

Shenzhen Victor Onward Textile Industrial Co., Ltd.

The First Quarterly Report 2012

§ 1 Important Notice

1.1 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.

1.2 The financial report of the Company in this quarterly Report period has not been audited.

1.3. Mr. Hu Yongfeng, board chairman and General Manager of the Company, Mr. Zhang Jinliang,

Deputy General Manager of the Company, Mr. Ren Chengzheng, Manager of Financial Dept

represent and warrant the financial report in this quarterly report is true and complete.

§ 2 Basic Information

2.1 Highlights of Accounting Data and Financial Indicators

Unit: RMB

	At the period-end of this	At the period-end of last year	Increase /decrease (%)
Total assets (RMB)	172,828,660.00	172,238,794.00	0.34%
Owner's equity attributable to the shareholders of the listed company (RMB)	118,804,462.00	119,047,096.00	-0.20%
Stock capital (Shares)	169,142,356.00	169,142,356.00	0.00%
Net assets per share attributable to the shareholders of the listed company (RMB/shares)	0.70	0.70	0.00%
	Amount of current period	Amount of the same period in last year	Increase /decrease (%)
Total turnover(RMB)	2,500,956.00	3,169,625.00	-21.10%
Net profit attributable to owners of parent company(RMB)	-233,111.00	-4,143,863.00	-94.37%
Net cash flow arising from operating activities(RMB)	571,809.00	671,682.00	-14.87%
Net cash flow per share arising from operating activities(RMB/share)	0.00	0.00	0.00%

Basic earnings per share(RMB/share)	0.00	-0.02	-100.00%
Diluted earnings per share(RMB/share)	0.00	-0.02	-100.00%
Weighted average return on equity (%)	-0.20%	-2.94%	2.74%
Weighted average return on equity after deducting non-recurring gains and losses (%)	-0.21%	-2.95%	2.74%

Items of non-current gains and losses

applicable not applicable

Unit: RMB

Non-recurring gain and loss items	Amount (Year-beginning to the end of the report period.)	Notes (If applicable)
Except the effective hedge business related to the normal operation business of the Company, the profit and loss in the changes of fair values caused by the holding of tradable financial assets and tradable financial liabilities as well as the investment returns in disposal of tradable financial assets, tradable financial liabilities and saleable financial assets	9,322.00	
Other non-operating income and expenditure beside for the above items	5,174.00	
Total	14,496.00	-

2.2 Top 10 shareholders and top 10 holders of unconditional shares

Unit: Shares

Total number of shareholders at the end of report period	11,638	
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 of shares
Union Holdings Co., Ltd.	43,141,032	RMB common shares
STYLE-SUCCESS LIMITED	24,466,029	Foreign shares placed in domestic exchange
Shenzhen Textile (Group)Holdings Ltd	9,243,394	RMB common shares
Rich Crown Investment Co., Ltd.	6,114,556	Foreign shares placed in domestic exchange
Union Development Group Co., Ltd.	5,821,089	RMB common shares
Liuzhou Jiali Real estate Development Co., ltd.	3,797,100	RMB common shares
Liuzhou Ruiheng Mechatronics Co., Ltd.	1,583,200	RMB common shares
Shing Ying Chieh	1,550,362	Foreign shares placed in domestic exchange
Wang Zhifeng	977,000	RMB common shares
KGI ASIA LIMITED	901,709	Foreign shares placed in domestic exchange

§ 3 Significant Events

3.1 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	March 31, 2012	December 31, 2011	Amount of increased /	Proportion increased
Prepayments	45,964	27,548	18,416	66.85%
Interest receivable	0	38,378	-38,378	-100.00%
Other receivable	364,041	457,264	93,223	-20.39%
Other current liability	2,233,980	1,584,784	649,196	40.96%
(1)Prepayments increased by RMB 184.16 million and 66.85% mainly due to the increase in amortization of costs paid in advance;				
(2)Interest receivable decreased by RMB 383.78 million mainly due to the final without accrued interest;				
(3)Other receivable decreased by RMB 932.23 million mainly due to the recovery part of the debt;				
(4)Other current liability Increased by RMB649,196 mainly due to accrued interest on a loan.				
2. Analysis of the reason for big change of the items of profit statement as of the end of the report period.				
In the period from January 2012 to March 2012, the company earned operating income of RMB 2.50 million on accumulative basis, which decreased by RMB0.66 million and 21.09% year on year. Net profit is RMB- 0.23 million. compare to the data last year same period, which loss decreased by RMB 3.92 million.				
(1)Analysis of reason for decrease of operating income:				
It was affected by continuous production suspense and rectification.				
(2)The main reason for decreased of amount of loss:				
Due to Equity method accounted for earnings losses of the investment enterprises				
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	571,809	671,682	-99,873	-14.87%
Net cash flows from investing activities	4,819	-32,981	37,800	-114.61%
Net cash flows from financing activities	0	0	0	0
The influence of change in exchange rate	-2,933	-293,053	290,120	-99.00%
Net increase of cash and cash equivalents	573,695	345,648	228,047	65.98%
(1)At the end of the report period, Net cash flows from operating activities decreased by RMB 998.73 million year on year;				
(2)At the end of the report period, Net cash flows from investing activities increased by RMB 378 million 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 290,120 year on year;				
(5)At the end of the report period, net increase in cash and cash equivalents increased by RMB228,047 year on year.				

