

## Shenzhen Accord Pharmaceutical Co., Ltd.

### The First Quarterly Report 2011 (Full Text)

#### §1. Important Notes

1.1 Board of Directors and the Supervisory Committee of Shenzhen Accord Pharmaceutical Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

1.2 Other directors attended the meeting on examining the Quarterly Report except for the following directors.

Name of absent directors	Title	Reason of absence	Name of entrusted
Lu Jun	Director	Due to business	Shi Jinming
Wu Aimin	Director	Due to business	Jiang Xiuchang
Ma Wanjun	Director	Due to business	Shi Jinming

1.3 The First Quarterly Financial Report of 2011 has not been audited by CPAs.

1.4 Mr. Shi Jinming, Chairman of the Company; Mr. Yan Zhigang, General Manager; Mr. Wei Pingxiao, CFO and Mr. Chi Guoguang, Financial Manager hereby confirm that the Financial Report of the First Quarterly Report is true and complete.

#### §2. Company Profile

##### 2.1 Main accounting highlights and financial indexes

Unit: RMB

	At the end of the report period	At the period-end of the last year	Changes of increase/decrease (%)
Total assets (RMB)	6,547,314,118.01	6,306,793,005.81	3.81%
Owners' equity attributable to shareholders of the listed company (RMB)	1,139,629,597.70	1,052,370,309.53	8.29%
Share capital (Share)	288,149,400.00	288,149,400.00	0.00%
Net asset per share attributable to shareholders of listed company (RMB/Share)	3.95	3.65	8.22%
	In the report period	The same period of last year	Changes of increase/decrease (%)
Total operating income (RMB)	3,526,818,451.42	2,997,143,207.41	17.67%
Net profit attributable to shareholders of the listed company (RMB)	87,259,288.17	63,119,447.46	38.24%
Net cash flow arising from operating activities (RMB)	-316,947,045.11	-73,092,572.19	333.62%
Net cash flow arising from operating activities per share (RMB/Share)	-1.10	-0.25	3.34%
Basic earnings per share	0.30	0.22	38.24%

(RMB/Share)			
Diluted earnings per share (RMB/Share)	0.30	0.22	38.24%
Weighted average return on equity (%)	7.96%	7.18%	0.78%
Weighted average return on equity after deducting non-recurring gains and losses (%)	7.70%	6.96%	0.74%

Items of non-recurring gains and losses

√ Applicable □ Inapplicable

Unit: RMB

Items of non-recurring gains and losses	Amount	Remarks (If applicable)
Gains and losses from the disposal of non-current assets	23,428.34	
Governmental subsidy reckoned into current gains and losses, but closely relevant to the Company's business except for the governmental subsidy enjoyed in quota or ration according to the national general standards	2,191,962.70	
Impairment provision reversal on account receivable which conducting impairment testing separately	138,973.36	
Other non-operating income and expenditure except for the above items	579,406.30	
Influenced amount of minority shareholders' equity	421,552.78	
Influenced amount of income tax	-491,983.45	
Total	2,863,340.03	-

## 2.2 Total number of shareholders at the end of the report period and shares held by the top ten shareholders with unrestricted conditions

Unit: Share

Total number of shareholders at the end of report period	22,169	
Particulars about the shares held by the top ten tradable shareholders with unrestricted conditions		
Full name of shareholder	Amount of tradable shares with unrestricted conditions held at the end of report period	Type of shares
SINOPHARM GROUP CO., LTD.	110,459,748	RMB common share
ICBC—HARVEST THEME NEW POWER STOCK FUND	10,290,292	RMB common share
ICBC—GUANGFA JUFENG STOCK FUND	9,782,950	RMB common share
ABC—GREATWAL ANXIN RETURN MEX STOCK FUND	7,669,023	RMB common share
HTHK/CMG FSGUFP-CMG FIRST STATE CHINA GROWTH FD	7,032,720	Domestically listed foreign share
ICBC—BOSHI SELECTIVE STOCK FUND	4,963,365	RMB common share
ICBC- GD STRATEGY	4,207,399	RMB common share

