



Shenzhen Victor Onward Textile Industrial Co., Ltd.

The Third Quarterly Report 2013

October 2013

1 Important Notice

The Board of Directors ,Supervisory Committee, all directors, supervisors and senior executives 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 the directors attended the board meeting for reviewing the Quarterly Report.

Mr.Hu Yongfeng, The Company leader, Mr. Zhang Jinliang, Chief financial officer and the Mr..Ren Changzheng, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in this Quarterly Report .

II. Main financial data and changes of shareholders

(1) Main accounting data and financial Index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not.

Yes No

	As at the end of the reporting period	As at the end of last year	Changed (%) over end of prev. year	
Gross assets (RMB)	159,455,131.00	172,002,557.00	-7.29%	
Net assets attributable to the shareholders of the listed company (RMB)	117,520,226.00	118,852,391.00	-1.12%	
	Reporting period	Increase/decrease over the same period of last year (%)	January 1, 2013 to September 30, 2013	Changed (%) over end of prev. year
Operating income (RMB)	2,590,258.00	14.91%	7,580,884.00	4.22%
Net profit attributable to the shareholders of the listed company (RMB)	3,592,196.00	-282.98%	-531,410.00	-91.36%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-529,104.00	-74.36%	-2,237,596.00	-32.39%
Cash flow generated by business operation, net (RMB)	--	--	2,787,681.00	253.58%
Basic earning per share(RMB/Share)	0.02	-300%	0	-100%
Diluted gains per share(RMB/Share)(RMB/Share)	0.02	-300%	0	-100%
Weighted average income/asset ratio (%)	3.08%	4.8%	-0.45%	4.85%

Items and amount of non-current gains and losses

Applicable Not applicable

Unit:RMB

Items	Amount (Year-beginning to the end of the report period.)	Notes
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Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	1,706,186.00	Fixed assets equipment disposal of net income
Total	1,706,186.00	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

(II) Total number of shareholders at the end of report period and Particular about shares held by top ten shareholders

Unit: Shares

Total number of shareholders at the end of report period		9,265				
Particular about shares held by top ten shareholders						
Shareholder name	Properties of shareholder	Share proportion %	Quantity	Amount of tradable shares with Conditional held	Pledging or freezing	
					Status of the shares	Quantity
Union Holdings Co., Ltd.	Domestic Non-State-owned legal person	25.51%	43,141,032	0		
STYLE-SUCCESS LIMITED	Foreign Legal person	14.46%	24,466,029	0		
Rich Crown Investment Co., Ltd.	Foreign Legal person	3.62%	6,114,556	0		
Union Development Group Co., Ltd.	Domestic Non-State-owned legal person	3.36%	5,681,089	0		
Liuzhou Jiali Real estate Development Co., Ltd.	Domestic Non-State-owned legal person	2.5%	4,230,000	0		
Shenzhen Textile (Group) Holdings Ltd	State-owned Legal person	2.21%	3,744,594	0		

Zeng Ying	Domestic Natural person	1.21%	2,039,600	0	
Liuzhou Ruiheng Mechatronics Co., Ltd.	Domestic Non-State-owned legal person	1.01%	1,700,000	0	
Shing Ying Chieh	Foreign Natural person	0.54%	909,962	0	
KGI ASIA LIMITED	Foreign Legal person	0.5%	837,450	0	
Shareholding of top 10 shareholders of unrestricted shares					
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period	Share type			
		Share type	Quantity		
Union Holdings 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		
Rich Crown Investment Co., Ltd.	6,114,556	Foreign shares placed in domestic exchange	6,114,556		
Union Development Group Co., Ltd	5,681,089	RMB Common shares	5,681,089		
Liuzhou Jiali Real estate Development Co., Ltd.	4,230,000	RMB Common shares	4,230,000		
Shenzhen Textile (Group) Holdings Ltd	3,744,594	RMB Common shares	3,744,594		
Zeng Ying	2,039,600	Foreign shares placed in domestic exchange	2,039,600		
Liuzhou Ruiheng Mechatronics Co., Ltd.	1,700,000	RMB Common shares	1,700,000		
Shing Ying Chieh	909,962	Foreign shares placed in domestic exchange	909,962		

