

The information set out below is the unaudited interim financial information of the Group for the three months ended 31 March 2014 and does not form part of the Accountants' Report from the reporting accountants, KPMG, Certified Public Accountants, Hong Kong, as set out in Appendix I, and is included herein for information purpose only.

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12 May 2014

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The Directors
China CNR Corporation Limited

Dear Sirs,

INTRODUCTION

We have reviewed the accompanying interim financial information set out on pages II-3 to II-28, which comprises the condensed consolidated statement of financial position of China CNR Corporation Limited (the "Company") and its subsidiaries (collectively the "Group") as at 31 March 2014 and the related consolidated statements of comprehensive income, changes in equity and condensed consolidated cash flows for the three-month period ended, and explanatory notes (the "Condensed Consolidated Financial Information"). The directors are responsible for the preparation and presentation of interim financial information in accordance with International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34"), issued by the International Accounting Standards Board.

Our responsibility is to form a conclusion, based on our review, on the interim financial information and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with IAS 34.

OTHER MATTERS

Without modifying our review conclusion, we draw to your attention that the comparative consolidated income statement, the comparative consolidated statement of comprehensive income, the comparative consolidated statement of changes in equity, and the comparative condensed consolidated cash flow statement for the three months ended 31 March 2013 and the related notes disclosed in the interim financial report have not been reviewed in accordance with Hong Kong Standard on Review Engagements 2410.

KPMG
Certified Public Accountants
Hong Kong

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS FOR THE THREE MONTHS ENDED 31 MARCH 2014-UNAUDITED

	<i>Note</i>	Three months ended 31 March	
		2014	2013
		<i>RMB '000</i>	<i>RMB '000</i>
Revenue	3	14,628,752	17,420,448
Cost of sales		(11,621,446)	(14,758,107)
Gross profit		3,007,306	2,662,341
Other revenue	4	145,552	69,912
Other net gain/(loss)	4	13,201	(18,206)
Selling and distribution expenses		(262,937)	(297,484)
Administrative expenses		(1,515,200)	(1,345,452)
Profit from operations		1,387,922	1,071,111
Finance costs	5(a)	(326,454)	(182,780)
Share of profits of associates		29,673	30,961
Share of profits of joint ventures		20,721	12,145
Profit before taxation	5	1,111,862	931,437
Income tax	6	(211,447)	(168,481)
Profit for the period		900,415	762,956
Profit attributable to:			
Equity shareholders of the Company		876,237	735,392
Non-controlling interests		24,178	27,564
Profit for the period		900,415	762,956
Earnings per share	7		
Basic earnings per share (RMB)	7(a)	0.08	0.07
Diluted earnings per share (RMB)	7(b)	0.08	0.07

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2014-UNAUDITED

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Profit for the period	900,415	762,956
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Available-for-sale investments: net movement in the fair value reserve	(10,656)	(5,174)
Exchange differences on translation of financial statements of overseas subsidiary	(5)	—
Others comprehensive income for the period	(10,661)	(5,174)
Total comprehensive income for the period	<u>889,754</u>	<u>757,782</u>
Total comprehensive income attributable to:		
Equity shareholders of the Company	865,576	730,218
Non-controlling interests	24,178	27,564
Total comprehensive income for the period	<u>889,754</u>	<u>757,782</u>

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2014-
UNAUDITED**

	<i>Note</i>	<u>At 31 March</u> <u>2014</u> <i>RMB '000</i>	<u>At 31 December</u> <u>2013</u> <i>RMB '000</i>
Non-current assets			
Property, plant and equipment	8	28,446,159	27,997,062
Lease prepayments	9	9,949,629	9,966,563
Goodwill		13,557	13,557
Intangible assets	10	628,517	639,805
Interest in associates		1,069,648	1,040,052
Interest in joint ventures		966,923	944,177
Deferred tax assets	20	474,737	451,337
Other non-current assets	11	8,672,040	8,376,952
Total non-current assets		<u>50,221,210</u>	<u>49,429,505</u>
Current assets			
Inventories	12	23,716,291	18,636,790
Trade and bills receivables	13	33,779,828	31,922,635
Prepayments, deposits and other receivables	14	12,936,170	10,828,672
Income tax recoverable		25,209	9,269
Restricted deposits		929,042	1,084,981
Banks deposits with original maturities over three months		1,848,000	1,132,657
Cash and cash equivalents	15	8,265,748	7,114,408
Total current assets		<u>81,500,288</u>	<u>70,729,412</u>
Current liabilities			
Interest-bearing loans and borrowings	16(b)	27,246,931	20,609,153
Trade and bills payables	17	36,613,607	36,026,256
Other payables and accruals	18	15,155,392	16,063,130
Defined benefit obligations	19	244,500	247,518
Income tax payable		429,716	521,657
Provision for warranties	21	509,965	535,900
Total current liabilities		<u>80,200,111</u>	<u>74,003,614</u>
Net current assets/(liabilities)		<u>1,300,177</u>	<u>(3,274,202)</u>
Total assets less current liabilities		<u>51,521,387</u>	<u>46,155,303</u>

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT 31 MARCH 2014-
UNAUDITED (CONTINUED)**

