



**Wafangdian Bearing Company Limited**

**the Q3 Report for 2018**

**2018-31**

**October 2018**

## 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 attended the Board meeting and discussed the report.

The charger of company Mr. Meng Wei, financial controller Ms. Sun Najuan and the charger of accounting department Ms. Sun Najuan 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

	2018.09.30	2017.12.31	+/- (%) compared between the end of current period and last year	
Total assets(RMB)	3,210,011,131.27	3,213,772,171.61	-0.12%	
Owner's Equity Attributed to Shareholders of Listed Company(RMB)	1,374,769,366.73	1,385,494,874.71	-0.77%	
	2018.07-.09	+/- (%) to period	2018.01-.09	+/- (%) to period
Turnover(RMB)	551,110,606.27	13.64%	1,625,978,587.95	0.34%
Net profit attributable to shareholders of the listed company(RMB)	2,064,511.90	434.78%	5,378,492.02	78.11%
Net profit attributable to the shareholders of the listed company and after deducting of non-recurring gain/loss(RMB)	-1,140,393.11	-79.33%	-2,684,677.19	-62.08%
Net Cash flow generated by business operation(RMB)			142,016,270.60	
Basic earnings per share(Yuan/share)	0.005	400.00%	0.013	62.50%
Diluted earnings per share(Yuan/share)	0.005	400.00%	0.013	62.50%
Net assets yield (%)	0.15%	0.12%	0.39%	0.17%

### Abnormal profit and loss items

√Applicable    □Not applicable

Unit: Yuan

Abnormal profit and loss items	2018.01-2018.09	
Profits and losses relating to disposal of fixed assets	1,563,069.25	
Government grants recorded into profit or loss during current period	4,029,838.63	
Profits and losses relating to the debt restructure	1,614,296.53	
Other non-business income and expenditures other than the above	1,754,808.16	
Less: Influenced amount of income tax	898,843.36	
Total	8,063,169.21	

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		6,544				
The situation of the first 10 shareholders of current shares						
Name	Nature	Ratio (%)	Total shares held	Non-current shares held	Impawned 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			
MerchantsSecurities Limited Hong Kong Company	Foreign shareholder	1.74%	6,987,438			
Huang Junyue	Domestic shareholder	1.53%	6,176,158			
Hu Xiaofeng	Domestic shareholder	0.47%	1,879,277			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Foreign shareholder	0.35%	1,411,206			
Jin Yunhua	Domestic shareholder	0.33%	1,311,256			
Chen Haitao	Domestic shareholder	0.19%	750,896			
MAN,KWAI WING 文贵荣	Foreign private shareholder	0.18%	713,101			
Ma Yuancheng	Domestic shareholder	0.15%	596,966			
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			
MerchantsSecurities Limited Hong Kong Company	6,987,438	B	6,987,438			
Huang Junyue	6,176,158	B	6,176,158			
Hu Xiaofeng	1,879,277	B	1,879,277			
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	1,411,206	B	1,411,206			
Jin Yunhua	1,311,256	B	1,311,256			
Chen Haitao	750,896	B	750,896			
MAN,KWAI WING 文贵荣	713,101	B	713,101			
Ma Yuancheng	596,966	B	596,966			
Meng Qingliang	587,584	B	587,584			
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

