



**Wafangdian Bearing Company Limited**

**the Q3 Report for 2015**

**2015-43**

**October 2015**

## Chapter I. Important Prompts

The board of directors, board of supervisors, directors, supervisors and the top management guarantee there is no false record, misleading statement or major omission in the report, and take responsibilities for the truth, accuracy and completeness of the contents.

ALL the directors attend the board meeting.

The charger of company Mr. Meng Wei, financial controller Ms. Sun Najuan and the charger of accounting department Ms. Yao Chunjuan made the statement: guarantee the truth, completeness of the financial report of the third quarter report.

## Chapter II. Main financial dates and shareholder changes

### 2.1 Main accounting data and financial indicators

Unit: Yuan

	2015.09.30		2014.12.31		+/- (%) compared between the end of current period and last year
Total assets(RMB)	3,568,754,718.27		3,935,819,231.85		-9.33%
Owner's Equity Attributed to Shareholders of Listed Company(RMB)	1,318,206,760.37		1,381,844,988.72		-4.61%
	2015.07-.09	+/- (%) to period	2015.01-.09	+/- (%) to period	
Turnover(RMB)	558,567,387.61	-17.93%	1,726,661,066.95	-25.63%	
Net profit attributable to shareholders of the listed company(RMB)	-4,050,974.19	-85.58%	-63,638,228.35	-37.88%	
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss(RMB)	-8,179,845.87	-73.11%	-73,597,355.13	44.59%	
Net Cash flow generated by business operation(RMB)			179,596,032.54	44.55%	
Basic earnings per share(Yuan/share)	-0.010	-85.71%	-0.16	45.45%	
Diluted earnings per share(Yuan/share)	-0.010	-85.71%	-0.16	45.45%	
Net assets yield (%)	-0.30%	1.62%	-4.71%	-1.62%	

### Abnormal profit and loss items

√Applicable    □Not applicable

Unit: Yuan

Abnormal profit and loss items	2015.01-2015.09	
Profits and losses relating to disposal of fixed assets	869,570.71	
Government grants recorded into profit or loss during current period	3,666,429.90	
Profits and losses relating to the debt restructure	6,605,256.93	
Other non-business income and expenditures other than the above	-61,066.60	

Less: Influenced amount of income tax	1,121,064.16	
Total	9,959,126.78	

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 Inapplicable

## 2.2. The statement of total number of shareholders and the first 10 shareholders of current shares in the end of the report period

Unit: Share

Total number of shareholder at the end of report period						
The situation of the first 10 shareholders of current shares						
Name	Nature	Ratio (%)	Total shares held	Non-current shares held	Impaired or Frozen Shares	
					Status	Amount
Wafangdian Bearing Group Corporation	State-owned shareholder	60.60%	244,000,000	244,000,000		
AKTIEBOLAGET SKF	Foreign shareholder	19.70%	79,300,000	0	Frozen	79,300,000
Huang Junyue	Domestic shareholder	0.81%	3,250,000	0		
BOCI SECURITIES LIMITED	Foreign shareholder	0.77%	3,120,000	0		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign shareholder	0.44%	1,754,284			
Hu Xiaofeng	Domestic shareholder	0.42%	1,708,577	0		
Jin Yunhua	Domestic shareholder	0.41%	1,645,513	0		
KGI ASIA LIMITED	Foreign shareholder	0.22%	878,710	0		
MAN,KWAI WING 文贵荣	Foreign private shareholder	0.18%	713,101	0		
Zhou Junlin	Domestic shareholder	0.13%	523,100	0		
The situation of the first 10 shareholders of current shares						
Name	Current shares held at end of year (Note 4)			Category of Shares		
				Categories	Amount	
AKTIEBOLAGET SKF	79,300,000			B	79,300,000	
Huang Junyue	3,250,000			B	3,250,000	
BOCI SECURITIES LIMITED	3,120,000			B	3,120,000	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,754,284			B	1,754,284	
Hu Xiaofeng	1,708,577			B	1,708,577	
Jin Yunhua	1,645,513			B	1,645,513	
KGI ASIA LIMITED	878,710			B	878,710	
MAN,KWAI WING 文贵荣	713,101			B	713,101	
Zhou Junlin	523,100			B	523,100	

Yang Yufei	502,278	B	502,278
Notes to relationship or "action in concert" among the top ten shareholders.	There was no relationship and consistent activities between the first big shareholder and other shareholders or the top ten common stock holders; The relationship among other shareholders, top ten circulation shareholders, top ten circulation shareholders and other shareholders was not clear.		