KGI ASIA LIMITED	837,450	Foreign shares placed in domestic exchange	837,450
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 Third shareholder Rich Crown Investment Co., Ltd.. Is Union Development Group Ltd. its is unknown whether relationship exists between other shareholders.		
Notes to the shareholders involved in financing securities (if any)	N/A		

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

Yes No

III Significant Events

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

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, 2013	December 31, 2012	Amount of increased / Proportion increased	
			Decreased	Decreased
Bill receivable	0	1,500,000	-1,500,000	-100%
Other account receivable	482,976	260,005	222,971	85.76%
Inventories	0	101,536	-101,536	-100%
Fixed assets	6,964,353	12,416,459	-5,452,106	-43.91%
Advance payment	1,077,402	2,778,488	-1,701,086	-61.22%
Other account payable	22,665,265	32,227,317	-9,562,052	-29.67%

1. Bills receivable decreased by RMB1,500,000 mainly due to cashing of banker's acceptance bills in the amount of RMB 1.5 million;

2. Other receivables increased by RMB 222,971 and 85.76% mainly due to the increase of suspense payment;

3. Inventories decreased by RMB 101,536 mainly due to disposal of inventories;

4. Fixed assets decreased by RMB 5,452,106 mainly due to disposal of fixed assets (machinery and equipment) in current period;

5. Advance collections decreased by RMB 1,701,086 RMB, mainly because the proceeds of disposal of fixed assets collected in advance in the previous period were carried forward in current period;

6. Other payables decreased by RMB 9,562,052 mainly due to repayment of loan principal of RMB 10 million owed by Nanhua Company to Union Group in current period;

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

In the period from January 2013 to September 2013, the company earned operating income of RMB 7.58 million on accumulative basis, which increased by RMB0.3 million and 4.22% year on year. Net profit is RMB-0.51 million. compare to the data last year same period, which loss Decreased by RMB 5.61 million.

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

Due to the rise in rent of leased house property.

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

The amount of net income and loss from the disposal of fixed assets in current period was RMB 1.72 million. Accounted for on equity basis, the amount of loss suffered by the enterprises in which the Company invested decreased by RMB 0.47 million year on year. In addition, in the same period of previous year, non-operating expenses of RMB 2.98 million were incurred from lawsuits in Nanjing, while there were no such expenses in current period.

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 from				
Operating activities	787,681	788,412	1,999,269	253.58%
Net cash flows from				
investing activities	4,992,909	-63,534	5,056,443	-7958.64%
Net cash flows from				
financing activities	-10,000,000	0	-10,000,000	-100%
The influence of change				
in exchange rate	-544,224	222,976	-767,200	-344.07%
Net increase of cash and				
cash equivalents	-2,763,634	947,854	-3,711,488	-391.57%

(1)At the end of the report period, Net cash flows from operating activities increased by RMB 1,999,269 year on year;

(2)In the report period, Net cash flows from investing activities increased by RMB5,056,443 year on year;

(3)At the end of the report period, There were no net cash flows from financing activities decreased by RMB 10,000,000 year on year;

(4)At the end of the report period, the influence of change in exchange rate on cash and cash equivalents decreased by RMB-767,200 year on year;

(5)At the end of the report period, net increase in cash and cash equivalents decreased by RMB-3,711,488 year on year.