	<i>Note</i>	<u>At 31 March</u> 2014 <i>RMB '000</i>	<u>At 31 December</u> 2013 <i>RMB '000</i>
Non-current liabilities			
Interest-bearing loans and borrowings	16(a)	5,923,915	1,415,277
Defined benefit obligations	19	2,089,417	2,131,239
Deferred tax liabilities	20	—	1,183
Other non-current liabilities	22	3,026,377	3,041,969
Total non-current liabilities		<u>11,039,709</u>	<u>6,589,668</u>
NET ASSETS		<u>40,481,678</u>	<u>39,565,635</u>
CAPITAL AND RESERVES			
Share capital	23(a)	10,320,056	10,320,056
Reserves		28,334,019	27,460,286
Total equity attributable to the equity shareholders of the Company		<u>38,654,075</u>	<u>37,780,342</u>
Non-controlling interests		<u>1,827,603</u>	<u>1,785,293</u>
TOTAL EQUITY		<u>40,481,678</u>	<u>39,565,635</u>

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2014-UNAUDITED

	Attributable to equity shareholders of the Company							Total equity RMB '000
	PRC			Non-controlling interests		Total	Total equity RMB '000	
	Share capital RMB '000	Capital reserve RMB '000	Fair value reserve RMB '000	Retained profits RMB '000	Exchange reserve RMB '000			
At 1 January 2014	10,320,056	15,457,841	18,046	11,332,381	(98)	37,780,342	39,565,635	
Changes in equity:								
Profit for the period	—	—	—	876,237	—	876,237	900,415	
Other comprehensive income	—	—	(10,656)	—	(5)	(10,661)	(10,661)	
Total comprehensive income for the period	—	—	(10,656)	876,237	(5)	865,576	889,754	
Capital contributions from non-controlling equity owners	—	—	—	—	—	—	21,298	
Equity-settled share-based transaction	—	8,157	—	—	—	8,157	8,241	
Dividends paid by subsidiaries to non-controlling equity owners	—	—	—	—	—	—	(3,250)	
Balance at 31 March 2014	10,320,056	15,465,998	7,390	12,208,618	(103)	38,654,075	40,481,678	

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED 31 MARCH 2013-UNAUDITED

	Attributable to equity shareholders of the Company							
	Share capital RMB '000	Capital reserve RMB '000	PRC		Retained profits RMB '000	Total RMB '000	Non- controlling interests RMB '000	Total equity RMB '000
			Fair value reserve RMB '000	statutory reserve RMB '000				
At 1 January 2013	10,320,056	15,489,304	13,911	499,535	8,348,329	34,671,135	1,577,442	36,248,577
Changes in equity:								
Profit for the period	—	—	—	—	735,392	735,392	27,564	762,956
Other comprehensive income	—	—	(5,174)	—	—	(5,174)	—	(5,174)
Total comprehensive income for the period	—	—	(5,174)	—	735,392	730,218	27,564	757,782
Acquisition of operating business under common control	—	(109,933)	—	—	14,043	(95,890)	—	(95,890)
Acquisition of non-controlling interests without change in control	—	(219)	—	—	—	(219)	(5,935)	(6,154)
Equity-settled share-based transaction	—	8,015	—	—	—	8,015	66	8,081
Balance at 31 March 2013	10,320,056	15,387,167	8,737	499,535	9,097,764	35,313,259	1,599,137	36,912,396

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	Attributable to equity shareholders of the Company							Non-controlling interests RMB '000	Total equity RMB '000			
	PRC Share capital RMB '000	Capital reserve RMB '000	Fair value reserve RMB '000	statutory reserve RMB '000	Retained profits RMB '000	Exchange reserve RMB '000	Total RMB '000					
										At 1 January 2013	Profit for the year	Other comprehensive income
At 1 January 2013	10,320,056	15,489,304	13,911	499,535	8,348,329	—	34,671,135	1,577,442	36,248,577			
Changes in equity:												
Profit for the year	—	—	—	—	4,128,559	—	4,128,559	97,444	4,226,003			
Other comprehensive income	—	15,275	4,135	—	—	(98)	19,312	(375)	18,937			
Total comprehensive income for the year	—	15,275	4,135	—	4,128,559	(98)	4,147,871	97,069	4,244,940			
Acquisition of operating business under common control	—	(109,933)	—	—	14,043	—	(95,890)	—	(95,890)			
Acquisition of non-controlling interests without change in control	—	(275)	—	—	—	—	(275)	(6,881)	(7,156)			
Acquisition of subsidiary	—	—	—	—	—	—	—	15,679	15,679			
Capital contributions from non-controlling equity owners	—	30,575	—	—	—	—	30,575	123,749	154,324			
Equity-settled share-based transaction	—	32,895	—	—	—	—	32,895	307	33,202			
Appropriation of reserve	—	—	—	152,581	(126,544)	—	26,037	1,144	27,181			
Dividends paid by subsidiaries to non-controlling equity owners	—	—	—	—	—	—	—	(23,216)	(23,216)			
Dividends proposed during the year	—	—	—	—	(1,032,006)	—	(1,032,006)	—	(1,032,006)			
Balance at 31 December 2013	10,320,056	15,457,841	18,046	652,116	11,332,381	(98)	37,780,342	1,785,293	39,565,635			

CONDENSED CONSOLIDATED CASH FLOW STATEMENTS FOR THE THREE MONTHS ENDED 31 MARCH 2014-UNAUDITED

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Cash used in operations	(7,362,283)	(4,511,219)
Income tax paid	(348,334)	(196,814)
Net cash used in operating activities	(7,710,617)	(4,708,033)
Net cash used in investing activities	(1,820,698)	(1,304,905)
Net cash generated from financing activities	10,673,834	4,010,946
Net increase/(decrease) in cash and cash equivalents	1,142,519	(2,001,992)
Cash and cash equivalents at 1 January	7,114,408	8,379,753
Effect of foreign exchanges rates changes	8,821	(15,804)
Cash and cash equivalents at 31 March	8,265,748	6,361,957

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**1 ORGANIZATION**

The Company was established as a joint stock company with limited liability in Beijing, the People's Republic of China ("PRC") on 26 June 2008, and the head office is located in No.15 Building, Fang Cheng Yuan Area One, Fengtai District, Beijing.