Whether the top ten shareholders with common stock and top ten shareholders with unlimited common stock agree with the company to buy back the stock or not?

Applicable Inapplicable

Chart of preferred stock shareholders and the first tenth shareholders holding shares

Applicable Inapplicable

## Chapter III. Important Items

### 3.1 The great changes in company's key financial statement, financial indicators, and the reasons

Applicable Not applicable

No.	Items	Beginning period	End of year	+/- (%) to period	Explanation
1	Monetary fund	10,462.0	18,056.9	-42.1%	Mainly because the customer payment collection decrease compared with last period. besides, the company purchase the SKF Wazhou 51% equity, the bank letter of credit with 11.25 million Yuan is expired.
2	Accounts received in advance	2,729.4	4,403.1	-38.0%	Mainly because the payment in advance to part of clients decrease compared with year beginning, of which the Shanxi Taigang stainless steel decrease with 11.58 million Yuan, Zhejiang Wuzhouxinchun decrease 6.22 million Yuan.
3	Dividends receivable	-	24.0	-100.0%	The Dividends receivable at the year beginning is the dividend from Shanghai ME machine-electrical equipment chain Ltd of 2013 with 0.24 million Yuan.
4	Other current assets	3,002.7	1,921.2	56.3%	Mainly because the offset input tax re-classify to this items is 10.79 million Yuan at the end of report period, which is 21.78 million Yuan at the year beginning
5	Short-term loan	1,377.0	2,453.4	-43.9%	In order to reduce the financing cost, the company cut down the short loan. besides, the company increase the order financing with 56.43 million Yuan which accounted into account payable, and the long-term note to the clients increase.
6	Note payable	23,500.0	49,800.0	-52.8%	The long-term note to the clients

					increase.
7	Non-current liabilities due within 1 year	31,980.8	20,686.7	54.6%	The long-term loan expired within 1 year is 50 million Yuan, which is 90 million Yuan in the last period.
8	Long-term loan	5,000.0	9,000.0	-44.4%	There is a new long-term loan with 90 million Yuan.
9	Long-term loan	9,000.0	5,000.0	80.0%	There is a new long-term loan with 90 million Yuan.
No.	Items	2015.1.1-9.30	Last period	+/- (%) to period	Explanation
10	Loss of impairment of assets	-368.5	110.8	-432.4%	Mainly because the company switch the withdrawn inventory falling price reserves with 3.7 million Yuan, while write-off the account differences with Zhongqi qiaoxiang with 0.91 million Yuan.
11	Investment income	0.0	361.3	-100.0%	The investment income from SKF Wazhou in the last period is 3.613 million Yuan.
12	Non-operating revenue	1,182.8	761.9	55.2%	1.the gains from debt restructuring increase 5.43 million Yuan compared with last period;2. the gains from non-current asset increase 770 thousand Yuan;3.other income reduce 2.22 million Yuan(Liaozhou write-off account payable with 2.04 million Yuan.)
13	Non-operating cost	74.8	161.6	-53.8%	1.the losses from debt restructuring decrease 1.46 million Yuan;2.the losses from non-current asset disposal increase with 490 thousand Yuan,
14	Net profit	-6,363.8	-4,553.9	39.7%	1.The main business is 15.6344 billion Yuan which decrease with 479.33 million Yuan, the decrease rate is 23.5%, which lead to gross profit decrease about 40.79 million Yuan. while in the report period the main business gross profit rate is 9.6%, increase 1.1%, and the gross profit is 17.04 million Yuan. 2. other business income is 163.22 million Yuan, decrease with 115.60 million Yuan, the rate is 41.5%, lead to gross profit with 15.67 million Yuan, while in the report period, the gross rate is 8.9%, decrease 4.6% lead to a profit decrease with 7.58 million Yuan.
15	Other cash received relating to operating activities	-6,363.8	-4,553.9	39.7%	Mainly because the waste income is accounted into the item of cash received from sale of goods or rendering of services which was accounted into other cash received relating to investing activities
16	Income tax expense	222.9	1,230.6	-81.9%	Mainly because the added-value tax is 22.32 million Yuan, decrease 16.11 million Yuan compared with last period.