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

Shine Wing Certified Public Accountants(LLP) issued unqualified auditor's report with paragraph of emphasized matters for the Company's financial statements for 2012 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. Partners disagree with our views in the replenishment of the things, thus cooperation is difficult to continue. Although we sent our staff to Nanjing many times for negotiation, but failed to reach a consensus. Therefore, we decided the proceedings in the People's Court. 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. As the audited net profits of the Company for 2011 and 2012 were negative, Shenzhen Stock Exchange will give special treatment to the stocks of the Company for the caution of delisting risk according to relevant regulations including Stock Listing Rules of Shenzhen Stock Exchange. The stocks of the Company will be subject to special treatment for caution of delisting risk after the disclosure of 2012 annual report. The stocks of the Company will implement special treatment for delisting risk warning after

the Company was restored for trading from April 24,2013. According to Stock Listing Rules of Shenzhen Stock Exchange, the listing of the stocks of the Company will be suspended from the day of announcement of 2013 annual report if its audited net profit for 2013 is still negative. In case of failure to reverse loss according to the annual report for the latest period disclosed within statutory time limit, the stocks of the Company will face the risk of termination of listing. In order to try to have the caution of delisting risk revoked, the Company will make all efforts to enhance operating efficiency and increase return through various measures and take "reversing loss into profit" as the priority target of production and operation for the year in 2013.

Description of provisional announcement	Date of disclosing	Description of the website for disclosing provisional announcements
<p>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.</p>	<p>June 16, 2012</p>	<p>http://www.cninfo.com.cn/finalpage/2012-06-16/61144742.PDF</p>
<p>On October 10, 2013, The 10th meeting of the sixth board of directors of the Company examined and adopted the Proposal for the withdrawal "on the transfer of parts of shares of Union Hangzhou Bay's equity listed by the Company. Due to the current equity market turnover is difficult on a small equity transfer , as well as the expectations for continued prosperity of the real estate industry, the company will no</p>	<p>October 12, 2013</p>	<p>http://www.cninfo.com.cn/finalpage/2013-10-12/63148484.PDF</p>

longer sell the stake for the long-term interests.		
To achieving the goal of turning losses into profits for 2013, the Company planned to sell the house property of Hong Kong Victor Onward Co.Ltd, a wholly-owned subsidiary of the Company, which is located at RMB 1801-1804, Huachuang Center, 889 Chang Sha Wan Road, Kowloon, Hong Kong, in the form of agreed assignment and at the price of HKD 19.55 million (equivalent to RMB 15.50 million) appraised by Loyalty Surveyors Co., Ltd., a Hong Kong appraisal agency, and Shenzhen Tianjian Guozhonglian Assets Appraisal & Land and Real Estate Valuation Co., Ltd. This proposal can be implemented only after examination and approval by the first provisional shareholders' general meeting in 2013 (November 5, 2013).	October 12, 2013	http://www.cninfo.com.cn/finalpage/2013-10-12/63148484.PDF

III. Prediction of Business performance for 2013.

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 earning : Make up the deficits

Type of data file for the prediction

	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	--	900	-24.73	--	-3,739.3%	--	-2,526.2%
Basic earnings per shares	0.035	--	0.053	-0.001	--	-3,739.3%	--	-2,526.2%

(Yuan/share)						
Notes to forenotice of earnings	<p>The Company planned to sell the house property of Hong Kong Victor Onward Co.Ltd, a wholly-owned subsidiary of the Company, which is located at RM 1801-1804, Huachuang Center, 889 Chang Sha Wan Road, Kowloon, Hong Kong, and related parties China (Hong Kong) Group Limited, in the form of agreed assignment and at the price of HKD 19.55 million (equivalent to RMB 15.50 million) appraised by Loyalty Surveyors Co., Ltd., a Hong Kong appraisal agency, and Shenzhen Tianjian Guozhonglian Assets Appraisal & Land and Real Estate Valuation Co., Ltd (assessed with the securities and futures-related business qualification). The Company expects to reverse loss into profit for the year 2013, the Accumulative net profit is approximately RMB 6 million to RMB 9 million .</p>					

