



Hubei Sanonda Co., Ltd.

Report for the Third Quarter of 2013

October 2013

Section I. Important Reminders

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of Hubei Sanonda Co., Ltd. (hereinafter referred to as “the Company”) warrant that this report is factual, accurate and complete without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

All directors attended the board session for reviewing this report.

Li Zuorong, company principal, and He Xuesong, chief of the accounting work and chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

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

Section II. Financial Highlights & Change of Shareholders

I. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

Yes No

	30 Sept. 2013	31 Dec. 2012	Increase/decrease (%)	
Total assets (RMB Yuan)	2,786,525,847.98	2,405,494,385.09	15.84%	
Net assets attributable to shareholders of the Company (RMB Yuan)	1,417,662,735.85	1,255,536,761.52	12.91%	
	Jul.-Sept. 2013	YoY increase/decrease (%)	Jan.-Sept. 2013	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	736,572,680.43	10.72%	2,256,260,997.65	26.61%
Net profit attributable to shareholders of the Company (RMB Yuan)	64,416,621.78	153.85%	191,887,146.03	288.73%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	64,977,195.51	159.23%	193,650,283.25	294.9%
Net cash flows from operating activities (RMB Yuan)	--	--	583,998,657.80	84.39%
Basic EPS (RMB Yuan/share)	0.1085	154.1%	0.3231	288.81%
Diluted EPS (RMB Yuan/share)	0.1085	154.1%	0.3231	288.81%
Weighted average ROE (%)	4.54%	2.14%	14.2%	10.02%

Items and amounts of extraordinary gains and losses

Applicable Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2013	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	-1,082,782.48	
Government grants recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the country's unified standards	1,142,978.13	
Gain/loss on debt restructuring	-152,001.61	

Other non-operating income and expenses other than the above	-2,221,083.83	
Less: Income tax effects	-578,222.45	
Minority interests effects (after tax)	28,469.88	
Total	-1,763,137.22	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable Inapplicable

II. Total number of shareholders at the period-end and shares held by the top ten shareholders

Unit: share

Total number of shareholders at the period-end		64,592 shareholders, including 43,787 A-share holders				
Shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Sanonda Group Corporation	State-owned legal person	20.15%	119,687,202	-	-	-
Bank Of China—Harvest Service Value-added Industry Securities Investment Fund	Other	0.84%	4,999,953	-	-	-
Guotai Junan Securities (Hong Kong) Limited	Foreign legal person	0.79%	4,683,463	-	-	-
State-Owned Assets Administration Bureau of Qichun County	On behalf of the government	0.7%	4,169,266	-	-	-
National Social Security Fund Portfolio 107	Other	0.66%	3,947,022	-	-	-
ICBC—Soochow	Other	0.65%	3,860,623	-	-	-

Jiahe Advanced Selected Mixed-type Open-ended Securities Investment Fund						
Agricultural Bank of China — Soochow Value Growth Double Power Stock Fund	Other	0.61%	3,622,991	-	-	-
China Construction Bank—China International Growth Pioneer Stock Fund	Other	0.52%	3,075,364	-	-	-
CITIC Trust Co., Ltd.—Wudang Phase 17	Other	0.49%	2,889,048	-	-	-
ICBC—UBS SDIC Core Enterprise Stock Fund	Other	0.45%	2,690,516	-	-	-
Shares held by the top ten non-restricted share holders						
Name of shareholder	Number of non-restricted shares held	Type of shares				
		Type	Number			
Sanonda Group Corporation	119,687,202	RMB ordinary shares	119,687,202			
Bank Of China—Harvest Service Value-added Industry Securities Investment Fund	4,999,953	RMB ordinary shares	4,999,953			
Guotai Junan Securities (Hong Kong) Limited	4,683,463	Domestically listed foreign shares	4,683,463			
State-Owned Assets Administration Bureau of Qichun County	4,169,266	RMB ordinary shares	4,169,266			
National Social Security Fund Portfolio 107	3,947,022	RMB ordinary shares	3,947,022			
ICBC—Soochow Jiahe Advanced	3,860,623	RMB ordinary	3,860,623			

