



**Wafangdian Bearing Company Limited**

**the Q3 Report for 2016**

**2016-36**

**October 2016**

## 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.

Besides the following directors, all the other directors attended the Board meeting and discussed the report.

Name	Post	Reasons	Assignee name
Tang Yurong	director	Busy work	Fang Bo

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

	2016.09.30	2015.12.31	+/- (%) compared between the end of current period and last year	
Total assets(RMB)	3,508,307,604.58	3,523,969,203.48		-0.44%
Owner's Equity Attributed to Shareholders of Listed Company(RMB)	1,294,893,175.92	1,348,464,975.33		-3.97%
	2016.07-09	+/- (%) to period	2016.01-09	+/- (%) to period
Turnover(RMB)	570,651,513.49	2.16%	1,696,106,545.47	-1.77%
Net profit attributable to shareholders of the listed company(RMB)	-9,787,613.48	141.60%	-53,811,799.41	-15.44%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss(RMB)	-13,571,344.70	65.91%	-68,834,817.99	-6.47%
Net Cash flow generated by business operation(RMB)			19,185,989.65	-89.32%
Basic earnings per share(Yuan/share)	-0.02	50.00%	-0.13	-18.75%
Diluted earnings per share(Yuan/share)	-0.02	50.00%	-0.13	-18.75%
Net assets yield (%)	-0.74%	-0.44%	0.64%	0.64%

### Abnormal profit and loss items

√Applicable    □Not applicable

Unit: Yuan

Abnormal profit and loss items	2016.01-2016.09	
Profits and losses relating to disposal of fixed assets	4,573,254.10	
Government grants recorded into profit or loss during current period	8,394,496.96	
Profits and losses relating to the debt restructure	3,346,522.56	
Other non-business income and expenditures other than the above	517,334.25	

Less: Influenced amount of income tax	1,808,589.29	
Total	15,023,018.58	

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							7282
The situation of the first 10 shareholders of current shares							
Name	Nature	Ratio (%)	Total shares held	Non-current shares held	Impawnd or Frozen Shares		
					Status	Amount	
Wafangdian Bearing Group Corporation	State-owned shareholder	60.61%	244,000,000	244,000,000			
AKTIEBOLAGET SKF	Foreign shareholder	19.70%	79,300,000	0	Frozen	79,300,000	
Huang Junyue	Domestic shareholder	1.01%	4,050,000	0			
BOCI SECURITIES LIMITED	Foreign shareholder	0.55%	2,220,000	0			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign shareholder	0.47%	1,879,277				
Hu Xiaofeng	Domestic shareholder	0.46%	1,833,840	0			
Jin Yunhua	Domestic shareholder	0.33%	1,311,256	0			
CREDIT SUISSE (HONG KONG) LIMITED	Foreign shareholder	0.26%	1,049,915	0			
MAN,KWAI WING文贵荣	Foreign private shareholder	0.18%	713,101	0			
Miao Jun	Domestic shareholder	0.14%	550,000	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	4,050,000	B	4,050,000				
BOCI SECURITIES LIMITED	2,220,000	B	2,220,000				
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,879,277	B	1,879,277				
Hu Xiaofeng	1,833,840	B	1,833,840				
Jin Yunhua	1,311,256	B	1,311,256				
CREDIT SUISSE (HONG KONG) LIMITED	1,049,915	B	1,049,915				
MAN,KWAI WING文贵荣	713,101	B	713,101				
Miao Jun	550,000	B	550,000				
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.
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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

Unite:0000Yuan

No.	Items	Beginning peirod	End of year	+/- (%) to period	Explanation
1	Monetary fund	20,538.1	11,631.6	76.6%	This period is mainly the increase in short-term borrowings of 108 million yuan, resulting in net cash flow increased financing activities
2	Dividend receivable	-	24.0	-100.0%	Dividend recivable with 240 thousand Yuan from ME at the beginning of the year
3	Accounts payable in advance	1,385.4	3,267.4	-57.6%	The main part of the supplier's pre paid less than the initial period
4	Accounts received in advance	2,854.6	4,483.6	-36.3%	The main part of the customer's accounts receivable early than the initial decrease
5	Tax payable	1,520.4	607.4	150.3%	Mainly value-added tax and additional tax increase compared with the beginning
6	Interest payable	215.0	140.0	53.6%	Mainly has been proposed to increase the interest rate of short-term loans increased
7	Non-current liabilities due within 1 year	-	5,000	-100.0%	Borrowings due within one year of the current period
No.	Items	2016.1.1-9.30	Last peirod	+/- (%) to period	Explanation
10	Loss of impairment of assets	-575.6	-368.5	56.2%	This is the main period of sales of goods in stock, stock prices back to 5 million 760 thousand yuan.
11	Non-operating revenue	1,883.9	1,182.8	59.3%	First, the disposal of fixed assets revenue increased 3 million 290 thousand yuan, the reason is the disposal of the United States gasoline fixed assets, the two is to increase the assessment of the income of 1 million 50 thousand yuan this year, three government subsidies increased 4 million 730 thousand yuan

