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# 北人印刷機械股份有限公司

BEIREN PRINTING MACHINERY HOLDINGS LIMITED

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 187)

## 2009 THIRD QUARTERLY REPORT

### 1 IMPORTANT NOTICES

- 1.1 The board of directors (the “Board”), supervisory committee (the “Supervisory Committee”) and the directors (the “Directors”), supervisors and senior management of the Company warrant that this report does not contain any false information, misleading statements or material omission and that they severally and jointly accept full responsibility for the truthfulness, accuracy and completeness of the contents herein contained.
- 1.2 All Directors of the Company considered and approved the 2009 Third Quarterly Report of the Company (the “Third Quarterly Report”) by way of written resolution.
- 1.3 The financial statements of the Third Quarterly Report have not been audited.
- 1.4 Mr. Pang Liandong, the Legal Representative of the Company, Mr. Zhang Peiwu, the General Manager, and Mr. Duan Yuangang, the Chief Accountant, have declared that they guarantee the truthfulness and completeness of the financial statements contained in this quarterly report.

### 2 BASIC CORPORATE INFORMATION

#### 2.1 Major accounting figures and financial indicators

Unit: RMB

	As at the end of the reporting period	As at the end of last year	Increase/Decrease as compared with the end of the reporting period over the end of last year (%)
Total assets (RMB)	1,829,536,898.22	1,959,518,162.60	-6.63
Equity interests of owners (or shareholders' equity interests) (RMB)	841,027,516.64	896,867,102.34	-6.23
Net assets per share attributable to shareholders of the Company (RMB)	1.990	2.13	-6.57
	From the beginning of the year to the end of the reporting period (January-September)		Increase/Decrease as compared with the corresponding period last year (%)
Net cash flow from operating activities (RMB)		58,448,431.52	778.89
Net cash flow per share from operating activities (RMB)		0.139	768.75

	For the reporting period (July-September)	From the beginning of the year to the end of the reporting period (January-September)	Increase/Decrease as compared with the reporting period over the corresponding period last year (%)
Net profit attributable to shareholders of the Company (RMB)	-20,161,889.35	-55,839,585.70	24.39
Basic earnings per share (RMB)	-0.05	-0.132	24.57
Basic earnings per share after extraordinary items (RMB)	—	-0.143	—
Diluted earnings per share (RMB)	-0.05	-0.132	24.57
Return on net assets on fully diluted basis (%)	-2.40	-6.64	Increased by 0.18 percentage point
Return on net assets on fully diluted basis after extraordinary items (%)	-2.46	-7.19	Decreased by 0.05 percentage point

Deducting extraordinary items and amount:

	Amount for the period from the beginning of the year to the end of the reporting period (January-September) (RMB)	Notes
<b>Extraordinary items</b>		
Profit (Loss) from disposal of non-current assets	575,393.49	
Government subsidies recognized as gain (loss), excluding government subsidies closely related to the normal operating activities of the Company which are ongoing and granted at fixed amount or quantity in compliance with the requirements of government policy and in accordance with certain standards	4,366,279.17	Mainly employment stabilization subsidies and incentive subsidies for elimination of yellow-label cars
Other non-operating income and expenses excluding the above items	-286,363.08	
Total	<u>4,655,309.58</u>	

## 2.2 Total number of shareholders and shareholding of top ten shareholders of shares not subject to trading moratorium at the end of reporting period

Unit: share

Total number of shareholders at the end of the reporting period 26,390  
(including: 26,293 A share holders,  
97 H share holders)

### SHAREHOLDING OF TOP TEN SHAREHOLDERS OF CIRCULATING SHARES NOT SUBJECT TO TRADING MORATORIUM

Name of shareholder (Full name)	Number of circulating shares not subject to trading moratorium held at the end of the period	Class of shares
Beiren Group Corporation	222,640,000	State-owned legal person shares
HKSCC NOMINEES LIMITED	98,061,199	Overseas listed foreign shares
China AMC Select	1,932,449	Renminbi ordinary shares
Li Ruihong	1,700,000	Renminbi ordinary shares
Wu Zhiqiang	820,000	Renminbi ordinary shares
Beijing BBEF Electronics	722,100	Renminbi ordinary shares
Lin Zhilong	704,083	Renminbi ordinary shares
Chan Kwok Tai Eddie	618,000	Overseas listed foreign shares
Liao Jingqiu	600,000	Renminbi ordinary shares
Liao Zhijun	557,300	Renminbi ordinary shares

