

Shenzhen Victor Onward Textile Industrial Co., Ltd.

Quarterly Report for the Third Quarter of 2012

§1 Important notes

The Board of Directors of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof.

All of the directors presented the board meeting at which this Quarterly Report was examined.

Mr. Hu Yongfeng, Person in charge of the Company, Mr.Zhang Jinliang , Person in charge of accounting works, Mr. Ren Changzheng ,CFO as well as person in charge of accounting institution represent and warrant the financial and accounting report in the Third report is true and complete.

II. Basic Information of the Company

1.Main accounting data and indices

If retrospective adjustment has been carried our on financial reports of previous periods.

Yes No Not applicable

	2012.9.30	2011.12.31	Increase /decrease (%)	
Total assets (RMB)	169,530,701.00	172,238,794.00	-1.57%	
Owner's equity attributable to the shareholders of the listed company (RMB)	112,770,792.00	119,047,096.00	-5.27%	
Stock capital (Shares)	169,142,356.00	169,142,356.00	0%	
Net assets per share attributable to the shareholders of the listed company (RMB/shares)	0.67	0.7	-4.29%	
	July-September 2012	Increase/decrease in the report period compared with the same period of the last year(%)	January-September 2012	Increase/decrease in the report period compared with the same period of the last year(%)
Total turnover(RMB)	2,254,074.00	-8.49%	7,273,861.00	-8.99%
Net profit attributable to shareholders of the listed company (RMB)	-1,963,118.00	-51.36%	-6,150,254.00	-49.87%
Net cash flow arising from operating activities (RMB)	--	--	788,412.00	-64.85%
Net cash flow per share arising from operating activities (yuan/shares)	--	--	0	-64.85%
Basic earnings per share (yuan/shares)	-0.01	-50%	-0.04	-42.86%

Diluted earnings per share (yuan/shares)	-0.01	-50%	-0.04	-42.86%
Weighted average return on equity (%)	-1.72%	1.35%	-5.3%	4.01%
Weighted average Return on net assets after deducting non-recurring gains and losses (%)	-1.68%	1.4%	-2.75%	6.57%

Items and amount of non-current gains and losses deducted

applicable not applicable

Items	Amount from the beginning of year to the end of report period (RMB)	Remarks
Gain/loss from disposal of non-current assets	5,174.00	
Tax refund, deduction and exemption that is examined and approved by authority exceeding or has no official approval document.		
Governmental Subsidy accounted as current gain/loss, except for those subsidies at with amount or quantity fixed by the national government and closely related to the Company's business operation.		
Capital adoption fee collected from non-financial organizations and accounted into current gain/loss		
Gain/loss from differences between the cost of enterprise merger and the fair value of recognizable net asset of the invested entities		
Gain/loss from non-monetary assets		
Gain/loss from commissioned investment or assets		
Asset impairment provisions provided for force-majeur		
Gain/loss from debt reorganization		
Enterprise reorganizing expenses, such as employee placement fee and integration fee		
Gain/loss from trade departing from fair value		
Current net gain/loss of subsidiaries under same control from beginning of term till date of consolidation		
Gain/loss generated by contingent liabilities without connection with main businesses		
In addition to normal business with the company effective hedging related business, holders of tradable financial assets, transactions and financial liabilities arising from changes in fair value gains and losses, as well as the disposal of trading of financial assets, trading financial liabilities and available-for-sale financial assets gains return on investment;	11,022.00	
Restoring of receivable account impairment provision tested individually		
Gain/loss from commissioned loans		
Gain/loss from change of fair value of investment property measured at fair value in follow-up measurement		
Influence of one-time adjustment made on current gain/loss account according to the laws and regulations regarding tax		

and accounting		
Consigning fee received for cosigned operation		
Net amount of non-operating income and expense except the aforesaid items	-2,982,915.00	Main part is the Nanjing project litigation attorney's fees
Other gain/loss items satisfying the definition of non-recurring gain/loss account		
Influenced amount of minority shareholders' equity		
Amount of influence of income tax		
Total	-2,966,719.00	--

