



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

April 2014

1 Important notes

The Board of Directors and the Supervisory Committee of the Company and its directors, supervisors and senior executives should guarantee the reality, accuracy and completion of the quarterly report, there are no any fictitious statements, misleading statements or important omissions carried in this report , and shall take legal responsibilities, individual and /or joint.

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

Mr. Hu Yongfeng, Person in charge of the Company, Mr. Zhang Jinliang , Person in charge of accounting works, Mr. Ren Changzheng ,person in charge of accounting organ hereby confirm that the financial Report of this Quarterly Report is authentic, accurate and complete.

II. Main financial data and changes of shareholders

(1) Main financial data and indices

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

Yes No

	This period	Same period of last year	Changes of this period over same period of last year (%)
Operating income (RMB)	2,432,585.00	2,430,392.00	0.09%
Net profit attributable to the shareholders of the listed company (RMB)	-1,144,673.00	-2,662,785.00	-57.01%
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	-1,144,673.00	-2,645,703.00	-56.73%
Cash flow generated by business operation, net (RMB)	1,295,741.00	987,246.00	31.25%
Basic earning per share(RMB/Share)	-0.01	-0.02	-50%
Diluted gains per share(RMB/Share)(RMB/Share)	-0.01	-0.02	-50%
Weighted average return on equity (%)	-0.91%	-2.27%	1.36%
	End of this period	End of last period	Changes of this period-end over same period-end of last year(%)
Gross assets (RMB)	170,821,000.00	170,502,789.00	0.19%
Net profit attributable to the shareholders of the listed company (RMB)	125,300,821.00	126,320,072.00	-0.81%

Items and amount of non-current gains and losses

applicable not applicable

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

In Shares

Total number of shareholders at the end of report period	10,456
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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	2.69%	4,545,700	0		
Shenzhen Textile (Group) Holdings Ltd	State-owned Legal person	1.68%	2,840,594	0		
Zeng Ying	Domestic Natural person	1.22%	2,070,600	0		
Liuzhou Ruiheng Mechatronics Co., Ltd.	Domestic Non-State-owned legal person	1.01%	1,710,100	0		
KGI ASIA LIMITED	Foreign Legal person	0.55%	927,450	0		
Jiang Jiayuan	Domestic Natural person	0.54%	909,184	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	24,466,029			

		exchange	
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.	4,545,700	RMB Common shares	4,545,700
Shenzhen Textile (Group)Holdings Ltd	2,840,594	RMB Common shares	2,840,594
Zeng Ying	2,070,600	Foreign shares placed in domestic exchange	2,070,600
Liuzhou Ruiheng Mechatronics Co., Ltd.	1,710,100	RMB Common shares	1,710,100
KGI ASIA LIMITED	927,450	Foreign shares placed in domestic exchange	927,450
Jiang Jiayuan	909,184	RMB Common shares	909,184
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.		
Top 10 shareholders taking part in margin financing and securities lending (if any)	N/A		

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

Yes No

§3 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.

Items	March 31, 2014	December 31, 2013	Amount of increased / decreased	In RMB
				Proportion increased decreased
Other account receivable	41,829	311,279	-269,450	-86.56%

(1) Other account receivable decreased by RMB 269,450 and 86.56% mainly due to recover part of other receivables.

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 March 2014, the company earned operating income of RMB 2.43 million on accumulative basis, unchanged with last year. Net profit is RMB- 1.14 million, compare to the data last year same period, which loss decreased by RMB 1.5 million.

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

Affected by the real estate rental situation without significant changes affecting.

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

mainly Due to equity method accounted for earnings losses of the investment enterprises Hangzhou Bay decreased RMB 1.01 million compared with last year, as well as the disposal of part of the property subject to the prior year related costs and expenses decreased impact.

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 March 2014, Net increase of cash and cash equivalents increased by RMB 10.72 million over the previous year, mainly due to pay RMB10 million loan to principal Union Group over the same period last year, while the current period did not occur..

Items	This period	Same period of last year	Amount of increased/decreased	In RMB
				Proportion Increased/ decreased
Net cash flows arising form				
Operating activities	1,295,741	987,246	308,495	31.25%
Net cash flows from				
investing activities	-30,895	5,539	-36,434	-657.77%
Net cash flows from				
financing activities	0	-10,000,000	10,000,000	-100%
The influence of change				
in exchange rate	356,477	-100,570	457,047	-454.46%
Net increase of cash and				
cash equivalents	1,621,323	-9,107,785	10,729,108	-117.80%

(1) At the end of the report period, Net cash flows from operating activities increased by RMB 308,495 year on year;

(2) In the report period, Net cash flows from investing activities decreased by RMB 36,434 year on year;

(3)At the end of the report period, There were no net cash flows from financing activities increased by RMB10,000,000 year on year;

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

(5)At the end of the report period, net increase in cash and cash equivalents increased by RMB10,729,108 year on year.