17	Cash received from investment incomes	3,835.2	5,642.7	-32.0%	Mainly because receive the dividend from Shanghai ME machine-lectrical equipment chain Ltd of 2012 with 0.24 million Yuan.
18	Cash paid to acquire fixed assets, intangible assets and other long-term assets	0.0	24.0	-100.0%	1.the payment of import manchine with 29.69 million Yuan in the last peirod;2.the bank note payment decrease 8.74 million Yuan compared with last peirod.
19	Cash paid to acquire investment	1,027.9	4,372.9	-76.5%	Mainly because purchase the SKF Wazhou 51% euqity,the bank letter of credit with 11.25 million Yuan is expired.
20	Effects of foreign exchange rate changes on cash	1,125.0	0.0		Mainly because the US exchange rate is low in the first half year,but,after August,the eschange rate increase continually,which lead to a exchange income.

### 3.2 The situation of major items in progress and the analysis explanation on its effect and resolved proposal.

None

### 3.3 The fulfillment of the items that the company, shareholder with more than 5% shares and the actual controller etc. during the report period, or before it.

Applicable  Not applicable

### 3.4 Operation forecast for year 2015

Applicable  Not applicable

### 3.5 Security investment information

Statement of holding other listing company equity

Applicable  Not applicable

### 3.6 Statement of holding other listing company equity

Applicable  Not applicable

### 3.7 Derivative products investment information

Applicable  Not applicable

### 3.8 Reception of investigations,communications,or interviews in the report period

Time/date	Place	Way	Type of visitors	Visitors	Main content involved and material provided
July 16,2015	Office	Telephone communication	Private investor	Private investor	The general information of the company
August 5,2015	Office	Telephone communication	Private investor	Private investor	The general information of the company

## Chapter IV Financial report

### 1. Consolidated Balance Sheet.

Unit: RMB Yuan

Item	Closing Balance	Opening Balance
<b>Current assets :</b>		
Monetary fund	104,619,877.39	180,569,164.66
Financial assets held-for-trading		
Bills receivable	152,518,417.06	188,117,975.71
Account receivable	1,013,206,844.99	1,098,566,178.20
Account paid in advance	27,294,058.63	44,031,201.66
Interest receivable		
Dividend receivable		240,000.00
Other receivables	30,026,786.62	19,211,927.22
Inventory	1,042,293,160.74	1,166,347,866.35
Non-current assets due within 1 year		
Other current assets	13,769,508.80	24,534,185.32
<b>Total current assets</b>	<b>2,383,728,654.23</b>	<b>2,721,618,499.12</b>
<b>Non-current assets</b>		
Financial assets available-for-sale	2,000,000.00	2,000,000.00
Investments held-to-maturity		
Long-term receivable		
Long-term equity investment		
Investment property		
Fixed assets	637,787,463.19	695,819,839.43
Construction in progress	396,085,087.64	363,404,435.51
Construction materials		
Fixed assets disposal		
Biological assets	136,649,765.32	140,355,336.13
Gas and petrol assets		
Intangible assets		
Development expenditure		
Goodwill		
Long-term prepaid expense	650,480.62	767,854.39
Deferred tax assets	11,853,267.27	11,853,267.27
Other non-current assets		
<b>Total non-current assets</b>	<b>1,185,026,064.04</b>	<b>1,214,200,732.73</b>
<b>Total assets</b>	<b>3,568,754,718.27</b>	<b>3,935,819,231.85</b>
<b>Current liabilities</b>		
Short-term loan	235,000,000.00	498,000,000.00
Note payable	319,808,469.00	206,867,023.86
Accounts payable	1,269,249,418.45	1,388,424,650.70
Accounts received in advance	43,421,237.88	48,558,339.92
Commission charge payable		
Accrued payroll	19,186,746.29	20,275,364.44
Tax payable	4,451,497.59	3,676,987.88
Interest payable	6,929,993.00	5,942,500.00
Dividends payable		
Other payables	157,203,358.07	183,285,758.81
Non-current liabilities due within 1 year	50,000,000.00	90,000,000.00
Other current liabilities	4,411,103.83	4,761,103.83
<b>Total current liabilities</b>	<b>2,109,661,824.11</b>	<b>2,449,791,729.44</b>
<b>Non-current liabilities</b>		