The Group is principally engaged in manufacturing, sales and refurbishment of rolling stock, including locomotives, passenger coaches, freight wagons, MUs, rapid transit vehicles and railway machinery and equipment; production of mechanical and electric products, including electric motors, alternators, diesel engines, control devices, electric/electronic components and other components for use in rail and non-rail industries; financing lease of engineering machine and equipment, trading of raw materials, and engineering, procurement and construction ("EPC") services for rail-related construction projects; and manufacturing and providing system solution of clean energy and environmental protection equipment and systems, such as wind power generators and wind turbines, electric vehicles, sewage/waste recycle and disposal systems.

2 BASIS OF PREPARATION**(1) Compliance with International Financial Reporting Standards ("IFRSs")**

These interim financial information have been prepared in accordance with International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

These interim financial information do not include all the information required for a full set of financial statements prepared in accordance with IFRSs. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements as at and for the year ended 31 December 2013.

(2) Use of estimates and assumptions

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The notes on pages II-11 to II-28 form part of the Condensed Consolidated Financial Information.

2 BASIS OF PREPARATION (CONTINUED)

(3) Significant accounting policies

The accounting policies adopted in the preparation of the interim financial information are consistent with those followed in the preparation of the Group's annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRSs, including International Accounting Standards ("IASs")) for the year ended 31 December 2013, except for the adoption of the following revised IFRSs as of 1 January 2014. The principal effects of adopting these revised IFRSs are as follows:

Investment Entities-Amendments to IFRS 10, IFRS 12 and IAS 27

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period. These amendments of IAS 36 does not have any material impact on the disclosures in this interim financial information.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

3 REVENUE

Revenue mainly represents the sales value of goods supplied to customers, rendering of services. The amount of each significant category of revenue recognized during the period is as follows:

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Revenue from goods and services	14,571,002	17,397,126
Interest income	57,750	23,322
	<u>14,628,752</u>	<u>17,420,448</u>

3 REVENUE (CONTINUED)

The following table sets out information about the geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Domestic revenue	14,205,776	16,226,766
Overseas revenue	422,976	1,193,682
	<u>14,628,752</u>	<u>17,420,448</u>

4 OTHER REVENUE AND OTHER NET GAIN/(LOSS)

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Other revenue		
Interest income	76,621	22,565
Dividend income	2,211	2,919
Government grants	66,720	44,428
	<u>145,552</u>	<u>69,912</u>
Other net gain/(loss)		
Net (loss)/gain from changes in fair value	(923)	687
Net gain on sale of derivative financial instruments	434	736
Net foreign exchange gain/(loss)	9,982	(18,355)
Net gain/(loss) on disposal of property, plant and equipment	32	(409)
Others	3,676	(865)
	<u>13,201</u>	<u>(18,206)</u>

5 PROFIT BEFORE TAXATION**(a) Finance costs**

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Interest cost recognized in respect of defined benefit obligations (note 19(b))	12,013	9,755
Interest expense on bank advances and borrowings	369,564	250,401
Less: interest expenses capitalised into property, plant and equipment	55,123	77,376
	<u>326,454</u>	<u>182,780</u>

(b) Staff costs

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
Salaries, wages and other benefits	1,973,122	1,487,203
Contributions to defined contribution retirement plans	301,487	278,028
Expenses recognized in respect of defined benefit obligations (note 19(b)) ..	26,695	21,677
Equity-settled share-based transaction expenses	8,241	8,081
	<u>2,309,545</u>	<u>1,794,989</u>

5 PROFIT BEFORE TAXATION (CONTINUED)

(c) Other items

	Three months ended 31 March	
	2014	2013
	RMB '000	RMB '000
Amortisation		
— lease prepayments	50,223	45,630
— intangible assets	25,828	18,791
	<u>76,051</u>	<u>64,421</u>
Depreciation		
— property, plant and equipment	490,328	445,771
Impairment loss/(gain)		
— trade and bills receivables	34,144	44,590
— deposits, prepayments and other receivables	1,219	(4,767)
— inventory	—	(8,568)
	<u>35,363</u>	<u>31,255</u>
Research and development costs	398,114	323,066
Provision for warranty	44,882	49,732
Cost of goods	11,388,934	14,608,421

6 INCOME TAX

(a) Income tax in the consolidated statements of profit or loss represents:

	Three months ended 31 March	
	2014	2013
	RMB '000	RMB '000
Corporate income tax		
Provision for the period	234,019	150,690
Under-provision in respect of prior years	—	98
	<u>234,019</u>	<u>150,788</u>
Deferred taxation (Note 20)		
Origination and reversal of temporary differences	(22,572)	17,693
	<u>211,447</u>	<u>168,481</u>

(b) Reconciliations between income tax expense and before taxation profit at applicable tax rates:

	Three months ended 31 March	
	2014	2013
	RMB '000	RMB '000
Profit before taxation	1,111,862	931,437
Notional tax on profit before taxation at PRC statutory tax rate	277,966	232,859
Effect of non-deductible expenses	3,246	2,383
Effect in respect of share of profits less losses of associates and joint ventures	(12,598)	(10,777)
Effect of research and development expense deduction	(33,800)	(35,228)
Income tax effect of unused tax losses not recognized	83,692	46,377
Income tax effect of temporary differences not recognized	(3,199)	4,774
Effect of PRC tax concessions	(108,289)	(78,356)
Others	4,429	6,449
Actual income tax expense	<u>211,447</u>	<u>168,481</u>

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB 876.24 million (three months ended 31 March 2013: RMB 735.39 million) and the weighted average of 10,320.06 million ordinary shares (three months ended 31 March 2013: 10,320.06 million).

