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经纬纺织机械股份有限公司

JINGWEI TEXTILE MACHINERY CO., LTD.

(a joint stock limited company incorporated in the People's Republic of China)
Stock Code: 0350.HK 000666.SZ

INTERIM REPORT

2014

半年度报告



Chapter I Important Notes, Contents and Definitions

The Board of Directors, Supervisory Committee, Directors, Supervisors and senior management of Jingwei Textile Machinery Company Limited (the “Company”) undertake that the information contained in this interim report is authentic, 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.

This interim report was considered at the ninth meeting of the seventh session of the Board of the Company and was considered and approved unanimously by all the directors. The Company will not distribute cash dividend, bonus shares, nor increase share capital from capital reserve.

Mr. Ye Maoxin (Chairman of the Board), 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 financial report of the Company for the first half year of 2014 has not been audited.

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

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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	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
Huaying Securities	Huaying Securities Co., Ltd. (securities company of the Company)
Zhongrong Trust	Zhongrong International Trust Co., Ltd.
CHTC Heavy Industry	CHTC Heavy Industry Co., Ltd.
KAMA	KAMA Co., Ltd.

Chapter II 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	Security Representative
Name	Ye Xuehua	Zhang Yaxian
Contact address	Level 7, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC	Level 7, First Shanghai Centre, 39 Liangmaqiao Road, Chaoyang District, Beijing, the PRC
Telephone	8610 84534078-8188	8610 84534078-8501
Facsimile	8610 84534135	8610 84534135
Email	yxh@jwgf.com	zhangyaxian@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 III Summary of Accounting Data and Financial Indicators

I. Key accounting data and financial indicators

Whether or not the Company retroactively adjusted or restated accounting data for previous year due to change of accounting policy and correction of accounting error

	Reporting period	Corresponding period of the previous year	Increase/Decrease in the current reporting period as compared to the corresponding period of the previous year (%)
Operating income (RMB)	2,427,349,262.94	2,712,940,275.59	-10.53%
Net profit attributable to shareholders of the listed company (RMB)	217,129,958.44	304,304,596.01	-28.65%
Net profit after extraordinary items attributable to shareholders of the listed company (RMB)	206,039,340.63	297,300,498.25	-30.70%
Net cash flow generated from operating activities (RMB)	1,061,821,820.18	1,116,802,107.10	-4.92%
Basic earnings per share (RMB/share)	0.31	0.43	-27.91%
Diluted earnings per share (RMB/share)	0.31	0.43	-27.91%
Weighted average net assets income rate (%)	4.19%	3.74%	0.45%

	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)	19,929,517,524.76	18,863,486,831.09	5.65%
Net assets attributable to shareholders of the listed company (RMB)	5,252,739,947.49	5,114,068,305.18	2.71%

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 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	
	Amount for the current period	Amount for the previous period	Amount at the end of the period	Amount at the beginning of the period
According to PRC GAAP	217,129,958.44	304,304,596.01	5,252,739,947.49	5,114,068,305.18
Item and amount adjusted according to foreign accounting standards				
Special reserves	3,147,343.84	2,303,019.72		
According to foreign accounting standards	220,277,302.28	306,607,615.73	5,252,739,947.49	5,114,068,305.18

2. Description of reasons for differences of accounting data under domestic and foreign accounting standards

According to the Regulation of Work Safety Fee Appropriation and Occupation (Caiqi [2012] No.16) issued by Ministry of Finance and the State Administration of Work Safety, the work safety fee accrual has been applied for the Group since 2012.

III. Extraordinary gains/losses items and their amounts

<i>Unit: RMB</i>		
Item	Amount	Description
Gains/losses from disposal of non-current assets (including the write-off part for which asset impairment has been provided)	3,221,681.49	
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	6,861,179.51	
Debt restructuring gains/losses	166,430.00	
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	1,474,459.97	
Other non-operating income and expense except above	3,865,733.00	
Less: Effect on taxation	2,917,184.70	
Effect on minority interest (after-tax)	1,581,681.46	
	<hr/>	<hr/>
Total	<u>11,090,617.81</u>	<u>—</u>



IV. Accounts Prepared in Accordance with Hong Kong Financial Reporting Standards (unaudited)

For the six months ended 30 June 2014

	<i>Notes</i>	2014 <i>RMB '000</i>	2013 <i>RMB '000</i>
Turnover		4,840,411	5,308,053
Cost of sales		<u>(2,153,484)</u>	<u>(2,463,069)</u>
Gross profit		2,686,927	2,844,984
Other income		51,476	55,742
Loss on fair value changes of financial assets at fair value through profit or loss		(13,254)	(19,257)
Distribution and selling expenses		(84,679)	(81,087)
Administrative expenses		(1,319,332)	(1,398,268)
Finance costs		(97,083)	(84,401)
Share of profit of associates		<u>24,055</u>	<u>9,132</u>
Profit before taxation		1,248,110	1,326,845
Taxes		<u>(369,798)</u>	<u>(365,801)</u>
Profit for the period		<u>878,312</u>	<u>961,044</u>
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of a foreign operation		425	(866)
Loss on fair value change of available-for-sale financial assets		(55,941)	(186,244)
Share of other comprehensive income of associates			
Income tax relating to components of other comprehensive income		<u>13,985</u>	<u>46,561</u>
Other comprehensive loss for the period, net of income tax		<u>(41,531)</u>	<u>(140,549)</u>
Total comprehensive income for the period		<u><u>836,781</u></u>	<u><u>820,495</u></u>
Profit for the period attributable to:			
Owners of the Company		220,277	306,608
Non-controlling interests		<u>658,035</u>	<u>654,436</u>
		<u><u>878,312</u></u>	<u><u>961,044</u></u>
Total comprehensive income for the period attributable to:			
Owners of the Company		204,893	253,462
Non-controlling interests		<u>631,888</u>	<u>567,033</u>
		<u><u>836,781</u></u>	<u><u>820,495</u></u>
Earnings per share			
From continuing operations			
– Basic and diluted		<u><u>RMB 0.31</u></u>	<u><u>RMB 0.44</u></u>

Chapter IV 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, to construct an operation pattern with the co-ordinated development of the textile machinery, financial and equity investment businesses.

For textile machinery business: the Company possesses production and manufacturing system with advanced craftsmanship and sophisticated manufacturing, vast sales network and after-sales service system, and is dedicated to provide a full-flow of complete set of textile machinery with good quality to its clients at a competitive price, mainly 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, and enjoyed high reputation among textile and textile machinery industry both domestically and overseas.

For the financial business: while it has further cultivated the traditional trust business, new domains were being explored and operation results increased 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, its 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 and bringing good income for investors.

In the first half year of 2014, in line with the operation plan of "Speed up Reform and Adjustment, Push Forward Transformation and Upgrade", all staffs of the Company worked with stamina and diligence and insisted on making textile machinery businesses stronger with full confidence, further facilitated change and adjustment, strengthened its basic management and improved risk control system, which ensured smooth running of the Company's production and operation. The market share of textile machinery of the Company remained basically stable, asset size of financial business continued to increase and positive progress have been made in every aspect of works of the Company.

In the second half year of 2014, we are required to make innovation in our development ideas and strategic thinking, enhance our capabilities to break new ground within a complex situation by using new insights, new strategies and measures and stick firmly to our goal, grasp the initiative to seek development, strengthen our technical innovation and quality improvement in order to meet market demand. By taking the opportunities of transformation and upgrade, we will push forward reform and reinforce momentum for future development as well as our sustainable development capacity.

Under the financial report prepared in accordance with HKFRSs, the Group's turnover and the profit attributable to shareholders for the six months ended 30 June 2014 were RMB4,840,411,000 and RMB220,277,000 respectively, representing a decrease of 8.81% and 28.16% as compared with the corresponding period in the previous year. As at 30 June 2014, the Group's carrying bank balance was RMB10,562,984,000, borrowings due within one year was RMB2,440,751,000, of which borrowings in the U.S. dollars amounted to US\$20,692,000 and in Euros amounted to EU\$170,000 (equivalent to RMB128,743,000 on an aggregated basis), and the remaining balances were borrowings in Renminbi. The interest rates were in the range of 1.57% to 10.44% per annum. The Group had long-term borrowings of RMB1,200,000,000. The gearing ratio (long-term borrowings divided by net asset value) was 11.10%.

As of 30 June 2014, the pledged loans of the Group amounted to RMB1,310,956,000 (2013: RMB 1,309,805,000) and the book value of the pledged assets are set out in the below table:

	30 June 2014	31 December 2013
	<i>RMB'000</i>	<i>RMB'000</i>
Property, plant and equipment	79,462	30,929
Land use right	105,726	105,726
Inventories	8,462	8,462
Bills receivable	8,056	13,905
	<u> </u>	<u> </u>



I. Overview (continued)

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

For the six months ended 30 June 2014, there was no major acquisition or disposal of subsidiaries and associates by the Company.

Save as disclosed in section 5 of this Chapter, the Group had no material investment.

The Group currently has no plan for material investment or acquisition of capital assets.

As at 30 June 2014, the total number of staff of the Group was 12,355. For the period ended 30 June 2014, the total remuneration for the staff of the Group amounted to RMB1,177,425,000 (RMB1,153,829,000 for the corresponding period of last year). The remuneration is determined with reference to the standard of the position and performance of the staff.

Save for the contingent liabilities arisen from guarantees provided by the Company, the Company had no other contingent liabilities.

Under the financial report prepared in accordance with the China Accounting Standards for Business Enterprises, total operating revenue of the Group for the six months ended 30 June 2014 amounted to RMB4,880,089,000, representing a decrease of 8.66% as compared with the corresponding period in the previous year. Operating profit amounted to RMB1,230,036,000, representing a decrease of 6.32% as compared with the previous year. Net profit attributable to shareholders of the parent company amounted to RMB217,130,000, representing a decrease of 28.65% as compared with the previous year.

Major subsidiaries:

Interest and handling fee income and operating profit of Zhongrong International Trust Company Limited amounted to RMB2,585,112,000 and RMB1,463,597,000 respectively.

Operating revenue and operating profit of Yichang Jingwei Textile Machinery Company Limited amounted to RMB140,422,000 and RMB13,868,000 respectively.

Operating revenue and operating profit of Beijing Jingwei Textile Machinery New Technology Company Limited amounted to RMB95,550,000 and RMB5,361,000 respectively.

Operating revenue and operating profit of Wuxi Hongda Textile Machinery and Special Parts Company Limited amounted to RMB72,834,000 and RMB3,559,000.

II. 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 previous year	Increase/Decrease y-o-y (%)	Reasons for the change
Operating revenue	2,427,349,262.94	2,712,940,275.59	-10.53%	
Operating cost	2,037,399,628.59	2,328,681,959.67	-12.51%	
Selling expenses	84,678,691.92	81,087,480.17	4.43%	
Administrative expenses	1,312,190,328.38	1,358,770,416.13	-3.43%	
Finance costs	99,946,875.35	74,600,424.46	33.98%	Mainly due to the increase in corresponding costs of capitals as the short-term borrowings increased.
Income tax expense	369,797,965.51	365,800,632.12	1.09%	
Net cash flow generated from operating activities	1,061,821,820.18	1,116,802,107.10	-4.92%	
Net cash flow generated from investing activities	-148,636,028.51	-91,473,212.87	-62.49%	Mainly due to purchase of trust products during the reporting period.
Net cash flow generated from financing activities	127,761,294.14	658,961,314.41	-80.61%	Mainly due to absorption of investment from minority shareholders through capital increase by Zhongrong Trust in corresponding period in the previous year.
Net increase in cash and cash equivalents	1,041,915,755.52	1,684,396,914.99	-38.14%	

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.

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

1. Insisting on technological innovation and business capacity was enhanced

The Company insisted on leading its future development with technological innovation. It promoted the development of textile machinery products towards automation, smart technology, high speed and high efficiency. It developed a batch of products of higher quality with stronger reliability and stability, which received extensive attention and positive feedback from the industry, laying a good foundation for enhancing the competitiveness of the textile machinery business.

**II. Analysis of principal operations (continued)****2. Insisting on strengthening basic management and corporate quality was improved**

The Company continued to promote lean management and improve the application level of informationization. It boosted higher level application of information system from business to management, and launched the establishment of decision-making management analysis platform (BI), which provided support for management decision. It enhanced the construction of talents team and has established back-up tank of talents of the leading team of the Company and youth talent. The Company has set up its networking academy to promote the learning organization building so as to help sustainable development of enterprises.

3. Insisting on enhancing cost control to improve the competitiveness of products

The Company continued to promote centralized management of funds, reallocate internal funds on a reasonable basis in order to reduce insolvency risk and finance costs.

The Company provided guidance to conduct refined analysis for controllable expenses with higher proportion and made research on measures relating to cost reduction to exercise effective control over expenses. The Company continued to push for cost reduction and efficiency improvement and control occupation of two kinds of funds by combination of measures, actively liquidized its remnant assets and endeavored to lower its fixed costs.

4. Insisting on deepening reform and adjustment and the quality of development was improved

The Company unswervingly pushed forward its reform and adjustment, strived to facilitate scientific allocation of enterprise resources and optimize development layout. It explores mixed ownership model, offering good platforms for market expansion of products as well as development of science and technology talents. The Company has completed the integration of its subsidiary in United States, which played a positive role in improving brand influence of Jingwei and accelerating its internationalization process. By adjusting governance structure, speeding up resources integration of enterprises and optimizing industrial distribution, the operation of the Company's vehicle business were gradually improved.

5. Insisting on improving risk control system and the sound and healthy operation was guaranteed

The Company continued to carry out risk awareness education and establishment of internal control, leading to the continuous improvement of its risk control level. It has strengthened the risk control in the whole process of production and operation, and tried to set up risk alert indicators and monitoring systems in key areas, which has achieved certain results in avoiding market risks and improving quality of enterprise operation.

III. 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	1,646,560,439.67	1,454,462,478.77	11.67%	-23.53%	-22.46%	-1.22%
Financial trust	2,452,739,722.17		100.00%	-6.74%		
Non-textile machinery	314,651,698.45	283,670,508.43	9.85%	8.74%	13.13%	-3.50%
Sub-total	4,413,951,860.29	1,738,132,987.20	60.62%	-12.99%	-18.26%	2.54%
By geographical area						
Domestic revenue	3,987,458,153.47	1,349,721,638.26	66.15%	-13.06%	-20.08%	2.97%
Overseas revenue	426,493,706.82	388,411,348.94	8.93%	-12.27%	-11.25%	-1.05%
Sub-total	4,413,951,860.29	1,738,132,987.20	60.62%	-12.99%	-18.26%	2.54%

IV. 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 customers, commercial banks, professional and technical personnel, special raw materials and bulk materials suppliers have a long-term stable cooperation with the Company. No matter key resources such as customers, capital, talents and raw materials, the acquisition abilities of the Company are all at an advanced level in the industry.

2. Self-innovation Capability of the Company

The Company 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 vision engineering research centre in Beijing; it possessed the core technology for cotton manufacturing complete sets of equipments; insisted on the R & D direction of digital intelligence, high speed and high efficiency, reduction of labour input, and environmental protection; it cultivated core technologies and high end products with proprietary intellectual property rights, led the most updated technological trend of textile machinery in China. The Company has formed a research and development hierarchy for production generation, research and development generation and reserve generation, and the new products developed were at the advanced level in China and in the world, which strongly supported the Company to keep its domestic leading position among textile machinery enterprises.

3. Product Manufacturing and Marketing Capabilities

The Company possessed a complete product organization structure and management system, so as to improve management level and efficiency by informatization. The Company has a comprehensive product line portfolio and adequate manufacturing capacity; the advanced complete sets of technology, the completeness of the product category and the reliability of the JINGWEI brand were accepted by a large number of customers, and the products were rather competitive. Through marketing integration, it made a market layout of textile machinery production on a countrywide scale, promoted complete sets of equipments, carried out after-sales services, these had important promotion effects, and ensured the market share of the products. The Company has formed a marketing layout by consolidating regions as the main market which covered the whole country and extended to overseas markets; it possessed complete marketing and technical service systems and a centralized logistics center of spare parts in China, the after-sales services were extended to routine maintenance and repair work to equipments in workshops of clients, and it enjoyed good reputation both in the domestic and foreign markets.

4. Cost Control Capabilities

In recent years, the Company paid attention to cost control from many perspectives, such as standardizing cost management, research and development management, purchasing management and capital management, etc, the cost control capabilities of the Company were enhanced by a variety of ways like optimizing the design process, increasing the scale of centralized purchasing, centralizing fund management, and adjusting the capital structure.

5. Trust Business Capability

The trust business team of the Company has acute market responsive capability, was able to make immediate strategic adjustment against changes in market and policy conditions, and possessed higher implementation efficiency and first mover advantage; we had an efficient corporate management system, and improved sense of responsibility, risk awareness and employee loyalty through the market-oriented mechanism of shared benefits and risks; we had scientific performance management mechanism, which were able to motivate employees' enthusiasm, motivation and creativity to the fullest extent, and pushed the Company to make use of its assets management capability to realise healthy and sustainable development; we had a comprehensive risk management system, and had a professional risk management team, stringent business management work flow and a well established IT system, forming an integrated risk prevention and control system of human control, computer control and system binding.

**V. Investment analysis****1. Foreign equity investment****(1) Foreign investment**✓ Applicable Not Applicable

Investment for the reporting period (RMB)	Foreign investment	
	Investment for corresponding period last year (RMB)	Changes (%)
77,188,400.00	160,638,820.00	-51.95%
Invested company		
Name	Main business	Proportion of equity in invested company for listed company
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	PE business investment, asset management	49.00%
Dazi Zhongrong Health Venture Investment Center (Limited Partnership)	PE business investment, venture and investment consulting	73.00%
Dazi Zhongrong Taishan Preferred Fund (Limited Partnership)	PE business investment, venture and investment consulting	20.24%
Shanxi Jingwei Textile Machinery and Special Parts Company Limited	Manufacture of special parts for textile machinery	54.86%
Xianyang Jingwei Textile Machinery Company Limited	Manufacture of textile machinery	100.00%

(2) Description on shareholdings held in financial enterprises

During the reporting period, the Company did not hold any shareholdings in financial enterprises.

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

Type	Securities code	Securities short code	Initial investment amount (RMB)	Number of shares held at beginning of period (Share)	Percentage of shares at beginning of period (%)	Number of shares held at end of period (Share)	Percentage of shares at end of period (%)	Book value at end of period (RMB)	Profit and loss during the reporting period (RMB)	Accounting calculation subject	Source of shares
Stock	000009	CBG	53,500,830.76	4,295,703	0.34%	4,295,703	0.29%	43,859,127.63	3,264,734.28	Held-for-trading financial assets	Purchase
Stock	600516	Fonda Carbon	41,066,662.67	3,489,563	0.20%	3,489,563	0.20%	33,464,909.17	7,083,812.89	Held-for-trading financial assets	Purchase
Stock	600585	Anhui Conch Cement	31,828,640.33	1,675,055	0.03%	1,675,055	0.03%	26,331,864.60	-1,490,798.95	Held-for-trading financial assets	Purchase
Stock	601377	Industrial Securities	30,658,602.42	2,655,471	0.10%	2,655,471	0.10%	22,890,160.02	-2,018,157.96	Held-for-trading financial assets	Purchase
Stock	601555	Soochow Securities	24,085,145.47	2,735,832	0.14%	2,735,832	0.14%	19,479,123.84	-3,884,881.44	Held-for-trading financial assets	Purchase
Stock	601688	Huatai Securities	16,446,645.44	1,578,200	0.03%	1,578,200	0.03%	11,868,064.00	-2,035,878.00	Held-for-trading financial assets	Purchase
Stock	000425	XCMG	21,241,465.17	1,670,925	0.08%	1,670,925	0.08%	11,445,836.25	-1,269,903.00	Held-for-trading financial assets	Purchase
Stock	600030	Citic Securities	11,501,052.05	904,200	0.01%	904,200	0.01%	10,362,132.00	-1,166,418.00	Held-for-trading financial assets	Purchase
Stock	601788	Everbright Securities	15,520,365.47	1,044,700	0.03%	1,044,700	0.03%	8,294,918.00	-762,631.00	Held-for-trading financial assets	Purchase
Stock	000937	JZEG	33,399,367.55	1,417,400	0.06%	1,417,400	0.06%	8,263,442.00	-2,111,926.00	Held-for-trading financial assets	Purchase
Other securities investment held at end of period			71,684,090.61	39,502,950	-	40,584,950	-	38,762,952.22	-7,049,154.80	-	-
Total			350,932,867.94	60,969,999	-	62,051,999	-	235,022,529.73	-11,441,201.98	-	-
Announcement date of the Board approving investment in securities											
Announcement date (if any) of the general meeting approving investment in securities											

Explanation to securities investment: in the table above, except for the smaller amount of held-for-trading financial assets held by Hong Kong Huaming, a subsidiary of the Group, the others are securities investment business engaged by the subsidiary Zhongrong International Trust Co., Ltd., which made investment strictly in accordance with the internal control system and limits, effectively controlling the investment risks.

**V. Investment analysis (continued)****1. Foreign equity investment (continued)**

Description of equity investment in other listed companies:

Name of Listed Company	Number of shares held	Book value at end of period	Investment Income
Liuguo Chemical	24,000,000.00	136,800,000.00	2,400,000.00
Hengyuan Coal Industry and Electricity Power	20,525,850.00	109,608,039.00	

As at the end of June 2014, Zhongrong Trust held equity interests in Liuguo Chemical and Hengyuan Coal Industry and Electricity Power, respectively, which is reflected in “Available-for-sale financial assets”. During the year, the Company did not conduct sales or purchase, and received dividend income of RMB2,400,000.00 from Liuguo Chemical during the accounting period.

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. Analysis on major subsidiaries and investees

Particulars of major subsidiaries and investees

Unit: RMB

Name of Company	Type of Company	Industry	Principal products or services	Registered Capital	Total Assets	Net Assets	Total operating income	Operating Profit	Net Profit
Zhongrong International Trust Co., Ltd	Subsidiary	Financial	Financial trust	6,000,000,000.00	10,596,874,622.99	8,404,044,827.89	2,585,112,420.23	1,463,596,891.58	1,100,516,226.25



VI. Result Forecast for January to September 2014

Applicable Not Applicable

VII. The Board and the Supervisory Committee’s explanation on the qualified opinion issued by the accounting firm during the reporting period

Applicable Not Applicable

VIII. The Board’s explanation on the qualified opinion for the previous year

Applicable Not Applicable

IX. Implementation of profit distribution by the Company during the reporting period

The profit distribution plan of the Company of the first half year was not to distribute cash dividend, bonus shares, nor increase share capital from capital reserve.

X. 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 this half a year.

XI. Registration Form of Receiving the Activities of Investigation, Communication and Interview during the reporting period

Applicable Not Applicable

Time	Place	Way	Type	Reception	Contents discussed and materials provided
22 April 2014	Meeting room of the Company	Field Research	Institution	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	2013 Annual Report and basic situation of Zhongrong Trust.

Chapter V 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 the establishment of 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 listed 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'0000)	Progress (Note 2)	Effect on the operations of the Company (Note 3)	Effect on profit or loss of the Company (Note 4)	Ratio of the net profit contribution to the listed company of the assets over total profit (%)	Connected transaction or not	Relationship with the party(ies) involved (Applicable to connected transactions)	Disclosure date (Note 5)	Disclosure index
14 natural persons	2.64% equity rights in Xianyang Jingwei Textile Machinery Company Limited	147.84	All rights of the assets concerned were completely transferred	Had no effect on the continuity of the business and management of the Company	have effect with amount of RMB-176,300 on the net profit attributable to the parent company	-0.08%	No	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 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 creditor's right and debt transaction for the Company during the reporting period.

5. Other significant connected transactions

The Company did not have other significant 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 for the Company 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

✓ Applicable □ Not Applicable

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
Beijing Hualian Group Investment Holdings Limited	31/12/2013	15,000		15,000	Joint liability	31/12/2013 – 25/12/2014	No	No
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)			15,000	Balance of total actual guaranteed amount at the end of the reporting period (A4)				15,000
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
Shengyang Hongda Textile Machinery Company Limited	3/8/2013	3,000	2/8/2013	3,000	Joint liability	2/8/2013 – 1/8/2014	No	No
Tianjin Jingwei New Type Textile Machinery Company Limited	3/8/2013	3,000	2/8/2013	3,000	Joint liability	2/8/2013 – 1/8/2014	No	No
Changde Textile Machinery Company Limited	27/2/2014	3,000	1/3/2014	3,000	Joint liability	1/3/2014 – 28/2/2015	No	No
Changde Textile Machinery Company Limited	27/2/2014	5,000	26/2/2014	5,000	Joint liability	26/2/2014 – 25/2/2015	No	No
Total approved amount guaranteed to subsidiaries during the reporting period (B1)			8,000	Total actual guaranteed amount to subsidiaries during the reporting period (B2)				8,000
Total approved amount guaranteed to subsidiaries at the end of the reporting period (B3)			14,000	Balance of total actual guaranteed amount to subsidiaries at the end of the reporting period (B4)				14,000
Total guarantee provided by the Company (The total of the above two items)								
Total guaranteed amount approved during the reporting period (A1+B1)			8,000	Total actual guaranteed amount during the reporting period (A2+B2)				8,000
Total guaranteed amount approved at the end of the reporting period (A3+B3)			29,000	Balance of total actual guaranteed amount at the end of the reporting period (A4+B4)				29,000
Ratio of total actual guaranteed amount (A4 + B4) to the net asset of the Company of which:								5.52%

(1) External guarantees in violation of regulations

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

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)	China Textile Machinery (Group) Company Limited ("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).	4 August 2006	Long-term	To be implemented
Commitments made in initial public offering or re-financing	China Textile Machinery (Group) Company Limited	<p>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:</p> <ol style="list-style-type: none"> 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 the situation. 	8 October 2011	Long-term	Proceeding



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	<p>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:</p> <ol style="list-style-type: none"> 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	Proceeding
	China Textile Machinery (Group) Company Limited	<p>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.</p>	14 December 2012	14 December 2015	Proceeding
	China Hengtian Group Company Limited ("CHG")	<p>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:</p> <ol style="list-style-type: none"> 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	Proceeding

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	<p>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"):</p> <p>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 Company Limited (hereinafter referred to as "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.</p> <p>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 interest 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.</p> <p>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.</p>	8 October 2011	16 August 2015	To be implemented
	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.	14 December 2012	14 December 2015	Proceeding
	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	Proceeding
Perform timely or not	Yes				



XI. Appointment and dismissal of accounting firms

The semiannual financial 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. Explanation on other significant events

✓ Applicable □ Not Applicable

Summary of significant events	Date of disclosure	Search index of website on which relevant interim announcement was disclosed
On 10 December 2013, the Board of the Company received a notice from CHG that CHG is planning and preparing the significant events related to the Company.	10 December 2013	http://www.cninfo.com.cn
	10 December 2013	http://www.hkex.com.hk
On 20 February 2014, the Board of the Company received a notice from CHG that CHG is considering, through an offshore subsidiary to acquire all shares of the Company issued in the Hong Kong Stock Exchange.	20 March 2014	http://www.cninfo.com.cn
	20 March 2014	http://www.hkex.com.hk
The discussions as to the feasibility of pursuing the Offer of China Hengtian are still ongoing and no legal documents have been constituted or signed in respect of the Offer.	17 April 2014	http://www.cninfo.com.cn
	17 April 2014	http://www.hkex.com.hk
	16 May 2014	http://www.cninfo.com.cn
	16 May 2014	http://www.hkex.com.hk
	16 June 2014	http://www.cninfo.com.cn
	16 June 2014	http://www.hkex.com.hk

XV. Other significant events

1. Purchase, Sale or Redemption of Shares

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. Significant events during the reporting period

The Board of the Company received notice and letter issued by China Hengtian Group Company (“China Hengtian Group”) on 10 December 2013 and 20 February 2014 respectively, in which China Hengtian Group informed the Board that it intended and was considering to make a proposal regarding the feasibility of a voluntary general offer to acquire all H shares in issue of RMB1.00 per share in the capital of the Company via an offshore subsidiary. During the reporting period, as informed by China Hengtian Group, the discussion on the feasibility of the relevant possible offer was still ongoing and there was no decision as to whether the possible offer will be conducted. Please refer to the announcement of the Company made pursuant to Rule 3.7 of the Takeovers Code for the details of the above matters.