Long-term loan	90,000,000.00	50,000,000.00
Debenture payable		
Long-term payables	1,597,305.72	1,597,305.72
Special payables	321,698.98	321,698.98
Contingent liabilities		
Deferred income	47,826,133.74	51,122,513.64
Deferred tax liabilities	1,140,995.35	1,140,995.35
Other non-current liabilities		
<b>Total non-current liabilities</b>	140,886,133.79	104,182,513.69
<b>Total liabilities</b>	2,250,547,957.90	2,553,974,243.13
<b>Owner's equity (shareholders' equity)</b>		
Capital stock	402,600,000.00	402,600,000.00
Capital public reserves	485,691,050.47	485,691,050.47
Less: treasury share		
Surplus reserve	131,442,909.11	131,442,909.11
Undistributed profit	298,472,800.79	362,111,029.14
Difference of foreign currency translation		
Equity attributable to parent company	1,318,206,760.37	1,381,844,988.72
Minority interest		
<b>Total owner's equity</b>	1,318,206,760.37	1,381,844,988.72
<b>Total owner's equity and liabilities</b>	3,568,754,718.27	3,935,819,231.85

Chairman: Meng Wei      General Accountant : Sun Najuan      Accounting charger: Yao Chunjuan

## 2. Balance Sheet of Parent Company

Unit: RMB Yuan

Item	Opening Balance	Closing Balance
<b>Current assets :</b>		
Monetary fund	94,379,679.71	172,688,792.14
Financial assets held-for-trading		
Bills receivable	140,598,526.01	181,824,053.86
Account receivable	1,007,226,627.40	1,106,322,532.09
Account paid in advance	19,496,201.44	40,549,347.10
Interest receivable		
Dividend receivable		240,000.00
Other receivables	28,323,776.00	15,661,424.30
Inventory	968,505,100.39	1,079,876,029.63
Non-current assets due within 1 year		
Other current assets	9,096,444.06	15,143,422.57
<b>Total current assets</b>	2,267,626,355.01	2,612,305,601.69
<b>Non-current assets</b>		
Financial assets available-for-sale	2,000,000.00	2,000,000.00
Investments held-to-maturity		
Long-term receivable		
Long-term equity investment	211,583,897.67	211,583,897.67
Investment property		
Fixed assets	517,190,619.87	565,949,871.82
Construction in progress	273,238,340.40	243,881,508.42
Construction materials		
Fixed assets disposal		
Biological assets	116,162,090.78	119,333,165.54
Gas and petrol assets		



Intangible assets		
Development expenditure		
Goodwill		
Long-term prepaid expense	650,480.62	767,854.39
Deferred tax assets	10,580,100.02	10,580,100.02
Other non-current assets		
<b>Total non-current assets</b>	1,131,405,529.36	1,154,096,397.86
<b>Total assets</b>	3,399,031,884.37	3,766,401,999.55
<b>Current liabilities</b>		
Short-term loan	235,000,000.00	498,000,000.00
Note payable	319,308,469.00	206,867,023.86
Accounts payable	1,167,879,227.88	1,296,111,095.77
Accounts received in advance	37,139,738.37	48,868,818.23
Commission charge payable		
Accrued payroll	11,504,954.24	12,247,600.92
Tax payable	1,040,379.23	1,092,872.50
Interest payable	6,929,993.00	5,942,500.00
Dividends payable		
Other payables	111,125,921.32	135,496,360.01
Non-current liabilities due within 1 year	50,000,000.00	90,000,000.00
Other current liabilities	4,313,555.83	4,313,555.83
<b>Total current liabilities</b>	1,944,242,238.87	2,298,939,827.12
<b>Non-current liabilities</b>		
Long-term loan	90,000,000.00	50,000,000.00
Debenture payable		
Long-term payables		
Special payables	321,698.98	321,698.98
Contingent liabilities		
Deferred income	43,338,925.74	46,635,305.64
Deferred tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	133,660,624.72	96,957,004.62
<b>Total liabilities</b>	2,077,902,863.59	2,395,896,831.74
<b>Owner's equity (shareholders' equity)</b>		
Capital stock	402,600,000.00	402,600,000.00
Capital public reserves	485,678,443.26	485,678,443.26
Less: treasury share		
Surplus reserve	131,442,909.11	131,442,909.11
Undistributed profit	301,407,668.41	350,783,815.44
Difference of foreign currency translation		
<b>Total owner's equity</b>	1,321,129,020.78	1,370,505,167.81
<b>Total owner's equity and liabilities</b>	3,399,031,884.37	3,766,401,999.55