SELECTED MIXED STOCK FUND		
ICBC—HARVEST STRATEGY GROWTH MIXED STOCK FUND	4,158,959	RMB common share
ICBC—BOC CONTINUOUS GROWTH STOCK FUND	3,443,546	RMB common share
CCB—GREATWALL CONSUMER VALUE-ADDED STOCK FUND	3,143,979	RMB common share

### §3. Significant Events

#### 3.1 Particulars about material changes in items of main accounting statement and financial index, and explanations of reasons

√Applicable      □Inapplicable

1. Account received in advance at period-end decrease RMB 37.64 million over that of period-begin with rate of -37.52 percent up. Mainly because part of the account received in advance at year-begin qualified the income condition and recognized as income.
2. Taxes payable at period-end increase RMB 22.76 million over that of period-begin with rate of 57.30 percent up. Mainly because the taxes payable at this period gains a y-o-y increase due to the soaring of business income and profit of the Company; furthermore, the increase of taxes payable also influenced by the higher tax rate of urban construction and enterprise income tax in Shenzhen area.
3. Interest payable at period-end decrease RMB 1.56 million over that of period-begin with rate of -73.71 percent up. Mainly due to the part of the loan interest have been paid by the Company.
4. Long-term loans at period-end increase RMB 52 million over that of period-begin with rate of 173.33 percent up. Mainly because the (1) subordinate subsidiary – Zhijun Wanqing increase RMB 30 million in long-term loans in this period; (2) subsidiary of the Company—Guangxi Sinopharm Logistic increase RMB 22 million in long-term loans in this period.
5. Business tax and surcharge at this period increase RMB 4.43 million over same period of last year with rate of 118.60 percent up. Mainly because the expanded business scale makes the income increased and various taxes paid increased; the rate of city construction tax higher from 1 percent to 7 percent in Shenzhen area.
6. Financial expenses at this period increase RMB 10.38 million over same period of last year with rate of 66.30 percent up. Mainly because: (1) the adjustment of loan rates from tight money of the State; (2) the bank loan increased for the development supporting for business.
7. Loss of assets impairment amounting to RMB 5.39 million, increase RMB 4.43 million over same period of last year with rate of 461.59 percent up. Mainly because (1) the bad debt provision withdrawal in the period amount of RMB 1.26 million, RMB 0.11 million have been reversed; (2) Concerning the inventory goods expired, nerally-expired or deprice, RMB 5.21 million was withdrawal for devalue provision, RMB 0.97 million was transfer-back
8. Investment income at this period increase RMB 1.98 million over same period of last year with rate of 46.04 percent up. Mainly because affiliated company—Main Luck Pharmaceutical gains a y-o-y growth in net profit that make the recognized investment income increased in the period.
9. Non-operating income at this period decrease RMB 1.95 million over same period of last year with rate of -40.81 percent up. Mainly because the government grants received by subsidiary—Zhijun Wanqing has a y-o-y decreased in the period.
10. Non-operating expenses at this period decrease RMB 0.55 million over same period of last year with rate of -93.80 percent up. Mainly because there has RMB 0.44 million for loss of the disposal on non-current assets in same period of last year from the Company and its subordinate subsidiary, and this kind of business has a minor amount occurred in this period.
11. Income tax at this period increase RMB 7.6 million over same period of last year with rate of

40.19 percent up. Mainly because the Company has a strong profitability, the total profit has a y-o-y growth of RMB 31.81 million which caused the increase of income tax the withdrawal in this period. Meanwhile, the tax rate higher in the Shenzhen area has an influence on that.

12. Taxes returned received at this period decrease RMB 0.94 million over same period of last year with rate of -55.42 percent up. Mainly because the refund on export received in this period by Zhijun Medical Trading, subordinate subsidiary of the Company, has a y-o-y decrease.

