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(incorporated in the People's Republic of China with limited liability)  
(S c C de: 1133)

## ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2010

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### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2010

	Note	2010 RMB'000	2009 RMB'000
營業收入	4	28,815,543	28,629,522
營業成本		(24,665,786)	(24,964,015)
營業利潤		4,149,757	3,665,507
其他收益	5	948,150	568,962
其他收入		(483,997)	(388,589)
其他開支		(2,686,530)	(2,325,715)
其他虧損		(410,931)	(390,036)
其他虧損	6(a)	(132,321)	(180,381)
其他虧損		25,793	34,764

	<i>Note</i>	<b>2010</b> <b>RMB'000</b>	2009 <i>RMB'000</i>
1. 2010年12月31日止，本公司持有的可供出售金融资产为人民币1,409,921千元。	6	<b>1,409,921</b>	984,512
2. 2010年12月31日止，本公司持有的可供出售金融资产为人民币(272,027)千元。	7	<b>(272,027)</b>	(226,871)
3. 2010年12月31日止，本公司持有的可供出售金融资产为人民币1,137,894千元。		<b>1,137,894</b>	757,641
<b>Available:</b>			
4. 2010年12月31日止，本公司持有的可供出售金融资产为人民币1,024,498千元。		<b>1,024,498</b>	606,206
5. 2010年12月31日止，本公司持有的可供出售金融资产为人民币113,396千元。		<b>113,396</b>	151,435
		<b>1,137,894</b>	757,641
<b>每股基本收益</b>			
6. 2010年12月31日止，本公司每股基本收益为人民币74.4ce。	9	<b>RMB74.4ce</b>	B44.0 . . .

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2010**

	Note	2010 RMB'000	2009 RMB'000
<b>Non-current assets</b>			
Land use rights		4,991	248,724
Investments in subsidiaries		4,815,171	4,261,254
Investments in associates		367,348	342,018
Intangible assets		90,321	98,881
Deferred tax assets		193,878	133,932
Other non-current assets		328,490	179,079
Assets held for sale		35,941	27,074
		<u>5,836,140</u>	<u>5,290,962</u>
<b>Current assets</b>			
Land use rights		12,562,801	14,230,160
Investments in subsidiaries	11	11,122,830	12,168,981
Investments in associates	11	980,496	600,844
Investments in joint ventures	11	4,506,705	4,852,058
Other non-current assets		12,058	10,176
Assets held for sale		894,923	947,326
Assets held for disposal		112,920	76,908
Deferred tax assets		104,276	-
Other current assets		1,188,000	-
Other non-current assets		-	7,006
Other current assets		249,294	526,229
Bank balances		1,090,000	3,553,595
Current tax assets		11,425,774	10,612,136
		<u>44,250,077</u>	<u>47,585,419</u>
<b>Current liabilities</b>			
Assets held for sale		1,274,290	509,964
Accounts payable	12	11,746,026	10,166,545
Accounts payable		2,799,289	3,173,130
Deferred tax liabilities		11,681,047	15,216,864
Accounts payable		24,418	51,757
Accounts payable		20,478	20,478
Bank borrowings		507,005	1,288,579
Other current liabilities		815,084	592,313
		<u>28,867,637</u>	<u>31,019,630</u>

	Note	2010 RMB'000	2009 RMB'000
Net current assets		<u>15,382,440</u>	<u>16,565,789</u>
Total current liabilities		<u>21,218,580</u>	<u>21,856,751</u>
Non-current liabilities			
Deferred tax liabilities		7,592,559	8,118,370
Accounts payable		1,042,918	814,020
Borrowings		<u>1,549,909</u>	<u>2,707,099</u>
		<u>10,185,386</u>	<u>11,639,489</u>
<b>NET ASSETS</b>		<u><b>11,033,194</b></u>	<u><b>10,217,262</b></u>
<b>CAPITAL AND RESERVES</b>			
Share capital	13	1,376,806	1,376,806
Reserves		<u>8,260,977</u>	<u>7,262,220</u>
Minority interests			
Contingent liabilities			
Capital		9,637,783	8,639,026
Reserves		<u>1,395,411</u>	<u>1,578,236</u>
<b>TOTAL EQUITY</b>		<u><b>11,033,194</b></u>	<u><b>10,217,262</b></u>

**NOTES:**

FOR THE YEAR ENDED 31 DECEMBER 2010

**1. GENERAL INFORMATION**

The Company was incorporated in the People's Republic of China (the "C") and is a limited liability company. The Company is a public company. The Company is a listed company. The Company is a company with variable interests in entities (the "VIE"). The Company is a company with variable interests in entities (the "VIE"). The Company is a company with variable interests in entities (the "VIE").