3. Corporate Governance Code

The Company has adopted the Corporate Governance Code in Appendix 14 to the Listing Rules of the Hong Kong Stock Exchange and committed to maintaining a high standard of corporate governance in order to enhance transparency and protect the interest of shareholders. The directors considered that, save for the roles of the remuneration committee and nomination committee were performed by the Personnel Nomination and Remuneration Committee of the Board of the Company (because the Company believes that this mode of Personnel Nomination and Remuneration Committee has been effective and 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, and is capable of protecting the interest of shareholders), during the reporting period, the Company has fully complied with the code provisions of the Corporate Governance Code in Appendix 14 to the Listing Rules of the Stock Exchange of Hong Kong.

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 2014.

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 of the Stock Exchange of Hong Kong Limited. 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 VI 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	Others	Sub-total	Number of shares	Proportion
I. Restricted floating shares subject to terms of lock up	229,871,234	32.65%	0	0	0	0	0	229,871,234	32.65%
1. State-owned shares	0	0.00%	0	0	0	0	0	0	0.00%
2. Shares held by State legal person	229,591,931	32.61%	0	0	0	0	0	229,591,931	32.61%
3. Other domestic shares	279,303	0.04%	0	0	0	0	0	279,303	0.04%
Including: shares held by domestic legal person	0	0.00%	0	0	0	0	0	0	0.00%
Shares held by domestic natural person	279,303	0.04%	0	0	0	0	0	279,303	0.04%
4. Shares held 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 person	0	0.00%	0	0	0	0	0	0	0.00%
II. Unrestricted floating shares not subject to terms of lock up	474,258,766	67.35%	0	0	0	0	0	474,258,766	67.35%
1. Domestically listed ordinary shares	293,458,766	41.68%	0	0	0	0	0	293,458,766	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 as at the end of the reporting period	33,226	Total number of shareholders of preferred shares of which voting rights have been resumed as at the end of the reporting period (if any) (refer to Note 8)	0
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Shareholders holding more than 5% of the Shares or shareholding of the top ten shareholders

Name of shareholder	Nature of shareholder	Percentage of shareholding	Number of shares held at the end of the reporting period	Increase/ decrease during the reporting period	Number of shares subject to terms of lock-up	Number of shares not subject to terms of lock-up	Under pledge or lock-up	
							Status of shares	Number
China Textile Machinery (Group) Company Limited	State-owned legal person	31.13%	219,194,674		210,579,426	8,615,248	Lock-up	198,240,000
HKSCC Nominees Limited	Other	25.54%	179,837,598			179,837,598		
HuaAn Funds – Industrial Bank-Tianjin Trust Co., Ltd.	Other	4.56%	32,119,914			32,119,914		
Minsheng Royal Fund Management Company – Minsheng-Minsheng								
Royal Xinniu Private Placement Grading Asset Management Plan (民生加銀鑫牛定向增發分級資產管理計劃)	Other	3.62%	25,500,000			25,500,000		
The Pacific Securities Co., Ltd.	Other	3.62%	25,475,627			25,475,627		
China Hengtian Group Limited	State-owned legal person	2.70%	19,012,505		19,012,505			
Laizhou Hejisheng Investment Co., Ltd (萊州市和吉升投資有限公司)	Other	0.32%	2,278,368			2,278,368		
Sichuan Trust. Co, Ltd. Hongying No.1 (Zhong Hui Tong Chuang Yi Qi) Structured Securities Investment Trust Plan of Assembled Fund	Other	0.23%	1,630,048			1,630,048		
Huang Kangwei	Domestic natural person	0.21%	1,504,938			1,504,938		
Li Xue	Domestic natural person	0.21%	1,473,089			1,473,089		
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) (see note 3)	Nil							
Connected relationship or concerted party relationship among the above shareholders	China Textile Machinery (Group) Company Limited is connected to China Hengtian Group Limited and is a party acting in concert as defined in 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 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 not being subject to term of lockup**

Name of shareholder	Number of unrestricted floating shares held at the end of the reporting period	Class of shares	
		Class of shares	Number
HKSCC Nominees Limited	179,837,598	Overseas listed foreign shares	179,837,598
HuaAn Funds – Industrial Bank-Tianjin Trust Co., Ltd.	32,119,914	RMB ordinary shares	32,119,914
Minsheng Royal Fund Management Company – Minsheng-Minsheng Royal Xinniu Private Placement Grading Asset Management Plan (民生加銀鑫牛定向增發分級資產管理計劃)	25,500,000	RMB ordinary shares	25,500,000
The Pacific Securities Co., Ltd.	25,475,627	RMB ordinary shares	25,475,627
China Textile Machinery (Group) Company Limited	8,615,248	RMB ordinary shares	8,615,248
Laizhou Hejisheng Investment Co., Ltd (萊州市和吉升投資有限公司)	2,278,368	RMB ordinary shares	2,278,368
Sichuan Trust. Co, Ltd. – Hongying No.1 (Zhong Hui Tong Chuang Yi Qi) Structured Securities Investment Trust Plan of Assembled Fund	1,630,048	RMB ordinary shares	1,630,048
Huang Kangwei	1,504,938	RMB ordinary shares	1,504,938
Li Xue	1,473,089	RMB ordinary shares	1,473,089
Beijing Zhong Sheng Mei Hua Commerce & Trading Company Limited	1,348,000	RMB ordinary shares	1,348,000
Connected relationship or concerted party relationship among the top ten shareholders of whose shares without selling restrictions, and among the top ten shareholders of whose shares without selling restrictions and the top ten shareholders		Among the top ten holders of shares without selling restrictions, China Textile Machinery (Group) Company Limited is not connected with any of the other nine shareholders, nor is it a party acting in concert with any of them as defined in Administrative Measures for Information Disclosure of the Movement in Shareholdings of Listed Companies. It is not known whether other holders of shares without selling restrictions, the top ten shareholders of whose shares without selling restrictions and the top ten shareholders are connected with one another or whether any of these shareholders falls within the meaning of parties acting in concert as defined in Administrative Measures for Information Disclosure of the Movement in Shareholdings of Listed Companies.	
Top ten shareholders involved in the margin trading business (if any) (see note 4)		Nil	

No shareholder of the Company was engaged in agreed repurchase trading 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 2014, 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 in the 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	14,643,726	8.10 (Note 2)	2.08

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 31 December 2013. 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 31 December 2013.
- (2) Such information is extracted from the corporate substantial shareholder notice of Deutsche Bank Aktiengesellschaft filed on 16 May 2014 as shown on the website of the Hong Kong Stock Exchange.

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 2014.



Chapter VII Directors, Supervisors and Senior Management

I. Change in shareholdings of directors, supervisors and senior management

✓ Applicable □ Not Applicable

Name	Position	Status of Position	Number of shares held at the beginning of the period (share)	Increase in number of shares for the current period (share)	Decrease in number of shares for the current period (share)	Number of shares held at end of the period (share)	Number of restricted shares granted at the beginning of the period (share)	Number of restricted shares granted during the current period (share)	Number of restricted shares granted at end of the period (share)
Ye Maoxin	Chairman	In office	8,580	0	0	8,580	0	0	0
Yao Yuming	Director, General Manager	In office	81,304	0	0	81,304	0	0	0
Lin Jianwang	Standing Deputy General Manager	In office	40,000	0	0	40,000	0	0	0
Shi Jianping	Deputy General Manager	In office	40,000	0	0	40,000	0	0	0
Liu Xianming	Deputy General Manager	In office	42,520	0	0	42,520	0	0	0
Mao Faqing	Financial Controller	In office	40,000	0	0	40,000	0	0	0
Ye Xuehua	Deputy General Manager, Board Secretary	In office	40,000	0	0	40,000	0	0	0
Ding Yufei	Vice chairman of the Supervisory Committee, Deputy Secretary of the Party Committee, Secretary of the Disciplinary Committee and Chairman of the Trade Union	In office	40,000	0	0	40,000	0	0	0
Total	-	-	332,404	0	0	332,404	0	0	0

II. Supplementary explanation to the shareholdings of directors, supervisors and senior management

During the reporting period, Mr. Yao Yuming, Mr. Lin Jianwang, Mr. Shi Jianping, Mr. Mao Faqing, Mr. Ye Xuehua, Mr. Liu Yang, Mr. Fan Tao and Mr. Gao Xingshan 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 2014, 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.

Chapter VII Directors, Supervisors and Senior Management

III. Change in Directors, Supervisors and Senior Management

Name	Position	Type	Date	Reasons
Li Xiaohong	Director, Vice Chairman	Resigned	4 March 2014	Change of work
Wang Jiangan	Director, Vice Chairman	Elected	4 March 2014	
Xu Wenying	Independent Non-executive Director	Resigned	4 March 2014	To meet the requirements of the regulations in the PRC
Chen Jinrong	Independent Non-executive Director	Elected	4 March 2014	
Li Min	Independent Non-executive Director	Resigned	27 June 2014	To meet the requirements of the regulations in the PRC
Zuo Yan An	Independent Non-executive Director	Elected	27 June 2014	
Tu Kelin	Supervisor and Chairman of the Supervisory Committee	Resigned	4 March 2014	To meet the requirements of the regulations in the PRC
Qiao Yu	Supervisor and Chairman of the Supervisory Committee	Elected	4 March 2014	
Yang Huaming	Deputy General Manager	Appointed	17 January 2014	



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

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:		
Currency funds	10,562,984,236.47	9,486,457,524.83
Clearing settlement funds		
Lending funds		
Held-for-trading financial assets	235,022,529.73	243,515,847.35
Bills receivable	968,744,094.01	1,548,491,284.12
Accounts receivable	940,635,475.99	778,564,374.89
Prepayments	468,319,541.88	341,119,713.18
Premiums receivable		
Reinsurance accounts receivable		
Contract reserve of reinsurance receivable		
Interest receivables	224,757.28	64,114.99
Dividend receivables	34,280,000.00	36,022,950.70
Other receivables	350,710,289.17	311,436,433.54
Purchase restituted financial assets		
Inventories	1,751,134,266.13	1,619,573,041.58
Non-current assets due within one year	4,301,428.55	4,301,428.55
Other current assets	346,379.48	329,774.69
Total Current Assets	15,316,702,998.69	14,369,876,488.42
Non-Current Assets:		
Granted loans and advances		
Available-for-sale financial assets	320,847,721.91	376,788,993.41
Held-to-maturity investment	80,000,000.00	
Long-term account receivables		
Long-term equity investments	298,138,971.63	239,287,362.83
Investment properties		
Fixed assets	1,824,674,231.92	1,816,944,619.20
Construction in progress	148,263,817.08	149,669,840.40
Construction materials		
Disposal of fixed assets		
Bearer biological assets		
Oil and gas assets		
Intangible assets	585,715,587.59	566,514,087.48
Development expenditure	14,221,806.55	14,221,806.55
Goodwill	845,120,985.01	845,120,985.01
Long-term deferred expenses	21,901,234.24	28,301,010.32
Deferred tax assets	473,930,170.14	456,761,637.47
Other non-current assets		
Total Non-Current Assets	4,612,814,526.07	4,493,610,342.67
Total Assets	19,929,517,524.76	18,863,486,831.09



II. FINANCIAL STATEMENTS (continued)

1. Consolidated balance sheet (continued)

Unit: RMB

Item	Closing balance	Opening balance
Current Liabilities:		
Short-term borrowings	2,440,751,156.21	1,945,504,547.47
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Held-for-trading financial liabilities		
Bills payable	591,322,646.43	612,660,270.01
Accounts payable	1,604,913,964.14	1,755,525,871.17
Advances from customers	387,284,345.32	411,088,307.38
Selling financial asset of repurchase		
Handling charges and commission payable		
Employee benefits payables	1,932,196,781.66	1,629,884,230.60
Taxation payables	273,235,513.67	509,209,633.97
Interest payables	19,237,966.56	49,201,704.03
Dividend payables	108,497,958.51	6,686,958.92
Other payable	360,292,557.56	329,994,838.71
Reinsurance payables		
Client money received for acting as securities trading agent		
Client money received for acting as securities underwriter		
Non-current liabilities due within one year	7,936,848.43	25,581,023.23
Other current liabilities		
Total Current Liabilities	7,725,669,738.49	7,275,337,385.49
Non-current liabilities:		
Long-term borrowings		
Bonds payable	1,200,000,000.00	1,200,000,000.00
Long-term payables	55,738,501.98	55,711,220.00
Special payables	20,102,619.80	20,102,619.80
Accrued liabilities		
Deferred income tax liabilities		
Other non-current liabilities	116,525,846.95	112,068,913.25
Total Non-Current Liabilities	1,392,366,968.73	1,387,882,753.05
Total Liabilities	9,118,036,707.22	8,663,220,138.54
Owner's equity (or shareholders' equity):		
Paid-in capital (share capital)	704,130,000.00	704,130,000.00
Capital reserve	1,871,775,072.58	1,883,304,144.37
Less: treasury shares		
Special reserve	13,735,028.41	10,587,684.57
Surplus reserve	820,492,967.34	820,492,967.34
Provision for general risks	105,373,680.79	105,343,583.49
Undistributed profit	1,740,618,720.35	1,593,931,859.21
Exchange difference in foreign currency statements	-3,385,521.98	-3,721,933.80
Total owners' equity attributable to equity holders of parent company	5,252,739,947.49	5,114,068,305.18
Minority interests	5,558,740,870.05	5,086,198,387.37
Total owners' equity (or shareholders' equity)	10,811,480,817.54	10,200,266,692.55
Total liabilities and owners' equity (or shareholders' equity)	19,929,517,524.76	18,863,486,831.09

Legal representative
Ye MaoxinPerson-in-charge of accounting function:
Mao FaqingPerson-in-charge of accounting department:
An Yongzhi



II. FINANCIAL STATEMENTS (continued)

2. Balance sheet of the parent company

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Closing balance	Opening balance
Current Assets:		
Currency funds	805,590,734.42	600,262,673.12
Held-for-trading financial assets		
Bills receivable	754,219,706.77	1,186,364,902.03
Accounts receivable	801,989,079.17	622,437,292.27
Prepayments	338,781,383.14	334,314,010.85
Interest receivables		
Dividend receivables	211,112,699.78	218,260,548.72
Other receivables	994,659,388.38	933,657,145.94
Inventories	226,425,203.91	220,928,281.17
Non-current assets due within one year	1,411,428.55	1,411,428.55
Other current assets		
Total current assets	4,134,189,624.12	4,117,636,282.65
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investment	80,000,000.00	
Long-term receivables	269,042,252.79	253,842,252.79
Long-term equity investments	3,639,482,602.09	3,601,801,704.97
Investment properties		
Fixed assets	251,961,978.44	260,278,734.30
Construction in progress	31,437,207.34	26,132,772.23
Construction materials		
Disposal of fixed assets		
Intangible assets	62,461,930.20	63,042,909.71
Goodwill		
Long-term deferred expenses		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	4,334,385,970.86	4,205,098,374.00
Total assets	8,468,575,594.98	8,322,734,656.65

II. FINANCIAL STATEMENTS (continued)
2. Balance sheet of the parent company (continued)
Unit: RMB

Item	Closing balance	Opening balance
Current liabilities:		
Short-term borrowings	2,232,029,540.37	1,738,878,919.15
Bills payable	333,169,797.05	417,918,154.76
Accounts payable	923,955,804.74	1,025,664,346.32
Advance receipts	261,120,898.12	270,156,177.52
Employee wages payables	18,706,623.61	36,038,785.96
Taxes payable	15,775,970.27	26,430,850.91
Interest payable	18,091,388.91	48,705,333.32
Dividend payables	70,441,691.82	474,469.81
Other payables	128,337,988.00	227,506,377.51
Non-current liabilities due within one year	6,244,737.56	23,592,596.80
Total current liabilities	<u>4,007,874,440.45</u>	<u>3,815,366,012.06</u>
Non-current liabilities:		
Long-term borrowings		
Bonds payable	1,200,000,000.00	1,200,000,000.00
Long-term payables	427,696.44	
Special items payable	4,000,000.00	4,000,000.00
Accrued liabilities		
Other non-current liabilities	14,108,150.40	14,398,150.40
Total non-current liabilities	<u>1,218,535,846.84</u>	<u>1,218,398,150.40</u>
Total liabilities	<u>5,226,410,287.29</u>	<u>5,033,764,162.46</u>
Owner's equity (or shareholders' equity):		
Paid-up capital (share capital)	704,130,000.00	704,130,000.00
Capital reserves	2,047,960,760.48	2,047,960,760.48
Less: treasury shares		
Special reserves	748,780.60	91,111.10
Surplus reserves	386,807,862.04	386,807,862.04
Provision for general risks		
Undistributed profit	102,517,904.57	149,980,760.57
Exchange difference in foreign currency statements		
Total owners' equity (or shareholders' equity)	<u>3,242,165,307.69</u>	<u>3,288,970,494.19</u>
Total liabilities and owners' equity (or shareholders' equity)	<u>8,468,575,594.98</u>	<u>8,322,734,656.65</u>
Legal representative Ye Maoxin	Person-in-charge of accounting function: Mao Faqing	Person-in-charge of accounting department: An Yongzhi



II. FINANCIAL STATEMENTS (continued)

3. Consolidated income statement

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Current period	Previous period
1. Total operating income	4,880,088,985.11	5,342,976,791.58
of which: Operating income	2,427,349,262.94	2,712,940,275.59
Interest income	212,211,959.08	153,011,493.48
Fee and commission income	2,240,527,763.09	2,477,025,022.51
2. Total operating costs	3,676,859,892.48	3,996,113,405.74
of which: Operating costs	2,037,399,628.59	2,328,681,959.67
Sales taxes and levies	142,514,555.52	153,655,290.44
Selling expenses	84,678,691.92	81,087,480.17
Administrative expenses	1,312,190,328.38	1,358,770,416.13
Financial expenses	99,946,875.35	74,600,424.46
Impairment loss in respect of assets	129,812.72	-682,165.13
Add: Gains from changes in fair values (losses are represented by “-”)	-13,254,328.48	-19,257,265.57
Investment income (losses are represented by “-”) of which: Income from investment in associates and joint ventures	38,650,264.77	-14,807,490.57
Foreign exchange gain (losses are represented by “-”)	1,411,199.72	240,286.68
3. Operating profits (loss expressed with “-”)	1,230,036,228.64	1,313,038,916.38
Add: Non-operating income	17,151,266.28	16,496,556.62
Less: Non-operating expenses Including: Loss from disposal of non-current assets	3,036,242.27	5,979,542.02
	730,133.30	2,360,608.37
4. Total profit (Total losses are represented by “-”)	1,244,151,252.65	1,323,555,930.98
Less: Income tax expenses	369,797,965.51	365,800,632.12
5. Net profit (net losses are represented by “-”)	874,353,287.14	957,755,298.86
Net profit attributable to shareholders of the parents	217,129,958.44	304,304,596.01
Minority interests	657,223,328.70	653,450,702.85
6. Earnings per share:	-	-
(I) Basic earnings per share	0.31	0.43
(II) Diluted earnings per share	0.31	0.43
7. Other comprehensive income	-41,531,269.33	-140,549,003.58
8. Total comprehensive income	832,822,017.81	817,206,295.28
Total comprehensive profit attributable to shareholders of the parents	201,745,474.43	251,158,531.66
Total comprehensive profit attributable to minority shareholders	631,076,543.38	566,047,763.62

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**

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Current period	Previous period
1. Operating income	1,382,360,768.15	1,718,753,672.26
Less: Operating costs	1,297,061,774.04	1,596,289,639.88
Sales taxes and levies	2,177,353.29	2,627,918.77
Selling expenses	36,689,511.84	38,015,849.81
Administrative expenses	83,074,818.80	83,890,281.55
Financial expenses	84,780,081.54	61,488,314.38
Impairment loss in respect of assets	0.00	0.00
Add: Gains from changes in fair values (losses are represented by “-”)	0.00	
Investment income (losses are represented by “-”) of which: Income from investment in associates and joint ventures	141,244,365.87	99,724,129.83
	11,180,897.12	8,101,662.85
2. Operating profit (losses are represented by “-”)	19,821,594.51	36,165,797.70
Add: Non-operating income	3,239,331.37	1,613,197.20
Less: Non-operating expenses	93,531.88	1,321,520.00
Including: Loss from disposal of non-current assets	47,955.59	1,298,679.24
3. Total profit (Total losses are represented by “-”)	22,967,394.00	36,457,474.90
Less: Income tax expenses	17,250.00	18,912.50
4. Net profit (Net losses are represented by “-”)	22,950,144.00	36,438,562.40
5. Earnings per share	-	-
(I) Basic earnings per share	0.03	0.05
(II) Diluted earnings per share	0.03	0.05
6. Other comprehensive income	0.00	0.00
7. Total comprehensive income	<u>22,950,144.00</u>	<u>36,438,562.40</u>

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

**II. FINANCIAL STATEMENTS (continued)****5. Consolidated cash flow statements**

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Current period	Previous period
1. Cash flow from operating activities:		
Cash received from product sales and rendering of services	3,009,157,341.53	2,960,819,727.41
Interest, fee and commission received	2,546,744,808.67	2,644,790,530.57
Receipts of tax refunds	11,967,400.50	9,581,011.73
Other cash receipts relating to operating activities	65,862,111.85	42,347,060.93
Sub-total of cash inflows from operating activities	5,633,731,662.55	5,657,538,330.64
Cash paid for purchase of goods and services received	2,698,098,125.01	2,758,091,761.79
Interest, fee and commission paid	764,576.79	
Cash payments to and on behalf of employees	911,020,979.25	735,214,463.30
Payments of all types of taxes	761,973,797.05	656,710,678.88
Other cash payments relating to operating activities	200,052,364.27	390,719,319.57
Sub-total of cash outflows from operating activities	4,571,909,842.37	4,540,736,223.54
Net cash flows from operating activities	1,061,821,820.18	1,116,802,107.10
2. Cash flows from investing activities:		
Cash received from disposals of investments	101,470,782.30	111,065,215.89
Cash received from returns on investments	31,156,975.85	10,514,570.22
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	5,005,405.90	23,129,991.96
Other cash receipts relating to investing activities	0.00	0.00
Sub-total of cash inflows from investing activities	137,633,164.05	144,709,778.07
Cash paid to acquire fixed assets, intangible assets and other long-term assets	44,261,831.98	111,854,966.31
Cash payments to acquire investments	242,007,360.58	124,328,024.63
Other cash payments relating to investing activities	0.00	0.00
Sub-total of cash outflows from investing activities	286,269,192.56	236,182,990.94
Net cash flows from investing activities	-148,636,028.51	-91,473,212.87



II. FINANCIAL STATEMENTS (continued)

5. Consolidated cash flow statements (continued)

Unit: RMB

Item	Current period	Previous period
3. Cash flows from financing activities:		
Receipt of cash investment	0.00	669,419,700.00
Of which: Capital injections to subsidiaries from minority shareholders	0.00	669,419,700.00
Cash receipts from borrowings	1,435,134,089.44	907,588,277.93
Cash receipts from bond issue		0.00
Other cash receipts relating to financing activities	0.00	0.00
Sub-total of cash inflows from financing activities	1,435,134,089.44	1,577,007,977.93
Cash paid for repayment of borrowings	974,630,993.28	710,036,477.28
Cash paid for dividend, profit appropriation or interest expenses	311,068,892.78	190,662,327.00
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash payments relating to financing activities	21,672,909.24	17,347,859.24
Sub-total of cash outflows from financing activities	1,307,372,795.30	918,046,663.52
Net cash flows from financing activities	127,761,294.14	658,961,314.41
4. Effect of foreign exchange rate changes on cash and cash equivalents	968,669.71	106,706.35
5. Net increase in cash and cash equivalents	1,041,915,755.52	1,684,396,914.99
Add: Opening balance of cash and cash equivalents	9,314,093,479.56	6,456,694,048.29
6. Closing balance of cash and cash equivalents	10,356,009,235.08	8,141,090,963.28

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

**II. FINANCIAL STATEMENTS (continued)****6. Cash flow statements of the parent company**

Prepared by: Jingwei Textile Machinery Company Limited

Unit: RMB

Item	Current period	Previous period
1. Cash flow from operating activities:		
Cash received from product sales and rendering of services	1,257,475,576.02	1,722,982,558.11
Receipts of tax refunds	47,815.12	87,177.23
Other cash receipts relating to operating activities	293,475,287.59	233,677,169.98
Sub-total of cash inflows from operating activities	1,550,998,678.73	1,956,746,905.32
Cash paid for purchase of goods and services received	953,814,457.56	1,672,835,684.90
Cash payments to and on behalf of employees	89,841,225.80	85,323,338.43
Payments of all types of taxes	48,500,751.50	45,447,694.97
Other cash payments relating to operating activities	443,887,701.47	355,982,607.20
Sub-total of cash outflows from operating activities	1,536,044,136.33	2,159,589,325.50
Net cash flows from operating activities	14,954,542.40	-202,842,420.18
2. Cash flows from investing activities:		
Cash received from disposals of investments	60,000,000.00	
Cash received from returns on investments	125,079,137.87	91,622,466.98
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	63,840.00	111,724.36
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	185,142,977.87	91,734,191.34
Cash paid to acquire fixed assets, intangible assets and other long-term assets	6,655,981.09	7,343,486.41
Cash payments to acquire investments	143,770,000.00	477,580,300.00
Net cash paid to acquire subsidiaries and other operating units		
Other cash payments relating to investing activities	44,441,021.58	9,670,000.00
Sub-total of cash outflows from investing activities	194,867,002.67	494,593,786.41
Net cash flows from investing activities	-9,724,024.80	-402,859,595.07

II. FINANCIAL STATEMENTS (continued)
6. Cash flow statements of the parent company (continued)
Unit: RMB

Item	Current period	Previous period
3. Cash flows from financing activities:		
Receipt of cash investment		
Cash receipts from borrowings	1,350,000,000.00	796,216,128.06
Cash receipts from bond issue		
Other cash receipts relating to financing activities	<u>570,548,717.74</u>	<u>149,951,571.83</u>
Sub-total of cash inflows from financing activities	<u>1,920,548,717.74</u>	<u>946,167,699.89</u>
Cash paid for repayment of borrowings	904,909,548.28	615,183,428.80
Cash paid for dividend, profit appropriation or interest expenses	120,574,965.82	21,335,159.72
Other cash payments relating to financing activities	<u>691,382,909.24</u>	<u>316,877,503.51</u>
Sub-total of cash outflows from financing activities	<u>1,716,867,423.34</u>	<u>953,396,092.03</u>
Net cash flows from financing activities	<u>203,681,294.40</u>	<u>-7,228,392.14</u>
4. Effect of foreign exchange rate changes on cash and cash equivalents	-480,020.48	13,961.29
5. Net increase in cash and cash equivalents	208,431,791.52	-612,916,446.10
Add: Opening balance of cash and cash equivalents	<u>536,826,287.23</u>	<u>1,040,410,788.66</u>
6. Closing balance of cash and cash equivalents	<u><u>745,258,078.75</u></u>	<u><u>427,494,342.56</u></u>