Selected Mixed-type Open-ended Securities Investment Fund		shares	
Agricultural Bank of China — Soochow Value Growth Double Power Stock Fund	3,622,991	RMB ordinary shares	3,622,991
China Construction Bank—China International Growth Pioneer Stock Fund	3,075,364	RMB ordinary shares	3,075,364
CITIC Trust Co., Ltd.—Wudang Phase 17	2,889,048	RMB ordinary shares	2,889,048
ICBC—UBS SDIC Core Enterprise Stock Fund	2,690,516	RMB ordinary shares	2,690,516
Explanation on associated relationship or/and persons acting in concert among the above-mentioned shareholders	The controlling shareholder SANONDA GROUP CORPORATION and the other shareholders above are not related parties or acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies. It is unknown whether the other shareholders above are related parties or acting-in-concert parties as prescribed in the Administrative Methods for Acquisition of Listed Companies.		

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

Yes No

Section III. Significant Events

I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes

Financial statement item	30 Sept. 2013	31 Dec. 2012	Increase /decrease	Increase/decrease (%)	Main reason for the change
Monetary funds	51,960	17,518	34,442	196.61%	Increase of the sales income
Prepayments	5,879	3,751	2,128	56.73%	Prepayments for raw materials increased.
Construction in process	24,694	12,126	12,568	103.65%	New projects
Short-term borrowings	60,275	35,571	24,704	69.45%	Capital needs in production increased.
Notes payable	10,000	0	10,000		Notes paid for raw materials
Payroll payable	2,475	736	1,739	236.28%	Expense payable such as the social security fee and the performance salaries increased.
Taxes and fares payable	3,213	-1,911	5,124	268.13%	The income tax to be paid increased.
Accounts received in advance	9,131	5,945	3,186	53.59%	Advances from customers increased.
Other payables	4,882	3,137	1,745	55.63%	Unpaid selling expenses increased.
Non-current liabilities due within one year	4,699	40,955	-36,256	-88.53%	Some long-term borrowings due within one year were repaid.
Long-term borrowings	24,659	8,000	16,659	208.24%	New loans
Financial statement item	Jan.-Sept. 2013	Jan.-Sept. 2012	Increase /decrease	Increase/decrease (%)	Main reason for the change
Business taxes and surtaxes	260	92	168	182.61%	Operating revenues increased.
Non-operating expenses	429	98	331	337.76%	Negotiation transit interest expenses without recourse increased.
Income tax expenses	6,684	2,150	4,534	210.88%	Total profit increased.
Net profit attributable to owners of the Company	19,189	4,936	14,253	288.73%	The sales income increased, as well as the gross profit rate of sales.
Net cash flows from operating activities	58,391	31,671	26,720	84.36%	The sales income increased.
Net cash flows from	-20,125	-11,535	-8,590	-	Fixed asset investments increased.

investing activities					
Net cash flows from financing activities	-4,731	5,944	-10,675	-	Dividends paid and loans repaid increased.

II. Progress and influence of significant events, as well as the analysis and explanation on solutions

29 July 2013, the Company received a notification from China National Agrochemical Corporation, which said that, because it was planning the significant events involved with the Company, the stocks would suspend from the opening of the stock market on 30 July 2013 after application. On 10 Sep. 2013, the Company disclosed Abstract of the B Shares Tender Offer Report of Hubei Sanonda Co., Ltd., and the stocks of the Company resumed on the same day. On 11 Oct. 2013, the Company disclosed the full text of the B Shares Tender Offer Report and its relevant documents. During the period, the Company immediately carried out the obligation of information disclosure according to the relevant provisions.

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
Announcement on the suspension owing to significant events	30 Jul. 2013	http://www.cninfo.com.cn
Announcement on the continued suspension owing to significant events	6 Aug. 2013	http://www.cninfo.com.cn
Announcement on the process of significant events	13 Aug. 2013	http://www.cninfo.com.cn
Announcement on the process of significant events	20 Aug. 2013	http://www.cninfo.com.cn
Announcement on the process of significant events	27 Aug. 2013	http://www.cninfo.com.cn
Announcement on the process of significant events	3 Sep. 2013	http://www.cninfo.com.cn
Abstract of the B Shares Tender Offer Report	10 Sep. 2013	http://www.cninfo.com.cn
Announcement on the approval from the CSRC to Celsius Property B.V.; indicative announcement on the B Shares Tender Offer Report	10 Oct. 2013	http://www.cninfo.com.cn
Full text of the B Shares Tender Offer Report; Announcement on the shares declaration of the B shares of Celsius Property B.V.	11 Oct. 2013	http://www.cninfo.com.cn

III. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

Applicable Inapplicable

IV. Researches, visits and interviews received in the reporting period

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the

					Company
30 Jul. 2013	The Company	Telephone Communication	Individual	Individual investor	Suspension reason? Relevant announcement disclosed by the Company.
13 Aug. 2013	The Company	Telephone Communication	Individual	Individual investor	Suspension time? Relevant announcement disclosed by the Company.
10 Sep. 2013	The Company	Telephone Communication	Individual	Individual investor	When to carry out the Tender Offer? Relevant announcement disclosed by the Company.

Section IV. Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	519,596,015.69	175,181,365.77
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable	18,757,250.06	23,690,345.75
Accounts receivable	210,768,694.12	180,964,377.73
Accounts paid in advance	58,792,978.32	37,505,796.88
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable		
Other accounts receivable	22,541,709.73	18,815,365.79
Financial assets purchased under agreements to resell		
Inventories	312,742,313.90	366,759,772.17
Non-current assets due within 1 year		
Other current assets		
Total current assets	1,143,198,961.82	802,917,024.09
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets		
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment	9,153,782.63	9,153,782.63
Investing property	4,274,612.50	4,394,812.50
Fixed assets	1,228,876,613.67	1,308,629,352.60
Construction in progress	246,942,014.20	121,263,645.49
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	138,396,706.27	143,904,010.68
R&D expense		
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	15,683,156.89	15,231,757.10
Other non-current assets		
Total of non-current assets	1,643,326,886.16	1,602,577,361.00
Total assets	2,786,525,847.98	2,405,494,385.09
Current liabilities:		
Short-term borrowings	602,747,564.73	355,708,601.70
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable	100,000,000.00	0.00
Accounts payable	159,158,627.15	198,994,327.26
Accounts received in advance	91,311,854.27	59,448,030.30
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	24,753,316.05	7,364,901.89
Tax payable	32,131,390.65	-19,105,426.98
Interest payable		
Dividend payable	250,000.00	349,463.30
Other accounts payable	48,824,483.82	31,369,677.77

Reinsurance premiums payable		
Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year	46,990,000.00	409,550,000.00
Other current liabilities		
Total current liabilities	1,106,167,236.67	1,043,679,575.24
Non-current liabilities:		
Long-term borrowings	246,590,000.00	80,000,000.00
Bonds payable		
Long-term payables	650,000.00	650,000.00
Specific payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities	15,166,111.11	16,309,089.24
Total non-current liabilities	262,406,111.11	96,959,089.24
Total liabilities	1,368,573,347.78	1,140,638,664.48
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	593,923,220.00	593,923,220.00
Capital reserves	263,166,205.19	266,090,773.02
Less: Treasury stock		
Specific reserves	16,475,104.01	13,825,364.46
Surplus reserves	92,680,039.14	92,680,039.14
Provisions for general risks		
Retained profits	451,418,167.51	289,017,364.90
Foreign exchange difference		
Total equity attributable to owners of the Company	1,417,662,735.85	1,255,536,761.52
Minority interests	289,764.35	9,318,959.09
Total owners' (or shareholders') equity	1,417,952,500.20	1,264,855,720.61
Total liabilities and owners' (or shareholders') equity	2,786,525,847.98	2,405,494,385.09

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

2. Balance sheet of the Company

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	434,101,613.32	149,485,252.01
Transactional financial assets		
Notes receivable	18,757,250.06	23,690,345.75
Accounts receivable	173,335,235.94	165,720,133.59
Accounts paid in advance	57,871,346.82	26,871,248.52
Interest receivable		
Dividend receivable		
Other accounts receivable	147,885,286.20	146,640,832.38
Inventories	297,094,896.13	343,538,912.44
Non-current assets due within 1 year		
Other current assets		
Total current assets	1,129,045,628.47	855,946,724.69
Non-current assets:		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	64,680,418.04	83,320,011.36
Investing property	4,274,612.50	4,394,812.50
Fixed assets	1,159,856,610.33	1,228,280,759.41
Construction in progress	157,144,680.69	39,081,376.28
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	126,211,262.28	129,018,867.09
R&D expense		