## 3 SIGNIFICANT EVENTS

### 3.1 Details and reasons for material changes in major items of accounting statement and financial indicators of the Company

☒ Applicable      ☐ Not Applicable

1. Bills receivable increased by 149.93% over the beginning of the year, mainly due to the increase in bills receivable during the period.
2. Construction in progress increased by 41.37% over the beginning of the year, mainly due to payment for construction.
3. Bills payable increased by 87.50% over the beginning of the year, mainly due to the issuance of new bank acceptance notes.
4. Receipts in advance increased by 37.61% over the beginning of the year, mainly due to the increase in payments for machinery received in advance.
5. Tax payable increased by 132.55% over the beginning of the year, mainly due to the increase in outstanding tax payable.
6. Other current liabilities decreased by 100% from the beginning of the year, mainly due to the decrease in accrued expenses.

7. Special purpose accounts payable increased by 134.85% over the beginning of the year, mainly due to the increase in support fund for technological research project.
8. Financial expenses decreased by 30.85% from the same period of last year, mainly due to effects including the progressive downward adjustment in interest rates on bank loans during the second half of 2008.
9. Asset impairment loss decreased by 70.88% from the same period of last year, mainly due to the decrease in provision for asset impairment loss for the current period.
10. Investment income increased by 96.12% over the same period of last year, mainly due to the disposal of subsidiaries.
11. Net cash flow generated from operating activities increased by 778.89% over the previous period, mainly due to the decrease in cash outflow for operating activities.

**3.2 The progress and impact of significant events and the analysis and explanation for the solutions**

☐ Applicable      ☒ Not Applicable

**3.3 Status of fulfillment of commitments undertaken by the Company, shareholders and the actual controller**

☐ Applicable      ☒ Not Applicable

**3.4 Forecast of a possible loss in respect of the accumulated net profit from the beginning of the year to the end of the next reporting period or warning in respect of any significant changes of profit as compared with that of the corresponding period of last year and the reasons.**

☐ Applicable      ☒ Not Applicable

**3.5 Implementation of cash dividend distribution policy during the reporting period**

No cash dividend was distributed during the reporting period.

**Beiren Printing Machinery Holdings Limited**  
**Pang Liandong**  
*Legal representative*

30 October 2009

*As at the date of this announcement, the Board of Directors of the Company comprises Mr. Bai Fan as non-executive directors, Mr. Pang Liandong, Mr. Zhang Peiwu, Mr. Yang Zhendong and Mr. Duan Yuangang as executive directors and Mr. Xu Wencai, Ms. Wang Hui, Mr. Xie Bingguang and Mr. Wang Deyu as independent non-executive directors.*

## 4 APPENDIX

### 4.1 COMBINED BALANCE SHEET

As at 30 September 2009

Prepared by: Beiren Printing Machinery Holdings Limited

*Unit: RMB (Unaudited)*

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current assets:</b>		
Cash and cash balances	60,592,310.48	74,783,510.00
Settlement reserves		
Placements with banks and other financial institutions		
Financial assets held for trading		
Bills receivable	19,571,400.38	7,830,646.60
Accounts receivable	263,666,283.25	298,808,641.12
Prepayments	23,276,676.35	26,921,968.40
Premium receivable		
Reinsurance receivables		
Reinsurance contract reserve receivables		
Interest receivable		
Dividend receivable		622,300.00
Other receivables	38,773,472.94	35,036,409.30
Financial assets purchased under agreements to resell		
Inventories	604,279,363.89	659,504,841.69
Non-current assets due within 1 year		
Other current assets		
Total current assets	<u>1,010,159,507.29</u>	<u>1,103,508,317.11</u>
<b>Non-current assets:</b>		
Granted loans and advances		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	14,800,684.74	14,478,492.90
Investment property	15,236,478.41	15,802,196.22
Fixed assets	636,186,435.03	671,802,649.88
Construction in progress	5,263,660.35	3,723,256.13
Engineering material		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	127,104,030.71	129,555,254.67
Development expenditure		
Goodwill		
Long-term unamortised expenses	12,134,397.10	11,996,291.10
Deferred income tax assets	8,651,704.59	8,651,704.59
Other non-current assets		
Total non-current assets	<u>819,377,390.93</u>	<u>856,009,845.49</u>
Total assets	<u>1,829,536,898.22</u>	<u>1,959,518,162.60</u>