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

**II. FINANCIAL STATEMENTS (continued)****7. Consolidated statement of changes in shareholders' equity**

Prepared by: Jingwei Textile Machinery Company Limited

Current period*Unit: RMB*

Item	Current period									Total shareholders' equity
	Owner's equity attributable to the Parent									
	Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Special reserves	Surplus reserve	Provision for general risks	Undistributed profits	Others	Minority interests	
I. Balance brought forward	704,130,000.00	1,883,304,144.37		10,587,684.57	820,492,967.34	105,343,583.49	1,593,931,859.21	-3,721,933.80	5,086,198,387.37	10,200,266,692.55
Add: Changes in accounting policies										
Previous period adjustments										
Others										
II. Opening balance	704,130,000.00	1,883,304,144.37		10,587,684.57	820,492,967.34	105,343,583.49	1,593,931,859.21	-3,721,933.80	5,086,198,387.37	10,200,266,692.55
III. Increase or decrease for this period (Decrease is represented by "-")										
(I) Net profit							217,129,958.44		657,223,328.70	874,353,287.14
(II) Other comprehensive income		-15,720,895.83		3,147,343.84		30,097.30		146,686,861.14	336,411.82	472,542,482.68
Sub-total of (I) and (II)		-15,720,895.83		3,147,343.84		30,097.30	217,129,958.44	146,686,861.14	336,411.82	611,214,124.99
(III) Capital injected and reduced by the owner		4,191,824.04							60,293,597.45	64,485,421.49
1. Capital injected by the owner									66,167,353.98	66,167,353.98
2. Settlement by shares taken into shareholders' equity										
3. Others		4,191,824.04							-5,873,756.53	-1,681,932.49
(IV) Profit appropriation						30,097.30	-70,443,097.30		-219,638,890.78	-290,051,890.78
1. Withdrawal from surplus reserve										0.00
2. Withdrawal from general risk reserve						30,097.30	-30,097.30			0.00
3. Allocation to owner (or shareholder)									-219,638,890.78	-290,051,890.78
4. Others										
(V) Transfer within owner's equity										
1. Capitalization of capital reserve										
2. Capitalization of surplus reserve										
3. Loss offset by surplus reserves										
4. Others										
(VI) Special reserve				3,147,343.84					811,232.63	3,958,576.47
1. Withdraw in the current period				7,862,594.86					1,446,381.06	9,308,975.92
2. Use in the current period				-4,715,251.02					-635,148.43	-5,350,399.45
(VII) Others										0.00
IV. Ending balance	704,130,000.00	1,871,775,072.58		13,735,028.41	820,492,967.34	105,373,680.79	1,740,618,720.35	-3,385,521.98	5,558,740,870.05	10,811,480,817.54

II. FINANCIAL STATEMENTS (continued)
7. Consolidated statement of changes in shareholders' equity (continued)
Previous year
Unit: RMB

Item	Previous year									
	Owner's equity attributable to the Parent									Total shareholders' equity
	Paid-in capital (or share capital)	Capital reserve	Less: treasury shares	Special reserves	Surplus reserve	Provision for general risks	Undistributed profits	others	Minority interests	
I. Balance brought forward	704,130,000.00	1,997,154,774.06		5,377,780.42	733,425,418.69	56,712,015.61	1,208,748,494.14	-3,393,652.48	3,366,345,864.51	8,068,581,694.95
Add: Retro adjustment generated from combination of companies under common control										
Add: Changes in accounting policies							-2,446,342.75		-81,165.85	-2,527,508.60
Previous period adjustments										
Others										
II. Opening balance	704,130,000.00	1,997,154,774.06		5,377,780.42	733,425,418.69	56,712,015.61	1,206,302,151.39	-3,393,652.48	3,366,345,698.66	8,066,054,186.35
III. Increase or decrease for this period (Decrease is represented by "-")		-113,850,629.69		5,209,904.15	87,067,548.65	48,631,567.88	387,629,707.82	-328,281.32	1,719,852,688.71	2,134,212,506.20
(I) Net profit							591,778,324.35		1,189,377,363.11	1,781,155,687.46
(II) Other comprehensive income		-42,090,721.41					1,963,500.00	-328,281.32	-70,214,817.78	-110,670,320.51
Sub-total of (I) and (II)		-42,090,721.41					593,741,824.35	-328,281.32	1,119,162,545.33	1,670,485,366.95
(III) Capital injected and reduced by the owner		-71,759,908.28							762,720,630.24	690,960,721.96
1. Capital injected by the owner									681,745,584.94	681,745,584.94
2. Settlement by shares taken into shareholders' equity										
3. Others		-71,759,908.28							80,975,045.30	9,215,137.02
(IV) Profit appropriation					87,067,548.65	48,631,567.88	-206,112,116.53		-163,598,111.39	-234,011,111.39
1. Withdrawal from surplus reserve					87,067,548.65		-87,067,548.65			
2. Withdraw from general risk reserve						48,631,567.88	-48,631,567.88			
3. Allocation to owner (or shareholder)							-70,413,000.00		-163,598,111.30	-234,011,111.39
4. Others										
(V) Transfer within owner's equity										
1. Capitalization of capital reserve										
2. Capitalization of surplus reserve										
3. Loss offset by surplus reserves										
4. Others										
(VI) Special reserve				5,209,904.15					1,567,624.53	6,777,528.68
1. Withdraw in the current period				16,458,057.10					3,229,513.83	19,687,570.93
2. Use in the current period				-11,248,152.95					-1,661,889.30	-12,910,042.25
(VII) Others										
IV. Ending balance	704,130,000.00	1,883,304,144.37		10,587,684.57	820,492,967.34	105,343,583.49	1,593,931,859.21	-3,721,933.80	5,086,198,387.37	10,200,266,692.55

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

**II. FINANCIAL STATEMENTS (continued)****8. Statement of changes in shareholders' equity of the parent company**

Prepared by: Jingwei Textile Machinery Company Limited

Current period*Unit: RMB*

Item	Paid-in capital (or share capital) Capital reserve		Less: treasury shares	Current period			Undistributed profits	Total Shareholders' equity
				Special reserves	Surplus reserve	Provision for general risks		
I. Balance brought forward	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
II. Opening balance	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
III. Increase or decrease for this period (Decrease is represented by "-")				657,669.50			-47,462,856.00	-46,805,186.50
(I) Net profit							22,950,144.00	22,950,144.00
(II) Other comprehensive income								
Sub-total of (I) and (II)							22,950,144.00	22,950,144.00
(III) Capital injected and reduced by the owner								
(IV) Profit appropriation							-70,413,000.00	-70,413,000.00
1. Withdrawal from surplus reserve								
2. Withdraw from general risk reserve								
3. Allocation to owner (or shareholder)							-70,413,000.00	-70,413,000.00
(V) Transfer within owner's equity								
4. Others								
(VI) Special reserve				657,669.50				657,669.50
1. Withdraw in the current period				1,558,789.88				1,558,789.88
2. Use in the current period				-901,120.38				-901,120.38
(VII) Others								
IV. Ending balance	<u>704,130,000.00</u>	<u>2,047,960,760.48</u>		<u>748,780.60</u>	<u>386,807,862.04</u>		<u>102,517,904.57</u>	<u>3,242,165,307.69</u>

II. FINANCIAL STATEMENTS (continued)
8. Statement of changes in shareholders' equity of the parent company (continued)
Previous year
Unit: RMB

Item	Paid-in capital (or share capital) Capital reserve		Less: treasury shares	Previous year		Provision for general risks	Undistributed profits	Total shareholders' equity
				Special reserves	Surplus reserve			
I. Balance brought forward	704,130,000.00	2,047,893,275.55		724.92	381,447,713.16		172,152,420.68	3,305,624,134.31
II. Opening balance	704,130,000.00	2,047,893,275.55		724.92	381,447,713.16		172,152,420.68	3,305,624,134.31
III. Increase or decrease for this period (Decrease is represented by "-")		67,484.93		90,386.18	5,360,148.88		-22,171,660.11	-16,653,640.12
(I) Net profit							53,601,488.77	53,601,488.77
(II) Other comprehensive income		67,484.93						67,484.93
Sub-total of (I) and (II)		67,484.93					53,601,488.77	53,668,973.70
(III) Capital injected and reduced by the owner								
(IV) Profit appropriation					5,360,148.88		-75,773,148.88	-70,413,000.00
1. Withdrawal from surplus reserve					5,360,148.88		-5,360,148.88	
2. Withdraw from general risk reserve								
3. Allocation to owner (or shareholder)							-70,413,000.00	-70,413,000.00
4. Others								
(V) Transfer within owner's equity								
(VI) Special reserve				90,386.18				90,386.18
1. Withdraw in the current period				2,897,963.00				2,897,963.00
2. Use in the current period				-2,807,576.82				-2,807,576.82
(VII) Others								
IV. Ending balance	<u>704,130,000.00</u>	<u>2,047,960,760.48</u>		<u>91,111.10</u>	<u>386,807,862.04</u>		<u>149,980,760.57</u>	<u>3,288,970,494.19</u>

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



III. GENERAL INFORMATION

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.

IV. SIGNIFICANT ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND PRIOR PERIOD ERRORS

The Group’s accounting policies for the current reporting period are consistent with those as disclosed in the 2013 Annual Report. During the reporting period, there were no changes in accounting policies and accounting estimates of the Group.

V. TAXATION

1. Main taxes and tax rates of the Company

Taxes	Tax basis	Tax rate
VAT	Output tax less deductible input tax	22% (Slovenia, Italy), 21% (Netherlands), 17%, 13%, 6%, half of 4%
Business tax	5% of assessable profit	5%
Urban maintenance and construction tax	7%, 5% or 1% of the turnover tax (subject to which location of subsidiaries)	7%, 5%, 1%
Corporate income tax	Assessable profit	27.5% (Italy), 25%, 20% (Netherlands), 17% (Slovenia), 16.5% (Hong Kong), 15%

Income tax rate of the Company and subsidiaries:

The Company and certain 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 and identified as high-tech enterprises. 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.

V. TAXATION (continued)

2. Taxes relief and tax relief approval documents

Pursuant to the approval document no. GF201111000484 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% in 2014.

Pursuant to the approval document no. GF201111000566 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% in 2014.

Pursuant to the approval document No. GF201112000001 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 2014.

Pursuant to the approval document No. GF201137100071 jointly issued by four government authorities including National Taxation Bureau of Qingdao Municipal, Shandong, Qingdao Hongda Textile Machinery Company Limited (“Qingdao Hongda”), a subsidiary of the Company, is designated as a new and high technology enterprise and enjoys a preferential income tax rate of 15% in 2014.

Pursuant to the approval document No. GF201121000062 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 2014.

Pursuant to the approval document No. GF201131001477 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 2014.

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 2014.

Pursuant to the approval document No. GF201132001227 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 2014.

Pursuant to the approval document No. GF201143000072 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 2014.

Pursuant to the approval document No. GF201142000258 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 2014.

Pursuant to the approval document No. GR201261000045 jointly issued by four government authorities including National Taxation Bureau of Shaanxi Province, Xianyang Jingwei Textile Machinery Company Limited (“Xianyang Textile”), a subsidiary of the Company, is designated as a new and hi-tech enterprise and enjoys the preferential income tax rate of 15% for 2014.

Pursuant to the approval document No. GR201121000037 jointly issued by four government authorities including National Taxation Bureau of Liaoning Province, Aushan Jingwei Haihong Agricultural Machinery Company Limited (“Aushan Haihong”), a subsidiary of the Company, is designated as a new and hi-tech enterprise and enjoys the preferential income tax rate of 15% for 2014.

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 avoid three halve and the year of 2014 is subject to 50% of the enterprise income tax.



VI. COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS

1. Subsidiaries

(1) Subsidiaries of the Group acquired by incorporation or investment

Unit: RMB

Name of Subsidiaries	Type	Place of incorporation	Nature of business	Registered capital	Scope of business	Actual investment paid at end of reporting period	Percentage of shareholding held by the Group	Percentage of voting power held by the Group	Whether consolidated or not	Minority interests
Beijing Jingpeng Investment Management Company Limited	Limited Liability Company	Beijing	Investment management	100,000,000.00	Sales/Consultation	100,000,000.00	100.00%	100.00%	Yes	0.00
Shenyang Hongda Huaming Textile Machinery Company Limited	Limited Liability Company	Shenyang	M&S	40,000,000.00	T&M	40,000,000.00	98.50%	100.00%	Yes	30,672.66
Beijing Jingwei Textile Machinery New Technology Company Limited	Limited Liability Company	Beijing	M&S	100,000,000.00	T&M	100,000,000.00	100.00%	100.00%	Yes	0.00
Yichang Jingwei Textile Machinery Company Limited	Limited Liability Company	Yichang	M&S	20,000,000.00	T&M	20,000,000.00	100.00%	100.00%	Yes	0.00
Tianjin Jingwei New Type Textile Machinery Company Limited	Limited Liability Company	Tianjin	M&S	16,000,000.00	T&M	16,000,000.00	100.00%	100.00%	Yes	0.00
Shanghai Chuangan Trading Company Limited	Limited Liability Company	Shanghai	Material Sales	5,000,000.00	T&M	12,570,004.00	96.94%	96.94%	Yes	469,105.95
Shanghai Weixin Electrical and Machinery Company Limited	Limited Liability Company	Shanghai	M&S	16,000,000.00	T&M	16,000,000.00	100.00%	100.00%	Yes	0.00
Shanghai Jingwei Protti Textile Machinery Company Limited	Limited Liability Company	Shanghai	M&S	50,000,000.00	T&M	46,247,088.00	100.00%	100.00%	Yes	0.00
Shanghai WSP Mould and Injection Plastic Company Limited	Limited Liability Company	Shanghai	Manufacture of precise injection molding parts	5,256,800.00	T&M	2,628,410.50	50.00%	100.00%	Yes	5,304,250.26
Jingwei Textile Machinery Yuci Material Company Limited	Limited Liability Company	Jinzhong	Sales of metallurgy and metal materials	5,000,000.00	T&M	5,000,000.00	99.92%	100.00%	Yes	830.85
Shanxi Jingwei Textile Machinery and Special Parts Company Limited	Limited Liability Company	Jinzhong	Manufacture of special parts for textile machinery	100,000,000.00	T&M	59,860,000.00	54.86%	54.86%	Yes	51,074,776.85
Hong Kong Huaming Co., Ltd.	Limited Liability Company	Hong Kong	Sales of textile machinery accessories	USD7,700,000.00	T&M	7,700,000.00	100.00%	100.00%	Yes	0.00
Shanxi Jingwei Precision Machinery Manufacturing Company Limited	Limited Liability Company	Jinzhong	Manufacture of casting mould	25,000,000.00	T&M	17,200,000.00	68.80%	68.80%	Yes	4,014,166.06

VI. COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS (continued)
1. Subsidiaries (continued)
(1) Subsidiaries of the Group acquired by incorporation or investment (continued)
Unit: RMB

Name of Subsidiaries	Type	Place of incorporation	Nature of business	Registered capital	Scope of business	Actual investment paid at end of reporting period	Percentage of shareholding held by the Group	Percentage of voting power held by the Group	Whether consolidated or not	Minority interests
Xianyang Jingwei Textile Machinery Company Limited	Limited Liability Company	Xianyang	M&S	50,000,000.00	T&M	50,158,400.00	100.00%	100.00%	Yes	0.00
Hubei Xinchufeng Automobile Company Limited	Company Limited by Shares	Suizhou	Manufacture of automobile	311,420,000.00	Automobile	250,000,000.00	80.28%	80.28%	Yes	47,634,035.92
Hengtian Motor Vehicles Company Limited	Company limited by shares	Suizhou	Sales of automobile	50,000,000.00	Automobile	50,000,000.00	100.00%	100.00%	Yes	-378,621.88
Beijing Zhongrong Dingxin Investment Management Company Limited	Limited Liability Company	Beijing	Equity investment	100,000,000.00	Equity investment	100,000,000.00	100.00%	100.00%	Yes	2,362,790.20
Shanghai Shenxin Medical Equipment Technology Company Limited	Limited Liability Company	Shanghai	Manufacture of medical equipments	2,000,000.00	Manufacture of medical equipments	2,000,000.00	100.00%	100.00%	Yes	-545,941.56
Beijing Jinwei Huaqing Medical Technology Co., Ltd.	Limited Liability Company	Beijing	Manufacture of medical equipments	1,000,000.00	Manufacture of medical equipments	1,000,000.00	100.00%	100.00%	Yes	-1,541,064.85
Yichang Jingwei Machinery Company Limited	Limited Liability Company	Yichang	M&S	80,000,000.00	M&S	78,927,593.34	100.00%	100.00%	Yes	0.00
Hubei Hengtian Motor Co., Ltd.	Limited Liability Company	Suizhou	Manufacture of automobile	43,550,000.00	Manufacture of automobile	26,130,000.00	60.00%	60.00%	Yes	17,963,500.48
Jingwei Tsudakoma Textile Machinery (Xianyang) Co., Ltd.	Limited Liability Company	Xianyang	M&S	126,000,000.00	M&S	64,260,000.00	51.00%	51.00%	Yes	51,279,654.01
JW-PROTTI MACCHINE TESSILI S.R	Limited Liability Company	Italy	T&M	EUR1,000,000.00	T&M	790,000.00	94.05%	94.05%	Yes	364,929.80
Huangshi Hi-Tech Jingwei Textile Machinery Company Limited	Limited Liability Company	Huangshi	Manufacture of equipments for textile machinery	10,000,000.00	M&S	6,500,000.00	92.86%	92.86%	Yes	462,520.24
SSGA Fund Management Company Limited	Limited Liability Company	Beijing	Fund management	300,000,000.00	Fund management	153,000,000.00	51.00%	51.00%		82,097,025.04
SSGA Assets Management Company Limited	Limited Liability Company	Beijing	Assets management	50,000,000.00	Assets management	50,000,000.00	100.00%	100.00%		754,714.00



VI. COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS (continued)

1. Subsidiaries (continued)

(2) Subsidiaries through a business combination involving enterprises under common control

Unit: RMB

Name of Subsidiaries	Type	Place of incorporation	Nature of business	Registered capital	Scope of business	Actual investment paid at end of reporting period	Percentage of shareholding held by the Group	Percentage of voting power held by the Group	Whether consolidated or not	Minority interests
Shenyang Hongda Textile Machinery Company Limited	Limited Liability Company	Shenyang	M&S	81,994,300.00	T&M	80,354,414.00	98.00%	98.00%	Yes	2,059,462.23
Shanxi Jingwei Heli Machinery Manufacturing Company Limited	Limited Liability Company	Jinzhon	Manufacture of mechanical and electrical products	100,000,000.00	T&M	46,485,988.39	39.83%	69.83%	Yes	-20,133,649.74
Changde Textile Machinery Company Limited	Limited Liability Company	Changde	M&S	42,350,000.00	T&M	40,232,400.00	95.00%	95.00%	Yes	6,421,723.77
Tianjin Hongda Textile Machinery Company Limited	Limited Liability Company	Tianjin	M&S	96,084,000.00	T&M	96,084,000.00	100.00%	100.00%	Yes	0.00
Qingdao Hongda Textile Machinery Company Limited	Limited Liability Company	Qingdao	M&S	114,000,000.00	T&M	111,335,820.00	97.66%	97.66%	Yes	5,814,027.49
Wuxi Jingwei Textile Technology Testing Company Limited	Limited Liability Company	Wuxi	Manufacture of cotton yarn	49,530,000.00	Manufacture of cotton yarn	49,530,000.00	100.00%	100.00%	Yes	0.00
Wuxi Jingwei Textile Technology Sales Company Limited	Limited Liability Company	Wuxi	Sales of textile machinery	1,000,000.00	T&M	1,000,000.00	100.00%	100.00%	Yes	0.00
Zhengzhou Hongda New Textile Machinery Company Limited	Limited Liability Company	Zhengzhou	M&S	74,500,000.00	T&M	73,010,000.00	98.00%	98.00%	Yes	1,686,025.78

VI. COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS (continued)
1. Subsidiaries (continued)
(3) Subsidiaries acquired through a business combination not under common control

Unit: RMB

Name of Subsidiaries	Type	Place of incorporation	Nature of business	Registered capital	Scope of business	Actual investment paid at end of reporting period	Percentage of shareholding held by the Group	Percentage of voting power held by the Group	Whether consolidated or not	Minority interests
Wuxi Hongda Textile Machinery and Special Parts Company Limited	Limited Liability Company	Wuxi	Manufacture of special parts for textile machinery	20,000,000.00	T&M	7,000,000.00	35.00%	86.20%	Yes	25,815,729.97
Taiyuan Jingwei Electrical Company Limited	Limited Liability Company	Taiyuan	Manufacture of machine tool control	5,000,000.00	T&M	5,000,000.00	100.00%	100.00%	Yes	0.00
Huangshi Jingwei Textile Machinery Company Limited	Limited Liability Company	Huangshi	T&M	32,000,000.00	T&M	10,800,000.00	45.00%	85.00%	Yes	2,003,155.34
Anshan Jingwei Haihong Agricultural Machinery Company Limited	Limited Liability Company	Anshan	Manufacture of agricultural machinery	40,000,000.00	Agricultural machinery	38,855,400.00	51.00%	51.00%	Yes	7,006,832.44
Shanghai Huayuan Hyperthermia Technology Company Limited	Limited Liability Company	Shanghai	Manufacture of medical equipment	20,000,000.00	Medical equipment	4,998,000.00	51.00%	51.00%	Yes	17,382,897.33
Zhongrong International Trust Company Limited	Limited Liability Company	Harbin	Financial trust	6,000,000,000.00	Financial trust	2,063,145,321.62	37.47%	70.46%	Yes	5,210,355,372.33
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	Limited Liability Company	Jinzhong	M&S	31,000,000.00	T&M	23,300,000.00	65.48%	65.48%	Yes	9,769,980.97
China Hi-Tech New Energy Company Limited	Limited Liability Company	Hong Kong	Equity investment	HKD5,000,000.00	Equity investment	4,974,976.00	100.00%	100.00%	Yes	-526,755.85
China Hi-Tech (international) Limited	Limited Liability Company	Hong Kong	Equity investment	HKD39,000,000.00	Equity investment	20,280,000.00	52.00%	52.00%	Yes	14,604,255.52
CHTC Europe Holding B.V.	Limited Liability Company	Netherlands	Equity investment	EUR1,500,002.04	Equity investment	1,500,002.04	100.00%	100.00%	Yes	312,771.58
Ginaf Trucks Nederland B.V.	Limited Liability Company	Netherlands	Manufacture of automobiles	EUR2,000,000.00	Manufacture of automobiles	2,000,000.00	100.00%	100.00%	Yes	-187,889.83
Jinzhong Jingwei Hengxin Machinery Fiber Company Limited	Limited Liability Company	Jinzhong	M&S	7,900,000.00	M&S	4,029,000.00	51.00%	51.00%	Yes	3,518,064.16
DURABUS,Proizvodnjavozil,d.o.o	Limited Liability Company	Slovenia	Manufacture of automobiles	EUR2,600,000.00	Manufacture of automobiles	1,326,000.00	51.00%	51.00%	Yes	-3,535,682.05
Beijing Jingwei Gallant Medical Technology Company Limited	Limited Liability Company	Beijing	Manufacture of medical equipment	HKD38,805,000.00	Manufacture of medical equipment	18,805,000.00	48.46%	48.46%	Yes	15,027,204.58

Note: During the current period, Fuzhou Gallant Medical Technology Company Limited has changed its company name to Beijing Jingwei Gallant Medical Technology Company Limited.



VI. COMBINATIONS AND CONSOLIDATED FINANCIAL STATEMENTS (continued)

2. The exchange rate for the major financial statement items of the foreign operation

Hong Kong Huaming Company Limited, a subsidiary of the Company, is registered in Hong Kong, PRC, with Hong Kong dollar as functional currency. In the balance sheet, both assets and liabilities items are translated at the spot exchange rate of 0.7938. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation difference resulting therefrom was presented as exchange difference in foreign currency statements in the consolidated statements.

China Hi-Tech New Energy Automobile Company Limited, a subsidiary of the Company, is registered in Hong Kong, PRC with Hong Kong dollar as functional currency. In the balance sheet, both assets and liabilities items are translated at the spot exchange rate of 0.7938. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation difference resulting therefrom was presented as exchange difference in foreign currency statements in the consolidated statements.

JW-PROTTI MACCHINE TESSILI S.R, a subsidiary of the Company, is registered in Italy with euro as functional currency. In the balance sheet, both assets and liabilities items are translated at the closing exchange rate of 8.3946. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation difference resulting therefrom was presented as exchange difference in foreign currency statements in the consolidated statements.

China Hi-Tech (International) Limited, an indirect subsidiary of the Company, is registered in Hong Kong, PRC, with Hong Kong dollar as functional currency. In the balance sheet, both assets and liabilities items are translated at the spot exchange rate of 0.7938. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation difference resulting therefrom was presented as exchange difference in foreign currency statements in the consolidated statements.

CHTC Europe Holding B.V. and Ginaf Trucks Nederland B.V., indirect subsidiaries of the Company, both are registered in Netherland, with euro as functional currency. In the balance sheet, both assets and liabilities items are translated at the spot exchange rate of 8.3946. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation differences resulting therefrom were presented as exchange difference in foreign currency statements in the consolidated statements.