12	Non-operating cost	200.7	74.8	168.5%	First, the loss of debt restructuring, an increase of 1 million 200 thousand, other expenses increased by 530 thousand, the reason is that the current pay employees a one-time personal injury damages 550 thousand
13	Other cash received relating to operating activities	836.6	222.9	275.3%	This period is mainly received government grants increased
14	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,000.0	6.4	15525.0%	This period is mainly the sale of assets back to 10 million
15	Cash paid to acquire fixed assets, intangible assets and other long-term assets	4,909.9	1,027.9	377.6%	This period is mainly paid mill processing equipment, 40 million 850 thousand yuan
16	Cash paid to acquire investment	-	1,125.00	-100.0%	The main period is ZWZ buy Dalian skf-wz Bearing Co., Ltd. 51% stake, the issuance of bank credit 11 million 250 thousand yuan payment due
17	Other cash received relating to investing activities	33,884.43	-		This is the main period of audit according to the end of 2015, a collection of this generation will discount, while the accumulation in the sales of goods or services received cash. "

**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	Index catalog
July 1,2016	Office	Telephone communication	Private investor	Private investor	

August 1,2016	Office	Telephone communication	Private investor	Private investor	
August 2,2016	Office	Telephone communication	Private investor	Private investor	
September 13,2016	Office	Telephone communication	Private investor	Private investor	
September 22,2016	Office	Telephone communication	Private investor	Private investor	

## Chapter IV Financial report

### 1. Consolidated Balance Sheet.

Unit: RMB Yuan

Item	Closing Balance	Opening Balance
<b>Current assets :</b>		
Monetary fund	205,380,757.28	116,316,020.57
Financial assets held-for-trading		
Bills receivable	115,105,559.56	100,506,003.70
Account receivable	1,091,802,717.29	993,933,326.37
Account paid in advance	13,854,118.72	32,673,623.77
Interest receivable		
Dividend receivable		240,000.00
Other receivables	25,768,591.71	21,462,837.65
Inventory	950,792,050.20	1,075,275,456.02
Non-current assets due within 1 year		
Other current assets	9,535,550.89	8,973,032.78
<b>Total current assets</b>	<b>2,412,239,345.65</b>	<b>2,349,380,300.86</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	601,505,743.69	695,125,451.81
Construction in progress	348,135,953.22	329,632,219.42
Construction materials		
Fixed assets disposal		
Biological assets		
Gas and petrol assets		
Intangible assets	132,034,975.49	135,366,608.09
Development expenditure		
Goodwill		
Long-term prepaid expense	538,319.26	611,356.03
Deferred tax assets	11,853,267.27	11,853,267.27
Other non-current assets		
<b>Total non-current assets</b>	<b>1,096,068,258.93</b>	<b>1,174,588,902.62</b>
<b>Total assets</b>	<b>3,508,307,604.58</b>	<b>3,523,969,203.48</b>
<b>Current liabilities</b>		
Short-term loan	493,000,000.00	385,000,000.00
Note payable	248,314,787.35	327,466,550.20
Accounts payable	1,007,934,227.58	973,485,937.22
Accounts received in advance	28,545,854.75	44,835,510.10
Commission charge payable		
Accrued payroll	17,659,792.05	19,440,701.80

Tax payable	15,204,257.00	6,074,347.23
Interest payable	2,150,007.00	1,400,000.00
Dividends payable		
Other payables	121,161,764.96	133,832,447.67
Non-current liabilities due within 1 year		50,000,000.00
Other current liabilities	4,651,103.83	4,411,103.83
<b>Total current liabilities</b>	<b>1,938,621,794.52</b>	<b>1,945,946,598.05</b>
<b>Non-current liabilities</b>		
Long-term loan	230,000,000.00	180,000,000.00
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	41,885,200.86	46,650,196.82
Deferred tax liabilities	988,428.58	988,428.58
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>274,792,634.14</b>	<b>229,557,630.10</b>
<b>Total liabilities</b>	<b>2,213,414,428.66</b>	<b>2,175,504,228.15</b>
<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	275,159,216.34	328,731,015.75
Difference of foreign currency translation		
Equity attributable to parent company	1,294,893,175.92	1,348,464,975.33
Minority interest		
<b>Total owner's equity</b>	<b>1,294,893,175.92</b>	<b>1,348,464,975.33</b>
<b>Total owner's equity and liabilities</b>	<b>3,508,307,604.58</b>	<b>3,523,969,203.48</b>

