

山东晨鸣纸业集团股份有限公司

SHANDONG CHENMING PAPER HOLDINGS LIMITED*

(a joint stock company incorporated in the People's Republic of China with limited liability)

2012 First Quarter Report

§1 IMPORTANT

1.1 The board of directors (the “Board”), the supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors (the “Supervisors”) and senior management (the “Senior Management”) of Shandong Chenming Paper Holdings Limited (the “Company”, “us”, and “we”) hereby warrant that there are no false representations, misleading statements or material omissions contained in this report (the “Report”), and jointly and severally accept full responsibility for the truthfulness, accuracy and completeness of its contents. This Report has been prepared in both Chinese and English. For any discrepancies, the Chinese version shall prevail.

1.2 None of the Directors, Supervisors and Senior Management is unable to warrant the truthfulness, accuracy and completeness of the contents of this Report or holds any dissenting views.

1.3 This quarterly Report was considered and approved by the eleventh meeting of the sixth session of the Board of the Company with all Directors present by means of communication.

1.4 The first quarter financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) prepared in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China (the “PRC”) have not been audited.

1.5 Chen Hongguo, the person in charge of the Company, Wang Chunfang, the financial controller of the Company, and Liu Jun, head of accounting department (the person in charge of accounting) hereby declare their assurance of the truthfulness and completeness of the financial Report contained in the quarterly Report.

§2 Company Basic Information

2.1 Major accounting data and financial indicators

Unit: RMB

	End of the reporting period	End of last year	Change (%)
Total assets (RMB)	46,240,070,962.15	45,630,828,967.03	1.34%
Equity attributable to shareholders of the Company (RMB)	13,544,436,244.38	13,528,622,319.91	0.12%
Share capital (share)	2,062,045,941.00	2,062,045,941.00	0.00%
Net assets per share attributable to shareholders of the Company (RMB/share)	6.57	6.56	0.15%
	The reporting period	The corresponding period of last year	Change (%)
Total operating revenue (RMB)	4,752,308,236.25	4,215,779,027.36	12.73%
Net profit attributable to shareholders of the Company (RMB)	15,369,632.83	235,410,265.86	-93.47%
Net cash flows from operating activities (RMB)	-281,719,304.77	235,068,880.84	-219.85%
Net cash flows per share from operating activities (RMB/share)	-0.14	0.11	-227.27%
Basic earnings per share (RMB/share)	0.0075	0.11	-93.18%
Diluted earnings per share (RMB/share)	N/A	N/A	N/A
Weighted average return on net assets (%)	0.11%	1.72%	-1.61%
Weighted average return on net assets after extraordinary gains or losses (%)	-0.75%	1.23%	-1.98%

Extraordinary gain or loss items

✓ Applicable

Not Applicable

Unit: RMB

Extraordinary gain or loss item	Amounts from beginning of the year to end of the reporting period	Note (if applicable)
Gain or loss on disposal of non-current assets	1,002,327.03	
Government grants recognised in profit or loss during the current period, except for government grants closely related to the course of ordinary operation of the Company that were given constantly at a fixed standard amount or quantity as stipulated by the State	137,984,260.09	
Gain or loss on debt restructuring		
Other gain or loss items within the definition of extraordinary gain or loss		
Profit arising from investment costs for acquisition of a subsidiary, an associate and a joint venture by the corporation being less than its share of fair value of identifiable net assets of the investee on acquisition		
Other non-operating income and expenses other than the above items	1,616,427.57	
Effect of minority interests	-4,296,565.30	
Effect of income tax	-19,643,766.95	
Total	116,662,682.44	—

Note: Other gain or loss items within the definition of extraordinary gain or loss refer to the gain or loss on disposal of subsidiaries.