DURABUS, Proizvodnjavozil, d.o.o, an indirect subsidiary of the Company, is registered in Slovenia, with euro as functional currency. In the balance sheet, both assets and liabilities items are translated at the spot exchange rate of 8.3946. All of the owners' equity items, except for undistributed profits, are translated at the spot rate. The revenue and expense items in the income statement are translated using the spot exchange rate or its approximation when the transaction occurred. The translation differences resulting therefrom were presented as exchange difference in foreign currency statements in the consolidated statements.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
1. Currency funds
Unit: RMB

Items	At end of period			At beginning of period		
	Foreign currency amount	Exchange rate	RMB equivalent	Foreign currency amount	Exchange rate	RMB equivalent
Cash:	–	–	970,292.46	–	–	918,176.25
RMB	–	–	800,562.01	–	–	772,294.12
USD	4,754.00	6.1528	29,250.41	4,654.00	6.0969	28,374.97
HKD	31,850.00	0.7938	25,282.53	31,850.00	0.7862	25,040.47
EUR	9,644.60	8.3946	80,962.56	7,108.53	8.4189	59,846.00
JPY	375,150.00	0.0608	22,814.75	374,961.76	0.0578	21,672.79
GBP	1,050.00	10.4978	11,022.69	1,050.00	10.0556	10,558.38
CHF	57.00	6.9738	397.51	57.00	6.8336	389.52
Cash at bank:	–	–	10,293,663,208.82	–	–	9,293,184,494.33
RMB	–	–	10,144,952,275.85	–	–	9,066,944,140.29
USD	2,289,267.35	6.1528	14,085,404.15	8,572,941.56	6.0969	52,268,367.41
HKD	146,419,138.77	0.7938	116,227,512.36	165,033,199.99	0.7862	129,749,101.83
EUR	2,191,648.91	8.3946	18,398,015.94	5,252,810.32	8.4189	44,222,884.80
GBP	0.05	10.4978	0.52	–	10.0556	–
Other currency funds:	–	–	268,350,735.19	–	–	192,354,854.25
RMB	–	–	267,679,368.92	–	–	191,776,650.83
HKD	5,387.23	0.7938	4,276.38	735,440.63	0.7862	578,203.42
EUR	79,466.55	8.3946	667,089.90	–	–	–
Total	–	–	<u>10,562,984,236.47</u>	–	–	<u>9,486,457,524.83</u>

2. Held-for-trading financial assets
(1) Held-for-trading financial assets
Unit: RMB

Item	Fair value at end of period	Fair value at beginning of period
Held-for-trading equity instrument investment	235,022,529.73	243,515,847.35
Total	<u>235,022,529.73</u>	<u>243,515,847.35</u>



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

3. Bills receivables

(1) By categories

Unit: RMB

Category	At end of period	At beginning of period
Bank acceptance bills	843,751,439.74	1,387,198,629.85
Commercial acceptance bills	124,992,654.27	161,292,654.27
Total	<u>968,744,094.01</u>	<u>1,548,491,284.12</u>

(2) Pledged bills receivables at end of the period

Unit: RMB

Name of Drawer	Date of issue	Due date	Amount	Remark
Junma Tyre Cord Company Limited Xuzhou Xinchanganang Material Trading Co., Ltd.	6 December 2013	6 December 2014	7,000,000.00	Bank acceptance bill
Zhejiang Aoxiang Garments Co., Ltd.	20 February 2014	20 August 2014	3,550,000.00	Bank acceptance bill
Xinjiang Ruisheng Textiles Co., Ltd.	8 April 2014	8 October 2014	2,072,000.00	Bank acceptance bill
Wujiang Tianshun Weaving Factory	6 January 2014	6 July 2014	2,000,000.00	Bank acceptance bill
Others	28 January 2014	28 July 2014	1,000,000.00	Bank acceptance bill
Total	-	-	<u>17,622,000.00</u>	-

(3) Endorsed but unexpired bills receivable at end of the period

Unit: RMB

Name of Drawer	Date of issue	Due date	Amount	Remark
Fujian Straits Textile Technology Company Limited	2 January 2014	2 July 2014	7,000,000.00	Bank acceptance bill
Jingwei Textile Machinery Company Limited Yuci Branch	1 April 2014	1 October 2014	5,000,000.00	Bank acceptance bill
Jingwei Textile Machinery Company Limited Yuci Branch	1 April 2014	1 October 2014	5,000,000.00	Bank acceptance bill
Jingwei Textile Machinery Company Limited Yuci Branch	1 April 2014	1 October 2014	5,000,000.00	Bank acceptance bill
Jingwei Textile Machinery Company Limited Yuci Branch	1 April 2014	1 October 2014	5,000,000.00	Bank acceptance bill
Others			505,740,251.00	Bank acceptance bill
Total	-	-	<u>532,740,251.00</u>	-

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
4. Dividend receivables
Unit: RMB

Item	At beginning of period	Increase	Decrease	At end of period	Reason for non-settlement	Impairment or not
Dividend receivables with aging within 1 year of which:	33,142,950.70		1,742,950.70	31,400,000.00	Outstanding	No
Beijing Hang Tang Wealth Investment Management Company Limited	28,600,000.00			28,600,000.00	Outstanding	No
China Texmatech Company Limited	1,742,950.70		1,742,950.70	0.00		
Jingwei Machinery (Group) Company Limited	2,800,000.00			2,800,000.00	Outstanding	No
Dividend receivables with aging over 1 year of which:	2,880,000.00			2,880,000.00	Outstanding	No
Hengtian Properties Company Limited	2,880,000.00			2,880,000.00	Outstanding	No
Total	<u>36,022,950.70</u>		<u>1,742,950.70</u>	<u>34,280,000.00</u>		

5. Interest receivables
(1) Interest receivables
Unit: RMB

Items	At beginning of period	Increase	Decrease	At end of period
Interest income on interbank deposits	64,114.99	224,757.28	64,114.99	224,757.28
Total	<u>64,114.99</u>	<u>224,757.28</u>	<u>64,114.99</u>	<u>224,757.28</u>

6. Accounts receivables
(1) By categories
Unit: RMB

Category	At end of period				At beginning of period			
	Book balance		Provision for bad debt		Book balance		Provision for bad debt	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Significant balance under assessment of impairment individually	154,747,824.37	15.80%	0.00		169,662,721.72	20.75%		
Accounts receivable on which provision for bad debts were made by portfolio	806,982,002.93	82.38%	37,329,110.25	4.63%	621,386,709.20	76.02%	36,198,343.29	5.83%
Subtotal	806,982,002.93	82.38%	37,329,110.25	4.63%	621,386,709.20	76.02%	36,198,343.29	5.83%
Insignificant balance under assessment of impairment individually	17,812,273.65	1.82%	1,577,514.71	8.86%	26,425,102.45	3.23%	2,711,815.19	10.26%
Total	<u>979,542,100.95</u>		<u>38,906,624.96</u>		<u>817,474,533.37</u>		<u>38,910,158.48</u>	



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Accounts receivables (continued)

(1) By categories (continued)

Explanation on categories of account receivables

Significant balance under assessment of impairment individually

Unit: RMB

Particulars	Book balance	Provision for bad debt	Proportion of provision	Reasons
Jingwei Machinery (Group) Company Limited	51,338,646.19			
Pulead Technology Industry Company Limited	46,319,920.00			
Tumushuke Qianhai Cotton Textile Company Limited	44,127,855.90			
Zhejiang Deco Industrial Company Limited	12,961,402.28			
Total	<u>154,747,824.37</u>	<u>0.00</u>	-	-

Among portfolios, accounts receivables on which provision for bad debts were made by aging analysis method

Unit: RMB

Aging	At end of period			At beginning of period		
	Book balance		Provision for bad debt	Book balance		Provision for bad debt
	Balance	Proportion		Balance	Proportion	
Within 1 year						
Subtotal:	-	-	-	-	-	-
	733,647,471.53	90.91%	0.00	546,217,111.42	87.90%	
Subtotal of within 1 year	733,647,471.53	90.91%	0.00	546,217,111.42	87.90%	
1-2 years	34,717,520.33	4.30%	6,943,504.07	40,266,067.30	6.48%	8,053,213.42
2-3 years	16,462,809.78	2.04%	8,231,404.89	13,516,801.27	2.18%	6,758,400.66
Over 3 years	22,154,201.29	2.75%	22,154,201.29	21,386,729.21	3.44%	21,386,729.21
Total	<u>806,982,002.93</u>	-	<u>37,329,110.25</u>	<u>621,386,709.20</u>	-	<u>36,198,343.29</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
6. Accounts receivables (continued)
(1) By categories (continued)
Insignificant balance under assessment of impairment individually
Unit: RMB

Particulars	Book balance	Provision for bad debt	Proportion of provision	Reasons
Guangxi Suyuan Investment Company Limited	1,750,000.00			N/A
AVIC International Leasing Company Limited	1,724,000.00			N/A
Champions of the Earth environmental Tianjin New Materials Company Limited	1,375,000.00			N/A
Dongyang Arctic Fashion Company Limited	1,280,000.00			N/A
Shandong New Material Technology Co., Ltd.	1,010,000.00			N/A
Others	10,673,273.65	1,577,514.71	14.78%	Expected that part of amounts were uncollectible
Total	17,812,273.65	1,577,514.71	-	-

(2) Accounts receivable include any balance due from shareholders hold 5% or more equity interest in the Company
Unit: RMB

Name of company	At end of period		At beginning of period	
	Book balance	Provision for bad debt	Book balance	Provision for bad debt
China Hi-Tech Group Corporation	63,998.00		63,998.00	
Total	63,998.00		63,998.00	

(3) Top five accounts receivables
Unit: RMB

Name of Company	Relationship with the Company	Amount	Term	Proportion
China Textile Machinery and Technology Import and Export Corporation	Associate	133,417,818.70	Within 1 year	13.62%
Henan Xinye Textile Company Limited	Third party	61,353,775.87	Within 1 year	6.26%
Jingwei Machinery (Group) Company Limited	Associate	51,338,646.19	Within 1 year	5.24%
Pulead Technology Industry Company Limited	Third party	46,319,920.00	1 to 2 years	4.73%
Tumushuke Qianhai Cotton Textile Company Limited	Third party	44,127,855.90	Within 1 year	4.50%
Total	-	336,558,016.66	-	34.35%



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

6. Accounts receivables (continued)

(4) Accounts receivable due from related parties

Unit: RMB

Name of Company	Relationship with the Company	Amount	Proportion
China Textile Machinery and Technology Import and Export Corporation	Associate	133,417,818.70	13.62%
Jingwei Machinery (Group) Company Limited	Associate	51,338,646.19	5.24%
Jinzhong Jingwei Yu Xin Machinery Company Limited	Associate	20,039,194.69	2.05%
Shandong Helon Bolet Chemical Fiber Company Limited	Controlled by the same actual controller	5,850,301.50	0.60%
China Textile Industrial Corporation for Foreign Economic and Technical Cooperation	Controlled by the same actual controller	4,755,015.03	0.49%
Hi-Tech Heavy Industry Company Limited	Controlled by the same actual controller	2,563,814.09	0.26%
Jingwei Machinery (Group) General Machinery Company Limited	Associate	934,750.69	0.10%
Anhui Huamao Jingwei New Textile Company Limited	Associate	534,950.28	0.05%
Handan Hongda Chemical Fiber Machinery Company Limited	Controlled by the same actual controller	394,592.95	0.04%
Hengyang Textile Machinery Company Limited	Controlled by the same actual controller	266,742.50	0.03%
Tianjin Textile Machinery Company Limited	Controlled or influenced by the same key personnel	224,859.93	0.02%
China Textile Machinery Industry Corporation – Sales Technical Services Company	Controlled by the same parent company	140,641.73	0.01%
China Hi-Tech Group Corporation	Actual controller	63,998.00	0.01%
Tianjin Tian Fang Textile Machinery Parts Distribution Company Limited	Controlled or influenced by the same key personnel	30,383.74	0.00%
Shaoyang Textile Machinery Company Limited	Controlled by the same actual controller	19,268.80	0.00%
Jinzhong Jingwei Hong Xin Machinery Company Limited	Associate	17,920.08	0.00%
Jinzhong Jingwei Gear Manufacturing Company Limited	Associate	17,230.79	0.00%
Fong's National Engineering (Shenzhen) Company Limited	Controlled by the same actual controller	13,706.53	0.00%
Shenyang Textile Machinery Co., Ltd, Textile Machinery Branch	Controlled or influenced by the same key personnel	5,070.02	0.00%
Shenyang Textile Machinery Co., Ltd.	Controlled or influenced by the same key personnel	1,701.92	0.00%
Total	–	<u>220,630,608.16</u>	<u>22.52%</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
7. Other receivables
(1) By categories
Unit: RMB

Category	At end of period				At beginning of period			
	Book balance		Provision for bad debt		Book balance		Provision for bad debt	
	Balance	Proportion	Balance	Proportion	Balance	Proportion	Balance	Proportion
Significant balance under assessment of impairment individually	122,173,267.37	34.05%	0.00		122,328,561.91	38.29%		
Accounts receivable on which provision for bad debts were made by portfolio	210,515,300.11	58.68%	4,174,586.80	1.98%	151,781,302.52	47.51%	4,174,586.80	2.75%
Subtotal	210,515,300.11	58.68%	4,174,586.80	1.98%	151,781,302.52	47.51%	4,174,586.80	2.75%
Insignificant balance under assessment of impairment individually	26,068,333.25	7.27%	3,872,024.76	14.85%	45,373,180.67	14.20%	3,872,024.76	8.53%
Total	<u>358,756,900.73</u>	-	<u>8,046,611.56</u>	-	<u>319,483,045.10</u>	-	<u>8,046,611.56</u>	-

Explanation on categories of other receivables
Significant balance under assessment of impairment individually
Unit: RMB

Particulars	Book balance	Provision for bad debt	Proportion of provision	Reasons
Beijing Guanghe Realty Company Limited	57,007,970.46			
Beijing Bohong Real Estate Company Limited	31,160,000.00			
Anhui Huamao Jingwei New Textile Company Limited	23,168,561.91			
Plastech Manufacturing Company, LLC	10,836,735.00			
Total	<u>122,173,267.37</u>	0.00	-	-

Among portfolios, other receivables on which provision for bad debts were made by aging analysis method
Unit: RMB

Aging	At end of period			At beginning of period		
	Book balance		Provision for bad debt	Book balance		Provision for bad debt
	Balance	Proportion		Balance	Proportion	
Within 1 year						
Of which:						
	202,045,040.38	95.98%		144,090,265.09	94.93%	
Subtotal of within 1 year	202,045,040.38	95.98%		144,090,265.09	94.93%	
1-2 years	3,495,609.88	1.66%	699,121.98	2,311,383.98	1.52%	462,276.79
2-3 years	2,998,370.05	1.42%	1,499,185.03	3,334,686.89	2.20%	1,667,343.45
Over 3 years	1,976,279.80	0.94%	1,976,279.80	2,044,966.56	1.35%	2,044,966.56
Total	<u>210,515,300.11</u>	-	<u>4,174,586.80</u>	<u>151,781,302.52</u>	-	<u>4,174,586.80</u>



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

7. Other receivables (continued)

(1) By categories (continued)

Insignificant balance under assessment of impairment individually

Unit: RMB

Particulars	Book balance	Provision for bad debt	Proportion of provision	Reasons
Linxi People's Hospital	2,982,000.00		N/A	
Nangong People's Hospital	2,920,000.00		N/A	
Hengshui The Fourth People's Hospital	1,991,079.96		N/A	
Zuoquan People's Hospital	1,694,384.00		N/A	
Xianyang Construction Labor Fund Coordination Office	1,161,200.00		N/A	
Others	15,319,669.29	3,872,024.76	25.27%	Expected that part of amounts were uncollectible
Total	<u>26,068,333.25</u>	<u>3,872,024.76</u>	—	—

(2) Top five other receivables

Unit: RMB

Name	Relationship with the Company	Amount	Term	Proportion
Beijing Guanghe Realty Company Limited	Third party	57,007,970.46	2-3 years	
Beijing Bohong Real Estate Company Limited	Controlled by the same actual controller	31,160,000.00	2-3 years	
Anhui Huamao Jingwei New Textile Company Limited	Associates	23,168,561.91	2-3 years	
Plastech Manufacturing Company, LLC	Third party	10,836,735.00	Within 1 year	
Total	—	<u>122,173,267.37</u>	—	

(3) Other receivables due from related parties

Unit: RMB

Name of Company	Relationship with the Company	Amount	Proportion
Beijing Bohong Real Estate Company Limited	Controlled by the same actual controller	31,160,000.00	8.69%
Xianyang Hongda Real Estate Development Company Limited	Controlled by the same actual controller	2,814,000.00	0.78%
Anhui Huamao Jingwei New Textile Company Limited	Associates	23,168,561.91	6.46%
Total	—	<u>57,142,561.91</u>	<u>15.93%</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
8. Prepayments
(1) Aging analysis
Unit: RMB

Aging	At end of period		At beginning of period	
	Amount	Proportion	Amount	Proportion
Within 1 year	339,631,441.86	72.52%	232,550,378.14	68.17%
1-2 years	50,495,886.78	10.78%	69,807,123.34	20.46%
2-3 years	42,232,634.41	9.02%	16,161,191.12	4.74%
Over 3 years	35,959,578.83	7.68%	22,601,020.58	6.63%
Total	<u>468,319,541.88</u>	—	<u>341,119,713.18</u>	—

(2) Top five prepayments
Unit: RMB

Name	Relationship with the Company	Amount	Term	Reason for non-settlement
China National Technical Import and Export Corporation	Third party	64,349,142.87	Within 1 year	Advance payment for goods
Xinjiang Tiansheng Industrial Company Limited	Third party	52,375,016.55	Over 3 years	Advance payment for goods
Tianjin Textile Machinery Manufacturing Co., Ltd	Controlled or influenced by the same key personnel	49,120,499.58	Over 3 years	Advance payment for goods
Xuanhua Iron & Steel Group Co., Ltd.	Third party	38,392,876.95	Within 1 year	Advance payment for goods
Hengtian Heavy Industry Company Limited	Controlled by the same actual controller	28,574,004.30	Within 1 year	Advance payment for goods
Total	—	<u>232,811,540.25</u>	—	—

9. Inventories
(1) By categories
Unit: RMB

Item	At end of period			At beginning of period		
	Book balance	Provision for obsolete stocks	Carrying value	Book balance	Provision for obsolete stocks	Carrying value
Raw materials	444,337,697.93	31,764,300.69	412,573,397.24	436,653,105.56	31,776,742.98	404,876,362.58
Work-in-progress	660,176,117.83	38,809,674.65	621,366,443.18	610,554,033.72	38,812,043.07	571,741,990.65
Finished goods	757,697,139.22	40,770,713.51	716,926,425.71	687,055,266.23	44,536,124.89	642,519,141.34
Revolving materials	1,389,259.76	1,121,259.76	268,000.00	1,556,806.77	1,121,259.76	435,547.01
Total	<u>1,863,600,214.74</u>	<u>112,465,948.61</u>	<u>1,751,134,266.13</u>	<u>1,735,819,212.28</u>	<u>116,246,170.70</u>	<u>1,619,573,041.58</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
9. Inventories
(2) Provision for obsolete stocks
Unit: RMB

Categories	Book balance at beginning of period	Provision for the current period	Decrease		Book balance at end of period
			Reversal	Written-down	
Raw materials	31,776,742.98		955.73	11,486.56	31,764,300.69
Work-in-progress	38,812,043.07		2,368.42		38,809,674.65
Finished goods	44,536,124.89			3,765,411.38	40,770,713.51
Revolving materials	1,121,259.76				1,121,259.76
Total	116,246,170.70		3,324.15	3,776,897.94	112,465,948.61

10. Other current assets
Unit: RMB

Item	At end of period	At beginning of period
Prepaid corporate income tax	346,379.48	329,774.69
Total	346,379.48	329,774.69

11. Available-for-sale financial assets
(1) Available-for-sale financial assets
Unit: RMB

Item	Fair value at end of period	Fair value at beginning of period
Available for sale debt instruments	28,547,280.00	28,547,280.00
Available for sale equity instruments	246,408,039.00	348,241,713.41
Others	45,892,402.91	
Total	320,847,721.91	376,788,993.41

(2) Long-term debt investments of available for sale financial assets
Unit: RMB

Bond	Types	Par value	Initial investment cost	Date of expiry	Balance at beginning of period	Accrued interest Current Interest	Accrued interest received or receivable	Balance at end of period
Miayang Commercial Bond	Financial bonds	30,000,000.00	27,804,060.00	28 December 2019	28,547,280.00		3,660,000.00	28,547,280.00
Total	-	-	27,804,060.00	-	28,547,280.00		3,660,000.00	28,547,280.00

(3) Impairment of available-for-sale financial assets
Unit: RMB

Categories	Available for sale equity instruments	Available for sale debt instruments	Others	Total
Cost of equity instruments/amortized cost of debt instruments	479,850,000.00	27,804,060.00	45,852,471.04	553,506,531.04
Fair value at end of period	246,408,039.00	28,547,280.00	45,892,402.91	320,847,721.91
Amount of changes in fair value accumulated in other comprehensive income	-233,441,961.00	743,220.00	39,931.87	-232,658,809.13
Amount of provision for impairment	0.00	0.00	0.00	0.00

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
12. Investment in joint ventures and associates
Unit: RMB

Name of Investees	Percentage of shareholding held	Percentage of voting right held	Total assets at end of period	Total liabilities at end of period	Total net assets at end of period	Total operating revenues	Net profit
1. Joint Ventures							
2. Associates							
China Texmatech Company Limited	25.00%	25.00%	1,424,329,865.46	1,121,715,970.19	302,613,895.27	1,482,790,095.33	12,148,486.63
Hongda Research Institute Company Limited	40.00%	40.00%	128,237,612.25	107,350,362.79	20,887,249.46	41,658,354.32	1,127,963.28
Jingwei Machinery (Group) Company Limited	18.83%	18.83%	818,707,205.98	766,172,881.44	52,534,324.54	191,505,640.46	-18,536,972.73
Beijing Hang Tang Wealth Investment Management Company Limited	20.00%	20.00%	368,912,977.34	222,920,894.80	145,992,082.54	406,086,836.18	55,915,510.60
Xianyang Jingwei Machinery Manufacture Company Limited	25.00%	25.00%	183,468,718.39	205,657,934.44	-22,189,216.05	17,500.00	-1,881,427.20
Suizhou Jina Fu Construction Machinery Services Company Limited	40.00%	40.00%	151,581,589.14	143,274,782.95	8,306,806.19	17,501,923.15	-157,487.05
Anhui Huamao Jingwei New Type Textile Company Limited	25.00%	25.00%	296,810,075.21	328,914,066.91	-32,103,991.70	119,878,714.83	-10,504,220.50
Jinzhong Jingwei Yu Xin Machinery Company Limited	20.00%	20.00%	48,505,483.65	47,605,553.75	899,929.90	15,660,965.79	0.00
Shenzhen Huarong Equity Investment and Fund Management Company Limited	49.00%	49.00%	22,362,946.15		22,362,946.15		7,657.92
Shanghai Rongou Equity Investment Fund Management Company Limited	40.00%	40.00%	10,375,553.48	24,552.89	10,351,000.59	434,564.38	369,357.18
Xinhu Wealth Company Limited	23.08%	23.08%	255,708,378.56	139,736,957.05	115,971,421.51	455,081,607.37	42,780,823.37
Rueiyuan Baoxing Fund Management Company Limited	49.00%	49.00%	4,003,859.97	5,000.00	3,998,859.97		-46.03
Zhongrong Kangjian Capital Management (Beijing) Company Limited	49.00%	49.00%	1,681,050.94	1,645,360.91	35,690.03	145,631.07	-1,923,340.42
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	49.00%	49.00%	2,000,000.00		2,000,000.00		
Dazi Zhongrong Health Venture Investment Center (Limited Partnership)	73.00%		1,750,000.00		1,750,000.00		
Dazi Zhongrong Taishan Preferred Fund (Limited Partnership)	20.24%	20.00%	214,839,726.03		214,839,726.03		

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
13. Long-term equity investments
(1) By details
Unit: RMB

Name of Investee	Accounting method	Investment cost	Balance at beginning of period	Changes	Balance at end of period	Percentage of shareholding held	Percentage of voting right held	Explanation on the inconsistency between these two percentages	Provision for impairment	Provision for impairment made during the current period	Cash dividends
Jianghai Securities Company Limited	Cost method	28,673,400.00	28,673,400.00		28,673,400.00	2.10%	2.10%				
China Aviation Investment Holdings Co., Ltd.	Cost method	3,390,947.82			0.00						
Hongda Investment Company Limited	Cost method	24,866,602.17	24,866,602.17		24,866,602.17	9.38%	9.38%		14,823,871.42		
Shenyang Textile Machinery Manufacturing Company Limited	Cost method	1,200,000.00	1,200,000.00		1,200,000.00	10.00%	10.00%				
Qingdao Textile Machinery Manufacturing Company Limited	Cost method	15,802,027.04	15,802,027.04		15,802,027.04	17.00%	17.00%				
Changde Tianhe Powder Metallurgy Company Limited	Cost method	200,000.00	200,000.00		200,000.00	10.00%	10.00%				
Qingdao Jinyi Pressing and Casting Company Limited	Cost method	1,057,000.00	1,057,000.00		1,057,000.00	27.00%	27.00%				
Qingdao Qingfeng Forging Company Limited	Cost method	5,000,000.00	5,000,000.00		5,000,000.00	20.00%	20.00%		5,000,000.00		
Jiangsu Hongyuan Textile Machinery Company Limited	Cost method	1,422,652.84	1,422,652.84		1,422,652.84	0.70%	0.70%				
Tianjin Textile Machinery Company Limited	Cost method	6,750,000.00	6,750,000.00		6,750,000.00	15.00%	15.00%				
Wuxi Guochuang Investment Culture Company Limited	Cost method	980,000.00	980,000.00		980,000.00	0.49%	0.49%				
Others	Cost method	1,356,883.87	1,570,000.00		1,570,000.00				370,000.00		
Shenzhen Huarong Equity Investment and Fund Management Company Limited	Equity method	4,900,000.00	10,954,091.15	3,752.38	10,957,843.53	49.00%	49.00%				
Shanghai Rongou Equity Investment Fund Management Company Limited	Equity method	4,000,000.00	4,000,000.00	140,400.24	4,140,400.24	40.00%	40.00%				
China Textmatech Company Limited	Equity method	30,000,000.00	66,379,753.04	3,037,121.66	69,416,874.70	25.00%	25.00%				
Hongda Research Institute Company Limited	Equity method	20,000,000.00	7,921,682.93	451,185.31	8,372,868.24	40.00%	40.00%				
Jingwei Machinery (Group) Company Limited	Equity method	8,000,000.00	13,476,545.11	-3,490,511.97	9,986,033.14	18.83%	18.83%				
Beijing Hang Tang Wealth Investment Management Company Limited	Equity method	10,000,000.00	18,146,062.15	11,183,102.12	29,329,164.27	20.00%	20.00%				
Xianyang Jingwei Machinery Manufacturing Company Limited	Equity method	27,453,333.33	15,600,512.95	-470,356.80	15,130,156.15	25.00%	25.00%				
Xinhu Wealth Company Limited	Equity method	15,000,000.00	27,581,439.09	-2,707,625.06	24,873,814.03	23.08%	23.08%				16,913,398.26
Jinzhong Jingwei Yu Xin Machinery Company Limited	Equity method	1,000,000.00	812,090.25		812,090.25	20.00%	20.00%				
Rueiyuan Baoxing Fund Management Company Limited	Equity method	1,960,000.00	1,959,446.29	-27.45	1,959,418.84	49.00%	49.00%				
Zhongrong Kangjian Capital Management (Beijing) Company Limited	Equity method	980,000.00	959,647.84	-942,436.81	17,211.03	49.00%	49.00%				
Suizhou Jina Fu Construction Machinery Services Company Limited	Equity method	6,000,000.00	4,168,281.40	-62,994.82	4,105,286.58	40.00%	40.00%				
Anhui Huamao Jingwei New Type Textile Company Limited	Equity method	11,344,404.85			0.00	25.00%	25.00%				
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	Equity method	980,000.00		980,000.00	980,000.00	49.00%	49.00%				
Dazi Zhongrong Health Venture Investment Center (Limited Partnership)	Equity method	730,000.00		730,000.00	730,000.00	73.00%					
Dazi Zhongrong Taishan Preferred Fund (Limited Partnership)	Equity method	50,000,000.00		50,000,000.00	50,000,000.00	20.24%	20.00%				
Total	-	283,047,251.92	259,481,234.25	58,851,608.80	318,332,843.05	-	-	-	20,193,871.42		16,913,398.26

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
14. Fixed Assets
(1) Listed by details
Unit: RMB

Item	Balance at beginning of period	Increase	Decrease	Balance at end of period
1. Total original value:	3,351,381,053.03	132,466,786.81	113,830,294.21	3,370,017,545.63
Of which: Buildings and plant	1,495,064,845.31	107,206,171.75	56,043,730.37	1,546,227,286.69
Machinery and equipment	1,738,536,935.13	21,896,725.27	49,528,810.45	1,710,904,849.95
Transportation machine	117,779,272.59	3,363,889.79	8,257,753.39	112,885,408.99
	Balance at beginning of period	Increase	Provision	Decrease
2. Total accumulated depreciation:	1,523,775,632.62	77,244,032.44	65,554,587.19	1,535,465,077.87
Of which: Buildings and plant	380,333,125.79	22,404,330.83	19,470,472.27	383,266,984.35
Machinery and equipment	1,079,626,524.10	48,454,648.04	40,290,366.50	1,087,790,805.64
Transportation machine	63,815,982.73	6,385,053.57	5,793,748.42	64,407,287.88
	Balance at beginning of period		Decrease	Balance at end of period
3. Total net book value	1,827,605,420.41			1,834,552,467.76
Of which: Buildings and plant	1,114,731,719.52			1,162,960,302.34
Machinery and equipment	658,910,411.03			623,114,044.31
Transportation machine	53,963,289.86			48,478,121.11
4. Total accumulated provision for impairment	10,660,801.21			9,878,235.84
Of which: Buildings and plant				0.00
Machinery and equipment	10,598,889.71			9,824,595.51
Transportation machine	61,911.50			53,640.33
5. Total book values	1,816,944,619.20			1,824,674,231.92
Of which: Buildings and plant	1,114,731,719.52			1,162,960,302.34
Machinery and equipment	648,311,521.32			613,289,448.80
Transportation machine	53,901,378.36			48,424,480.78

The depreciation amount for the current period was RMB77,244,032.44 and the original cost of fixed assets transferred from construction in progress was RMB106,215,318.17.