The information of main accounting data and main financial indices of the company by the end of report period..(Filling the adjustment explanation if retroactive adjusted)

Items	Amount (RMB)	Remarks

II. Total number of shareholders and top 10 holders of shareholders at the end of report period

Total number of shareholders at the end of report period	11,232		
Particulars about the shares held by the top ten tradable shareholders with unrestricted conditions			
Full name of shareholder	Amount of tradable shares with unrestricted conditions held at the end of report period	Type and amount	
		Type	Amount
Union Holding Co., Ltd.	43,141,032	RMB Common shares	43,141,032
STYLE-SUCCESS LIMITED	24,466,029	Foreign shares placed in domestic exchange	24,466,029
Shenzhen Textile (Group)Holdings Co., Ltd	9,233,394	RMB Common shares	9,233,394
Rich Crown Investment Co., Ltd.	6,114,556	Foreign shares placed in domestic exchange	6,114,556
Union Development Group Co., Ltd.	5,821,089	RMB Common shares	5,821,089
Liuzhou Jiali Real Estate Development Co., Ltd.	4,215,937	RMB Common shares	4,215,937
Zeng Ying	2,039,600	Foreign shares placed in domestic exchange	2,039,600
Liuzhou Ruiheng Mechanical & Electrical Co.,Ltd.	1,710,000	RMB Common shares	1,710,000
Shing Ying Chieh	1,550,362	Foreign shares placed in domestic exchange	1,550,362
Zheng Lian	950,000	Foreign shares placed in domestic exchange	950,000
Notes to the related relationship between the shareholders or their concerted action:	The controlling shareholder of the above-mentioned largest shareholder Shenzhen Union Holdings Ltd. and fourth shareholder Rich Crown Investment Co., Ltd.. Is Union Developing Group Ltd.		

3 Significant Events

1 Particular about large-margin change of main accounting statement item and financial index and its reason.

√ Applicable □ Not applicable

1. Analysis of the reason for big change of the items of balance sheet of the Company as of the end of the report period.

Unit: RMB

Items	September 30,2012	December 31,2011	Amount of increased / Decreased	Proportion increased/ Decreased
Other current liability	4,572,241	1,584,784	2,987,457	188.51%

Other current liability increased by RMB2.98 million and 188.51%, mainly due to the Nanjing project litigation attorney's fees 2.4 million

2. Analysis of the reason for big change of the items of profit statement as of the report period.

In the period from January 2011 to September 2012, the company earned operating income of RMB 7.27 million on accumulative basis, which Decreased by RMB8.99 million year on year. Net profit attributable to owners' equity of the Parent company Net profit is RMB -6.15 million. compare to the data last year same period, which loss decreased by RMB 6.11 million and 49.87%.

(1) Analysis of reason for decrease of operating income:

Rental income has decreased.

(2) The main reason for decreased of amount of loss:

Mainly due to drop in revenue from a year earlier of Zhejiang Union Hangzhou Bay Ventures Co., Ltd., an affiliated Company.

3. Analysis of the reason for big change of the items of cash flow statement of the Company in the report period.

Unit: RMB

Items	This period	Same period of last year	Amount of increased/decreased	Proportion Increased/ decreased
Net cash flows arising form				
Operating activities	788,412	2,243,234	-1,454,822	-64.85%
Net cash flows from investing activities	-63,534	-101,101	37,567	-37.16%
Net cash flows from financing activities	0	0	0	0.00%
The influence of change in exchange rate				
On cash and cash equivalents	222,976	-1,265,877	1,488,853	-117.61%
Net increase of cash and cash equivalents	947,854	876,256	71,598	8.17%

(1) At the end of the report period, net decrease in Net cash flows arising form Operating activities decreased by RMB 1.45 million year on year, Mainly due to the increase of non-recurring charge in this report period;

(2) In the report period, Net cash flows from investing activities increased by RMB 30,000 year on year;

(3) At the end of the report period, There were no net cash flows from financing activities in the report period and the same period of previous year;

(4) At the end of the report period, the influence of change in exchange rate on cash and cash equivalents increased by RMB 1.48 million year on year; Mainly due to RMB and HKD exchange Rate fluctuations;

(5) At the end of the report period, net increase in cash and cash equivalents increased by RMB 70,000 year on year.