Goodwill		
Long-term deferred expenses		
Deferred income tax assets	10,927,217.95	10,255,355.43
Other non-current assets		
Total of non-current assets	1,523,094,801.79	1,494,351,182.07
Total assets	2,652,140,430.26	2,350,297,906.76
Current liabilities:		
Short-term borrowings	513,000,000.00	324,750,000.00
Transactional financial liabilities		
Notes payable	100,000,000.00	0.00
Accounts payable	138,164,827.03	191,385,928.88
Accounts received in advance	57,913,591.85	63,203,757.83
Employee's compensation payable	24,732,721.43	3,910,205.00
Tax payable	45,952,605.96	-3,364,366.14
Interest payable		
Dividend payable	250,000.00	349,463.30
Other accounts payable	46,899,963.90	25,718,709.48
Non-current liabilities due within 1 year	46,990,000.00	409,550,000.00
Other current liabilities		
Total current liabilities	973,903,710.17	1,015,503,698.35
Non-current liabilities:		
Long-term borrowings	246,590,000.00	80,000,000.00
Bonds payable		
Long-term payables	650,000.00	650,000.00
Specific payables		
Estimated liabilities		
Deferred income tax liabilities		
Other non-current liabilities	6,316,111.11	6,860,000.00
Total non-current liabilities	253,556,111.11	87,510,000.00
Total liabilities	1,227,459,821.28	1,103,013,698.35
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	593,923,220.00	593,923,220.00
Capital reserves	263,799,837.18	263,799,837.18

Less: Treasury stock		
Specific reserves	11,505,991.70	8,127,543.89
Surplus reserves	92,680,039.14	92,680,039.14
Provisions for general risks		
Retained profits	462,771,520.96	288,753,568.20
Foreign exchange difference		
Total owners' (or shareholders') equity	1,424,680,608.98	1,247,284,208.41
Total liabilities and owners' (or shareholders') equity	2,652,140,430.26	2,350,297,906.76

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

3. Consolidated income statement for the reporting period

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total operating revenues	736,572,680.43	665,268,757.09
Including: Sales income	736,572,680.43	665,268,757.09
II. Total operating cost	650,956,887.09	630,162,773.90
Including: Cost of sales	565,057,007.81	553,267,177.44
Taxes and associate charges	1,546,251.15	433,283.73
Selling and distribution expenses	26,449,088.74	28,316,137.72
Administrative expenses	40,178,213.03	29,511,912.55
Financial expenses	15,677,925.94	21,743,721.92
Asset impairment loss	2,048,400.42	-3,109,459.46
Gain/(loss) from investment ("-" means loss)	2,402,566.32	0.00
III. Business profit ("-" means loss)	88,018,359.66	35,105,983.19
Add: non-operating income	742,700.40	543,747.90
Less: non-operating expense	1,490,132.04	134,824.47
Including: loss from non-current asset disposal	497,369.80	0.00
IV. Total profit ("-" means loss)	87,270,928.02	35,514,906.62
Less: Income tax expense	22,872,992.96	9,830,694.39

V. Net profit (“-” means loss)	64,397,935.06	25,684,212.23
Attributable to owners of the Company	64,416,621.78	25,375,618.98
Minority shareholders’ income	-18,686.72	308,593.25
VI. Earnings per share	--	--
(I) Basic earnings per share	0.1085	0.0427
(II) Diluted earnings per share	0.1085	0.0427
VIII. Total comprehensive incomes	64,397,935.06	25,684,212.23
Attributable to owners of the Company	64,416,621.78	25,375,618.98
Attributable to minority shareholders	-18,686.72	308,593.25

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

4. Income statement of the Company for the reporting period

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total sales	706,783,092.24	637,098,239.28
Less: cost of sales	540,539,808.98	532,557,709.62
Business taxes and surcharges	1,457,957.43	153,306.03
Distribution expenses	23,714,418.36	26,976,368.03
Administrative expenses	35,514,238.50	23,051,713.61
Financial costs	15,498,205.46	21,295,296.92
Impairment loss	1,714,541.86	-1,698,362.97
Gain/(loss) from investment (“-” means loss)	4,574,977.62	
II. Business profit (“-” means loss)	92,918,899.27	34,762,208.04
Add: non-business income	742,700.40	543,747.90
Less: non-business expense	1,077,139.02	62,217.49
Including: loss from non-current asset disposal	88,241.32	
III. Total profit (“-” means loss)	92,584,460.65	35,243,738.45