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	191,898,073.84	108,582,231.28
Financial assets held-for-trading		
Bills receivable	109,675,559.56	89,099,697.82
Account receivable	1,101,989,731.01	1,020,633,783.54
Account paid in advance	11,079,056.28	23,489,543.17
Interest receivable		
Dividend receivable		240,000.00
Other receivables	22,385,861.56	19,679,695.34
Inventory	889,519,582.69	998,035,803.15
Non-current assets due within 1 year		
Other current assets	6,043,269.92	4,828,826.85
<b>Total current assets</b>	<b>2,332,591,134.86</b>	<b>2,264,589,581.15</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	211,583,897.67	211,583,897.67
Investment property		

Fixed assets	469,814,391.74	577,635,433.51
Construction in progress	242,614,109.42	204,617,819.76
Construction materials		
Fixed assets disposal		
Biological assets		
Gas and petrol assets		
Intangible assets	112,307,927.83	115,105,064.38
Development expenditure		
Goodwill		
Long-term prepaid expense	538,319.26	611,356.03
Deferred tax assets	10,580,100.02	10,580,100.02
Other non-current assets		
<b>Total non-current assets</b>	<b>1,049,438,745.94</b>	<b>1,122,133,671.37</b>
<b>Total assets</b>	<b>3,382,029,880.80</b>	<b>3,386,723,252.52</b>
<b>Current liabilities</b>		
Short-term loan	493,000,000.00	385,000,000.00
Note payable	248,314,787.35	327,466,550.20
Accounts payable	926,188,725.08	882,281,596.61
Accounts received in advance	25,237,563.13	44,003,546.25
Commission charge payable		
Accrued payroll	10,518,744.54	11,902,749.05
Tax payable	11,691,084.23	3,381,449.54
Interest payable	2,150,007.00	1,400,000.00
Dividends payable		
Other payables	82,537,588.82	94,547,419.88
Non-current liabilities due within 1 year		50,000,000.00
Other current liabilities	4,553,555.83	4,313,555.83
<b>Total current liabilities</b>	<b>1,804,192,055.98</b>	<b>1,804,296,867.36</b>
<b>Non-current liabilities</b>		
Long-term loan	230,000,000.00	180,000,000.00
Debenture payable		
Long-term payables		
Special payables	321,698.98	321,698.98
Contingent liabilities		
Deferred income	37,495,540.86	42,260,536.82
Deferred tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>267,817,239.84</b>	<b>222,582,235.80</b>
<b>Total liabilities</b>	<b>2,072,009,295.82</b>	<b>2,026,879,103.16</b>
<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	290,299,232.61	340,122,796.99
<b>Total owner's equity</b>	<b>1,310,020,584.98</b>	<b>1,359,844,149.36</b>
<b>Total owner's equity and liabilities</b>	<b>3,382,029,880.80</b>	<b>3,386,723,252.52</b>

### 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>	570,651,513.49	558,567,387.61
Including: Operating revenue	570,651,513.49	558,567,387.61
Interest income		
Handling charge and commission income		



<b>2.Total operating cost</b>	584,514,344.89	566,693,194.94
Including: Operating cost	516,065,410.83	493,527,210.67
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	3,617,930.44	2,421,993.72
Selling expenses	44,298,048.43	48,012,692.32
Administrative expense	17,851,425.15	18,602,138.28
Financial expense	8,438,341.22	7,829,159.95
Loss of impairment of assets	-5,756,811.18	-3,700,000.00
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Including: Income form investment on associated enterprise and jointly enterprise		
<b>3.Operating profit (loss with "-")</b>	-13,862,831.40	-8,125,807.33
Add: Non-operating revenue	4,834,367.10	4,933,416.65
Less: Non-operating cost	601,591.65	273,459.79
Including: loss on disposal of non-current assets		
<b>4.Total profit(loss with "-")</b>	-9,630,055.95	-3,465,850.47
Less: Income tax expenses	157,557.53	585,123.72
<b>5. Net profit(Loss with "-")</b>	-9,787,613.48	-4,050,974.19
Net profit attributable to shareholders of parent company	-9,787,613.48	-4,050,974.19
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	-9,787,613.48	-4,050,974.19
Total comprehensive returns available for parent company	-9,787,613.48	-4,050,974.19
Total comprehensive returns available for minority shareholders		
<b>8.Earnings per share</b>		
(1) Basic earnings per share	-0.02	-0.01
(2) Diluted earnings per share	-0.02	-0.01