2.2 Total number of shareholders and the shareholding of the top ten shareholders of non-restricted shares as at the end of the reporting period

Unit: share

Total number of shareholders as at the end of the reporting period	The total number of shareholders was 165,499, of which 133,167 were holders of A shares, 31,726 were holders of B shares and 606 were holders of H shares	
Shareholding of the top ten shareholders of non-restricted tradable shares		
Name of shareholders (Full Name)	Number of non-restricted tradable shares held as at the end of the reporting period	Class
HKSCC Nominees Limited	389,592,500	Overseas listed foreign shares (H shares)
TAIFOOK SECURITIES COMPANY LIMITED — ACCOUNT CLIENT	45,289,376	Domestic listed foreign shares (B shares)
PLATINUM ASIA FUND	43,480,377	Domestic listed foreign shares (B shares)
BILL & MELINDA GATES FOUNDATION TRUST	28,121,967	RMB ordinary shares (A shares)
China Life Insurance Company Limited-Dividend-Individual Dividend-005L-FH002 Shenzhen	17,819,798	RMB ordinary shares (A Shares)
Caisse dépôt et placement du Québec	7,308,567	RMB ordinary shares (A shares)
Chen Hongguo	6,334,527	RMB ordinary shares (A shares)
LSV EMERGING MARKETS EQUITY FUND, L.P.	6,102,800	Domestic listed foreign shares (B shares)
VICTORIAN FUNDS MANAGEMENT CORPORATION ATF VFM EMG MKTS TRT	6,086,106	Domestic listed foreign shares (B shares)
GE Asset Management Incorporated — GEAM China A Share Trust Fund	5,944,347	RMB ordinary shares (A shares)

§3 Material Matters

3.1 Details of and reasons for significant changes in major accounting statement items and financial indicators of the Company

✓ Applicable Not Applicable

1. Analysis of the assets and liabilities of the Company

Unit: RMB

Item	31 March 2012	31 December 2011	Change (%)	Reason for change
Long-term equity investments	323,080,817.55	77,434,005.49	317.23	(1)
Construction materials	118,851,018.31	61,924,581.85	91.93	(2)
Bills payable	1,090,621,037.45	615,327,402.85	77.24	(3)
Advance receipts	397,548,854.34	231,428,013.45	71.78	(4)

Explanation of the reasons leading to the major changes:

(1) Long-term equity investments increased by 317.23% primarily due to the external investments made by Shanghai Runchen Equity Investment Fund Co., Ltd., a subsidiary of the Company.

(2) Construction materials increased by 91.93% primarily due to the investments made in the white coated linerboard project.

(3) Bills payable increased by 77.24% primarily due to the impact relating to the increased use of acceptance bills to make payment for goods by the Company resulting from the market conditions.

(4) Advance receipts increased by 71.78% primarily due to an increase in advances from customers resulting from stepping up efforts in sales by the Company.

2. Explanation of significant changes of income statement items compared to the corresponding reporting period of last year

Unit: RMB

Item	31 March 2012	31 March 2011	Change (%)	Reason for change
Finance expenses	264,624,392.19	68,850,480.24	284.35	(1)
Loss on impairment of assets	16,217,270.12	-7,017,489.87	331.10	(2)
Investment income	-4,353,187.94	-6,862,531.53	36.57	(3)
Non-operating income	143,388,638.82	93,693,686.12	53.04	(4)
Non-operating expenses	2,785,624.13	1,744,031.83	59.72	(5)
Total profit	-31,706,117.62	319,746,983.85	-109.92	(6)
Income tax expenses	-5,074,884.91	67,180,140.84	-107.55	(7)
Net profit attributable to equity holders of the Company	15,369,632.83	235,410,265.86	-93.47	(8)
Minority interests	-42,000,865.54	17,156,577.15	-344.81	(9)

Explanation of the reasons leading to the major changes:

(1) Finance expenses increased by 284.35% as compared to the corresponding period of last year mainly due to an increase in capitalised interest amount charged into expenses after transfer and an increase in loan scale.