Less: income tax expense	22,698,685.99	8,793,238.10
IV. Net profit (“-” means loss)	69,885,774.66	26,450,500.35
V. Earnings per share	--	--
VI. Total comprehensive income	69,885,774.66	26,450,500.35

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

5. Consolidated income statement for Jan.-Sept. 2013

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total operating revenues	2,256,260,997.65	1,782,024,034.16
Including: Sales income	2,256,260,997.65	1,782,024,034.16
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	2,000,685,942.77	1,710,783,265.68
Including: Cost of sales	1,775,928,846.79	1,509,828,349.49
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	2,602,233.84	919,610.03
Selling and distribution expenses	72,024,500.77	63,994,345.97
Administrative expenses	86,904,916.39	72,695,281.86
Financial expenses	55,889,480.92	53,740,115.89
Asset impairment loss	7,335,964.06	9,605,562.44
Add: Gain/(loss) from change in fair		

value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	4,656,748.75	
Including: share of profits in associates and joint ventures		
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	260,231,803.63	71,240,768.48
Add: non-operating income	1,974,451.97	1,395,228.96
Less: non-operating expense	4,287,341.76	983,569.92
Including: loss from non-current asset disposal	1,111,736.52	327,787.29
IV. Total profit (“-” means loss)	257,918,913.84	71,652,427.52
Less: Income tax expense	66,843,992.01	21,502,345.75
V. Net profit (“-” means loss)	191,074,921.83	50,150,081.77
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	191,887,146.03	49,361,997.17
Minority shareholders’ income	-812,224.20	788,084.60
VI. Earnings per share	--	--
(I) Basic earnings per share	0.3231	0.0831
(II) Diluted earnings per share	0.3231	0.0831
VII. Other comprehensive incomes		
VIII. Total comprehensive incomes	191,074,921.83	50,150,081.77
Attributable to owners of the Company	191,887,146.03	49,361,997.17
Attributable to minority shareholders	-812,224.20	788,084.60

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

6. Income statement of the Company for Jan.-Sept. 2013

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total sales	2,203,347,880.21	1,662,142,564.92
Less: cost of sales	1,744,838,783.58	1,419,473,803.80
Business taxes and surcharges	2,210,472.44	376,063.86
Distribution expenses	62,898,917.22	54,127,342.00
Administrative expenses	70,677,458.98	55,486,949.11
Financial costs	54,840,544.73	52,831,390.15
Impairment loss	3,642,835.26	7,542,666.16
Add: gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	7,479,160.05	650,000.00
Including: income from investment on associates and joint ventures		
II. Business profit (“-” means loss)	271,718,028.05	72,954,349.84
Add: non-business income	1,375,362.73	1,395,228.96
Less: non-business expense	3,212,967.76	407,677.49
Including: loss from non-current asset disposal	260,717.87	215,460.00
III. Total profit (“-” means loss)	269,880,423.02	73,941,901.31
Less: income tax expense	66,376,126.84	19,644,643.74
IV. Net profit (“-” means loss)	203,504,296.18	54,297,257.57
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other comprehensive income		
VII. Total comprehensive income	203,504,296.18	54,297,257.57

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

7. Consolidated cash flow statement for Jan.-Sept. 2013

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,913,594,741.51	1,576,684,833.56
Net increase of deposits from customers and dues from banks		
Net increase of loans from the central bank		
Net increase of funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase of deposits of policy holders and investment fund		
Net increase of disposal of tradable financial assets		
Cash received from interest, handling charges and commissions		
Net increase of intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received	44,321,349.09	22,510,639.31
Other cash received relating to operating activities	29,222,064.23	24,545,447.31
Subtotal of cash inflows from operating activities	1,987,138,154.83	1,623,740,920.18
Cash paid for goods and services	1,152,453,474.46	1,101,636,419.79
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		
Cash for paying interest, handling		

charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	98,299,479.96	93,835,129.78
Various taxes paid	69,484,931.61	21,815,958.23
Other cash payment relating to operating activities	82,901,611.00	89,738,886.88
Subtotal of cash outflows from operating activities	1,403,139,497.03	1,307,026,394.68
Net cash flows from operating activities	583,998,657.80	316,714,525.50
II. Cash flows from investing activities:		
Cash received from withdrawal of investments		
Cash received from return on investments	4,062,224.59	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	248,934.00	822,000.16
Net cash received from disposal of subsidiaries or other business units	3,581,762.75	
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	7,892,921.34	822,000.16
Cash paid to acquire fixed assets, intangible assets and other long-term assets	209,143,279.84	116,171,486.38
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	209,143,279.84	116,171,486.38
Net cash flows from investing activities	-201,250,358.50	-115,349,486.22
III. Cash Flows from Financing Activities:		
Cash received from capital		

contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received from borrowings	1,099,579,666.32	731,463,596.41
Cash received from issuance of bonds		
Other cash received relating to financing activities		207,175.66
Subtotal of cash inflows from financing activities	1,099,579,666.32	731,670,772.07
Repayment of borrowings	1,048,510,703.29	599,466,912.36
Cash paid for interest expenses and distribution of dividends or profit	72,292,686.21	51,748,123.20
Including: dividends or profit paid by subsidiaries to minority shareholders	350,000.00	350,000.00
Other cash payments relating to financing activities	26,087,079.11	21,012,927.01
Sub-total of cash outflows from financing activities	1,146,890,468.61	672,227,962.57
Net cash flows from financing activities	-47,310,802.29	59,442,809.50
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-1,022,847.09	117,625.02
V. Net increase in cash and cash equivalents	334,414,649.92	260,925,473.80
Add: Opening balance of cash and cash equivalents	175,181,365.77	219,587,687.99
VI. Closing balance of cash and cash equivalents	509,596,015.69	480,513,161.79

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

8. Cash flow statement of the Company for Jan.-Sept. 2013

Prepared by Hubei Sanonda Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
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I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	1,868,882,855.18	1,426,520,140.32
Tax refunds received	32,620,291.11	12,650,502.53
Other cash received relating to operating activities	18,758,181.28	24,531,371.63
Subtotal of cash inflows from operating activities	1,920,261,327.57	1,463,702,014.48
Cash paid for goods and services	1,136,426,024.17	988,325,474.98
Cash paid to and for employees	86,518,399.30	79,695,583.53
Various taxes paid	63,520,924.24	15,932,137.40
Other cash payment relating to operating activities	77,134,629.86	66,760,029.18
Subtotal of cash outflows from operating activities	1,363,599,977.57	1,150,713,225.09
Net cash flows from operating activities	556,661,350.00	312,988,789.39
II. Cash flows from investing activities:		
Cash received from retraction of investments		
Cash received from return on investments	4,062,224.59	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	248,934.00	822,000.16
Net cash received from disposal of subsidiaries or other business units	21,287,258.78	
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	25,598,417.37	822,000.16
Cash paid to acquire fixed assets, intangible assets and other long-term assets	206,332,355.45	112,145,874.52
Cash paid for investment	5,906,730.00	
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		1,000,000.00

Subtotal of cash outflows from investing activities	212,239,085.45	113,145,874.52
Net cash flows from investing activities	-186,640,668.08	-112,323,874.36
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	794,590,000.00	535,750,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	794,590,000.00	535,750,000.00
Repayment of borrowings	802,310,000.00	465,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	68,758,770.68	42,793,575.66
Other cash payments relating to financing activities	18,880,000.00	18,000,000.00
Sub-total of cash outflows from financing activities	889,948,770.68	525,793,575.66
Net cash flows from financing activities	-95,358,770.68	9,956,424.34
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-45,549.93	-64.22
V. Net increase in cash and cash equivalents	274,616,361.31	210,621,275.15
Add: Opening balance of cash and cash equivalents	149,485,252.01	178,056,420.12
VI. Closing balance of cash and cash equivalents	424,101,613.32	388,677,695.27

Legal representative: Li Zuorong

Person-in-charge of the accounting work: He Xuesong

Chief of the accounting division: He Xuesong

II. Audit report

Is this report audited?

 Yes No

This report is not audited.