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3 (сентябрь 2008), ...

- A. 27 (2008), 1. 2010:

... 27 (2008), 1. 2010: ...

... 27 (2008), 1. 2010: ...

... 27 (2008), 1. 2010: ...

- A. 28, Investments in associates, 1. 2010:

... 28, Investments in associates, 1. 2010: ...

... 28, Investments in associates, 1. 2010: ...

C. 27 (2008), 1. 2010: ...

... A 27, ... 2010 ...

... *Improvements to HKFRSs* ... A 17, *Leases* ...

... A 17 ...

... 5, "Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause" ( ... 5 ) ...

... 5, ...

... 5 ...

**4. REVENUE**

... , w ...

	2010 RMB'000	2009 RMB'000
...	21,116,828	20,741,812
...	7,691,199	7,629,850
...		202,628
...		40,801
...	<u>7,516</u>	<u>14,431</u>
	<u>28,815,543</u>	<u>28,629,522</u>

... 31 D. ... 2010, ... w ... w ... n ... n ... 10% ... (2009: ...).

5. OTHER REVENUE AND NET INCOME

	2010 RMB'000	2009 RMB'000
Other revenue	278,138	266,543
Interest income	278,138	266,543
Commission income	60,617	-
Dividend income	20	1,298
Other income	334,518	252,253
Less: Other expenses	29,279	9,880
	<u>702,572</u>	<u>529,974</u>
Other expense/(income)		
Interest expense	5,877	7,805
Other expenses	550	510
Other income	-	8,437
Other expense/(income)	(9,584)	20,522
Other income	150,349	-
Other expense/(income)	104,276	-
Other income	1,110	1,714
Other expense/(income)	(7,000)	-
	<u>245,578</u>	<u>38,988</u>
	<u>948,150</u>	<u>568,962</u>

6. PROFIT BEFORE TAXATION

Profit/(loss) before taxation:

	2010 RMB'000	2009 RMB'000
(a) Finance		
Interest income	126,912	144,131
Interest expense	18,690	39,282
Other income	145,602	183,413
Less: Other expense/(income)	(13,281)	(3,032)
	<u>132,321</u>	<u>180,381</u>

Business tax and surcharge 4.78% (2009: 4.86%)



2008, ... C ... (高  
 新技術企業). A ... C ... 2007, ...  
 C ... 15% ... 3 ... 2008.

... 15%, ...  
 C ... C ... 25% (2009: 25%)  
 ...

A ... C ... 2008 ... 897 ... C ...  
 ... C ... 2008, ... C ...  
 ... 2008 ... 10% ...  
 ... 10% ... 2008 ...

**8. DIVIDENDS**

(.) D ... C ...

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
... B0.14 ... (2009: B0.068 ...)	<b>192,753</b>	93,623

(.) D ... C ...

	2010 <i>RMB'000</i>	2009 <i>RMB'000</i>
... B0.068 ... (2009: B0.075 ...)	<b>93,623</b>	103,260

**9. EARNINGS PER SHARE**

(a) Basic earnings per share

... B1,024,498,000 (2009: B606,206,000) ...  
 ... 1,376,806,000 (2009: 1,376,806,000) ...

(b) Diluted earnings per share

... 31 D ... 2010  
 ... 2009, ...

10. SEGMENT REPORTING

... ( ) ...

- ...

- ...

- ...

- ...

- AC/DC ...

(a) Segment reporting, as applicable

... ( ) ...

... ( ) ...

... ( ) ...

... ( ) ...