Unit: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	303,350,000.00	360,692,750.00
Borrowings from central bank		
Deposits and due to banks and other financial institutions		
Placements from banks and other financial institutions		
Financial liabilities held for trading		
Bills payables	15,000,000.00	8,000,000.00
Accounts payable	371,392,332.74	405,817,379.06
Receipts in advance	82,716,990.09	60,111,842.44
Financial assets sold under agreement to repurchase		
Handling charges and commission payable		
Wage payable	56,224,671.97	67,040,363.66
Tax payable	11,344,325.32	4,878,200.28
Interest payable	432,375.00	550,237.50
Dividend payable		
Other payables	57,697,245.96	63,945,480.53
Reinsurance payables		
Insurance contract reserves		
Customer deposits		
Amount payables under security underwriting		
Non-current liabilities due within 1 year	29,550,000.00	29,550,000.00
Other current liabilities		1,195,575.00
Total current liabilities	927,707,941.08	1,001,781,828.47
<b>Non-current liabilities:</b>		
Long-term borrowings	24,000,000.00	27,000,000.00
Bonds payable		
Long-term payables		
Specific purpose accounts payable	9,578,638.33	4,078,638.33
Estimated liabilities	266,891.98	266,891.98
Deferred income tax liabilities		
Other non-current liabilities	3,564,223.27	3,564,223.27
Total non-current liabilities	37,409,753.58	34,909,753.58
Total liabilities	965,117,694.66	1,036,691,582.05
<b>Shareholders' equity interests:</b>		
Share capital	422,000,000.00	422,000,000.00
Capital reserves	523,020,271.06	523,020,271.06
Less: treasury stock		
Surplus reserve	198,928,288.88	198,928,288.88
General risk provision		
Undistributed profit	-302,921,043.30	-247,081,457.60
Foreign exchange difference		
Total owners' equity attributable to parent company	841,027,516.64	896,867,102.34
Minority interests	23,391,686.92	25,959,478.21
Total shareholders' equity interests	864,419,203.56	922,826,580.55
Total liabilities and shareholders' equity interests	1,829,536,898.22	1,959,518,162.60

Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:  
Duan Yuangang

**BALANCE SHEET OF THE PARENT COMPANY**

As at 30 September 2009

Prepared by: Beiren Printing Machinery Holdings Limited

*Unit: RMB (Unaudited)*

<b>Items</b>	<b>Balance at the end of the period</b>	<b>Balance at the beginning of the year</b>
<b>Current assets:</b>		
Cash and cash balances	48,050,142.00	53,273,532.77
Financial assets held for trading		
Bills receivable	16,427,240.52	5,207,218.80
Accounts receivable	212,621,913.19	253,002,606.89
Prepayments	2,058,877.46	11,886,494.43
Interest receivable		
Dividend receivable		622,300.00
Other receivables	11,120,148.43	8,707,574.84
Inventories	440,424,371.56	473,276,767.37
Non-current assets due within 1 year		
Other current assets		
Total current assets	<u>730,702,693.16</u>	<u>805,976,495.10</u>
<b>Non-current assets:</b>		
Available-for-sale financial assets		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	214,861,384.00	217,073,192.16
Investment property	15,236,478.41	15,802,196.22
Fixed assets	481,417,662.76	506,064,054.57
Construction in progress	3,053,860.85	1,979,279.63
Engineering material		
Disposal of fixed assets		
Productive biological assets		
Oil and gas assets		
Intangible assets	102,584,888.27	104,185,068.28
Development expenditure		
Goodwill		
Long-term unamortised expenses	11,946,791.10	11,996,291.10
Deferred income tax assets		
Other non-current assets		
Total non-current assets	<u>829,101,065.39</u>	<u>857,100,081.96</u>
Total assets	<u>1,559,803,758.55</u>	<u>1,663,076,577.06</u>

Unit: RMB (Unaudited)