II. The progress of significant events and influence, as well as the analysis and explanation on resolving proposal reason.

1. Non-standard Opinion

√□ applicable not applicable

Shine Wing Certified Public Accountants issued unqualified auditor's report with paragraph of emphasized matters for the Company's financial statements for 2011 Basic information of emphasized matters: Since March 2007, Shenzhen Victor Onward Textile Industrial Co., Ltd. stopped production and dismissed most of workers. And most subsidiaries of the company had stopped

production and it maintained daily operation by house leasing. But its sustainable operation ability is still uncertain. The board of directors, Supervisory Committee and managers believed that the printing and dyeing plant of the company had stopped operation or maintained daily operation by house leasing. .It plans to invest in Nanjing East Asia Textile Printing and Dyeing Co., Ltd. with part of machinery and equipment, Due to the reason on the side of the other party of joint venture and change of industry prospect. This event greatly impacted the production & operation activities and sustainable development of company, it made company had the situation of implementing other special treatment which was stipulated in Shenzhen Stock Exchange Listing Rules , the stock of our company had been implemented for other special treatment. The Company is communicating with joint venture partner and trying to minimize the losses and settle this joint venture project issue properly.

2 The Company provided funds to its controlling shareholder or related parties and provided guarantees in violation of established procedures.

applicable not applicable

3.Signing and performance of significant contracts for daily operation

applicable not applicable

On June 4, 2012, The company has instituted court action against below three companies at Jiangsu Province Higher People's Court, and asked to terminate the contracts and agreements signed with Nanjing East Asia Textile Printing & Dyeing Co., Ltd., Nanjing East Asia Investment & Development Group Co., Ltd. and Hong Kong Yaojunxing Co., Ltd., who shall pay RMB47,922,902.92 to the company for the pecuniary loss of implicative compensation and undertake the costs of litigation. The company has received the Su-Shang-Wai-Chu-Zi No.0002 (2012) of “Notice on Indictment Acceptance and Collegial Panel Announcement” issued by Jiangsu Province Higher People's Court on June 14, 2012.

The case hasn't yet been tried, so the impact on the company temporarily can't be judged. The company will fulfill the obligation of information disclosure in time according to the progress of legal action.

The announcement of the resolutions of this meeting was published on Securities Times , Hong Kong Commercial Daily and www.cninfo.com.cn on June 16, 2012.

4.Other

applicable not applicable

III. Companies or shareholders holding more than 5% equity during the reporting period or the commitments continued to the reporting period.

applicable not applicable

IV. Prediction of Business performance for 2012.

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

applicable not applicable

Forenotice of earnings: Drop considerably

Type of date filled for the prediction

actual figures interval figures

	Year beginning to end of next report period		Same period of the previous year	Increase or decrease (%)					
Estimated amount of	-800	--	-500	-1,736	<input type="checkbox"/> -- <input type="checkbox"/> Increase	<input checked="" type="checkbox"/>	-71.2%	--	-53.92%

accumulative net profit (RMB'0000)					Decrease			
Basic earnings per shares (RMB/share)	-0.05	--	-0.03	-0.1	<input type="checkbox"/> -- <input type="checkbox"/> Increase <input checked="" type="checkbox"/> Decrease	-70%	--	-50%
Notes to forenctice of earnings	Due to the effect of suspend production for rectification and the loss of real estate projects of Zhejiang Union Hangzhou Bay Ventures Co., Ltd. accounted for on equity basis.							