IV. 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 8,2013	Office of board secretary of the Company	Telephone	Individual	Investor	Inquiry about the progress of assignment of Hangzhou Bay's equity listed by the Company
July 30, 2013	Office of board secretary of the Company	Telephone	Individual	Investor	Inquiry about the Company's operating status in this year

IV. Financial statement

1. Financial statement

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	49,463,628.00	52,227,262.00
Settlement provision		
Outgoing call loan		
Trading financial assets		
Bill receivable		1,500,000.00
Account receivable	744,712.00	744,712.00
Prepayments	8,640.00	176,443.00
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		38,414.00
Dividend receivable		
Other account receivable	482,976.00	260,005.00
Repurchasing of financial assets		101,536.00
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	50,699,956.00	55,048,372.00
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	656,100.00	751,542.00
Expired investment in possess		

Long-term receivable		
Long term share equity investment	65,107,753.00	65,784,312.00
Property investment	29,120,370.00	31,041,484.00
Fixed assets	6,964,353.00	12,416,459.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,830,535.00	1,860,764.00
R & D petrol		
Goodwill	5,076,064.00	5,099,624.00
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	108,755,175.00	116,954,185.00
Total of assets	159,455,131.00	172,002,557.00
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	3,208,629.00	3,239,571.00
Advance payment	1,077,402.00	2,778,488.00
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	794,074.00	766,680.00
Tax payable	1,788,890.00	1,622,074.00
Interest payable		

Dividend payable	1,215,946.00	1,215,946.00
Other account payable	22,665,265.00	32,227,317.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year		
Other current liability	1,734,008.00	1,547,263.00
Total of current liability	32,484,214.00	43,397,339.00
Non-current liabilities:		
Long-term loan	918,283.00	1,033,936.00
Bond payable		
Long-term payable	8,300,205.00	8,488,953.00
Special payable		
Expected liabilities		
Differed income tax liability	768,925.00	766,660.00
Other non-current liabilities	836,792.00	836,792.00
Total of non-current liabilities	10,824,205.00	11,126,341.00
Total of liability	43,308,419.00	54,523,680.00
Owners' equity		
Share capital	169,142,356.00	169,142,356.00
Capital reserves	39,759,145.00	39,790,784.00
Less: Shares in stock		
Special reserves		
Surplus reserves	26,704,791.00	26,704,791.00
Common risk provision		
Undistributed profit	-116,805,351.00	-116,273,941.00
Different of foreign currency translation	-1,280,715.00	-511,599.00
Total of owner's equity belong to the parent company	117,520,226.00	118,852,391.00
Minority shareholders' equity	-1,373,514.00	-1,373,514.00
Total of owners' equity	116,146,712.00	117,478,877.00
Total of liabilities and owners' equity	159,455,131.00	172,002,557.00

Legal representative : Hu Yongfengn

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

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

2. Balance sheet of Parent Company

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

Unit: RMB

单位: 元

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	12,667,854.00	17,293,509.00
Trading financial assets		
Bill receivable		1,500,000.00
Account receivable		
Prepayments		
Interest receivable		
Dividend receivable		
Other account receivable	82,879,531.00	72,818,786.00
Inventories		101,536.00
Non-current asset due in 1 year		
Other current asset		
Total of current assets	95,547,385.00	91,713,831.00
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	4,807,868.00	5,060,748.00
Fixed assets	4,384,712.00	9,145,661.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		

Gas & petrol		
Intangible assets	1,830,535.00	1,860,764.00
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	47,812,068.00	52,856,126.00
Total of assets	143,359,453.00	144,569,957.00
Current liabilities		
Short-term loans		
Trade off financial liabilities		
Bill payable		
Account payable	113,344.00	113,344.00
Advance payment	302,540.00	2,002,540.00
Employees' wage payable	774,008.00	735,970.00
Tax payable	634,217.00	573,074.00
Interest payable		
Dividend payable		
Other account payable	879,196.00	884,092.00
Non-current liability due in 1 year		
Other current liability	1,634,764.00	1,547,263.00
Total of current liability	4,338,069.00	5,856,283.00
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	9,354,999.00	10,873,213.00