(2) Loss on impairment of assets increased by 331.10% as compared to the corresponding period of last year mainly due to an increase in bad debt provisions withdrawn during the period as compared to the corresponding period of last year resulting from a change in receivables.

(3) Investment income increased by 36.57% as compared to the corresponding period of last year mainly due to a decrease in the losses incurred by associates during the period as compared to the corresponding period of last year.

(4) Non-operating income increased by 53.04% as compared to the corresponding period of last year mainly due to an increase in government grants received during the period.

(5) Non-operating expenses increased by 59.72% as compared to the corresponding period of last year mainly due to the increase in net loss on disposal of assets and donation expenses during the period.

(6) Total profit, income tax, net profit attributable to equity holders of the Company and minority interests decreased as compared to the corresponding period of last year by 109.92%, 107.55%, 93.47% and 344.81% respectively mainly due to the selling prices of the Company's products remaining at a low level during the first quarter with a drop in the gross

profit margin amid the downturn of the paper making industry.

3. Analysis of cash flows during the reporting period

Item	The reporting period	The corresponding period of last year	Change (%)
Net cash flows from operating activities	-281,719,304.77	235,068,880.84	-219.85
Net cash flows from investing activities	-587,845,287.96	-1,627,140,470.50	63.87
Net cash flows from financing activities	-185,783,342.04	797,845,888.32	-123.29

Explanation of the reasons leading to the major changes:

(1) Net cash flows from operating activities decreased by 219.85% as compared to the corresponding period of last year primarily due to an increase in outstanding bills during the period.

(2) Net cash flows from investing activities increased by 63.87% as compared to the corresponding period of last year primarily due to the decrease in the investments made upon completion in the Zhanjiang pulp project, the high-end culture paper project of production capacity of 450,000 tonnes and the coated paper project of production capacity of 800,000 tonnes.

(3) Net cash flows from financing activities decreased by 123.29% as compared to the corresponding period of last year primarily due to an increase of loans repaid by the Company during the period.

3.2 The progress of significant events and analysis of their impact and solutions

3.2.1 Non-standard opinion

Applicable ✓ Not Applicable

3.2.2 Provision of capital to the controlling shareholder or its related parties or provision of guarantee in favour of any external party in violation of the prescribed procedures by the Company

Applicable ✓ Not Applicable

3.2.3 Execution of material contracts in the ordinary course of business and their performance

Applicable ✓ Not Applicable

3.2.4 Others

Applicable ✓ Not Applicable

3.3 Performance of undertakings by the Company, shareholders and beneficial controllers

The following undertakings by the Company, and its related parties such as its directors, supervisors and senior management, shareholders interested in 5% or more of the shares of the Company and its beneficial controllers made in the reporting period or subsisting to the reporting period

Applicable ✓ Not Applicable

3.4 Warning of cumulative net profit for the period between the beginning of the year to end of next reporting period being projected to be losses or expected material change as compared to the same period of last year and its explanation

Applicable ✓ Not Applicable

3.5 Other significant events that require explanation

3.5.1 Securities investment

Applicable ✓ Not Applicable

3.5.2 Reception of research investigations, communications and interviews during the reporting period

Date of reception	Place of reception	Manner of reception	Parties accommodated	Main topics of discussion and information provided
9 January 2012	Shouguang, Shandong	On-site research and investigation	Jiang Hao, analyst of Everbright Securities	Matters including recent development of the industry and development trend in the future, production and operation of the Company, as well as strategic development
8 February 2012	Shouguang, Shandong	On-site research and investigation	Galaxy AMC, Zheshang Securities and Huang Wei, analyst of Huatai Securities	Matters including recent development of the industry and development trend in the future, production and operation of the Company, as well as strategic development
30 March 2012	Shouguang, Shandong	On-site research and investigation	Bosera Asset Management and Mu Fangzhou, analyst of Guotai Junan Securities	Matters including recent development of the industry and development trend in the future, production and operation of the Company, as well as strategic development