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

3.2.1 Non-standard Opinion

✓ applicable not applicable

I. The special statement of the board of directors of the Company on the matters involved in the Unqualified Auditor's Report for 2011 with Highlighted Paragraphs

(I) Basic information

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. Shenzhen Victor Onward Textile Industrial Co., Ltd. had disclosed its improvement measures in Note 13 of Financial Statement, but its sustainable operation ability is still uncertain. This paragraph does not affect audit opinions that have been given.

(II) Basic opinions of certified public accountants on such matter:

Shine Wing Certified Public Accountants accepted entrustment, completed the audit of the financial statements of the Company for 2011 and issued unqualified auditor's report with paragraph of emphasized matters for the Company's financial statements for 2011. In accordance with No. 14 Rule for Preparation and Report of Information Disclosure by Companies Publicly Issuing Securities - Non-standard Unqualified Audit Opinions and Treatment of Matters Involved Therein, relevant notes are as follows:

As noticed by Shine Wing Certified Public Accountants during audit, Since March 2007, Shenzhen Victor Onward Textile Industrial Co., Ltd. stopped production and dismissed most of workers. The company currently only had house leasing business.

Except that Shenzhen East Asia Victor Onward Textile Printing and Dyeing Co., Ltd. is still operating normally, other 5 subsidiaries controlled by the Company have stopped operation or are maintaining daily operation by house property lease. It plans to invest in Nanjing East Asia Textile Printing and Dyeing Co., Ltd. with part of machinery and equipment in 2007, Due to the reason on the side of the other party of joint venture and change of industry prospect. we believe that the sustainable operation ability of Shenzhen Victor Onward Textile Industrial Co., Ltd. is still uncertain, so I emphasized the situation in the audit reports and issued unqualified auditor's report with paragraph of emphasized matters. The matters involved in highlighted statement did not apparently violate Accounting Standards for Business Enterprises and regulations on relevant information disclosure standardization.

This special statement is issued by us according to relevant regulations of CSRC and shall not be used for other purpose. We and the C.P.A. who performed this service shall not bear any liability for the consequences caused by its improper use.

(III) The opinions of the board of directors, supervisory committee and management of the Company on this matter:

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. The company was about to invest Nanjing East Asia Textile Printing & Dyeing Co., Ltd., but the infrastructure projects was delayed.

(IV) Extent of influence of this matter on the Company:

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.

(V) The possibility of eliminating this matter and its influence:

Though the transfer of printing and dyeing business has been somewhat delayed, The board of directors of company is positively studying the future development of company to enhance company's sustainable operating ability.

(VI) The concrete measures of eliminating this matter and its influence

Company is communicating with joint venture partner and trying to minimize the losses and settle this joint venture project issue properly.

II. The special statement of the Supervisory Committee of the Company on the matters involved in the Unqualified Auditor's Report for 2011 with Highlighted Paragraphs

Shine Wing Certified Public Accountants issued unqualified auditor's report with highlighted paragraphs for the financial statements of Shenzhen Victor Onward Textile Industrial Co., Ltd. for 2011. Therefore, the board of directors of the Company made a special statement on the matters involved in the Unqualified Auditor's Report of the Company for 2011 with Highlighted Paragraphs. The supervisory committee of the Company held the opinion that this statement matched its actual conditions and agreed to opinions of the board of directors of the Company.

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

applicable not applicable

3.2.3 Signing and performance of significant contracts for daily operation

applicable not applicable

3.2.4 Other

applicable not applicable

(I) Since March 2007, Shenzhen Victor Onward Textile Industrial Co., Ltd. stopped production and dismissed most of workers. The company currently only had some house leasing business.

5 subsidiaries controlled by the company had stopped the operation and were depending on house lease to maintain. In 2007 the company intended to invest part of machineries and equipments to Nanjing East Asia Textile Printing & Dyeing Co., Ltd. But due to the reasons of the joint venture party and the prospect change in the industry, the investment plan was delayed.

