



Shenzhen Victor Onward Textile Industrial Co., Ltd.
The Third Quarterly Report 2014

October 2014

1. Important Notes

The Board of Directors, the Supervisory Committee, the directors, the supervisors, and executives of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Quarterly Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Quarterly Report.

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

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)declare: the financial report carried in this report is authentic and completed.

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

	End of the report period	End of last year	Year-on –year change	
Gross assets (RMB)	198,177,211.00	170,502,789.00	16.23%	
Net assets attributable to the shareholders of the listed company (RMB)	127,724,194.00	126,320,072.00	1.11%	
	This report period	Year-on change(%)	Between beginning of the year to the end of the report period	Change from the same period last year
Operating income (RMB)	2,954,687.00	14.07%	8,032,138.00	5.95%
Net profit attributable to the shareholders of the listed company (RMB)	434,763.00	-87.90%	1,173,093.00	-320.75%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	434,869.00	-182.19%	1,175,117.00	-152.52%
Cash flow generated by business operation, net (RMB)	--	--	4,348,453.00	55.99%
Basic earning per share(RMB/Share)	0.003	-85.71%	0.007	-320.75%
Diluted gains per share(RMB/Share)(RMB/Share)	0.003	-85.71%	0.007	-320.75%
Weighted average income/asset ratio (%)	0.34%	-2.74%	0.87%	1.32%

Items and amount of non-current gains and losses

Applicable Not applicable

In RMB

Items	Amount from beginning of the year to the end of the	Notes
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	report period	
Net amount of non-operating income and expense except the aforesaid items	-2,024.00	
Total	-2,024.00	--

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

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

(II) Total number of shareholders and shareholding of top 10 shareholders by the end of the report period

(1) Total number of common shareholders and shareholding of top 10 common shareholders by the end of the report period

In Shares

Total number of shareholders at the end of report period							9,932
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	2.89%	4,890,000	0			
Zeng Ying	Domestic Natural person	1.22%	2,070,600	0			
Shenzhen Textile (Group) Holdings Ltd	State-owned Legal person	1.02%	1,722,794	0			
Liuzhou Ruiheng Mechatronics Co., Ltd.	Domestic Non-State-owned legal person	1.02%	1,720,100	0			
Jiang Jiayuan	Domestic Natural person	0.58%	978,057	0			
KGI ASIA LIMITED	Foreign Legal person	0.55%	927,450	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.	4,890,000	RMB Common shares	4,890,000
Zeng Ying	2,070,600	Foreign shares placed in domestic exchange	2,070,600
Shenzhen Textile (Group)Holdings Ltd	1,722,794	RMB Common shares	1,722,794
Liuzhou Ruiheng Mechatronics Co., Ltd.	1,720,100	RMB Common shares	1,720,100
Jiang Jiayuan	978,057	RMB Common shares	978,057
KGI ASIA LIMITED	927,450	Foreign shares placed in domestic exchange	927,450
Explanation on associated relationship among the aforesaid shareholders	Union Development Group Ltd. is the controlling shareholder of the above-mentioned largest shareholder Shenzhen Union Holdings Ltd. and third shareholder Rich Crown Investment Co., Ltd. The other tradable shareholders neither knew whether there exists associated relationship between them.		

Participation of top 10 unconditional common share shareholders in securities margin trading (if any)	Among the shareholders above, Liuzhou Jiali Real estate Development Co., Ltd. holds 2,668,900 shares of the Company through stock account with credit transaction and guarantee of Guohai Securities Co., Ltd. It holds 2, 221,100 shares through ordinary stock account. Liuzhou Ruiheng Mechatronics Co., Ltd. holds 1,720,100 shares of the Company through stock account with credit transaction and guarantee of Guohai Securities Co., Ltd.; Jiang Jiayuan holds 324,090 shares of the Company through stock account with credit transaction and guarantee of Guangfa Securities Co., Ltd. It holds 653,967 shares through ordinary stock account.
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Agreed re-purchasing by the Company's top 10 shareholders of common shares and top 10 shareholders of unconditional common shares in the report period

Yes No

No agreed re-purchasing is performed by the Company's shareholders in the report period.