Unite:0000Yuan

No.	Items	Beginning period	End of year	+/- (%) to period	Explanation
1	Monetary fund	24,389	8,286	194.3%	Cash and cash equivalents have increased in the current period, resulting in an increase in money funds compared with the beginning of the year
2	Accounts payable in advance	2,735	3,986	-31.4%	The main part is the prepayment of some suppliers than the beginning of the reduction
3	Other current assets	61	539	-88.7%	It is mainly that the current period receives the income tax in advance of the previous year, and the VAT to be deducted is less than the beginning
4	Note payable	42,910	29,948	43.3%	It is basically current financing USES bill discount method to increase, and use other method financing to decrease
5	Tax payable	553	1,385	-60.1%	Mainly is the value added tax and attached tax has reduced compared to the beginning
	<b>Items</b>	<b>2018.1.1-9.30</b>	<b>Last period</b>	<b>+/- (%) to period</b>	<b>Explanation</b>
7	Non-operating revenue	415	660	-37.1%	Mainly the penalty income year - on - year reduction
8	Non-operating cost	86	19	340.1%	Mainly debt restructuring losses increased year on year
9	Tax payments	-28	0	-	It is the income tax that receives revenue to return mainly this period
10	Net profit	538	302	78.1%	The profit increase is mainly due to the increase of operating profit and the decrease of net operating income
11	Other cash received relating to operating activities	204	546	-62.6%	This is mainly due to the reduction in government subsidies and fines received in the current period
12	Net cash received from disposal of fixed assets, intangible assets and other long-term assets	161	492	-67.3%	Mainly the current disposal of fixed assets received less cash than a year ago
13	Cash paid to acquire fixed assets, intangible assets and	224	828	-73.0%	Mainly the current period of purchase and construction of fixed assets to pay the cash year - on - year decline

	other long-term assets				
14	Cash received from borrowing	19,500	47,000	-58.5%	Mainly due to the impact of credit, so that the current period of borrowing received less cash than a year ago
15	Effects of foreign exchange rate changes on cash	80	-126	-163.3%	Main current period dollar to RMB exchange rate rise, RMB depreciation

**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 2018**

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 Reception of investigations,communications,or interviews in the report period**

Time/date	Place	Way	Type of visitors	Visitors	Index catalog
2018.08.15	Office	Telephone communication	Private investor	Private investor	Understand the company's production and operation status
2018.09.25	Office	Telephone communication	Private investor	Private investor	Understand the company's production and operation status

**3.8 Violation of guaranty**

Applicable  Not applicable

**3.9 Controlling shareholders and their related parties' non-operational appropriation of funds for listed companies**

Applicable  Not applicable

**3.10 social responsibility of targeted poverty alleviation**

## Chapter IV Financial report

### 1. Consolidated Balance Sheet.

2018.09.30

Unit: RMB Yuan

Item	Closing Balance	Opening Balance
<b>Current assets :</b>		
Monetary fund	243,890,646.63	82,860,774.83
Financial assets held-for-trading		
Bills receivable and Account receivable	1,196,130,349.68	1,316,629,887.08
Bills receivable	58,722,163.74	203,511,631.58
Account receivable	1,137,408,185.94	1,113,118,255.50
Account paid in advance	24,346,912.84	37,510,877.11
Interest receivable		
Dividend receivable		
Other receivables	21,485,469.39	20,605,278.47
Inventory	662,681,226.09	622,177,633.83
Non-current assets due within 1 year		
Other current assets	606,973.26	5,386,473.92
<b>Total current assets</b>	<b>2,245,327,315.77</b>	<b>2,182,104,485.41</b>
<b>Non-current assets</b>		
Financial assets available-for-sale	2,567,033.30	2,000,000.00
Investments held-to-maturity		
Long-term receivable		
Long-term equity investment		
Investment property	130,617,961.67	136,874,108.05
Fixed assets	644,618,462.08	710,247,969.72
Construction in progress	88,008,783.56	82,689,318.94
Construction materials		
Fixed assets disposal		
Biological assets		
Gas and petrol assets		
Intangible assets	86,512,172.28	87,530,122.26
Development expenditure		
Goodwill		
Long-term prepaid expense	733,463.42	700,228.04
Deferred tax assets	11,625,939.19	11,625,939.19
Other non-current assets		
<b>Total non-current assets</b>	<b>964,683,815.50</b>	<b>1,031,667,686.20</b>
<b>Total assets</b>	<b>3,210,011,131.27</b>	<b>3,213,772,171.61</b>
<b>Current liabilities</b>		
Short-term loan	535,000,000.00	648,000,000.00
Note payable and Accounts payable	1,121,187,969.85	930,315,566.45
Accounts received in advance	28,857,016.70	31,634,532.72
Commission charge payable		