The Company is communicating with joint venture partner and trying to minimize the losses and settle this joint venture project issue properly.

(II) Progress of Work of Internal Control for First Quarter of the Company in 2012

1. Accomplishment of the Annual Internal Control Self-Evaluation in 2011

According to the "Internal Control Guideline in Listed Company", "Fundamental Norms for Enterprise Internal Control" and the requirement of relevant laws, regulations, rules and regulations, the company has, combining with the "Internal Control System" and other relevant systems, implemented the annual self-evaluation for the effectiveness of internal control in 2011. This internal control self-evaluation covers the main business and issues of the company, and the conclusion of the report is: the company has established a relatively perfect internal control system for all the key levels including the internal decision-making, operation management, audit and supervision, and formed a set of integrated and effective internal system after conducting the adjustment and improvement as per the relevant laws and regulations and the actual development of the company and the relevant system design is reasonable compliance

which is implemented well in the practical work. Overall, the construction and implementation of annual internal control in 2011 are good, and there are no major errors.

2. Definition of Organization, Work Plan and Implementation Program for the Annual Internal Control Norms in 2012

The company has set up the internal control work group based on Director as the head who leads personally, and the Director's secretary, Finance manager and Securities representative as the members, who fully and mainly grasps the improvement work of internal control construction of the company, is in charge of the coordination, support and implementation of the internal control construction and self-evaluation work, and concerns about the continuous improvement of internal control. As per the relevant requirement of the securities regulatory department, the company has combined with the actual situation and formulated "Implementation Program of Internal Control Norms for Shenzhen Victor Onward Textile Industrial Co., Ltd.", which has been carried out after examined and approved by the Board of Directors and the Board of Supervisors.

3. Constantly Commissioning and Collecting Opinions as per the Manual of Internal Control

At present, the company has completed the internal control construction basically, and the documents related to the internal control system are being sped up to prepare and compile, the first draft of the company's "Internal Control Manual" is being examined and approved, commission simultaneously, and the company extensively collects the views and suggestions of leaders and all the departments for the "Internal Control Manual". Also, the company will conduct the amendment timely and the improvement continuously in accordance with the actual effects and feedback for the commission operation.

3.3 The fulfillment of the commitment made by the Company, shareholders and the actual controller

Commitments made by the listed company and its directors, supervisors, senior executives, the shareholders with holding above 5% shares and its actual controller in the report period, or lasting until the report period.

applicable not applicable

3.4 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	Losses							
	Year beginning to end of next report period			Same period of the previous year		Increase or decrease%		
Estimated amount of accumulative net profit(RMB'0000)	-600.00	--	-400.00	-823.00	Decrease	-27.09%	--	-51.39%
Basic earnings per shares (Yuan/share)	-0.04	--	-0.02	-0.05	Decrease	-20.00%	--	-60.00%
Notes to forenotice of earnings	Due to the effect of the printing and dyeing industry not yet recovery, accounted for earnings losses, the accumulative net profit for the period from January 2012 to June 2012 is estimated to be about RMB- 6 million to RMB -4 million.							

3.5 Major events needs to be explained

3.5.1 Investment in securities

applicable not applicable

Unit: RMB

No	Stock type	Stock code	Stock abbreviation	Initial investment amount(Yuan)	Holding quantity(Share)	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	Winovel Wind	31,000.00	2,000	30,520.00	45.34%	-480.00
2	Stock	002563	Semir Garment	37,900.00	1,000	36,790.00	54.66%	-1,110.00
Other securities investment held at the end of the period				0.00	-	0.00	0.00%	0.00

Gain and loss from investment in securities already sold in the report period	-	-	-	-	9,322.00
Total	68,900.00	-	67,310.00	100%	7,732.00

Explanation Investment in securities :

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3.5.2 Reception of investigations , communications , or interviews

Reception	Place	Mode	Type	Object	Discussion issue and offered information
January 3, 2012	Office of board secretary of the Company	Telephone	Individual	Individual shareholder	Get a idea of whether the company's main business has recovered.
February 21,2012	Office of board secretary of the Company	Telephone	Individual	Individual shareholder	Inquiry about the Company's operating status
February 23,2012	Office of board secretary of the Company	Telephone	Individual	Individual shareholder	Inquiry about the Company's whether the Company has any plan for reorganization
March 20,2012	Office of board secretary of the Company	Telephone	Individual	Individual shareholder	Get a idea of whether the company's management has changed

