
Unit: RMB

Item (or investees)	Closing balance	Opening balance
Beijing Hang Tang Wealth Investment Management Company Limited	28,600,000.00	28,600,000.00
Jingwei Machinery (Group) Company Limited	2,800,000.00	2,800,000.00
Hengtian Properties Company Limited	2,880,000.00	2,880,000.00
Total	34,280,000.00	34,280,000.00

(2) Significant dividend receivables with aging over 1 year
Unit: RMB

Item (or investees)	Closing balance	Age	Reason for non-settlement	Impaired or not and basis of determination
Beijing Hang Tang Wealth Investment Management Company Limited	28,600,000.00	1-2 years	Non-payment	Not impaired
Jingwei Machinery (Group) Company Limited	2,800,000.00	2-3 years	Non-payment	Not impaired
Hengtian Properties Company Limited	2,880,000.00	Over 3 years	Non-payment	Not impaired
Total	34,280,000.00	-	-	-

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
8. Other receivables
(1) Disclosure of other receivables according to category
Unit: RMB

Category	Closing balance				Opening balance					
	Book balance		Provision for bad debt		Book balance		Provision for bad debt			
	Amount	Proportion	Amount of provision	Carrying value	Amount	Proportion	Amount of provision	Carrying value		
Other receivables that are individually significant and for which the provision for bad debts are made separately	90,211,732.37	19.66%		90,211,732.37	90,214,432.37	26.52%		90,214,432.37		
Other receivables for which the provision for bad debts are made on credit risk features portfolio basis	338,668,141.33	73.83%	8,303,493.14	2.45%	330,364,648.19	191,970,535.15	56.43%	6,894,386.57	3.59%	185,076,148.58
Other receivables that are individually insignificant but the provision for bad debts are made separately	29,854,617.94	6.51%	2,749,943.92	9.21%	27,104,674.02	58,017,641.01	17.05%	4,205,050.50	7.25%	53,812,590.51
Total	458,734,491.64	100.00%	11,053,437.06		447,681,054.58	340,202,608.53	100.00%	11,099,437.07		329,103,171.46

Accounts receivable that are individually significant and are provided for bad debts separately as at the end of the period:

Unit: RMB

Other receivables (by entity)	Other receivables	Closing balance Provision for bad debt	Proportion of provision	Reason for provision
Beijing Guanghe Realty Company Limited	57,007,970.46			Expected to be recovered
Anhui Huamao Jingwei New Textile Company Limited	23,168,561.91			Expected to be recovered
The Second People's Hospital of Lincang City	10,035,200.00			Expected to be recovered
Total	90,211,732.37			

Other receivables in the portfolio for which bad debt provision is made using ageing analysis method:

Unit: RMB

Age	Other receivables	Closing balance Provision for bad debt	Proportion of provision
Within 1 year			
Subtotal of within 1 year	326,858,253.91		
1-2 years	3,212,992.85	642,598.57	20.00%
2-3 years	1,872,000.00	936,000.00	50.00%
Over 3 years	6,724,894.57	6,724,894.57	100.00%
Total	338,668,141.33	8,303,493.14	



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

8. Other receivables (continued)

(2) Classification of other receivables by nature

Unit: RMB

Nature	Closing book balance	Opening book balance
Current account	208,787,372.65	84,068,398.08
Equity transfer payment	66,707,970.46	73,713,546.24
Deposit	43,089,949.86	32,573,703.75
Proceeds from disposal of equipment	31,896,868.69	31,896,868.69
Advances	29,079,615.67	35,800,104.14
Cash deposit	18,048,081.57	3,294,606.36
Reserve/personal borrowings	15,794,638.99	34,924,847.42
Contribution from minority shareholders	14,762,592.00	14,768,208.00
Input tax not offset	0	2,796,323.50
Others	30,567,401.75	26,366,002.35
Total	<u>458,734,491.64</u>	<u>340,202,608.53</u>

(3) Top five other receivable according to closing balance of debtors

Unit: RMB

Name of company	Nature	Closing balance	Age	Percentage of closing balance of total other receivables	Closing balance of bad debt provision
Beijing Guanghe Realty Company Limited	Equity transfer payment	57,007,970.46	Over 3 years	12.43%	
Xianyang Jingwei Properties Limited	Current account	40,000,000.00	Within 1 year	8.72%	
Suizhou Jina Fu Construction Machinery Services Company Limited	Current account	24,439,836.17	Within 1 year	5.32%	
Anhui Huamao Jingwei New Textile Company Limited	Current account	23,168,561.91	Over 5 years	5.05%	
The Second People's Hospital of Lincang City	Project funds	10,035,200.00	1-2 years	2.19%	
Total	-	<u>154,651,568.54</u>	-	33.71%	

9. Inventories

(1) By categories

Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	obsolete stocks	Carrying value	Book balance	obsolete stocks	Carrying value
Raw materials	424,596,903.72	24,561,208.27	400,035,695.45	423,288,705.67	25,343,033.14	397,945,672.53
Work-in-progress	529,152,276.86	52,348,378.92	476,803,897.94	553,634,613.91	52,481,780.98	501,152,832.93
Finished goods	719,052,104.19	55,133,422.78	663,918,681.41	691,130,502.20	47,955,481.78	643,175,020.42
Total	<u>1,672,801,284.77</u>	<u>132,043,009.97</u>	<u>1,540,758,274.80</u>	<u>1,668,053,821.78</u>	<u>125,780,295.90</u>	<u>1,542,273,525.88</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
9. Inventories (continued)
(2) Impairment provision for inventories
Unit: RMB

Item	Opening balance	Increase during the period		Decrease during the period		Closing balance
		Provision	Others	Reversal or transfer	Others	
Raw materials	25,343,033.14	170,819.73		952,644.60		24,561,208.27
Work-in-process products	52,481,780.98	0.00		133,402.06		52,348,378.92
Goods in stock	47,955,481.78	10,611,444.15		3,433,503.15		55,133,422.78
Revolving materials		0.00		0.00		
Total	125,780,295.90	10,782,263.88		4,519,549.81		132,043,009.97

10. Non-current assets due within one year
Unit: RMB

Item	Closing balance	Opening balance
Scenery City loans-Sichuan Trust Co., Ltd.	200,000,000.00	200,000,000.00
Airport loans – Sichuan Trust Co., Ltd.	100,000,000.00	100,000,000.00
Total	300,000,000.00	300,000,000.00

11. Other current assets
Unit: RMB

Items	Closing balance	Opening balance
Prepaid enterprise income tax	4,203,774.02	3,147,797.29
VAT input tax to be deductible	37,410,588.47	27,661,703.41
Total	41,614,362.49	30,809,500.70

12. Available-for-sale financial assets
(1) Particulars of available-for-sale financial assets
Unit: RMB

Item	Book balance	Closing balance		Book balance	Opening balance	
		Provision for impairment	Book value		Provision for impairment	Book value
Available-for-sale equity instruments:						
Measured at fair value	1,190,748,204.03	20,193,871.42	1,170,554,332.61	668,259,229.02	20,193,871.42	648,065,357.60
Measured at cost	874,773,748.98		874,773,748.98	575,267,274.97		575,267,274.97
	315,974,455.05	20,193,871.42	295,780,583.63	92,991,954.05	20,193,871.42	72,798,082.63
Total	1,190,748,204.03	20,193,871.42	1,170,554,332.61	668,259,229.02	20,193,871.42	648,065,357.60



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

12. Available-for-sale financial assets (continued)

(2) Available-for-sale financial assets measured at fair value as at the end of the period

Unit: RMB

Type of available-for-sale assets	Cost of equity instruments/Amortised cost of debt instruments	Fair value	Changes in fair value cumulatively included in other comprehensive income	Provision for impairment
Available-for-sale equity instruments	892,212,471.04	874,773,748.98	-17,438,722.06	
Total	<u>892,212,471.04</u>	<u>874,773,748.98</u>	<u>-17,438,722.06</u>	

(3) Available-for-sale financial assets measured at cost as at the end of the period

Unit: RMB

Investee	Book balance			Provision for impairment			Closing balance	Equity interest in the investee held by the Company	Cash dividends for the period
	Opening balance	Increase for the period	Decrease for the period	Opening balance	Increase for the period	Decrease for the period			
Jianghai Securities Company Limited	28,673,400.00			28,673,400.00				2.10%	
Beijing Fengyue Taihe Equity Investment Partnership (Limited Partnership)		61,580,000.00		61,580,000.00				11.51%	
Beijing Rong Ding Kun Investment Center (Limited Partnership)		40,020,000.00		40,020,000.00				17.03%	
Zhuhai Rongwu Equity Investment Partnership (Limited Partnership)		100,000.00		100,000.00				0.02%	
Rongwu Guoding Assets Management Partnership (Limited Partnership)		33,200,000.00		33,200,000.00				15.30%	
E-Capital Transfer Co., Ltd		25,000,000.00		25,000,000.00				1.24%	
Chongqing Dinv Ares Filming Production Co. Ltd.		44,062,500.00		44,062,500.00				7.50%	
Shanghai Changxuan Investment Co., Ltd.		1.00		1.00				0.00%	
Beijing Zhidian Wuyou Media Technology Co., Ltd.		20,000,000.00		20,000,000.00				25.00%	
Wuxi Guochuang Investment Culture Company Limited (Limited Partnership)	980,000.00		980,000.00					0.35%	
Hengtian Asset Management Co., Ltd.	24,866,602.17			24,866,602.17	14,823,871.42		14,823,871.42	9.38%	
Qingdao Textile Machinery Manufacturing Company Limited	15,802,027.04			15,802,027.04				17.00%	
Tianjin Textile Machinery Company Limited	6,750,000.00			6,750,000.00				15.00%	
Qingdao Qingfeng Casting Company Limited	5,000,000.00			5,000,000.00	5,000,000.00		5,000,000.00	20.00%	
Jinzhong Jingwei Hong Xin Machinery Company Limited	4,042,512.00			4,042,512.00				15.00%	
Jinzhong Jingwei Gear Manufacturing Company Limited	1,427,760.00			1,427,760.00				5.00%	
Wuxi Hongyuan New Material Technology Company Limited	1,422,652.84			1,422,652.84				0.70%	
Shenyang Textile Machinery Co., Ltd.	1,200,000.00			1,200,000.00				10.00%	
Jinzhong Jingwei Hengteng Textile Machinery Co., Ltd.	1,200,000.00			1,200,000.00				15.00%	
Qingdao Jinyi Pressing and Casting Company Limited	1,057,000.00			1,057,000.00				27.00%	
Hubei Jimpeng Textile Group Company Limited	220,000.00			220,000.00	220,000.00		220,000.00	2.00%	
Changde Tianhe Powder Metallurgy Company Limited	200,000.00			200,000.00				10.00%	
Yangtze River Economy United Development (Group) Company Limited	150,000.00			150,000.00	150,000.00		150,000.00	5.00%	
Total	<u>92,991,954.05</u>	<u>223,962,501.00</u>	<u>980,000.00</u>	<u>315,974,455.05</u>	<u>20,193,871.42</u>		<u>20,193,871.42</u>		

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
12. Available-for-sale financial assets (continued)
(4) Changes in impairment of available-for-sale financial assets during the reporting period
Unit: RMB

Type of available-for-sale assets	Opening balance of provision for impairment	Provisions for the period	Including: transferred from other comprehensive income	Decrease for the period	Including: Reversals of increase in fair value after the end of the period	Closing balance of provision for impairment
Available-for-sale equity instruments	20,193,871.42					20,193,871.42
Total	<u>20,193,871.42</u>					<u>20,193,871.42</u>

13. Held-to-maturity investments
Unit: RMB

Item	Book balance	Closing balance Provision for impairment	Book value	Book balance	Opening balance Provision for impairment	Book value
Ruibo Property Loan – Sichuan Trust Co., Ltd.	80,000,000.00		80,000,000.00			
Total	<u>80,000,000.00</u>		<u>80,000,000.00</u>			

14. Long-term receivables
Unit: RMB

Item	Book balance	Closing balance Provision for bad debt	Book value	Book balance	Opening balance Provision for bad debt	Book value	Range of discount rate
Trust Protection Fund	96,976,675.34		96,976,675.34				
Total	<u>96,976,675.34</u>		<u>96,976,675.34</u>				–



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

15. Long-term equity investments

Unit: RMB

Investee	Opening balance	Increase/decrease for the period							Closing balance	Closing balance of provision	
		Investment addition	Investment reduction	Gain/loss on investment recognized under equity method	Adjustment of other comprehensive income	Changes in other equity	Distribution of cash dividends or profit declared	Provision for impairment			Others
1. Joint venture											
2. Associates											
Beijing Jingpeng Investment Management Company Limited	101,310,902.31			945,430.45						102,256,332.76	
China Textmatech Company Limited	83,103,942.34			1,901,832.76						85,005,775.10	
Beijing Hang Tang Wealth Investment Management Company Limited	50,288,841.72			20,690,974.75						70,979,816.47	
Xinhu Wealth Company Limited	40,033,691.29			8,907,545.70						48,941,236.99	
Xianyang Jingwei Machinery Manufacture Company Limited	19,961,487.41			-71,211.22						19,890,276.19	
Jingwei Machinery (Group) Company Limited	15,735,541.35			-2,699,997.51						13,035,543.84	
Hongda Research Institute Company Limited	8,237,878.48			-1,949,884.54						6,287,993.94	
Shenzhen Huarong Equity Investment and Fund Management Company Limited	5,603,005.34			3,258.68						5,606,264.02	
Shanghai Rongou Equity Investment Fund Management Company Limited	4,585,839.70			202,273.67						4,788,113.37	
Suizhou Jina Fu Construction Machinery Services Company Limited	3,062,174.52			-3,062,174.52						0	
Xianyang Jingwei Properties Company Limited	2,262,747.05			-1,364,290.21						898,456.84	
Shenzhen Ruiyuan Baoxing Fund Management Company Limited	1,958,402.33			392.55						1,958,794.88	
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	980,000.00			-4,071.68						975,928.32	
Jinzhong Jingwei Yu Xin Machinery Company Limited	653,904.36			-166,744.15						487,160.21	
Anhui Huamao Jingwei New Type Textile Company Limited	0									0	
China Trust Protection Fund Co., Ltd.	0	750,000,000.00		6,379,110.30						756,379,110.30	
Subtotal	337,778,358.20	750,000,000.00	0	29,712,445.03	0	0	0	0	0	1,117,490,803.23	
Total	337,778,358.20	750,000,000.00	0	29,712,445.03	0	0	0	0	0	1,117,490,803.23	

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
16. Fixed assets
(1) Particulars of fixed assets

Unit: RMB

Item	Housing and building structure	Machinery and equipment	Transportation equipment	Others	Total
I. Original carrying amount	1,555,174,568.42	1,614,573,993.81	96,899,657.12		3,266,648,219.35
1. Opening balance	1,575,012,180.75	1,610,786,400.66	101,587,008.08		3,287,385,589.49
2. Increase for the period	80,522,189.60	28,494,054.88	3,895,963.78		112,912,208.26
(1) Acquisition	13,323,210.64	4,070,970.65	3,895,963.78		21,290,145.07
(2) Transferred from construction in progress	67,198,978.96	24,423,084.23	0.00		91,622,063.19
(3) Increase due to business combination					
3. Decrease for the period	100,359,801.93	24,706,461.73	8,583,314.74		133,649,578.40
(1) Disposal or retirement	100,359,801.93	24,706,461.73	8,583,314.74		133,649,578.40
4. Closing balance	1,555,174,568.42	1,614,573,993.81	96,899,657.12		3,266,648,219.35
II. Accumulated depreciation	401,615,693.12	1,001,223,065.58	60,464,369.26		1,463,303,127.96
1. Opening balance	393,968,082.35	966,902,650.46	61,789,806.75		1,422,660,539.56
2. Increase for the period	23,174,560.63	48,402,100.12	5,192,180.82		76,768,841.57
(1) Provision	23,174,560.63	48,402,100.12	5,192,180.82		76,768,841.57
3. Decrease for the period	15,526,949.86	14,081,685.00	6,517,618.31		36,126,253.17
(1) Disposal or retirement	15,526,949.86	14,081,685.00	6,517,618.31		36,126,253.17
4. Closing balance	401,615,693.12	1,001,223,065.58	60,464,369.26		1,463,303,127.96
III. Provision for impairment	0.00	7,604,750.60	55,994.46		7,660,745.06
1. Opening balance	0.00	7,606,181.60	55,994.46		7,662,176.06
2. Increase for the period					
(1) Provision					
3. Decrease for the period		1,431.00	0.00		1,431.00
(1) Disposal or retirement		1,431.00	0.00		1,431.00
4. Closing balance		7,604,750.60	55,994.46		7,660,745.06
IV. Book value	1,153,558,875.30	605,746,177.63	36,379,293.40		1,795,684,346.33
1. Closing book value	1,153,558,875.30	605,746,177.63	36,379,293.40		1,795,684,346.33
2. Opening book value	1,179,964,904.12	637,356,762.88	39,741,206.87		1,857,062,873.87

(2) Particulars of temporarily idle fixed assets

Unit: RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Book value	Remark
Housing and building structure	30,330,744.10	1,352,992.53	0.00	28,977,751.57	
Machinery and equipment	12,631,988.52	8,248,996.10	0.00	4,382,992.42	
Transportation equipment	0.00	0.00	0.00	0.00	
Total	42,962,732.62	9,601,988.63	0.00	33,360,743.99	

(3) Fixed assets leased under finance lease

Unit: RMB

Item	Original carrying amount	Accumulated depreciation	Provision for impairment	Book value
Transportation equipment	915,757.67	381,026.50		534,731.17
Total	915,757.67	381,026.50		534,731.17



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Fixed assets (continued)

(4) Fixed assets rent out under operating leases

Unit: RMB

Item	Book value at end of period
Housing and building structure	67,056,284.05
Machinery and equipment	70,009,890.44
Transportation equipment	3,176,018.35
Total	<u>140,242,192.84</u>

(5) Particulars of fixed assets without property right certificates

Unit: RMB

Items	Book value	Reason for not yet obtaining property right certificates
Assembly plant of Yuci Branch	13,947,489.05	Processing
Plant of Qingdao Hongda	90,492,403.54	Processing
Plant of Yichang Jingwei	22,077,471.22	Processing
Plant of Yichang Jingwei Machinery Company Limited	9,121,985.86	Processing
Hengtian Motor office building (ancillary workshop)	1,737,600.00	Processing
New cradle finished goods warehouse	2,238,636.40	Processing
Changde new assembly shop	16,906,287.93	Processing
Big and small workshops in Changde New Area	37,126,790.40	Processing
Plant of Huangshi Jingwei	9,057,883.60	Processing
Total	<u>202,706,548.00</u>	