3.6 Investment in derivatives

Applicable Not Applicable

3.6.1 Positions in investment in derivatives as at the end of the reporting period

Applicable Not Applicable

§4 Appendices

4.1 Balance sheet

Prepared by: Shandong Chenming Paper Holdings Limited

As at 31 March 2012

Unit: RMB

Items	Closing balance		Opening balance	
	Consolidated	Parent Company	Consolidated	Parent Company
CURRENT ASSETS:				
Monetary funds	2,659,927,829.06	1,188,540,323.36	3,529,938,211.47	1,747,384,563.57
Balances with clearing companies				
Placements with banks and other financial institutions				
Held-for-trading financial assets				
Bills receivable	3,124,602,073.94	1,626,014,536.73	2,444,508,997.74	1,432,408,267.82
Accounts receivable	3,485,841,509.24	1,967,593,151.99	2,886,437,754.69	1,743,034,281.97
Prepayments	743,951,988.34	621,243,764.73	764,880,237.90	664,693,619.26
Premium receivable				
Receivables from reinsurers				
Reinsurance contract reserves receivable				
Interest receivable				
Dividend receivable				
Other receivables	373,347,872.40	7,540,865,746.72	325,550,913.72	6,928,079,845.18
Financial assets purchased under agreements to resell				
Inventory	5,251,096,093.83	1,162,129,300.73	5,586,472,121.37	1,173,839,484.91
Non-current assets due within one year				
Entrusted loans due within one year				50,000,000.00
Other current assets	1,673,072,903.43	42,390,138.67	1,698,362,261.63	15,216,230.82
Total current assets	17,311,840,270.24	14,148,776,962.93	17,236,150,498.52	13,754,656,293.53

Items	Closing balance		Opening balance	
	Consolidated	Parent Company	Consolidated	Parent Company
NON-CURRENT ASSETS:				
Entrusted loans and advances to customers				
Available-for-sale financial assets				
Entrusted loans		500,000,000.00		500,000,000.00
Held-to-maturity investments	55,000,000.00			
Long-term receivables				
Long-term equity investments	323,080,817.55	8,753,656,624.89	77,434,005.49	8,748,703,461.63
Investment in properties	22,515,392.02	22,515,392.02	22,949,956.03	22,949,956.03
Fixed assets	22,495,906,632.02	5,255,202,695.84	22,740,904,031.02	5,264,187,852.03
Construction in progress	2,978,139,596.39	366,936,549.69	2,618,039,624.85	422,232,622.40
Construction materials	118,851,018.31	3,149,556.84	61,924,581.85	3,589,906.68
Disposal of fixed assets				
Productive biological assets				
Oil and gas assets				
Consumable biological assets	997,844,659.25		959,061,500.85	
Intangible assets	1,506,812,666.89	320,529,110.46	1,517,137,201.36	322,623,412.83
Development expenditure				
Goodwill	20,283,787.17		20,283,787.17	
Long-term prepaid expenses	193,367,979.88		192,917,245.62	
Deferred income tax assets	206,428,142.43	41,582,819.72	174,026,534.27	41,388,325.93
Other non-current assets	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00
Total non-current assets	28,928,230,691.91	15,273,572,749.46	28,394,678,468.51	15,335,675,537.53
TOTAL ASSETS	46,240,070,962.15	29,422,349,712.39	45,630,828,967.03	29,090,331,831.06