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

(1) 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.

Except that Shenzhen East Asia Victor Onward Textile Printing and Dyeing Co., Ltd. is still operating normally, other 5 subsidiaries controlled by the Company have stopped operation or are maintaining daily operation by house property lease. The Company planned to invest in the joint venture project of Nanjing East Asia Textile Printing and Dyeing Co., Ltd. with partial machinery and equipment in 2007. Due to change of foundation of joint venture and prospect of the industry, the capital increase was not completed. 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. 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). The case hasn't yet been tried,

(2) After the 2013 Annual Report, the company has cancelled the special treatment to stock referring the warning of delisting risk and other risk warnings.

The 2013 Fiscal Report has been audited by Dahua Certified Public Accountants (Special General Partnership), within which it is stated: the net profit of the company in 2013 is RMB 7,849,904, while the net profit attributed to the shareholders of the listed company is RMB 8,214,810 . According to the related provisions in Shenzhen Stock Exchange Listing Rules, The situation that A shares and B shares treated with special measures as warning of delisting risk has been eliminated, while there is no other circumstances of issuing delisting risk warning nor implementing other risks warnings. Approved by the Shenzhen Stock Exchange, since March 13, 2014, the warning of delisting risk towards the company's stock transactions has been cancelled, as well as other risks warnings.

Description of provisional announcement	Date of disclosing	Description of the website for disclosing provisional announcements
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Announcement on lawsuits of Shenzhen Victor Onward Textile Industrial Co., Ltd.	June 16, 2012	http://www.cninfo.com.cn/finalpage/2012-06-16/61144742.PDF
Announcement of the Resignation of Independent Director Ms. Chen Jinmei.	January 23, 2014	http://www.cninfo.com.cn/finalpage/2014-01-23/63514325.PDF
Announcement of the Proposal of the cancellation the special treatment to stock referring the warning of delisting risk and other risk warnings of Board of Directors of Shenzhen Victor Onward Textile Industrial Co., Ltd.	March 12, 2014	http://www.cninfo.com.cn/finalpage/2014-03-12/63664541.PDF

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

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform	Union Holding Co., Ltd.	Committed 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		In effect	Under Fulfillment

		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.			
Commitment in the acquisition report or the report on equity changes	Not applicable				
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

Fore-notice of earnings: Make up the deficits

Type of date filled for the prediction: Interval figures

	Year beginning to end of next report period		Same period of the previous year	Increase or decrease%			
Estimated amount of accumulative net	0	-- 100	-412	--	-124.27%	--	-100%

profit(RMB'0000)								
Basic earnings per shares (Yuan/share)	0	--	0.006	-0.02	--	-130%	--	-100%
Notes to fore-notice of earnings	Due to the effect of making up the deficits in the first half 2014 of Zhejiang Union Hangzhou Bay Ventures Co., Ltd. based on the equity method, the company expects the accumulative net profit for the period for January-June 2014 is estimated to be gains and about RMB 0 million to RMB 1 million.							

V. 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
January 13, 2014	BOD office of the Company	By phone	Individual	Investor	Enquiry of the house renting situation of the company
January 21, 2014	BOD office of the Company	By phone	Individual	Investor	Enquiry of the company's current situation

IV. Financial statement

1. Financial statement

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	65,124,233.00	63,502,910.00
Settlement provision		
Outgoing call loan		
Trading financial assets		
Bill receivable	1,500,000.00	1,500,000.00
Account receivable		
Prepayments	34,377.00	25,192.00
Insurance receivable		
Reinsurance receivable		
Provisions of Reinsurance contracts receivable		
Interest receivable		79,340.00
Dividend receivable		
Other account receivable	41,829.00	311,279.00
Repurchasing of financial assets		
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	66,700,439.00	65,418,721.00
Non-current assets:		
Loans and payment on other's behalf disbursed		
Disposable financial asset	629,999.00	582,942.00
Expired investment in possess		