17. Construction in progress

(1) Particulars of construction in progress

Unit: RMB

Item	Book balance	Closing balance Provision for impairment	Book value	Book balance	Opening balance Provision for impairment	Book value
The Second Phase of Hengtian Automobile Industrial Park	55,286,707.49		55,286,707.49	48,967,719.49		48,967,719.49
Yichang Machinery No.1 Workshop	35,403,723.10		35,403,723.10	29,848,723.10		29,848,723.10
Surface treatment workshop of Yichang Textile Machinery	11,371,383.83		11,371,383.83	9,280,882.46		9,280,882.46
Wuxi test cotton spinning digital shop	51,263,701.41		51,263,701.41	2,208,754.91		2,208,754.91
Jingwei Textile's new area project in Huangshi	11,618,100.00		11,618,100.00	4,080,000.00		4,080,000.00
Others	28,785,602.11		28,785,602.11	37,368,798.28		37,368,798.28
Total	<u>193,729,217.94</u>		<u>193,729,217.94</u>	<u>131,754,878.24</u>		<u>131,754,878.24</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
17. Construction in progress (continued)
(2) Changes in material construction in progress projects for the period
Unit: RMB

Item name	Budget	Opening balance	Increase for the period	Transfer to fixed asset for the period	Other deductions for the period	Closing balance	Accumulated investment to budget	Construction in progress	Accumulated capitalized interest	Of which: capitalized interest for the period	Capitalisation rate of the interest amount for the period	Source of fund
The Second Phase of Hengtian Automobile Industrial Park	58,028,988.00	48,967,719.49	6,318,988.00	0.00	0.00	55,286,707.49	95.27%	95.27%				Others
Yichang Machinery No.1 Workshop	38,000,000.00	29,848,723.10	5,555,000.00	0.00	0.00	35,403,723.10	93.17%	93.17%				Others
Yichang Textile Machinery surface treatment workshop	11,898,130.00	9,280,832.46	2,091,943.66	1,442.29	0.00	11,371,383.83	95.58%	95.58%				Others
Wuxi test cotton digital workshop	100,000,000.00	2,208,754.91	51,263,701.41	2,208,754.91	0.00	51,263,701.41	53.47%	53.47%				Others
Jingwei Textile's new area project in Huangshi	80,000,000.00	4,080,000.00	7,538,100.00	0.00	0.00	11,618,100.00	14.52%	14.52%				Others
Others	990,502,488.80	37,368,798.28	81,191,341.30	89,411,865.99	362,671.48	28,785,602.11						Others
Total	1,278,429,606.80	131,754,878.24	153,959,074.37	91,622,063.19	362,671.48	193,729,217.94	-	-				-

18. Intangible assets
Unit: RMB

Item	Land use rights	Patent rights	Non-patented technology	Others	Total
I. Original carrying amount	600,120,163.49	21,845,388.97	31,514,041.74	95,496,477.84	748,976,072.04
1. Opening balance	607,814,958.68	21,845,388.97	30,666,368.14	93,932,627.43	754,259,343.22
2. Increase for the period			23,877,124.46	1,945,744.58	25,822,869.04
3. Decrease for the period	7,694,795.19	0.00	23,029,450.86	381,894.17	31,106,140.22
4. Closing balance	600,120,163.49	21,845,388.97	31,514,041.74	95,496,477.84	748,976,072.04
II. Accumulated amortisation	101,632,006.86	18,491,197.01	10,058,291.39	44,296,525.58	174,478,020.84
1. Opening balance	96,283,982.31	17,702,144.93	10,058,291.39	40,739,034.93	164,783,453.56
2. Increase for the period	6,341,550.22	789,052.08	0.00	6,943,010.78	14,073,613.08
3. Decrease for the period	993,525.67	0.00	0.00	3,385,520.13	4,379,045.80
4. Closing balance	101,632,006.86	18,491,197.01	10,058,291.39	44,296,525.58	174,478,020.84
III. Provision for impairment					
1. Opening balance					
2. Increase for the period					
3. Decrease for the period					
4. Closing balance					
IV. Carrying value	498,488,156.63	3,354,191.96	21,455,750.35	51,199,952.26	574,498,051.20
1. Closing carrying amount	498,488,156.63	3,354,191.96	21,455,750.35	51,199,952.26	574,498,051.20
2. Opening carrying amount	511,530,976.37	4,143,244.04	20,608,076.75	53,193,592.50	589,475,889.66



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

19. Research and development expenditure

Unit: RMB

Project	Opening balance	Increase for the period		Decrease for the period		Closing balance
		Internal development spending	Others	Recognized as intangible asset	Transferred into current profit and loss	
Textile machinery and other project development costs		191,745,939.89			191,745,939.89	
Magnetic induction of cancer treatment project	14,221,806.55					14,221,806.55
Total	14,221,806.55	191,745,939.89			191,745,939.89	14,221,806.55

20. Goodwill

(1) Original carrying amount of goodwill

Unit: RMB

Name of investee or item generating goodwill	Opening balance	Increase for the period	Decrease for the period	Closing balance
Zhongrong International Trust Co., Ltd.	833,388,872.51			833,388,872.51
Anshan Jingwei Haihong Agricultural Machinery Company Limited	7,341,351.32			7,341,351.32
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	2,475,698.35			2,475,698.35
Beijing Jingwei Gallant Medical Technology Company Limited	814,559.97			814,559.97
Jinzhong Jingwei Hengxin Machinery Co., Ltd.	556,468.53			556,468.53
Wuxi Hongda Textile Machinery and Special Parts Company Limited	375,995.00			375,995.00
Shanghai Huayuan Hyperthermia Technology Company Limited	168,039.33			168,039.33
Wuhan Fangyou Technology Co., Ltd.	0.00	6,095,047.97		6,095,047.97
Total	845,120,985.01	6,095,047.97		851,216,032.98

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
21. Long-term deferred expenses
Unit: RMB

Item	Opening balance	Increase for the period	Amortisation for the period	Other deductions	Closing balance
Expenses on improvements of fixed assets under operating lease	13,329,253.41	19,792,275.98	16,657,780.26		15,392,393.61
Expenses from use of product announcement and customer resources	5,000,000.00	0.00	1,250,302.00		5,000,000.00
Others	4,459,861.46	5,369,281.29	5,190,334.81		4,459,861.46
Total	22,789,114.87	25,161,557.27	23,098,417.07		24,852,255.07

22. Deferred income tax assets/deferred income tax liabilities
(1) Deferred income tax assets before offsetting
Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Provision for impairment of assets	19,034,980.75	2,855,247.11	19,034,980.75	2,855,247.11
Unrealised profit arising from intra-group transactions	7,957,459.84	1,193,618.98	7,957,459.84	1,193,618.98
Deductible loss	30,180,939.26	4,527,140.89	30,180,939.26	4,527,140.89
Changes in fair value of available-for-sale financial assets	146,265,761.12	36,566,440.28	140,435,196.07	35,108,799.02
Wages payable	1,657,110,629.60	414,277,657.40	1,899,968,842.95	474,992,210.74
Total	1,860,549,770.57	459,420,104.66	2,097,577,418.87	518,677,016.74

(2) Deferred income tax liabilities before offsetting
Unit: RMB

Item	Closing balance		Opening balance	
	Deductible temporary differences	Deferred income tax liabilities	Deductible temporary differences	Deferred income tax liabilities
Changes in fair value of available-for-sale financial assets	128,827,039.04	32,206,759.76	16,805,992.83	4,201,498.21
Total	128,827,039.04	32,206,759.76	16,805,992.83	4,201,498.21



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

22. Deferred income tax assets/deferred income tax liabilities (continued)

(3) Deferred income tax assets or liabilities presented with the net amount after offsetting

Unit: RMB

Item	Ending set-off amount	Closing balance after offsetting	Beginning set-off amount	Opening balance after offsetting
Deferred income tax assets		459,420,104.66		518,677,016.74
Deferred income tax liabilities		32,206,759.76		4,201,498.21

23. Other non-current assets

Unit: RMB

Item	Closing balance	Opening balance
Equity investment fund into China Trust Protection Fund Co., Ltd.	750,000,000.00	750,000,000.00
Total	<u>750,000,000.00</u>	<u>750,000,000.00</u>

Note: China Trust Protection Fund Co., Ltd. was established on 16 January 2015, and Zhongrong International Trust Co., Ltd., a subsidiary of the Company, has paid the remaining investment amount of RMB750,000,000.00.

24. Short-term borrowings

(1) By category

Unit: RMB

Item	Closing balance	Opening balance
Pledged loans	5,799,884.52	3,999,884.52
Mortgage loans	100,000,000.00	113,000,000.00
Guaranteed loans	57,914,550.00	127,145,111.62
Credit loans	2,488,325,522.97	2,100,704,424.48
Total	<u>2,652,039,957.49</u>	<u>2,344,849,420.62</u>

25. Bills payable

Unit: RMB

Category	Closing balance	Opening balance
Commercial bills under acceptance	2,042,469.12	1,584,077.22
Bank bills under acceptance	172,960,410.84	405,002,549.17
Total	<u>175,002,879.96</u>	<u>406,586,626.39</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
26. Accounts payable
(1) Particulars of accounts payable
Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	1,418,728,693.03	1,342,220,017.21
1-2 years (including 2 years)	33,488,829.47	76,532,614.71
2-3 years (including 3 years)	19,262,394.75	3,510,615.18
Over 3 years	19,800,319.88	16,837,098.72
Total	<u>1,491,280,237.13</u>	<u>1,439,100,345.82</u>

(2) Significant accounts with ageing of over 1 year
Unit: RMB

Item	Closing balance	Reasons for outstanding or not carried forward
Jiangyin Huafang New Technology Company Limited	2,510,505.83	Not settled
Jiangsu Nantong Liujian Construction Group, Wuxi Branch	2,024,678.00	Not settled
Jingwei Machinery (Group) Company Limited	1,646,289.86	Not settled
Shanghai Bangsheng Automation Technology Co., Ltd.	1,627,956.27	Not settled
Shanxi Construction Engineering (Group) Corporation	1,482,950.00	Not settled
Shanghai Suoneng Automation System Company Limited	1,420,402.14	Not settled
Changde Tongda Machine Manufacturing Co., Ltd.	1,349,179.49	Not settled
Wuhan Jiugang Industrial Trading Co., Ltd.	1,204,126.29	Not settled
Jinan Zetian NC Machine Tool Co., Ltd.	1,190,000.00	Not settled
Anshan Haihong Construction Machinery Co., Ltd.	1,173,622.45	Not settled
Total	<u>15,629,710.33</u>	–

27. Advances from customers
(1) Particulars of advances from customers
Unit: RMB

Item	Closing balance	Opening balance
Within 1 year (including 1 year)	408,814,758.52	425,998,683.24
1-2 years (including 2 years)	32,175,358.40	102,187,433.23
2-3 years (including 3 years)	52,804,285.03	45,450,455.51
Over 3 years	41,221,676.72	50,739,663.35
Total	<u>535,016,078.67</u>	<u>624,376,235.33</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

27. Advances from customers (continued)

(2) Significant advances from customers with ageing of over 1 year

Unit: RMB

Item	Closing balance	Reasons for being outstanding or not carried forward
Cangnan Make Textile Co., Ltd.	4,582,500.32	Not settled
Linfen Guangxiu Industrial Company Limited	2,000,000.00	Not settled
A Ke Su Juying Cotton Co., Ltd.	1,909,840.00	Not settled
Total	<u>8,492,340.32</u>	—

28. Employee benefits payables

(1) Particulars of employee benefits payables

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
I. Short-term remuneration	1,986,785,884.97	1,134,198,713.72	1,014,180,180.39	2,106,804,418.30
II. Retirement benefit plan-defined contribution scheme	37,973,897.21	68,714,640.80	75,484,790.68	31,203,747.33
III. Termination benefits	3,120.00	0.00	0.00	3,120.00
IV. Other benefit due within one year	20,182,098.18	7,801,795.77	8,930,886.81	19,053,007.14
Total	<u>2,044,945,000.36</u>	<u>1,210,715,150.29</u>	<u>1,098,595,857.88</u>	<u>2,157,064,292.77</u>

(2) Particulars of short-term benefits

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Salaries, bonuses, allowance and subsidies	1,954,167,922.10	1,014,849,137.18	897,885,763.41	2,071,131,295.87
2. Staff welfare	0.00	19,902,080.76	19,178,459.07	723,621.69
3. Social insurance premium	5,731,007.33	32,175,937.40	32,009,315.66	5,897,629.07
Of which: Medical insurance premium	4,544,099.73	27,492,786.26	27,243,592.95	4,793,293.04
Work-related injury insurance premium	476,662.71	2,502,078.84	2,327,227.24	651,514.31
Maternity insurance premium	710,244.89	2,181,072.30	2,438,495.47	452,821.72
4. Housing provident funds	8,396,637.54	29,331,480.03	28,788,075.31	8,940,042.26
5. Union funds and workers education	18,065,526.89	18,841,634.04	17,878,021.93	19,029,139.00
6. Other short-term remuneration	424,791.11	19,098,444.31	18,440,545.01	1,082,690.41
Total	<u>1,986,785,884.97</u>	<u>1,134,198,713.72</u>	<u>1,014,180,180.39</u>	<u>2,106,804,418.30</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
28. Employee benefits payables (continued)
(3) Particulars of defined contribution plan
Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
1. Basic pension insurance	34,272,682.98	63,348,442.23	69,564,935.03	28,056,190.18
2. Unemployment insurance expense	3,701,214.23	5,366,198.57	5,919,855.65	3,147,557.15
Total	<u>37,973,897.21</u>	<u>68,714,640.80</u>	<u>75,484,790.68</u>	<u>31,203,747.33</u>

29. Taxation payables
Unit: RMB

Item	Closing balance	Opening balance
VAT	0.00	0.00
Consumption tax	4,700.85	9,401.71
Business tax	60,966,349.67	72,161,778.31
Enterprise income tax	183,505,360.01	314,173,420.89
Individual income tax	11,613,967.89	33,499,579.29
Urban maintenance and construction tax	5,920,737.00	7,547,896.50
Property taxes	6,554,955.34	7,591,098.92
Land use tax	16,916,649.98	16,391,175.43
Educational surcharges	4,929,870.64	5,872,277.71
Others	4,167,917.05	4,008,548.76
Total	<u>294,580,508.43</u>	<u>461,255,177.52</u>

30. Interest payables
Unit: RMB

Item	Closing balance	Opening balance
Interests on long-term borrowings with installment payments	854,794.52	560,000.00
Interests on corporate bonds	16,424,577.88	47,459,999.98
Interest payables for short-term borrowings	10,738,285.66	4,193,735.07
Total	<u>28,017,658.06</u>	<u>52,213,735.05</u>

31. Dividend payables
Unit: RMB

Item	Closing balance	Opening balance
Ordinary share dividend	61,596,130.96	29,655,744.58
Total	<u>61,596,130.96</u>	<u>29,655,744.58</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

32. Other payables

(1) Other payables by nature

Unit: RMB

Item	Closing balance	Opening balance
Current account	221,172,965.49	11,466,800.00
Land disposal payment receipts in advance	70,579,500.00	55,842,000.00
Cash deposit payable	32,620,556.14	24,931,661.76
Social insurance and housing accumulation fund payable	28,436,718.98	31,324,159.89
Advances payable	26,317,555.25	88,516,364.73
Employee housing allowance payable	7,081,803.00	7,128,335.00
Consultant fees payable	6,014,550.23	14,467,426.74
Equity transfer payment receipts in advance	0	15,000,000.00
Up-front fees payable	0	13,340,000.00
Others	69,480,707.78	43,593,886.52
Total	<u>461,704,356.87</u>	<u>305,610,634.64</u>

(2) Significant other payables with ageing of over 1 year

Unit: RMB

Item	Closing balance	Reasons for outstanding or not carried forward
China Textile Machinery (Group) Company Limited	20,231,020.72	Not settled
Social insurance and housing accumulation fund payable	3,461,946.39	Not settled
Cash deposit payable	10,000,000.00	Not settled
Employee housing allowance payable	7,079,335.00	Not settled
Total	<u>40,772,302.11</u>	—

33. Non-current liabilities due within 1 year

Unit: RMB

Item	Closing balance	Opening balance
Long-term payables due within 1 year	122,256.74	194,810.20
Other long-term liabilities due within 1 year	1,238,903.00	1,450,000.00
Total	<u>1,361,159.74</u>	<u>1,644,810.20</u>

34. Long-term borrowings

Unit: RMB

Item	Closing balance	Opening balance
Credit borrowings	200,000,000.00	200,000,000.00
Total	<u>200,000,000.00</u>	<u>200,000,000.00</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
35. Bonds payable
(1) Bonds payable
Unit: RMB

Item	Closing balance	Opening balance
Medium term notes	1,200,000,000.00	1,200,000,000.00
Corporate bonds	1,351,391,793.51	
Total	<u>2,551,391,793.51</u>	<u>1,200,000,000.00</u>

(2) Increase/decrease in bonds payable (excluding other financial instruments such as preference shares and perpetual bonds classified as financial liabilities)
Unit: RMB

Name of bond	Par value	Date of issue	Term	Amount	Opening balance	Issue during the period	Interest at par value	Amortisation of premium/discount	Redemption during the period	Others	Closing balance
Medium term notes	1,200,000,000.00	24 April, 2012	24 April, 2017	1,200,000,000.00	1,200,000,000.00	-	68,038,333.33	-	67,800,000.00	-	1,200,000,000.00
Corporate bonds	1,375,560,000.00	15 June, 2015	15 June, 2018	1,375,560,000.00	-	1,375,560,000.00	3,617,911.22	390,124.71	0.00	0	1,351,391,793.51
Total	-	-	-	<u>2,575,560,000.00</u>	<u>1,200,000,000.00</u>	<u>1,375,560,000.00</u>	<u>71,656,244.55</u>	<u>390,124.71</u>	<u>67,800,000.00</u>	-	<u>2,551,391,793.51</u>

36. Long-term payables
Unit: RMB

Item	Closing balance	Opening balance
Suizhou City Investment Group Company Limited	29,994,000.00	29,994,000.00
Obligations under finance leases	17,241,244.88	353,074.11
Total	<u>47,235,244.88</u>	<u>30,347,074.11</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Long-term employee benefits payables

(1) Table of long-term employee benefits payables

Unit: RMB

Item	Closing balance	Opening balance
Termination benefit-net liability under defined benefit plan	25,790,000.00	25,790,000.00
Total	<u>25,790,000.00</u>	<u>25,790,000.00</u>