(2) Temporarily idle fixed assets
Unit: RMB

Item	Original book value	Accumulated depreciation	Provision for impairment	Net book value	Notes
Buildings and plant	359,127.55	28,364.73		330,762.82	
Machinery and equipment	6,724,094.28	3,408,364.70	35,768.00	3,279,961.58	
Total	7,083,221.83	3,436,729.43	35,768.00	3,610,724.40	



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

14. Fixed Assets (continued)

(3) Fixed assets leased under finance lease

Unit: RMB

Items	Original book value	Accumulated depreciation	Net book value
Buildings and plant Machinery and equipment	117,652,860.99	85,739,165.11	31,913,695.88
Total	<u>117,652,860.99</u>	<u>85,739,165.11</u>	<u>31,913,695.88</u>

(4) Fixed assets rent out under operating leases

Unit: RMB

Category	Book value at end of period
Buildings and plant Machinery and equipment Transportation machine	52,632,848.74 12,719,723.78 1,093,371.94
Total	<u>66,445,944.46</u>

15. Construction in progress

(1) Listed by details

Unit: RMB

Project	At end of period		At beginning of period			
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
New plant in Tianjin industry zone Jingwei new plant project	1,933,250.00		1,933,250.00	1,933,250.00		1,933,250.00
in Xianyang	2,550,324.47		2,550,324.47	2,046,169.64		2,046,169.64
Changde Textile New Plant Project	0.00		0.00	33,459,539.40		33,459,539.40
The Second Phase of Qingdao Hongda Laoshan Project	0.00		0.00	3,741,243.64		3,741,243.64
Yichang Machinery No.1 Workshop	23,536,523.10		23,536,523.10	23,176,523.10		23,176,523.10
The Second Phase of Chu Feng Automobile Industry Park	43,703,920.84		43,703,920.84	21,193,920.84		21,193,920.84
Others	76,539,798.67		76,539,798.67	64,119,193.78		64,119,193.78
Total	<u>148,263,817.08</u>		<u>148,263,817.08</u>	<u>149,669,840.40</u>		<u>149,669,840.40</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
15. Construction in progress
(2) Movements in significant construction in progress
Unit: RMB

Project Name	Budget	Amount at beginning of period	Increase	Transferred into fixed assets	Other reduction	Percentage of construction investment over budget	Progress	Accumulated amount of interest capitalized	Of which: amount of interest capitalized during the current period	Rate of Capitalization	Sources of funding	Amount at end of period
New plant in Tianjin industry zone	237,510,000.00	1,933,250.00										1,933,250.00
Jingwei new plant project in Xianyang	110,000,000.00	2,046,169.64	504,154.83									2,550,324.47
Changde Textile New Plant Project	60,738,000.00	33,459,539.40	3,238,200.00	36,697,739.40								0.00
The Second Phase of Qingdao Hongda Laoshan Project	3,800,000.00	3,741,243.64			3,741,243.64							0.00
Yichang Machinery No.1 Workshop	35,000,000.00	23,176,523.10	360,000.00									23,536,523.10
The Second Phase of Chu Feng Automobile Industry Park	55,028,988.00	21,193,920.84	22,510,000.00									43,703,920.84
Others	490,529,842.28	64,119,193.78	82,023,653.74	69,517,578.77	85,470.08							76,539,798.67
Total	992,606,830.28	149,669,840.40	108,636,008.57	106,215,318.17	3,826,713.72	-	-			-	-	148,263,817.08



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

16. Intangible assets

(1) Listed by details

Unit: RMB

Item	Balance at beginning of period	Increase	Decrease	Balance at end of period
1. Total original value	704,989,880.28	33,300,074.32	404,945.60	737,885,009.00
Land use rights	580,253,420.70	28,776,011.26	204,945.60	608,824,486.36
Computer software	72,607,751.50	4,524,063.06	200,000.00	76,931,814.56
Patents	24,220,388.97	0.00	0.00	24,220,388.97
Non-patented technology	20,543,068.35	0.00	0.00	20,543,068.35
Trademark right	5,095,537.76	0.00	0.00	5,095,537.76
Others	2,269,713.00	0.00	0.00	2,269,713.00
2. Accumulated amortization	138,475,792.80	13,902,614.43	208,985.82	152,169,421.41
Land use rights	86,242,408.83	6,230,908.01	8,985.82	92,464,331.02
Computer software	26,195,683.08	6,413,685.27	200,000.00	32,409,368.35
Patents	17,435,264.52	925,106.85	0.00	18,360,371.37
Non-patented technology	6,777,112.65	219,428.58	0.00	6,996,541.23
Trademark right	9,553.60	0.00	0.00	9,553.60
Others	1,815,770.12	113,485.72	0.00	1,929,255.84
3. Total net book value	566,514,087.48	19,397,459.89	195,959.78	585,715,587.59
Land use rights	494,011,011.87	22,545,103.25	195,959.78	516,360,155.34
Computer software	46,412,068.42	-1,889,622.21	0.00	44,522,446.21
Patents	6,785,124.45	-925,106.85	0.00	5,860,017.60
Non-patented technology	13,765,955.70	-219,428.58	0.00	13,546,527.12
Trademark right	5,085,984.16	0.00	0.00	5,085,984.16
Others	453,942.88	-113,485.72	0.00	340,457.16
Total Book value	566,514,087.48	19,397,459.89	195,959.78	585,715,587.59
Land use rights	494,011,011.87	22,545,103.25	195,959.78	516,360,155.34
Computer software	46,412,068.42	-1,889,622.21	0.00	44,522,446.21
Patents	6,785,124.45	-925,106.85	0.00	5,860,017.60
Non-patented technology	13,765,955.70	-219,428.58	0.00	13,546,527.12
Trademark right	5,085,984.16	0.00	0.00	5,085,984.16
Others	453,942.88	-113,485.72	0.00	340,457.16

Amortization for the current period amounted to RMB13,902,614.43.

(2) Research and development expenditure

Unit: RMB

Project	Amount at beginning of period	Increase	Decrease Included in profit or loss for the current period	Recognized as intangible asset	At end of period
Textile machinery and other project development costs	0.00	86,348,351.43	86,348,351.43	0.00	0.00
Magnetic induction of cancer treatment project	14,221,806.55	0.00	0.00	0.00	14,221,806.55
Total	14,221,806.55	86,348,351.43	86,348,351.43	0.00	14,221,806.55

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
17. Goodwill
Unit: RMB

Name of investee or events that resulting in goodwill	Balance at beginning of period	Increase	Decrease	Balance at end of period	Provision for impairment
Wuxi Hongda Textile Machinery and Special Parts Company Limited	375,995.00			375,995.00	
Anshan Jingwei Haihong Agricultural Machinery Company Limited	7,341,351.32			7,341,351.32	
Shanghai Huayuan Hyperthermia Technology Company Limited	168,039.33			168,039.33	
Zhongrong International Trust Co., Ltd.	833,388,872.51			833,388,872.51	
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	2,475,698.35			2,475,698.35	
Jinzhong Jingwei Hengxin Machinery Co., Ltd.	556,468.53			556,468.53	
Beijing Jingwei Gallant Medical Technology Company Limited	814,559.97			814,559.97	
Total	845,120,985.01			845,120,985.01	

18. Long-term deferred expenses
Unit: RMB

Items	At beginning of period	Increase	Amortization for the current period	Other reductions	At end of period	Reasons for other reductions
Expenses on improvements of fixed assets leased under operating leases	21,424,305.44	1,389,979.00	7,773,349.61	0.00	15,040,934.83	
Expenses on product announcements and customer resources	6,340,000.00		664,800.00		5,675,200.00	
Others	536,704.88	1,000,305.97	351,911.44	0.00	1,185,099.41	
Total	28,301,010.32	2,390,284.97	8,790,061.05	0.00	21,901,234.24	-

19. Deferred tax assets and deferred tax liabilities
Deferred tax assets and deferred tax liabilities are not presented in the net amount after offsetting

Recognized deferred tax assets and liabilities

Unit: RMB

Item	At end of period	At beginning of period
Deferred tax assets:		
Provision for asset impairment	4,524,598.36	4,400,220.66
Deductible losses	4,527,140.89	4,527,140.89
Wages payable	377,350,555.19	377,350,555.19
Unrealized internal sales profits	763,456.51	763,456.51
Changes in fair value of trading financial assets	28,599,716.91	25,540,879.81
Changes in fair value of available-for-sale financial assets	58,164,702.28	44,179,384.41
Sub-total	473,930,170.14	456,761,637.47

Deferred income tax liabilities:

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
20. Provision for asset impairment
Unit: RMB

Item	Balance at beginning of period	Increase	Decrease		Balance at end of period
			Reversals	Written-off	
1. Provision for bad debts	100,670,126.49	193,148.46	60,011.59	136,703.39	100,666,559.97
2. Provision for inventories written-down	116,246,170.70		3,324.15	3,776,897.94	112,465,948.61
3. Provision for impairment losses on long-term equity investments	20,193,871.42				20,193,871.42
4. Provision for impairment losses on fixed assets	10,660,801.21			782,565.37	9,878,235.84
Total	<u>247,770,969.82</u>	<u>193,148.46</u>	<u>63,335.74</u>	<u>4,696,166.70</u>	<u>243,204,615.84</u>

21. Short-term borrowings
(1) By categories
Unit: RMB

Items	At end of period	At beginning of period
Pledged loans	8,055,624.00	17,904,170.00
Mortgage loans	88,000,000.00	77,000,000.00
Guaranteed loans	162,665,991.84	161,721,458.32
Credit loans	2,182,029,540.37	1,688,878,919.15
Total	<u>2,440,751,156.21</u>	<u>1,945,504,547.47</u>

22. Bills payable
Unit: RMB

Category	At end of period	At beginning of period
Commercial bills under acceptance	4,909,405.83	20,416,235.85
Bank bills under acceptance	586,413,240.60	592,244,034.16
Total	<u>591,322,646.43</u>	<u>612,660,270.01</u>

23. Accounts payable
(1) By aging
Unit: RMB

Item	At end of period	At beginning of period
Within 1 year	1,533,291,040.33	1,683,582,160.15
1-2 years	41,939,252.63	39,843,968.02
2-3 years	14,870,160.75	9,553,127.66
Over 3 years	14,813,510.43	22,546,615.34
Total	<u>1,604,913,964.14</u>	<u>1,755,525,871.17</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
23. Accounts payable (continued)

(2) *The accounts payable due to the shareholders with 5% or more voting shares in the Company during the reporting period*

Unit: RMB

Name of Company	At end of period	At beginning of period
China Textile Machinery (Group) Company Limited	6,301,379.63	6,301,379.63
Total	<u>6,301,379.63</u>	<u>6,301,379.63</u>

24. Advances from customers

(1) *By aging*

Unit: RMB

Item	At end of period	At beginning of period
Within 1 year	225,524,760.29	274,987,247.84
1-2 years	85,002,344.58	71,357,416.67
2-3 years	33,185,486.45	31,614,169.38
Over 3 years	43,571,754.00	33,129,473.49
Total	<u>387,284,345.32</u>	<u>411,088,307.38</u>

25. Employee benefits payables

Unit: RMB

Item	Balance at beginning of period	Increase	Decrease	Balance at end of period
I. Salaries, bonuses, allowances and subsidies	1,561,478,571.95	1,007,988,980.01	706,259,272.68	1,863,208,279.28
II. Staff welfare	1,266,342.53	18,376,975.75	15,813,535.24	3,829,783.04
III. Social insurance	33,103,541.08	97,047,187.29	99,635,187.45	30,515,540.92
1. Medical insurance	2,888,033.05	26,581,005.74	28,020,204.30	1,448,834.49
2. Basic pension contributions	27,413,677.46	61,418,170.65	63,059,269.20	25,772,578.91
3. Unemployment insurance	2,046,274.93	4,407,981.87	4,691,468.47	1,762,788.33
4. Industrial injury insurance	418,292.48	2,528,602.12	2,000,804.17	946,090.43
5. Maternity insurance	337,263.16	2,111,426.91	1,863,441.31	585,248.76
IV. Housing funds	8,598,945.62	27,334,398.88	28,007,341.54	7,926,002.96
V. Termination benefits	7,209,020.88	5,246,525.54	5,291,612.96	7,163,933.46
VI. Others	18,227,808.54	21,431,371.58	20,105,938.12	19,553,242.00
Total	<u>1,629,884,230.60</u>	<u>1,177,425,439.05</u>	<u>875,112,887.99</u>	<u>1,932,196,781.66</u>

The Union running costs and employee education costs amounted to RMB 16,649,043.18.

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
26. Taxation payable
Unit: RMB

Items	At end of period	At beginning of period
VAT	-22,345,039.79	-3,024,513.65
Business tax	60,913,707.98	94,684,621.37
Enterprise income tax	195,173,953.49	298,731,439.53
Individual income tax	2,848,135.57	76,154,862.96
Urban maintenance and construction tax	7,073,820.63	10,694,531.50
Land use tax	12,676,507.31	11,452,684.35
Property tax	5,099,497.95	4,916,868.58
Education surcharges	7,996,050.79	9,816,376.13
Others	3,798,879.74	5,782,763.20
Total	<u>273,235,513.67</u>	<u>509,209,633.97</u>

27. Interests payable
Unit: RMB

Items	At end of period	At beginning of period
Interests on corporate bonds	12,806,666.66	47,221,666.65
Interests payable on short-term borrowings	6,431,299.90	1,980,037.38
Total	<u>19,237,966.56</u>	<u>49,201,704.03</u>

28. Dividend payables
Unit: RMB

Name of company	At end of period	At beginning of period	Reason for not yet paid over one year
China Textile Machinery (Group) Company Limited	21,919,467.40		
China Hengtian Group Company Limited	1,901,250.50		
Changde Textile Machinery Factory	3,593,498.60	3,593,498.60	
Shenyang Textile Machinery Manufacturing Company Limited	69,003.63	69,003.63	
Others	81,014,738.38	3,024,456.69	
Total	<u>108,497,958.51</u>	<u>6,686,958.92</u>	-

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
29. Other payables
(1) Other payables
Unit: RMB

Item	At end of period	At beginning of period
Within 1 year	267,573,297.35	182,834,444.77
1-2 years	25,855,089.18	49,542,623.27
2-3 years	12,404,015.43	27,590,536.15
Over 3 years	54,460,155.60	70,027,234.52
Total	<u>360,292,557.56</u>	<u>329,994,838.71</u>

(2) The other payables due to the shareholders with 5% or more voting shares in the Company during the reporting period
Unit: RMB

Name of Company	At end of period	At beginning of period
China Textile Machinery (Group) Company Limited	<u>20,231,020.72</u>	<u>20,231,020.72</u>
Total	<u>20,231,020.72</u>	<u>20,231,020.72</u>

30. Non-current liabilities due within one year
(1) Non-current liabilities due within one year
Unit: RMB

Item	At end of period	At beginning of period
Long-term payables due within one year	<u>7,936,848.43</u>	<u>25,581,023.23</u>
Total	<u>7,936,848.43</u>	<u>25,581,023.23</u>

(2) Long-term payables due within one year
Unit: RMB

Name of company	Term	Initial amount	Interest rate	Accrued interest	Balance at end of period	Conditions for borrowings
CMB Finance Lease Company Limited					6,244,737.56	
Termination benefits					1,464,913.00	
Others					227,197.87	
Total					<u>7,936,848.43</u>	



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

31. Bonds Payable

Unit: RMB

Name of bond	Par value	Issue date	Term	Issue amount	Opening balance of accrued interest	Accrued interest for the period	Interest paid during the period	Accrued interest at end of period	Ending balance
Medium term notes	1,200,000,000.00	2012/4/24	5 years	1,200,000,000.00	47,221,666.65	29,756,666.65	64,171,666.64	12,806,666.66	1,200,000,000.00

32. Long-term payables

(1) Top five long-term payables

Unit: RMB

Item	Term	Initial amount	Interest rate	Accrued interest	Balance at end of period	Conditions for borrowings
Suizhou City Investment Group Company Limited					29,994,000.00	
Termination benefits					24,701,034.70	
Others					1,043,467.28	
Total					<u>55,738,501.98</u>	

33. Special payables

Unit: RMB

Items	At beginning of period	Increase	Decrease	At end of period	Notes
Earmarks of the capacity expansion project for annual output of 100 biaxial and multi-axial warp knitting machines	5,200,000.00			5,200,000.00	
Relocation grants	3,902,619.80			3,902,619.80	
New spinning frames and its manufacturing processing facilities construction projects	4,000,000.00			4,000,000.00	
Enterprise information technology upgrade projects	2,000,000.00			2,000,000.00	
High-tech fiber and composite materials twisting device industry revitalization project	5,000,000.00			5,000,000.00	
Total	<u>20,102,619.80</u>			<u>20,102,619.80</u>	-

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
34. Other non-current liabilities
Unit: RMB

Items	Balance at end of period	Balance at beginning of period
Assets-related government grant:		
Relocation grant	39,118,316.81	39,118,316.81
Grant for investment on the industrialization of efficient modern weaving machine project	9,340,342.60	15,836,327.85
Refund of acquisition cost of land	9,211,351.26	9,211,351.26
Development and industrialization investment grant for efficient intelligent coarse spinner series products	7,125,842.23	7,125,842.23
Grant on investment on high point twisting machine project	2,336,250.00	2,336,250.00
Grant on investment on the project of textile machinery special precise super-speed bearing and spindle	2,610,000.00	2,610,000.00
Oil free dry type car of ring spinning spindle project	0.00	1,408,000.00
Leading enterprise of agricultural industrialization infrastructure subsidies	0.00	1,237,500.00
New suction type of rotor spinning machine's R&D and manufacturing	0.00	1,040,000.00
Hubei Wujiagang Industrial Area Management Committee Land Subsidy	574,080.00	574,080.00
Corn united harvest machine patent technology transformation funds	0.00	251,100.00
Deep treatment of electroplating waste water closed circulation projects	928,571.43	928,571.43
Innovative Technology Center Capacity Building Project	3,000,000.00	3,500,000.00
Internet of Things project	610,000.00	
Grants for ramie project	320,000.00	
National debt for high efficient cotton spinning line	6,409,578.97	
Others	3,660,000.00	1,212,000.00
Earnings-related government grant:		
Multifunctional magnetic induction hyperthermia system R&D funding	2,477,093.67	1,567,093.67
Yichang high-tech zone management Committee allocated mechanical construction subsidies	19,883,919.98	22,724,480.00
Intelligent manufacturing equipment development funds	6,500,000.00	
Others	2,420,500.00	1,388,000.00
Total	<u>116,525,846.95</u>	<u>112,068,913.25</u>

35. Share capital
Unit: RMB

	At beginning of period	New issue	Bonus share	Changes (+, -) Transfer from reserve	Others	Subtotal	At end of period
Total number of shares	<u>704,130,000.00</u>						<u>704,130,000.00</u>

36. Special reserve
Notes to the special reserve

According to CaiQi [2012] No.16, "Measures for the Usage Management and Accrual of Production Safety Fee", issued by Ministry of Finance ("MOF") and Safety Production General Bureau, the Group is required to make provision for "Production safety funds" since 2012.



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

37. Capital reserve

Unit: RMB

Items	At beginning of period	Increase	Decrease	At end of period
Capital premium (Share premium)	1,930,914,644.64	4,191,824.04	0.00	1,935,106,468.68
Other capital reserves	-47,610,500.27		15,720,895.83	-63,331,396.10
Total	<u>1,883,304,144.37</u>	<u>4,191,824.04</u>	<u>15,720,895.83</u>	<u>1,871,775,072.58</u>

38. Surplus reserve

Unit: RMB

Items	At beginning of period	Increase	Decrease	At end of period
Statutory surplus reserve	639,234,901.44			639,234,901.44
Discretionary surplus reserve	181,258,065.90			181,258,065.90
Total	<u>820,492,967.34</u>			<u>820,492,967.34</u>

39. General Risk Reserve

Notes to the general risk reserve

Trust compensation reserve shall be withdrawn at 5% of its net profit according to Article 49 of “Trust Company Management Approach”. Zhongrong Trust, a subsidiary of the Company, shall withdraw trust compensation reserve until it reached 20% of the registered capital or above. The trust compensation reserves are mainly used to make up the trust property losses which caused by mismanagement.

General risk reserve shall be provided on 1% of risk assets and dealt with as a profit distribution, which was based on the Ministry of Finance [2005] No. 49, Measures for the Administration of Provision for Doubtful Debts by Financial Institutions. General risk reserve shall be used to cover potential losses not yet identified.

General risk reserve was restored based on the shares that attributable to the owners of the Company.

40. Undistributed profit

Unit: RMB

Items	Amount	Proportion of withdrawal or allocation
At the end of previous year before adjustment	1,593,931,859.21	—
Adjustment to the undistributed profit (Increase +, decrease-)	0.00	—
At the beginning of the year after adjustment	1,593,931,859.21	—
Add: Net profit attributable to the owner of parent company	217,129,958.44	—
Withdrawal of general risk reserve	30,097.30	—
Ordinary share dividend payable	70,413,000.00	—
Undistributed profit at end of the period	1,740,618,720.35	—

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
41. Operating revenue and operating cost
(1) Operating revenue and operating cost
Unit: RMB

Item	Current period	Previous period
Principal operating revenue	1,961,212,138.12	2,442,693,817.69
Other operating revenue	466,137,124.82	270,246,457.90
Operating cost	2,037,399,628.59	2,328,681,959.67

(2) Main business (by industry)
Unit: RMB

Name of industry	Current period		Previous period	
	Principal operating revenue	Principal operating cost	Principal operating revenue	Principal operating cost
Textile machinery	1,646,560,439.67	1,454,462,478.77	2,153,319,058.93	1,875,662,846.44
Non textile machinery	314,651,698.45	283,670,508.43	289,374,758.76	250,754,760.92
Total	<u>1,961,212,138.12</u>	<u>1,738,132,987.20</u>	<u>2,442,693,817.69</u>	<u>2,126,417,607.36</u>

(3) Main business (by geographical area)
Unit: RMB

Geographical area	Current period		Previous period	
	Principal operating revenue	Principal operating cost	Principal operating revenue	Principal operating cost
Domestic	1,534,718,431.30	1,349,721,638.26	1,956,564,181.96	1,688,782,573.22
Overseas	426,493,706.82	388,411,348.94	486,129,635.73	437,635,034.14
Total	<u>1,961,212,138.12</u>	<u>1,738,132,987.20</u>	<u>2,442,693,817.69</u>	<u>2,126,417,607.36</u>

(4) Operating revenue from the top five customers
Unit: RMB

Customers	Principal operating revenue	Proportion of the Company's total operating revenue
China Texmatech Company Limited	381,565,497.06	15.72%
Wuhan Dongfuhai Trading Company Limited	105,821,284.66	4.36%
Ningxia Ruyi Technology Fashion Industry Co., Ltd.	77,458,606.86	3.19%
Inner Mongolia Gu Bai Chuan Steel Co., Ltd.	43,380,146.02	1.79%
China Textile Industrial Corporation for Foreign Economic and Technical Cooperation	41,572,480.86	1.71%
Total	<u>649,798,015.46</u>	<u>26.77%</u>



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

42. Sales taxes and levies

Unit: RMB

Item	Current period	Previous period	Standard for charging
Business tax	135,183,584.11	143,586,603.87	
City construction tax	4,097,529.11	5,698,766.24	
Education surcharge tax	1,946,290.39	2,342,332.54	
Others	1,287,151.91	2,027,587.79	
Total	<u>142,514,555.52</u>	<u>153,655,290.44</u>	—

43. Selling expenses

Unit: RMB

Item	Current period	Previous period
Employee benefits	34,342,971.02	32,459,621.14
Travelling expenses	12,110,335.30	10,727,872.82
Transportation expenses	10,216,117.85	8,432,781.96
Exhibition expenses	5,896,142.09	2,653,641.87
Advertisement expenses	2,452,075.68	2,610,182.99
Office expenses	1,398,691.46	2,635,438.36
Labor expenses	1,326,808.20	4,629,511.46
Others	16,935,550.32	16,938,429.57
Total	<u>84,678,691.92</u>	<u>81,087,480.17</u>

44. Administrative expenses

Unit: RMB

Item	Current period	Previous period
Employee benefits	947,254,432.15	888,406,004.80
Research and development expenses	86,348,351.43	96,419,401.01
Consultancy service fee	59,015,517.35	125,337,267.03
Rent	49,464,754.10	36,182,013.86
Depreciation expenses	25,145,084.29	22,209,265.16
Travelling expenses	21,448,535.93	22,445,611.88
Taxes	15,750,726.05	13,759,038.17
Amortization of intangible assets	12,658,406.69	9,181,085.55
Office expenses	7,714,235.43	17,851,891.88
Intermediary expenses	7,215,929.94	14,883,276.75
Others	80,174,355.02	112,095,560.04
Total	<u>1,312,190,328.38</u>	<u>1,358,770,416.13</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
45. Financial expenses
Unit: RMB

Item	Current period	Previous period
Interest expense	97,082,843.47	84,400,606.11
Interest income	-7,318,825.58	-14,631,331.09
Exchange loss	3,327,727.76	2,709,373.51
Exchange gain	-1,078,113.51	-2,290,658.97
Handling charge	7,933,243.32	4,412,434.90
Total	<u>99,946,875.35</u>	<u>74,600,424.46</u>

46. Gains from changes in fair value
Unit: RMB

Source resulting in gains from changes in fair value	Current period	Previous period
Held-for-trading financial assets	-13,254,328.48	-19,257,265.57
Total	<u>-13,254,328.48</u>	<u>-19,257,265.57</u>

47. Investment income
(1) Particulars of investment income
Unit: RMB

Items	Current period	Previous period
Investment income from long-term equity investment under the cost method	500,000.00	350,000.00
Investment income from long-term equity investment under the equity method	24,055,007.06	9,131,863.20
Investment income from held-for-trading financial assets	1,756,366.50	
Investment income from held-to-maturity investments	5,600,000.00	
Investment income from available-for-sale financial assets	2,400,000.00	
Gain on disposal of held-for-trading financial assets	1,531,219.97	-32,148,541.75
Gain on disposal of available-for-sale financial assets	2,807,671.24	7,736,721.00
Others		122,466.98
Total	<u>38,650,264.77</u>	<u>-14,807,490.57</u>

(2) Long-term equity investment income under cost method
Unit: RMB

Investees	Current period	Previous period	Reason for changes
Qingdao Textile Machinery Company Limited	<u>500,000.00</u>	<u>350,000.00</u>	
Total	<u>500,000.00</u>	<u>350,000.00</u>	-



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

47. Investment income (continued)

(3) Long-term equity investment income under equity method

Unit: RMB

Investees	Current period	Previous period	Reason for changes
China Texmatech Company Limited	3,037,121.66	3,072,190.52	
Hongda Research Institute Company Limited	451,185.31	-4,129,537.73	
Jingwei Machinery (Group) Company Limited	-3,490,511.97	-1,929,458.45	
Beijing Hang Tang Wealth Investment Management Company Limited	11,183,102.12	11,696,803.50	
Xianyang Jingwei Textile Machinery Company Limited	-470,356.80	-608,334.99	
Suizhou Jina Fu Construction Machinery Services Company Limited	-62,994.82		
Shenzhen Huarong Equity Investment and Fund Management Company Limited	3,752.38	3,169.90	
Shanghai Rongou Equity Investment Fund Management Company Limited	140,400.24		
Xinhu Wealth Company Limited	14,205,773.20	1,027,030.45	
Rueiyuan Baoxing Fund Management Company Limited	-27.45		
Zhongrong Kangjian Capital Management (Beijing) Company Limited	-942,436.81		
Total	<u>24,055,007.06</u>	<u>9,131,863.20</u>	-

48. Loss on impairment of assets

Unit: RMB

Item	Current period	Previous period
1. Bad debts	133,136.87	58,758.52
2. Written-down of inventories	-3,324.15	-740,923.65
Total	<u>129,812.72</u>	<u>-682,165.13</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
49. Non-operating income
(1) Non-operating income
Unit: RMB

Items	Current period	Previous period	Included in the current non-recurring items
Total gains on disposal of non-current assets	3,951,814.79	1,415,832.02	3,951,814.79
Including: Gains on disposal of fixed assets	3,951,814.79	1,415,832.02	3,951,814.79
Gains from debt restructuring	177,550.00	406,935.60	177,550.00
Government grants	6,861,179.51	10,581,099.74	6,861,179.51
Others	6,160,721.98	4,092,689.26	6,160,721.98
Total	17,151,266.28	16,496,556.62	17,151,266.28

(2) Government grants included in profit or loss for the current period
Unit: RMB

Items	Current period	Previous period	Related to assets/income	Non-recurring items(Yes/No)
Machinery engineering construction subsidies allocated by Xiaoting Management Committee	2,840,560.02		Related to income	Yes
Energy saving motor project	1,175,800.00		Related to income	Yes
Special funds for Industrial revitalization	500,000.00		Related to income	Yes
Innovative Technology Center Capacity Building Project	500,000.00		Related to income	Yes
R&D of JWF1562 Spinning Machine	400,000.00		Related to income	Yes
The Internet of Things project of the Ministry of Finance	335,000.00		Related to income	Yes
Innovation methods base construction project	270,000.00		Related to income	Yes
Subsidies for science and technology project of Huangshi City in 2013	200,000.00		Related to income	Yes
The 2013 Industrial development award for the development zone	160,000.00		Related to income	Yes
Others	479,819.49	5,675,755.73	Related to income	Yes
Relocation subsidies		2,238,786.11	Related to income	Yes
Technology innovation grant for "precision winding and digital control network" project		1,330,000.00	Related to income	Yes
VAT Refund		1,336,557.90	Related to assets	Yes
Total	6,861,179.51	10,581,099.74	-	-

50. Non-operating expenses
Unit: RMB

Items	Current period	Previous period	Included in the current non-recurring items
Total loss on disposal of non-current assets	730,133.30	2,360,608.37	730,133.30
Including: Loss on disposal of fixed assets	730,133.30	2,360,608.37	730,133.30
Loss from debt restructuring	11,120.00		11,120.00
Donations	1,003,851.76	1,728,500.00	1,003,851.76
Others	1,291,137.21	1,890,433.65	1,291,137.21
Total	3,036,242.27	5,979,542.02	3,036,242.27



VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

51. Income tax expenses

Unit: RMB

Item	Current period	Previous period
Current income tax calculated according to tax law and related regulations	372,856,802.61	370,614,948.51
Deferred income tax adjustment	-3,058,837.10	-4,814,316.39
Total	<u>369,797,965.51</u>	<u>365,800,632.12</u>

52. Calculation process of basic earnings per share and diluted earnings per share

Basic EPS = $P \div S = P / (S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k)$ Where: P refers to net profit attributable to ordinary shareholders and net profit (excluding non-operating profit or loss) attributable to ordinary shareholders; S refers to weighted average amount of ordinary shares issued; S₀ refers to the sum of shares at the beginning of the period; S₁ refers to the increases of shares due to transferred from capital reserve or share dividend; S_i refers to the increases of shares due to right issue or debt to equity; S_j refers to the decreases of shares due to shares repurchase; S_k refers to the decreases of shares due to stock reserve split-up in the reporting period; M₀ refers to the amount of months in the reporting period; M_i refers to the amount of months from the next month of that increase of shares to the end of the period; M_j refers to the amount of months from the next month of that decrease of shares to the end of the period.