13. Net cash received from the disposal of fixed assets, intangible assets and other long-term assets at this period decrease RMB 4.5 million over same period of last year with rate of -89.90 percent up. Mainly because the last period, subordinate subsidiary of the Company, Zhijun Pharmaceutical obtained RMB 4.5 million in cash from the disposal on part of real estate, and there are no significant amount income from disposal of non-current assets.

14. Other cash received concerning investment activities has a y-o-y increase of RMB 1.91 million over last year. Mainly because in the period, subsidiary of the Company, Guangxi Sinopharm Logistic received the supporting fund from Government of Nanning Economy Development Zone for project of logistic park while no kind of this business occurred in same period of last year.

15. Net cash received from subsidiary and other business units amounting to RMB 00.00 in this period, decreased RMB 11.34 million over same period of last year. Mainly because the at same period of last year, the Company paid the equity acquisition amount of RMB 10.94 million for the 3<sup>rd</sup> phases of Zhijun Wanqing, and RMB 0.4 million for Dongguan Accord, therefore, no kind of business occurred in this period.

16. Other cash paid for investment activities related at this period increase RMB 2.55 million over same period of last year with rate of 35.66 percent up. Mainly because the RMB 7.15 million, acquisition amount for 1<sup>st</sup> phase on medical business of Nanning Pharmaceutical Corp. was paid by Sinopharm Nanning Co.; RMB 9.70 million was paid in this period for 2<sup>nd</sup> phase acquisition.

17. Cash received by borrowing at this period decrease RMB 230 million over same period of last year with rate of -32.98 percent up. Mainly because last year, the Company allocated internal capital completely, and performed the financing business with lower capital cost, makes the bank loans has a y-o-y decreased in this period.

18. Cash paid for debt settlement at this period decrease RMB 460 million over same period of last year with rate of -81.92 percent up. Mainly because the bank loans needed for payment on due decrease over same period of last year.

19. Cash paid for dividend and profit distribution or interest settlement at this period increase RMB 6.91 million over same period of last year with rate of 57.82 percent up. Mainly because the financing line was increased in the period, than the interest payable increased correspondingly.

20. Other cash paid for financing activities related at this period increase RMB 20.96 million over same period of last year with rate of 178.19 percent up. Mainly because the amount of for account receivable factoring have been paid in the period while no such kind business occurred in same period of last year.

### **3.2 Analysis and explanation of significant events and their influence and solutions**

#### **3.2.1 Particular about Qualified Opinion**

☐Applicable ☒Inapplicable

#### **3.2.2 Particular about fund offered to shareholder or its related parties by the Company and external guarantee with procedure violation**

☐Applicable ☒Inapplicable

#### **3.2.3 Particular about the significant contract of routine operation signed and implemented**

☐Applicable ☒Inapplicable

#### **3.2.4 Other**

☒Applicable ☐Inapplicable

I. The Sinopharm TCM Co., Ltd. was purchased on 22 November 2010 under the same control by the Company. In accordance with relevant regulations of Accounting Standards for Business

Enterprise No.20—Business Combination, the Company adjusted the comparative statement dated March 2010 and consolidated the Sinopharm TCM Co., Ltd. The income from January – March of 2010 increased RMB 10.04 million, net profit of RMB -1.59 million and net cash flow arising from operating activities amounting to RMB -6.83 million.

II. In accordance with the Notice of Work on Regulated Pilot of Internal Control for Listed Company in Shenzhen Area (SZJGSZ[2011] No. 31) issued by Shenzhen Securities Regulatory, and the requirement from Basic Regulation of Internal Control for Enterprise, the basic information on internal control for first quarterly report of 2011 as:

(I) Implementation on the construction of internal control

1. Prepared the Self-Evaluation Report on Internal Control for Shenzhen Accord Pharmaceutical Co., Ltd. 2010, and disclosed on March 22 after deliberation from the Board.

2. Prepared the “Implementation on Work Plan of Basic Regulation of Internal Control for Enterprise” of Shenzhen Accord, and disclosed on March 22 after deliberation from the Board approved.

3. According to the arrangement from Shenzhen Securities Regulatory, the Company organized relevant personnel who in charge of the internal control for professional training on the construction of internal control.