(2) Total number of preferred shareholders and shareholding of top 10 preferred shareholders by the end of the report period

Applicable Not applicable

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

√ Applicable □ Not applicable

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

In RMB

Items	September 30, 2014	December 31, 2013	Amount of increased / decreased	Proportion increased decreased
Monetary fund	93,890,512	63,502,910	30,387,602	47.85%
Bill receivable	0	1,500,000	-1,500,000	-100%
Other account receivable	49,971,992	22,663,345	27,308,647	120.50%

1. Monetary fund increased by RMB 30,387,602, owing to the guarantee fee RMB 33,000,000 charged from clients.

2. Bill receivable decreased by RMB 1,500,000, since it is due to acceptance.

3. Other account receivable increased by RMB 27,308,647, owing to the guarantee fee RMB 33,000,000 charged from clients and Union Group loan principal payments of RMB 6,291,275.

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

In the period from January 2014 to September 2014, the company earned operating income of RMB 8.03 million on accumulative basis, which increased slightly compared with the same period last year of RMB 7.58 million; Net profit is RMB 1.17 million which realized the turnaround compared with the same period last year.

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

Increase rental property lease area this period to achieve rental income growth.

(2) The Main reasons for profits:

Mainly Due to equity method accounted for earnings losses of the investment enterprises Hangzhou Bay decreased RMB 1.59 million compared with last year.

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

In the period from January 2014 to September 2014, Net increase of cash and cash equivalents increased by RMB 0.15 million over the previous year, mainly due to pay RMB 10 million loan to principal Union Group over the same period last year, Pay RMB 6,291,275 loan principal to Union Group in current period.

In RMB

Items	This period	Same period of last year	Amount of increased/decreased	Proportion Increased/ decreased
Net cash flows arising from				
Operating activities	4,348,453	2,787,681	1,560,772	55.99%
Net cash flows from				
investing activities	-95,474	4,992,909	-5,088,383	-101.91%

Net cash flows from financing activities	-6,291,275	-10,000,000	3,708,725	-37.09%
The influence of change in exchange rate	-574,102	-544,224	-29,878	5.49%
Net increase of cash and cash equivalents	-2,612,398	-2,763,634	151,236	-5.47%

(1)At the end of the report period, Net cash flows from operating activities increased by RMB 1,560,772 year on year, Mainly due to increase income and savings;

(2)In the report period, Net cash flows from investing activities decreased by RMB5,088,383 year on year, mainly due to the disposal of fixed assets Machinery and equipment same period last year;

(3)At the end of the report period, There were no net cash flows from financing activities increased by RMB3,708,725 year on year, mainly due to Union Group principal payments ;

(4)At the end of the report period, the influence of change in exchange rate on cash and cash equivalents decreased by RMB29,878 year on year;

(5)At the end of the report period, net increase in cash and cash equivalents increased by RMB151,236 year on year.

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

√ Applicable □ Not applicable

During the period of report, On June 16, 2014, the company started planning the reorganization of the major assets. The company disclosed the "Shenzhen Victor Onward Textile Industrial Co., Ltd. major assets and issue shares to buy assets and plans to raise matching funds" and other related announcement on October 15, 2014. This plan needs to be subject to the Board and the shareholders' meeting. Currently the major asset reorganization related work above is under way. Details refer to October 15, 2014, "Securities Times", "Hong Kong Commercial Daily" and www.cninfo.com.cn.

Description of provisional announcement	Date of disclosing	Description of the website for disclosing provisional announcements
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	June 16, 2012	Announcement No. 2012-0614, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn

<p>No.0002 (2012) of “Notice on Indictment Acceptance and Collegial Panel Announcement” issued by Jiangsu Province Higher People's Court on June 14, 2012. The Defendant Nanjing East Asia Textile Printing and Dyeing Co., Ltd. made objection to the jurisdiction of this case during the period of defence submission. The court formed a collegial bench and conducted examination according to law. On December 24, 2013, Jiangsu Higher People's Court issued Civil Ruling Paper to reject the objection made by Nanjing East Asia Textile Printing and Dyeing Co., Ltd. about the jurisdiction. ((2013) SSWXCZ No. 0001 Civil Ruling Paper of Jiangsu Higher People's Court Civil Ruling Paper)</p>		
<p>“The Announcement on a part of Shenzhen Victor Onward Textile Industrial Co., Ltd. Factory Buildings Collected by the Government”, the Management Committee of Shenzhen Dapeng District released “The Decision Announcement on the Management Committee of Shenzhen Dapeng New District Collecting Houses” which says, the committee decided to collect the related housing estates located in Kuixin community for the need to build a people’s hospital in Dapeng new district. The housing estates which would be collected this time include Kuichong Company’s part of the buildings which haven’t got estate right certificate, and the area of these buildings is 18,000 square meters.</p>	<p>July 24, 2014</p>	<p>Announcement No. 2014-0673, Securities Times, Hong Kong Commercial Daily and www.cninfo.com.cn</p>

III. The commitments of the Company and its shareholders hold over 5% of the Company’s total shares in the report year of extending to the report year from previous year.

Applicable Not applicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Union Holding	Committed	June 3, 2009	In effect	Under

	Co., Ltd.	when the restricted-for-sale shares from the shares restructuring were listed for circulation in the market: i. if they plan to sell the shares through the securities exchange system in the future, and the decrease of the shares they hold reaches 5% within 6 months after the first decrease, they will disclose an announcement indicating the sale through the company within two trading days before the first decrease; ii. They shall strictly observe the “Guidelines on Transfer of Restricted-for-sale Original Shares of Listed Companies” and the provisions of the relevant business principles of Shenzhen Stock Exchange.			Fulfillment
Commitment in the acquisition report or the report on equity	Not applicable				

changes					
Commitment made upon the assets replacement	Not applicable				
Commitments made upon issuance	Not applicable				
Other commitments made to minority shareholders	Not applicable				
Executed timely or not?	Yes				
Detailed person for failing to execute and the next plan (If any)	Not applicable				

IV. Prediction of Business performance for January- March 2014

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

V. Securities investment

Applicable Not applicable

There is no securities investment during the report period.

State of holding stocks of other PLCs

Applicable Not applicable

The Company was not holding any stock of other PLCs as of the end of report period.

VI. Derivative investment

Applicable Not applicable

There is no derivative investment during the report period.

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

Applicable Not applicable

The Period has no research, communication and written inquiry from the investors in the report period.

VIII. Influence of the newly promulgated or amended accounting standards on our consolidated financial statements

Applicable Not applicable

IV. Financial statements

I. Financial statements

1. Consolidated Balance sheet

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

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	93,890,512.00	63,502,910.00
Settlement provision		
Outgoing call loan		
Financial assets measured at fair value with variations accounted into current income account		
Bill receivable		1,500,000.00
Account receivable		
Prepayments	10,594.00	25,192.00
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		79,340.00
Dividend receivable		
Other account receivable	336,514.00	311,279.00
Repurchasing of financial assets		
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	94,237,620.00	65,418,721.00
Non-current assets:		
Loans and payment on other's behalf disbursed		

Disposable financial asset	587,562.00	582,942.00
Expired investment in possess		
Long-term receivable		
Long term share equity investment	68,365,082.00	66,931,685.00
Property investment	21,587,292.00	23,458,153.00
Fixed assets	6,509,801.00	7,191,205.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,790,230.00	1,820,459.00
R & D petrol		
Goodwill	5,099,624.00	5,099,624.00
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	103,939,591.00	105,084,068.00
Total of assets	198,177,211.00	170,502,789.00
Current liabilities		
Short-term loans		
Loan from Central Bank		
Deposit received and hold for others		
Call loan received		
Financial liabilities measured at fair value with variations accounted into current income account		
Bill payable		
Account payable	3,197,332.00	3,186,939.00
Advance payment	1,076,902.00	1,076,531.00
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	1,013,087.00	1,109,352.00
Tax payable	3,456,070.00	4,250,191.00
Interest payable		