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary equity shareholders of the parent of RMB 876.24 million (three months ended 31 March 2013: RMB 735.39 million) and the weighted average number of ordinary shares of 10,325.91 million (three months ended 31 March 2013: 10,322.31 million).

8 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements	Land, buildings and structures	Equipment	Motor vehicles	Furniture, fixtures and others	Investment property	Construction in progress	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Cost:								
At 1 January 2014	8,156	14,386,994	16,309,809	1,470,394	1,453,588	235,127	5,211,378	39,075,446
Additions	—	109	9,598	943	3,794	—	935,796	950,240
Transfer from construction in progress	—	283,154	161,565	2,598	11,418	122	(458,857)	—
Disposals	(2,139)	(25)	(7,687)	(2,375)	(1,238)	—	(479)	(13,943)
Transfer to construction in progress	—	(35,481)	(5,368)	(1,070)	—	—	41,919	—
Transfer to intangible assets	—	—	—	—	—	—	(8,846)	(8,846)
At 31 March 2014	<u>6,017</u>	<u>14,634,751</u>	<u>16,467,917</u>	<u>1,470,490</u>	<u>1,467,562</u>	<u>235,249</u>	<u>5,720,911</u>	<u>40,002,897</u>
Accumulated depreciation:								
At 1 January 2014	4,419	2,804,896	6,441,801	606,788	854,170	136,482	—	10,848,556
Depreciation charge for the period	298	107,089	311,593	33,706	36,702	940	—	490,328
Written back on disposal	(2,139)	(24)	(6,326)	(2,234)	(1,102)	—	—	(11,825)
Transfer to construction in progress	—	(5,133)	(1,904)	(681)	—	—	7,718	—
At 31 March 2014	<u>2,578</u>	<u>2,906,828</u>	<u>6,745,164</u>	<u>637,579</u>	<u>889,770</u>	<u>137,422</u>	<u>7,718</u>	<u>11,327,059</u>
Accumulated impairment losses:								
At 1 January 2014	—	30,755	164,049	6,201	5,189	14,380	9,254	229,828
Written back on disposal	—	—	(131)	(4)	(14)	—	—	(149)
At 31 March 2014	<u>—</u>	<u>30,755</u>	<u>163,918</u>	<u>6,197</u>	<u>5,175</u>	<u>14,380</u>	<u>9,254</u>	<u>229,679</u>
Net book value:								
At 31 March 2014	<u>3,439</u>	<u>11,697,168</u>	<u>9,558,835</u>	<u>826,714</u>	<u>572,617</u>	<u>83,447</u>	<u>5,703,939</u>	<u>28,446,159</u>

8 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Leasehold improvements	Land, buildings and structures	Equipment	Motor vehicles	Furniture, fixtures and others	Investment property	Construction in progress	Total
	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>	<i>RMB '000</i>
Cost:								
At 1 January 2013	11,178	12,519,807	14,014,778	1,213,504	1,299,116	259,707	5,381,505	34,699,595
Additions	—	31,912	80,563	88,801	33,048	—	4,478,535	4,712,859
Transfer from construction in progress	—	1,886,153	2,440,368	183,605	156,937	263	(4,667,326)	—
Acquisition of subsidiary	—	9,070	1,399	1,622	1,291	—	19,328	32,710
Reclassified from investment property . . .	—	18,470	—	—	—	(18,470)	—	—
Acquisitions of business under common control	—	(24,892)	(4,257)	(726)	(187)	—	—	(30,062)
Disposals	(3,022)	(34,954)	(199,914)	(15,936)	(36,617)	(6,536)	—	(296,979)
Transfer to construction in progress	—	(18,409)	(23,128)	(476)	—	—	42,013	—
Reclassified to investment property	—	(163)	—	—	—	163	—	—
Transfer to intangible assets	—	—	—	—	—	—	(42,677)	(42,677)
At 31 December 2013	<u>8,156</u>	<u>14,386,994</u>	<u>16,309,809</u>	<u>1,470,394</u>	<u>1,453,588</u>	<u>235,127</u>	<u>5,211,378</u>	<u>39,075,446</u>
Accumulated depreciation:								
At 1 January 2013	5,833	2,334,481	5,476,575	484,280	722,810	146,448	—	9,170,427
Depreciation charge for the year	1,609	511,874	1,138,548	135,274	164,085	3,916	—	1,955,306
Reclassified from investment property . . .	—	10,147	—	—	—	(10,147)	—	—
Acquisition of business under common control	—	(11,844)	(1,510)	(41)	(386)	—	—	(13,781)
Written back on disposal	(3,023)	(39,721)	(171,812)	(12,725)	(32,339)	(3,776)	—	(263,396)
Reclassified to investment property	—	(41)	—	—	—	41	—	—
At 31 December 2013	<u>4,419</u>	<u>2,804,896</u>	<u>6,441,801</u>	<u>606,788</u>	<u>854,170</u>	<u>136,482</u>	<u>—</u>	<u>10,848,556</u>
Accumulated impairment losses:								
At 1 January 2013	—	28,276	166,648	6,779	5,787	16,869	9,455	233,814
Impairment losses charge for the year	—	—	1,246	—	—	—	—	1,246
Transfer from construction in progress	—	—	179	—	—	—	(179)	—
Reclassified from investment property . . .	—	2,489	—	—	—	(2,489)	—	—
Acquisition of business under common control	—	—	(331)	(91)	(423)	—	—	(845)
Written back on disposal	—	(10)	(3,693)	(487)	(175)	—	(22)	(4,387)
At 31 December 2013	<u>—</u>	<u>30,755</u>	<u>164,049</u>	<u>6,201</u>	<u>5,189</u>	<u>14,380</u>	<u>9,254</u>	<u>229,828</u>
Net book value:								
At 31 December 2013	<u>3,737</u>	<u>11,551,343</u>	<u>9,703,959</u>	<u>857,405</u>	<u>594,229</u>	<u>84,265</u>	<u>5,202,124</u>	<u>27,997,062</u>