Long-term receivable		
Long term share equity investment	66,572,839.00	66,931,685.00
Property investment	23,322,790.00	23,458,153.00
Fixed assets	6,684,926.00	7,191,205.00
Construction in progress		
Engineering material		
Fixed asset disposal		
Production physical assets		
Gas & petrol		
Intangible assets	1,810,383.00	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	104,120,561.00	105,084,068.00
Total of assets	170,821,000.00	170,502,789.00
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	3,700,662.00	3,186,939.00
Advance payment	1,076,937.00	1,076,531.00
Selling of repurchased financial assets		
Fees and commissions receivable		
Employees' wage payable	977,937.00	1,109,352.00
Tax payable	4,233,819.00	4,250,191.00
Interest payable		

Dividend payable	1,215,946.00	1,215,946.00
Other account payable	23,502,076.00	22,663,345.00
Reinsurance fee payable		
Insurance contract provision		
Entrusted trading of securities		
Entrusted selling of securities		
Non-current liability due in 1 year		
Other current liability	1,659,763.00	1,547,263.00
Total of current liability	36,367,140.00	35,049,567.00
Non-current liabilities:		
Long-term loan	1,080,007.00	1,101,349.00
Bond payable		
Long-term payable	8,302,089.00	8,230,694.00
Special payable		
Expected liabilities		
Differed income tax liability	672,571.00	702,735.00
Other non-current liabilities	836,792.00	836,792.00
Total of non-current liabilities	10,891,459.00	10,871,570.00
Total of liability	47,258,599.00	45,921,137.00
Owners' equity		
Share capital	169,142,356.00	169,142,356.00
Capital reserves	39,687,048.00	39,645,048.00
Less: Shares in stock		
Special reserves		
Surplus reserves	26,704,791.00	26,704,791.00
Common risk provision		
Undistributed profit	-109,203,874.00	-108,059,131.00
Different of foreign currency translation	-1,029,500.00	-1,112,992.00
Total of owner's equity belong to the parent company	125,300,821.00	126,320,072.00
Minority shareholders' equity	-1,738,420.00	-1,738,420.00
Total of owners' equity	123,562,401.00	124,581,652.00
Total of liabilities and owners' equity	170,821,000.00	170,502,789.00

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	10,173,310.00	10,557,501.00
Trading financial assets		
Bill receivable	1,500,000.00	1,500,000.00
Account receivable		
Prepayments		
Interest receivable		
Dividend receivable		
Other account receivable	80,936,618.00	80,967,376.00
Inventories		
Non-current asset due in 1 year		
Other current asset		
Total of current assets	92,609,928.00	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	4,639,281.00	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	1,810,383.00	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	47,623,329.00	47,717,699.00
Total of assets	140,233,257.00	140,742,576.00
Current liabilities		
Short-term loans		
Trade off financial liabilities		
Bill payable		
Account payable	113,344.00	113,344.00
Advance payment	302,540.00	302,540.00
Employees' wage payable	564,681.00	677,181.00
Tax payable	647,295.00	767,076.00
Interest payable		
Dividend payable		
Other account payable	1,264,010.00	1,158,902.00
Non-current liability due in 1 year		
Other current liability	1,659,763.00	1,547,263.00
Total of current liability	4,551,633.00	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	9,568,563.00	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		
Surplus reserves	26,309,287.00	26,309,287.00
Provision of general risk		
Undistributed profit	-91,995,313.00	-91,500,667.00
Different of foreign currency translation	-4,398,234.00	-4,398,234.00
Total of owners' equity	130,664,694.00	131,159,340.00
Total of liabilities and owners' equity	140,233,257.00	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

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	2,432,585.00	2,430,392.00
Incl: Business income	2,432,585.00	2,430,392.00
Interest income		
Insurance fee earned		
Fee and commission received		
II. Total business cost	2,959,613.00	3,442,926.00
Incl: Business cost	724,283.00	948,594.00
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	116,647.00	125,716.00
Sales expense	73,907.00	91,723.00
Administrative expense	1,957,807.00	2,006,565.00
Financial expenses	86,969.00	168,792.00
Asset impairment loss		101,536.00
Add: Gains from change of fair value (“-”for loss)		
Investment gain (“-”for loss)	-617,645.00	-1,633,169.00
Incl: investment gains from affiliates		
Gains from currency exchange (“-”for loss)		
III. Operational profit (“-”for loss)	-1,144,673.00	-2,645,703.00
Add: Non-business income		1,942.00
Less: Non business expenses		19,024.00
Incl : Loss from disposal of non-current assets		
IV.Total profit(“-”for loss)	-1,144,673.00	-2,662,785.00
Less: Income tax expenses		
V. Net profit (“-”for net loss)	-1,144,673.00	-2,662,785.00
Including: Net profit realized by the entity taken over before the takeover		
Net profit attributable to the owners of parent company	-1,144,673.00	-2,662,785.00
Minority shareholders' equity		
VI. Earnings per share:	--	--
(I) Basic earnings per share	-0.01	-0.02
(II)Diluted earnings per share	-0.01	-0.02
VII. Other comprehensive income	125,492.00	-95,420.00
VIII. Total comprehensive income	-1,019,181.00	-2,758,205.00
Total comprehensive income attributable to the owner of the parent company	-1,019,181.00	-2,758,205.00