3.6 Derivative Investment

applicable not applicable

3.6.1 Particulars about derivatives investment held at the end of report period

applicable not applicable

§ 4 Appendix

4.1 Balance sheet

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. March 31, 2012 Unit: RMB

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Items	Year-end balance		Year-beginning balance	
	Consolidated	Parent company	Consolidated	Parent company
Current asset:				
Monetary fund	53,973,011.00	20,726,425.00	53,399,316.00	21,483,163.00
Settlement provision				
Outgoing call loan				
Trading financial assets	67,310.00	67,310.00	68,900.00	68,900.00
Bill receivable				
Account receivable	723,417.00		744,712.00	

Prepayments	45,964.00		27,548.00	
Insurance receivable				
Reinsurance receivable				
Provisions of Reinsurance contracts receivable				
Interest receivable			38,378.00	
Dividend receivable				
Other account receivable	364,041.00	72,996,170.00	457,264.00	72,999,033.00
Repurchasing of financial assets				
Inventories	162,457.00	162,457.00	162,457.00	162,457.00
Non-current asset due in 1 year				
Other current asset				
Total of current assets	55,336,200.00	93,952,362.00	54,898,575.00	94,713,553.00
Non-current assets:				
Loans and payment on other's behalf disbursed				
Disposable financial asset	713,701.00		703,055.00	
Expired investment in possess				
Long-term receivable				
Long term share equity investment	64,196,444.00	36,788,953.00	63,192,614.00	36,788,953.00
Property investment	33,522,224.00	5,313,628.00	34,373,451.00	5,397,921.00
Fixed assets	12,069,474.00	9,145,661.00	12,070,406.00	9,170,487.00
Construction in progress				
Engineering material				
Fixed asset disposal				
Production physical assets				
Gas & petrol				
Intangible assets	1,890,993.00	1,890,993.00	1,901,069.00	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	117,492,460.00	53,139,235.00	117,340,219.00	53,258,430.00
Total of assets	172,828,660.00	147,091,597.00	172,238,794.00	147,971,983.00
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	3,239,077.00	113,337.00	3,239,221.00	113,337.00
Advance account received	2,775,470.00	1,999,540.00	2,775,476.00	1,999,540.00
Selling of repurchased financial assets				
Fees and commissions receivable				
Employees' wage payable	563,802.00	533,092.00	590,220.00	559,510.00
Tax payable	2,972,790.00	1,693,769.00	2,700,348.00	1,617,284.00
Interest payable				
Dividend payable	1,215,946.00		1,215,946.00	
Other account payable	31,137,536.00	862,094.00	31,167,220.00	855,475.00
Reinsurance fee payable				
Insurance contract provision				
Entrusted trading of securities				
Entrusted selling of securities				
Non-current liability due in 1 year				
Other current liability	2,233,980.00	1,664,249.00	1,584,784.00	1,544,249.00
Total of current liability	44,138,601.00	6,866,081.00	43,273,215.00	6,689,395.00
Non-current liabilities:				
Long-term loan	1,128,428.00		1,160,011.00	
Bond payable				
Long-term payable	8,485,812.00		8,486,859.00	
Special payable				
Expected liabilities				
Differed income tax liability	808,235.00	4,180,138.00	808,335.00	4,180,138.00
Other non-current liabilities	836,792.00	836,792.00	836,792.00	836,792.00
Total of non-current liabilities	11,259,267.00	5,016,930.00	11,291,997.00	5,016,930.00
Total of liability	55,397,868.00	11,883,011.00	54,565,212.00	11,706,325.00
Owners' equity				
Share capital	169,142,356.00	169,142,356.00	169,142,356.00	169,142,356.00
Capital reserves	39,753,205.00	31,606,598.00	39,742,473.00	31,606,598.00
Less: Shares in stock				
Special Reserve				

Surplus reserves	26,704,791.00	26,309,287.00	26,704,791.00	26,309,287.00
Common risk provision				
Undistributed profit	-116,259,722.00	-87,453,690.00	-116,026,610.00	-86,396,616.00
Different of foreign currency translation	-536,168.00	-4,395,965.00	-515,914.00	-4,395,967.00
Total of owner's equity belong to the parent company	118,804,462.00	135,208,586.00	119,047,096.00	136,265,658.00
Minor shareholders' equity	-1,373,670.00		-1,373,514.00	
Total of owners' equity	117,430,792.00	135,208,586.00	117,673,582.00	136,265,658.00
Total of liabilities and owners' equity	172,828,660.00	147,091,597.00	172,238,794.00	147,971,983.00

4.2 Profit statement

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. January-March 2012 Unit: RMB