Accrued payroll	12,234,685.23	16,660,148.64
Tax payable	5,528,596.96	13,849,972.32
Dividends payable		
Other payables	90,792,029.86	93,313,193.92
Non-current liabilities due within 1 year		50,000,000.00
Other current liabilities	3,967,022.53	3,967,022.53
<b>Total current liabilities</b>	<b>1,797,567,321.13</b>	<b>1,787,740,436.58</b>
<b>Non-current liabilities</b>		
Long-term loan		
Debenture payable		
Long-term payables	1,894,004.70	1,894,004.70
Special payables		
Contingent liabilities		
Deferred income	34,892,354.65	37,754,771.56
Deferred tax liabilities	888,084.06	888,084.06
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>37,674,443.41</b>	<b>40,536,860.32</b>
<b>Total liabilities</b>	<b>1,835,241,764.54</b>	<b>1,828,277,296.90</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	134,278,527.26	134,278,527.26
Undistributed profit	352,199,789.00	362,925,296.98
Difference of foreign currency translation		
Equity attributable to parent company	1,374,769,366.73	1,385,494,874.71
Minority interest		
<b>Total owner's equity</b>	<b>1,374,769,366.73</b>	<b>1,385,494,874.71</b>
<b>Total owner's equity and liabilities</b>	<b>3,210,011,131.27</b>	<b>3,213,772,171.61</b>

Chairman: Meng Wei

General Accountant : Sun Najuan

Accounting charger : Sun Najuan

## 2. Balance Sheet of Parent Company

Unit: RMB Yuan

Item	Opening Balance	Closing Balance
<b>Current assets :</b>		
Monetary fund	240,334,744.30	78,901,032.57
Financial assets held-for-trading		
Bills receivable and Account receivable	1,196,130,349.68	1,316,629,887.08
Bills receivable	58,722,163.74	203,511,631.58
Account receivable	1,137,408,185.94	1,113,118,255.50
Account paid in advance	24,346,912.84	37,510,877.11
Interest receivable		
Dividend receivable		
Other receivables	21,485,469.39	20,605,278.47
Inventory	662,681,226.09	622,177,633.83
Non-current assets due within 1 year		
Other current assets	548,391.73	4,067,326.65
<b>Total current assets</b>	<b>2,145,527,094.03</b>	<b>2,079,892,035.71</b>
<b>Non-current assets</b>		
Financial assets available-for-sale	2,567,033.30	2,000,000.00

Investments held-to-maturity		
Long-term receivable	211,583,897.67	211,583,897.67
Long-term equity investment	114,377,471.40	119,890,581.55
Investment property		
Fixed assets	438,465,843.20	490,076,503.07
Construction in progress	87,249,435.67	82,374,150.54
Construction materials		
Fixed assets disposal		
Biological assets		
Gas and petrol assets		
Intangible assets	68,303,103.54	68,788,824.54
Development expenditure		
Goodwill		
Long-term prepaid expense	528,658.54	453,531.31
Deferred tax assets	10,350,000.00	10,350,000.00
Other non-current assets		
<b>Total non-current assets</b>	<b>933,425,443.32</b>	<b>985,517,488.68</b>
<b>Total assets</b>	<b>3,078,952,537.35</b>	<b>3,065,409,524.39</b>
<b>Current liabilities</b>		
Short-term loan	535,000,000.00	648,000,000.00
Note payable and Accounts payable	1,008,050,695.14	810,566,646.33
Accounts received in advance	31,285,717.17	31,518,509.16
Commission charge payable		
Accrued payroll	5,584,492.61	9,803,431.58
Tax payable	2,911,847.85	10,821,733.56
Interest payable		
Dividends payable		
Other payables	51,399,603.36	54,100,405.81
Non-current liabilities due within 1 year		50,000,000.00
Other current liabilities	3,869,474.53	3,869,474.53
<b>Total current liabilities</b>	<b>1,638,101,830.66</b>	<b>1,618,680,200.97</b>
<b>Non-current liabilities</b>		
Long-term loan		
Debenture payable		
Long-term payables	296,698.98	296,698.98
Special payables		
Contingent liabilities		
Deferred income	30,697,790.65	33,560,207.56
Deferred tax liabilities		
Other non-current liabilities		
<b>Total non-current liabilities</b>	<b>30,994,489.63</b>	<b>33,856,906.54</b>
<b>Total liabilities</b>	<b>1,669,096,320.29</b>	<b>1,652,537,107.51</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	134,278,527.26	134,278,527.26
Undistributed profit	387,299,246.54	390,315,446.36
<b>Total owner's equity</b>	<b>1,409,856,217.06</b>	<b>1,412,872,416.88</b>
<b>Total owner's equity and liabilities</b>	<b>3,078,952,537.35</b>	<b>3,065,409,524.39</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>	551,110,606.27	484,963,005.25



