

Stock Code: 000488      200488      Stock ID: G Chenming      Chenming B      Announcement No. 2006-029

## SHANDONG CHENMING PAPER HOLDINGS LIMITED

# The 1<sup>st</sup> Quarterly Report 2006

### § 1 Important Declaration

1.1 The Board of Directors and the directors of the Company guarantee that there are no significant omissions, fictitious or misleading statements carried in the Report and we will accept individual and joint responsibilities for the truthfulness, accuracy and completeness of the Report.

1.2 None of the directors is holding uncertain or objective attitude on the truthfulness, accuracy, and completeness of this quarterly report.

1.3 Director(s) absented the board meeting

Name of the Director	Reason of absent	Consignee
Guo Xiucheng	On business travel	Hu Wenhe
Zhou Shaohua	On business travel	Hou Huancai
Liu Chengzhen	On business travel	Wu Bingyu
Wang Zhihua	On business travel	Liu Xueyan
Hu Changqing	Due to illness	None

1.4 The financial statements carried in this report are not audited.

1.5 Mr. Chen Hongguo, the Chairman of Board, Mr. Yu Shiyong, the Chief Financial Officer, and Mr. Zhu Xiangzhi, the Financial Manager declares the truthfulness and completeness of the financial statements carried in this report.

### § 2 Company Profile

2.1 Basic Information of the Company

Stock ID	G Chenming      Chenming B	Previous Stock ID (if any)	
Stock Code	000488      200488		
	Secretary of the Board	Representative of Stock Affairs	
Name	Hao Yun	Wang Wei	
Address	No. 595 Shencheng Rd., Shouguang City, Shandong Province	No. 595 Shencheng Rd., Shouguang City, Shandong Province	
Tel.	0536 - 2158977	0536 - 2158011	
Fax.	0536 - 2158640	0536 - 2158640	
Email.	cmzqb@chenming.com.cn	zqbwangwei@tom.com	

2.2 Financial Information

## 2.2.1 Financial Highlights

In RMB Yuan

	Ended this report term	Ended previous year	Increase/decrease (%)
Gross Assets	18,934,261,259.46	17,969,414,107.77	5.37%
Shareholders' Equity (Exclude Minority Shareholders' Equity)	5,692,986,032.75	5,465,605,443.09	4.16%
Net asset per share	4.17	4.04	3.22%
Net asset per share, adjusted	4.06	3.93	3.31%
	The report term	Year beginning to the end of the report term	Increase/decrease (%)
Cash flow generated by business operation, net	-231,836,175.55	-231,836,175.55	-742.06%
Earnings per share	0.11	0.11	-42.10%
Earnings per share (Note)	0.11	-	-
Net earnings / capital ratio	2.53%	2.53%	-0.86%
Net earnings / capital ratio after deducting of non-recurring gain/loss	1.64%	1.64%	-1.29%

Note: In case of the capital share was changed during the period between the report date and the date when it is disclosed, then the new capital share will be adopted as the basis of earnings per share.

Non-recurring gain and loss items	Amount
Non-business income	1,230,982.11
Non-business expenditure	-435,493.88
Allowance income	29,225,544.93
Influence of income tax of non-recurring gain/loss	-4,617,619.58
Influence of minor shareholders of non-recurring gain/loss	-8,785,409.52
Total	16,618,004.06

## 2.2.2 Financial statements

## 2.2.2.2 Income statement

Prepared by: Shandong Chenming Paper Holdings Co., Ltd.