Items	Report period		Same period of the previous year	
	Consolidated	Parent company	Consolidated	Parent company
I.Total operating income	2,500,956.00	379,157.00	3,169,625.00	375,059.00
Including: Operating income	2,500,956.00	379,157.00	3,169,625.00	375,059.00
Interest income				
Insurance gained				
Commission charge and commission income				
II.Total operating cost	3,754,060.00	1,449,137.00	3,213,682.00	687,986.00
Including: Operating cost	1,087,742.00	119,502.00	1,761,091.00	120,656.00
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	93,516.00			
Sales expenses	75,074.00			
Administration expenses	2,100,061.00	1,385,961.00	1,695,091.00	1,285,098.00
Financial expenses	397,667.00	-56,326.00	-242,500.00	-717,768.00
Losses of devaluation of assets				
Add : Changing income of fair value	-1,590.00	-1,590.00		
Investment income	1,016,409.00	9,322.00	-4,121,163.00	14,230.00
Including: Investment income on affiliate company and joint venture				

Exchange income				
III. Operating profit	-238,285.00	-1,062,248.00	-4,165,220.00	-298,697.00
Add : Non-operating income	5,174.00	5,174.00	8,466.00	
Less: Non-operating expense				
Including :Disposal loss of non-current assets				
IV. Total profit	-233,111.00	-1,057,074.00	-4,156,754.00	-298,697.00
Less: Income tax				
V. Net profit	-233,111.00	-1,057,074.00	-4,156,754.00	-298,697.00
Net profit attributable to owner's equity of parent company	-233,111.00	-1,057,074.00	-4,143,863.00	-298,697.00
Minority shareholders' gains and losses			-12,891.00	
VI. Earnings per share				
(i) Basic earnings per share	0.00		-0.02	
(ii) Diluted earnings per share	0.00		-0.02	
VII. Other comprehensive income	-9,522.00	0.00	0.00	0.00
VIII. Total comprehensive income	-242,633.00	-1,057,074.00	-4,156,754.00	-298,697.00
Total comprehensive income attributable to the owner of the parent company	-242,477.00	-1,057,074.00	-4,156,754.00	-298,697.00
Total comprehensive income attributable minority shareholders	-156.00	0.00	0.00	0.00

For the enterprises under the same control consolidated in the report period, the net profit realized by the consolidate before the consolidation is RMB 0.00.

4.3 Cash flow statement

Prepared by: Shenzhen Victor Onward Textile Industrial Co., Ltd. January-March 2012 Unit: RMB

Items	Report period		Same period of the previous year	
	Consolidated	Parent company	Consolidated	Parent company
I.Cash flows from operating activities				
Cash received from sales of goods or rendering of services	2,529,969.00	399,989.00	2,594,850.00	375,059.00
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	394,139.00	125,861.00	293,149.00	395,788.00
Sub-total of cash inflow	2,924,108.00	525,850.00	2,887,999.00	770,847.00
Cash paid for purchasing of merchandise and services			226,666.00	226,666.00
Net increase of client trade and advance				
Net increase of savings 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	841,173.00	542,332.00	786,000.00	447,063.00
Taxes paid	355,549.00	155,094.00	330,068.00	161,475.00
Other cash paid for business activities	1,155,577.00	624,484.00	873,583.00	373,982.00
Sub-total of cash outflow from business activities	2,352,299.00	1,321,910.00	2,216,317.00	1,209,186.00
Cash flow generated by business operation, net	571,809.00	-796,060.00	671,682.00	-438,339.00
II.Cash flow generated by investing				
Cash received from investment retrieving				
Cash received as investment gains	9,322.00	9,322.00		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	30,000.00	30,000.00		
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	39,322.00	39,322.00		
Cash paid for construction of fixed assets, intangible assets and other long-term assets	34,503.00		32,981.00	
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	34,503.00		32,981.00	
Net cash flow generated by investment	4,819.00	39,322.00	-32,981.00	
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 cash received				
Sub-total of cash inflow from financing activities				
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				
Net cash flow generated by financing				
IV.Influence of exchange rate alternation on cash and cash equivalents	-2,933.00		-293,053.00	-1,133.00

V.Net increase of cash and cash equivalents	573,695.00	-756,738.00	345,648.00	-439,472.00
Add: balance of cash and cash equivalents at the beginning of term	53,399,316.00	21,483,163.00	51,786,613.00	23,577,186.00
VI .Balance of cash and cash equivalents at the end of term	53,973,011.00	20,726,425.00	52,132,261.00	23,137,714.00

4.4 Auditor' report

Auditor's opinions: Not audited