Dividend payable	1,215,946.00	1,215,946.00
Other account payable	49,971,992.00	22,663,345.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability	1,434,763.00	1,547,263.00
Total of current liability	61,366,092.00	35,049,567.00
Non-current liabilities:		
Long-term loan	1,017,460.00	1,101,349.00
Bond payable		
Long-term payable	8,295,913.00	8,230,694.00
Special payable		
Expected liabilities		
Differed income tax liability	675,180.00	702,735.00
Other non-current liabilities	836,792.00	836,792.00
Differed income	10,825,345.00	10,871,570.00
Total of liability	72,191,437.00	45,921,137.00
Owners' equity		
Share capital	169,142,356.00	169,142,356.00
Capital reserves	39,645,048.00	39,645,048.00
Less: Shares in stock		
Special reserves		
Other comprehensive income		
Surplus reserves	26,704,791.00	26,704,791.00
Common risk provision		
Undistributed profit	-106,886,038.00	-108,059,131.00
Other Comprehensive Incomes	-881,963.00	-1,112,992.00
Total of owner's equity belong to the parent company	127,724,194.00	126,320,072.00
Minority shareholders' equity	-1,738,420.00	-1,738,420.00
Total of owners' equity	125,985,774.00	124,581,652.00

Total of liabilities and owners' equity	198,177,211.00	170,502,789.00
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Legal representative : Hu Yongfeng

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

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

2. Balance sheet of Parent Company

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

In RMB

Items	Year-end balance	Year-beginning balance
Current asset:		
Monetary fund	44,163,899.00	10,557,501.00
Financial assets measured at fair value with variations accounted into current income account		
Bill receivable		1,500,000.00
Account receivable		
Prepayments		
Interest receivable		
Dividend receivable		
Other account receivable	81,526,295.00	80,967,376.00
Inventories		
Assets held for sales		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	125,690,194.00	93,024,877.00
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	4,470,694.00	4,723,575.00
Fixed assets	4,384,712.00	4,384,712.00
Construction in progress		

Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,790,230.00	1,820,459.00
R & D petrol		
Goodwill		
Long-germ expenses to be amortized		
Differed income tax asset		
Other non-current asset		
Total of non-current assets	47,434,589.00	47,717,699.00
Total of assets	173,124,783.00	140,742,576.00
Current liabilities		
Short-term loans		
Financial liabilities measured at fair value with variations accounted into current income account		
Bill payable		
Account payable	113,344.00	113,344.00
Advance payment	302,540.00	302,540.00
Employees' wage payable	639,681.00	677,181.00
Tax payable	647,295.00	767,076.00
Interest payable		
Dividend payable		
Other account payable	34,241,346.00	1,158,902.00
Liabilities held for sales		
Non-current liability due in 1 year		
Other current liability	1,434,763.00	1,547,263.00
Total of current liability	37,378,969.00	4,566,306.00
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	42,395,899.00	9,583,236.00
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		
Other comprehensive income		
Surplus reserves	26,309,287.00	26,309,287.00
Commonly risk Reserves		
Undistributed profit	-91,931,123.00	-91,500,667.00
Other Comprehensive Incomes	-4,398,234.00	-4,398,234.00
Total of owners' equity	130,728,884.00	131,159,340.00
Total of liabilities and owners' equity	173,124,783.00	140,742,576.00

Legal representative : Hu Yongfeng

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

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

3.Consolidated Profit statement of the report period

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

In RMB

Item	Report period	Same period of the previous year
I. Income from the key business	2,954,687.00	2,590,258.00
Incl: Business income	2,954,687.00	2,590,258.00
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,704,382.00	2,642,927.00
Incl: Business cost	720,959.00	562,953.00
Interest expense		

Fee and commission paid		
Insurance discharge payment		
Net claim amount paid		
Insurance policy dividend paid		
Insurance policy dividend paid		
Reinsurance expenses		
Business tax and surcharge	95,048.00	140,673.00
Sales expense		
Administrative expense	2,056,474.00	2,160,795.00
Financial expenses	-168,099.00	-221,494.00
Asset impairment loss		
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	184,564.00	-476,435.00
Incl: investment gains from affiliates	-857,157.00	71,083.00
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	434,869.00	-529,104.00
Add: Non-business income	4,894.00	1,721,300.00
Less: Non business expenses	5,000.00	-2,400,000.00
Incl: Loss from disposal of non-current assets	-1,918.00	
IV.Total profit(“-”for loss)	434,763.00	3,592,196.00
Less: Income tax expenses		
V. Net profit (“-”for net loss)	434,763.00	3,592,196.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	434,763.00	3,592,196.00
Minority shareholders' equity		
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.003	0.021
(II)Diluted earnings per share	0.003	0.021
VII. Other comprehensive income	-31,560.00	-191,503.00
Including: other comprehensive income items that will not be reclassified into	-31,560.00	-191,503.00

gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
VIII. Total comprehensive income	403,203.00	3,400,693.00
Total comprehensive income attributable to the owner of the parent company	403,203.00	3,400,693.00
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