Jan-Mar 2006

RMB Yuan

Items	Current term		Same period last year	
	Consolidated	Parent company	Consolidated	Parent company
I. Major business turnover	2,919,753,809.26	2,204,159,519.33	2,150,842,509.90	1,815,200,629.50
Less: Major business cost	2,371,474,479.62	1,938,511,847.42	1,698,162,615.89	1,539,820,029.36
Major business tax and surtax	3,322,390.93	15,836.48	3,938,548.66	88,707.00
II. Major business profit ("-" for loss)	544,956,938.71	265,631,835.43	448,741,345.35	275,291,893.14
Plus: Other business profit ("-" for loss)	11,655,202.60	3,629,218.67	7,346,259.81	4,145,662.23
Less: Business expenses	140,999,016.79	74,667,478.87	111,216,539.65	60,406,997.94
Administrative expense	142,822,165.74	83,471,162.04	100,179,355.97	41,760,416.70
Financial expenses	90,039,595.81	45,604,002.92	39,327,601.75	21,480,825.47
III. Operational profit ("-" for loss)	182,751,362.97	65,518,410.27	205,364,107.79	155,789,315.26
Plus: Investment gains ("-" for loss)	0.00	51,638,351.42	0.00	59,257,484.60
Allowance income	29,225,544.93	0.00	45,919,142.35	0.00
Non-business income	1,230,982.11	9,074.83	1,571,553.68	128,953.15
Less: Non-business expenses	585,493.88	286,786.16	2,375,659.46	20,030.73
IV. Gross profit ("-" for loss)	212,622,396.13	116,879,050.36	250,479,144.36	215,155,722.28
Less: Income tax	30,379,324.40	15,519,480.78	59,500,234.83	39,425,686.15
Minor shareholders' equity	38,346,466.92	0.00	20,119,205.31	0.00
Plus: Investment loss occurred this term but not recognized				
V. Net profit ("-" for loss)	143,896,604.81	101,359,569.58	170,859,704.22	175,730,036.13
Plus: Retained profit at the beginning of term	1,671,365,444.72	1,458,563,300.58	1,434,092,349.94	1,344,515,677.21
Other transferred in				
VI. Distributable profit	1,815,262,049.53	1,559,922,870.16	1,604,952,054.16	1,520,245,713.34
Less: Statutory surplus reserves				
Drawing of statutory public welfare				
Employee award and welfare fund				
Reserves				
Enterprise development fund				
Profit returned to investment				
VII. Distributable profit	1,815,262,049.53	1,559,922,870.16	1,604,952,054.16	1,520,245,713.34
Less: Preference share dividend payable				
Optional surplus reserves				
Common share dividend payable				
Common share dividend transferred to capital (or share capital)				
VIII. Undistributed profit	1,815,262,049.53	1,559,922,870.16	1,604,952,054.16	1,520,245,713.34
Income statement (Appendix)				
1. Income from selling and disposal of department or invested entities				
2. Loss from nature disasters				
3. Increasing (or decreasing) of gross profit by changing of accounting policies				
4. Increasing (or decreasing) of gross profit by changing of accounting estimation				
5. Loss from debt reconstruction				
6. Others				

Legal representative: Chen Honguo, Financial Superior: Yu Shiyong, Manager of Accounting Dept. Zhu Xiangzhi

## 2.3 Particulars about the shareholders and convertible bond holders

## 2.3.1 Total number of shareholders and the shareholding status of the top 10 shareholders at the end of report term.

Total shareholders at the end of the report period	53,466	
Top ten holders of the shares without subscription limitation		
Full name of shareholder	Shares without subscription limit held at the end of term	Share categories (A, B, H or others)
DBS VICKERS(HONG KONG)LTD A/C CLIENTS	38,408,569.00	B shares
Fenghe Value Security Investment Foundation	24,127,876.00	A shares
China Industrial & Commercial Bank – Boshi Best Stocks Investment Foundation	22,623,624.00	A shares
SUN HUNG KAI INVESTMENT SERVICES LTD-CUSTOMERS A/C	17,629,197.00	B shares
Taihe Security Investment Foundation	16,044,086.00	A shares
BBH BOS S/A FIDELITY FD-CHINA FOCUS FD	14,670,400.00	B shares
Bank of China – Jiashi Service Industries Securities Investment Foundation	12,654,248.00	A shares
CREDIT SUISSE,HONG KONG	11,343,889.00	B shares
CHINA INTL MARINE CONTAINERS (HONG KONG)LTD	10,490,000.00	B shares
National Social Insurance Foundation 108 Portfolio	10,087,570.00	A shares

## 2.3.2 Top 10 holders of the convertible bonds at the end of report term

At the end of report term, there were 1541 accounts of convertible bonds		
No.	Name of the holder	Amount at the end of term
1	China Life Insurance Holdings Co., Ltd.	2,403,904
2	China Pingan Insurance (Group) Co., Ltd.	1,828,897
3	China Life Insurance (Group) Co., Ltd.	1,348,714
4	Baogang Group Finance Co., Ltd.	989,603
5	China Commercial and Industrial Bank – Southern Foundation	940,000
6	Shenzhen Pingan Life Insurance Co.	850,844
7	Zhongyou Finance Co., Ltd.	781,104
8	Shanghai Enterprise Annual Fund Development Center	541,624
9	National Social Security 201 Combination	793,105
10	China Commercial and Industrial Bank – Xingye Foundation	513,888

2.3.3 As ended at March 31<sup>st</sup> 2006, there was RMB125,695,800 of bonds (Chengming Bond 125488) has been converted into common shares (A-shares), which account for 6.28% of the total number of transferable bonds. At present, there still RMB1,874,304,200 of transferable bonds in market circulation. G Chenming 000488 has increased by 19,073,676 shares due to the above. The total number transferred in the 1<sup>st</sup> quarter of 2006 was 12,125,610 shares.