(2) Changes in defined benefit plan

Present value of obligation under defined benefit plan:

Unit: RMB

Item	Amount for the period	Amount for the prior period
1. Opening balance	27,240,000.00	26,780,000.00
2. Defined benefit cost included in current profit or loss		1,170,000.00
1. Current service cost		1,170,000.00
3. Defined benefit cost included in other comprehensive income		-920,000.00
1. Actuarial gains (Loss expressed with “-”)		-920,000.00
4. Other changes		1,630,000.00
1. Benefits paid		1,630,000.00
5. Closing balance	27,240,000.00	27,240,000.00

Net liability (net asset) under defined benefit plan

Unit: RMB

Item	Amount for the period	Amount for the prior period
1. Opening balance	-27,240,000.00	-26,780,000.00
2. Defined benefit cost included in current profit or loss		-1,170,000.00
3. Defined benefit cost included in other comprehensive income		920,000.00
4. Other changes		-1,630,000.00
5. Closing balance	-27,240,000.00	-27,240,000.00

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
38. Special payables
Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Cause of formation
JWF1566 whole packing spinning machine project	6,000,000.00			6,000,000.00	According to No.434[2014] of China Hi-Tech Group document's Notice of Access to Special Support Fund for Projects of the Corporation 2014 Annual Scientific and Technological Innovation", Yuci Branch of the company received special fund for science and technology innovation from its actual controller China Hi-Tech Group, especially used for JWF1566 Whole packing spinning machine project innovation.
Annual output of 100 sets of double axial and multi-axial warp knitting machine capacity expansion project	5,200,000.00		5,200,000.00	0.00	The funds were issued as state aid funds by Ministry of Finance according to No.3166[2012] of the National Development and Reform Commission's Notice of NDRC, the Ministry of Industry and Information Technology on 2012 investment plan in central budget for revitalization of industry and technology renovation project (3rd group of central evaluation), especially used for Changde Textile Machinery Company Limited, a subsidiary of the company on construction of "Annual output of 100 sets of double axial and multi-axial warp knitting machine capacity expansion project".
High-Tech fiber and composite twisting equipment industrial revitalization project	5,000,000.00			5,000,000.00	The funds were issued as state aid funds by Ministry of Finance according to No.1938[2012] of the National Development and Reform Commission's Notice of NDRC, the Ministry of Industry and Information Technology on 2012 investment plan in central budget for revitalization of industry and technology renovation project (central evaluation), especially used for Yichang Jingwei Textile Machinery Company Limited, a subsidiary of the company on construction of "High-Tech fiber and composite twisting equipment industrial revitalization project".
New type spinning frame combing machine assembly plant and its manufacturing facilities construction projects for new spinning frame and its manufacturing facilities	4,000,000.00			4,000,000.00	The funds were issued according to Jin Fa Gai Gong Ye Fa (2010) No.955 document "New type spinning frame combing machine assembly plant and its manufacturing facilities construction projects of Yuci Branch of Jingwei Textile Machinery Company Limited" for special flow of funds on "New type spinning frame combing machine assembly plant and its manufacturing facilities construction projects".
Enterprise information technology upgrade project	2,000,000.00			2,000,000.00	The funds were issued according to Yu Cai Jian Zi [2012] No.7 Document on "Information technology upgrade project of Shanxi Jingwei Heli Machinery Manufacturing Company Limited" as information technology upgrade project funds.
Total	22,200,000.00	0.00	5,200,000.00	17,000,000.00	-



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

39. Deferred income

Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance	Reason
Government grants	102,352,673.14	6,494,780.00	11,246,096.30	97,601,356.84	
Total	102,352,673.14	6,494,780.00	11,246,096.30	97,601,356.84	—

Items in respect of government grant:

Unit: RMB

Liabilities item	Opening balance	New grants for the period	Amount included in non-operating income	Other changes	Closing balance	Asset-related/income-related
Assets-related government grant:						
Relocation grant	37,769,409.33				37,769,409.33	Asset-related
Grant for investment on the industrialization of efficient modern weaving machine project	14,433,515.29	2,402,565.29			16,836,080.58	Asset-related
Refund of acquisition cost of land	9,005,050.00				9,005,050.00	Asset-related
Development and industrialization investment grant for efficient intelligent coarse spinner series products	6,348,041.99		3,620,971.57		2,727,070.42	Asset-related
Innovative Technology Center Capacity Building Project	3,000,000.00	500,000.00			3,500,000.00	Asset-related
Grant on investment on the project of textile machinery special precise super-speed bearing and spindle	2,175,000.00		435,000.00		1,740,000.00	Asset-related
Grant on investment on high point twisting machine project	1,533,580.00		778,750.00		754,830.00	Asset-related
Oil free dry type car of ring spinning spindle project	1,408,000.00		1,408,000.00			Asset-related
Leading enterprise of agricultural industrialization infrastructure subsidies	1,162,500.00	157,800.00			1,320,300.00	Asset-related
New suction type of rotor spinning machine's R&D and manufacturing	1,040,000.00				1,040,000.00	Asset-related
Deep treatment of electroplating waste water closed circulation projects	857,142.86				857,142.86	Asset-related
Hubei Wujiagang Industrial Area Management Committee Land Subsidy	574,080.00				574,080.00	Asset-related
Corn united harvest machine patent technology transformation funds	213,900.00		213,900.00			
E system and AGV small vehicle project payment	0.00	600,000.00			600,000.00	Asset-related
Payment for research and development of automated equipment including AVG small vehicle, winding cone yarn palletizing and automatic packing machines	0.00	2,400,000.00			2,400,000.00	Asset-related
Others	1,212,000.00	1,650,000.00			2,752,000.00	Asset-related
Income-related government grant:						
Mechanical construction subsidies granted by Yichang High-tech Zone Management Committee	17,043,360.00		2,840,560.02		14,202,799.98	Income-related
Multifunctional magnetic induction hyperthermia system R&D funding	2,477,093.67		954,500.00		1,522,593.67	Income-related
Employee unemployment insurance fund in Xianyang	1,400,000.00		1,400,000.00			Income-related
Others	700,000.00		700,000.00			Income-related
Total	102,352,673.14	7,710,365.29	12,351,681.59		97,601,356.84	—

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
40. Share capital
Unit: RMB

	Opening balance	Changes (+, -)				Subtotal	Closing balance
		New issue	Bonus share	Conversion from statutory surplus reserve	Others		
Total number of shares	704,130,000.00						704,130,000.00

41. Capital reserve
Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Capital premium (share premium)	1,922,132,228.65			1,922,132,228.65
Other capital reserve	260,599.14			260,599.14
Total	1,922,392,827.79			1,922,392,827.79

42. Other comprehensive income
Unit: RMB

Item	Opening balance	Amount for the period					Closing balance
		Incurring before Income tax for the period	Less: Transferred from Other Comprehensive Income in prior periods to profit or loss during the period	Less: income tax expenses	Attributable to parent company after tax	Attributable to minority shareholders after tax	
1. Other comprehensive income that may not be reclassified to profit or loss in subsequent periods	-1,839,500.00						-1,839,500.00
Of which: changes from recalculation of net liability and asset under defined benefit plan	-1,839,500.00						-1,839,500.00
2. Other comprehensive income to be reclassified to profit or loss in subsequent periods	-41,042,476.84	122,198,624.84		30,749,118.50	29,126,861.85	62,322,644.49	-11,915,614.99
Of which: Share of other comprehensive income of equity accounted investees that will be reclassified to profit and loss in subsequent periods	-71,350.17	0.00					-71,350.17
Gain or loss on changes in fair value of available-for-sale financial assets	-37,435,788.60	122,996,474.01		30,749,118.50	29,707,215.74	62,540,139.77	-7,728,572.86
Exchange differences on translation of foreign operations	-3,535,338.07	-797,849.17			-580,353.89	-217,495.28	-4,115,691.96
Total other comprehensive income	-42,881,976.84	122,198,624.84		30,749,118.50	29,126,861.85	62,322,644.49	-13,755,114.99

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
43. Special reserve
Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Production safety fund	15,204,564.37	6,528,384.22	4,213,005.96	17,519,942.63
Total	<u>15,204,564.37</u>	<u>6,528,384.22</u>	<u>4,213,005.96</u>	<u>17,519,942.63</u>

44. Surplus reserve
Unit: RMB

Item	Opening balance	Increase for the period	Decrease for the period	Closing balance
Statutory surplus reserve	731,516,443.88			731,516,443.88
Discretionary surplus reserve	181,258,065.90			181,258,065.90
Total	<u>912,774,509.78</u>			<u>912,774,509.78</u>

45. Undistributed profit
Unit: RMB

Item	The period	The prior period
Undistributed profit as at the end of the prior year before adjustment	1,891,591,402.01	1,593,931,859.21
Adjustment to the undistributed profit as at the beginning of the period (Increase +, decrease-)		880,000.00
Undistributed profit as at the beginning of the period after adjustment	1,891,591,402.01	1,594,811,859.21
Plus: Net profit for year attributable to shareholders of the parent company	311,301,696.20	541,838,563.07
Less: Transfer to statutory surplus reserve		92,281,542.44
Transfer to general risk reserve	-758,641.59	82,364,477.83
Ordinary dividend payable	35,206,500.00	70,413,000.00
Undistributed profit as at the end of the period	2,168,445,239.80	1,891,591,402.01

46. Operating income and operating cost
Unit: RMB

Item	Amount for the period		Amount for the prior period	
	Income	Costs	Income	Costs
Principal activities	1,872,591,910.34	1,399,621,256.53	1,961,212,138.12	1,738,132,987.20
Other activities	541,330,582.24	149,684,710.81	466,137,124.82	299,266,641.39
Total	<u>2,413,922,492.58</u>	<u>1,549,305,967.34</u>	<u>2,427,349,262.94</u>	<u>2,037,399,628.59</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
47. Business taxes and surcharges
Unit: RMB

Item	Amount for the period	Amount for the prior period
Business tax	138,793,597.91	135,183,584.11
Urban maintenance and construction tax	4,624,599.16	4,097,529.11
Educational surcharges	2,056,995.03	1,946,290.39
Others	1,306,381.16	1,287,151.91
Total	<u>146,781,573.26</u>	<u>142,514,555.52</u>

48. Selling expenses
Unit: RMB

Item	Amount for the period	Amount for the prior period
Employee benefits	31,848,740.31	34,342,971.02
Travel expenses	11,361,588.39	12,110,335.30
Transportation expenses	9,399,674.87	10,216,117.85
Operation expenses	5,710,749.75	6,829,629.54
Exhibition expenses	2,070,266.24	5,896,142.09
Advertisement expenses	1,891,546.95	2,452,075.68
Sales service expenses	1,547,398.98	2,386,999.95
Depreciation expenses	1,241,790.28	1,290,092.23
Office expenses	1,169,986.65	1,398,691.46
Sample and product losses	596,511.27	306,121.49
Commission fees for sale by proxy	494,021.66	419,047.26
Accrual-warranty expense	167,774.03	241,840.21
Others	4,197,311.80	6,788,627.84
Total	<u>71,697,361.18</u>	<u>84,678,691.92</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

49. Administrative expenses

Unit: RMB

Item	Amount for the period	Amount for the prior period
Employee benefits	979,037,819.93	947,254,432.15
Research and development expenses	95,232,112.94	86,348,351.43
Rent	78,311,077.36	49,464,754.10
Consultancy service fee	68,898,708.78	59,015,517.35
Depreciation expenses	21,356,330.56	25,145,084.29
Travelling expenses	18,992,788.30	21,448,535.93
Business entertainment expenses	18,615,385.06	14,045,705.79
Taxes	15,685,539.98	15,750,726.05
Agency expenses	13,818,251.24	7,215,929.94
Amortization of intangible assets	13,566,276.67	12,658,406.69
Long-term deferred expenses	8,672,410.91	8,422,909.61
Office expenses	8,329,214.09	7,714,235.43
Amortization of materials including low-value consumables	5,713,672.99	1,692,374.67
Utility bills	5,505,047.66	6,077,421.49
Repairing and maintenance	4,975,061.13	6,219,842.89
Transportation expenses	4,091,955.47	5,164,262.93
Meeting expenses	3,880,889.26	2,869,393.92
Heating expenses	1,630,887.23	1,495,916.03
Awaiting time losses	1,432,612.09	0
Labor protection expenses	1,360,057.03	1,093,132.36
Board of directors expenses	489,619.22	460,866.45
Environment expenses	471,184.20	450,101.00
Insurance expenses	307,174.12	574,496.39
Litigation expenses	213,009.40	72,145.00
Sewage charges	179,504.70	248,702.23
Foreign expenses	88,819.83	168,462.17
Warehouse expenses	0	98,076.91
Others	42,092,390.97	31,020,545.18
Total	<u>1,412,947,801.12</u>	<u>1,312,190,328.38</u>

50. Financial expenses

Unit: RMB

Item	Amount for the period	Amount for the prior period
Interest expense	130,674,369.05	97,082,843.47
Less: interest income	19,754,055.19	7,318,825.58
Exchange loss	22,303,771.10	3,327,727.76
Less: exchange gain	6,321,485.54	1,078,113.51
Others	3,543,933.46	7,933,243.21
Total	<u>130,446,532.88</u>	<u>99,946,875.35</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
51. Impairment loss in respect of assets
Unit: RMB

Item	Amount for the period	Amount for the prior period
I. Loss on bad debts	8,415,593.39	133,136.87
II. Loss on inventory impairment	10,174,801.03	-3,324.15
Total	<u>18,590,394.42</u>	<u>129,812.72</u>

52. Gains from changes in fair values
Unit: RMB

Source of gains from change in fair values	Amount for the period	Amount for the prior period
Financial assets at fair value through profit or loss	3,289.04	-13,254,328.48
Total	<u>3,289.04</u>	<u>-13,254,328.48</u>

53. Investment income
Unit: RMB

Item	Amount for the period	Amount for the prior period
Investment income from long-term equity investments accounted for using the equity method	29,712,445.03	500,000.00
Investment gain on disposal of long-term equity investments		24,055,007.06
Investment income from financial assets at fair value through profit or loss	3,815,305.07	1,756,366.50
Investment income from disposal of financial assets at fair value through profit or loss		5,600,000.00
Investment income from held-to-maturity financial assets	28,056,362.25	2,400,000.00
Investment income from available-for-sale financial assets	32,100.00	1,531,219.97
Investment income from disposal of available-for-sale financial assets		2,807,671.24
Total	<u>61,616,212.35</u>	<u>38,650,264.77</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

54. Non-operating income

Unit: RMB

Item	Amount for the period	Amount for the prior period	Amounts included in extraordinary gains and losses for the period
Total gain on disposal of non-current assets	152,051,805.12	3,951,814.79	152,051,805.12
Of which: Gain on disposal of fixed assets	152,051,805.12	3,951,814.79	152,051,805.12
Gain on debt restructuring	328,639.87	177,550.00	328,639.87
Government grants	13,062,802.35	6,861,179.51	13,062,802.35
Others	4,832,336.92	6,160,721.98	4,832,336.92
Total	<u>170,275,584.26</u>	<u>17,151,266.28</u>	<u>170,275,584.26</u>

Government grants included in profit or loss for the period:

Unit: RMB

Grants item	Amount for the period	Amount for the prior period	Asset-related/income-related
Jinzhong Finance Bureau's JWF1562 spinning frame and thread spinner industrial innovation project	450,000.00		income-related
Laoshan Finance Bureau special fund	766,100.00		income-related
E Cai Jian Fa [2014] No. 194 heavy metal polluti on treatment special fund	1,200,000.00		income-related
High-end twisting machine project investment subsidies	778,750.00		income-related
Machinery engineering construction special subsidies granted by Yichang High-Tech Zone Management Committee	2,840,560.02		income-related
Employee unemployment insurance fund in Xianyang	1,400,000.00		income-related
Boiler compensation fund granted by environment protection bureau	200,000.00		income-related
Amortisation of deferred income from high-end spindle project	435,000.00		income-related
Special transformation and upgrading fees in 2014	500,000.00		income-related
Tax recovery upon assessment	463,593.84		asset-related
Jiangsu Anjie rare earth permanent magnet synchronous motor project	2,694,780.00	1,175,800.00	income-related
Innovation ability construction project of technology center	500,000.00	500,000.00	income-related
Mechanical engineering construction subsidies from Xiaoting CMC		2,840,560.02	income-related
Special industry revitalization fund		500,000.00	income-related
JWF1562 spinning frame research and development project		400,000.00	income-related
Internet of Things project of the PRC Ministry of Finance		335,000.00	income-related
Innovation method base construction project		270,000.00	income-related
Scientific and technological project subsidies for 2013 in Huangshi City		200,000.00	income-related
Industrial development bonus received from the development zone in 2013		160,000.00	income-related
Others	834,018.49	479,819.49	income-related
Total	<u>13,062,802.35</u>	<u>6,861,179.51</u>	—

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
55. Non-operating expenses
Unit: RMB

Item	Amount for the period	Amount for the prior period	Amounts included in extraordinary gains and losses for the period
Total loss on disposal of non-current assets	13,076,493.94	730,133.30	13,024,118.97
Of which: loss on disposal of fixed assets	13,076,493.94	730,133.30	13,024,118.97
Loss on debt restructuring	114,000.00	11,120.00	114,000.00
Donation	509,581.49	1,003,851.76	509,581.49
Compensation, liquidated damages and penalties	142,629.05	789,264.66	142,629.05
Others	377,287.93	501,872.55	429,662.90
Total	<u>14,219,992.41</u>	<u>3,036,242.27</u>	<u>14,219,992.41</u>

56. Income tax expenses
(1) Particulars of income tax expenses
Unit: RMB

Item	Amount for the period	Amount for the prior period
Income tax expenses for the period	294,924,784.79	372,856,802.61
Deferred income tax expenses	56,513,055.13	-3,058,837.10
Total	<u>351,437,839.92</u>	<u>369,797,965.51</u>

(2) Reconciliation between accounting profit and income tax expenses
Unit: RMB

Item	Amount for the period
Total profit	1,390,833,926.06
Income tax expenses calculated at statutory/applicable tax rates	208,625,088.91
Effect of different tax rates applicable to subsidiaries	181,672,889.25
Effect of adjustments for income tax for prior periods	255,638.07
Effect of income not subject to tax	-29,896,221.17
Effect of utilisation of previously unrecognised deductible loss on deferred tax assets	-7,717,963.92
Effect of current unrecognised deductible temporary difference or deductible loss arising from deferred income assets	2,486,740.55
Profit or loss attributable to joint ventures and associates	-3,872,127.31
Research and development expenditure plus amount deducted	-116,204.46
Income tax expenses	351,437,839.92

57. Other comprehensive income

For details, please see note 42.