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
Provision of general risk		
Undistributed profit	-93,053,787.00	-88,963,263.00
Different of foreign currency translation		-4,398,234.00
Total of owners' equity	134,004,454.00	133,696,744.00
Total of liabilities and owners' equity	143,359,453.00	144,569,957.00

Legal representative : Hu Yongfengn

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

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

3. Profit statement (Consolidated) of the report period

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

Unit : RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	2,590,258.00	2,254,074.00
Incl: Business income	2,590,258.00	2,254,074.00
II. Total business cost	2,642,927.00	2,754,263.00
Incl: Business cost	562,953.00	671,888.00
Business tax and surcharge	140,673.00	110,834.00
Administrative expense	2,160,795.00	2,046,048.00
Financial expenses	-221,494.00	-74,507.00
Add: Gains from change of fir value ("-"for loss)		-11,970.00
Investment gain ("-"for loss)	-476,435.00	-1,450,098.00
Incl: investment gains from	71,083.00	-417,624.00

affiliates		
III. Operational profit (“-”for loss)	-529,104.00	-1,962,257.00
Add: Non-business income	1,721,300.00	39.00
Less: Non business expenses	-2,400,000.00	900.00
IV.Total profit(“-”for loss)	3,592,196.00	-1,963,118.00
V. Net profit (“-”for net loss)	3,592,196.00	-1,963,118.00
Net profit attributable to the owners of parent company	3,592,196.00	-1,963,118.00
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.02	-0.02
(II)Diluted earnings per share	0.02	-0.02
VII. Other comprehensive income	-191,503.00	-6,853.00
VIII. Total comprehensive income	3,400,693.00	-1,969,971.00
Total comprehensive income attributable minority shareholders	3,400,693.00	-1,969,971.00

Legal representative : Hu Yongfengn

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

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

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

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

Unit : RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	451,350.00	392,370.00
Less: Business cost	605,358.00	965,773.00
Business tax and surcharge	48,828.00	
Sales expense	1,223,695.00	1,174,252.00
Administrative expense	-751,459.00	-329,257.00
Financial expenses		-11,970.00
II. Operational profit (“-”for loss)	-154,008.00	-585,373.00
Add: Non-business income	1,721,304.00	

Less: Non- business expenses	-2,400,000.00	900.00
III.Total profit(“-”for loss)	3,967,296.00	-586,273.00
IV. Net profit (“-”for net loss)	3,967,296.00	-586,273.00
V. Earnings per share:	--	--
VII. Total comprehensive income	3,967,296.00	-586,273.00

Legal representative : Hu Yongfengn

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

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

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	Amount in this period	Amount in last period
I. Total operating income	7,580,884.00	7,273,861.00
Including: Operating income	7,580,884.00	7,273,861.00
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	9,270,962.00	9,423,870.00
Including: Operating cost	2,636,266.00	2,871,722.00
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	371,339.00	269,633.00

Sales expenses		
Administration expenses	6,210,853.00	6,404,547.00
Financial expenses	52,504.00	-122,032.00
Losses of devaluation of assets		
Add : Changing income of fair value		-25,480.00
Investment income	-547,518.00	-1,021,452.00
Including: Investment income on affiliate company and joint venture		
Exchange income		
III. Operating profit	-2,237,596.00	-3,196,941.00
Add : Non-operating income	1,725,229.00	29,602.00
Less: Non-operating expense	19,043.00	2,982,915.00
Including :Disposal loss of non-current assets	19,043.00	
IV. Total profit	-531,410.00	-6,150,254.00
Less: Income tax		
V. Net profit (“-”for net loss	-531,410.00	-6,150,254.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	-531,410.00	-6,150,254.00
Minority shareholders’ equity		
VI. Earnings per share:	--	--
(I) Basic earnings per share	0	-0.04
(II)Diluted earnings per share	0	-0.04
VII. Other comprehensive income	-800,754.00	-126,050.00
VIII. Total comprehensive income	-1,332,164.00	-6,276,304.00
Total comprehensive income attributable to the owner of the parent company	-1,332,164.00	-6,276,304.00
Total comprehensive income attributable minority shareholders		