4. Combined the organization structure of the Company, the first draft of 26 internal manuals and self-evaluation manuals for internal control have been revised being.

5. Distinguished the current risks in and out of the Company by headquarter professional dept. and major business dept., collected 239 items of risks in total.

6. Discussion the final draft for internal control documents and the collection standards for risks, and regulated the plan for subsequent training of the internal control manual. Plans to convene the Specific Meeting for Risk Internal Control and Procedures for approval in early of May.

7. According to the “Implementation on Work Plan of Basic Regulation of Internal Control for Enterprise”, the First Meeting of 6<sup>th</sup> Session of the Board held on April 28 decided to set up four specific committees in the Board. The “Committee for risk internal control and auditing” was set up as the decision making mechanism and supervise mechanism on internal control in aspect of implementation on basis of governance level.

(II) Comparative on schedule, difference and counter measurement in work plan

Compare with the plan involved in the “Implementation on Work Plan of Basic Regulation of Internal Control for Enterprise”, relevant works are strictly complied with the schedule being performing, and no difference been found and no events required solving.

### **3.3 Implementations of commitments by the Company, shareholders and actual controller**

Commitments make within the report period or persisted to the period by listed company and its director, supervisor and senior executives, shareholder with over 5 percent shares held and its actual controller

☒Applicable ☐Inapplicable

### **3.4 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 ☒Inapplicable

### **3.5 Other significant events which need explanations**

#### **3.5.1 Particulars about securities investment**

☐Applicable ☒Inapplicable

#### **3.5.2 Registration form for receiving research, communication and interview in the report period**

Date	Place	Method	Investor	Contents discussed and materials supplied
2011-01-20	Accord	Spot	Minsheng Securities, China	Knowing about the reform

	Pharmaceutical Building	research	Merchants Fund	development of pharmaceutical industry and no information required
2011-03-03	Accord Pharmaceutical Building	Spot research	First Capital Securities, UBS Securities, Xiangcai Securities, Ivy Capital, Guosen Securities, Bank of Communications Schroder Fund and FUANDA FUND	Knowing about the reform development of pharmaceutical industry and no information required

### 3.6 Particulars about derivatives investment

☐Applicable ☒Inapplicable

#### 3.6.1 Particulars about derivatives investment held at the end of report period

☐Applicable ☒Inapplicable

## §4. Appendix

### 4.1 Balance sheet

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

March 31, 2011

Unit: RMB

Items	Balance at period-end		Balance at year-begin	
	Consolidation	Parent Company	Consolidation	Parent Company
Current assets:				
Monetary funds	687,645,506.54	198,381,738.30	711,789,775.66	135,498,819.87
Settlement provisions				
Capital lent				
Transaction finance asset				
Notes receivable	331,054,784.99	7,653,603.72	369,169,030.47	5,038,459.89
Accounts receivable	3,157,179,105.29	273,715,685.10	2,866,825,102.78	282,597,465.23
Accounts paid in advance	97,244,617.06	3,194,736.69	101,806,030.92	3,798,560.90
Insurance receivable				
Reinsurance receivables				
Contract reserve of reinsurance receivable				
Interest receivable				
Dividend receivable				
Other receivables	37,653,351.25	599,047,876.34	43,110,999.74	557,324,957.67
Purchase restituted finance asset				
Inventories	1,179,720,385.27	106,367,000.68	1,156,329,658.80	117,829,120.30
Non-current asset due within one year				
Other current assets				
Total current assets	5,490,497,750.40	1,188,360,640.83	5,249,030,598.37	1,102,087,383.86
Non-current assets:				
Granted loans and advances				