4. Profit statement of the Parent Company of the Report period

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

In RMB

Items	Report period	Same period of the previous year
I. Income from the key business	946,830.00	451,350.00
Incl: Business cost	84,294.00	84,294.00
Business tax and surcharge	33,459.00	48,828.00
Sales expense		
Administrative expense	1,190,456.00	1,223,695.00
Financial expenses	-453,871.00	-751,459.00
Asset impairment loss		
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)		
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	92,492.00	-154,008.00
Add: Non-business income		1,721,304.00
Less: Non business expenses	5,000.00	-2,400,000.00

Incl: Loss from disposal of non-current assets		
III.Total profit("-"for loss)	87,492.00	3,967,296.00
Less: Income tax expenses		
IV. Net profit ("-"for net loss)	87,492.00	3,967,296.00
V. Earnings per share:	--	--
(I) Basic earnings per share		
(II)Diluted earnings per share		
VI. Other comprehensive income		
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
VII. Total comprehensive income	87,492.00	3,967,296.00

Legal representative : Hu Yongfeng

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

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

5. Consolidated Profit statement between the beginning of the year and end of the report period

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

In RMB

Items	Amount in this period	Amount in last period
I. Total operating income	8,032,138.00	7,580,884.00
Including: Operating income	8,032,138.00	7,580,884.00
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	7,898,742.00	9,270,962.00
Including: Operating cost	2,166,988.00	2,636,266.00
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	351,188.00	371,339.00
Sales expenses		
Administration expenses	5,607,384.00	6,210,853.00
Financial expenses	-226,818.00	52,504.00
Losses of devaluation of assets		
Add : Changing income of fair value		
Investment income	1,041,721.00	-547,518.00
Including: Investment income on affiliate company and joint venture		
Exchange income		
III. Operating profit	1,175,117.00	-2,237,596.00
Add : Non-operating income	4,894.00	1,725,229.00
Less: Non-operating expense	6,918.00	19,043.00
Including :Disposal loss of non-current assets		19,043.00
IV. Total profit	1,173,093.00	-531,410.00
Less: Income tax		
V. Net profit ("-"for net loss	1,173,093.00	-531,410.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	1,173,093.00	-531,410.00
Minority shareholders' equity		
VI. Earnings per share:	--	--
(I) Basic earnings per share	0.007	-0.003
(II)Diluted earnings per share	0.007	-0.003
VII. Other comprehensive income	231,029.00	-800,754.00

Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period	231,029.00	-800,754.00
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
VIII. Total comprehensive income	1,404,122.00	-1,332,164.00
Total comprehensive income attributable to the owner of the parent company	1,404,122.00	-1,332,164.00
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 of the Parent Between the Beginning of the Year and End of the Report Period

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

In RMB

Items	Report period	Same period of the previous year
I. Business income	1,988,275.00	1,359,820.00
Less: Business cost	252,880.00	252,880.00
Business tax and surcharge	105,214.00	125,097.00
Sales expense		
Administrative expense	3,370,708.00	3,912,575.00
Financial expenses	-1,315,071.00	-1,522,065.00
Asset impairment loss		
Add: Gains from change of fir value (“-”for loss)		
Investment gain (“-”for loss)		
Incl: investment gains from affiliates		
II. Operational profit	-425,456.00	-1,408,667.00
Add: Non-business income		1,723,304.00