9 LEASE PREPAYMENTS

	<u>At 31 March</u> <u>2014</u> <i>RMB '000</i>	<u>At 31 December</u> <u>2013</u> <i>RMB '000</i>
Carrying amount at the beginning of the period/ year, net of accumulated amortisation	9,966,563	9,126,850
Additions	33,289	1,104,049
Acquisition of subsidiary	—	16,255
Disposals	—	(86,337)
Acquisition of business under common control	—	(3,555)
Amortisation	<u>(50,223)</u>	<u>(190,699)</u>
Carrying amount at the end of period/ year	<u>9,949,629</u>	<u>9,966,563</u>

10 INTANGIBLE ASSETS

	<u>Patents and</u> <u>trademarks</u> <i>RMB '000</i>	<u>Computer</u> <u>software</u> <u>and others</u> <i>RMB '000</i>	<u>Total</u> <i>RMB '000</i>
Cost:			
At 1 January 2014	312,480	768,265	1,080,745
Additions	<u>65</u>	<u>14,475</u>	<u>14,540</u>
At 31 March 2014	<u>312,545</u>	<u>782,740</u>	<u>1,095,285</u>
Accumulated amortization and impairment losses:			
At 1 January 2014	166,118	274,822	440,940
Amortization and impairment losses charge for the period	<u>6,522</u>	<u>19,306</u>	<u>25,828</u>
At 31 March 2014	<u>172,640</u>	<u>294,128</u>	<u>466,768</u>
Net book value:			
At 31 March 2014	<u>139,905</u>	<u>488,612</u>	<u>628,517</u>
Cost:			
At 1 January 2013	252,097	451,733	703,830
Additions	35,977	317,564	353,541
Acquisition of subsidiary	24,406	9	24,415
Disposals	—	(1,041)	(1,041)
At 31 December 2013	<u>312,480</u>	<u>768,265</u>	<u>1,080,745</u>
Accumulated amortization and impairment losses:			
At 1 January 2013	142,698	212,830	355,528
Amortization and impairment losses charge for the year	23,420	62,085	85,505
Written back on disposal	—	(93)	(93)
At 31 December 2013	<u>166,118</u>	<u>274,822</u>	<u>440,940</u>
Net book value:			
At 31 December 2013	<u>146,362</u>	<u>493,443</u>	<u>639,805</u>

11 OTHER NON-CURRENT ASSETS

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Long-term trade receivables		
— third parties	1,106,023	1,088,926
Long-term construction contract receivables		
— third parties	4,501,433	4,443,657
Long-term finance lease receivables		
— third parties	6,021,058	5,837,420
Less: allowance for doubtful debts	43,922	61,601
	<u>11,584,592</u>	<u>11,308,402</u>
Less: current portion of long-term receivables	4,299,069	4,239,021
Available-for-sale investments	146,156	158,823
Less: impairment loss	24,727	24,727
	<u>7,406,952</u>	<u>7,203,477</u>
Other intangible assets prepayments	128,916	123,190
Long-term prepaid expenses	1,269	1,143
Long-term prepayments for property, plant and equipment	1,134,903	1,049,142
	<u>1,265,088</u>	<u>1,173,475</u>
	<u>8,672,040</u>	<u>8,376,952</u>

12 INVENTORIES

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Cost, net of provision		
Raw materials	9,364,322	7,514,808
Work in progress	12,218,162	9,099,758
Finished goods	2,023,245	1,947,423
Others	110,562	74,801
	<u>23,716,291</u>	<u>18,636,790</u>

13 TRADE AND BILLS RECEIVABLES

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Trade receivables for sale of goods and rendering of services due from:		
— related parties	435,692	422,386
— third parties	33,025,621	31,057,779
	<u>33,461,313</u>	<u>31,480,165</u>
Less: allowance for doubtful debts	1,146,953	1,095,199
	<u>32,314,360</u>	<u>30,384,966</u>
Bills receivable for sale of goods and rendering of services due from:		
— related parties	4,000	4,247
— third parties	1,458,019	1,530,053
	<u>1,462,019</u>	<u>1,534,300</u>
Gross amounts due from customers for contract work	3,449	3,369
	<u>33,779,828</u>	<u>31,922,635</u>

13 TRADE AND BILLS RECEIVABLES (CONTINUED)

Note: Trade and bills receivables include bills discounted to banks or endorsed to suppliers and factored trade receivables with recourse totalling RMB 1,373.68 million and RMB 1,280.23 million as at 31 December 2013 and 31 March 2014 respectively. These receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amounts of the associated bank loans and trade payables were RMB 1,316.13 million and RMB 1,196.76 million as at 31 December 2013 and 31 March 2014 respectively.