Finance asset available for sales				
Held-to-maturity investment				
Long-term account receivable				
Long-term equity investment	91,548,684.18	1,328,276,098.27	85,275,251.06	1,272,402,665.15
Investment property	91,622,994.34	11,672,902.54	87,293,333.76	12,033,619.61
Fixed assets	484,921,297.52	34,586,916.63	492,557,743.43	35,677,614.01
Construction in progress	121,095,907.61	253,886.24	108,301,338.12	253,886.24
Engineering material				
Disposal of fixed asset				
Productive biological asset				
Oil and gas asset				
Intangible assets	117,315,148.83	28,420,906.67	129,175,366.09	28,837,698.02
Expense on Research and Development	2,580,662.85		2,580,662.85	
Goodwill	53,555,677.09		53,555,677.09	
Long-term expenses to be apportioned	22,720,204.20	8,913,652.92	19,811,611.24	9,161,222.49
Deferred income tax asset	26,728,023.97	2,958,699.75	31,083,592.24	2,958,699.75
Other non-current asset	44,727,767.02		48,127,831.56	0.00
Total non-current asset	1,056,816,367.61	1,415,083,063.02	1,057,762,407.44	1,361,325,405.27
Total assets	6,547,314,118.01	2,603,443,703.85	6,306,793,005.81	2,463,412,789.13
Current liabilities:				
Short-term loans	1,251,210,486.70	526,873,709.54	975,475,884.21	349,183,556.07
Loan from central bank				
Absorbing deposit and interbank deposit				
Capital borrowed				
Transaction financial liabilities				
Notes payable	1,223,840,218.04	111,296,375.93	1,448,622,490.72	227,394,114.09
Accounts payable	2,112,415,037.08	285,661,334.84	2,003,566,517.62	238,636,669.29
Accounts received in advance	62,684,934.86	37,548.85	100,322,387.21	48,490.62
Selling financial asset of repurchase				
Commission charge and commission payable				

Wage payable	90,760,148.28	21,903,300.74	127,191,717.25	22,612,110.63
Taxes payable	62,479,961.64	3,959,737.39	39,720,311.72	2,957,612.62
Interest payable	557,902.05		2,122,314.90	596,047.97
Dividend payable				
Other accounts payable	334,575,833.81	912,115,413.75	345,011,293.80	874,380,433.82
Reinsurance payables				
Insurance contract reserve				
Security trading of agency				
Security sales of agency				
Non-current liabilities due within 1 year				
Other current liabilities				
Total current liabilities	5,138,524,522.46	1,861,847,421.04	5,042,032,917.43	1,715,809,035.11
Non-current liabilities:				
Long-term loans	82,000,000.00		30,000,000.00	
Bonds payable				
Long-term account payable	39,904.20		40,777.80	
Special accounts payable	4,755,000.00	1,320,000.00	4,755,000.00	1,320,000.00
Projected liabilities				
Deferred income tax liabilities	21,996,982.07	3,773,319.00	22,709,093.70	3,773,319.00
Other non-current liabilities	79,593,848.61		75,809,855.74	
Total non-current liabilities	188,385,734.88	5,093,319.00	133,314,727.24	5,093,319.00
Total liabilities	5,326,910,257.34	1,866,940,740.04	5,175,347,644.67	1,720,902,354.11
Owner's equity (or shareholders' equity):				
Paid-in capital (or share capital)	288,149,400.00	288,149,400.00	288,149,400.00	288,149,400.00
Capital public reserve	5,030,338.57	13,828,726.93	5,030,338.57	13,828,726.93
Less: Inventory shares				
Reasonable reserve				
Surplus public reserve	39,981,268.55	39,981,268.55	39,981,268.55	39,981,268.55
Provision of general risk				
Retained profit	806,468,590.58	394,543,568.33	719,209,302.41	400,551,039.54



Balance difference of foreign currency translation				
Total owner's equity attributable to parent company	1,139,629,597.70	736,502,963.81	1,052,370,309.53	742,510,435.02
Minority interests	80,774,262.97		79,075,051.61	
Total owner's equity	1,220,403,860.67	736,502,963.81	1,131,445,361.14	742,510,435.02
Total liabilities and owner's equity	6,547,314,118.01	2,603,443,703.85	6,306,793,005.81	2,463,412,789.13