Items	Balance at the end of the period	Balance at the beginning of the year
<b>Current liabilities:</b>		
Short-term borrowings	230,000,000.00	272,742,750.00
Financial liabilities held for trading		
Bills payable		
Accounts payable	262,413,879.50	279,873,659.04
Receipts in advance	23,097,188.98	18,026,655.38
Wage payable	30,145,614.79	41,626,448.49
Tax payable	6,903,200.35	-1,092,290.44
Interest payable	432,375.00	550,237.50
Dividend payable		
Other payables	62,417,609.09	66,453,202.81
Non-current liabilities due within 1 year		
Other current liabilities		395,575.00
Total current liabilities	<u>615,409,867.71</u>	<u>678,576,237.78</u>
<b>Non-current liabilities:</b>		
Long-term borrowings		
Bonds payable		
Long-term payables		
Special purpose accounts payable	9,578,638.33	4,078,638.33
Estimated liabilities	266,891.98	266,891.98
Deferred income tax liabilities		
Other non-current liabilities	2,627,264.02	2,627,264.02
Total non-current liabilities	<u>12,472,794.33</u>	<u>6,972,794.33</u>
Total liabilities	<u>627,882,662.04</u>	<u>685,549,032.11</u>
<b>Shareholders' equity interest:</b>		
Share capital	422,000,000.00	422,000,000.00
Capital reserves	517,456,262.71	517,456,262.71
Less: treasury stock		
Surplus reserve	193,826,863.24	193,826,863.24
Undistributed profit	-201,362,029.44	-155,755,581.00
Exchange difference arising on translation of foreign currency statements		
Total shareholders' equity interests	<u>931,921,096.51</u>	<u>977,527,544.95</u>
Total liabilities and shareholders' equity interests	<u>1,559,803,758.55</u>	<u>1,663,076,577.06</u>

Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:  
Duan Yuangang



## 4.2 COMBINED INCOME STATEMENT

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: RMB (Unaudited)

Items	Amount for the current period (July-September)	Amount for the prior period (July-September)	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
1. Total operating income	148,745,215.41	154,898,102.07	532,155,055.35	554,518,548.24
Including: Operating income	148,745,215.41	154,898,102.07	532,155,055.35	554,518,548.24
Interest income				
Premium income				
Handling charges and commission income				
2. Total operating cost	170,903,617.53	206,889,481.52	596,442,168.78	636,432,865.17
Including: Operating cost	127,541,882.10	137,751,753.61	459,873,534.44	456,968,851.84
Interest expenses				
Handling charges and commission expenses				
Payment of surrenders				
Net claim expenses				
Net provision for insurance contracts reserve				
Policyholder dividends expenses				
Expenses for reinsurance accepted				
Business tax and surcharge	1,239,706.99	988,018.11	4,154,818.66	1,941,496.55
Sales expenses	14,364,002.65	13,392,905.26	38,492,447.07	46,367,490.96
Administrative expenses	22,283,780.18	29,795,097.99	71,655,844.10	81,867,489.17
Financial expenses	4,154,358.81	6,304,775.01	13,668,196.50	19,765,431.00
Impairment loss on assets	1,319,886.80	18,656,931.54	8,597,328.01	29,522,105.65
Add: Gain from change in fair value (loss expressed with “-”)				
Gain from investment (loss expressed with “-”)	1,043,655.10	-1,099,603.12	1,292,042.27	658,803.55
Including: Gain from investments in associates and joint ventures	73,804.67	-1,099,603.12	322,191.84	658,803.55
Gains from foreign exchange (loss expressed with “-”)				
3. Operating profit (loss expressed with “-”)	-21,114,747.02	-53,090,982.57	-62,995,071.16	-81,255,513.38
Add: Non-operating income	806,781.73	62,166.68	5,842,465.08	5,178,493.75
Less: Non-operating expenses	297,531.97	59,387.59	1,089,011.05	688,386.85
Including: Loss on disposal of non-current assets	10,306.05		627,260.98	
4. Total profit (total loss expressed with “-”)	-20,605,497.26	-53,088,203.48	-58,241,617.13	-76,765,406.48
Less: Income tax expenses		259,632.52	165,759.86	180,147.69
5. Net profit (net loss expressed with “-”)	-20,605,497.26	-53,347,836.00	-58,407,376.99	-76,945,554.17
Net profit attributable to owners of parent company	-20,161,889.35	-51,052,762.82	-55,839,585.70	-73,850,412.75
Minority interests	-443,607.91	-2,295,073.18	-2,567,791.29	-3,095,141.42
6. Earnings per share:				
(1) Basic earnings per share	-0.05	-0.121	-0.132	-0.175
(2) Diluted earnings per share	-0.05	-0.121	-0.132	-0.175

Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:  
Duan Yuangang

# INCOME STATEMENT OF THE PARENT COMPANY

Prepared by: Beiren Printing Machinery Holdings Limited

Unit: RMB (Unaudited)

Items			Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
	Amount for the current period (July-September)	Amount for the prior period (July-September)		
1. Operating income	83,315,982.71	77,848,947.53	304,990,274.65	319,002,110.69
Less: Operating cost	75,322,147.95	68,573,448.89	270,422,868.08	267,096,856.71
Business tax and surcharge	905,844.00	861,065.86	3,002,984.55	1,366,558.02
Sales expenses	8,498,004.97	6,754,591.62	20,131,610.31	27,902,158.11
Administrative expenses	16,340,085.44	16,965,308.55	43,404,106.09	47,399,075.19
Financial expenses	2,333,764.20	3,584,609.53	8,513,618.11	11,928,334.41
Impairment loss on assets		19,952,845.30	7,277,441.21	28,872,105.65
Add: Gain from change in fair value (loss expressed with “-”)				
Gain from investment (loss expressed with “-”)	-2,410,195.33	-1,099,603.12	-2,161,808.16	658,803.55
Including: gains from investments in associates and joint ventures	73,804.67	-1,099,603.12	322,191.84	658,803.55
2. Operating profit (loss expressed with “-”)	-22,494,059.18	-39,942,525.34	-49,924,161.86	-64,904,173.85
Add: Non-operating income	657,230.01	520.00	4,832,847.74	263,510.00
Less: Non-operating expenses	131,419.52	5,240.95	515,134.32	570,095.75
Including: Loss on disposal of non-current assets	15,269.52	4,037.29	339,943.35	
3. Total profit (total loss expressed with “-”)	-21,968,248.69	-39,947,246.29	-45,606,448.44	-65,210,759.60
Less: Income tax expenses				
4. Net profit (net loss expressed with “-”)	-21,968,248.69	-39,947,246.29	-45,606,448.44	-65,210,759.60

Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:  
Duan Yuangang

### 4.3 COMBINED CASH FLOW STATEMENT

For the nine months ended 30 September 2009

Prepared by: Beiren Printing Machinery Holdings Limited

*Unit: RMB (Unaudited)*

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>1. Cash flow generated from operating activities:</b>		
Cash received from sales of goods and rendering of services	526,648,899.20	639,603,816.89
Net increase in customer deposits and due to banks and other financial institutions		
Net increase in borrowings from central bank		
Net increase in placements from other financial institutions		
Cash received from insurance policy premium		
Net cash received from reinsurance		
Net increase in policyholder deposit and investments		
Net increase from disposal of financial assets held for trading		
Cash received from interests, handling charges and commission		
Net increase in placements from banks and other financial institutions		
Net increase in capital from repurchase		
Refund of taxes and surcharges received	1,027,772.05	743,623.58
Other cash received relating to operating activities	9,209,114.43	12,822,128.26
Subtotal of cash inflows from operating activities	536,885,785.68	653,169,568.73
Cash paid for goods and services	262,873,241.01	412,852,891.09
Net increase in customers' loans and advances		
Net increase in placements with central bank, banks and other financial institutions		
Cash paid for insurance contract claims		
Cash paid for interests, handling charges and commission		
Cash paid for policyholder dividend		
Cash paid to and on behalf of employees	133,147,360.77	145,547,007.34
Taxes and surcharges paid	38,979,245.86	18,455,003.39
Other cash paid relating to operating activities	43,437,506.52	69,664,380.89
Subtotal of cash outflows from operating activities	478,437,354.16	646,519,282.71
Net cash flow from operating activities	58,448,431.52	6,650,286.02

Unit: RMB (Unaudited)