(a) Aging analysis

The aging analysis of trade and bills receivables of the Group, based on invoice date and net of allowance for doubtful debts, is as follows:

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Within 6 months	26,877,162	25,087,470
6 to 12 months	3,886,269	3,389,604
Over 1 year	3,016,397	3,445,561
Trade and bills receivables, net of allowance for doubtful debts	<u>33,779,828</u>	<u>31,922,635</u>

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade and bills receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade and bills receivables directly.

The movement in the allowance for doubtful debts during the reporting period, including both specific and collective loss components, is as follows:

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
At 1 January	1,095,199	446,823
Impairment losses recognized	36,453	656,246
Acquisition of subsidiary	—	256
Reclassification of impairment losses	17,679	—
Reversal of impairment losses	(2,309)	(169)
Acquisition of business under common control	—	(661)
Uncollectible amounts written off	(69)	(7,296)
At the end of the period/year	<u>1,146,953</u>	<u>1,095,199</u>

As at 31 December 2013 and 31 March 2014, the Group's trade and bills receivables of RMB 901.72 million and RMB 934.03 million respectively were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowance for doubtful debts of RMB 426.03 million and RMB 456.46 million were respectively recognized.

13 TRADE AND BILLS RECEIVABLES (CONTINUED)**(c) Trade and bills receivables those are not impaired**

The aging analyses of trade and bills receivables of the Group that are neither individually nor collectively considered to be impaired are as follows:

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Neither past due nor impaired	20,344,714	18,729,188
Less than 1 month past due	1,635,460	2,701,647
1 to 3 months past due	3,337,091	2,209,832
3 to 12 months past due	3,442,954	2,798,885
More than 12 months past due	16,125	13,917
Amounts past due	8,431,630	7,724,281
	<u>28,776,344</u>	<u>26,453,469</u>

14 PREPAYMENTS, DEPOSITS, AND OTHER RECEIVABLES

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Derivative financial instruments	3,712	4,907
Dividend receivables	40,694	20,694
Interest receivables	23,611	16,237
Current portion of long-term receivables	4,329,041	4,286,672
Prepayments for purchase of inventories		
— related parties	13,132	14,120
— third parties	6,603,130	4,861,140
Advances to		
— related parties	8,271	7,693
— third parties	922,918	934,503
Advances to staff	83,533	74,121
Other deposits	213,205	174,729
Others	1,060,570	815,963
Less: allowance for doubtful debts	365,647	382,107
	<u>12,963,170</u>	<u>10,828,672</u>

(a) Impairment of deposits, prepayments and other receivables

Impairment losses in respect of deposits, prepayments and other receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against deposits, prepayments and other receivables directly.

14 PREPAYMENTS, DEPOSITS, AND OTHER RECEIVABLES (CONTINUED)**(a) Impairment of deposits, prepayments and other receivables (continued)**

The movement in the allowance for bad and doubtful accounts during the reporting period, including both specific and collective loss components, is as follows:

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
At 1 January	382,107	100,726
Impairment losses recognized	1,219	295,872
Reclassification of impairment losses	(17,679)	—
Disposal of a subsidiary	—	(14,445)
Uncollectible amounts written off	—	(46)
At the end of the period/ year	<u>365,647</u>	<u>382,107</u>

15 CASH AND CASH EQUIVALENTS

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Cash in hand	1,613	1,474
Cash at bank	8,264,135	7,112,934
Cash and cash equivalents	<u>8,265,748</u>	<u>7,114,408</u>

16 INTEREST-BEARING LOANS AND BORROWINGS**(a) The analysis of the long-term interest-bearing borrowings of the Group is as follows:**

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Bank loans		
— Secured	5,000	5,000
— Unsecured	1,950,378	1,410,277
Medium term notes		
— Unsecured	3,968,537	—
	<u>5,923,915</u>	<u>1,415,277</u>

(b) The analysis of the short-term interest-bearing borrowings of the Group is as follows:

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Entrusted loans		
— Unsecured	601,980	601,980
Bank loans		
— Secured	1,246,776	1,243,132
— Unsecured	11,411,000	8,761,684
Other loans		
— Secured	8,000	8,000
Short-term inter-bank corporate bonds		
— Unsecured	13,979,175	9,994,357
	<u>27,246,931</u>	<u>20,609,153</u>

17 TRADE AND BILLS PAYABLES

	<u>At 31 March</u> <u>2014</u> <i>RMB '000</i>	<u>At 31 December</u> <u>2013</u> <i>RMB '000</i>
Trade payables to		
— related parties	2,625,416	2,401,222
— third parties	27,367,004	25,623,403
	<u>29,992,420</u>	<u>28,024,625</u>
Bills payables to		
— related parties	359,147	198,917
— third parties	6,262,040	7,802,714
	<u>6,621,187</u>	<u>8,001,631</u>
	<u>36,613,607</u>	<u>36,026,256</u>