V. Other significant events need to be explained

1. Securities investment

applicable not applicable

No	Stock type	Stock code	Stock abbreviation	Initial investment amount(Yuan)	Amount held (shares)	Book values at the end of period(RMB)	Percentage of total investment in this stock at the end or period(%)	Profit and loss during the report period(RMB)
1	Stock	601558	Sinovel Wnd	31,000.00	4,000	22,880.00	52.69%	-8,120.00
2	Stock	002563	Semir Garment	37,900.00	1,000	20,540.00	47.31%	-17,360.00
Other stock investment held at the end of report term					--			
Gain/loss of disposed stock investment in the report term				--	--	--	--	11,022.00
Total				68,900.00	--	43,420.00	100%	-14,458.00
Disclosure Date of Announcement on Securities Investment Approved by the Board of Directors								
Disclosure Date of Announcement on Securities Investment Approved by the Shareholders Meeting								

Statement on securities investment:

2. Derivative Investment

applicable not applicable

3. Particulars about derivatives investment held at the end of report period

applicable not applicable

4. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Date	Place	Mode	Type	Visitor	Content of discussion and materials provided
July 4, 2012	Office of board secretary of the Company	Telephone	Individual	Investor	Provide suggestions on the company operation
July 31, 2012	Office of board secretary of the	Telephone	Individual	Investor	Enquiry the company situation

	Company				
September 17, 2012	Office of board secretary of the Company	Telephone	Individual	Investor	Enquiry the company's share price

5. Issue of corporate bond

Have the company issued any corporate bond

applicable not applicable

§ 4 Appendix

1 Financial statements

Consolidated or not:

Yes No not applicable

All figures in the notes to the financial statements are in RMB yuan except for otherwise stated.

1. Consolidated Balance sheet

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	54,347,170.00	53,399,316.00
Settlement provision		
Outgoing call loan		
Trading financial assets	43,420.00	68,900.00
Bill receivable		
Account receivable	744,712.00	744,712.00
Prepayments	15,446.00	27,548.00
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		38,378.00
Dividend receivable		
Other account receivable	95,328.00	457,264.00
Repurchasing of financial assets		
Inventories	162,457.00	162,457.00
Non-current asset due in 1 year		
Other current asset		
Total of current assets	55,408,533.00	54,898,575.00
Non-current assets:		
Loans and payment on other's behalf disbursed		

Disposable financial asset	649,676.00	703,055.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	62,387,517.00	63,192,614.00
Property investment	32,109,172.00	34,373,451.00
Fixed assets	12,005,338.00	12,070,406.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,870,841.00	1,901,069.00
R & D petrol		
Goodwill	5,099,624.00	5,099,624.00
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	114,122,168.00	117,340,219.00
Total of assets	169,530,701.00	172,238,794.00
Current liabilities		
Short-term loans		
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Trade off financial liabilities		
Bill payable		
Account payable	3,251,445.00	3,239,221.00
Advance account received	2,775,905.00	2,775,476.00
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	711,154.00	590,220.00
Tax payable	2,936,609.00	2,700,348.00
Interest payable		
Dividend payable	1,215,946.00	1,215,946.00
Other account payable	31,381,883.00	31,167,220.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year		

Other current liability	4,572,241.00	1,584,784.00
Total of current liability	46,845,183.00	43,273,215.00
Non-current liabilities:		
Long-term loan	1,074,619.00	1,160,011.00
Bond payable		
Long-term payable	8,561,395.00	8,486,859.00
Special payable		
Expected liabilities		
Differed income tax liability	815,434.00	808,335.00
Other non-current liabilities	836,792.00	836,792.00
Total of non-current liabilities	11,288,240.00	11,291,997.00
Total of liability	58,133,423.00	54,565,212.00
Owners' equity		
Share capital	169,142,356.00	169,142,356.00
Capital reserves	39,682,919.00	39,742,473.00
Less: Shares in stock		
Special reserve		
Surplus reserves	26,704,791.00	26,704,791.00
Common risk provision		
Undistributed profit	-122,176,864.00	-116,026,610.00
Different of foreign currency translation	-582,410.00	-515,914.00
Total of owner's equity belong to the parent company	112,770,792.00	119,047,096.00
Minor shareholders' equity	-1,373,514.00	-1,373,514.00
Total of owners' equity	111,397,278.00	117,673,582.00
Total of liabilities and owners' equity	169,530,701.00	172,238,794.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