## § 3 Report of the Management

### 3.1 Brief introduction of the business situation in the report term

In the report term, the management of the Company put its sight on overall planning and international development, facing the severe competition and declining of price of partial products, kept the business operation in a positive situation. In the 1st quarter of 2006, the Company has realized an out put of 546K ton of machine-made papers, which has increased by 24.09% over the same period of last year. The major business turnover was RMB2,919,754,000, which was a 35.75% of increase over the same period of last year.

3.1.1 Particulars about the major business or products which take 10% or above of the major business income or major business profit

applicable          not applicable

In RMB 10 thousand Yuan

Distribution on industries			
	Major business income	Major business cost	Gross profit ratio %
Paper making	270,431.38	218,789.36	19.10%
Power, steam, water supply	2,545.24	2,083.56	18.14%
Special chemical products	1,374.25	1,104.79	19.61%
Other special equipment	4,312.44	3,813.52	11.57%
Other	13,312.07	11,356.22	14.69%
Including: related transactions	0.00	0.00	0.00%
Distribution on products			
Lightweight coated paper	45,338.15	35,854.94	20.92%
Duplex press paper	27,472.58	21,249.35	22.65%
Writing paper	23,383.27	17,867.83	23.59%
Art paper	64,110.07	52,309.34	18.41%
News press paper	22,337.46	18,192.86	18.55%
Paperboard	17,914.90	15,149.96	15.43%
White paper board	39,930.22	34,274.66	14.16%
Including: related transactions	0.00	0.00	0.00%

## 3.1.2 Seasonal or periodical character of the business operation

applicable      not applicable

3.1.1 Profit structure in the report term (Statement of major business profit, other business profit, periodical expenses, investment income, allowance income and non-business income which have been changed significantly in the portion of the gross profit.)

applicable      not applicable

3.1.4 Statement on major changing of major businesses and there structures comparing with that of the previous report term.

applicable      not applicable

3.1.4 Statement on major changing of major businesses profitability comparing with that of the previous report term.

applicable      not applicable

## 3.2 Notes to the other significant events and their influences and analysis on the solutions

applicable      not applicable

3.2.1 The situations of profit making, asset, and credit of the guarantor of the Company for issuing of transferable bonds have not been changed during the report term.

3.2.2 As of the end of report term, the current liabilities was amounted to RMB6,533.26 million, long-term liabilities was amounted to RMB4,445.71 million, the total liabilities was amounted to RMB11,478.55 million. As of the end of the report term, the credit situation has not been changed. For relative details and debt returning plan please go to "The announcement of issuing transferable bonds" published by September 25th 2004 issues of China Securities Journal, Securities Times, Shanghai Securities Journal and the official website <http://www.cninfo.com.cn>. The lawsuit about the engineering payment has entered the stage of justice appraisal, it will enter the court trial stage after the results are provided. This has been disclosed in the Annual Report 2004.

None-business capital adoption and progress of restoring.

applicable          not applicable

3.3 Statement on the changing of accounting policies, accounting estimations, consolidation range, and major accounting errors.

applicable          not applicable

3.4 Statement of the Board and the Supervisory Committee on the “non-standard opinion” of the auditor

applicable          not applicable

3.5 Estimated accumulative profit from the year beginning to the end of the next report period may be of deficits; or in comparison with the same period of the previous year, give the warning of great change and the notice to the reasons.

applicable          not applicable

3.6 Backward adjustment on the annual business plan or budget which have been disclosed previously

applicable          not applicable

3.7 Special commitments made by former holder of none-negotiable shares in the share equity relocation process and their fulfilling

Applicable          Non-applicable

(1) According to the financial statements of 2005-2007 (standard auditing report without qualified opinion), in case the integrated increment of net profit during 2005-2007 is lower than 20% (namely the cube root of the multiplied increasing ratios over the previous year during 2005-2007 is lower than 20%), the equal supplementary share equity registration date shall be confirmed within 5 working days after the Annual Report 2007 is published (The 10<sup>th</sup> day after the Annual Report 2007 is published.) and announcement on the supplementary of share equity. The supplementary share equity shall be implemented at the 2<sup>nd</sup> day next to the registration day. Shouguang State-owned Asset Bureau shall transfer the shares at ratio of 5% of the total A shares upon the closing of market at the supplementary registration date to the holder of shares without subscription limitation. (In case of the share capital is changed due to distribution of bonus shares or capitalizing of common reserves during the registration date of this plan and the supplementary registration date, the amount of supplementary shares shall be adjusted correspondingly.)