Diluted EPS = $P_1 / (S_0 + S_1 + S_i \times M_i \div M_0 - S_j \times M_j \div M_0 - S_k + \text{increase of weighted average amount of ordinary shares due to warrant, share option or convertible bond})$. Where: P₁ refers to net profit attributable to ordinary shareholders and net profit (exclusive of non-operating profit or loss) attributable to ordinary shareholders, consider the effects of the dilution potential ordinary shares and modulate it according to “Enterprise Accounting Principle” and the relevant regulations. When calculating the diluted earnings per share, all effects of diluted potential ordinary shares on net profit attributable to ordinary shareholders and net profit (exclusive of non-operating profit or loss) attributable to ordinary shareholders and weighted average shares shall be taken into consideration. The dilution potential ordinary shares shall be included in diluted EPS according to the degree of dilution in descending order, until the diluted earnings per share reach the minimum amount.

53. Other comprehensive income

Unit: RMB

Item	Current period	Previous period
1. Gain (Loss) arising from available-for-sale financial assets	-55,941,271.50	-186,243,903.00
Less: Income tax effect arising from available-for-sale financial assets	-13,985,317.87	-46,560,975.75
Sub-total	-41,955,953.63	-139,682,927.25
4. Exchange differences arising on translation of financial statements denominated in foreign currencies	424,684.30	-866,076.33
Sub-total	424,684.30	-866,076.33
Total	<u>-41,531,269.33</u>	<u>-140,549,003.58</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
54. Notes to the cash flow statement
(1) Other cash receipts relating to operating activities
Unit: RMB

Item	Amount
Interest income, deposit and employee borrowing received	65,862,111.85
Total	<u>65,862,111.85</u>

(2) Other cash payments relating to operating activities
Unit: RMB

Item	Amount
Payments of service fees, travel expenses and office expenses	200,052,364.27
Total	<u>200,052,364.27</u>

(3) Other cash payments relating to financing activities
Unit: RMB

Item	Amount
Payments of financing lease	21,672,909.24
Total	<u>21,672,909.24</u>

VII. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
55. Supplementary information of the cash flow statement
(1) Supplementary information of the cash flow statement
Unit: RMB

Supplementary information	Current period	Previous period
1. Adjust the net profit to cash flow from operating activities:	—	—
Net profit	874,353,287.14	957,755,298.86
Add: Provision for impairment of assets	129,812.72	-682,165.13
Depreciation of fixed assets, depletion of oil and gas assets, depreciation of productive biological assets	77,244,032.44	71,624,092.04
Amortization of intangible assets	13,902,614.43	11,866,426.02
Amortization of long-term deferred payment	8,790,061.05	6,522,348.76
Loss on disposal of fixed assets, intangible assets and other long-term assets (gain expressed in “-”)	-3,221,681.49	944,776.35
Loss on retirement of fixed assets (gain expressed in “-”)	76,974.28	0.00
Loss on fair value changes (gain expressed in “-”)	13,254,328.48	19,257,265.57
Finance cost (gain expressed in “-”)	97,082,843.47	84,400,606.11
Investment losses (gain expressed in “-”)	-38,650,264.77	14,807,490.57
Decrease in deferred tax assets (increase expressed in “-”)	-17,168,532.67	-51,375,292.14
Increase in deferred tax liabilities (decrease expressed in “-”)	0.00	0.00
Decrease in inventories (increase expressed in “-”)	-131,561,224.55	-114,944,424.08
Decrease in operating receivables (increase expressed in “-”)	354,598,271.32	-187,547,627.28
Increase in operating payables (decrease expressed in “-”)	-187,008,701.67	304,173,311.45
Net cash flow from operating activities	<u>1,061,821,820.18</u>	<u>1,116,802,107.10</u>
2. Investing and financing activities not involved in cash receipts and payments	—	—
3. Net changes in cash and cash equivalents:	—	—
Closing balance of cash	10,356,009,235.08	8,141,090,963.28
Less: Opening balance of cash	9,314,093,479.56	6,456,694,048.29
Net increase in cash and cash equivalents	<u>1,041,915,755.52</u>	<u>1,684,396,914.99</u>

(2) Constitution of cash and cash equivalents
Unit: RMB

Item	At end of period	At beginning of period
1. Cash	10,356,009,235.08	9,314,093,479.56
Including: Cash on hand	970,125.50	918,176.25
Cash at bank that can be readily withdrawn on demand	10,293,664,583.12	9,293,184,494.33
Other monetary fund that can be readily withdrawn on demand	61,374,526.46	19,990,808.98
2. Closing balance of cash and cash equivalents	10,356,009,235.08	9,314,093,479.56

VIII. RELATED PARTIES AND TRANSACTIONS

1. Details of the parent company

Name of Company	Relationship	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of shareholdings in the Group	Proportion of voting power in the Group	The ultimate controlling party of the Group	Organization code
China Textile Machinery (Group) Company Limited	Controlling shareholder	Limited liability company	Beijing	Zhang Jie	Manufacturing and trading of textile machinery	2735820000	31.13%	31.13%	China Hi-tech Group Corporation	101518554

2. Details of subsidiaries of the Group

Name of subsidiaries	Type of subsidiary	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of shareholdings	Proportion of voting power held	Organization code
Beijing Jingpeng Investment Management Company Limited	Holding Subsidiary	Limited Liability	Beijing	Yao Yuming	Investment management	100,000,000.00	100.00%	100.00%	10256839-3
Shenyang Hongda Huaming Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Shenyang	Wang Yu	T&M	40,000,000.00	98.50%	100.00%	77481871-1
Beijing Jingwei Textile Machinery New Technology Company Limited	Holding Subsidiary	Limited Liability	Beijing	Yao Yuming	T&M	100,000,000.00	100.00%	100.00%	70024399-4
Yichang Jingwei Machinery Company Limited	Holding Subsidiary	Limited Liability	Yichang	Yao Yuming	T&M	20,000,000.00	100.00%	100.00%	79591603-8
Tianjin Jingwei New Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Tianjin	Yao Yuming	T&M	16,000,000.00	100.00%	100.00%	77732301-X
Shanghai Chuangan Trading Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Yao Yuming	Sales of knitwear	5,000,000.00	96.94%	96.94%	70336610-5
Shanghai Weixin Electrical and Machinery Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Yao Yuming	T&M	16,000,000.00	100.00%	100.00%	60727498-0
Shanghai Jingwei Protiti Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Zhang Xinmin	T&M	50,000,000.00	100.00%	100.00%	72944813-3
Shanghai WSP Mould and Injection Plastic Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Lin Jianwang	Manufacturing of precision injection plastic parts	5,256,800.00	50.00%	100.00%	74929286-9
Jingwei Textile Machinery Yuci Material Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Ren Yansheng	Sales of metallurgy and metal material	5,000,000.00	99.92%	100.00%	11278984-3
Shanxi Jingwei Textile Machinery and Special Parts Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Wu Xudong	Manufacturing of T&M special parts	100,000,000.00	54.86%	54.86%	11274383-7
Hong Kong Huaming Co. Ltd.	Holding Subsidiary	Limited Liability	Hong Kong	Ye Maoxin	Sales of T&M Accessories	USD 7,700,000.00	100.00%	100.00%	
Shanxi Jingwei Precision Machinofacture Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Wu Xudong	Manufacturing of casting mold	25,000,000.00	68.80%	68.80%	69223011-3
Shenyang Hongda Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Shenyang	Wang Yu	T&M	81,994,300.00	98.00%	98.00%	71579925-8
Shanxi Jingwei Heli Machinofacture Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Wu Xudong	Manufacturing of electrical products	100,000,000.00	39.83%	69.83%	11278606-0
Changde Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Changde	Yao Yuming	T&M	42,350,000.00	95.00%	95.00%	73474692-8
Tianjin Hongda Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Tianjin	Yao Yuming	T&M	96,084,000.00	100.00%	100.00%	71294571-5
Qingdao Hongda Textile Machinery Limited Liability	Holding Subsidiary	Limited Liability	Qingdao	Yao Yuming	T&M	114,000,000.00	97.66%	97.66%	71376206-4

VIII. RELATED PARTIES AND TRANSACTIONS (continued)
2. Details of subsidiaries of the Group (continued)

Name of subsidiaries	Type of subsidiary	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of shareholdings	Proportion of voting power held	Organization code
Wuxi Jingwei Textile Technology Testing Company Limited	Holding Subsidiary	Limited Liability	Wuxi	Lin Jianwang	Manufacturing of cotton yarn	49,530,000.00	100.00%	100.00%	75000921-5
Wuxi Jingwei Textile Machinery Sales Service Company Limited	Holding Subsidiary	Limited Liability	Wuxi	Shi Jianping	Sales of T&M	1,000,000.00	100.00%	100.00%	77050566-2
Zhengzhou Hongda New Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Zhengzhou	Shi Jianping	T&M	74,500,000.00	98.00%	98.00%	71676538-3
Wuxi Hongda Textile Machinery and Special Parts Company Limited	Holding Subsidiary	Limited Liability	Wuxi	Xiong Jianlin	Manufacturing of special parts for T&M	20,000,000.00	35.00%	86.20%	13589190-4
Taiyuan Jingwei Electric Equipment Company Limited	Holding Subsidiary	Limited Liability	Taiyuan J	Yang Deming	Manufacturing of machine tool control	5,000,000.00	100.00%	100.00%	60207789-X
Huangshi Jingwei Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Huangshi	Liu Xianming	T&M	32,000,000.00	45.00%	85.00%	17841272-3
Xianyang Jingwei Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Xianyang	Cheng Jianrong	T&M	50,000,000.00	100.00%	100.00%	56375549-0
Hubei Xinchufeng Automobile Company Limited	Holding Subsidiary	Company Limited by Shares	Suizhou	Zou Xinguo	Manufacturing of automobile	311,420,000.00	80.28%	80.28%	79876653-0
Anshan Jingwei Haihong Agricultural Machinery Company Limited	Holding Subsidiary	Limited Liability	Anshan	Shi Jinen	Manufacturing of agricultural machinery	40,000,000.00	51.00%	51.00%	68007495-0
Shanghai Huayuan Hyperthermia Technology Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Yao Yuming	Manufacturing of medical equipment	20,000,000.00	51.00%	51.00%	76839464-1
Zhongrong International Trust Company Limited	Holding Subsidiary	Limited Liability	Harbin	Liu Yang	Trust	6,000,000,000.00	37.47%	70.46%	12704434-2
Hengtian Motor Vehicles Co., Ltd.	Holding Subsidiary	Company Limited by Shares	Suizhou	Ye Maoxin	Sales of automobile	50,000,000.00	100.00%	100.00%	57371112-5
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Wu Xudong	T&M	31,000,000.00	65.48%	65.48%	74350587-8
Beijing Zhongrong Dingxin Investment Management Company Limited	Holding Subsidiary	Limited Liability	Beijing	Zhang Dong	Equity investment	500,000,000.00	100.00%	100.00%	58766588-7
Yichang Jingwei Machinery Company Limited	Holding Subsidiary	Limited Liability	Yichang	Yao Yuming	T&M	80,000,000.00	100.00%	100.00%	59146114-X
Hubei Hengtian Motor Co., Ltd.	Holding Subsidiary	Limited Liability	Suizhou	Li Wei	Manufacturing of automobile	43,550,000.00	60.00%	60.00%	58822497-9
Jinzhong Jingwei Hengxin Machinery Company Limited	Holding Subsidiary	Limited Liability	Jinzhong	Wu Xudong	T&M	7,900,000.00	51.00%	51.00%	11277614-5
China Hi-Tech New Energy Automobile Company Limited	Holding Subsidiary	Limited Liability	Hong Kong	Ye Maoxin	Investment holding	HKD5,000,000.00	100.00%	100.00%	
Jingwei Tsudakoma (Xianyang) Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Xianyang	Cheng Jianrong	T&M	126,000,000.00	51.00%	51.00%	05477472-2
Beijing Jingwei Huaqing Medical Technology Company Limited	Holding Subsidiary	Limited Liability	Beijing	Sun Yinghui	Manufacturing of medical equipment	1,000,000.00	100.00%	100.00%	05358949-6
China Hi-Tech (international) Limited	Holding Subsidiary	Limited Liability	Hong Kong	Ye Maoxin	Equity Investment	HKD 39,000,000.00	52.00%	52.00%	
CHTC Europe Holding B.V.	Holding Subsidiary	Limited Liability	Nederland	Ye Maoxin	Equity Investment	EUR 1,500,002.04	100.00%	100.00%	

VIII. RELATED PARTIES AND TRANSACTIONS (continued)

2. Details of subsidiaries of the Group (continued)

Name of subsidiaries	Type of subsidiary	Type	Place of incorporation	Legal representative	Nature of business	Registered capital	Proportion of shareholdings	Proportion of voting power held	Organization code
Ginaf Trucks Nederland B.V.	Holding Subsidiary	Limited Liability	Nederland	Ye Maoxin	Manufacturing of automobile	EUR 2,000,000.00	100.00%	100.00%	
Shanghai Shenxin Medical Machinery Technology Company Limited	Holding Subsidiary	Limited Liability	Shanghai	Sun Yinghui	Manufacturing of medical equipment	2,000,000.00	100.00%	100.00%	59316468-3
DURABUS,Proizvodnja vozil,d.o.o	Holding Subsidiary	Limited Liability	Slovenia	Harm Prins	Manufacturing of automobile	EUR 2,600,000.00	51.00%	51.00%	
JW-PROTTI MACCHINE TESSILI S.R	Holding Subsidiary	Limited Liability	Italy	Yao Yuming	T&M	EUR 1,000,000.00	94.05%	94.05%	
SSGA Fund Management Company Limited	Holding Subsidiary	Limited Liability	Beijing	Gui Songlei	Fund management	300,000,000.00	51.00%	51.00%	71788536-0
SSGA Asset Management Company Limited	Holding Subsidiary	Limited Liability	Beijing	Gui Songlei	Asset Management	50,000,000.00	100.00%	100.00%	07851779-8
Beijing Jingwei Gallant Medical Technology Company Limited	Holding Subsidiary	Limited Liability	Beijing	Sun Yinghui	Manufacturing of medical equipment	HKD 38,805,000.00	48.46%	48.46%	66508930-2
Huangshi Hi-Tech Jingwei Textile Machinery Company Limited	Holding Subsidiary	Limited Liability	Huangshi	Li Ning	Manufacturing of equipments for T&M	10,000,000.00	92.86%	92.86%	08092235-4

3. Details of joint ventures and associates

Name of Investee	Type	Place of incorporation	Legal representative	Principal activities	Registered capital	Proportion of shareholdings	Proportion of voting power held	Relationship	Organization code
(1) Joint Venture									
(2) Associate									
China Texmatch Company Limited	Limited Liability	Beijing	Zhu Baolin	Import and export of textile machinery	120,000,000.00	25.00%	25.00%	Associate	10000283-9
Hongda Research Institute Company Limited	Limited Liability	Beijing	Liu Yujun	Sales, R&D of textile products	50,000,000.00	40.00%	40.00%	Associate	72634111-1
Jingwei Machinery (Group) Company Limited	Limited Liability	Jinzhong	Wu Xudong	Production & sales of textile machinery	42,480,000.00	18.83%	18.83%	Associate	11273104-3
Beijing Hang Tang Wealth Investment Management Company Limited	Limited Liability	Beijing	Liang Yue	Investment management	50,000,000.00	20.00%	20.00%	Associate	56952241-X
Xianyang Jingwei Textile Machinery Company Limited	Limited Liability	Xianyang	Cheng Jianrong	T&M	75,079,600.00	25.00%	25.00%	Associate	71350210-7
Anhui Huamao Jingwei New Textile Company Limited	Limited Liability	Anqing	Zhan Lingzhi	Production & sales of textile products	50,000,000.00	25.00%	25.00%	Associate	77497496-8
Shenzhen Huarong Equity Investment and Fund Management Company Limited	Limited Liability	Shenzhen	Xie Wei	Investment management	10,000,000.00	49.00%	49.00%	Associate	57636934-5
Xinhu Fortune Investment Management Company Limited	Limited Liability	Beijing	Qu Guang	Investment management	65,000,000.00	23.08%	23.08%	Associate	58255583-0
Ruiyuan Baoxing Fund Management Company Limited	Limited Liability	Shenzhen	Yu Yuanxiang	Equity investment	4,000,000.00	49.00%	49.00%	Associate	07110458-7
Zhongrong Kangjian Capital Management (Beijing) Company Limited	Limited Liability	Beijing	Yu Bo	Asset management	2,000,000.00	49.00%	49.00%	Associate	07663132-7



VIII. RELATED PARTIES AND TRANSACTIONS (continued)

3. Details of joint ventures and associates (continued)

Name of Investee	Type	Place of incorporation	Legal representative	Principal activities	Registered capital	Proportion of shareholdings	Proportion of voting power held	Relationship	Organization code
Shanghai Rongou Equity Investment and Fund Management Company Limited	Limited Liability	Shanghai	Ni Boshi	Equity investment	10,000,000.00	40.00%	40.00%	Associate	08410624-X
Jinzhong Jingwei Yuxin Machinery Company Limited	Limited Liability	Jinzhong	Bao Zhi	T&M	5,000,000.00	20.00%	20.00%	Associate	08097373-3
Suizhou Ginaf Mechanical Engineering Service Company Limited	Limited Liability	Suizhou	Li Qiang	Mechanical engineering service	15,000,000.00	40.00%	40.00%	Associate	06611279-3
Lhasa Rongzheng Investment Management Consulting Co., Ltd.	Limited Liability	Lhasa	Fu Chunyu	Industrial investment, asset management	2,000,000.00	49.00%	49.00%	Associate	09577087-5
Dazi Zhongrong Health Venture Investment Center (Limited Partnership)	Limited Partnership	Lhasa	-	Venture capital investment and consultation	-	73.00%	0.00%	Associate	06467486-4
Dazi Zhongrong Taishan Preferred Fund (Limited Partnership)	Limited Partnership	Lhasa	-	Venture capital investment and consultation	-	20.24%	20.00%	Associate	06469632-6

4. Details of other related parties

Name of related parties	Relationship with the Group	Organization code
Changde Textile Machinery Factory	Controlled by the same parent company	186481286
Yichang Textile Machinery Factory	Controlled by the same parent company	17921223X
Hongda Industrial Corporation Limited	Controlled by the same parent company	710925710
Wuxi Textile Machinery Research Institute	Controlled by the same parent company	46628536X
Xianyang Textile Machinery Factory	Controlled by the same parent company	220524623
Yichang Zhongfang Hotel	Controlled by the same parent company	179212395
Yichang Zhongfang Industry Company Limited	Controlled by the same parent company	71469741X
China Textile Machinery Industry Corporation Sales Technology Service Company	Controlled by the same parent company	101476286
Beijing Bohong Real Estate Development Company Limited	Controlled by the same actual controller	80294840X
Chifeng Huayuan Wool Industry Company Limited	Controlled by the same actual controller	701280084
Handan Hongda Chemical Fiber Machinery Company Limited	Controlled by the same actual controller	715835167
Hang Tang Real Estate Company Limited	Controlled by the same actual controller	717825763
CHTC Heavy Industry Company Limited	Controlled by the same actual controller	739080782
Hengyang Textile Machinery Company Limited	Controlled by the same actual controller	18500076X

VIII. RELATED PARTIES AND TRANSACTIONS (continued)
5. Related Party Transactions
(1) Purchase of goods and receipt of services
Unit: RMB

Related party	Content	Method of pricing and decision-making procedures	Current period		Previous period	
			Amount	Ratio	Amount	Ratio
Under control or influence of key personnel Associates	Purchase of casting	agreement	0.00	0.00%	23,220,462.88	100.00%
	Purchase of casting	agreement	3,699,226.52	100.00%	0.00	0.00%
		Subtotal	<u>3,699,226.52</u>	<u>100.00%</u>	<u>23,220,462.88</u>	<u>100.00%</u>
Associates	Purchase of packaging materials	agreement	0.00	0.00%	10,170.94	0.00%
Under control or influence of key personnel	Purchase of packaging materials	agreement	0.00	100.00%	10,302,279.86	100.00%
		Subtotal	<u>0.00</u>	<u>100.00%</u>	<u>10,312,450.80</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Purchase of energy	agreement	9,300.06	100.00%	19,140.58	100.00%
		Subtotal	<u>9,300.06</u>	<u>100.00%</u>	<u>19,140.58</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Purchase of raw materials and parts	agreement	232,076.52	0.00%	250,991.14	0.00%
Companies controlled by the same parent company	Purchase of raw materials and parts	agreement	3,815,432.36	2.00%	2,963,874.37	2.00%
Associates	Purchase of raw materials and parts	agreement	211,922,509.53	96.00%	69,926,233.73	41.00%
Under control or influence of key personnel	Purchase of raw materials and parts	agreement	5,244,435.08	2.00%	98,331,778.51	57.00%
		Subtotal	<u>221,214,453.48</u>	<u>100.00%</u>	<u>171,472,877.75</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Purchase of finished goods	agreement	126,207,469.85	98.00%	214,071,040.38	89.00%
Associates	Purchase of finished goods	agreement	108,198.24	1.00%	0.00	0.00%
Under control or influence of key personnel	Purchase of finished goods	agreement	268,128.80	1.00%	26,177,270.10	11.00%
		Subtotal	<u>126,583,796.89</u>	<u>100.00%</u>	<u>240,248,310.48</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Payment of processing charges	agreement	63,940.19	1.00%	0.00	0.00%
Companies controlled by the same parent company	Payment of processing charges	agreement	25,463.53	0.00%	42,808.81	1.00%
Associates	Payment of processing charges	agreement	105,008.90	3.00%	9,311.68	0.00%
Under control or influence of key personnel	Payment of processing charges	agreement	4,946,372.29	96.00%	7,593,298.96	99.00%
		Subtotal	<u>5,140,784.91</u>	<u>100.00%</u>	<u>7,645,419.45</u>	<u>100.00%</u>
Companies controlled by the same parent company	Payment of transportation services expenses	agreement	1,456,212.42	100.00%	1,911,588.78	100.00%
		Subtotal	<u>1,456,212.42</u>	<u>100.00%</u>	<u>1,911,588.78</u>	<u>100.00%</u>

VIII. RELATED PARTIES AND TRANSACTIONS (continued)
5. Related Party Transactions (continued)
(1) Purchase of goods and receipt of services (continued)
Unit: RMB

Related party	Content	Method of pricing and decision-making procedures	Current period		Previous period	
			Amount	Ratio	Amount	Ratio
Companies controlled by the same actual controller	Payment of repair and maintenance expenses	agreement	83,010.29	4.00%	0.00	0.00%
Companies controlled by the same parent company	Payment of repair and maintenance expenses	agreement	504,812.82	25.00%	39,107.49	2.00%
Associates	Payment of repair and maintenance expenses	agreement	1,467,245.39	71.00%	2,477,814.59	98.00%
		Subtotal	<u>2,055,068.49</u>	<u>100.00%</u>	<u>2,516,922.08</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Payment of other supporting service expenses	agreement	29,938.24	1.00%	17,949.14	1.00%
Companies controlled by the same parent company	Payment of other supporting service expenses	agreement	900,000.00	19.00%	2,087,391.54	65.00%
Associates	Payment of other supporting service expenses	agreement	2,791,553.57	60.00%	304,772.64	10.00%
Under control or influence of key personnel	Payment of other supporting service expenses	agreement	926,600.81	20.00%	747,855.62	24.00%
		Subtotal	<u>4,648,092.62</u>	<u>100.00%</u>	<u>3,157,968.94</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Rental expense	agreement	53,860.80	100.00%	44,884.00	2.00%
Companies controlled by the same parent company	Rental expense	agreement	0.00	0.00%	126,000.00	4.00%
Associates	Rental expense	agreement	0.00	0.00%	66,962.00	2.00%
Under control or influence of key personnel	Rental expense	agreement	0.00	0.00%	2,585,292.08	92.00%
		Subtotal	<u>53,860.80</u>	<u>100.00%</u>	<u>2,823,138.08</u>	<u>100.00%</u>

VIII. RELATED PARTIES AND TRANSACTIONS (continued)
5. Related Party Transactions (continued)
(1) Purchase of goods and receipt of services (continued)
Sales of goods and rendering of services
Unit: RMB