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

58. Items on statements of cash flow

(1) Other cash receipts relating to operating activities

Unit: RMB

Item	Amount for the period	Amount for the prior period
Interest income, deposit and borrowings from staff received	68,506,859.10	65,862,111.85
Total	<u>68,506,859.10</u>	<u>65,862,111.85</u>

(2) Other cash payments relating to operating activities

Unit: RMB

Item	Amount for the period	Amount for the prior period
Service fees, travelling expenses and office expenses paid	345,860,140.26	200,052,364.27
Total	<u>345,860,140.26</u>	<u>200,052,364.27</u>

(3) Other cash receipts relating to financing activities

Unit: RMB

Item	Amount for the period	Amount for the prior period
Placements from other financial institutions	1,700,000,000.00	0.00
Total	<u>1,700,000,000.00</u>	<u>0.00</u>

(4) Other cash payments relating to financing activities

Unit: RMB

Item	Amount for the period	Amount for the prior period
Finance lease rental etc paid	107,298,943.85	21,672,909.24
Total	<u>107,298,943.85</u>	<u>21,672,909.24</u>

VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
59. Supplementary information on cash flow statement
(1) Supplementary information on cash flow statement
Unit: RMB

Supplementary information	Amount for the period	Amount for the prior period
1. Reconciliation of net profit as cash flows from operating activities:		
Net profit	—	—
Plus: Provision for impairment of assets	1,039,396,086.14	874,353,287.14
Depreciation of fixed assets, consumption of oil and gas assets, depreciation of productive biological assets	18,590,394.42	129,812.72
Amortisation of intangible assets	76,768,841.57	77,244,032.44
Amortisation of long-term prepaid expenses	14,073,613.08	13,902,614.43
Loss on disposal of fixed assets, intangible assets and other long-term assets (“-” denotes gain)	23,098,417.07	8,790,061.05
Loss on retirement of fixed assets (“-” denotes gain)	-138,975,311.18	-3,221,681.49
Loss on changes in fair value (“-” denotes gain)	52,374.97	76,974.28
Finance expenses (“-” denotes gain)	-3,289.04	13,254,328.48
Investment loss (“-” denotes gain)	146,656,654.61	97,082,843.47
Decrease in deferred tax assets (“-” denotes increase)	-61,616,212.35	-38,650,264.77
Increase in deferred tax liabilities (“-” denotes decrease)	59,256,912.08	-17,168,532.67
Decrease in inventories (“-” denotes increase)	28,005,261.55	0.00
Decrease in operating receivables (“-” denotes increase)	1,515,251.08	-131,561,224.55
Increase in operating payables (“-” denotes decrease)	-294,601,636.28	354,598,271.32
	-333,375,506.99	-187,008,701.67
Net cash flows from operating activities	<u>578,841,850.73</u>	<u>1,061,821,820.18</u>
2. Major investing and financing activities not involving cash settlements:	—	—
3. Net change in cash and cash equivalents:	—	—
Closing balance of cash	7,752,506,338.37	10,356,009,235.08
Less: Opening balance of cash	4,993,815,408.98	9,314,093,479.56
Net increase in cash and cash equivalents	<u>2,758,690,929.39</u>	<u>1,041,915,755.52</u>

(2) Net cash paid for acquisition of subsidiaries for the period
Unit: RMB

	Amount
Cash and cash equivalents paid during the period in relation to business combinations during the period	14,000,000.00
Less: cash and cash equivalents held by subsidiaries at the date of acquisition	297,879.67
Net cash paid for acquisition of subsidiaries	<u>13,702,120.33</u>



VII. NOTES TO ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

59. Supplementary information on cash flow statement (continued)

(3) Cash and cash equivalents composition

Unit: RMB

Item	Closing balance	Opening balance
I. Cash	7,752,506,338.37	4,993,815,408.98
Of which: Treasury cash	657,022.36	767,793.18
Bank deposit that can be used for payment at any time	7,710,695,827.03	4,875,779,627.21
Other monetary funds that can be used for payment at any time	41,153,488.98	117,267,988.59
II. Balance of cash and cash equivalent as at end of period	7,752,506,338.37	4,993,815,408.98

60. Assets with restricted ownerships or right to use

Unit: RMB

Item	Closing carrying amount	Reason for such restrictions
Monetary funds	154,663,926.71	
Bills receivable	1,000,000.00	
Inventory	8,079,700.00	
Fixed assets	111,226,348.85	
Intangible assets	206,400,236.24	
Total	<u>481,370,211.80</u>	—

61. Foreign currency items

(1) Foreign currency items

Unit: RMB

Item	Closing foreign currency balance	Exchange rate	Closing balance in RMB
Monetary funds	—	—	1,438,729,623.74
Of which: USD	228,627,639.80	6.1136	1,397,737,938.71
EUR	2,234,507.95	6.8699	15,350,846.17
HKD	32,443,708.91	0.7886	25,585,108.85
CHF	4,005.09	6.6987	26,828.96
JPY	374,775.64	0.0501	18,776.26
GBP	1,050.04	9.6422	10,124.79
Accounts receivable	—	—	102,198,978.46
Of which: USD	28,363.00	6.1136	173,400.04
EUR	14,851,100.95	6.8699	102,025,578.42

VIII. CHANGE IN SCOPE OF CONSOLIDATION

1. Business combination not under common control

(1) Business combination not under common control during the current period

Unit: RMB

Name of acquiree	Time of acquisition of equity	Cost of acquisition of equity	Percentage of equity acquired	Method of acquisition of equity	Date of acquisition	Basis for determination of date of acquisition	Revenue of the acquiree from date of acquisition to end of the period	Net profit of the acquiree from date of acquisition to end of the period
Wuhan Fangyou Technology Co., Ltd.	31 March 2015	14,000,000.00	70.00%	acquisition	04 February 2015	Date of signing of the agreement	460,754.69	-669,713.58

(2) Combination costs and goodwill

Unit: RMB

Combination costs

– Cash	14,000,000.00
Total combination costs	14,000,000.00
Less: Fair value of identifiable net assets acquired	7,904,952.03
Goodwill/excess of identifiable net assets acquired over combination cost	6,095,047.97

The Company acquired 70.00% equity interests in Wuhan Fangyou Technology Co., Ltd. through a business combination not under common control at a consideration of RMB14,000,000. The book value of net assets of Wuhan Fangyou Technology Co., Ltd. at the date of acquisition was RMB11,292,788.61 and the equity interests acquired represented 70% of its total equity interests. Goodwill of RMB6,095,047.97 arose.

(3) Identifiable assets and liabilities of the acquiree at the date of acquisition

Unit: RMB

	Fair value as at the date of acquisition	Book value as at the date of acquisition
Assets:	11,412,783.81	11,412,783.81
Monetary funds	297,879.67	297,879.67
Receivables	79,140.00	79,140.00
Fixed assets	293,265.55	293,265.55
Liabilities:	119,995.20	119,995.20
Payables	119,995.20	119,995.20
Net assets	11,292,788.61	11,292,788.61
Less: minority interests	3,387,836.58	3,387,836.58
Net assets acquired	7,904,952.03	7,904,952.03

VIII. CHANGE IN SCOPE OF CONSOLIDATION (continued)

2. Merge scope change for other reasons

Instructions on merge scope change (eg. new subsidiary, liquidation of subsidiary) and related conditions for other reasons:

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Zhongrong International Bond 2015 Limited, holding its 100.00% equity interests. As at 30 June 2015, the capital had not been paid up, and Zhongrong International Bond 2015 Limited was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Dazi Dingcheng Capital Investment Co., Ltd., holding its 100.00% equity interests. As at 30 June 2015, the capital had not been paid up, and Dazi Dingcheng Capital Investment Co., Ltd. was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Dazi Dingsheng Capital Investment Co., Ltd., holding its 100.00% equity interests. As at 30 June 2015, the capital had not been paid up, and Dazi Dingsheng Capital Investment Co., Ltd. was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Zhongrong Huixing Assets Management Co., Ltd., holding its 80.00% equity interests. As at 30 June 2015, the capital had not been paid up, and Zhongrong Huixing Assets Management Co., Ltd. was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Dazi Dingrui Capital Investment Co., Ltd. with RMB2.00 million, holding its 100.00% equity interests. Dazi Dingrui Capital Investment Co., Ltd. was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Shenzhen Zhongrong Rongyitong Internet Financial Services Co., Ltd. with RMB2.00 million, holding its 80.00% equity interests. Shenzhen Zhongrong Rongyitong Internet Financial Services Co., Ltd. was consolidated during the year.

Beijing Zhongrong Dingxin Investment Management Co., Ltd., an indirect subsidiary of the Company, established Zhongrong Guofu Investment Management Co., Ltd. with RMB6.00 million, holding its 80.00% equity interests. Zhongrong Guofu Investment Management Co., Ltd. was consolidated during the year.

Beijing Zhongrong Changhe Investment Management Co., Ltd., an indirect subsidiary of the Company, established Shanghai Changkun Investment Management Co., Ltd. with RMB2.00 million, holding its 100.00% equity interests. Shanghai Changkun Investment Management Co., Ltd. was consolidated during the year.

IX. INTEREST IN OTHER ENTITIES

1. Interest in subsidiaries

(1) Composition of the Group

Name of subsidiaries	Main place of operation	Place of establishment	Nature of business	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Shenyang Hongda Huaming Textile Machinery Company Limited	Shenyang	Shenyang	Textile machinery manufacturing		100.00%	Greenfield investment
Beijing Jingwei Textile Machinery New Technology Company Limited	Beijing	Beijing	Textile machinery manufacturing	98.40%	1.60%	Greenfield investment
Yichang Jingwei Textile Machinery Company Limited	Yichang	Yichang	Textile machinery manufacturing	75.00%	25.00%	Greenfield investment
Tianjin Jingwei New Textile Machinery Company Limited	Tianjin	Tianjin	Textile machinery manufacturing	75.00%	25.00%	Greenfield investment
Shanghai Chuang'an Trading Company Limited	Shanghai	Shanghai	Knitted textiles sales	96.00%	0.94%	Greenfield investment
Shanghai Weixin Electrical and Machinery Company Limited	Shanghai	Shanghai	Textile machinery manufacturing	90.00%	10.00%	Greenfield investment
Shanghai Jingwei PROTTI Textile Machinery Company Limited	Shanghai	Shanghai	Textile machinery manufacturing	78.00%	22.00%	Greenfield investment
Shanghai WSP Mould and Injection Plastic Company Limited	Shanghai	Shanghai	Precision injection and mould parts manufacturing		50.00%	Greenfield investment
Jingwei Textile Machinery Yuci Material Company Limited	Jinzhong	Jinzhong	Metallurgy, metal material sales	99.20%	0.80%	Greenfield investment
Shanxi Jingwei Textile Machinery Special Parts Company Limited	Jinzhong	Jinzhong	Textile machinery parts manufacturing	54.86%		Greenfield investment
Hong Kong Huaming Company Limited	Hong Kong	Hong Kong	Textile machinery and Auto Sales	100.00%		Greenfield investment
Shanxi Jingwei Precision Machinofacture Company Limited	Jinzhong	Jinzhong	Casting mold manufacturing	68.80%		Greenfield investment
Xianyang Jingwei Textile Machinery Company Limited	Xianyang	Xianyang	Textile machinery manufacturing	97.36%	2.64%	Greenfield investment
Hubei Xinchufeng Automobile Company Limited	Suizhou	Suizhou	Automobile manufacture	80.28%		Greenfield investment
Hengtian Motor Vehicles Company Limited	Suizhou	Suizhou	Auto Sales	5.00%	95.00%	Greenfield investment
Beijing Zhongrong Dingxin Investment Management Company Limited	Beijing	Beijing	Equity investment		100.00%	Greenfield investment
Shanghai Shenxin Medical Investment Management Company Limited	Shanghai	Shanghai	Medical device manufacturing		100.00%	Greenfield investment
Yichang Jingwei Machinery Company Limited	Yichang	Yichang	Textile machinery manufacturing	100.00%		Greenfield investment
Hubei Hengtian Motor Company Limited	Suizhou	Suizhou	Automobile manufacture		60.00%	Greenfield investment
Jingwei Tsudakoma Textile Machinery (Xianyang) Company Limited	Xianyang	Xianyang	Textile machinery manufacturing	51.00%		Greenfield investment
JW-PROTTI MACCHINE TESSILI S.R	Italy	Italy	Textile machinery	94.05%		Greenfield investment
Huangshi Heng Tian Jingwei Textile Machinery Company Limited	Huangshi	Huangshi	Textile machinery and equipment manufacturing		92.86%	Greenfield investment
Zhongrong Fund Management Company Limited	Beijing	Beijing	Fund management		51.00%	Greenfield investment
Zhongrong (Beijing) Assets Management Company Limited	Beijing	Beijing	Assets management		100.00%	Greenfield investment
Jingwei Soft Science and Technology Wuxi Company Limited	Wuxi	Wuxi	Development of information and technology		51.02%	Greenfield investment
Beijing Hengtian Xinneng New Energy Automobile Technology Company Limited	Beijing	Beijing	Automobile manufacture	40.00%		Greenfield investment
America Jingwei Textile Machinery LLC	U.S.	U.S.	Textile machinery manufacturing		60.00%	Greenfield investment



IX. INTEREST IN OTHER ENTITIES (continued)

1. Interest in subsidiaries (continued)

(1) Composition of the Group (continued)

Name of subsidiaries	Main place of operation	Place of establishment	Nature of business	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Zhongrong Changhe Capital Investment Management Company Limited	Shanghai	Shanghai	Equity Investment		100.00%	Greenfield investment
Beijing Zhongrong Huizhi Human Resources Company Limited	Beijing	Beijing	Equity Investment		100.00%	Greenfield investment
Shenzhen Zhongrong Baosheng Assets Management Company Limited	Shenzhen	Shenzhen	Equity Investment		100.00%	Greenfield investment
Shanghai Longshan Investment Management Company Limited	Shanghai	Shanghai	Equity Investment		100.00%	Greenfield investment
Zhongrong International Holdings Limited (BVI)	B.V.I	B.V.I	Equity Investment		100.00%	Greenfield investment
Zhongrong International Capital Management Company Limited	Hong Kong	Hong Kong	Equity Investment		100.00%	Greenfield investment
Shenyang Hongda Textile Machinery Company Limited	Shenyang	Shenyang	Textile machinery manufacturing	98.00%		A business combination involving enterprises under common control
Shanxi Jingwei Heli Manufacturing Company Limited	Jinzhong	Jinzhong	Mechanical electrical products manufacturing	39.83%		A business combination involving enterprises under common control
Changde Textile Machinery Company Limited	Changde	Changde	Textile machinery manufacturing	70.00%	25.00%	A business combination involving enterprises under common control
Tianjin Hongda Textile Machinery Company Limited	Tianjin	Tianjin	Textile machinery manufacturing	98.00%	2.00%	A business combination involving enterprises under common control
Qingdao Hongda Textile Machinery Company Limited	Qingdao	Qingdao	Textile machinery manufacturing	97.66%		A business combination involving enterprises under common control
Wuxi Jingwei Textile Technology Testing Company Limited	Wuxi	Wuxi	Cotton yarn manufacturing	78.18%	21.82%	A business combination involving enterprises under common control
Wuxi Jingwei Textile Technology Sales Company Limited	Wuxi	Wuxi	Textile machinery sales	99.64%	0.36%	A business combination involving enterprises under common control
Zhengzhou Hongda New Textile Machinery Company Limited	Zhengzhou	Zhengzhou	Textile machinery manufacturing	98.00%		A business combination involving enterprises under common control

IX. INTEREST IN OTHER ENTITIES (continued)
1. Interest in subsidiaries (continued)
(1) Composition of the Group (continued)

Name of subsidiaries	Main place of operation	Place of establishment	Nature of business	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Wuxi Hongda Textile Machinery and Special Parts Company Limited	Wuxi	Wuxi	Textile machinery parts manufacturing	10.00%	25.00%	A business combination involving enterprises not under common control
Taiyuan Jingwei Electrical Company Limited	Taiyuan	Taiyuan	Machine tool control manufacturing	100.00%		A business combination involving enterprises not under common control
Huangshi Jingwei Textile Machinery Company Limited	Huangshi	Huangshi	Textile machinery manufacturing	45.00%		A business combination involving enterprises not under common control
Anshan Jingwei Haihong Agricultural Machinery Company Limited	Anshan	Anshan	Agricultural machinery manufacturing	51.00%		A business combination involving enterprises not under common control
Shanghai Huayuan Hyperthermia Technology Company Limited	Shanghai	Shanghai	Medical device manufacturing		51.00%	A business combination involving enterprises not under common control
Zhongrong International Trust Company Limited	Harbin	Harbin	Financial trust	37.47%		A business combination involving enterprises not under common control
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	Jinzhong	Jinzhong	Textile machinery manufacturing	65.48%		A business combination involving enterprises not under common control
China Hi-Tech New Energy Auto Company Limited	Hong Kong	Hong Kong	Equity Investment		100.00%	A business combination involving enterprises not under common control
China Hi-Tech (International) Limited	Hong Kong	Hong Kong	Equity Investment		52.00%	A business combination involving enterprises not under common control
CHTC Europe Holding B.V.	Holland	Holland	Equity Investment		100.00%	A business combination involving enterprises not under common control

**IX. INTEREST IN OTHER ENTITIES (continued)****1. Interest in subsidiaries (continued)****(1) Composition of the Group (continued)**

Name of subsidiaries	Main place of operation	Place of establishment	Nature of business	Shareholding ratio		Method of acquisition
				Direct	Indirect	
Ginaf Trucks Nederland B.V.	Holland	Holland	Automobile manufacture		100.00%	A business combination involving enterprises not under common control
Jinzhong Jingwei Hengxin Machinery Company Limited	Jinzhong	Jinzhong	Textile machinery manufacturing	51.00%		A business combination involving enterprises not under common control
TAM-DURABUS, Proizvodnja gospodarskih vozil, d.o.o.	Slovenia	Slovenia	Automobile manufacture		100.00%	A business combination involving enterprises not under common control
Beijing Jingwei Haolian Medical Science and Technology Company Limited	Fuzhou	Fuzhou	Medical device manufacturing		48.46%	A business combination involving enterprises not under common control
Shanghai Ruiyang Investment Management Company Limited	Shanghai	Shanghai	Equity Investment		100.00%	A business combination involving enterprises not under common control
Zhongrong International Bond 2015 Limited	U.S.	U.S.	Equity Investment		100.00%	Greenfield investment
Shanghai Changkun Investment Management Co., Ltd.	Shanghai	Shanghai	Equity Investment		100.00%	Greenfield investment
Dazi Dingrui Capital Investment Co., Ltd.	Lhasa	Lhasa	Equity Investment		100.00%	Greenfield investment
Shenzhen Zhongrong Rongyitong Internet Financial Services Co., Ltd.	Shenzhen	Shenzhen	Consulting services		80.00%	Greenfield investment
Zhongrong Guofu Investment Management Co., Ltd.	Shenzhen	Shenzhen	Equity Investment		80.00%	Greenfield investment
Zhongrong Huixing Assets Management Co., Ltd.	Beijing	Beijing	Equity Investment		80.00%	Greenfield investment
Dazi Dingcheng Capital Investment Co., Ltd.	Lhasa	Lhasa	Equity Investment		100.00%	Greenfield investment
Dazi Dingsheng Capital Investment Co., Ltd.	Lhasa	Lhasa	Equity Investment		100.00%	Greenfield investment
Wuhan Fangyou Technology Co., Ltd.	Wuhan	Wuhan	Electronic commerce	70.00%		A business combination involving enterprises not under common control

**IX. INTEREST IN OTHER ENTITIES (continued)****1. Interest in subsidiaries (continued)****(1) Composition of the Group (continued)**

Explanation on that shareholding ratio in subsidiary company is different from voting rights ratio:

The basis for the Company holding half or less voting rights but still control the invested entity and that for holding more than half of the voting rights but does not control the invested entity:

The shareholding that the Company has in Shanghai WSP Mould and Injection Plastic Company Limited (“Shanghai WSP”) is 50% through its subsidiary. The Company was entrusted by two natural person shareholders of the subsidiary in 2011 to exercise director’s voting rights from 1 January 2011 to 31 December 2015. Since it has been authorized, the Company has all voting rights of Shanghai WSP and thus has actual control over it, so it is incorporated into the consolidated financial statement.