#### 4.2 Profit statement

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

Jan.-Mar. 2011

Unit: RMB

Items	Amount in this period		Amount in last period	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Total operating income	3,526,818,451.42	453,841,194.44	2,997,143,207.41	408,871,235.83
Including: Operating income	3,526,818,451.42	453,841,194.44	2,997,143,207.41	408,871,235.83
Interest income				
Insurance gained				
Commission charge and commission income				
II. Total operating cost	3,420,408,282.78	464,486,312.67	2,921,216,947.49	416,407,513.69
Including: Operating cost	3,183,522,936.34	433,808,415.71	2,728,758,764.01	391,002,358.55
Interest expense				
Commission charge and commission expense				
Cash surrender value				
Net amount of expense of compensation				
Net amount of withdrawal of insurance contract reserve				
Bonus expense of guarantee slip				
Reinsurance expense				
Operating tax and extras	8,165,589.31	911,988.51	3,735,389.90	250,316.92
Sales expenses	117,532,935.00	7,538,568.30	101,606,865.79	11,168,239.45
Administration expenses	79,758,107.73	15,490,744.57	70,497,760.39	11,867,945.03
Financial expenses	26,041,000.13	7,050,860.61	15,658,805.81	2,442,906.26
Losses of devaluation of asset	5,387,714.27	-314,265.03	959,361.59	-324,252.52
Add: Changing income of fair value(Loss is listed with "-")				
Investment income	6,273,433.12	6,273,433.12	4,295,789.17	3,543,098.54

(Loss is listed with “-”)				
Including: Investment income on affiliated company and joint venture	6,273,433.12	6,273,433.12	4,295,789.17	3,543,098.54
Exchange income (Loss is listed with “-”)				
III. Operating profit (Loss is listed with “-”)	112,683,601.76	-4,371,685.11	80,222,049.09	-3,993,179.32
Add: Non-operating income	2,830,817.22	-7.85	4,782,543.87	899,059.00
Less: Non-operating expense	36,019.88		581,380.49	
Including: Disposal loss of non-current asset	8,067.76		440,672.27	
IV. Total Profit (Loss is listed with “-”)	115,478,399.10	-4,371,692.96	84,423,212.47	-3,094,120.32
Less: Income tax	26,519,899.57	1,635,778.25	18,917,223.05	
V. Net profit (Net loss is listed with “-”)	88,958,499.53	-6,007,471.21	65,505,989.42	-3,094,120.32
Net profit attributable to owner’s equity of parent company	87,259,288.17	-6,007,471.21	63,119,447.46	-3,094,120.32
Minority shareholders’ gains and losses	1,699,211.36		2,386,541.96	
VI. Earnings per share				
i. Basic earnings per share	0.30		0.22	
ii. Diluted earnings per share	0.30		0.22	
VII. Other consolidated income				
VIII. Total consolidated income	88,958,499.53	-6,007,471.21	65,505,989.42	-3,094,120.32
Total consolidated income attributable to owners of parent company	87,259,288.17	-6,007,471.21	63,119,447.46	-3,094,120.32
Total consolidated income attributable to minority shareholders	1,699,211.36		2,386,541.96	

Concerning the enterprise consolidation under common control occurred in the period; the merged party realized net profit before consolidation amounting to RMB00.00.

#### 4.3 Cash flow statement

Prepared by Shenzhen Accord Pharmaceutical Co., Ltd.

Jan.-Mar. 2011

Unit: RMB

Items	Amount in this period		Amount in last period	
	Consolidation	Parent Company	Consolidation	Parent Company
I. Cash flows arising				

from operating activities:				
Cash received from selling commodities and providing labor services	3,413,820,892.44	512,728,220.34	2,912,662,916.73	455,535,793.15
Net increase of customer deposit and interbank deposit				
Net increase of loan from central bank				
Net increase of capital borrowed from other financial institution				
Cash received from original insurance contract fee				
Net cash received from reinsurance business				
Net increase of insured savings and investment				
Net increase of disposal of transaction financial asset				
Cash received from interest, commission charge and commission				
Net increase of capital borrowed				
Net increase of returned business capital				
Write-back of tax received	75,431.82		169,199.66	
Other cash received concerning operating activities	25,568,991.86	10,330,297.16	28,006,067.04	6,865,163.40
Subtotal of cash inflow arising from operating activities	3,439,465,316.12	523,058,517.50	2,940,838,183.43	462,400,956.55
Cash paid for purchasing commodities and receiving labor service	3,432,258,083.52	603,678,760.41	2,727,422,607.05	330,433,992.99
Net increase of customer loans and advances				
Net increase of deposits in central bank and interbank				