(2) Shouguang State-owned Asset Administrative Bureau shall not put the shares into trading within 48 months after the implementation of share equity relocation scheme.

(3) Whenever the share equity relocation scheme was approved, Shouguang State-owned Asset Administrative Bureau shall propose dividend plan in the Shareholders' General Meetings of 2005, 2006, and 2007. The proposed dividend distribution shall not lower than 30% of the distributable profit realized in the current year (namely the balance of net profit realized in the current year which has deducted the common reserves and statutory public welfares), and promises to vote affirmative on the proposal in the Shareholders' General Meeting.

**The Board of Directors of  
Shandong Chenming Paper Holdings Co., Ltd.**

**APRIL 19, 2006**

## Financial Statements

## Balance Sheet (1)

Prepared by: Shandong Chenming Paper Holdings Ltd.

March 31<sup>st</sup> 2006

in RMB Yuan

Assets	Line	Parent Co.		Consolidated	
		At the end of term	Initial	At the end of term	Initial
Current Assets					
Monetary fund	1	527,872,515.32	582,318,662.70	976,585,842.06	1,006,358,691.91
Short-term investment	2				
Notes receivable	3	420,879,509.09	236,676,178.17	602,685,403.75	510,125,716.95
Dividend receivable	4		30,546,681.86		
Interest receivable	5				
Account receivable	6	1,715,357,516.15	1,283,251,626.85	2,124,748,970.91	1,424,647,094.65
Other account receivable	7	1,860,423,049.43	1,737,150,199.61	140,920,667.11	218,849,821.70
Prepayment	8	183,150,501.96	121,951,785.04	396,722,363.40	326,071,657.87
Allowance receivable	9				
Inventories	10	978,075,415.98	859,436,722.72	2,283,689,311.55	2,174,779,264.45
Expense to be amortized	11	4,585,777.83	4,032,949.52	7,847,745.17	7,467,121.16
Long-term bond invest expire in 1 year	12				
Other current asset	13				
Total of current asset	14	5,690,344,285.76	4,855,364,806.47	6,533,200,303.95	5,668,299,368.69
Long-term investment					
Long-term share equity investment	15	2,374,807,791.29	2,323,148,570.07	6,169,198.49	5,843,440.51
Long-term credit investment	16	142,210.00	142,210.00	142,210.00	142,210.00
Total of long-term investment	17	2,374,950,001.29	2,323,290,780.07	6,311,408.49	5,985,650.51
Consolidated price difference	18				
Fixed assets					
Original value of fixed assets	19	5,912,013,639.70	5,821,014,491.53	13,150,829,485.52	13,141,351,140.78
less: accumulated depreciation	20	1,574,679,992.85	1,454,284,100.09	2,620,908,321.57	2,402,359,372.90
Net fixed assets	21	4,337,333,646.85	4,366,730,391.44	10,529,921,163.95	10,738,991,767.88
Less: Fixed asset impairment provision	22				
Net fixed asset	23	4,337,333,646.85	4,366,730,391.44	10,529,921,163.95	10,738,991,767.88
Engineering material	24	11,360,044.61	2,843,904.62	59,057,621.00	48,510,535.99
Construction in progress	25	911,945,820.24	810,907,262.79	1,412,616,311.54	1,232,223,678.56
-{ }-Fixed asset disposal	26				
Total of fixed assets	27	5,260,639,511.70	5,180,481,558.85	12,001,595,096.49	12,019,725,982.43
Intangible and other assets					
Intangible assets	28	70,674,209.67	71,373,383.85	355,325,305.85	238,655,438.66
Long-term expenses to be amortized	29			37,829,144.68	36,747,667.48
Other long-term assets	30				
Total of intangible and other assets	31	70,674,209.67	71,373,383.85	393,154,450.53	275,403,106.14
deferred tax					
Deferred tax debit	32				
Total of assets	33	13,396,608,008.42	12,430,510,529.24	18,934,261,259.46	17,969,414,107.77

**Balance Sheet (2)**

Prepared by: Shandong Chenming Paper Holdings Ltd.