The shareholding that the Company has in Shanxi Jingwei Heli Machinery Manufacturing Company Limited (“Jingwei Heli”) is not over 50%, but according to the articles of Jingwei Heli, the Company has more than half of the seats in the board of directors of Jingwei Heli to have actual control over its board of directors, so it is incorporated into the consolidated financial statement.

The shareholding that the Company has in Wuxi Hongda Textile Machinery and Special Parts Company Limited (“Wuxi Special Parts”) is not over 50%, but according to the articles of Wuxi Special Parts, the Company has more than half of the seats in the board of directors of Wuxi Special Parts to have actual control over its board of directors, so it is incorporated into the consolidated financial statement.

The shareholding that the Company has in Huangshi Jingwei Textile Machinery Company Limited (“Huangshi Jingwei”) is not over 50%, but according to the articles of Huangshi Jingwei, 3 of 5 directors of the Board of Directors are appointed by the Company, so it has the actual control over its board of directors, thus it is incorporated into the consolidated financial statement.

The shareholding that the Company has in Zhongrong International Trust Company Limited (“Zhongrong Trust”) is not over 50%, but according to the articles of Zhongrong Trust, the Company has more than half of the seats in the board of directors of Zhongrong Trust to have actual control over its board of directors, so it is incorporated into the consolidated financial statement.

The indirect shareholding that the Company has in Beijing Jingwei Haolian Medical Technology Company Limited (“Beijing Haolian”) through its subsidiary is not over 50%, but according to the articles of Beijing Haolian, the Company has more than half of the seats in the board of directors of Zhongrong Trust to have actual control over its board of directors, so it is incorporated into the consolidated financial statement.

The shareholding that the Company has in Beijing Hengtian Xinneng New Energy Automobile Technology Company Limited (“Xinneng New Energy”) is not over 50%, but according to the articles of Xinneng New Energy, the Company has more than half of the seats in the board of directors of Xinneng New Energy to have actual control over its board of directors, so it is incorporated into the consolidated financial statement.

**IX. INTEREST IN OTHER ENTITIES (continued)****1. Interest in subsidiaries (continued)****(2) Major non-wholly owned subsidiaries***Unit: RMB*

Name	Minority interests	Gain or loss attributable to minority interests during the period	Dividend to minority interests declared during the period	Closing balance of minority interests
Zhongrong International Trust Company Limited	62.53%	723,712,319.81	187,590,000.00	6,602,583,247.10
Qingdao Hongda Textile Machinery Company Limited	2.34%	-422,581.70		4,676,612.52
Wuxi Hongda Textile Machinery and Special Parts Company Limited	65.00%	1,955,836.07		31,079,567.77
Changde Textile Machinery Company Limited	5.00%	-769,851.30		4,435,008.78
Hubei Xinchufeng Automobile Company Limited	19.72%	-2,872,827.52		41,022,141.64
Shenyang Hongda Textile Machinery Company Limited	2.00%	39,747.09		2,278,631.95

Notes on shareholding of minority interests in subsidiaries being not correspondent to their voting rights:

The minority shareholders of Zhongrong International Trust Company Limited have delegated their 32.99% voting rights to the Company to exercise.

The minority shareholders of Wuxi Hongda Textile Machinery and Special Parts Company Limited have delegated their 51.20% voting rights to the Company to exercise.

The minority shareholders of Shanxi Jingwei Heli Machinofacture Company Limited have delegated their 30.00% voting rights to the Company to exercise.

The minority shareholders of Huangshi Jingwei Textile Machinery Company Limited have delegated their 40.00% voting rights to the Company to exercise.

IX. INTEREST IN OTHER ENTITIES (continued)
1. Interest in subsidiaries (continued)
(3) Key financial information of major non-wholly owned subsidiaries
Unit: RMB

Name	Closing balance					Opening balance						
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Zhongrong International Trust Company Limited	11,658,660,937.50	2,929,209,574.55	14,587,870,512.05	4,028,805,667.82		4,028,805,667.82	10,217,836,215.92	1,982,475,913.11	12,200,312,129.03	2,394,927,054.66		2,394,927,054.66
Qingdao Hongda Textile Machinery Company Limited	459,528,503.00	301,667,685.57	761,196,188.57	446,156,375.21	114,928,023.62	561,084,398.83	646,842,183.58	310,966,794.91	957,808,978.49	625,082,067.27	114,928,023.62	740,010,090.89
Wuxi Hongda Textile Machinery and Special Parts Company Limited	131,489,392.17	124,754,263.29	256,243,655.46	159,314,476.47	49,114,459.33	208,428,935.80	104,278,411.19	126,530,938.05	230,809,349.24	137,008,921.82	49,549,459.33	186,558,381.15
Changde Textile Machinery Company Limited	210,720,908.58	231,524,146.21	442,245,054.79	263,334,158.33	90,210,721.24	353,544,879.57	209,794,146.13	173,525,363.13	383,319,509.26	255,697,252.14	23,860,369.58	279,557,621.72
Hubei Xinchufeng Automobile Company Limited	382,506,516.94	322,251,682.33	704,758,199.27	448,825,260.97	46,909,907.70	496,735,168.67	363,972,771.70	308,941,139.20	672,913,910.90	420,328,789.44	29,994,000.00	450,322,789.44
Shenyang Hongda Textile Machinery Company Limited	141,037,959.51	59,597,388.13	200,635,347.64	61,069,917.13	32,135,086.07	93,205,003.20	160,848,647.98	60,480,954.11	221,329,602.09	84,565,120.01	31,321,492.35	115,886,612.36

Unit: RMB

Name of subsidiary	Amount for the period				Amount for the prior period			
	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit	Total comprehensive income	Cash flows from operating activities
Zhongrong International Trust Company Limited	2,610,122,103.90	1,157,384,167.30	1,161,397,310.05	873,297,064.57	132,372,698.06	1,115,107,438.00	1,073,151,484.37	1,261,760,487.74
Qingdao Hongda Textile Machinery Company Limited	194,126,039.94	-18,082,229.50	-18,082,229.50	-87,162,983.32	270,991,256.04	-17,639,261.06	-17,639,261.06	-37,907,843.65
Wuxi Hongda Textile Machinery and Special Parts Company Limited	71,335,408.53	3,008,978.57	3,008,978.57	518,974.86	72,833,650.03	3,034,300.88	3,034,300.88	-6,844.91
Changde Textile Machinery Company Limited	87,139,648.40	-15,397,025.99	-15,397,025.99	-10,469,569.44	149,432,546.80	-14,787,282.15	-14,787,282.15	-11,240,373.27
Hubei Xinchufeng Automobile Company Limited	161,862,020.49	-14,568,090.86	-14,568,090.86	-34,690,885.42	133,707,632.14	-10,966,392.13	-10,966,392.13	-71,462,171.78
Shenyang Hongda Textile Machinery Company Limited	62,278,626.11	1,987,354.71	1,987,354.71	4,534,232.66	49,096,747.76	-5,848,676.43	-5,848,676.43	-2,656,001.78

**IX. INTEREST IN OTHER ENTITIES (continued)****2. Interest in joint arrangements or associates****(1) Major joint ventures and associates**

Name	Principle place of business	Place of incorporation	Nature of business	Shareholding		Accounting method
				Direct	Indirect	
Beijing Jingpeng Investment Management Company Limited	Beijing	Beijing	Investment management	43.20%	1.80%	Equity method
China Texmatech Company Limited	Beijing	Beijing	Agency of import and export	25.00%		Equity method
Beijing Hang Tang Wealth Investment Management Company Limited	Beijing	Beijing	Investment management	20.00%		Equity method
Xinhu Fortune Investment Management Company Limited	Beijing	Beijing	Investment management		23.08%	Equity method
Xianyang Jingwei Textile Machinery Company Limited	Xianyang	Xianyang	Machinery Manufacturing	40.00%		Equity method
Jingwei Machinery (Group) Company Limited	Jinzhong	Jinzhong	Machinery Manufacturing	18.83%		Equity method
Hongda Research Institute Company Limited	Beijing	Beijing	Machinery Manufacturing	40.00%		Equity method
Shenzhen Huarong Equity Investment and Fund Management Company Limited	Shenzhen	Shenzhen	Investment management		49.00%	Equity method
Shanghai Rongou Equity Investment and Fund Management Company Limited	Shanghai	Shanghai	Investment management		40.00%	Equity method
Suizhou Ginaf Mechanical Engineering Service Company Limited	Suizhou	Suizhou	Machinery Manufacturing		40.00%	Equity method
Xianyang Jingwei Properties Company Limited	Xianyang	Xianyang	Real estate development	24.33%	0.67%	Equity method
Shenzhen Ruiyuan Baoxing Fund Management Company Limited	Shenzhen	Shenzhen	Fund management		49.00%	Equity method
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	Lhasa	Lhasa	Investment management		49.00%	Equity method
Jinzhong Jingwei Yuxin Machinery Company Limited	Jinzhong	Jinzhong	Machinery Manufacturing		20.00%	Equity method
Anhui Huamao Jingwei New Textile Company Limited	Anqing	Anqing	Machinery Manufacturing		25.00%	Equity method

IX. INTEREST IN OTHER ENTITIES (continued)
2. Interest in joint arrangements or associates (continued)
(2) Key financial information of major joint ventures
Unit: RMB

Item	Closing balance or amount for the period					
	China Texmatech Company Limited	Hongda Research Institute Company Limited	Jingwei Machinery (Group) Company Limited	Beijing Hang Tang Wealth Investment Management Company Limited	Xinhu Fortune Investment Management Company Limited	China Trust Protection Fund Co., Ltd.
Current assets	1,370,936,980.12	43,413,502.89	419,642,323.29	698,397,041.34	347,511,114.46	20,144,001,989.80
Non-current assets	105,353,194.45	34,327,092.73	516,739,606.36	85,563,824.02	12,513,790.63	4,641,202.80
Total assets	1,476,290,174.57	77,740,595.62	936,381,929.65	783,960,865.36	360,024,905.09	20,148,643,192.60
Current liabilities	1,119,512,849.12	62,020,610.77	557,248,153.13	429,803,174.97	217,427,992.45	8,542,490,194.07
Non-current liabilities	7,724,761.50		300,613,085.93	4,073.28	759,545.96	
Total liabilities	1,127,237,610.62	62,020,610.77	857,861,239.06	429,807,248.25	218,187,538.41	8,542,490,194.07
Net assets	349,052,563.95	15,719,984.85	78,520,690.59	354,153,617.11	141,712,471.84	11,606,152,998.53
Share of net assets based						
on shareholding	87,263,140.99	6,287,993.94	14,785,446.04	70,830,723.42	26,160,122.30	1,513,442,351.01
Adjustment events	-2,257,365.88		-1,749,902.20	149,093.04	22,781,114.69	-757,063,240.71
Carrying amount of investment in joint ventures	85,005,775.10	6,287,993.94	13,035,543.84	70,979,816.47	48,941,236.99	756,379,110.30
Fair value of equity investment with public quotation						
Revenue	1,181,001,598.77	10,940,368.97	118,004,655.69	992,743,414.93	524,871,625.61	240,069,997.20
Net profit	7,607,331.05	-4,874,711.36	-14,338,807.81	103,454,873.73	42,212,744.58	106,152,998.53
Other comprehensive income						
Total comprehensive income	7,607,331.05	-4,874,711.36	-14,338,807.81	103,454,873.73	42,212,744.58	106,152,998.53
Dividends received from joint ventures						

Unit: RMB

Item	Opening balance or amount for the prior period					
	China Texmatech Company Limited	Hongda Research Institute Company Limited	Jingwei Machinery (Group) Company Limited	Beijing Hang Tang Wealth Investment Management Company Limited	Xinhu Fortune Investment Management Company Limited	China Trust Protection Fund Co., Ltd.
Current assets	1,152,014,862.66	58,153,454.10	376,959,409.18	341,943,298.56	319,972,684.81	11,872,155,590.70
Non-current assets	88,782,450.71	35,249,120.90	542,219,003.31	170,221,050.35	8,104,544.62	3,390,035.02
Total assets	1,240,797,313.37	93,402,575.00	919,178,412.49	512,164,348.91	328,077,229.43	11,875,545,625.72
Current liabilities	901,074,327.80	72,807,878.79	548,816,688.94	260,720,140.29	154,621,028.02	6,033,951,396.62
Non-current liabilities	2,276,606.41		286,795,386.08			
Total liabilities	903,350,934.21	72,807,878.79	835,612,075.02	260,720,140.29	154,621,028.02	6,033,951,396.62
Net assets	337,446,379.16	20,594,696.21	83,566,337.47	251,444,208.62		5,841,594,229.00
Share of net assets based						
on shareholding	84,361,594.79	8,237,878.48	15,735,541.35	50,288,841.72	40,033,691.29	761,743,887.47
Adjustment events	-1,257,652.45					
Carrying amount of investment in joint ventures	83,103,942.34	8,237,878.48	15,735,541.35	50,288,841.72	40,033,691.29	
Fair value of equity investment with public quotation						
Revenue	1,482,790,095.33	41,658,354.32	191,505,640.46	406,086,836.18	455,081,607.37	
Net profit	12,148,486.63	1,127,963.28	-18,536,972.73	55,915,510.60	42,780,823.37	
Other comprehensive income						
Total comprehensive income	12,148,486.63	1,127,963.28	-18,536,972.73	55,915,510.60	42,780,823.37	
Dividends received from joint ventures						

XI. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company of the Company

Name of the parent company	Place of incorporation	Nature of business	Registered capital (RMB)	Proportion of shareholdings in the Company	Proportion of voting power in the Company
China Textile Machinery (Group) Company Limited	Beijing	Manufacturing and trading of textile machinery	2,735,820,000	31.13%	31.13%

Information on the parent company

The ultimate controller of the Company is China Hengtian Group Company Limited.

2. Details of subsidiaries of the Company

Please refer to “Composition of the Group” in Note IX Interest in Other Entities for details of the subsidiaries of the Company.

3. Associates and joint ventures of the Company

Please refer to “Major joint ventures and associates” in Note IX Interest in Other Entities for the details of major joint ventures and associates of the Company.