2. Balance sheet of the Parent Company

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	19,432,627.00	21,483,163.00
Trading financial assets	43,420.00	68,900.00
Bill receivable		
Account receivable		

Prepayments		
Interest receivable		
Dividend receivable		
Other account receivable	72,761,463.00	72,999,033.00
Inventories	162,457.00	162,457.00
Non-current asset due in 1 year		
Other current asset		
Total of current assets	92,399,967.00	94,713,553.00
Non-current assets:		
Disposable financial asset		
Expired investment in possess		
Long-term receivable		
Long term share equity investment	36,788,953.00	36,788,953.00
Property investment	5,145,041.00	5,397,921.00
Fixed assets	9,145,661.00	9,170,487.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,870,841.00	1,901,069.00
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	52,950,496.00	53,258,430.00
Total of assets	145,350,463.00	147,971,983.00
Current liabilities		
Short-term loans		
Trade off financial liabilities		
Bill payable		
Account payable	113,337.00	113,337.00
Advance payment	1,999,540.00	1,999,540.00
Employees' wage payable	646,443.00	559,510.00
Tax payable	1,676,271.00	1,617,284.00
Interest payable		
Dividend payable		
Other account payable	659,348.00	855,475.00
Non-current liability due in 1 year		
Other current liability	4,304,248.00	1,544,249.00

Total of current liability	9,399,187.00	6,689,395.00
Non-current liabilities:		
Long-term loan		
Bond payable		
Long-term payable		
Special payable		
Expected liabilities		
Differed income tax liability	4,180,138.00	4,180,138.00
Other non-current liabilities	836,792.00	836,792.00
Total of Non-current liabilities	5,016,930.00	5,016,930.00
Total of liability	14,416,117.00	11,706,325.00
Owners' equity		
Share capital	169,142,356.00	169,142,356.00
Capital reserves	31,606,598.00	31,606,598.00
Less: Shares in stock		
Special reserves		
Surplus reserves	26,309,287.00	26,309,287.00
Common risk provision		
Undistributed profit	-96,123,895.00	-90,792,583.00
Different of foreign currency translation		
Total of owners' equity	130,934,346.00	136,265,658.00
Total of liabilities and owners' equity	145,350,463.00	147,971,983.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

3. Profit statement (Consolidated) of the report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I. Total operating income	2,254,074.00	2,463,266.00
Including: Operating income	2,254,074.00	2,463,266.00
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	2,754,263.00	2,759,981.00
Including: Operating cost	671,888.00	1,216,540.00
Interest expense		
Commission chare and commission expense		

Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	110,834.00	
Sales expenses		
Administration expenses	2,046,048.00	1,712,590.00
Financial expenses	-74,507.00	-881,765.00
Losses of devaluation of assets		712,616.00
Add : Changing income of fair value	-11,970.00	-14,116.00
Investment income	-1,450,098.00	-3,750,137.00
Including: Investment income on affiliate company and joint venture		
Exchange income		
III. Operating profit	-1,962,257.00	-4,060,968.00
Add : Non-operating income	39.00	-81.00
Less: Non-operating expense	900.00	-14.00
Including :Disposal loss of non-current assets		
IV. Total profit	-1,963,118.00	-4,061,035.00
Less: Income tax		
V. Net profit	-1,963,118.00	-4,061,035.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to owner's equity of parent company	-1,963,118.00	-4,036,157.00
Minority shareholders' gains and losses		
VI. Earnings per share:	--	--
(I) Basic earnings per share	-0.01	-0.02
(II)Diluted earnings per share	-0.01	-0.02
VII. Other comprehensive income	-6,853.00	-2,727,468.00
VIII. Total comprehensive income	-1,969,971.00	-6,788,503.00
Total comprehensive income attributable to the owner of the parent company	-1,969,971.00	-6,788,503.00
Total comprehensive income attributable minority shareholders		

The merging party realized net profit of RMB 0.00 before consolidation under same control in this period.