Items	Closing balance		Opening balance	
	Consolidated	Parent Company	Consolidated	Parent Company
CURRENT LIABILITIES:				
Short-term borrowings	11,962,201,114.26	7,688,247,146.95	12,086,984,606.69	8,080,716,020.88
Borrowings from the central bank				
Customer bank deposits and due to banks and other financial institutions				
Placements from banks and other financial institutions				
Held-for-trading financial liabilities				
Bills payable	1,090,621,037.45	840,293,333.99	615,327,402.85	346,418,281.23
Accounts payable	4,270,682,551.84	1,485,938,970.70	4,685,585,997.60	1,698,958,458.63
Advance receipts	397,548,854.34	96,812,609.34	231,428,013.45	119,723,590.83
Financial assets sold under agreements to repurchase				
Handling charges and commission payable				
Staff remuneration payables	171,307,545.20	92,581,527.26	147,063,891.65	79,433,205.74
Taxes payable	55,101,717.87	17,052,100.14	68,240,005.91	21,270,847.19
Interest payable	117,568,737.22	110,942,694.44	106,854,702.74	103,910,194.44
Dividend payable				
Other payables	936,767,593.24	250,728,876.15	763,621,538.95	211,491,763.93
Due to reinsurers				
Insurance contract reserves				
Customer brokerage deposits				
Securities underwriting brokerage deposits				
Non-current liabilities due within one year	1,303,402,293.52	642,943,000.00	1,203,616,858.22	543,009,000.00
Other current liabilities	8,946,771.60	1,251,038.40	10,227,001.60	1,345,288.40
Total current liabilities	20,314,148,216.54	11,226,791,297.37	19,918,950,019.66	11,206,276,651.27

Items	Closing balance		Opening balance	
	Consolidated	Parent Company	Consolidated	Parent Company
NON-CURRENT LIABILITIES:				
Long-term borrowings	5,360,033,566.63	862,302,335.94	5,143,067,496.05	648,055,935.94
Bonds payable	2,478,412,080.22	1,984,261,888.75	2,476,942,694.79	1,983,425,123.62
Long-term payables				
Special payables	660,000,000.00		660,000,000.00	
Estimated liabilities				
Deferred income tax liabilities				
Other non-current liabilities	2,465,889,180.44	2,316,201,294.87	2,444,093,897.14	2,314,615,977.46
Total non-current liabilities	10,964,334,827.29	5,162,765,519.56	10,724,104,087.98	4,946,097,037.02
TOTAL LIABILITIES	31,278,483,043.83	16,389,556,816.93	30,643,054,107.64	16,152,373,688.29
OWNERS' EQUITY (OR SHAREHOLDERS' EQUITY):				
Paid-up capital(or share capital)	2,062,045,941.00	2,062,045,941.00	2,062,045,941.00	2,062,045,941.00
Capital reserves	6,098,264,836.00	6,184,215,988.77	6,098,264,836.00	6,184,215,988.77
Less: Treasury shares				
Special reserves				
Surplus reserves	1,132,116,106.40	1,119,926,524.49	1,132,116,106.40	1,119,926,524.49
General risk provisions				
Retained profit	4,253,153,629.37	3,666,604,441.20	4,237,783,996.54	3,571,769,688.51
Foreign currency translation differences	-1,144,268.39		-1,588,560.03	
Total equity attributable to equity holders of the Company	13,544,436,244.38	13,032,792,895.46	13,528,622,319.91	12,937,958,142.77
Minority interests	1,417,151,673.94		1,459,152,539.48	
Total owners' equity	14,961,587,918.32	13,032,792,895.46	14,987,774,859.39	12,937,958,142.77
TOTAL LIABILITIES AND OWNERS' EQUITY	46,240,070,962.15	29,422,349,712.39	45,630,828,967.03	29,090,331,831.06