2010

	Ma her a et p e RMB'000	Ma h d r et p e RMB'000	E g e e r g e r c e f t p e r a RMB'000	A c a r e t p e f t p e r a RMB'000	AC/DC r a d h e r RMB'000	T a RMB'000
	17,984,152	2,362,495	5,060,211	919,028	2,489,657	28,815,543
	3,655,382					3,655,382
	<u>21,639,534</u>	<u>2,362,495</u>	<u>5,060,211</u>	<u>919,028</u>	<u>2,489,657</u>	<u>32,470,925</u>
<b>Re p r a b e e g e r f</b>	<u>2,534,295</u>	<u>596,378</u>	<u>170,478</u>	<u>307,563</u>	<u>541,043</u>	<u>4,149,757</u>
D e f i c i t , a n n u a l	314,336	66,856	11,904	8,933	53,815	455,844
D e f i c i t a n n u a l					181	181
A s s e t s a n n u a l	11,038	271		568	1,116	12,993
A s s e t s a n n u a l	7,097	1,612	41	234	3,074	12,058
A w a i t i n g a n n u a l	441,736	40,375	(1,079)	18,546	58,539	558,117
					3,945	3,945
<b>Re p r a b e e g e a e</b>	<u>25,458,150</u>	<u>3,031,678</u>	<u>3,853,640</u>	<u>969,260</u>	<u>3,739,975</u>	<u>37,052,703</u>
A s s e t s a n n u a l	454,143	141,568	10,969	12,558	140,268	759,506
<b>Re p r a b e e g e a b e</b>	<u>26,382,460</u>	<u>2,955,454</u>	<u>3,803,714</u>	<u>1,060,681</u>	<u>2,620,820</u>	<u>36,823,129</u>

2009

	2009	2008	2007	2006	AC/DC	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Operating income	19,220,791	1,893,429	4,299,673	1,251,301	1,964,328	28,629,522
Operating expenses	1,736,527					1,736,527
Operating profit	<u>20,957,318</u>	<u>1,893,429</u>	<u>4,299,673</u>	<u>1,251,301</u>	<u>1,964,328</u>	<u>30,366,049</u>
Reportable expense						
Profit/(loss)	<u>2,572,874</u>	<u>437,991</u>	<u>(60,962)</u>	<u>316,106</u>	<u>399,498</u>	<u>3,665,507</u>
Depreciation and amortization	271,128	43,687	10,329	13,135	36,310	374,589
Depletion and amortization					16,060	16,060
Accumulated depreciation and amortization	17,813	218		1,288	2,704	22,023
Accumulated depletion and amortization	8,490	1,296	40	385	496	10,707
Accumulated depletion and amortization	390,798	46,730	35,622	22,218	53,506	548,874
Reportable expense						
Income	28,354,652	2,438,448	4,576,856	1,498,732	3,133,281	40,001,969
Accumulated depreciation and amortization	563,920	99,329	8,094	16,245	171,914	859,502
Reportable expense						
Income	<u>29,811,273</u>	<u>2,692,148</u>	<u>3,036,218</u>	<u>1,675,755</u>	<u>1,728,146</u>	<u>38,943,540</u>

(b) Rec e a f r e p r a b e e g e r e e e, r f r , a e a d a b e

	2010 RMB'000	2009 RMB'000
<b>Re e e</b>		
Re e e	32,470,925	30,366,049
Re e e	(3,655,382)	(1,736,527)
	<u>28,815,543</u>	<u>28,629,522</u>
<b>P r f</b>		
P r f	4,149,757	3,665,507
P r f	(132,321)	(180,381)
P r f	25,793	34,764
P r f	(2,633,308)	(2,535,378)
	<u>1,409,921</u>	<u>984,512</u>
<b>A e</b>		
A e	37,052,703	40,001,969
A e	328,490	179,079
A e	193,878	133,932
A e	104,276	-
A e	1,188,000	-
A e	35,941	27,074
	<u>11,182,929</u>	<u>12,534,327</u>
	<u>50,086,217</u>	<u>52,876,381</u>
<b>L a b e</b>		
L a b e	36,823,129	38,943,540
L a b e	408,567	298,577
L a b e	1,821,327	3,417,002
	<u>39,053,023</u>	<u>42,659,119</u>

(c) Geographic information

The following table provides information regarding the geographical distribution of the Company's operations. The geographical distribution of the Company's operations is as follows:

	Revenue		Net income	
	2010 RMB'000	2009 RMB'000	2010 RMB'000	2009 RMB'000
China	23,516,049	24,303,858	5,606,321	5,129,956
Other countries	5,299,494	4,325,664		
<b>Total</b>	<b>28,815,543</b>	<b>28,629,522</b>	<b>5,606,321</b>	<b>5,129,956</b>

11. TRADE RECEIVABLES/BILLS RECEIVABLE/OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2010 RMB'000	2009 RMB'000
Trade receivables	13,302,879	13,790,913
Less: Allowance for doubtful accounts	(2,180,049)	(1,621,932)
<b>B. Trade receivables, net</b>	<b>11,122,830</b>	<b>12,168,981</b>
Deposits	12,103,326	12,769,825
Other receivables	418,731	802,386
D. Prepayments	4,057,974	4,049,672
Other receivables	30,000	
<b>Total</b>	<b>16,610,031</b>	<b>17,621,883</b>

The following table provides information regarding the geographical distribution of the Company's operations. The geographical distribution of the Company's operations is as follows:

	2010 RMB'000	2009 RMB'000
1. 2010	5,566,752	6,107,355
2. 2009	2,583,910	4,816,263
3. 2008	3,264,650	1,147,185
4. 2007	688,014	699,022
<b>Total</b>	<b>12,103,326</b>	<b>12,769,825</b>

## 12. TRADE PAYABLES

	2010 RMB'000	2009 RMB'000
Trade payables	9,856,188	6,941,123
1, 2	1,199,575	2,877,157
2, 3	548,747	267,834
3	141,516	80,431
	<u>11,746,026</u>	<u>10,166,545</u>

## 13. SHARE CAPITAL

	2010		2009	
	Number of shares	RMB'000	Number of shares	RMB'000
Authorized share capital:				
1. B1	701,235,000	701,235	701,235,000	701,235
2. B1	<u>675,571,000</u>	<u>675,571</u>	<u>675,571,000</u>	<u>675,571</u>
A. 1 as at 31 Dec	<u>1,376,806,000</u>	<u>1,376,806</u>	<u>1,376,806,000</u>	<u>1,376,806</u>

## 14. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

- ( ) On 11 March 2011, Harbin Electric Machinery Co., Ltd. (哈爾濱電機廠), a wholly-owned subsidiary of the Company, and Kunming Harbin Electric Machinery Co., Ltd. (哈爾濱電機廠(昆明)有限責任公司) (昆明哈爾濱電機廠), a wholly-owned subsidiary of the Company, entered into a share purchase agreement to acquire 55.64% of the equity of Kunming Harbin Electric Machinery Co., Ltd. (昆明哈爾濱電機廠) for a total consideration of RMB250,000,000. The acquisition is accounted for as an acquisition of a subsidiary under the acquisition method. The acquisition is completed on 15 March 2011.
- ( ) As at 31 December 2011, the Company has no non-adjusting events after the reporting period.



## Product and Service

Product and Service revenue in 2010 was 21,556.6 million yuan, an increase of 17.43% over 2009. The revenue from the sale of products was 26,070 million yuan, an increase of 17.51% over 2009. The revenue from the sale of services was 20,827.3 million yuan, an increase of 13.72% over 2009. The revenue from the sale of other products and services was 3,616.6 million yuan, an increase of 31.93% over 2009.

As a result of the company's business expansion, the revenue from the sale of products and services has increased significantly. The revenue from the sale of products and services has increased significantly, and the revenue from the sale of other products and services has also increased significantly. The revenue from the sale of products and services has increased significantly, and the revenue from the sale of other products and services has also increased significantly.

## R&D and Technology Investment

In 2010, the company's R&D and technology investment was 233 million yuan, an increase of 20% over 2009.

The company's R&D and technology investment was 233 million yuan, an increase of 20% over 2009. The company's R&D and technology investment was 233 million yuan, an increase of 20% over 2009. The company's R&D and technology investment was 233 million yuan, an increase of 20% over 2009.

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## Refund Management

С 2010, ... D ...

С ...

С ...

С ...

## Profit

2010, ... C ...  
B1,024.50 ... 69.00%  
B0.74, ... B0.30  
B9,637.78 ... B998.75  
B7.00, ... B0.73

D ...