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

4. Profit statement (Parent Company) of the report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I. Business income	392,370.00	375,543.00
Less: Business cost	120,778.00	118,588.00
Business tax and surcharge		
Sales expense		
Administrative expense	1,174,252.00	1,103,048.00
Financial expenses	-329,257.00	-1,273,168.00
Asset impairment loss		712,616.00
Add: Gains from change of fair value ("-"for loss)	-11,970.00	-14,116.00
Investment gain ("-"for loss)		-136.00
Incl: investment gains from affiliates		
II. Operational profit	-585,373.00	-299,793.00
Add: Non-business income		
Less: Non business expenses	900.00	-6.00
Incl: Loss from disposal of non-current assets		
III. Total profit	-586,273.00	-299,787.00
Less: Income tax expenses		
IV. Net profit	-586,273.00	-299,787.00
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VII. Other comprehensive income	0.00	-2,834,412.00
VIII. Total comprehensive income	-586,273.00	-3,134,199.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

5. Profit statement (Consolidated) from year-begin to the end of report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I. Total operating income	7,273,861.00	7,992,076.00
Including: Operating income	7,273,861.00	7,992,076.00
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	9,423,870.00	9,773,796.00
Including: Operating cost	2,871,722.00	3,547,980.00
Interest expense		
Commission chare and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	269,633.00	
Sales expenses		
Administration expenses	6,404,547.00	6,028,863.00
Financial expenses	-122,032.00	-515,663.00
Losses of devaluation of assets		712,616.00
Add : Changing income of fair value	-25,480.00	-62,718.00
Investment income	-1,021,452.00	-10,484,864.00
Including: Investment income on affiliate company and joint venture		
Exchange income		
III. Operating profit	-3,196,941.00	-12,329,302.00
Add : Non-operating income	29,602.00	8,332.00
Less: Non-operating expense	2,982,915.00	1,503.00
Including :Disposal loss of non-current assets		
IV. Total profit	-6,150,254.00	-12,322,473.00
Less: Income tax		
V. Net profit (“-”for net loss	-6,150,254.00	-12,322,473.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	-6,150,254.00	-12,268,678.00
Minority shareholders’ equity		-53,795.00
VI. Earnings per share:	--	--
(I) Basic earnings per share	-0.04	-0.07
(II)Diluted earnings per share	-0.04	-0.07
VII. Other comprehensive income	-126,050.00	-6,115,769.00
VIII. Total comprehensive income	-6,276,304.00	-18,438,242.00
Total comprehensive income attributable to the owner of the parent company	-6,276,304.00	-18,438,242.00
Total comprehensive income attributable minority shareholders		

The merging party realized net profit of RMB 0.00 before consolidation under same control that occurred from year-begin to end of this period.

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

6. Profit statement (Parent company) from year-begin to the end of report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I. Business income	1,133,937.00	1,100,856.00
Less: Business cost	360,156.00	358,137.00
Business tax and surcharge		
Sales expense		
Administrative expense	4,075,596.00	3,805,251.00
Financial expenses	-962,700.00	-2,562,923.00
Asset impairment loss		712,616.00
Add: Gains from change of fir value (“-”for loss)	-25,480.00	-62,718.00
Investment gain (“-”for loss)	11,022.00	14,005.00
Incl: investment gains from affiliates		
II. Operational profit	-2,353,573.00	-1,260,938.00
Add: Non-business income	5,174.00	
Less: Non business expenses	2,982,915.00	523.00
Incl: Loss from disposal of non-current assets		
III. Total profit	-5,331,314.00	-1,261,461.00
Less: Income tax expenses		
IV. Net profit	-5,331,314.00	-1,261,461.00
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VII. Other comprehensive income		-6,209,272.00
VIII. Total comprehensive income	-5,331,314.00	-7,470,733.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