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	1,359,820.00	1,133,937.00
Less: Business cost	2,768,487.00	3,473,052.00
Business tax and surcharge	125,097.00	
Sales expense		
Administrative expense	3,912,575.00	4,075,596.00
Financial expenses	-1,522,065.00	-962,700.00
Asset impairment loss		
Add: Gains from change of fair value ("-"for loss)		-25,480.00
Investment gain ("-"for loss)		11,022.00
Incl: investment gains from affiliates		
II. Operational profit	-1,408,667.00	-2,353,573.00
Add: Non-business income	1,723,304.00	5,174.00
Less: Non business expenses	6,927.00	2,982,915.00
Incl: Loss from disposal of non-current assets		
III. Total profit	307,710.00	-5,331,314.00
Less: Income tax expenses		
IV. Net profit	307,710.00	-5,331,314.00
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VII. Other comprehensive income		
VIII. Total comprehensive income	307,710.00	-5,331,314.00

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	8,629,764.00	7,324,251.00
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	1,414,842.00	945,178.00
Sub-total of cash inflow	10,044,606.00	8,269,429.00
Cash paid for purchasing of merchandise and services		
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	2,015,756.00	2,200,990.00
Taxes paid	1,614,901.00	1,435,562.00
Other cash paid for business activities	3,626,268.00	3,844,465.00
Sub-total of cash outflow from business activities	7,256,925.00	7,481,017.00
Cash flow generated by business operation, net	2,787,681.00	788,412.00
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	5,087,000.00	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	5,087,000.00	51,841.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	94,091.00	115,375.00
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	94,091.00	115,375.00
Net cash flow generated by investment	4,992,909.00	-63,534.00
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		
Cash to repay debts	10,000,000.00	
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	10,000,000.00	
Net cash flow generated by financing	-10,000,000.00	
IV. Influence of exchange rate alternation on cash and cash equivalents	-544,224.00	222,976.00
V.Net increase of cash and cash equivalents	-2,763,634.00	947,854.00

Add: balance of cash and cash equivalents at the beginning of term	52,227,262.00	53,399,316.00
VI ..Balance of cash and cash equivalents at the end of term	49,463,628.00	54,347,170.00

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	2,565,110.00	1,133,937.00
Tax returned		
Other cash received from business operation	2,244,972.00	1,297,025.00
Sub-total of cash inflow	4,810,082.00	2,430,962.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	1,419,576.00	1,346,093.00
Taxes paid	828,898.00	634,383.00
Other cash paid for business activities	2,259,264.00	2,552,863.00
Sub-total of cash outflow from business activities	4,507,738.00	4,533,339.00
Cash flow generated by business operation, net	302,344.00	-2,102,377.00
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	5,072,000.00	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	5,072,000.00	51,841.00
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		
Net cash flow generated by investment	5,072,000.00	51,841.00
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		
Cash to repay debts	10,000,000.00	
Cash paid as dividend, profit, or interests		

Other cash paid for financing activities		
Sub-total of cash outflow due to financing activities	10,000,000.00	
Net cash flow generated by financing	-10,000,000.00	
IV. Influence of exchange rate alternation on cash and cash equivalents		
V.Net increase of cash and cash equivalents	-4,625,656.00	-2,050,536.00
Add: balance of cash and cash equivalents at the beginning of term	17,293,510.00	21,483,163.00
VI ..Balance of cash and cash equivalents at the end of term	12,667,854.00	19,432,627.00

Legal representative : Hu Yongfeng

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

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