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>	590,797,808.88	589,211,680.55
Less: Operating cost	541,938,280.53	526,991,318.71
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	3,246,628.88	2,256,282.97
Selling expenses	43,776,816.73	47,217,351.18
Administrative expense	12,115,770.97	12,446,800.32
Financial expense	8,448,440.95	8,001,209.26
Loss of impairment of assets	-5,756,811.18	-3,700,000.00
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Including: Income form investment on associated enterprise and jointly enterprise		
<b>2.Operating profit (loss with "-")</b>	-12,971,318.00	-4,001,281.89
Add: Non-operating revenue	3,510,626.12	4,270,935.89
Less: Non-operating cost	564,621.14	-25,581.70
Including: loss on disposal of non-current assets		
<b>3.Total profit(loss with "-")</b>	-10,025,313.02	295,235.70
Less: Income tax expenses		

<b>4. Net profit(Loss with"-")</b>	-10,025,313.02	295,235.70
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	-10,025,313.02	295,235.70
<b>7.Earnings per share</b>		
(1) Basic earnings per share	-0.020	
(2) Diluted earnings per share	-0.020	

#### 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>	1,696,106,545.47	1,726,661,066.95
Including: Operating revenue	1,696,106,545.47	1,726,661,066.95
Interest income		
Handling charge and commission income		
<b>2.Total operating cost</b>	1,766,592,395.22	1,800,530,325.64
Including: Operating cost	1,559,667,437.52	1,562,036,472.24
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	8,313,281.88	8,423,197.12
Selling expenses	129,040,734.31	146,600,947.71
Administrative expense	54,497,602.71	58,670,057.21
Financial expense	20,829,082.94	28,484,187.75
Loss of impairment of assets	-5,755,744.14	-3,684,536.39
Add: Gains of change of fair value of assets(loss with"-")		
Investment income(loss with "-")		
Including: Income form investment on associated enterprise and jointly enterprise		
<b>3.Operating profit (loss with"-")</b>	-70,485,849.75	-73,869,258.69
Add: Non-operating revenue	18,838,640.22	11,827,716.73
Less: Non-operating cost	2,007,032.35	747,525.79
Including: loss on disposal of non-current assets		
<b>4.Total profit(loss with"-")</b>	-53,654,241.88	-62,789,067.75
Less: Income tax expenses	157,557.53	849,160.60
<b>5. Net profit(Loss with"-")</b>	-53,811,799.41	-63,638,228.35
Net profit attributable to shareholders of parent company	-53,811,799.41	-63,638,228.35
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	-53,811,799.41	-63,638,228.35
Total comprehensive returns available for parent company	-53,811,799.41	-63,638,228.35
Total comprehensive returns available for minority shareholders		
<b>8.Earnings per share</b>		
(1) Basic earnings per share	-0.13	-0.16
(2) Diluted earnings per share	-0.13	-0.16

#### 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>	1,729,949,375.65	1,796,933,848.14
Less: Operating cost	1,607,950,444.59	1,640,357,250.59
Interest expenses		
Handling charge and commission income		

Tax & surcharges for main operations	7,346,262.32	7,557,358.99
Selling expenses	127,543,404.17	145,263,814.94
Administrative expense	35,828,333.56	38,383,946.71
Financial expense	20,852,114.98	28,949,528.26
Loss of impairment of assets	-5,755,744.14	-3,684,536.39
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Including: Income form investment on associated enterprise and jointly enterprise		
<b>2.Operating profit (loss with "-")</b>	<b>-63,815,439.83</b>	<b>-59,893,514.96</b>
Add: Non-operating revenue	15,688,741.19	10,831,843.84
Less: Non-operating cost	1,936,865.74	314,475.91
Including: loss on disposal of non-current assets		
<b>3.Total profit(loss with "-")</b>	<b>-50,063,564.38</b>	<b>-49,376,147.03</b>
Less: Income tax expenses		
<b>4. Net profit(Loss with "-")</b>	<b>-50,063,564.38</b>	<b>-49,376,147.03</b>
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	<b>-50,063,564.38</b>	<b>-49,376,147.03</b>
<b>7.Earnings per share</b>		
(1) Basic earnings per share	-0.12	-0.12
(2) Diluted earnings per share	-0.12	-0.12