Including: Operating revenue	551,110,606.27	484,963,005.25
Interest income		
Handling charge and commission income		
<b>2.Total operating cost</b>	552,647,949.86	491,459,480.13
Including: Operating cost	479,506,105.13	431,261,903.51
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	3,191,912.75	4,755,972.30
Selling expenses	45,887,399.71	38,858,186.04
Administrative expense	12,668,502.68	14,647,695.23
Financial expense	11,394,226.50	14,559,249.81
Loss of impairment of assets	-196.91	-12,623,526.76
Other income	1,874,410.48	2,598,388.97
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		
Proceeds from asset disposal(loss with "-")	1,395,099.47	-21,385.25
<b>3.Operating profit (loss with "-")</b>	1,732,166.36	-3,919,471.16
Add: Non-operating revenue	1,003,825.36	4,328,059.33
Less: Non-operating cost	671,479.82	22,541.78
Including: loss on disposal of non-current assets		
<b>4.Total profit(loss with "-")</b>	2,064,511.90	386,046.39
Less: Income tax expenses		
<b>5. Net profit(Loss with "-")</b>	2,064,511.90	386,046.39
Net profit attributable to shareholders of parent company	2,064,511.90	386,046.39
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	2,064,511.90	386,046.39
Total comprehensive returns available for parent company	2,064,511.90	386,046.39
Total comprehensive returns available for minority shareholders		
<b>8.Earnings per share</b>		
(1) Basic earnings per share	0.005	0.001
(2) Diluted earnings per share	0.005	0.001

Chairman: Meng Wei

General Accountant : Sun Najuan

Accounting charger: Sun Najuan

#### 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>	557,363,515.51	465,804,543.27
Less: Operating cost	490,241,710.54	414,771,007.66
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	2,340,547.68	3,436,728.55
Selling expenses	45,294,704.26	38,292,795.51
Administrative expense	6,705,542.12	9,290,333.98
Financial expense	8,873,989.26	14,564,619.91
Loss of impairment of assets	-196.91	-12,623,526.76
Other income	1,674,410.48	2,598,388.97
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Proceeds from asset disposal(loss with "-")	1,395,099.47	-9,816.56
Including: Income form investment on associated		

enterprise and jointly enterprise		
<b>2. Operating profit (loss with "-")</b>	6,976,728.51	661,156.83
Add: Non-operating revenue	913,854.60	4,245,767.67
Less: Non-operating cost	3,193,821.99	15,121.78
Including: loss on disposal of non-current assets		
<b>3. Total profit(loss with "-")</b>	4,696,761.12	4,891,802.72
Less: Income tax expenses		
<b>4. Net profit(Loss with "-")</b>	4,696,761.12	4,891,802.72
Continuing operating net profit(Loss with "-")	4,696,761.12	4,891,802.72
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	4,696,761.12	4,891,802.72
<b>7. Earnings per share</b>		
(1) Basic earnings per share	0.012	0.012
(2) Diluted earnings per share	0.012	0.012