18 OTHER PAYABLES AND ACCRUALS

	<u>At 31 March</u> <u>2014</u> <i>RMB '000</i>	<u>At 31 December</u> <u>2013</u> <i>RMB '000</i>
Interest payables		
— related parties	3,243	512
— third parties	161,482	280,978
Payables for staff related costs	607,226	619,555
Payables for other taxes and surcharges	597,846	1,691,172
Dividends payables	124,587	121,337
Other accruals and payables		
— related parties	243,184	515,362
— third parties	2,667,374	2,699,183
	<u>4,404,942</u>	<u>5,928,099</u>
Derivative financial liabilities	928	1,201
Receipts in advance		
— related parties	83,386	128,971
— third parties	10,666,136	10,004,859
	<u>10,749,522</u>	<u>10,133,830</u>
	<u>15,155,392</u>	<u>16,063,130</u>

19 DEFINED BENEFIT OBLIGATIONS

In addition to the monthly contributions to various defined contribution pension schemes regulated by the PRC government, the Group provided supplementary pension subsidies to certain qualified employees. The amounts of employee benefit obligations recognized in the statements of financial position represent the present value of the unfunded obligations.

The plans are funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuations. The employee benefit obligations were determined based on actuarial valuation performed by Mercer Consulting, a member of the Society of Actuaries of the United States of America, using the projected unit credit method.

19 DEFINED BENEFIT OBLIGATIONS (CONTINUED)

The plans expose the Group to actuarial risks, such as interest rate risk, and longevity risk. Since the retirement plans have similar risks and features, information about the plans is aggregated and disclosed below:

(a) **The amounts recognized in the consolidated statements of financial position are as follows:**

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Present value of wholly funded obligations	<u>2,333,917</u>	<u>2,378,757</u>

(b) **Movements in the present value of the defined benefit obligations:**

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
At 1 January	2,378,757	2,494,331
Remeasurements:		
—Actuarial gain arising from changes in financial assumptions	—	(219,797)
—Actuarial losses arising from changes in other assumptions	—	204,897
	—	(14,900)
Benefits paid by the plans	(71,535)	(300,814)
Past service cost	14,682	110,387
Interest cost	12,013	89,753
Current portion at the end of period/year	<u>244,500</u>	<u>247,518</u>
Non-current portion at the end of period/year	<u>2,089,417</u>	<u>2,131,239</u>

(c) **Significant actuarial assumptions:**

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
Discount rate	4.4%-4.8%	4.4%-4.8%
Welfare annual growth rate	8%-9.5%	8%-9.5%
Growth rate of medical expenses	7.0%	7.0%-8.0%
The average life expectancy is expected in the future	Reference in 2005 China Life Insurance Mortality Table (2000~2003)	

20 DEFERRED TAX ASSETS AND LIABILITIES

Movements of deferred tax

	Provision for impairment of assets	Tax losses	Provision for product warranties	Unrealized profit	Adjustments arising from available-for-sale investments	Government grants	Others	Total
	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
Deferred tax assets arising from								
At 1 January 2014	257,301	5,966	111,329	38,539	(6,281)	20,179	24,304	451,337
Charged / (credited) to profit or loss	6,307	15,701	(5,418)	4,933	—	236	813	22,572
Charged to reserves	—	—	—	—	828	—	—	828
At 31 March 2014	263,608	21,667	105,911	43,472	(5,453)	20,415	25,117	474,737
At 1 January 2013	94,848	14,193	75,890	73,731	(6,439)	15,756	18,106	286,085
Charged / (credited) to profit or loss	162,453	(8,227)	35,439	(35,192)	—	4,423	6,198	165,094
Charged to reserves	—	—	—	—	158	—	—	158
At 31 December 2013	257,301	5,966	111,329	38,539	(6,281)	20,179	24,304	451,337
Deferred tax liabilities arising from								
At 1 January 2014	—	—	—	—	1,183	—	—	1,183
Charged to reserves	—	—	—	—	(1,183)	—	—	(1,183)
At 31 March 2014	—	—	—	—	—	—	—	—
At 1 January 2013	—	—	—	—	786	—	—	786
Acquisition of business under common control	—	—	—	—	(786)	—	—	(786)
Charged to reserves	—	—	—	—	1,183	—	—	1,183
At 31 December 2013	—	—	—	—	1,183	—	—	1,183

21 PROVISION FOR WARRANTIES

	At 31 March 2014	At 31 December 2013
	RMB '000	RMB '000
At 1 January	535,900	471,558
Additions	44,882	516,099
Provisions utilized	(70,817)	(451,757)
At the end of the period/year	509,965	535,900

22 OTHER NON-CURRENT LIABILITIES

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Government grants	2,812,877	2,882,561
Other non-current liabilities	213,500	159,408
	<u>3,026,377</u>	<u>3,041,969</u>

23 CAPITAL, RESERVES AND DIVIDENDS**(a) Share capital**

The Company's shareholding structure as at the end of the reporting periods is as follows:

	<u>At 31 December 2013</u> <u>and 31 March 2014</u>	
	<i>RMB '000</i>	<i>%</i>
CNRG	6,354,547	61.6%
Beijing CNR investment	539,583	5.2%
National Council for Social Security Fund of the PRC	309,393	3.0%
Other public holders of A shares	3,116,533	30.2%
Total	<u>10,320,056</u>	<u>100.0%</u>

(b) Nature and purpose of reserves**(i) Capital reserve**

Capital reserve mainly represents capital premium, contributions from equity shareholders, and the difference between the considerations of acquisition or disposal of equity interests from/to non-controlling equity owners and the carrying amount of the proportionate net assets.