Cash paid for original insurance contract compensation				
Cash paid for interest, commission charge and commission				
Cash paid for bonus of guarantee slip				
Cash paid to/for staff and workers	137,727,322.10	15,146,125.23	120,056,474.56	10,658,254.65
Taxes paid	84,541,630.69	6,592,520.64	70,932,610.07	6,835,190.63
Other cash paid concerning operating activities	101,885,324.92	15,948,200.18	95,519,063.94	21,267,062.67
Subtotal of cash outflow arising from operating activities	3,756,412,361.23	641,365,606.46	3,013,930,755.62	369,194,500.94
Net cash flows arising from operating activities	-316,947,045.11	-118,307,088.96	-73,092,572.19	93,206,455.61
II. Cash flows arising from investing activities:				
Cash received from recovering investment				
Cash received from investment income				
Net cash received from disposal of fixed, intangible and other long-term assets	505,236.40		5,003,300.00	
Net cash received from disposal of subsidiaries and other units				
Other cash received concerning investing activities	1,908,000.00			
Subtotal of cash inflow from investing activities	2,413,236.40		5,003,300.00	
Cash paid for purchasing fixed, intangible and other long-term assets	41,755,033.01	1,613,807.64	51,018,699.34	163,527.65
Cash paid for investment		49,600,000.00		583,460,000.00
Net increase of mortgaged loans				
Net cash received			11,337,750.63	11,337,750.63

from subsidiaries and other units				
Other cash paid concerning investing activities	9,698,496.42		7,149,060.00	
Subtotal of cash outflow from investing activities	51,453,529.43	51,213,807.64	69,505,509.97	594,961,278.28
Net cash flows arising from investing activities	-49,040,293.03	-51,213,807.64	-64,502,209.97	-594,961,278.28
III. Cash flows arising from financing activities				
Cash received from absorbing investment				
Including: Cash received from absorbing minority shareholders' investment by subsidiaries				
Cash received from loans	473,500,000.00	280,000,000.00	706,500,000.00	540,000,000.00
Cash received from issuing bonds				
Other cash received concerning financing activities	18,836,940.75	211,336,940.75		796,836,467.10
Subtotal of cash inflow from financing activities	492,336,940.75	491,336,940.75	706,500,000.00	1,336,836,467.10
Cash paid for settling debts	101,578,420.88	40,000,000.00	561,921,239.21	524,421,239.21
Cash paid for dividend and profit distributing or interest paying	18,851,178.99	14,210,318.24	11,944,780.80	5,696,397.21
Including: Dividend and profit of minority shareholder paid by subsidiaries				
Other cash paid concerning financing activities	32,722,807.48	204,722,807.48	11,762,551.78	338,740,000.00
Subtotal of cash outflow from financing activities	153,152,407.35	258,933,125.72	585,628,571.79	868,857,636.42
Net cash flows arising from financing activities	339,184,533.40	232,403,815.03	120,871,428.21	467,978,830.68

IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-180.51		-5.15	
V. Net increase of cash and cash equivalents	-26,802,985.25	62,882,918.43	-16,723,359.10	-33,775,991.99
Add: Balance of cash and cash equivalents at the period -begin	682,875,873.18	135,498,819.87	588,405,675.91	125,541,203.80
VI. Balance of cash and cash equivalents at the period -end	656,072,887.93	198,381,738.30	571,682,316.81	91,765,211.81

**4.4 Auditor' report**

Auditor's opinions: Un-audited