Total comprehensive income attributable minority shareholders		
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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

4. Profit statement of the Parent Company

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

In RMB

Items	Amount in this period	Amount in last period
I. Income from the key business	415,960.00	481,360.00
Less: Business cost	84,293.00	84,293.00
Business tax and surcharge	24,633.00	37,953.00
Sales expense		
Administrative expense	1,229,898.00	1,198,710.00
Financial expenses	-428,218.00	-326,156.00
Asset impairment loss		
Add: Gains from change of for value (“-”for loss)		
Investment gain (“-”for loss)		
Incl: investment gains from affiliates		
II. Operational profit (“-”for loss)	-494,646.00	-513,440.00
Add: Non-business income		
Less: Non- business expenses		6,927.00
Incl: Loss from disposal of non-current assets		
III.Total profit(“-”for loss)	-494,646.00	-520,367.00
Less: Income tax expenses		
IV. Net profit (“-”for net loss)	-494,646.00	-520,367.00
V. Earnings per share:	--	--
(I) Basic earnings per share	0	0
(II)Diluted earnings per share	0	0

VI. Other comprehensive income	0.00	0.00
VII. Total comprehensive income	-494,646.00	-520,367.00

Legal representative : Hu Yongfeng

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

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

5. Consolidated Cash flow statement

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	2,432,585.00	2,917,174.00
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	1,159,632.00	339,164.00
Sub-total of cash inflow	3,592,217.00	3,256,338.00
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	781,251.00	743,566.00
Taxes paid	546,399.00	360,551.00
Other cash paid for business activities	968,826.00	1,164,975.00
Sub-total of cash outflow from business activities	2,296,476.00	2,269,092.00
Cash flow generated by business operation, net	1,295,741.00	987,246.00
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		37,000.00
Net cash received from disposal of subsidiaries or other operational units		
Net cash received from disposal of subsidiaries or other operational units		

Sub-total of cash inflow due to investment activities		37,000.00
Cash paid for construction of fixed assets, intangible assets and other long-term assets	30,895.00	31,461.00
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	30,895.00	31,461.00
Net cash flow generated by investment	-30,895.00	5,539.00
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		-10,000,000.00

financing		
IV. Influence of exchange rate alternation on cash and cash equivalents	356,477.00	-100,570.00
V.Net increase of cash and cash equivalents	1,621,323.00	-9,107,785.00
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	65,124,233.00	43,119,477.00

Legal representative : Hu Yongfeng

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

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

6. Cash flow statement of the Parent Company

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	415,960.00	939,510.00
Tax returned		
Other cash received from business operation	654,549.00	419,915.00
Sub-total of cash inflow	1,070,509.00	1,359,425.00
Cash paid for purchasing of merchandise and services		
Cash paid to staffs or paid for staffs	523,197.00	524,657.00
Taxes paid	344,353.00	162,342.00
Other cash paid for business activities	587,150.00	486,750.00

Sub-total of cash outflow from business activities	1,454,700.00	1,173,749.00
Cash flow generated by business operation, net	-384,191.00	185,676.00
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		22,000.00
Net cash received from disposal of subsidiaries or other operational units		
Other cash receivable for investment activities		
Sub-total of cash inflow due to investment activities		22,000.00
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		22,000.00
III.Cash flow generated by financing		
Cash received from absorbing 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	-384,191.00	-9,792,324.00
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	10,173,310.00	7,501,186.00

Legal representative : Hu Yongfeng

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

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

II. Report of the Auditors

Whether the First Quarter Report has been audited or not

Yes No

The First Quarter Report hasn't been audited.

The Board of Directors of Shenzhen Victor Onward Textile Industrial Co., Ltd.

Board chairman Yongfeng

April 24, 2014