## 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	857,736,739.73	1,083,562,127.88
Refund of taxes and fares	117,978.34	
Other cash received relating to operating activities	8,365,849.98	2,228,854.32
<b>Sub-total of cash inflows</b>	<b>866,220,568.05</b>	<b>1,085,790,982.20</b>
Cash paid for goods and services	489,459,375.45	517,240,706.61
Cash paid to or on behalf of the employees	227,625,238.56	248,931,255.12
Tax payments	37,634,102.44	38,351,588.10
Other cash paid relating to operating activities	92,315,861.95	101,671,399.83
<b>Sub-total of cash outflows</b>	<b>847,034,578.40</b>	<b>906,194,949.66</b>
<b>Net cash flows from operating activities</b>	<b>19,185,989.65</b>	<b>179,596,032.54</b>
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		
Cash received from investment incomes	240,000.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,000,000.00	64,000.00
Proceeds from sale of subsidiaries and other operating units		
Other cash received relating to investing activities	240,000.00	
<b>Sub-total of cash inflows</b>	<b>10,480,000.00</b>	<b>64,000.00</b>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	49,098,685.37	10,279,239.83
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>	<b>49,098,685.37</b>	<b>21,529,239.83</b>
<b>Net cash flows from investment activities</b>	<b>-38,618,685.37</b>	<b>-21,465,239.83</b>

<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	550,000,000.00	762,579,700.00
Other proceeds relating to financing activities	338,844,256.94	
<b>Sub-total of cash inflows</b>	888,844,256.94	762,579,700.00
Repayment of borrowings	437,000,000.00	969,146,250.00
Distribution of dividends or profits & interest expenses	24,841,968.00	31,022,640.99
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities	300,000,000.00	
<b>Sub-total of cash outflows</b>	761,841,968.00	1,000,168,890.99
<b>Net cash flows from financing activities</b>	127,002,288.94	-237,589,190.99
<b>4. Effects of foreign exchange rate changes on cash</b>	1,855,133.50	1,703,111.01
<b>5.Net increases in cash and cash equivalents</b>	109,424,726.72	-77,755,287.27
Add: cash and cash equivalent, at the beginning of year	78,556,030.56	143,399,164.66
<b>6.Cash and cash equivalent at the end of the year</b>	187,980,757.28	65,643,877.39

## 8. Cash Flow Statement Of Parent Company.

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	841,594,457.53	1,078,846,848.04
Refund of taxes and fares		
Other cash received relating to operating activities	4,654,548.80	1,804,635.93
<b>Sub-total of cash inflows</b>	846,249,006.33	1,080,651,483.97
Cash paid for goods and services	532,986,279.54	588,613,875.16
Cash paid to or on behalf of the employees	185,417,346.48	199,318,780.39
Tax payments	27,853,525.07	29,000,550.13
Other cash paid relating to operating activities	86,926,925.85	90,567,105.02
<b>Sub-total of cash outflows</b>	833,184,076.94	907,500,310.70
<b>Net cash flows from operating activities</b>	13,064,929.39	173,151,173.27
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		
Cash received from investment incomes	240,000.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	10,000,000.00	
Proceeds from sale of subsidiaries and other operating units		
Other cash received relating to investing activities	240,000.00	
<b>Sub-total of cash inflows</b>	10,480,000.00	
Cash paid to acquire fixed assets, intangible assets and other long-term assets	48,727,912.06	6,132,706.41
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>	48,727,912.06	17,382,706.41
<b>Net cash flows from investment activities</b>	-38,247,912.06	-17,382,706.41
<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	550,000,000.00	762,579,700.00
Other proceeds relating to financing activities	338,844,256.94	
<b>Sub-total of cash inflows</b>	888,844,256.94	762,579,700.00

Repayment of borrowings	437,000,000.00	969,146,250.00
Distribution of dividends or profits & interest expenses	24,840,575.20	31,020,140.30
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities	300,000,000.00	
<b>Sub-total of cash outflows</b>	<b>761,840,575.20</b>	<b>1,000,166,390.30</b>
<b>Net cash flows from financing activities</b>	<b>127,003,681.74</b>	<b>-237,586,690.30</b>
<b>4. Effects of foreign exchange rate changes on cash</b>	<b>1,855,133.50</b>	<b>1,703,111.01</b>
<b>5. Net increases in cash and cash equivalents</b>	<b>103,675,832.57</b>	<b>-80,115,112.43</b>
Add: cash and cash equivalent, at the beginning of year	70,822,241.27	135,518,792.14
<b>6. Cash and cash equivalent at the end of the year</b>	<b>174,498,073.84</b>	<b>55,403,679.71</b>

#### 4.5 Audited report

Audit opinions: not audited.