## TURNOVER

2010, ... B28,815.54  
0.65%  
B17,984.15 ... 6.43%  
62.41%  
B2,362.50 ... 24.77%  
8.20%  
B5,060.21 ... 17.69%  
17.56%  
B919.03 ... 26.55%  
3.19%  
AC/DC  
B2,489.66 ... 26.74%  
8.64%

D 2010, ... B5,299.49  
B973.83 ... 18.39%

## COST

D 2010, ... B24,665.79  
1.19%



## DEPOSITS AND CASH FLOW

As at 31 December 2010, the company's deposits and cash flow were B12,515.77 million, compared with B1,649.96 million at 31 December 2009. The company's deposits and cash flow were B854.33 million at 31 December 2008, compared with B1,906.30 million at 31 December 2007. The company's deposits and cash flow were B1,946.99 million at 31 December 2006.

## CAPITAL STRUCTURE AND CHANGES THEREOF

As at 31 December 2010, the company's capital structure was B50,086.22 million, compared with B2,790.16 million at 31 December 2009, an increase of 5.28%. The company's capital structure was B44,250.08 million at 31 December 2008, compared with B5,836.14 million at 31 December 2007, an increase of 88.35%. The company's capital structure was B11,650.00 million at 31 December 2006.

## LIABILITIES

As at 31 December 2010, the company's liabilities were B39,053.02 million, compared with B3,606.10 million at 31 December 2009, an increase of 73.92%. The company's liabilities were B28,867.64 million at 31 December 2008, compared with B10,185.38 million at 31 December 2007, an increase of 26.08%. The company's liabilities were B7,797.00 million at 31 December 2006, an increase of 77.97%.

## SHAREHOLDERS' EQUITY

As at 31 December 2010, the company's shareholders' equity was B9,637.78 million, compared with B998.75 million at 31 December 2009, an increase of 11.21%. The company's shareholders' equity was B7.00 million at 31 December 2008, compared with B7.00 million at 31 December 2007, an increase of 11.21%.

## GEARING RATIO

As at 31 December 2010, the company's gearing ratio (total liabilities divided by shareholders' equity) was 1.06:1, compared with 1.35:1 at 31 December 2009.

## CONTINGENT LIABILITIES AND PLEDGE OF ASSET

As at 31 December 2010, the company's contingent liabilities and pledge of asset were B249.29 million, compared with B249.29 million at 31 December 2009.

**CAPITAL EXPENDITURES AND MAJOR INVESTMENTS**

2010,  B932

1000

1000

**EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES**

31, D. 2010,  B365.37

**USE OF FUND-RAISING PROCEEDS**

2010,  B145

31, D. 2010,  B2,630

**STAFF AND REMUNERATION**

31, D. 2010,  18,485  
B1,326



### 3. Surface area

A rectangular prism has a length of 10 units, a width of 5 units, and a height of 3 units. Find the surface area of the prism.

**Solution:** The surface area of a rectangular prism is given by the formula  $SA = 2lw + 2lh + 2wh$ , where  $l$  is the length,  $w$  is the width, and  $h$  is the height. Substituting the given values, we get  $SA = 2(10)(5) + 2(10)(3) + 2(5)(3) = 100 + 60 + 30 = 190$ . Therefore, the surface area of the prism is 190 square units.

A rectangular prism has a length of 8 units, a width of 4 units, and a height of 6 units. Find the surface area of the prism.

**Solution:** The surface area of a rectangular prism is given by the formula  $SA = 2lw + 2lh + 2wh$ , where  $l$  is the length,  $w$  is the width, and  $h$  is the height. Substituting the given values, we get  $SA = 2(8)(4) + 2(8)(6) + 2(4)(6) = 64 + 96 + 48 = 208$ . Therefore, the surface area of the prism is 208 square units.

A rectangular prism has a length of 12 units, a width of 5 units, and a height of 3 units. Find the surface area of the prism.

**Solution:** The surface area of a rectangular prism is given by the formula  $SA = 2lw + 2lh + 2wh$ , where  $l$  is the length,  $w$  is the width, and  $h$  is the height. Substituting the given values, we get  $SA = 2(12)(5) + 2(12)(3) + 2(5)(3) = 120 + 72 + 30 = 222$ . Therefore, the surface area of the prism is 222 square units.