Less: Non business expenses	5,000.00	6,927.00
Incl: Loss from disposal of non-current assets		
III.Total profit	-430,456.00	307,710.00
Less: Income tax expenses		
IV. Net profit	-430,456.00	307,710.00
V. Earnings per share	--	--
(I) Basic earnings per share		
(II) Diluted earnings per share		
VI. Other comprehensive income		
Including: other comprehensive income items that will not be reclassified into gains/losses in the subsequent accounting period		
Other comprehensive incomes that can be reclassified into gains/losses in the subsequent accounting period when certain conditions are satisfied		
VII. Total comprehensive income	-430,456.00	307,710.00

Legal representative : Hu Yongfeng

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

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

7. Consolidated Cash Flow Statement Between the Beginning of the Year and End of the Report Period

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

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	9,532,138.00	8,629,764.00
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	1,046,340.00	1,414,842.00
Sub-total of cash inflow	10,578,478.00	10,044,606.00
Cash paid for purchasing of merchandise and services	0.00	
Net increase of client trade and advance	0.00	
Net increase of savings in central bank and brother company	0.00	
Cash paid for original contract claim	0.00	
Cash paid for interest, processing fee and commission	0.00	
Cash paid for policy dividend	0.00	
Cash paid to staffs or paid for staffs	1,690,315.00	2,015,756.00
Taxes paid	1,558,050.00	1,614,901.00
Other cash paid for business activities	2,981,660.00	3,626,268.00
Sub-total of cash outflow from business activities	6,230,025.00	7,256,925.00
Cash flow generated by business operation, net	4,348,453.00	2,787,681.00
II. Cash flow generated by investing		
Cash received from investment retrieving	0.00	

Cash received as investment gains	0.00	
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets	0.00	5,087,000.00
Net cash received from disposal of subsidiaries or other operational units	0.00	
Other investment-related cash received	0.00	
Sub-total of cash inflow due to investment activities	0.00	5,087,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	95,474.00	94,091.00
Cash paid as investment	0.00	
Net increase of loan against pledge	0.00	
Net cash received from subsidiaries and other operational units	0.00	
Other cash paid for investment activities	0.00	
Sub-total of cash outflow due to investment activities	95,474.00	94,091.00
Net cash flow generated by investment	-95,474.00	4,992,909.00
III.Cash flow generated by financing		
Cash received as investment		
Incl: Cash received as investment from minor shareholders		
Cash received as loans		
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts	6,291,275.00	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	6,291,275.00	10,000,000.00

financing activities		
Net cash flow generated by financing	-6,291,275.00	-10,000,000.00
IV. Influence of exchange rate alternation on cash and cash equivalents	-574,102.00	-544,224.00
V.Net increase of cash and cash equivalents	-2,612,398.00	-2,763,634.00
Add: balance of cash and cash equivalents at the beginning of term	63,502,910.00	52,227,262.00
VI ..Balance of cash and cash equivalents at the end of term	60,890,512.00	49,463,628.00

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 of the Parent Between the Beginning of the Year and End of the Report Period

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

In RMB

Items	Amount in this period	Amount in last period
I.Cash flows from operating activities		
Cash received from sales of goods or rendering of services	3,411,993.00	2,565,110.00
Tax returned		
Other cash received from business operation	1,571,917.00	2,244,972.00
Sub-total of cash inflow	4,983,910.00	4,810,082.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	1,131,507.00	1,419,576.00
Taxes paid	810,942.00	828,898.00
Other cash paid for business activities	2,435,063.00	2,259,264.00
Sub-total of cash outflow from business activities	4,377,512.00	4,507,738.00
Cash flow generated by business	606,398.00	302,344.00

operation, net		
II.Cash flow generated by investing		
Cash received from investment retrieving		
Cash received as investment gains		
Net cash retrieved from disposal of fixed assets, intangible assets, and other long-term assets		5,072,000.00
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
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
III.Cash flow generated by financing		
Cash received as investment		
Cash received as loans		
Cash received from bond placing		
Other financing –related cash received		
Sub-total of cash inflow from financing activities		
Cash to repay debts		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	606,398.00	-4,625,656.00
Add: balance of cash and cash equivalents at the beginning of term	10,557,501.00	17,293,510.00
VI ..Balance of cash and cash equivalents at the end of term	11,163,899.00	12,667,854.00

Legal representative : Hu Yongfeng

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

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

II. Auditor's report

Whether the Q3 report is audited

Yes No

The Q3 Report is not audited.