### 3. Consolidated Income Sheet of report period

Unit: RMB Yuan

Item	Account for the current period	Account for the prior period
<b>1.Total operating income</b>	558,567,387.61	680,574,796.92
Including: Operating revenue	558,567,387.61	680,574,796.92
Interest income		
Handling charge and commission income		
<b>2.Total operating cost</b>	566,693,194.94	712,452,720.50
Including: Operating cost	493,527,210.67	619,472,911.74
Interest expenses		

Handling charge and commission income		
Tax & surcharges for main operations	2,421,993.72	2,652,800.04
Selling expenses	48,012,692.32	57,779,538.64
Administrative expense	18,602,138.28	20,312,978.94
Financial expense	7,829,159.95	12,158,985.11
Loss of impairment of assets	-3,700,000.00	75,506.03
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		1,351,824.26
Including: Income form investment on associated enterprise and jointly enterprise		1,351,824.26
<b>3.Operating profit (loss with "-")</b>	-8,125,807.33	-30,526,099.32
Add: Non-operating revenue	4,933,416.65	3,250,430.53
Less: Non-operating cost	273,459.79	814,090.66
Including: loss on disposal of non-current assets		
<b>4.Total profit(loss with "-")</b>	-3,465,850.47	-28,089,759.45
Less: Income tax expenses	585,123.72	0.00
<b>5. Net profit(Loss with "-")</b>	-4,050,974.19	-28,089,759.45
Net profit attributable to shareholders of parent company	-4,050,974.19	-28,089,759.45
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	-4,050,974.19	-28,089,759.45
Total comprehensive returns available for parent company	-4,050,974.19	-28,089,759.45
Total comprehensive returns available for minority shareholders		
<b>8.Earnings per share</b>		
(1) Basic earnings per share	-0.010	-0.070
(2) Diluted earnings per share	-0.010	-0.070

Chairman: Meng Wei      General Accountant : Sun Najuan      Accounting charger: Yao Chunjuan

#### 4. Income Sheet of Parent Company of report period

Unit: RMB Yuan

Item	Account for the current period	Account for the prior period
<b>1.Total operating income</b>	589,211,680.55	682,070,651.64
Less: Operating cost	526,991,318.71	622,682,793.79
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	2,256,282.97	2,343,592.56
Selling expenses	47,217,351.18	57,506,677.13
Administrative expense	12,446,800.32	15,488,232.49
Financial expense	8,001,209.26	12,225,107.02
Loss of impairment of assets	-3,700,000.00	75,506.03
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		1,351,824.26
Including: Income form investment on associated enterprise and jointly enterprise		1,351,824.26
<b>2.Operating profit (loss with "-")</b>	-4,001,281.89	-26,899,433.12
Add: Non-operating revenue	4,270,935.89	2,013,122.15
Less: Non-operating cost	-25,581.70	811,336.87
Including: loss on disposal of non-current assets		
<b>3.Total profit(loss with "-")</b>	295,235.70	-25,697,647.84