Details of other associates or joint ventures that had related party transactions with the Company in current period or formed balances from the transactions with the Company in previous period are as follows:

Name of associates or joint ventures	Relation with the Company
Anhui Huamao Jingwei New Textile Company Limited	Associate
Beijing Hang Tang Wealth Investment Management Company Limited	Associate
Hongda Research Company Limited	Associate
Jinzhong Jingwei Yu Xin Machinery Company Limited	Associate
Jingwei Machinery (Group) Company Limited	Associate
Shenzhen Ruiyuan Baoxing Fund Management Company Limited	Associate
Shanghai Rong European Equity Investment Fund Management Company Limited	Associate
Shenzhen Huarong Equity Investment and Fund Management Company Limited	Associate
Suizhou Jina Fu Construction Machinery Service Company Limited	Associate
Xianyang Jingwei Properties Company Limited	Associate
Xinhu Wealth Company Limited	Associate
China Texmatech Company Limited	Associate
Zhongrong Health Capital Management (Beijing) Company Limited	Associate
Beijing Jingpeng Investment Management Company Limited	Associate
Jinzhong Jingwei Heli General Machinery Company Limited	Subsidiary of an associate
Jinzhong Jingwei Electromechanical Equipment Company Limited	Subsidiary of an associate
Jingwei Machinery (Group) Jiali Industry Co., Ltd	Subsidiary of an associate
Jingwei Textile Machinery (Group) Construction & Development Company Limited	Subsidiary of an associate
Jingwei Textile Machinery (Group) General Machinery Company Limited	Subsidiary of an associate
Jingwei Machinery (Group) Company Limited Tool Equipment Manufacturing Branch	Subsidiary of an associate
Jingwei Machinery (Group) Company Limited Equipment Branch	Subsidiary of an associate



XI. RELATED PARTIES AND TRANSACTIONS (continued)

4. Other related parties

Name of other related parties	Relation with the Company
Changde Textile Machinery Factory	Companies controlled by the same parent company
Yichang Zhongfang Industry Company Limited	Companies controlled by the same parent company
China Textile Machinery Industry Corporation Beijing Material Service Company	Companies controlled by the same parent company
State-run Yichang Textile Machinery Factory	Companies controlled by the same parent company
China Textile Machinery Industry Corporation Sales Technology Service Company	Companies controlled by the same parent company
Xianyang Textile Machinery Factory	Companies controlled by the same parent company
Hongda Industrial Corporation Limited	Companies controlled by the same parent company
CHTC Heavy Industry Company Limited	Company controlled by the same actual controller
Shandong Helon Bolet Chemical Fiber Company Limited	Company controlled by the same actual controller
China Textile Industrial Corporation for Foreign Economic and Technical Cooperation	Company controlled by the same actual controller
China Textile Industrial Corporation for Foreign Economic and Technical Cooperation International Development Branch	Company controlled by the same actual controller
Lixin Ranzheng Machinery (Shenzhen) Company Limited	Company controlled by the same actual controller
Handan Hongda Chemical Fiber Machinery Company Limited	Company controlled by the same actual controller
Shaoyang Textile Machinery Company Limited	Company controlled by the same actual controller
Jiangxi Kaima Bailujia Passenger Vehicle Company Limited	Company controlled by the same actual controller
Xianyang Hongda Real Estate Development Company Limited	Company controlled by the same actual controller
Zhengzhou Special Textile Machinery Technology Company Limited	Company controlled by the same actual controller
Hi-Tech Swan Company Limited	Company controlled by the same actual controller
Monforts Fong's Textile Machinery (Zhongshan) Company Limited	Company controlled by the same actual controller
Beijing Bohong Real Estate Company Limited	Company controlled by the same actual controller
Hang Tang Real Estate Company Limited	Company controlled by the same actual controller
Zhengzhou Textile Machinery Casting Company Limited	Company controlled by the same actual controller
China Hi-Tech Holdings Company Limited	Company controlled by the same actual controller
Zhengzhou Textile Machinery Automatic Control Equipment Company Limited	Company controlled by the same actual controller
Hengyang Textile Machinery Company Limited	Company controlled by the same actual controller
CHTC Power Co., Ltd.	Company controlled by the same actual controller
Textile Machinery Textile Machinery Company Shenyang Branch	Companies in which key personnel of subsidiaries have significant influence
Tianjin Textile Machinery Textile Machinery Parts Distribution Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Electric Company	Companies in which key personnel of subsidiaries have significant influence

XI. RELATED PARTIES AND TRANSACTIONS (continued)
4. Other related parties (continued)

Name of other related parties	Relation with the Company
Qingdao Qingfeng Non-woven Technology Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Wind Power Technology Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Helida Electric Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Jinhui Mold Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Golden Great Wall Carton Manufacturing Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Card Clothing Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Casting Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Jinyi Pressing and Casting Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Lanlifeng Laser Technology Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Lvhuan Engineering (Machinery) Company Limited	Companies in which key personnel of subsidiaries have significant influence
Qingdao Textile Machinery Blowing Carding Technology Company Limited	Companies in which key personnel of subsidiaries have significant influence
Shenyang Textile Machinery Manufacturing Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tianjin Baoheng Flyer Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tianjin Textile Machinery Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tianjin Textile Machinery Steel Restructuring Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tianjin Textile Machinery Heat Treatment Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tianjin Textile Machinery Branch Factory	Companies in which key personnel of subsidiaries have significant influence
Shenyang Hongsheng Textile Machinery Company Limited	Companies in which key personnel of subsidiaries have significant influence
Tsudakoma Industry Company Limited	Minority shareholders in subsidiary

**XI. RELATED PARTIES AND TRANSACTIONS (continued)****5. Related party transactions****(1) Related party transactions relating to purchase and sales of goods and rendering and receipt of services****Purchases of goods/receipt of services***Unit: RMB*

Related party	Related party transactions	Amount for the period	Transaction value approved	Whether or not the transaction value approved is exceeded	Amount for the prior period
China Textile Machinery (Group) Company Limited and its subsidiaries	Purchase of products and materials etc	119,717,473.94	505,728,000.00	No	131,009,914.11
China Textile Machinery (Group) Company Limited and its subsidiaries	Receipt of services etc	2,901,094.76	8,092,895.00	No	2,510,045.72
China Textile Machinery (Group) Company Limited and its subsidiaries	Rental expenses	125,000.00	865,899.60	No	53,860.80

Sales of goods/rendering of services*Unit: RMB*

Related party	Related party transactions	Amount for the period	Amount for the prior period
Company controlled by the same actual controller	Sales of finished goods	8,878,334.92	47,072,795.88
Associate	Sales of finished goods	280,569,067.79	397,738,799.63
Company in which key personnel have control or influence	Sales of finished goods	399,816.07	0.00
	Sub-total	<u>289,847,218.78</u>	<u>444,811,595.51</u>
Company controlled by the same actual controller	Sales of raw materials and parts	4,273.50	1,147,030.06
Associate	Sales of raw materials and parts	27,305,697.75	56,909,618.04
Company in which key personnel have control or influence	Sales of raw materials and parts	1,244,016.16	341,079.73
	Sub-total	<u>28,553,987.41</u>	<u>58,397,727.84</u>
Associate	Charge for processing fees	324,906.79	560,469.87
	Sub-total	<u>324,906.79</u>	<u>560,469.87</u>
Company controlled by the same parent company	Charge for supporting service fees	95,478.67	150,043.19
Associate	Charge for supporting service fees	2,193,091.81	3,143,775.12
Company in which key personnel have control or influence	Charge for supporting service fees	0.00	252,952.09
	Sub-total	<u>2,288,570.48</u>	<u>3,546,770.40</u>

XI. RELATED PARTIES AND TRANSACTIONS (continued)
5. Related party transactions (continued)
(2) Leasing service received and provided from/to related parties

The Company as lessor:

Unit: RMB

Lessee	Type of assets leased	Income from lease recognized for the period	Income from lease recognized for the prior period
Tianjin Textile Machinery Company Limited	Machinery equipment	972,000.00	945,000.00
CHTC Heavy Industry Company Limited	Machinery equipment	830,902.53	1,173,979.77
	Sub-total	<u>1,802,902.53</u>	<u>2,118,979.77</u>

The Company as lessee:

Unit: RMB

Lessor	Type of assets leased	Lease fee recognized for the period	Lease fee recognized for the prior period
Changde Textile Machinery Factory	Machinery equipment	125,000.00	0.00
	Sub-total	<u>125,000.00</u>	<u>0.00</u>

**XI. RELATED PARTIES AND TRANSACTIONS (continued)****6. Accounts receivable from or payable to related parties****(1) Receivables***Unit: RMB*

Item	Related party	Closing balance		Opening balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Account receivable	Actual controller	63,998.00	63,998.00	63,998.00	63,998.00
Account receivable	Company controlled by the same parent company	140,641.73	140,641.73	140,641.73	140,641.73
Account receivable	Company controlled by the actual controller	6,424,532.90	457,816.03	8,432,087.54	457,816.03
Account receivable	Associate	205,948,181.28	58,565.86	126,660,627.62	58,565.86
Account receivable	Company in which key personnel of subsidiaries have control or influence	363,605.10	11,114.27	714,880.41	11,114.27
	Total	212,940,959.01	732,135.89	136,012,235.30	732,135.89
Bills receivable	Company controlled by the actual controller	6,339,201.60	0.00	395,456.09	0.00
Bills receivable	Associate	47,357,954.89	0.00	32,956,733.98	0.00
Bills receivable	Company in which key personnel of subsidiaries have control or influence		0.00	1,800,000.00	0.00
	Total	53,697,156.49	0.00	35,152,190.07	0.00
Prepayment	Company controlled by the actual controller	22,440,513.80	1,847.00	49,316,461.88	1,847.00
Prepayment	Associate	77,285,894.13	0.00	109,961,852.51	0.00
Prepayment	Company in which key personnel of subsidiaries have control or influence	82,317,312.05	0.00	74,557,327.50	0.00
	Total	182,043,719.98	1,847.00	233,835,641.89	1,847.00
Other receivables	Company controlled by the actual controller	2,000,000.00	0.00	2,000,000.00	0.00
Other receivables	Associate	98,186,127.33	0.00	94,702,127.33	0.00
	Total	100,186,127.33	0.00	96,702,127.33	0.00
Dividend receivable	Company controlled by the actual controller	2,880,000.00	0.00	2,880,000.00	0.00
Dividend receivable	Associate	31,400,000.00	0.00	31,400,000.00	0.00
	Total	34,280,000.00	0.00	34,280,000.00	0.00

XI. RELATED PARTIES AND TRANSACTIONS (continued)
6. Accounts receivable from or payable to related parties (continued)
(2) Payables
Unit: RMB

Item	Related party	Closing book balance	Opening book balance
Account payable	Parent company	6,301,379.63	6,301,379.63
Account payable	Company controlled by the same parent company	819,811.09	1,012,085.95
Account payable	Company controlled by the actual controller	36,432,557.62	51,706,074.07
Account payable	Associate	31,907,410.33	12,371,402.86
Account payable	Company in which key personnel of subsidiaries have control or influence	38,947,616.24	60,710,268.85
Account payable	Minority shareholders in subsidiary	63,889.35	8,313,203.85
	Total	114,472,664.26	140,414,415.21
Bills payable	Associate	24,180,000.00	19,850,000.00
Bills payable	Company in which key personnel of subsidiaries have control or influence	3,500,000.00	122,040,011.12
	Total	27,680,000.00	141,890,011.12
Advance from customers	Company controlled by the same parent company	399.30	399.30
Advance from customers	Company controlled by the actual controller	658,633.00	1,096,255.00
Advance from customers	Associate	4,108,443.08	28,767,048.76
Advance from customers	Company in which key personnel of subsidiaries have control or influence	0.00	10,315.57
	Total	4,767,475.38	29,874,018.63
Other payables	Parent company	20,231,020.72	20,231,020.72
Other payables	Company controlled by the same parent company	16,583,819.99	11,469,872.56
Other payables	Company controlled by the actual controller	1,552.26	12,001,552.26
Other payables	Associate	5,741,250.37	5,741,250.37
Other payables	Minority shareholders in subsidiary	128,447.00	0.00
	Total	42,686,090.34	49,443,695.91
Dividend payable	Actual controller	950,625.25	0.00
Dividend payable	Parent company	10,959,733.70	0.00
Dividend payable	Company controlled by the same parent company	842,720.43	2,242,720.43
Dividend payable	Company controlled by the actual controller	11,932.15	11,932.15
Dividend payable	Company in which key personnel of subsidiaries have control or influence	71,345.39	71,345.39
	Total	12,836,356.92	2,325,997.97

**XII. OTHER IMPORTANT MATTERS****1. Segment information****(1) Financial information of reporting segments**

Unit: RMB

Item	Segment of textile machinery equipment	Segment of trust and fund investment	Other	Inter-segment offset	Total
1. Income from external transactions	1,329,608,791.41	2,788,141,829.40	406,374,638.81		4,502,928,463.02
2. Income from inter-segment transactions	19,391,988.85		1,804,807.75	21,196,796.60	
3. Gains from investment in associates and joint ventures	17,286,110.33	15,488,509.22	-3,062,174.52		29,712,445.03
4. Losses on asset impairment	18,630,183.77		-39,789.35		18,590,394.42
5. Depreciation and amortization expenses	68,549,328.50	9,360,290.62	7,871,302.78		85,780,921.90
6. Total profits (total losses)	4,376,778.70	1,555,560,365.48	-56,693,218.12	-112,410,000.00	1,390,833,926.06
7. Income tax expenses	1,211,679.89	350,077,455.22	148,704.81		351,437,839.92
8. Net profits (net losses)	3,165,098.81	1,205,482,910.26	-56,841,922.93	-112,410,000.00	1,039,396,086.14
9. Total assets	10,131,563,955.60	16,469,524,555.59	1,105,246,297.00	2,143,498,958.05	25,562,835,850.14
10. Total liabilities	6,710,010,533.58	5,567,017,603.45	824,070,077.07	572,209,799.03	12,528,888,415.07
11. Other significant non-cash items					
(1) Non-cash expenses other than depreciation and amortization expenses					
(2) Long-term equity investment in associates and joint ventures	298,841,355.35	818,649,447.88	50,098,764.14	50,098,764.14	1,117,490,803.23
(3) Increase in other non-current assets other than long-term equity investment	63,744,914.83	-189,824,040.33	10,064,025.63		-116,015,099.86

XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY**1. Accounts receivable****(1) Disclosure of accounts receivable by category**

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Accounts receivable with significant single amount and individual provision for bad debts	482,608,816.89	65.03%	3,936,000.00	0.82%	478,672,816.89	399,557,398.76	63.60%	3,936,000.00	0.99%	395,621,398.76
Accounts receivable with provision for bad debts accrued by credit risk features portfolio	212,984,252.01	28.70%	12,002,797.80	5.64%	200,981,454.21	168,244,089.84	26.78%	7,093,898.28	4.22%	161,150,191.56
Accounts receivable with individually insignificant amount and individual provision for bad debt	46,549,908.10	6.27%	8,793,727.41	18.89%	37,756,180.69	60,456,084.34	9.62%	5,693,086.19	9.42%	54,762,998.15
Total	742,142,977.00	100.00%	24,732,525.21		717,410,451.79	628,257,572.94	100.00%	16,722,984.47		611,534,588.47

**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
1. Accounts receivable (continued)
(1) Disclosure of accounts receivable by category (continued)

Accounts receivable with individually significant amount and separately provided for bad debts at the end of period:

Applicable Not applicable

Unit: RMB

Account receivables (by company)	Account receivables	Closing balance		Reason for provision
		Provision for bad debts	Proportion of provision	
Tianjin Hongda Textile Machinery Company Limited	85,648,493.74			Expected to be recovered
Shanxi Jingwei Heli Machinofacture Company Limited	49,305,047.27			Expected to be recovered
Tumxuk Qianhai Cotton Textile Machinery Company Limited	43,785,940.20			Expected to be recovered
Jiangsu Dasheng Group Co., Ltd.	37,295,809.60			Expected to be recovered
Huangshi Jingwei Textile Machinery Company Limited	36,453,826.54			Expected to be recovered
Wuhan Dongfuhai Trading Company Limited	30,512,189.55			Expected to be recovered
Dakang Yinxing Cotton Co., Ltd.	29,780,578.00			Expected to be recovered
Jingwei Machinery (Group) Company Limited	26,019,653.54			Expected to be recovered
Pulead Technology Industry Company Limited	23,677,950.00			Expected to be recovered
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	16,401,086.98			Expected to be recovered
Huafang Group Jintian Textile Company Limited	15,642,950.00			Expected to be recovered
Xinjiang Ruisheng Textile Company Limited	14,452,790.00			Expected to be recovered
Changde Textile Machinery Company Limited	13,818,376.94			Expected to be recovered
Xianyang Jingwei Textile Machinery Company Limited	13,187,632.71			Expected to be recovered
Shanghai Zhongtian Industrial Development Company Limited	12,570,000.00	3,936,000.00	31.31%	Partially expected not to be recovered
Qingdao Hongda Textile Machinery Company Limited	12,486,312.30			Expected to be recovered
Fujian Changle Xin Hua Yuan Textile Co., Ltd.	11,500,000.00			Expected to be recovered
Beijing Jingwei Textile Machinery New Technology Company Limited	10,070,179.52			Expected to be recovered
Total	482,608,816.89	3,936,000.00	—	—

Accounts receivable in the provision for which provision is made for bad debt using the ageing analysis method:

Applicable Not applicable

Unit: RMB

Ageing	Account receivable	Closing balance	
		Provision for bad debts	Proportion of provision
Sub-item within 1 year			
Sub-total within 1 year	184,209,152.89		
1-2 years	13,910,237.00	2,782,047.40	20.00%
2-3 years	11,288,223.45	5,644,111.73	50.00%
Over 3 years	3,576,638.68	3,576,638.68	100.00%
Total	212,984,252.01	12,002,797.80	

**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
1. Accounts receivable (continued)
(2) Provision for bad debts provided, reversed or recovered in the period

The provision for bad debts in the current period amounted to RMB 8,009,540.74; the provision recovered or reversed in the period amounted to RMB 0.00.

(3) Top five accounts receivable by the closing balance of the borrowers

Company	Relation with the Company	Closing balance	Proportion in total accounts receivable (%)	Provision for bad debts
Tianjin Hongda Textile Machinery Company Limited	Subsidiary of the Company	85,648,493.74	11.54	
Phoerock (Beijing) Investment Co., Ltd.	Not related	50,000,003.23	6.74	
Shanxi Jingwei Heli Machinofacture Company Limited	Subsidiary of the Company	49,305,047.27	6.64	
Tumxuk Qianhai Cotton Textile Machinery Company Limited	Not related	43,785,940.20	5.90	
China Texmatech Company Limited	Associate	38,710,922.40	5.22	
Total		<u>267,450,406.84</u>	<u>36.04</u>	

2. Other receivables
(1) Disclosure of other receivables by category

Unit: RMB

Category	Closing balance					Opening balance				
	Book balance		Provision for bad debts		Book value	Book balance		Provision for bad debts		Book value
	Amount	Proportion	Amount	Proportion		Amount	Proportion	Amount	Proportion	
Other receivables with individually significant amount and individual provision for bad debts	1,083,560,818.61	93.07%	0.00		1,083,560,818.61	913,501,012.57	87.72%			913,501,012.57
Other receivables with provision for bad debts accrued by credit risk features portfolio:	75,451,773.47	6.48%	531,902.17	0.70%	74,919,871.30	101,173,616.90	9.71%	531,902.17	0.53%	100,641,714.73
Other receivables with individually insignificant amount and individual provision for bad debt	5,179,621.21	0.45%	27,512.21	0.53%	5,152,109.00	26,811,578.11	2.57%	27,512.21	1.06%	26,784,065.90
Total	<u>1,164,192,213.29</u>	<u>100.00%</u>	<u>559,414.38</u>		<u>1,163,632,798.91</u>	<u>1,041,486,207.58</u>	<u>100.00%</u>	<u>559,414.38</u>		<u>1,040,926,793.20</u>

**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
2. Other receivables (continued)
(1) Disclosure of other receivables by category (continued)

Other receivables with individually significant amount and separately provided for bad debts at the end of period:

Unit: RMB

Other receivables (by company)	Other receivables	Closing balance		Reason for provision
		Provision for bad debts	Proportion of provision	
Hubei Xinchufeng Automobile Company Limited	287,069,349.00			Expected to be recovered
Tianjin Hongda Textile Machinery Company Limited	154,565,717.49			Expected to be recovered
Xianyang Jingwei Textile Machinery Company Limited	145,399,924.37			Expected to be recovered
Wuxi Jingwei Textile Technology Testing Company Limited	71,129,239.67			Expected to be recovered
Jingwei Textile Machinery Yuci Material Company Limited	65,485,468.91			Expected to be recovered
Huangshi Jingwei Textile Machinery Company Limited	52,765,888.90			Expected to be recovered
Yichang Jingwei Textile Machinery Company Limited	50,000,000.00			Expected to be recovered
Xianyang Jingwei Textile Machinery Company Limited	40,000,000.00			Expected to be recovered
Beijing Jingwei Textile Machinery New Technology Company Limited	33,173,687.22			Expected to be recovered
Changde Textile Machinery Company Limited	27,000,000.00			Expected to be recovered
jw-protti Textile Machinery Co., Ltd.	26,121,840.00			Expected to be recovered
Shanghai Huayuan Hyperthermia Technology Company Limited	25,993,511.11			Expected to be recovered
Beijing Jingwei Textile Machinery New Technology Company Limited	24,404,581.95			Expected to be recovered
Anhui Huamao Jingwei New Textile Company Limited	23,168,561.91			Expected to be recovered
Qingdao Hongda Textile Machinery Company Limited	22,000,000.00			Expected to be recovered
Yichang Jingwei Machinery Company Limited	19,621,000.00			Expected to be recovered
Anshan Jingwei Haihong Agricultural Machinery Company Limited	15,662,048.08			Expected to be recovered
Total	1,083,560,818.61	0.00	-	-



**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**

2. Other receivables (continued)

(1) Disclosure of other receivables by category (continued)

Other receivables in the portfolio for which bad debt provision is made using ageing analysis method:

Unit: RMB

Ageing	Other receivables	Closing balance Provision for bad debts	Proportion of provision
Sub-item within 1 year			
Sub-total within 1 year	74,919,871.30		
Over 3 years	531,902.17	531,902.17	100.00%
Total	<u>75,451,773.47</u>	<u>531,902.17</u>	

Other receivables in the portfolio for which bad debt provision is made using percentage method:

Applicable Not applicable

Other receivables in the portfolio for which bad debt provision is made using other methods:

Applicable Not applicable

(2) Provision for bad debts provided, recovered or reversed in the period

The provision for bad debts in the current period amounted to RMB 0.00; the provision recovered or reversed in the period amounted to RMB 0.00.