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>2. Cash flow generated from investing activities:</b>		
Cash received from investment recovered	50,000.00	94,847.59
Cash received from investment gains		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	71,715.42	5,271,410.00
Net cash received from disposal of subsidiaries and other operating units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	121,715.42	5,366,257.59
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	2,222,339.58	7,216,879.37
Cash paid for investments		
Net increase in pledged loans		
Net cash received from subsidiaries and other operating units		
Other cash paid relating to investing activities	250,000.00	67,563.68
Subtotal of cash outflows from investing activities	2,472,339.58	7,284,443.05
Net cash flows from investing activities	-2,350,624.16	-1,918,185.46
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments		
Including: Cash received from minority investments in subsidiaries		
Cash received from borrowings	300,450,000.00	313,950,000.00
Cash received from issue of bonds		
Other cash received relating to financing activities	54,063.71	137,985.62
Subtotal of cash inflows from financing activities	300,504,063.71	314,087,985.62
Cash paid for repayments of debts	356,157,750.00	335,579,500.00
Cash paid for distribution of dividends or profits or reimbursing interest	14,331,600.30	18,115,933.11
Including: Dividend, profit paid by subsidiaries to minority shareholders		
Other cash paid relating to financing activities	303,025.27	865,963.79
Subtotal of cash outflows from financing activities	370,792,375.57	354,561,396.90
Net cash flows from financing activities	-70,288,311.86	-40,473,411.28
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	-695.02	-500,975.86
<b>5. Net increase in cash and cash equivalents</b>	-14,191,199.52	-36,242,286.58
Add: Balance of cash and cash equivalents at the beginning of the period	74,783,510.00	108,403,575.44
<b>6. Balance of cash and cash equivalents at the end of the period</b>	60,592,310.48	72,161,288.86

Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:  
Duan Yuangang

## CASH FLOW STATEMENT OF THE PARENT COMPANY

For the nine months ended 30 September 2009

Prepared by: Beiren Printing Machinery Holdings Limited

*Unit: RMB (Unaudited)*

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
<b>1. Cash flow generated from operating activities:</b>		
Cash received from sales of goods and rendering of services	288,328,519.78	351,744,246.43
Refund of taxes and surcharges received	0	743,623.58
Other cash received relating to operating activities	6,365,693.02	9,144,562.34
Subtotal of cash inflows from operating activities	294,694,212.80	361,632,432.35
Cash paid for goods and services	112,413,409.51	207,761,711.83
Cash paid to and on behalf of employees	90,043,831.37	101,492,162.74
Taxes and surcharges paid	21,714,632.77	9,890,958.29
Other cash paid relating to operating activities	28,120,817.82	38,132,633.65
Subtotal of cash outflows from operating activities	252,292,691.47	357,277,466.51
Net cash flow from operating activities	42,401,521.33	4,354,965.84
<b>2. Cash flow generated from investing activities:</b>		
Cash received from investment recovered	50,000.00	44,847.59
Cash received from investment gains		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	77,176.00	350.00
Net cash received from disposal of subsidiaries and other operating units		
Other cash received relating to investing activities		
Subtotal of cash inflows from investing activities	127,176.00	45,197.59
Cash paid for acquiring fixed assets, intangible assets and other long-term assets	721,024.70	2,016,005.80
Cash paid for investments		
Net cash received from subsidiaries and other operating units		
Other cash paid relating to investing activities	250,000.00	17,563.68
Subtotal of cash outflows from investing activities	971,024.70	2,033,569.48
Net cash flow from investing activities	-843,848.70	-1,988,371.89
<b>3. Cash flow generated from financing activities:</b>		
Cash received from investments		
Cash received from borrowings	235,500,000.00	220,000,000.00
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	235,500,000.00	220,000,000.00
Cash paid for repayments of debts	273,607,750.00	246,179,500.00
Cash paid for distribution of dividends, profits or reimbursing interest	8,677,440.00	11,032,047.40
Other cash paid relating to financing activities	0	124,803.00
Subtotal of cash outflows from financing activities	282,285,190.00	257,336,350.40
Net cash flow from financing activities	-46,785,190.00	-37,336,350.40

*Unit: RMB (Unaudited)*

Items	Amount for the period from the beginning of the year to the end of the reporting period (January-September)	Amount for the period from the beginning of last year to the end of the reporting period last year (January-September)
4. Effect of exchange rate changes on cash and cash equivalents	4,126.60	-40,291.81
5. Net increase in cash and cash equivalents	-5,223,390.77	-35,010,048.26
Add: Balance of cash and cash equivalents at the beginning of the period	53,273,532.77	76,686,356.44
6. Balance of cash and cash equivalents at the end of the period	48,050,142.00	41,676,308.18

(Legal Representative of the Company:  
Pang Liandong

Financial Controller:  
Zhang Peiwu

Financial Manager:)  
Duan Yuangang