### 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>	1,625,978,587.95	1,620,463,580.58
Including: Operating revenue	1,625,978,587.95	1,620,463,580.58
Interest income		
Handling charge and commission income		
<b>2. Total operating cost</b>	1,629,841,535.31	1,628,869,551.37
Including: Operating cost	1,419,252,676.26	1,435,457,545.50
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	11,784,015.67	14,588,420.45
Selling expenses	116,626,971.34	114,878,365.96
Administrative expense	46,744,206.17	45,893,417.05
Financial expense	35,446,649.63	30,575,518.56
Loss of impairment of assets	-12,983.76	-12,523,716.15
Other income	4,029,838.63	5,037,166.91
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Proceeds from asset disposal(loss with "-")	1,638,595.29	-13,986.79
Including: Income form investment on associated enterprise and jointly enterprise		
<b>3. Operating profit (loss with "-")</b>	1,805,486.56	-3,382,790.67
Add: Non-operating revenue	4,151,029.64	6,597,325.30
Less: Non-operating cost	857,450.99	194,852.69
Including: loss on disposal of non-current assets		
<b>4. Total profit(loss with "-")</b>	5,099,065.21	3,019,681.94
Less: Income tax expenses	-279,426.81	
<b>5. Net profit(Loss with "-")</b>	5,378,492.02	3,019,681.94
Net profit attributable to shareholders of parent company	5,378,492.02	3,019,681.94
Minority interests		
<b>6. Other comprehensive returns</b>		
<b>7. Total comprehensive returns</b>	5,378,492.02	3,019,681.94
Total comprehensive returns available for parent company	5,378,492.02	3,019,681.94
Total comprehensive returns available for minority shareholders		
<b>8. Earnings per share</b>		
(1) Basic earnings per share	0.013	0.008
(2) Diluted earnings per share	0.013	0.008

## 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>	1,613,323,464.18	1,587,552,185.01
Less: Operating cost	1,419,411,734.27	1,414,588,162.82
Interest expenses		
Handling charge and commission income		
Tax & surcharges for main operations	9,468,098.04	12,072,730.51
Selling expenses	114,630,572.97	113,103,481.25
Administrative expense	29,632,680.17	27,679,263.28
Financial expense	27,251,162.67	30,624,886.06
Loss of impairment of assets	-12,983.76	-12,523,716.15
Other income	3,601,288.42	5,022,166.91
Add: Gains of change of fair value of assets(loss with "-")		
Investment income(loss with "-")		
Proceeds from asset disposal(loss with "-")	1,638,595.29	26,831.90
Including: Income form investment on associated enterprise and jointly enterprise		
<b>2.Operating profit (loss with "-")</b>	18,182,083.53	7,056,376.05
Add: Non-operating revenue	3,675,443.24	6,164,572.81
Less: Non-operating cost	9,049,153.40	197,572.63
Including: loss on disposal of non-current assets		
<b>3.Total profit(loss with "-")</b>	12,808,373.37	13,023,376.23
Less: Income tax expenses	-279,426.81	
<b>4. Net profit(Loss with "-")</b>	13,087,800.18	13,023,376.23
Continuing operating net profit(Loss with "-")	13,087,800.18	13,023,376.23
<b>5. Other comprehensive returns</b>		
<b>6. Total comprehensive returns</b>	13,087,800.18	13,023,376.23
<b>7.Earnings per share</b>		
(1) Basic earnings per share	0.033	0.032
(2) Diluted earnings per share	0.033	0.032

## 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	797,620,577.70	714,561,776.75
Refund of taxes and fares		
Other cash received relating to operating activities	2,043,645.29	5,458,961.79
<b>Sub-total of cash inflows</b>	799,664,222.99	720,020,738.54
Cash paid for goods and services	345,021,875.48	440,090,540.44
Cash paid to or on behalf of the employees	180,314,329.96	174,249,694.48
Tax payments	57,435,553.57	65,168,685.70
Other cash paid relating to operating activities	74,876,193.38	81,489,754.60
<b>Sub-total of cash outflows</b>	657,647,952.39	760,998,675.22
<b>Net cash flows from operating activities</b>	142,016,270.60	-40,977,936.68
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		
Cash received from investment incomes		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,609,692.00	4,921,699.20
Proceeds from sale of subsidiaries and other operating units		