(3) Classification of other receivables by nature

Unit: RMB

Nature of receivables	Book balance at the end of period	Book balance at the beginning of period
Current funds	1,133,258,376.86	1,007,520,916.59
Advances to others	14,233,498.15	16,326,325.46
Funds for equity transfer	9,700,000.00	9,700,000.00
Reserve/personal borrowings	4,764,805.94	5,307,732.23
Security	159,200.00	554,900.96
Others	2,076,332.34	2,076,332.34
Total	<u>1,164,192,213.29</u>	<u>1,041,486,207.58</u>

**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
2. Other receivables (continued)
(4) Top five other receivables by the closing balance of the borrowers
Unit: RMB

Company	Nature	Closing balance	Ageing	Proportion in total other receivables	Closing balance of provision for bad debts
Hubei Xinchufeng Automobile Company Limited	Current account	287,069,349.00	Within 2 years	24.66%	
Tianjin Hongda Textile Machinery Company Limited	Current account	154,565,717.49	Within 4 years	13.28%	
Xianyang Jingwei Textile Machinery Company Limited	Current account	145,399,924.37	Within 4 years	12.49%	
Wuxi Jingwei Textile Technology Testing Company Limited	Current account	71,129,239.67	Within 2 years	6.11%	
Jingwei Textile Machinery Yuci Material Company Limited	Current account	65,485,468.91	Within 2 years	5.62%	
Total	-	<u>723,649,699.44</u>	-	<u>62.16%</u>	

3. Long-term equity investments
Unit: RMB

Item	Closing balance			Opening balance		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Investment in subsidiaries	3,580,736,687.41	7,051,007.42	3,573,685,679.99	3,566,226,687.41	7,051,007.42	3,559,175,679.99
Investment in associates and joint ventures	293,361,283.09		293,361,283.09	274,586,157.53		274,586,157.53
Total	<u>3,874,097,970.50</u>	<u>7,051,007.42</u>	<u>3,867,046,963.08</u>	<u>3,840,812,844.94</u>	<u>7,051,007.42</u>	<u>3,833,761,837.52</u>



**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**

3. Long-term equity investments (continued)

(1) Investment in subsidiaries

Unit: RMB

Investee	Opening balance	Increase for the period	Decrease for the period	Closing balance	Provision for impairment for the period	Closing balance of provision for impairment
Yichang Jingwei Machinery Company Limited	78,927,593.34			78,927,593.34		
JW-PROTTI MACCHINE TESSILI S.R	6,412,982.00			6,412,982.00		
Shanghai Chuang'an Trading Company Limited	12,570,000.00			12,570,000.00		
Zhengzhou Hongda New Textile Machinery Company Limited	80,805,191.00			80,805,191.00		
Yichang Jingwei Textile Machinery Company Limited	15,000,000.00			15,000,000.00		
Shanxi Jingwei Heli Machinofacture Company Limited	46,485,988.39			46,485,988.39		
Hubei Hengtian Motor Company Limited	2,500,000.00			2,500,000.00		
Jingwei Tsudakoma Textile (Xianyang) Company Limited	64,260,000.00			64,260,000.00		
Wuxi Hongda Textile Machinery and Special Parts Company Limited	4,765,534.00			4,765,534.00		
Shanghai Weixin Electrical and Machinery Company Limited	14,400,000.00			14,400,000.00		
Tianjin Jingwei New Textile Machinery Company Limited	12,000,000.00			12,000,000.00		
Huangshi Jingwei Textile Machinery Company Limited	17,851,007.41			17,851,007.41		7,051,007.42
Anshan Jingwei Haihong Agricultural Machinery Company Limited	38,855,400.00			38,855,400.00		
Beijing Jingwei Textile Machinery New Technology Company Limited	98,407,084.00			98,407,084.00		
Wuxi Jingwei Textile Technology Testing Company Limited	60,572,507.00			60,572,507.00		
Hubei Xinchufeng Automobile Company Limited	250,000,000.00			250,000,000.00		
Jingwei Textile Machinery Yuci Material Company Limited	5,000,000.00			5,000,000.00		
Qingdao Hongda Textile Machinery Company Limited	96,009,790.51			96,009,790.51		
Shenyang Hongda Textile Machinery Company Limited	92,076,407.00			92,076,407.00		
Changde Textile Machinery Company Limited	35,279,928.00			35,279,928.00		
Wuxi Jingwei Textile Technology Sales Company Limited	9,393,503.17			9,393,503.17		
Zhongrong International Trust Co., Ltd.	2,063,145,321.62			2,063,145,321.62		
Xianyang Jingwei Textile Machinery Company Limited	48,680,000.00			48,680,000.00		
Hong Kong Huaming Company Limited	162,380,629.00			162,380,629.00		
Tianjin Hongda Textile Machinery Company Limited	88,237,953.00			88,237,953.00		
Beijing Xinneng New Energy Technology Co., Ltd.	12,000,000.00			12,000,000.00		
Wuxi Jingwei Anjie Energy-saving Tech. Co., Ltd	0.00	510,000.00		510,000.00		
Wuhan Fangyou Technology Co., Ltd.	0.00	14,000,000.00		14,000,000.00		
Shanghai Jingwei PROTTI Textile Machinery Company Limited	40,357,554.97			40,357,554.97		
Jinzhong Jingwei Fiber Company Limited	23,451,313.00			23,451,313.00		
Jinzhong Jingwei Casting Company Limited	17,200,000.00			17,200,000.00		
Shanxi Jingwei Textile Machinery Special Parts Company Limited	59,860,000.00			59,860,000.00		
Jinzhong Jingwei Hengxin Machinery Company Limited	4,029,000.00			4,029,000.00		
Taiyuan Jingwei Electrical Company Limited	5,312,000.00			5,312,000.00		
Total	3,566,226,687.41	14,510,000.00		3,580,736,687.41		7,051,007.42

**XIII. NOTES TO MAINS ITEMS OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY
(continued)**
3. Long-term equity investments (continued)
(2) Investment in associates and joint ventures
Unit: RMB

Investee	Increase/decrease for the period								Closing balance of provision for impairment	
	Opening balance	Additional investment	Decrease in investment	Gains/losses on investment recognized under equity method	Adjustment in other comprehensive income	Changes in other equity	Cash dividend or profit declared for distribution	Provision for impairment		Other
1. Joint venture										
2. Associate										
Jingwei Machinery (Group) Company Limited	15,735,541.35			-2,699,997.51						13,035,543.84
Hongda Research Company Limited	8,237,878.48			-1,949,884.54						6,287,993.94
Beijing Jingpeng Investment Management Company Limited	97,258,466.23			903,411.32						98,161,877.55
Beijing Hang Tang Wealth Investment Management Company Limited	50,288,841.72			20,690,974.75						70,979,816.47
China Texmatech Company Limited	83,103,942.34			1,901,832.76						85,005,775.10
Xianyang Jingwei Textile Fiber Machinery Company Limited	19,961,487.41			-71,211.22						19,890,276.19
Sub-total	274,586,157.53			18,775,125.56						293,361,283.09
Total	274,586,157.53			18,775,125.56						293,361,283.09

4. Operating income and operating costs
Unit: RMB

Item	Amount for the period		Amount for the prior period	
	Income	Cost	Income	Cost
Principal activities	653,916,875.64	633,054,069.74	1,024,510,543.75	956,267,532.05
Other activities	196,500,997.51	177,777,241.37	357,850,224.40	340,794,241.99
Total	850,417,873.15	810,831,311.11	1,382,360,768.15	1,297,061,774.04

5. Investment income
Unit: RMB

Item	Amount for the period	Amount for the prior period
Long-term equity investment gain measured at cost method	112,410,000.00	122,989,008.78
Long-term equity investment gain measured at equity method	18,775,125.56	11,180,897.12
Investment gain of financial assets at fair value through profit and loss during the holding period	927,155.77	
Investment gain from disposal of financial assets at fair value through profit and loss		1,474,459.97
Investment gain from held-to-maturity during the holding period	28,056,362.25	5,600,000.00
Total	160,168,643.58	141,244,365.87



XIV. SUPPLEMENTARY INFORMATION

1. Details of non-recurring profit or loss during the reporting period

Unit: RMB

Item	Amount	Note
Gains/losses from disposal of non-current assets (including the write-off part for which asset impairment has been provided)	138,975,311.18	
Government grant which recorded into profit/loss of current period, except for those closely related to operation of the enterprise in fixed amount according to unified standards	13,062,802.35	
Debt restructuring gains/losses	214,639.87	
Profit or loss on changes in fair value arising from held-for-trading financial assets and held-for-trading financial liabilities (excluding the valid hedging business relating to the Company's business), as well as investment gains from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets	927,155.77	
Other non-operating income and expense except above	3,802,838.42	
Less: Effect on taxation	23,760,586.45	
Effect on minority interest (after-tax)	1,046,954.49	
Total	<u>132,175,206.65</u>	

2. Return on equity and earnings per share ("EPS")

Profit during the reporting period	Weighted average Return on equity	EPS	
		Basic EPS (RMB/share)	Diluted EPS (RMB/share)
Net profit attributable to holders of ordinary shares of the Company	5.40%	0.44	0.44
Net profit attributable to holders of ordinary shares of the Company after deducting non-recurring profit and losses	3.14%	0.25	0.25

3. Variation in accounting information under overseas accounting standards

(1) Difference of net profits and net assets disclosed in the financial statements under foreign accounting standards and PRC GAAP

Name of overseas accounting standards: Hong Kong Financial Reporting Standards

Unit: RMB

	Net profit		Net asset	
	Amount for the period	Amount for the prior period	Closing balance	Opening balance
Under PRC GAAP	311,301,696.20	217,129,958.44	5,898,456,824.74	5,590,919,388.43
Items and amount of adjustment under foreign GAAP:				
Special reserve	2,315,378.26	3,147,343.84		
Under foreign GAAP	<u>313,617,074.50</u>	<u>220,277,302.28</u>	<u>5,898,456,824.74</u>	<u>5,590,919,388.43</u>

(2) Explanation of variations in accounting information under overseas accounting standards; if adjustment was made to data audited by overseas auditors, the names of overseas auditors should be indicated

According to the Administrative Measures on Withdrawal and Use of Safety Production Expenses (Cai Qi (2012) No. 16) printed and distributed by the Ministry of Finance and the State Administration of Work Safety, the Group has set aside safety production expenses since 2012.

Chapter VIII Condensed Interim Financial Statements Prepared in Accordance with Hong Kong Financial Reporting Standards (“HKFRSs”)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*(Prepared in accordance with HKFRSs)
(For the six months ended 30 June 2015)*

	Notes	2015 RMB'000	2014 RMB'000
Revenue	4	4,475,575	4,840,411
Cost of sales		(1,684,364)	(2,153,484)
Gross profit		2,791,211	2,686,927
Other income	6	208,226	51,476
Profit/(loss) on fair value changes of financial assets at fair value through profit or loss		3	(13,254)
Distribution and selling expenses		(71,697)	(84,679)
Administrative expenses		(1,432,916)	(1,319,332)
Finance costs	7	(130,674)	(97,083)
Share of profit of associates		29,712	24,055
Profit before taxation	8	1,393,865	1,248,110
Income tax expense	9	(351,438)	(369,798)
Profit for the period		1,042,427	878,312
Other comprehensive income/(loss) <i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		(797)	425
Profit/(loss) on fair value change of available-for-sale financial assets		122,996	(55,941)
Income tax relating to components of other comprehensive income/(loss)		(30,749)	13,985
Other comprehensive income/(loss) for the period, net of income tax		91,450	(41,531)
Total comprehensive income for the period		1,133,877	836,781
Profit for the period attributable to:			
Owners of the Company		313,617	220,277
Non-controlling interests		728,810	658,035
		1,042,427	878,312
Total comprehensive income for the period attributable to:			
Owners of the Company		342,744	204,893
Non-controlling interests		791,133	631,888
		1,133,877	836,781
Earnings per share			
Basic and diluted	10	RMB0.44	RMB0.31

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(Prepared in accordance with HKFRSs)

	<i>Notes</i>	30 June 2015 <i>RMB '000</i>	31 December 2014 <i>RMB '000</i>
Non-current assets			
Property, plant and equipment	12	2,010,735	2,008,255
Prepaid lease payments		486,319	499,375
Intangible assets		90,171	91,940
Goodwill		851,216	845,121
Interests in associates		1,117,491	337,778
Available-for-sale financial assets		1,170,554	648,065
Deferred tax assets		459,420	518,677
Other non-current assets		846,977	750,000
		<u>7,032,883</u>	<u>5,699,211</u>
Current assets			
Inventories		1,540,758	1,542,274
Trade and other receivables	13, 14	2,435,773	2,025,092
Prepaid lease payments		12,229	12,383
Held-to-maturity investment		80,000	300,000
Amounts due from a holding company		64	–
Amounts due from fellow subsidiaries		40,225	62,564
Amounts due from associates		460,178	395,612
Current tax assets		41,614	3,148
Financial assets at fair value through profit or loss		6,011,941	6,042,235
Pledged bank deposits		154,664	238,283
Cash and cash equivalents		7,752,506	4,993,815
		<u>18,529,952</u>	<u>15,615,406</u>
Current liabilities			
Trade and other payables	15, 16	4,876,972	4,878,215
Amounts due to holding companies		26,532	26,532
Amounts due to fellow subsidiaries		55,351	79,541
Amounts due to associates		65,937	66,730
Current tax liabilities		180,830	314,173
Borrowings – amount due within one year	17	2,652,040	2,344,850
Placement from a non-bank financial institution		1,700,000	–
Obligations under finance leases		3,884	195
		<u>9,561,546</u>	<u>7,710,236</u>
Net current assets		<u>8,968,406</u>	<u>7,905,170</u>
Total assets less current liabilities		<u>16,001,289</u>	<u>13,604,381</u>
Non-current liabilities			
Borrowings – amount due after one year	17	2,751,392	1,400,000
Obligations under finance leases		13,357	353
Deferred tax liabilities		32,207	4,201
Other non-current liabilities	18	170,385	180,337
		<u>2,967,341</u>	<u>1,584,891</u>
		<u>13,033,948</u>	<u>12,019,490</u>
Capital and reserves			
Share capital	19	704,130	704,130
Reserves		5,194,327	4,886,790
Equity attributable to owners of the Company		5,898,457	5,590,920
Non-controlling interests		7,135,491	6,428,570
		<u>13,033,948</u>	<u>12,019,490</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(Prepared in accordance with HKFRSs)
(For the six months ended 30 June 2015)

	Share capital	Share premium	Statutory surplus reserve	Discretionary surplus reserve	Regulatory reserve	Investment revaluation reserve	Production safety fund surplus reserve	Foreign currency translation reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2015	704,130	1,922,463	731,516	181,259	187,708	(37,441)	15,205	(3,535)	1,889,615	5,590,920	6,428,570	12,019,490
Profit for the period	-	-	-	-	-	-	-	-	313,617	313,617	728,810	1,042,427
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	-	-	29,707	-	(580)	-	29,127	62,323	91,450
Total comprehensive income/(loss) for the period	-	-	-	-	-	29,707	-	(580)	313,617	342,744	791,133	1,133,877
Appropriation to reserve	-	-	-	-	(759)	-	-	-	759	-	-	-
Provision for production safety fund surplus reserve	-	-	-	-	-	-	6,705	-	(6,705)	-	-	-
Utilisation of production safety fund surplus reserve	-	-	-	-	-	-	(4,390)	-	4,390	-	-	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	103,378	103,378
Payment of dividends approved in respect of previous year	-	-	-	-	-	-	-	-	(35,207)	(35,207)	-	(35,207)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(187,590)	(187,590)
At 30 June 2015	<u>704,130</u>	<u>1,922,463</u>	<u>731,516</u>	<u>181,259</u>	<u>186,949</u>	<u>(7,734)</u>	<u>17,520</u>	<u>(4,115)</u>	<u>2,166,469</u>	<u>5,898,457</u>	<u>7,135,491</u>	<u>13,033,948</u>
At 1 January 2014	704,130	1,930,914	639,234	181,259	105,343	(47,610)	10,588	(3,723)	1,593,933	5,114,068	5,086,199	10,200,267
Profit for the period	-	-	-	-	-	-	-	-	220,277	220,277	658,035	878,312
Other comprehensive income/(loss) for the period, net of income tax	-	-	-	-	-	(15,721)	-	337	-	(15,384)	(26,147)	(41,531)
Total comprehensive income/(loss) for the period	-	-	-	-	-	(15,721)	-	337	220,277	204,893	631,888	836,781
Appropriation to reserve	-	-	-	-	30	-	-	-	(30)	-	-	-
Provision for production safety fund surplus reserve	-	-	-	-	-	-	7,863	-	(7,863)	-	-	-
Utilisation of production safety fund surplus reserve	-	-	-	-	-	-	(4,715)	-	4,715	-	-	-
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	-	-	(5,874)	(5,874)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	66,167	66,167
Changes in ownership interest in a subsidiary that do not result in a loss of control	-	4,192	-	-	-	-	-	-	-	4,192	-	4,192
Payment of dividends approved in respect of previous year	-	-	-	-	-	-	-	-	(70,413)	(70,413)	-	(70,413)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(219,639)	(219,639)
At 30 June 2014	<u>704,130</u>	<u>1,935,106</u>	<u>639,234</u>	<u>181,259</u>	<u>105,373</u>	<u>(63,331)</u>	<u>13,736</u>	<u>(3,386)</u>	<u>1,740,619</u>	<u>5,252,740</u>	<u>5,558,741</u>	<u>10,811,481</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