(ii) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

(iii) PRC statutory reserve

The Group appropriated PRC statutory reserve from retained profits according to PRC laws and regulations during the Track Record Periods.

- The subsidiaries in the PRC are required to appropriate 10% of its after-tax profit, as determined in accordance with the PRC accounting rules and regulations, to the general reserve fund until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity shareholders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.
- Pursuant to relevant MOF notices, the financing institution is required to set aside a general reserve to cover potential losses against its assets. Effective from 1 July 2012, the minimum general reserve balance should increase to 1.5% of the ending balance of gross risk-bearing assets with a transition period of five years. The CNR Finance Corp., Ltd., the subsidiary of the Company, has complied with the above requirements as of 31 December 2013 and plans to comply with the above requirements during the transition period.

23 CAPITAL, RESERVES AND DIVIDENDS (CONTINUED)**(b) Nature and purpose of reserves (continued)***(iv) Exchange reserve*

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currency other than the RMB.

(c) Distributability of reserves

Under the Company Law of the PRC and the Company's Articles of Association, net profit after tax as reported in the statutory financial statements prepared in accordance with the accounting rules and regulations of the PRC can only be distributed as dividends after allowances have been made for the following:

- (i) Making up prior years' cumulative losses, if any;
- (ii) Allocations to the statutory reserve; and
- (iii) Allocations to the discretionary common reserve if approved by the shareholders.

After the listing of the Company's shares on HKSE, in accordance with the Articles of Association of the Company, the net profit after tax of the Company for the purpose of dividends payment will be the lesser of (i) the net profit determined in accordance with the accounting rules and regulations of the PRC; and (ii) the net profit determined in accordance with IFRSs.

On 28 March 2014, the boards of directors resolved to make a dividend distribution of RMB 2,064.01 million (RMB 0.2/per ordinary share). The final dividend proposed after the end of the reporting period has not been recognized as a liability on 31 March 2014.

24 COMMITMENTS

- (a) Commitments for the acquisition of property, plant and equipment, purchase of performances, leasehold improvements and management outstanding at each period/year end not provided for in the interim financial information were as follows:

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Contracted for	4,155,576	4,172,358
Authorized but not contracted for	525,664	525,664
	<u>4,681,240</u>	<u>4,698,022</u>

- (b) At each period/year end, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	<u>At 31 March</u> <u>2014</u>	<u>At 31 December</u> <u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
Within 1 year	45,387	53,964
After 1 year but within 3 years	18,037	18,874
After 3 years	33,446	34,672
	<u>96,870</u>	<u>107,510</u>

24 COMMITMENTS (CONTINUED)

The Group leases certain buildings through non-cancellable operating leases. Typically, leases are negotiated and rentals are fixed for lease term.

25 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

On 24 April 2014, the Company issued short-term inter-bank corporate bonds amounted to RMB 2,000.00 million which interest rate is 4.80%. The bond period is 270 days, from 24 April 2014 to 19 January 2015.

26 MATERIAL RELATED PARTY TRANSACTION

In addition to the related party information disclosed elsewhere in this interim financial information, the Group entered into the following significant related party transaction during the reporting periods.

(a) Significant transactions with related parties

The principal transactions which were carried out in the ordinary course of business are as follows:

	Three months ended 31 March	
	2014	2013
	<i>RMB '000</i>	<i>RMB '000</i>
<i>Sales to</i>		
CNRG's affiliates	14,153	29,186
Associates and Joint Ventures	61,204	30,817
Other related parties	87,361	38,929
<i>Purchase of goods from</i>		
CNRG's affiliates	30	14,115
Associates and Joint Ventures	1,205,265	402,113
Other related parties	2,758	15,956
<i>Interest expense</i>		
CNRG	6,832	—
CNRG's affiliates	900	—
<i>Lease expenses paid to</i>		
CNRG	5,547	9,622
CNRG's affiliates	146	—
<i>Net decrease in deposits due to</i>		
CNRG	55,597	—
CNRG's affiliates	154,254	—

26 MATERIAL RELATED PARTY TRANSACTION (CONTINUED)

(b) Significant outstanding balances with related parties

Details of the outstanding balances with related parties are as follows:

	<u>At 31 March</u>	<u>At 31 December</u>
	<u>2014</u>	<u>2013</u>
	<i>RMB '000</i>	<i>RMB '000</i>
<i>Trade and bills receivables</i>		
CNRG's affiliates	63,075	47,139
Associates and Joint Ventures	322,375	333,932
Other related parties	54,242	45,562
<i>Prepayments, deposits and other receivables</i>		
CNRG's affiliates	4,326	4,326
Associates and Joint Ventures	57,406	38,451
Other related parties	668	98
<i>Other non-current assets</i>		
Associates and Joint Ventures	—	108
Other related parties	4,352	36,022
<i>Interest-bearing loans and borrowings</i>		
CNRG	601,980	601,980
<i>Trade and bills payables</i>		
CNRG's affiliates	61,421	70,717
Associates and Joint Ventures	2,782,309	2,364,045
Other related parties	140,833	165,377
<i>Other payables and accruals</i>		
CNRG	126,009	177,622
CNRG's affiliates	168,311	444,125
Associates and Joint Ventures	53,749	40,190
Other related parties	4,716	5,144