Related party	Content	Method of pricing and decision-making procedures	Current period		Previous period	
			Amount	Ratio	Amount	Ratio
Companies controlled by the same actual controller	Sales of finished goods	agreement	47,072,795.88	11.00%	16,761,337.53	3.00%
Companies controlled by the same parent company	Sales of finished goods	agreement	0.00	0.00%	0.00	0.00%
Associates	Sales of finished goods	agreement	397,738,799.63	89.00%	474,328,333.59	97.00%
Under control or influence of key personnel	Sales of finished goods	agreement	0.00	0.00%	408,482.02	0.00%
		Subtotal	<u>444,811,595.51</u>	<u>100.00%</u>	<u>491,498,153.14</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Sales of raw materials and parts	agreement	1,147,030.06	2.00%	1,821,255.73	6.00%
Associates	Sales of raw materials and parts	agreement	56,909,618.04	97.00%	26,381,993.78	82.00%
Under control or influence of key personnel	Sales of raw materials and parts	agreement	341,079.73	1.00%	3,829,998.91	12.00%
		Subtotal	<u>58,397,727.84</u>	<u>100.00%</u>	<u>32,033,248.42</u>	<u>100.00%</u>
Associates	Receipt of processing charges	agreement	560,469.87	100.00%	121,632.82	100.00%
		Subtotal	<u>560,469.87</u>	<u>100.00%</u>	<u>121,632.82</u>	<u>100.00%</u>
Companies controlled by the same parent company	Receipt of supporting services fees	agreement	150,043.19	4.00%	147,533.98	14.00%
Associates	Receipt of supporting services fees	agreement	3,143,775.12	89.00%	939,858.36	86.00%
Under control or influence of key personnel	Receipt of supporting services fees	agreement	252,952.09	7.00%	0.00	0.00%
		Subtotal	<u>3,546,770.40</u>	<u>100.00%</u>	<u>1,087,392.34</u>	<u>100.00%</u>
Companies controlled by the same actual controller	Rental income	agreement	1,173,979.77	55.00%	1,386,117.74	100.00%
Under control or influence of key personnel	Rental income	agreement	945,000.00	45.00%	0.00	0.00%
		Subtotal	<u>2,118,979.77</u>	<u>100.00%</u>	<u>1,386,117.74</u>	<u>100.00%</u>



VIII. RELATED PARTIES AND TRANSACTIONS (continued)

5. Related Party Transactions (continued)

(2) Lease service received and provided from/to related parties

The Group as lessor

Unit: RMB

Lessor	Lessee	Types of leased assets	Commencement date	Termination date	Basis of pricing	Rental income recognized
Zhengzhou Hongda New Textile Machinery Company Limited	CHTC Heavy Industry Company Limited	Machinery	2014/1/1	2016/12/31	Negotiated price	1,173,979.77
Tianjin Hongda Textile Machinery Company Limited	Tianjin Textile Machinery Company Limited	Machinery	2014/1/1	2014/12/31	Negotiated price	945,000.00

The Group as lessee

Unit: RMB

Lessor	Lessee	Types of leased assets	Commencement date	Termination date	Basis of pricing	Rental income recognized
CHTC Heavy Industry Company Limited	Jingwei Textile Machinery Company Limited	Buildings	2014/1/1	2016/12/31	Negotiated price	53,860.80

VIII. RELATED PARTIES AND TRANSACTIONS (continued)
6. Amounts due from/to related parties

Amounts due from related parties

Unit: RMB

Item	Related parties	At end of period		At beginning of period	
		Carrying Amount	Provision for bad debts	Carrying Amount	Provision for bad debts
Accounts receivable	Actual controller	63,998.00	0.00	63,998.00	0.00
Accounts receivable	Controlled by the same parent company	140,641.73	0.00	140,641.73	0.00
Accounts receivable	Controlled by the same actual controller	13,863,441.40	0.00	9,520,647.05	0.00
Accounts receivable	Associates	206,300,511.42	0.00	138,368,967.59	0.00
Accounts receivable	Controlled or influenced by key personnel of subsidiaries	262,015.61	0.00	1,267,316.77	0.00
	Total	220,630,608.16	0.00	149,361,571.14	0.00
Bills receivable	Controlled by the same actual controller	3,850,000.00	0.00	3,976,250.00	0.00
Bills receivable	Associates	14,840,399.48	0.00	48,639,315.09	0.00
Bills receivable	Controlled or influenced by key personnel of subsidiaries	300,000.00	0.00	2,439,000.00	0.00
	Total	18,990,399.48	0.00	55,054,565.09	0.00
Prepayments	Controlled by the same parent company	1,554,601.64	0.00	1,487,827.29	0.00
Prepayments	Controlled by the same actual controller	29,589,239.57	0.00	10,722,486.95	0.00
Prepayments	Associates	9,536,485.94	0.00	9,536,485.94	0.00
Prepayments	Controlled or influenced by key personnel of subsidiaries	52,594,558.30	0.00	66,468,575.50	0.00
	Total	93,274,885.45	0.00	88,215,375.68	0.00
Other receivables	Controlled by the same actual controller	33,974,000.00	0.00	44,093,718.56	0.00
Other receivables	Associates	23,168,561.91	0.00	35,775,385.95	0.00
	Total	57,142,561.91	0.00	79,869,104.51	0.00
Dividends receivable	Controlled by the same actual controller	2,880,000.00	0.00	2,880,000.00	0.00
Dividends receivable	Associates	64,742,950.70	0.00	33,142,950.70	0.00
	Total	67,622,950.70	0.00	36,022,950.70	0.00

**VIII. RELATED PARTIES AND TRANSACTIONS (continued)****6. Amounts due from/to related parties (continued)**

Amounts due to related parties

Unit: RMB

Item	Related parties	At end of period	At beginning of period
Accounts payable	The parent company	6,301,379.63	6,301,379.63
Accounts payable	Controlled by the same parent company	1,417,590.94	4,090,000.00
Accounts payable	Controlled by the same actual controller	88,159,741.19	81,361,985.86
Accounts payable	Associates	45,679,177.93	39,563,942.99
Accounts payable	Controlled or influenced by key personnel of subsidiaries	2,497,375.35	66,277,787.56
	Total	144,055,265.04	197,595,096.04
Bills payable	Associates	76,787,878.27	0.00
Bills payable	Controlled or influenced by key personnel of subsidiaries	2,150,000.00	55,090,011.12
	Total	78,937,878.27	55,090,011.12
Advance from customers	Controlled by the same actual controller	798,648.00	797,737.00
Advance from customers	Associates	21,580,400.68	16,143,272.12
Advance from customers	Controlled or influenced by key personnel of subsidiaries	0.00	7,772.86
	Total	22,379,048.68	16,948,781.98
Other payables	The parent company	20,231,020.72	20,231,020.72
Other payables	Controlled by the same parent company	15,351,423.00	22,151,507.75
Other payables	Associates	1,594,706.33	10,741,412.94
Other payables	Controlled or influenced by key personnel of subsidiaries		430,169.98
	Total	37,177,150.05	53,554,111.39
Dividends payable	Actual controller	1,901,250.50	0.00
Dividends payable	The parent company	21,919,467.40	0.00
Dividends payable	Controlled by the same parent company	2,901,357.98	3,593,498.60
Dividends payable	Controlled by the same actual controller	11,932.15	18,154.56
Dividends payable	Controlled or influenced by key personnel of subsidiaries	69,003.63	69,003.63
	Total	26,803,011.66	3,680,656.79

IX. CONTINGENCIES

1. Contingent liabilities arising from debt guarantee provided for other companies and their financial influences

- (1) The Company provided an irrecoverable joint guarantee responsibility for Beijing Hualian Group Investment Holding Company (“Hualian Group”) for a line of credit amounting to RMB150,000,000.00, which was applied in China Merchants Bank. Meanwhile, certain related parties of Hualian Group have provided guarantees for the Company’s credit limit of RMB150,000,000.00.
- (2) As at 30 June 2014, the Company has provided a joint liability guarantee to Tianjin Jingwei New Type Textile Machinery Company Limited for its trading finance credit amounting to RMB30,000,000.00 with term of 1 year, which was applied in China Citic Bank. Tianjin Hongda provided its buildings with values of RMB31,850,000.00 as subject matter of counter guarantees.

As at 30 June 2014, the Company has provided joint liability guarantees to Shenyang Hongda Textile Machinery Company Limited for its comprehensive line of credit amounting to RMB30,000,000.00 with term of 1 year, which was applied in China Merchants Bank. Meanwhile, Shenyang Hongda provided its buildings and equipments with values of RMB20,890,000.00 and RMB 9,100,000.00 respectively as subject matters of counter guarantees.

As at 30 June 2014, the Company has provided joint liability guarantees to Changde Textile Machinery Company Limited (“Changde Textile Machinery”) for its comprehensive line of credit amounting to RMB30,000,000.00 and RMB50,000,000.00 with term of 1 year, which were applied in Industrial and Commercial Bank and Bank of Communications respectively. Meanwhile, Changde Textile Machinery provided its land use rights, buildings and equipments with equivalent values as subject matters of counter guarantees.

X. OTHER SIGNIFICANT EVENTS

1. Assets and liabilities measured at fair value

Unit: RMB

Item	Opening balance	Gain or loss from changes in fair value	Cumulative fair value changes included in equity	Provision for impairment for the current period	Closing balance
Financial assets					
1. Financial assets measured at fair value through profit or loss for the current period (excluding derivative financial assets)	243,515,847.35	-13,254,328.48			235,022,529.73
2. Available-for-sale financial assets	376,788,993.41		-41,955,953.63		320,847,721.91
Total	<u>620,304,840.76</u>	<u>-13,254,328.48</u>	<u>-41,955,953.63</u>		<u>555,870,251.64</u>
Financial liabilities	0.00				0.00

2. Financial assets and liabilities denominated in foreign currencies

Unit: RMB

Item	Opening balance	Gain or loss from changes in fair value	Cumulative fair value changes included in equity	Provision for impairment for the current period	Closing balance
Financial assets					
Loans and receivables	33,020,372.29				83,428,098.92
Subtotal	33,020,372.29				83,428,098.92
Financial liabilities	185,682,766.43				173,877,407.10



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY

1. Accounts receivable

(1) Accounts receivable

Unit: RMB

Category	At end of period				At beginning of period			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Significant balance under assessment of impairment individually	323,063,907.58	39.67%			230,786,685.42	36.35%		
Accounts receivable on which provision for bad debts were made by portfolio	443,135,402.40	54.41%	11,119,407.45	2.51%	389,809,150.50	61.40%	11,119,407.45	2.85%
Subtotal	443,135,402.40	54.41%	11,119,407.45	2.51%	389,809,150.50	61.40%	11,119,407.45	2.85%
Insignificant balance under assessment of impairment individually	48,208,214.60	5.92%	1,299,037.96	2.69%	14,259,901.76	2.25%	1,299,037.96	9.11%
Total	814,407,524.58	-	12,418,445.41	-	634,855,737.68	-	12,418,445.41	-

Explanation on categories of account receivables

Significant balance under assessment of impairment individually

Unit: RMB

Particulars	Carrying value	Provision for bad debts	Proportion of provision	Reasons
Tianjin Hongda Textile Machinery Company Limited	89,051,858.04			
Pulead Technology Industry Company Limited	46,319,920.00			
Shanxi Jingwei Heli Machinofacture Company Limited	44,203,503.66			
Tumushuke Qianhai Cotton Textile Company Limited	43,785,940.20			
Huangshi Jingwei Textile Machinery Company Limited	36,448,521.19			
Qingdao Hongda Textile Machinery Company Limited	33,918,487.38			
Huangshi Xinning High Quality Steel Co., Ltd.	14,983,881.10			
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	14,351,796.01			
Total	323,063,907.58		-	-

XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)
1. Accounts receivable (continued)
(1) Accounts receivable (continued)

Among portfolios, accounts receivables on which provision for bad debts were made by aging analysis method

Unit: RMB

Age	At end of period			At beginning of period		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Of which:						
Subtotal of within 1 year	410,477,711.75	92.63%		352,735,438.38	90.49%	
1-2 years	21,803,245.69	4.92%	4,360,649.13	27,244,285.19	6.99%	5,448,857.03
2-3 years	8,191,373.28	1.85%	4,095,686.64	8,317,753.02	2.13%	4,158,876.51
Over 3 years	2,663,071.68	0.60%	2,663,071.68	1,511,673.91	0.39%	1,511,673.91
Total	<u>443,135,402.40</u>		<u>11,119,407.45</u>	<u>389,809,150.50</u>		<u>11,119,407.45</u>

Insignificant balance under assessment of impairment individually

Unit: RMB

Particulars	Book balance	Provision for bad debts	Proportion of provision	Reasons
Aushan Jingwei Haihong Agricultural Machinery Company Limited	9,343,655.58			N/A
Changde Textile Machinery	7,818,584.10			N/A
Wuxi Jingwei Textile Machinery Sales Service Company Limited	6,955,112.67			N/A
China Texmatech Company Limited	2,021,631.20	58,308.76	2.88%	Part expected to be irrecoverable
Shijiazhuang Changshan Hengxin Textile Company Limited	710,108.00	710,108.00	100.00%	Expected to be irrecoverable
Handan Textile Company Limited	517,500.00	517,500.00	100.00%	Expected to be irrecoverable
Others	20,841,623.05	13,121.20	0.06%	Part expected to be irrecoverable
Total	<u>48,208,214.60</u>	<u>1,299,037.96</u>		



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

1. Accounts receivable (continued)

(2) Top five accounts receivable

Unit: RMB

Name	Relationship with the Company	Amount	Term	Proportion
Tianjin Hongda Textile Machinery Company Limited	Subsidiary	89,051,858.04	Within 3 years	10.93%
China Texmatech Company Limited	Associate	78,114,736.90	Within 1 year	9.59%
Henan Xinye Textile Company Limited	Customer	61,304,778.99	Within 1 year	7.53%
Pulead Technology Industry Company Limited	Customer	46,319,920.00	1-2 years	5.69%
Shanxi Jingwei Heli Machinofacture Company Limited	Subsidiary	44,203,503.66	Within 3 years	5.43%
Total	—	<u>318,994,797.59</u>	—	<u>39.17%</u>

(3) Amounts due from related parties

Unit: RMB

Name	Relationship with the Company	Amount	Proportion
CHTC Heavy Industry Company Limited	Controlled by the same actual controller	1,190,257.75	0.16%
Hengyang Textile Machinery Company Limited	Controlled by the same actual controller	266,742.50	0.04%
Jinzhong Jingwei Yuxin Machinery Company Limited	Associate	397,602.44	0.05%
Jingwei Mechanics (Group) General Machinery Co., Ltd.	Associate	273,226.80	0.04%
Jingwei Mechanics (Group) Co., Ltd.	Associate	21,568,740.49	2.89%
China Textile Industrial Corporation for Foreign Economic and Technical Cooperation	Controlled by the same actual controller	4,296,235.00	0.57%
China Texmatech Company Limited	Associate	78,114,736.90	10.45%
Total	—	<u>106,107,541.88</u>	<u>14.20%</u>



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables

(1) Other receivables

Unit: RMB

Category	At end of period				At beginning of period			
	Book balance		Provision for bad debts		Book balance		Provision for bad debts	
	Amount	Proportion	Amount	Proportion	Amount	Proportion	Amount	Proportion
Significant balance under assessment of impairment individually	780,305,287.59	78.42%			634,775,047.49	67.97%		
Other receivables on which provision for bad debts were made by portfolio	158,683,315.41	15.95%	291,486.00	0.18%	257,615,709.53	27.58%	291,486.00	
Subtotal	158,683,315.41	15.95%	291,486.00	0.18%	257,615,709.53	27.58%	291,486.00	0.11%
Insignificant balance under assessment of impairment individually	55,989,783.59	5.63%	27,512.21	0.05%	41,585,387.13	4.45%	27,512.21	0.07%
Total	994,978,386.59	-	318,998.21	-	933,976,144.15	-	318,998.21	-

Significant balance under assessment of impairment individually

Unit: RMB

Particulars	Book balance	Provision for bad debts	Proportion of provision	Reasons
Hubei Xinchufeng Automobile Company Limited	225,799,750.66			
Tianjin Hongda Textile Machinery Company Limited	224,935,012.39			
Xianyang Jingwei Textile Machinery Company Limited	121,541,756.92			
Wuxi Jingwei Textile Technology Testing Company Limited	58,495,188.00			
Huangshi Jingwei Textile Machinery Company Limited	50,480,325.34			
Beijing Jingwei Textile Machinery New Technology Company Limited	44,724,692.37			
Beijing Bohong Real Estate Development Company Limited	31,160,000.00			
Anhui Huamao Jingwei New Textile Company Limited	23,168,561.91			
Total	780,305,287.59		-	-



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

2. Other receivables (continued)

(1) Other receivables (continued)

Among portfolios, other receivables on which provision for bad debts were made by aging analysis method

Unit: RMB

Age	At end of period			At beginning of period		
	Book balance		Provision for bad debts	Book balance		Provision for bad debts
	Amount	Proportion		Amount	Proportion	
Within 1 year						
Of which:						
Subtotal of within 1 year	158,030,983.70	99.59%		256,963,377.82	99.75%	
1-2 years	240,859.11	0.15%	48,171.82	240,859.11	0.09%	48,171.82
2-3 years	336,316.84	0.21%	168,158.42	336,316.84	0.13%	168,158.42
Over 3 years	75,155.76	0.05%	75,155.76	75,155.76	0.03%	75,155.76
Total	<u>158,683,315.41</u>		<u>291,486.00</u>	<u>257,615,709.53</u>		<u>291,486.00</u>

Insignificant balance under assessment of impairment individually

Unit: RMB

Particulars	Book balance	Provision for bad debts	Proportion of provision	Reasons
CMB Financial Leasing Company Limited	8,850,000.00			
Beijing Liangyou Investment Management Company Limited	7,700,000.00			
Shenyang Hongda Textile Machinery Company Limited	7,335,488.03			
Shanghai Weixin Electrical and Machinery Company Limited	5,100,000.00			
Shanghai Chuangan Trading Company Limited	3,800,000.00			
Hong Kong Huaming Co., Ltd.	3,527,836.05			
Others	19,676,459.51	27,512.21	0.20%	
Total	<u>55,989,783.59</u>	<u>27,512.21</u>		

XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)
2. Other receivables (continued)
(2) Top five other receivables outstanding
Unit: RMB

Name	Relationship with the Company	Amount	Term	Proportion
Hubei Xinchufeng Automobile Co., Ltd.	Subsidiary	225,799,750.66	Within 1 year	22.69%
Tianjin Hongda Textile Machinery Company Limited	Subsidiary	224,935,012.39	Within 5 years	22.61%
Xianyang Jingwei Textile Machinery Company Limited	Subsidiary	121,541,756.92	Within 3 years	12.22%
Wuxi Jingwei Textile Technology Testing Company Limited	Subsidiary	58,495,188.00	Within 4 years	5.88%
Total	–	<u>630,771,707.97</u>	–	<u>63.40%</u>

(3) Other amounts due from related parties
Unit: RMB

Name	Relationship with the Company	Amount	Proportion
Anhui Huamao Jingwei New Textile Company Limited	Associate	<u>23,168,561.91</u>	<u>2.18%</u>
Total	–	<u>23,168,561.91</u>	<u>2.18%</u>



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment

Unit: RMB

Name of Investee	Accounting method	Cost	Opening balance	Increase/Decrease	Ending balance	Percentage of shareholding held	Percentage of voting right held	Explanation on the inconsistency between these two percentages	Provision for impairment made during the current period		Cash dividends
									Provision for impairment	Cash dividends	
China Textmatech Company Limited	Equity method	30,000,000.00	66,379,753.04	3,037,121.66	69,416,874.70	25.00%	25.00%				
Hongda Research Institute Company Limited	Equity method	20,000,000.00	7,921,682.93	451,185.31	8,372,868.24	40.00%	40.00%				
Jingwei Machinery (Group) Company Limited	Equity method	8,000,000.00	13,476,545.11	-3,490,511.97	9,986,033.14	18.83%	18.83%				
Beijing Hang Tang Wealth Investment Management Company Limited	Equity method	10,000,000.00	18,146,062.15	11,183,102.12	29,329,164.27	20.00%	20.00%				
Xianyang Jingwei Textile Machinery Company Limited	Equity method	7,102,828.08			0.00	24.33%	24.33%				
Hongda Investment Company Limited	Cost method	24,866,602.17	24,866,602.17		24,866,602.17	9.38%	9.38%		14,823,871.42		
Qingdao Hongda Textile Machinery Company Limited	Cost method	44,100,000.00	96,009,790.51		96,009,790.51	97.66%	97.66%				
Zhengzhou Hongda New Textile Machinery Company Limited	Cost method	23,010,000.00	80,805,191.00		80,805,191.00	98.00%	98.00%				
Shenyang Hongda Textile Machinery Company Limited	Cost method	69,580,000.00	92,076,407.00		92,076,407.00	98.00%	98.00%				
Tianjin Hongda Textile Machinery Company Limited	Cost method	76,930,000.00	88,237,953.00		88,237,953.00	98.00%	98.00%				
Changde Textile Machinery Company Limited	Cost method	29,644,900.00	35,279,928.00		35,279,928.00	70.00%	70.00%				
Beijing Jingwei Textile Machinery New Technology Company Limited	Cost method	98,400,000.00	98,407,084.00		98,407,084.00	98.40%	98.40%				
Tianjin Jingwei New Textile Machinery Company Limited	Cost method	12,000,000.00	12,000,000.00		12,000,000.00	75.00%	75.00%				
Wuxi Hongda Textile Machinery and Special Parts Company Limited ("Wuxi Hongda")	Cost method	2,000,000.00	4,765,534.00		4,765,534.00	10.00%	51.25%	The shareholdings in Wuxi Hongda held by the Company is less than 50%, while according to its Articles of Association, the Company has over 50% of voting rights in the board of directors of Wuxi Hongda, so that the Company has actual control right over its board of directors.			
Wuxi Jingwei Textile Technology Testing Company Limited	Cost method	32,960,000.00	34,152,507.00		34,152,507.00	66.55%	66.55%				
Shanxi Jingwei Heli Manufacture Company Limited ("Jingwei Heli")	Cost method	46,485,988.39	46,485,988.39		46,485,988.39	39.83%	69.83%	The shareholdings in Jingwei Heli held by the Company is less than 50%, while according to its Articles of Association, the Company has over 50% of voting rights in the board of directors of Jingwei Heli, so that the Company has actual control right over its board of directors.			
Yichang Jingwei Textile Machinery Company Limited	Cost method	15,000,000.00	15,000,000.00		15,000,000.00	75.00%	75.00%				
Beijing Jingpeng Investment Management Company Limited	Cost method	96,000,000.00	96,000,000.00		96,000,000.00	96.00%	96.00%				
Jingwei Textile Machinery Yuci Material Company Limited	Cost method	4,960,000.00	5,000,000.00		5,000,000.00	99.92%	99.92%				
Shanghai Weixin Electrical and Machinery Company Limited	Cost method	14,400,000.00	14,400,000.00		14,400,000.00	90.00%	90.00%				
Shanghai Chuangan Trading Company Limited	Cost method	12,570,000.00	12,570,000.00		12,570,000.00	96.00%	96.00%				
Hong Kong Huaming Co., Ltd.	Cost method	4,966,416.00	62,559,880.00		62,559,880.00	100.00%	100.00%				



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

3. Long-term equity investment (continued)

Unit: RMB

Name of Investee	Accounting method	Cost	Opening balance	Increase/Decrease	Ending balance	Percentage of shareholding held	Percentage of voting right held	Explanation on the inconsistency between these two percentages	Provision for impairment	Provision for impairment made during the current period	Cash dividends
Huangshi Jingwei Textile Machinery Company Limited ("Huangshi Jingwei")	Cost method	17,851,007.41	17,851,007.41		17,851,007.41	45.00%	85.00%	The shareholdings in Huangshi Jingwei held by the Company is less than 50%, while according to its Articles of Association, the Company is entitled to appoint 3 directors among 5 directors of its board, so that the Company has actual control right over its board of directors.	7,051,007.42		
Wuxi Jingwei Textile Machinery Sales Service Company Limited	Cost method	4,793,503.17	4,793,503.17		4,793,503.17	100.00%	100.00%				
Anshan Jingwei Hailong Agricultural Machinery Company Limited	Cost method	38,855,400.00	38,855,400.00		38,855,400.00	51.00%	51.00%				
Hubei Xinchufeng Automobile Company Limited	Cost method	250,000,000.00	250,000,000.00		250,000,000.00	80.28%	80.28%				
Xianyang Jingwei Textile Machinery Company Limited	Cost method	57,468,693.00	48,680,000.00		48,680,000.00	97.36%	97.36%				
Zhongrong International Trust Company Limited	Cost method	2,063,145,321.62	2,063,145,321.62		2,063,145,321.62	37.47%	70.46%	The shareholdings in Zhongrong Trust held by the Company is less than 50%, while according to its Articles of Association, the Company has over 50% of voting rights in the board of directors of Zhongrong Trust, so that the Company has actual control right over its board of directors.			
Yichang Jingwei Machinery Company Limited	Cost method	78,927,593.34	78,927,593.34		78,927,593.34	100.00%	100.00%				
Jingwei Tsudakoma Textile Machinery (Xianyang) Company Limited	Cost method	64,260,000.00	64,260,000.00		64,260,000.00	51.00%	51.00%				
JW-PROTTI MACCHINE TESSILI S.R.L.	Cost method	6,412,982.00	6,412,982.00		6,412,982.00	94.05%	94.05%				
Shanxi Jingwei Textile Machinery and Special Parts Company Limited	Cost method	59,860,000.00	35,860,000.00	24,000,000.00	59,860,000.00	54.86%	54.86%				
Taiyuan Jingwei Electrical Company Limited	Cost method	4,900,000.00	5,312,000.00		5,312,000.00	100.00%	100.00%				
Shanghai Jingwei PROTTI Textile Machinery Company Limited	Cost method	42,383,554.97	40,357,554.97		40,357,554.97	78.00%	78.00%				
Shanxi Jingwei Precision Machinery Manufacturing Company Limited	Cost method	17,200,000.00	17,200,000.00		17,200,000.00	68.80%	68.80%				
Jinzhong Jingwei Chemical Fiber Machinery Company Limited	Cost method	18,810,000.00	23,451,313.00		23,451,313.00	65.48%	65.48%				
Jinzhong Jingwei Hengxin Machinery Company Limited	Cost method	4,029,000.00	4,029,000.00		4,029,000.00	51.00%	51.00%				
Hengtian Motor Vehicles Company Limited	Cost method	2,500,000.00		2,500,000.00	2,500,000.00	5.00%	5.00%				
Total	-	3,414,373,790.15	3,623,676,583.81	37,680,897.12	3,661,357,480.93	-	-		21,874,878.84		



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

4. Operating income and operating costs

(1) Operating income

Unit: RMB

Item	Current period	Previous period
Principal operating income	1,024,510,543.75	1,402,175,969.11
Other operating income	357,850,224.40	316,577,703.15
Total	<u>1,382,360,768.15</u>	<u>1,718,753,672.26</u>
Operating cost	<u>1,297,061,774.04</u>	<u>1,596,289,639.88</u>

(2) Principal operation by industry

Unit: RMB

Name	Current period		Previous period	
	Principal operating income	Principal operating cost	Principal operating income	Principal operating costs
Textile machinery	1,024,510,543.75	956,267,532.05	1,402,175,969.11	1,296,225,915.57
Total	<u>1,024,510,543.75</u>	<u>956,267,532.05</u>	<u>1,402,175,969.11</u>	<u>1,296,225,915.57</u>

(3) Principal operation by region

Unit: RMB

Region	Current period		Previous period	
	Principal operating income	Principal operating cost	Principal operating income	Principal operating costs
Domestic	744,117,984.85	695,799,739.05	1,062,598,600.55	982,501,704.02
Oversea	280,392,558.90	260,467,793.00	339,577,368.56	313,724,211.55
Total	<u>1,024,510,543.75</u>	<u>956,267,532.05</u>	<u>1,402,175,969.11</u>	<u>1,296,225,915.57</u>

(4) Operating income from the top five customers

Unit: RMB

Customer	Total operating income	Proportion
China Texmatech Company Limited	243,460,313.70	17.61%
Wuhan Dongfuhai Trading Company Limited	105,821,284.66	7.66%
Ningxia Ruyi Technology Fashion Industry Co., Ltd.	77,458,606.86	5.60%
Far Eastern International Leasing Company Limited	37,222,222.22	2.69%
Fujina Yongtai County Huaerjin Textile Co., Ltd.	33,381,948.71	2.41%
Total	<u>497,344,376.15</u>	<u>35.97%</u>

XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)
5. Investment income
(1) Particulars of investment income
Unit: RMB

Item	Current period	Previous period
Income from long-term equity investment under cost method	122,989,008.78	91,500,000.00
Income from long-term equity investment under equity method	11,180,897.12	8,101,662.85
Gain on disposal of held-for-trading financial assets	1,474,459.97	
Gain on disposal of held-to-maturity investment	5,600,000.00	
Others		122,466.98
Total	<u>141,244,365.87</u>	<u>99,724,129.83</u>

(2) Income from long-term equity investment under cost method
Unit: RMB

Name of investee	Current period	Previous period	Reason for changes
Zhongrong International Trust Company Limited.	112,410,000.00	91,500,000.00	
Wuxi Hongda Textile Machinery and Special Parts Company Limited	4,900,000.00		
Beijing Jingpeng Investment Management Company Limited	5,472,000.00		
Jinzhong Jingwei Hengxin Machinery Company Limited	207,008.78		
Total	<u>122,989,008.78</u>	<u>91,500,000.00</u>	—

(3) Income from long-term equity investment under equity method
Unit: RMB

Name of investee	Current period	Previous period	Reason for changes
China Texmatech Company Limited	3,037,121.66	3,072,190.52	
Hongda Research Institute Company Limited	451,185.31	-4,129,537.73	
Jingwei Machinery (Group) Company Limited	-3,490,511.97	-1,929,458.45	
Beijing Hang Tang Wealth Investment Management Company Limited	11,183,102.12	11,696,803.50	
Xianyang Jingwei Weaving Machinery Co., Ltd.		-608,334.99	
Total	<u>11,180,897.12</u>	<u>8,101,662.85</u>	—



XI. NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY (continued)

6. Supplementary information of the cash flow statement

Unit: RMB

Supplementary Information	Current period	Previous period
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	22,950,144.00	36,438,562.40
Depreciation of fixed assets, depletion of oil and gas assets and productive biological assets	11,027,398.09	11,760,073.31
Amortization of intangible assets	4,190,236.50	2,343,071.02
Loss on disposal of fixed assets, intangible assets and other long-term assets (gains expressed with “-”)	-408,183.33	1,216,689.79
Finance cost (gains expressed with “-”)	77,968,005.81	61,149,775.13
Investment losses (gains expressed with “-”)	141,244,365.87	-99,724,129.83
Decrease in inventories (increase expressed with “-”)	-5,496,922.74	-34,225,680.36
Decrease in operating receivables (increase expressed with “-”)	182,555,886.52	-524,906,786.47
Increase in operating payables (decrease expressed with “-”)	-419,076,388.32	343,106,004.83
Net cash flow from operating activities	<u>14,954,542.40</u>	<u>-202,842,420.18</u>
2. Significant investment and financing activities not involved with cash receipts and payments	—	—
3. Net changes in cash and cash equivalents	—	—
Closing balance of cash	745,258,078.75	427,494,342.56
Less: opening balance of cash	536,826,287.23	1,040,410,788.66
Net increase in cash and cash equivalents	<u>208,431,791.52</u>	<u>-612,916,446.10</u>

XII. SUPPLEMENTARY INFORMATION

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

Unit: RMB

Items	Amount	Note
Gains or losses from disposal of non-current assets including the amounts that have been written-off on which provision for impairment of assets were made	3,221,681.49	
Government grants included in current profit or loss except those which are closely related to enterprise’s operations and subject to national unified standard	6,861,179.51	
Gains or losses on debt restructuring	166,430.00	
Gains or losses from changes in fair value of held-for-trading financial assets, held-for-trading financial liabilities, and investment income from disposal of held-for-trading financial assets, held-for-trading financial liabilities and available-for-sale financial assets, other than effective hedging operations related to normal operations of the Company	1,474,459.97	
Other non-operating income and expense except above	3,865,733.00	
Less: effect on income tax	2,917,184.70	
Effect on minority shareholders’ profit or loss (after tax)	1,581,681.46	
Total	<u>11,090,617.81</u>	—

XII. SUPPLEMENTARY INFORMATION (continued)
2. Differences of accounting data under domestic and foreign accounting standards
(1) Differences between net profits and net assets under foreign GAAP 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	At end of period	At beginning of period
Under PRC GAAP	217,129,958.44	304,304,596.01	5,252,739,947.49	5,114,068,305.18
Adjustment to items and amounts under foreign GAAP				
Special reserves	3,147,343.84	2,303,019.72		
Under foreign GAAP	220,277,302.28	306,607,615.73	5,252,739,947.49	5,114,068,305.18

(2) Explanation on differences of accounting data under foreign and domestic accounting standards

According to CaiQi [2012] No.16, “Measures for the Accrual of the Safety Production Fee and Usage Management”, issued by Ministry of Finance and National Safety Production Supervisor Management General Bureau, the Group is required to accrue safety production fee since 2012.

3. Rate of return on net assets and earnings per share
Unit: RMB

Profit for the reporting period	Weighted average rate of return on net assets	Earnings per share	
		Basic EPS	Diluted EPS
Net profit attributable to ordinary shareholders of the Company	4.19%	0.31	0.31
Net profit attribute to ordinary shareholders after extraordinary profit and loss	3.97%	0.29	0.29

4. Analysis on changes of financial statements items
Unit: RMB'0000

Item	30-Jun-2014	31-Dec-2013	Variance	Notes
Bills receivable	96,874.41	154,849.13	-37.44%	Note 1
Prepayments	46,831.95	34,111.97	37.29%	Note 2
Interest receivable	22.48	6.41	250.55%	Note 3
Held-to-maturity investment	8,000.00	0.00		Note 4
Tax payable	27,323.55	50,920.96	-46.34%	Note 5
Interest payable	1,923.80	4,920.17	-60.90%	Note 6
Dividend payable	10,849.80	668.70	1522.53%	Note 7
Non-current liabilities due within one year	793.68	2,558.10	-68.97%	Note 8

Item	Jan-June 2014	Jan-June 2013	Variance	Notes
Other operating revenues	46,613.71	27,024.65	72.49%	Note 9
Interest income	21,221.20	15,301.15	38.69%	Note 10
Other operating costs	29,926.66	20,226.44	47.96%	Note 11
Financial cost	9,994.69	7,460.05	33.98%	Note 12
Loss on impairment of assets	12.98	-68.22	119.03%	Note 13
Gains from changes in fair value	-1,325.43	-1,925.73	31.17%	Note 14
Investment gains	3,865.03	-1,480.75	361.02%	Note 15
Foreign exchange gains	141.12	24.03	487.30%	Note 16
Non-operating expenses	303.62	597.95	-49.22%	Note 17

XII. SUPPLEMENTARY INFORMATION (continued)
4. Analysis on Changes of financial statements items (continued)

Item	Jan-June 2014	Jan-June 2013	Variance	Notes
Net cash flow from investing activities	-14,863.60	-9,147.32	-62.49%	Note 18
Net cash flow from financing activities	12,776.13	65,896.13	-80.61%	Note 19

Note 1: The decrease in bills receivable as compared with the beginning of the year was mainly due to the decrease in payments for goods in the form of bills resulting from the decrease in revenues from textile machinery.

Note 2: The increase in prepayment as compared with the beginning of the year was mainly due to the increase in the prepayments to raw materials.

Note 3: The increase in interest receivables as compared to the beginning of the year was mainly due to that the interest income accrued on the interbank deposits of Zhongrong Trust increased.

Note 4: The increase in held-to-maturity investments as compared to the beginning of the year was mainly due to the purchase of trust products.

Note 5: The decrease in tax payable as compared with the beginning of the year was mainly due to that the income tax and business tax provided by Zhongrong Trust in the previous year were paid during the current period and the decrease in tax provided for the current period as compare with that at end of the last year.

Note 6: The decrease in interest payable as compared with the beginning of the year was mainly due to payment of interest on medium term note during the current period.

Note 7: The increase in dividend payable as compared to the beginning of the year was mainly due to that the dividends for 2013 was provided according to the resolution at the general meeting during the current period.

Note 8: The decrease in non-current liabilities due within one year as compared to the beginning of the year was mainly due to payment of rental under financing lease.

Note 9: The increase in other operating revenues was mainly due to the increase in service charges of Zhongrong Trust and increase in revenues from sales of materials of the Company as compared with corresponding period last year.

Note 10: The increase in interest income as compared with the same period last year was mainly due to Zhongrong Trust actively utilised its capital, which resulted in growth in its interest income of due from banks.

Note 11: The increase in other operating costs as compared with the same period last year was mainly due to that revenues from sales of materials of the Company increased as compared with corresponding period last year, resulting in the cost increased accordingly.

Note 12: The increase in financial cost was mainly due to the increase in costs of capital as result of the increase in short-term borrowings.

Note 13: The increase in asset impairment loss as compared with the same period last year was mainly due to the decrease in reversal of provision for obsolete stocks as compared with the same period last year.

Note 14: The increase in gains from changes in fair value as compared with the same period last year was mainly due to that the extent of decrease for held-for-trading financial assets of Zhongrong Trust was less than that of last year.

Note 15: The increase in investment gains as compared with the same period last year was mainly due to the increase in investment gains from associates and joint ventures as compared with the same period last year.

Note 16: The increase in foreign exchange gains as compared with the same period last year was mainly due to the increase in gains from the foreign currencies of subsidiaries of Zhongrong Trust as result of exchange differences.

Note 17: The decrease in non-operating expenses as compared with the same period last year was mainly due to the decrease in loss from disposal of fixed assets as compared with the same period last year.

Note 18: The decrease in net cash flows from investing activities as compared with the same period last year was mainly due to the purchase of trust products during the reporting period.

Note 19: The decrease in net cash flows from financing activities as compared with the same period last year was mainly due to the absorption of investment from minority shareholders by Zhongrong Trust as result of its capital increase in the same period last year.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Turnover	4	4,840,411	5,308,053
Cost of sales		(2,153,484)	(2,463,069)
Gross profit		2,686,927	2,844,984
Other income	6	51,476	55,742
Loss on fair value changes of financial assets at fair value through profit or loss		(13,254)	(19,257)
Distribution and selling expenses		(84,679)	(81,087)
Administrative expenses		(1,319,332)	(1,398,268)
Finance costs	7	(97,083)	(84,401)
Share of profit of associates		24,055	9,132
Profit before taxation	8	1,248,110	1,326,845
Income tax expense	9	(369,798)	(365,801)
Profit for the period		878,312	961,044
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange difference on translation of a foreign operation		425	(866)
Loss on fair value change of available-for-sale financial assets		(55,941)	(186,244)
Share of other comprehensive income of associates			
Income tax relating to components of other comprehensive loss		13,985	46,561
Other comprehensive loss for the period, net of income tax		(41,531)	(140,549)
Total comprehensive income for the period		836,781	820,495
Profit for the period attributable to:			
Owners of the Company		220,277	306,608
Non-controlling interests		658,035	654,436
		878,312	961,044
Total comprehensive income for the period attributable to:			
Owners of the Company		204,893	253,462
Non-controlling interests		631,888	567,033
		836,781	820,495
Earnings per share			
Basic and diluted		RMB0.31	RMB0.44

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

	<i>Notes</i>	30 June 2014 <i>RMB '000</i>	31 December 2013 <i>RMB '000</i>
Non-current assets			
Property, plant and equipment	12	1,994,623	1,994,379
Prepaid lease payments		504,297	482,633
Intangible assets		83,237	86,271
Goodwill		845,121	845,121
Interests in associates		230,811	171,960
Available-for-sale financial assets		388,176	444,117
Deferred tax assets		473,930	456,761
Other non-current assets		80,000	
		<u>4,600,195</u>	<u>4,481,242</u>
Current assets			
Inventories		1,751,134	1,619,573
Trade and other receivables	13	2,362,927	2,682,188
Prepaid lease payments		12,403	11,832
Amounts due from a holding company		64	64
Amounts due from fellow subsidiaries		85,852	72,822
Amounts due from associates		318,589	265,461
Current tax assets		346	330
Financial assets at fair value through profit or loss		235,023	243,516
Pledged bank deposits		104,511	172,364
Cash and cash equivalents		10,458,474	9,314,093
		<u>15,329,323</u>	<u>14,382,243</u>
Current liabilities			
Trade and other payables	15	4,778,707	4,802,214
Amounts due to holding companies		50,353	26,532
Amounts due to fellow subsidiaries		108,641	112,013
Amounts due to associates		145,642	66,449
Current tax liabilities		195,174	298,731
Borrowings-amount due within one year		2,440,751	1,945,505
Obligations under finance leases		6,402	23,981
		<u>7,725,670</u>	<u>7,275,335</u>
Net current assets		<u>7,603,653</u>	<u>7,106,908</u>
Total assets less current liabilities		<u>12,203,848</u>	<u>11,588,150</u>
Non-current liabilities			
Borrowings-amount due after one year		1,200,000	1,200,000
Obligations under finance leases		616	619
Other non-current liabilities	18	191,751	187,264
		<u>1,392,367</u>	<u>1,387,883</u>
		<u>10,811,481</u>	<u>10,200,267</u>
Capital and reserves			
Share capital	19	704,130	704,130
Reserves		4,548,610	4,409,938
Equity attributable to owners of the Company		5,252,740	5,114,068
Non-controlling interests		5,558,741	5,086,199
		<u>10,811,481</u>	<u>10,200,267</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the six months ended 30 June 2014

	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 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 loss for the period, net of income tax	-	-	-	-	-	(15,721)	-	337	-	(15,384)	(26,147)	(41,531)
Total comprehensive income 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)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(219,639)	(219,639)
At 30 June 2014	704,130	1,935,106	639,234	181,259	105,373	(63,331)	13,736	(3,386)	1,740,619	5,252,740	5,558,741	10,811,481
At 1 January 2013	704,130	2,002,674	553,805	179,621	56,712	(5,519)	5,378	(3,395)	1,208,749	4,702,155	3,366,427	8,068,582
Profit for the period	-	-	-	-	-	-	-	-	306,608	306,608	654,436	961,044
Other comprehensive loss for the period, net of income tax	-	-	-	-	-	(52,339)	-	(807)	-	(53,146)	(87,403)	(140,549)
Total comprehensive income for the period	-	-	-	-	-	(52,339)	-	(807)	306,608	253,462	567,033	820,495
Appropriation to reserve	-	-	-	-	49,076	-	-	-	(49,076)	-	-	-
Provision for production safety fund surplus reserve	-	-	-	-	-	-	6,088	-	(6,088)	-	-	-
Utilisation of production safety fund surplus reserve	-	-	-	-	-	-	(3,785)	-	3,785	-	-	-
Issue of shares	-	-	-	-	-	-	-	-	-	-	-	-
Share issue costs	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interests arising on business combination	-	-	-	-	-	-	-	-	-	-	-	-
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	730,572	730,572
Changes in ownership interest in a subsidiary that do not result in a loss of control	-	(60,743)	-	-	-	-	-	-	-	(60,743)	-	(60,743)
Payment of dividends approved in respect of previous year	-	-	-	-	-	-	-	-	(70,413)	(70,413)	-	(70,413)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(158,500)	(158,500)
At 30 June 2013	704,130	1,941,931	553,805	179,621	105,788	(57,858)	7,681	(4,202)	1,393,565	4,824,461	4,505,532	9,329,993



CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(Prepared in accordance with HKFRSs)

For the six months ended 30 June 2014

	<i>Notes</i>	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Net cash generated from operating activities		1,061,822	1,219,681
Investing activities			
Purchase of property, plant and equipment		(44,262)	(111,855)
Gains from disposal of property, plant and equipment		5,005	23,130
Gains from disposal of subsidiaries		–	–
Net cash of monetary investments		(109,379)	(2,748)
Net cash used in investing activities		(148,636)	(91,473)
Financing activities			
Dividends paid and interest paid		(311,069)	(190,662)
Proceeds from issue of bonds		–	–
Cash of borrowings		1,435,134	907,588
Repayment of borrowings due		(996,304)	(727,384)
Capital injection from non-controlling interests		–	669,420
Acquisition of additional interests in subsidiaries		–	(102,880)
Net cash generated from financing activities		127,761	556,082
Net increase in cash and cash equivalents		1,040,947	1,684,290
Cash and cash equivalents as at 1 January		9,314,093	6,456,694
Effect of foreign exchange rate changes		969	107
Cash and cash equivalents as at 30 June		<u>10,356,009</u>	<u>8,141,091</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 2013: 31.13%) equity interest in the Company. 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 2013: 2.70%) of the equity interest in the Company. The remaining 66.71% (31 December 2013: 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.

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 and provision of trust and fiduciary services in the PRC.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The condensed consolidated interim financial information for the six months ended 30 June 2014 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 2013 prepared in accordance with HKFRS 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 2013, except for the accounting policy changes that are expected to be reflected in the 2014 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 2014.

HKFRS 10, HKFRS 12 and HKAS 27 (Revised in 2011) (Revised)	Investment Entities
HKAS 32 (Revised)	Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Revised)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Revised)	Novation of Derivatives and Continuation of Hedge Accounting
HK (IFRIC) – Interpretation 21	Levies

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 2014.

HKFRS 9	Financial Instruments ⁴
HKFRS 14	Regulatory Deferral Accounts ²
HKFRS 15	Revenue from Contracts with Customers ³
HKAS 19 (Revised)	Defined Benefits Plans: Employee Contributions ¹
HKFRS (Revised)	Annual improvements to HKFRS 2010-2012 Cycle ¹
HKFRS (Revised)	Annual improvements to HKFRS 2011-2013 Cycle ¹
HKFRS 11(Revised)	Accounting for acquisitions for interests in joint operations ²
HKAS 16 and HKAS 38 (Revised)	Clarification of acceptable methods of depreciations and amortisation ²

¹ Effective for annual periods beginning on or after 1 July 2014.

² Effective for annual periods beginning on or after 1 January 2016.

³ Effective for annual periods beginning on or after 1 January 2017.

⁴ Available for application – the mandatory effective date will be determined

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.

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 2013, except those mentioned below.

4. TURNOVER

Turnover represents the amount received and receivable for goods and properties sold by the Group to outsiders for the year and is analysed as follows:

	For the six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Manufacture and sales of textile machinery and related material, parts and component	1,937,233	2,357,568
Provision of trust and fiduciary services	2,585,112	2,660,910
Manufacture and sales of other non-textile products	318,066	289,575
	<u>4,840,411</u>	<u>5,308,053</u>

5. BUSINESS SEGMENTS

Segment information about these businesses is presented below:

	Manufacture and sales of textile machinery and related materials, parts and component RMB '000	Provision of trust and fiduciary services RMB '000	Manufacture and sales of other non-textile products RMB '000	Elimination RMB '000	Total RMB '000
Six months ended 30 June 2014					
TURNOVER					
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>



5. BUSINESS SEGMENTS (continued)

	Manufacture and sales of textile machinery and related materials, parts and component <i>RMB'000</i>	Provision of trust and fiduciary services <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 2013					
TURNOVER					
External sales	2,357,568	2,660,910	289,575	–	5,308,053
Inter-segment sales	31,535	–	–	(31,535)	–
Total from continuing operations	<u>2,389,103</u>	<u>2,660,910</u>	<u>289,575</u>	<u>(31,535)</u>	<u>5,308,053</u>
Inter-segment sales are charged at prevailing market rates.					
RESULT					
Segment result (continuing operations)	<u>(37,628)</u>	<u>1,456,789</u>	<u>(12,421)</u>	<u>–</u>	1,406,740
Unallocated income					14,631
Finance costs					(84,401)
Loss on fair value changes of financial assets at fair value through profit or loss					(19,257)
Share of profit of associates					<u>9,132</u>
Profit before taxation					1,326,845
Income tax expense					<u>(365,801)</u>
Profit for the period					<u>961,044</u>

6. OTHER INCOME

	For the six months ended 30 June	
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
Interest income from banks	7,319	14,631
Government subsidies	6,861	10,581
Gain on disposal of a subsidiary		
Net gain on disposal of property, plant and equipment	3,222	(945)
Net foreign exchange gains	(838)	(178)
Rental income	5,912	3,154
Dividend income of available-for-sale financial assets	2,400	
Available-for-sale financial assets carried at fair value: reclassified from equity		
– disposal		–
Others	<u>26,600</u>	<u>28,499</u>
	<u>51,476</u>	<u>55,742</u>

7. FINANCE COSTS

Continuing operations

	For the six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Interest expenses on borrowings wholly repayable within five years	97,083	84,401

8. PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Profit before taxation after charging/(crediting) of the following items:		
Total staff costs (including directors' remuneration)	1,177,425	1,044,570
Auditor's remuneration	–	–
Amortisation:		
– intangible assets	7,558	6,202
– prepaid lease payments	6,344	5,665
Depreciation of property, plant and equipment	71,752	54,771
Minimum lease payments paid under operating lease in respect of land and buildings	54,468	42,429
Research and development costs	86,348	96,419
Write-down of inventories	(3)	(741)

9. INCOME TAX EXPENSE

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Current tax		
– PRC Enterprise Income Tax	372,857	370,615
Deferred tax credit for the period	(3,059)	(4,814)
	369,798	365,801

10. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB220,277,000 (January to June 2013: profit of RMB306,608,000) and the number of shares of 704,130,000 (January to June 2013: 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 2014 (January to June 2013: nil).

**12. PROPERTY, PLANT AND EQUIPMENT**

	Six months ended 30 June	
	2014 <i>RMB'000</i>	2013 <i>RMB'000</i>
At 1 January	1,994,379	1,959,820
Additions	133,451	117,332
Disposals	(47,956)	(10,770)
Depreciation charge	(86,034)	(78,146)
Provision for impairment	783	424
	<u>1,994,623</u>	<u>1,988,660</u>
At 30 June	<u>1,994,623</u>	<u>1,988,660</u>

13. TRADE AND OTHER RECEIVABLES

	30 June 2014	31 December 2013
	<i>RMB'000</i>	<i>RMB'000</i>
Trade receivable	759,174	669,380
Less: Provision for doubtful debts	(38,907)	(38,910)
	<u>720,267</u>	<u>630,470</u>
Bills receivable	950,054	1,495,876
Deposits and other receivables	260,666	232,168
Prepayments	427,639	319,373
Non-current assets (due within one year)	4,301	4,301
	<u>2,362,927</u>	<u>2,682,188</u>

14. TRADE RECEIVABLES

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 2014	31 December 2013
	<i>RMB'000</i>	<i>RMB'000</i>
Within 1 year	873,078	693,698
Over 1 year but within 2 years	41,827	62,853
Over 2 years but within 3 years	16,463	39,536
Over 3 years	48,174	21,387
Less: Provision for impairment	(38,907)	(38,910)
	<u>940,635</u>	<u>778,564</u>

15. TRADE AND OTHER PAYABLES

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Trade payables	1,463,356	1,624,209
Bills payable	514,535	612,660
Advances from customers	364,905	394,147
Other payables and accrued charges	2,435,911	2,171,198
	<u>4,778,707</u>	<u>4,802,214</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 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Within 1 year	1,533,291	1,683,582
Over 1 year but within 2 years	41,939	39,844
Over 2 years but within 3 years	14,870	9,553
Over 3 years	14,814	22,547
	<u>1,604,914</u>	<u>1,755,526</u>

17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Current	2,440,751	1,945,505
Non-current	1,200,000	1,200,000
	<u>3,640,751</u>	<u>3,145,505</u>

Movement of borrowings is analysed as follows:

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
At 1 January	3,145,505	2,715,761
Additions of borrowings	1,435,134	907,588
Repayments of borrowings	(939,727)	(761,602)
Exchange differences	(161)	8
At 30 June	<u>3,640,751</u>	<u>2,861,755</u>

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

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
US Dollars	127,316	135,700
Euros	1,427	—
	<u>128,743</u>	<u>135,700</u>

**18. OTHER NON-CURRENT LIABILITIES**

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Deferred Income	137,056	132,180
Retirement benefit obligations	26,166	26,780
Others	29,994	29,994
	<u>193,216</u>	<u>188,954</u>
Less: Current portion included in trade and other payables	(1,465)	(1,690)
	<u><u>191,751</u></u>	<u><u>187,264</u></u>

19. SHARE CAPITAL

	1 January 2014	Increase/ (decrease) <i>(Note)</i>	30 June 2014
Number of shares			
Registered, issued and fully paid			
– restricted	229,871,234	–	229,871,234
– others	293,458,766	–	293,458,766
H shares, RMB1.00 each	180,800,000	–	180,800,000
	<u>704,130,000</u>	<u>–</u>	<u>704,130,000</u>
RMB'000			
Registered, issued and fully paid			
– restricted	229,871	–	229,871
– others	293,459	–	293,459
H shares, RMB1.00 each	180,800	–	180,800
	<u>704,130</u>	<u>–</u>	<u>704,130</u>

20. CAPITAL COMMITMENT

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Capital commitments in respect of property, plant and machinery:		
– Authorized but not contracted for	34,687	89,012
– Contracted but not provided for	223,328	209,081
	<u>258,015</u>	<u>298,093</u>

21. CONTINGENT LIABILITIES

	30 June 2014 <i>RMB'000</i>	31 December 2013 <i>RMB'000</i>
Guarantees for bank loans of third party	<u>150,000</u>	<u>150,000</u>

**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 key management personnel of the Company, holding company 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 2014, the Group has the following material transactions with its related companies:

(1) Transactions with fellow subsidiaries

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	47,073	16,761
Sale of raw materials, parts and components	1,147	1,821
Support services fee received	150	148
Rental income received	1,174	1,386
	<u>49,544</u>	<u>20,116</u>
Purchase of goods and services		
Purchase of finished goods	126,207	214,071
Purchase of raw materials, parts and components	4,048	3,215
Purchase of power	9	19
Processing fee paid	89	43
Transportation services expense paid	1,456	1,912
Repairs and maintenance services expense paid	588	39
Other supporting services expense paid	930	2,105
Rental expense paid	54	171
	<u>133,382</u>	<u>221,575</u>
Total:	<u>133,382</u>	<u>221,575</u>

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

	Six months ended 30 June	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	397,739	474,328
Sale of raw materials, parts and components	56,910	26,382
Processing fee received	560	122
Support service fee received	3,144	940
Total:	<u>458,353</u>	<u>501,772</u>
Purchase of goods and services		
Purchase of finished goods	108	–
Purchase of raw materials, parts and components	212,264	67,364
Purchase of tools and mold	3,358	2,563
Processing fee paid	105	9
Purchase of package	–	10
Payment for repair and maintenance service	1,467	2,478
Payment for other support service fee	2,792	305
Rental expense paid	–	67
Total:	<u>220,094</u>	<u>72,796</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	
	2014	2013
	<i>RMB'000</i>	<i>RMB'000</i>
Sale of goods and services		
Sale of finished goods	–	408
Sale of raw materials, parts and components	341	3,830
Support services fee received	253	–
Rental income received	945	–
Total:	<u>1,539</u>	<u>4,238</u>
Purchase of goods and services		
Purchase of finished goods	268	26,177
Purchase of raw materials, parts and components	5,244	98,332
Purchase of castings	–	23,220
Purchase of power	–	–
Purchase of package	–	10,302
Processing fee paid	4,946	7,593
Payment for other support service fee	927	748
Rental expense paid	–	2,585
Total:	<u>11,385</u>	<u>168,957</u>

23. APPROVAL OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

This condensed consolidated interim financial information was approved and authorized for issue by the Board of Directors on 25 August 2014.

Chapter X Documents Available for Inspection

1. The accounting statements duly signed and sealed by the authorized representative, the person in charge of finance and the person in charge of accounting;
2. Original of all documents and public announcements which had been disclosed in the newspapers for company information disclosure during the reporting period and original of such manuscripts;
3. 2014 interim reports (both English and Chinese versions).