*(Prepared in accordance with HKFRSs)
(For the six months ended 30 June 2015)*

	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Net cash generated from operating activities	<u>578,842</u>	<u>1,061,822</u>
Investing activities		
Purchase of property, plant and equipment	(44,202)	(44,262)
Gains from disposal of property, plant and equipment	222,565	5,005
Net cash of monetary investments	<u>(1,049,646)</u>	<u>(109,379)</u>
Net cash used in investing activities	<u>(871,283)</u>	<u>(148,636)</u>
Financing activities		
Dividends paid and interest paid	(331,603)	(311,069)
Proceeds from issue of bonds	1,351,392	–
Cash of borrowings	3,201,075	1,435,134
Repayment of borrowings due	(1,271,653)	(996,304)
Capital injection from non-controlling interests	<u>102,435</u>	<u>–</u>
Net cash generated from financing activities	<u>3,051,646</u>	<u>127,761</u>
Net increase in cash and cash equivalents	2,759,205	1,040,947
Cash and cash equivalents as at 1 January	4,993,815	9,314,093
Effect of foreign exchange rate changes	(514)	969
Cash and cash equivalents as at 30 June	<u><u>7,752,506</u></u>	<u><u>10,356,009</u></u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM ACCOUNTING STATEMENTS

(Prepared in accordance with HKFRSs)

1. GENERAL INFORMATION

Jingwei Textile Machinery Company Limited (the “Company”) is a public limited company incorporated in the People’s Republic of China (the “PRC”) with its shares listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange of Hong Kong”) and Shenzhen Stock Exchange. Its immediate substantial shareholder is China Textile Machinery (Group) Company Limited (“CTMC”), a company established in the PRC which holds 31.13% (31 December 2014: 31.13%) of the equity interest in the Company with controlling interest. The directors regard the Company’s parent company is CTMC and the Company’s ultimate holding company is China Hengtian Group Company (“China Hengtian”). China Hengtian is a state-owned enterprise established in the PRC which holds 2.70% (31 December 2014: 2.70%) of the equity interest in the Company. The remaining 66.17% (31 December 2014: 66.17%) of the Company’s shares are widely held by other shareholders. The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information section of the annual report for the year ended 31 December 2014.

The consolidated financial statements are presented in Renminbi (“RMB”) which is also the functional currency of the Company.

The Company and its subsidiaries (the “Group”) are principally engaged in manufacturing and sales of textile machinery, financial trust and capital investment mainly in the PRC.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six months ended 30 June 2015 has been prepared in accordance with the applicable disclosure provisions of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Hong Kong Accounting Standards 34, Interim Financial Reporting, and should be read in conjunction with the annual financial statements for the year ended 31 December 2014 prepared in accordance with HKFRSs issued by Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial information has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 December 2014, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Below describes the change of these accounting policies in detail.

(a) New and revised Hong Kong financial reporting standards adopted by the Group

The following amendments to the Hong Kong Financial Reporting Standards are mandatory for accounting periods beginning on 1 January 2015:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Annual Improvements	Annual Improvements to HKFRSs 2010-2012 Cycle and Annual Improvements to HKFRSs 2011-2013 Cycle

The adoption of these revised HKFRSs had no material effect on the amount and disclosures reported in the condensed consolidated interim financial information.



2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

(b) New and revised HKFRSs issued but not yet effective

The Group has not early adopted the following new and amended standards, amendments and interpretations which have been issued but not yet effective for accounting periods beginning on 1 January 2015:

Amendments to HKAS1 Amendments to HKAS 16 and HKAS 38	Disclosure Initiative ¹ Clarification of Acceptable Methods of Depreciation and Amortisation ¹
Amendments to HKAS 16 and HKAS 41 Amendments to HKAS 27 Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Agriculture: Bearer Plants ¹ Equity Method in Separate Financial Statements ¹ Investment Entities: Applying the Consolidation Exception ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 11 HKFRS 14 HKFRS 15 HKFRS 9 (2014) Annual Improvements	Accounting for Acquisitions of Interests in Joint Operations ¹ Regulatory Deferred Accounts ¹ Revenue from Contracts with Customers ² Financial Instruments ³ Annual Improvements to HKFRSs 2012-2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016.

² Effective for annual periods beginning on or after 1 January 2017.

³ Effective for annual periods beginning on or after 1 January 2018.

Directors of the Company expect these new and amended HKFRSs will not have any significant impact on the operation results and financial position of the Group.

3. ESTIMATES

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense on a year to date basis. Actual results may differ from these estimates.

During the period, the chief operating decision maker (the “CODM”) of the Group has reassessed their business activities in making decisions about resources to be allocated to the segment and assessing its performance. Zhongrong International Trust Co., Ltd. and its subsidiaries (collectively referred as “Zhongrong Group”) are engaged in provision of trust and capital investment. The CODM previously does not include the results from investing idle operating cash arising from Zhongrong Group as part of the segment results. In the current period, the CODM reassessed this practice. Given that the Zhongrong Group is engaged in investment sector, the results from investing are considered as operating, and therefore, the net gains or loss on disposal of available-for-sale financial assets, the net gains or losses on disposal of financial assets at fair value through profit or loss and the fair value change of financial assets at fair value through profit or loss arising from the operation of the Zhongrong Group to be included in segment result. This change is solely reflected the change of the management judgment and this is not accounted for retrospectively by restating comparatives.

Except as set out in the above paragraph, the significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s annual financial statements for the year ended 31 December 2014.

4. REVENUE

Revenue represents the amount received and receivable for goods and properties sold by the Group to outsiders for the period under review and is analysed as follows:

	For the six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Manufacture and sales of textile machinery and related material, parts and component	1,283,969	1,937,233
Financial trust and fiduciary services and capital investments income	2,788,142	2,585,112
Manufacture and sales of other non-textile products	403,464	318,066
	<u>4,475,575</u>	<u>4,840,411</u>

5. BUSINESS SEGMENTS

Segment information about these businesses is presented below:

	Manufacture and sales of textile machinery and related materials, parts and component	Financial trust and capital investment	Manufacture and sales of other non-textile products	Elimination	Total
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Six months ended 30 June 2015					
Revenue					
External sales	1,283,969	2,788,142	403,464	–	4,475,575
Inter-segment sales	21,071	–	–	(21,071)	–
Total from continuing operations	<u>1,305,040</u>	<u>2,788,142</u>	<u>403,464</u>	<u>(21,071)</u>	<u>4,475,575</u>
Inter-segment sales are charged at prevailing market rates.					
RESULT					
Segment result (continuing operations)	<u>(40,635)</u>	<u>1,558,228</u>	<u>(42,523)</u>	–	1,475,070
Unallocated income					19,754
Finance costs					(130,674)
Profit on fair value changes of financial assets at fair value through profit or loss					3
Share of profit of associates					<u>29,712</u>
Profit before taxation					1,393,865
Income tax expense					<u>(351,438)</u>
Profit for the period					<u>1,042,427</u>



5. BUSINESS SEGMENTS (CONTINUED)

	Manufacture and sales of textile machinery and related materials, parts and component <i>RMB '000</i>	Financial trust and capital investment <i>RMB '000</i>	Manufacture and sales of other non-textile products <i>RMB '000</i>	Elimination <i>RMB '000</i>	Total <i>RMB '000</i>
Six months ended 30 June 2014					
Revenue					
External sales	1,937,233	2,585,112	318,066	–	4,840,411
Inter-segment sales	2,327	–	–	(2,327)	–
Total from continuing operations	<u>1,939,560</u>	<u>2,585,112</u>	<u>318,066</u>	<u>(2,327)</u>	<u>4,840,411</u>
Inter-segment sales are charged at prevailing market rates.					
RESULT					
Segment result (continuing operations)	<u>(106,270)</u>	<u>1,464,201</u>	<u>(30,857)</u>	<u>–</u>	1,327,074
Unallocated income					7,318
Finance costs					(97,083)
Loss on fair value changes of financial assets at fair value through profit or loss					(13,254)
Share of profit of associates					<u>24,055</u>
Profit before taxation					1,248,110
Income tax expense					<u>(369,798)</u>
Profit for the period					<u>878,312</u>

6. OTHER INCOME

	For the six months ended 30 June	
	2015 <i>RMB '000</i>	2014 <i>RMB '000</i>
Interest income from banks	19,754	7,319
Government subsidies	13,063	6,861
Net gain on disposal of property, plant and equipment	138,977	3,222
Net foreign exchange gains	(15,982)	(838)
Rental income	5,906	5,912
Dividend income of available-for-sale financial assets	32	2,400
Others	46,476	26,600
	<u>208,226</u>	<u>51,476</u>

7. FINANCE COSTS

Continuing operations

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Interest expenses on borrowings wholly repayable within five years	130,674	97,083

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Profit before taxation after charging/(crediting) of the following items:		
Total staff costs (including directors' remuneration)	1,210,715	1,177,425
Auditor's remuneration	–	–
Amortisation:		
– intangible assets	7,566	7,558
– prepaid lease payments	6,508	6,344
Depreciation of property, plant and equipment	71,473	71,752
Minimum lease payments paid under operating lease in respect of land and buildings	81,453	54,468
Research and development costs	95,232	86,348
Write-down/(reversal of write-down) of inventories	10,175	(3)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Current tax		
– PRC Enterprise Income Tax (“EIT”)	294,925	372,857
Deferred tax credit/(charge) for the period	56,513	(3,059)
	351,438	369,798

During the period, the Group's subsidiaries in the PRC were subject to the EIT rate of 25% (2014: 25%), while some subsidiaries of the Group were subject to preferential tax rate of 15% (2014: 15%) as they are regarded as advanced and high technology companies.

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB316,617,000 (January to June 2014: profit of RMB220,277,000) and the number of shares of 704,130,000 (January to June 2014: 704,130,000) in issue during the year.

No diluted earnings per share are presented as the Group does not have any potential dilutive shares for both years.

11. DIVIDEND

No dividend was proposed by the Company for the six months ended 30 June 2015 (January to June 2014: nil).

**12. PROPERTY, PLANT AND EQUIPMENT**

	For the six months ended 30 June	
	2015 <i>RMB '000</i>	2014 <i>RMB '000</i>
At 1 January	2,008,255	1,994,379
Additions	200,048	133,451
Disposals	(120,800)	(47,956)
Depreciation charge	(76,769)	(86,034)
Provision for impairment	1	783
	<u>2,010,735</u>	<u>1,994,623</u>

13. TRADE AND OTHER RECEIVABLES

	30 June 2015 <i>RMB '000</i>	31 December 2014 <i>RMB '000</i>
Trade receivable	877,281	683,344
Less: Provision for doubtful debts	(59,838)	(47,932)
	<u>817,443</u>	<u>635,412</u>
Bills receivable	664,682	750,704
Deposits and other receivables	355,517	268,120
Prepayments	298,131	370,856
Non-current assets (due within one year)	300,000	–
	<u>2,435,773</u>	<u>2,025,092</u>

14. TRADE RECEIVABLES

A credit period ranging from 30 to 360 days may be granted to large or long established customers with a good payment history. The following is the aging analysis of trade receivables as of the end of the reporting period, net of provision for doubtful and bad debts, including amounts due from holding company, fellow subsidiaries and associates.

	30 June 2015 <i>RMB '000</i>	31 December 2014 <i>RMB '000</i>
Within 1 year	807,718	442,359
Over 1 year but within 2 years	179,755	267,784
Over 2 years but within 3 years	67,764	83,080
Over 3 years	34,621	24,698
	<u>1,089,858</u>	<u>817,921</u>
Less: Provision for impairment	(59,838)	(47,932)
	<u>1,030,020</u>	<u>769,989</u>

15. TRADE AND OTHER PAYABLES

	30 June 2015 <i>RMB '000</i>	31 December 2014 <i>RMB '000</i>
Trade payables	1,415,819	1,367,709
Bills payable	150,823	386,737
Advances from customers	530,249	594,513
Other payables and accrued charges	2,780,081	2,529,256
	<u>4,876,972</u>	<u>4,878,215</u>

16. TRADE PAYABLES

The following is the aging analysis of trade payables as of the end of the reporting period, including amounts due to holding company, fellow subsidiaries and associates.

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
Within 1 year	1,418,729	1,342,220
Over 1 year but within 2 years	33,489	76,533
Over 2 years but within 3 years	19,262	3,511
Over 3 years	19,800	16,837
	<u>1,491,280</u>	<u>1,439,101</u>

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	For the six months ended 30 June	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Current	2,652,040	2,544,850
Non-current	2,751,392	1,200,000
	<u>5,403,432</u>	<u>3,744,850</u>

Movement of borrowings is analysed as follows:

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
At 1 January	3,744,850	3,145,505
Additions of borrowings	2,852,467	1,435,134
Repayments of borrowings	(1,195,463)	(939,727)
Exchange differences	1,578	(161)
At 30 June	<u>5,403,432</u>	<u>3,640,751</u>

Certain of the Group's bank loans are denominated in foreign currencies:

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
US Dollars	1,351,392	135,496
Euros	141,641	–
	<u>1,493,033</u>	<u>135,496</u>



18. OTHER NON-CURRENT LIABILITIES

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
Deferred Income	114,601	124,553
Retirement benefit obligations	27,029	27,240
Others	29,994	29,994
	<hr/>	<hr/>
	171,624	181,787
Less: Current portion included in trade and other payables	(1,239)	(1,450)
	<hr/>	<hr/>
	170,385	180,337
	<hr/> <hr/>	<hr/> <hr/>

19. SHARE CAPITAL

2015

**1 January 2015 and
30 June 2015**

Number of shares

Registered, issued and fully paid		
– restricted		229,841,234
– others		293,488,766
H shares, RMB1.00 each		180,800,000
		<hr/>
		704,130,000
		<hr/> <hr/>

RMB'000

Registered, issued and fully paid		
– restricted		229,841
– others		293,489
H shares, RMB1.00 each		180,800
		<hr/>
		704,130
		<hr/> <hr/>

20. CAPITAL COMMITMENT

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
Capital commitments in respect of property, plant and machinery:		
– Authorized but not contracted for	33,499	79,636
– Contracted but not provided for	66,188	121,402
Equity investment	–	750,000
	<hr/>	<hr/>
	99,687	951,038
	<hr/> <hr/>	<hr/> <hr/>

21. CONTINGENT LIABILITIES

	30 June 2015 <i>RMB'000</i>	31 December 2014 <i>RMB'000</i>
Guarantees for bank loans of third party	—	150,000

22. RELATED PARTIES TRANSACTIONS

The Company is controlled by its ultimate holding company China Hengtian, which is a state-owned enterprise in China. The PRC government controls China Hengtian and owns substantial productive assets in China. In accordance with HKAS 24 (revised) “Related Party Disclosures”, government-related enterprises and their subsidiaries, directly or indirectly controlled, jointly operated or significantly influenced by the PRC government are defined as related parties of the Group. Therefore, related parties include the holding company and its subsidiaries (except for the Group), other government-related enterprises and their subsidiaries (“other state-owned enterprises”), other entities and companies in which the Company have the right to control or is able to exercise significant influence and contain key management personnel of the Company, their holding companies as well as their close family members. In addition to transactions and balances of the Group’s related parties disclosed in the notes to the consolidated financial statements, the Group had the following transactions with its related parties during the period:

For the six months ended on 30 June 2015, the Group has the following material transactions with its related companies:

(1) Transactions with fellow subsidiaries

	Six months ended 30 June	
	2015 <i>RMB'000</i>	2014 <i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	8,878	47,073
Sale of raw materials, parts and components	4	1,147
Support services fee received	95	150
Rental income received	831	1,174
	<u>9,809</u>	<u>49,544</u>
Purchase of goods and services		
Purchase of finished goods	118,722	126,207
Purchase of raw materials, parts and components	294	4,048
Purchase of power	—	9
Purchase of tools and mold	331	—
Processing fee paid	—	89
Transportation services expense paid	744	1,456
Repairs and maintenance services expense paid	370	588
Other supporting services expense paid	2,103	930
Rental expense paid	125	54
	<u>122,689</u>	<u>133,382</u>
Total	<u>122,689</u>	<u>133,382</u>

**22. RELATED PARTIES TRANSACTIONS (CONTINUED)****(2) Transactions with associated companies**

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	280,569	397,739
Sale of raw materials, parts and components	27,306	56,910
Processing fee received	325	560
Support service fee received	2,193	3,144
	<u>310,393</u>	<u>458,353</u>
Total	<u>310,393</u>	<u>458,353</u>
Purchase of goods and services		
Purchase of finished goods	1,246	108
Purchase of raw materials, parts and components	124,848	212,264
Purchase of tools and mold	818	3,358
Processing fee paid	6	105
Payment for repair and maintenance service	723	1,467
Payment for other support service fee	521	2,792
	<u>128,162</u>	<u>220,094</u>
Total	<u>128,162</u>	<u>220,094</u>

(3) Transactions with companies in which certain key management personnel of the subsidiaries of the Company had influence in

	Six months ended 30 June	
	2015	2014
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	400	–
Sale of raw materials, parts and components	1,244	341
Support services fee received	–	253
Rental income received	972	945
	<u>2,616</u>	<u>1,539</u>
Total	<u>2,616</u>	<u>1,539</u>
Purchase of goods and services		
Purchase of finished goods	59	268
Purchase of raw materials, parts and components	33,493	5,244
Purchase of package	1,452	–
Processing fee paid	3,578	4,946
Payment for other support service fee	743	927
	<u>39,325</u>	<u>11,385</u>
Total	<u>39,325</u>	<u>11,385</u>

24. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This condensed consolidated interim financial information was approved and authorized for issue by the Board on 24 August 2015.



Chapter IX Documents Available for Inspection

1. The financial statements duly signed and sealed by the authorized representative, the person in charge of finance and the person in charge of accounting department;
2. Original copies of all documents and original manuscripts of all public announcements which had been disclosed in the newspapers for company information disclosure during the reporting period;
3. 2015 interim report (both English and Chinese versions).