4.2 Income statement

Prepared by: Shandong Chenming Paper Holdings Limited

January to March 2012

Unit: RMB

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
I. Total operating revenue	4,752,308,236.25	2,016,506,036.27	4,215,779,027.36	1,921,785,753.13
Including: Operating revenue	4,752,308,236.25	2,016,506,036.27	4,215,779,027.36	1,921,785,753.13
Interest income				
Earned premium				
Handling charges and commission income				
II. Total operating costs	4,920,264,180.62	2,033,368,595.55	3,981,119,166.27	1,759,509,526.62
Including: Operating costs	4,100,359,085.69	1,717,240,795.33	3,463,359,628.05	1,555,807,983.71
Interest expenses				
Handling charges and commission expenses				
Surrenders				
Net claims paid				
Net change in insurance contract reserves				
Policyholder dividend expenses				
Expenses for reinsurance accepted				
Business taxes and surcharges	16,516,766.94	11,789,305.11	17,610,362.77	9,678,625.14
Selling and distribution expenses	231,926,186.00	51,684,955.34	202,836,197.85	61,919,884.39
General and administrative expenses	290,620,479.68	131,061,471.84	235,479,987.23	100,687,131.82
Finance expenses	264,624,392.19	126,068,992.41	68,850,480.24	56,580,268.93
Loss on impairment of assets	16,217,270.12	-4,476,924.48	-7,017,489.87	-25,164,367.37

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
Add: Gain on change in fair value (“-” denotes loss)				
Investment income (“-” denotes loss)	-4,353,187.94	4,172,616.51	-6,862,531.53	23,065,936.06
Including: Investment income from associates and joint ventures	-4,353,187.94	-4,353,187.94	-6,862,531.53	-6,862,531.53
Foreign exchange gains (“-” denotes loss)				
III. Operating profit (“-” denotes loss)	-172,309,132.31	-12,689,942.77	227,797,329.56	185,342,162.57
Add: Non-operating income	143,388,638.82	119,849,253.98	93,693,686.12	67,364,389.08
Less: Non-operating expenses	2,785,624.13	38,640.30	1,744,031.83	1,069,164.50
Including: Loss on disposal of non-current assets	696,533.29		277,710.00	
IV. Total profit (“-” denotes total loss)	-31,706,117.62	107,120,670.91	319,746,983.85	251,637,387.15
Less: Income tax expenses	-5,074,884.91	12,285,918.22	67,180,140.84	39,945,956.65
V. Net profit (“-” denotes net loss)	-26,631,232.71	94,834,752.69	252,566,843.01	211,691,430.50
Net profit attributable to equity holders of the Company	15,369,632.83	94,834,752.69	235,410,265.86	211,691,430.50
Minority interests	-42,000,865.54		17,156,577.15	
VI. Earnings per share:				
(I) Basic earnings per share	0.0075	0.05	0.11	0.10
(II) Diluted earnings per share	N/A	N/A	N/A	N/A
VII. Other comprehensive income	444,291.64		-128,560.65	
VIII. Total comprehensive income	-26,186,941.07	94,834,752.69	252,438,282.36	211,691,430.50
Total comprehensive income attributable to equity holders of the Company	15,813,924.47	94,834,752.69	235,281,705.21	211,691,430.50
Total comprehensive income attributable to minority interests	-42,000,865.54	—	17,156,577.15	—

For the business combination under common control for the current period, the acquiree realised net profit of RMB was nil before the combination.

4.3 Cash flow statement

Prepared by: Shandong Chenming Paper Holdings Limited

January to March 2012

Unit: RMB

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
I. Cash flows from operating activities:				
Cash received from sales of goods and rendering of services	2,570,906,269.83	1,183,863,960.99	4,373,729,942.37	1,797,302,681.18
Net increase in customer bank deposits and due to banks and other financial institutions				
Net increase in borrowings from the central bank				
Net increase in placements from other financial institutions				
Cash received from premiums under original insurance contracts				
Net cash received from reinsurance business				
Net increase in deposits from policyholders				
Net increase from disposal of held-for-trading financial assets				
Cash received from interest, handling charges and commissions				
Net increase in placements from banks and other financial institutions				
Net capital increase of repurchase business				
Tax rebates received			9,072,328.56	