7. Cash flow statement (Consolidated) from year-begin to the end of report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	7,324,251.00	8,340,213.00
Net increase of customer deposits and capital kept for brother company		
Net increase of loans from central bank		
Net increase of inter-bank loans from other financial bodies		
Cash received against original insurance contract		
Net cash received from reinsurance business		
Net increase of client deposit and investment		
Net increase of trade financial asset disposal		
Cash received as interest, processing fee and commission		
Net increase of inter-bank fund received		
Net increase of repurchasing business		
Tax returned		
Other cash received from business operation	945,178.00	650,651.00
Sub-total of cash inflow	8,269,429.00	8,990,864.00
Cash paid for purchasing of merchandise and services		735,503.00
Net increase of client trade and advance		
Net increase of savings in central bank and brother company		
Cash paid for original contract claim		
Cash paid for interest, processing fee and commission		
Cash paid for policy dividend		
Cash paid to staffs or paid for staffs	2,200,990.00	2,310,675.00
Taxes paid	1,435,562.00	1,378,168.00
Other cash paid for business activities	3,844,465.00	2,323,284.00

Sub-total of cash outflow from business activities	7,481,017.00	6,747,630.00
Cash flow generated by business operation, net	788,412.00	2,243,234.00
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains	21,841.00	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	30,000.00	10,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	51,841.00	10,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	115,375.00	111,101.00
Cash paid as investment		
Net increase of loan against pledge		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	115,375.00	111,101.00
Net cash flow generated by investment	-63,534.00	-101,101.00
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans		
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	0.00	0.00
Cash to repay debts		
Cash paid as dividend, profit, or interests		
Incl: Dividend and profit paid by subsidiaries to minor shareholders		

Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	0.00	0.00
Net cash flow generated by financing	0.00	0.00
IV. Influence of exchange rate alternation on cash and cash equivalents	222,976.00	-1,265,877.00
V. Net increase of cash and cash equivalents	947,854.00	876,256.00
Add: balance of cash and cash equivalents at the beginning of term	53,399,316.00	51,786,613.00
VI ..Balance of cash and cash equivalents at the end of term	54,347,170.00	52,662,869.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

8. Cash flow statement (Parent Company) from year-begin to the end of report period

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. Unit: RMB

Items	Report period	Same period of the previous year
I. Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,133,937.00	1,327,674.00
Tax returned		
Other cash received from business operation	1,297,025.00	1,068,588.00
Sub-total of cash inflow	2,430,962.00	2,396,262.00
Cash paid for purchasing of merchandise and services		735,503.00
Cash paid to staffs or paid for staffs	1,346,093.00	1,385,647.00
Taxes paid	634,383.00	617,434.00
Other cash paid for business activities	2,552,863.00	1,146,480.00
Sub-total of cash outflow from business activities	4,533,339.00	3,885,064.00
Cash flow generated by business operation, net	-2,102,377.00	-1,488,802.00
II. Cash flow generated by investing		
Cash received from investment		

retrieving		
Cash received as investment gains	21,841.00	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	30,000.00	10,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other investment-related cash received		
Sub-total of cash inflow due to investment activities	51,841.00	10,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets		
Cash paid as investment		
Net cash received from subsidiaries and other operational units		
Other cash paid for investment activities		
Sub-total of cash outflow due to investment activities	0.00	0.00
Net cash flow generated by investment	51,841.00	10,000.00
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		
Other financing –related ash received		
Sub-total of cash inflow from financing activities	0.00	0.00
Cash to repay debts		
Cash paid as dividend, profit, or interests		
Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	0.00	0.00
Net cash flow generated by financing	0.00	0.00
IV. Influence of exchange rate alternation on cash and cash equivalents		-12,925.00
V.Net increase of cash and cash equivalents	-2,050,536.00	-1,491,727.00
Add: balance of cash and cash	21,483,163.00	23,577,186.00

equivalents at the beginning of term		
VI ..Balance of cash and cash equivalents at the end of term	19,432,627.00	22,085,459.00

Legal representative : Hu Yongfeng

Person-in-charge of the accounting work: Zhang Jinliang

Person-in -charge of the accounting organ: Ren Changzheng

II. Auditor' report

Auditor's opinions:	Un-audited
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The Board of Directors of Shenzhen Victor Onward Textile Industrial Co., Ltd.
October 26, 2012