Other cash received relating to investing activities		
<b>Sub-total of cash inflows</b>	1,609,692.00	4,921,699.20
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,235,975.45	8,276,976.39
Cash paid to acquire investment		
Net cash used in acquiring subsidiaries and other operating units		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflows</b>	2,235,975.45	8,276,976.39
<b>Net cash flows from investment activities</b>	-626,283.45	-3,355,277.19
<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	195,000,000.00	470,000,000.00
Other proceeds relating to financing activities	443,790,094.34	491,863,671.22
<b>Sub-total of cash inflows</b>	638,790,094.34	961,863,671.22
Repayment of borrowings	367,064,872.18	482,900,000.00
Distribution of dividends or profits & interest expenses	28,364,910.70	24,661,404.85
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities	344,908,190.83	448,248,452.22
<b>Sub-total of cash outflows</b>	740,337,973.71	955,809,857.07
<b>Net cash flows from financing activities</b>	-101,547,879.37	6,053,814.15
<b>4. Effects of foreign exchange rate changes on cash</b>	795,035.86	-1,256,122.04
<b>5.Net increases in cash and cash equivalents</b>	40,637,143.64	-39,535,521.76
Add: cash and cash equivalent, at the beginning of year	58,043,497.54	142,233,376.52
<b>6.Cash and cash equivalent at the end of the year</b>	98,680,641.18	102,697,854.76

## 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	707,941,476.71	735,865,490.56
Refund of taxes and fares		
Other cash received relating to operating activities	1,676,761.98	5,096,996.55
<b>Sub-total of cash inflows</b>	709,618,238.69	740,962,487.11
Cash paid for goods and services	307,697,841.80	498,423,983.26
Cash paid to or on behalf of the employees	144,747,587.40	137,692,018.58
Tax payments	46,478,616.45	53,948,060.87
Other cash paid relating to operating activities	68,308,159.32	75,053,578.28
<b>Sub-total of cash outflows</b>	567,232,204.97	765,117,640.99
<b>Net cash flows from operating activities</b>	142,386,033.72	-24,155,153.88
<b>2.Cash flows from investing activities</b>		
Cash received from return of investment		
Cash received from investment incomes		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,609,692.00	4,912,699.20
Proceeds from sale of subsidiaries and other operating units		
Other cash received relating to investing activities		
<b>Sub-total of cash inflows</b>	1,609,692.00	4,912,699.20
Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,202,525.45	8,246,098.39
Cash paid to acquire investment		
Net cash used in acquiring subsidiaries and other operating		

units		
Other cash paid relating to investing activities		
<b>Sub-total of cash outflows</b>	2,202,525.45	8,246,098.39
<b>Net cash flows from investment activities</b>	-592,833.45	-3,333,399.19
<b>3.Cash flows from financing activities</b>		
Cash received from absorbing investment		
Including: Cash received from increase in minority interest		
Proceeds from borrowings	195,000,000.00	470,000,000.00
Other proceeds relating to financing activities	443,790,094.34	491,863,671.22
<b>Sub-total of cash inflows</b>	638,790,094.34	961,863,671.22
Repayment of borrowings	367,064,872.18	482,900,000.00
Distribution of dividends or profits & interest expenses	28,364,283.89	24,658,617.05
Including: dividends or profit paid to minority interest		
Cash paid for other financing activities	344,908,190.83	448,248,452.22
<b>Sub-total of cash outflows</b>	740,337,346.90	955,807,069.27
<b>Net cash flows from financing activities</b>	-101,547,252.56	6,056,601.95
<b>4. Effects of foreign exchange rate changes on cash</b>	795,035.86	-1,256,122.04
<b>5.Net increases in cash and cash equivalents</b>	41,040,983.57	-22,688,073.16
Add: cash and cash equivalent, at the beginning of year	54,083,755.28	118,675,591.71
<b>6.Cash and cash equivalent at the end of the year</b>	95,124,738.85	95,987,518.55

#### 4.5 Audited report

Audit opinions: not audited.