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
Cash received relating to other operating activities	177,801,899.75	119,530,481.18	209,741,362.82	77,243,590.61
Subtotal of cash inflows from operating activities	2,748,708,169.58	1,303,394,442.17	4,592,543,633.75	1,874,546,271.79
Cash paid for goods and services	2,341,911,556.91	1,130,269,044.25	3,592,629,084.34	1,175,552,333.83
Net increase in loans and advances to customers				
Net increase in deposits with the central bank and other financial institutions				
Cash paid for claims under original insurance contracts				
Cash paid for interest, handling charges and commission				
Cash paid for policyholder dividend				
Cash paid to and for employees	220,123,999.70	68,124,348.15	207,060,248.25	59,273,939.28
Payments of taxes and surcharges	269,015,215.20	182,384,463.17	461,128,266.94	195,314,473.88
Cash paid relating to other operating activities	199,376,702.54	303,073,623.77	96,657,153.38	182,600,639.67
Subtotal of cash outflows from operating activities	3,030,427,474.35	1,683,851,479.34	4,357,474,752.91	1,612,741,386.66
Net cash flows from operating activities	-281,719,304.77	-380,457,037.17	235,068,880.84	261,804,885.13

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
II. Cash flows from investment activities:				
Cash received from investments		50,000,000.00		20,904,479.28
Cash received from investment income		8,825,194.45		122,480,481.09
Net cash received from disposal of fixed assets, intangible assets and other long-term assets			953,872.96	—
Net cash received from disposal of subsidiaries and other business units				
Cash received relating to other investment activities	40,203,980.70		3,016,038.73	
Subtotal of cash inflows from investment activities	40,203,980.70	58,825,194.45	3,969,911.69	143,384,960.37
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	323,049,268.66	3,528,995.61	1,631,110,382.19	140,688,974.01
Cash paid on investments	305,000,000.00	9,465,450.00	—	319,533,425.00
Net increase in pledged loans				
Net cash paid for acquisition of subsidiaries and other business units				
Cash paid relating to other investment activities				
Subtotal of cash outflows from investment activities	628,049,268.66	12,994,445.61	1,631,110,382.19	460,222,399.01
Net cash flows from investment activities	-587,845,287.96	45,830,748.84	-1,627,140,470.50	-316,837,438.64

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
III. Cash flows from financing activities:				
Cash received from capital contribution				
Including: Cash received from minority interest contribution to subsidiaries				
Cash received from borrowings	5,007,370,206.49	2,637,231,040.20	4,632,330,615.82	2,296,907,172.87
Cash received from bond issue				
Cash received relating to other financing activities				
Subtotal of cash inflows from financing activities	5,007,370,206.49	2,637,231,040.20	4,632,330,615.82	2,296,907,172.87
Cash repayments of amounts borrowed	4,815,402,193.04	2,715,519,514.13	1,783,746,991.05	959,037,255.19
Cash paid for dividend and profit distribution or interest payment	141,509,329.30	95,330,724.52	80,392,732.83	53,157,784.69
Including: Dividend and profit paid to minority interests by subsidiaries				
Cash paid for repayment of short-term debentures			1,549,650,000.00	1,549,650,000.00
Cash paid relating to other financing activities	236,242,026.19	364,674,036.03	420,695,003.62	128,370,986.04
Subtotal of cash outflows from financing activities	5,193,153,548.53	3,175,524,274.68	3,834,484,727.50	2,690,216,025.92
Net cash flows from financing activities	-185,783,342.04	-538,293,234.48	797,845,888.32	-393,308,853.05

Items	Amounts for the current period		Amounts for last period	
	Consolidated	Parent Company	Consolidated	Parent Company
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-414,473.83	-108,753.43	-2,566,650.95	-352,637.72
V. Net increase in cash and cash equivalents	-1,055,762,408.60	-873,028,276.24	-596,792,352.29	-448,694,044.28
Add: Balance of cash and cash equivalents as at the beginning of the period	2,317,048,619.53	1,290,039,078.57	1,855,235,979.80	662,209,607.29
VI. Balance of cash and cash equivalents as at the end of the period	1,261,286,210.93	417,010,802.33	1,258,443,627.51	213,515,563.01

4.4 Audit report

Audit opinion: unaudited