Less: Income tax expenses		
<b>4. Net profit(Loss with"-")</b>	295,235.70	-25,697,647.84
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	295,235.70	-25,697,647.84
<b>7.Earnings per share</b>		
(1) Basic earnings per share	0.0007	-0.06
(2) Diluted earnings per share	0.0007	-0.06

## 5. Consolidated Income Sheet from the beginning of the year to the end of report period

Unit: RMB Yuan

Item	Account for the current period	Account for the prior period
<b>1.Total operating income</b>	1,726,661,066.95	2,321,588,005.63
Including: Operating revenue	1,726,661,066.95	2,321,588,005.63
Interest income		
Handling charge and commission income		
<b>2.Total operating cost</b>	1,800,530,325.64	2,376,742,496.73
Including: Operating cost	1,562,036,472.24	2,109,959,936.45
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	8,423,197.12	8,824,154.26
Selling expenses	146,600,947.71	176,512,064.99
Administrative expense	58,670,057.21	56,243,283.04
Financial expense	28,484,187.75	24,094,619.60
Loss of impairment of assets	-3,684,536.39	1,108,438.39
Add: Gains of change of fair value of assets(loss with"-")		
Investment income(loss with "-")		3,613,039.85
Including: Income form investment on associated enterprise and jointly enterprise	0.00	3,613,039.85
<b>3.Operating profit (loss with"-")</b>	-73,869,258.69	-51,541,451.25
Add: Non-operating revenue	11,827,716.73	7,618,970.08
Less: Non-operating cost	747,525.79	1,616,464.36
Including: loss on disposal of non-current assets		
<b>4.Total profit(loss with"-")</b>	-62,789,067.75	-45,538,945.53
Less: Income tax expenses	849,160.60	
<b>5. Net profit(Loss with"-")</b>	-63,638,228.35	-45,538,945.53
Net profit attributable to shareholders of parent company	-63,638,228.35	-45,538,945.53
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	-63,638,228.35	-45,538,945.53
Total comprehensive returns available for parent company	-63,638,228.35	-45,538,945.53
Total comprehensive returns available for minority shareholders		
<b>8.Earnings per share</b>		
(1) Basic earnings per share	-0.16	-0.11
(2) Diluted earnings per share	-0.16	-0.11

## 6. Income Sheet of Parent Company from the beginning of the year to the end of report period

Unit: RMB Yuan

Item	Account for the current period	Account for the prior period
<b>1.Total operating income</b>	1,796,933,848.14	2,325,532,017.92
Less: Operating cost	1,640,357,250.59	2,117,337,674.88
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	7,557,358.99	7,762,025.01
Selling expenses	145,263,814.94	175,585,643.76
Administrative expense	38,383,946.71	41,735,482.88
Financial expense	28,949,528.26	24,400,586.94
Loss of impairment of assets	-3,684,536.39	1,108,438.39
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		3,613,039.85
Including: Income form investment on associated enterprise and jointly enterprise		3,613,039.85
<b>2.Operating profit (loss with "-")</b>	-59,893,514.96	-38,784,794.09
Add: Non-operating revenue	10,831,843.84	4,071,781.43
Less: Non-operating cost	314,475.91	1,606,266.81
Including: loss on disposal of non-current assets		
<b>3.Total profit(loss with "-")</b>	-49,376,147.03	-36,319,279.47
Less: Income tax expenses		
<b>4. Net profit(Loss with "-")</b>	-49,376,147.03	-36,319,279.47
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	-49,376,147.03	-36,319,279.47
<b>7.Earnings per share</b>		
(1) Basic earnings per share	-0.12	-0.09
(2) Diluted earnings per share	-0.12	-0.09

## 7. Consolidated Cash Flow Statement.

Unit: RMB yuan

Item	Account for the current period	Account for the prior period
<b>1.Cash from operating activities</b>		
Cash received from sale of goods or rendering of services	1,083,562,127.88	1,138,571,924.97
Refund of taxes and fares		
Other cash received relating to operating activities	2,228,854.32	12,305,658.16
<b>Sub-total of cash inflows</b>	1,085,790,982.20	1,150,877,818.06
Cash paid for goods and services	517,240,706.61	583,730,460.25
Cash paid to or on behalf of the employees	248,931,255.12	250,359,276.50
Tax payments	38,351,588.10	56,426,590.27
Other cash paid relating to operating activities	101,671,399.83	136,112,289.75
<b>Sub-total of cash outflows</b>	906,194,949.66	1,026,628,616.77
<b>Net cash flows from operating activities</b>	179,596,032.54	124,249,201.29
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		240,000.00
Cash received from investment incomes		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	64,000.00	
Proceeds from sale of subsidiaries and other		

operating units		
Other cash received relating to investing activities		
<b>Sub-total of cash inflows</b>	64,000.00	240,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,279,239.83	43,729,174.79
Cash paid to acquire investment	11,250,000.00	
Net cash used in acquiring subsidiaries and other operating units		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflows</b>	21,529,239.83	43,729,174.79
<b>Net cash flows from investment activities</b>	-21,465,239.83	-43,489,174.79
<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	762,579,700.00	698,000,000.00
Other proceeds relating to financing activities		
<b>Sub-total of cash inflows</b>	762,579,700.00	698,000,000.00
Repayment of borrowings	969,146,250.00	761,716,922.22
Distribution of dividends or profits & interest expenses	31,022,640.99	32,200,831.11
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities		
<b>Sub-total of cash outflows</b>	1,000,168,890.99	793,917,753.33
<b>Net cash flows from financing activities</b>	-237,589,190.99	-95,917,753.33
<b>4. Effects of foreign exchange rate changes on cash</b>	1,703,111.01	1,195,793.12
<b>5.Net increases in cash and cash equivalents</b>	-77,755,287.27	-13,961,933.71
Add: cash and cash equivalent, at the beginning of year	143,399,164.66	60,616,759.13
<b>6.Cash and cash equivalent at the end of the year</b>	65,643,877.39	46,654,825.42

## 8. Cash Flow Statement Of Parent Company.

Unit: RMB yuan

Item	Account for the current period	Account for the prior period
1.Cash from operating activities		
Cash received from sale of goods or rendering of services	1,078,846,848.04	1,134,897,588.80
Refund of taxes and fares		234.93
Other cash received relating to operating activities	1,804,635.93	11,860,528.46
<b>Sub-total of cash inflows</b>	1,080,651,483.97	1,146,758,352.19
Cash paid for goods and services	588,613,875.16	636,463,030.85
Cash paid to or on behalf of the employees	199,318,780.39	215,153,997.26
Tax payments	29,000,550.13	45,648,002.97
Other cash paid relating to operating activities	90,567,105.02	125,281,882.52
<b>Sub-total of cash outflows</b>	907,500,310.70	1,022,546,913.60
<b>Net cash flows from operating activities</b>	173,151,173.27	124,211,438.59
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		240,000.00

Cash received from investment incomes		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Proceeds from sale of subsidiaries and other operating units		
Other cash received relating to investing activities		
<b>Sub-total of cash inflows</b>		240,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	6,132,706.41	43,358,144.79
Cash paid to acquire investment	11,250,000.00	
Net cash used in acquiring subsidiaries and other operating units		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflows</b>	17,382,706.41	43,358,144.79
<b>Net cash flows from investment activities</b>	-17,382,706.41	-43,118,144.79
<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	762,579,700.00	698,000,000.00
Other proceeds relating to financing activities		
<b>Sub-total of cash inflows</b>	762,579,700.00	698,000,000.00
Repayment of borrowings	969,146,250.00	761,716,922.22
Distribution of dividends or profits & interest expenses	31,020,140.30	32,062,964.26
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities		
<b>Sub-total of cash outflows</b>	1,000,166,390.30	793,779,886.48
<b>Net cash flows from financing activities</b>	-237,586,690.30	-95,779,886.48
<b>4. Effects of foreign exchange rate changes on cash</b>	1,703,111.01	1,195,793.12
<b>5.Net increases in cash and cash equivalents</b>	-80,115,112.43	-13,490,799.56
Add: cash and cash equivalent, at the beginning of year	135,518,792.14	56,478,876.74
<b>6.Cash and cash equivalent at the end of the year</b>	55,403,679.71	42,988,077.18

#### 4.5 Audited report

Audit opinions: not audited.