March 31<sup>st</sup> 2006

in RMB Yuan

Liabilities and Shareholders' Equity	Line	Parent Co.		Consolidated	
		At the end of term	Initial	At the end of term	Initial
Current Liabilities					
Short-term loans	34	2,476,867,000.00	2,848,935,900.00	4,325,962,000.00	4,463,141,400.00
Notes payable	35	85,972,781.23	62,986,900.04	142,561,293.39	117,589,277.53
Account payable	36	1,674,575,438.21	1,049,274,128.55	1,828,389,158.12	1,550,657,327.12
Advance payment collected	37	119,521,857.74	247,249,769.68	222,688,792.39	192,725,604.27
Prepaid wages	38			6,348,303.84	10,580,204.14
Welfare payable	39			10,484,918.64	13,294,619.65
Dividend payable	40	157,159.13	419,113.13	157,159.13	419,113.13
Tax payable	41	-31,266,658.36	-46,095,743.29	44,156,615.71	31,133,610.71
Other accounts to be delivered	42		389.14	972,724.62	915,435.72
Other account payable	43	113,324,766.16	115,752,502.91	204,627,003.60	312,888,158.27
Reserved expenses	44	4,630,742.87	4,155,541.89	23,728,935.59	20,033,329.41
Expected liabilities	45				
Long-term liability expire in 1 year	46	124,161,400.00	124,161,400.00	222,763,400.00	268,006,748.19
Other current liability	47				
Total of current liability	48	4,567,944,486.98	4,406,839,902.05	7,032,840,305.03	6,981,384,828.14
Long-term liabilities					
Long-term borrowings	49	1,263,414,635.94	573,373,035.94	2,549,056,439.54	1,831,097,639.85
Bond payable	50	1,896,338,451.48	1,966,230,711.66	1,896,338,451.48	1,966,230,711.66
Long-term payable	51				
Special payable	52			320,000.00	320,000.00
Other long-term liability	53				
Total of long-term liability	54	3,159,753,087.42	2,539,603,747.60	4,445,714,891.02	3,797,648,351.51
deferred tax					
Deferred tax credit	55				
Total of liabilities	56	7,727,697,574.40	6,946,443,649.65	11,478,555,196.05	10,779,033,179.65
Minor shareholders' equity	57			1,762,720,030.66	1,724,775,485.03
Shareholders' equity					
Share capital	58	1,365,665,530.00	1,353,539,920.00	1,365,665,530.00	1,353,539,920.00
Less: investment returned	59				
Long-term equity investment (net)	60	1,365,665,530.00	1,353,539,920.00	1,365,665,530.00	1,353,539,920.00
Capital reserves	61	2,139,341,765.55	2,067,983,390.70	1,895,888,603.00	1,824,530,228.15
Surplus reserves	62	603,980,268.31	603,980,268.31	616,169,850.22	616,169,850.22
Incl. Statutory public welfare	63	251,607,673.84	251,607,673.84	282,364,065.83	282,364,065.83
Un-distributed profit	64	1,559,922,870.16	1,458,563,300.58	1,815,262,049.53	1,671,365,444.72
Total of shareholders' equity	65	5,668,910,434.02	5,484,066,879.59	5,692,986,032.75	5,465,605,443.09
Total of shareholders' equity and liabilities	66	13,396,608,008.42	12,430,510,529.24	18,934,261,259.46	17,969,414,107.77

## Income Statement

Prepared by: Shandong Chenming Paper Holdings Ltd.

March 31<sup>st</sup> 2006

in RMB Yuan

Items	Line	Parent Co.		Consolidated	
		Jan - Mar 2006	Jan-Mar 2005	Jan - Mar 2006	Jan-Mar 2005
I. Major business turnover	1	2,204,159,519.33	1,815,200,629.50	2,919,753,809.26	2,150,842,509.90
Less: Major business cost	2	1,938,511,847.42	1,539,820,029.36	2,371,474,479.62	1,698,162,615.89
Major business tax and surtax	3	15,836.48	88,707.00	3,322,390.93	3,938,548.66
II. Major business turnover	4	265,631,835.43	275,291,893.14	544,956,938.71	448,741,345.35
Plus: Other business profit	5	3,629,218.67	4,145,662.23	11,655,202.60	7,346,259.81
Less: Operational expenses	6	74,667,478.87	60,406,997.94	140,999,016.79	111,216,539.65
Administrative expense	7	83,471,162.04	41,760,416.70	142,822,165.74	100,179,355.97
Financial expenses	8	45,604,002.92	21,480,825.47	90,039,595.81	39,327,601.75
III. Business profit	9	65,518,410.27	155,789,315.26	182,751,362.97	205,364,107.79
Plus: Investment gains	10	51,638,351.42	59,257,484.60	0.00	0.00
Allowance income	11	0.00	0.00	29,225,544.93	45,919,142.35
Non-business income	12	9,074.83	128,953.15	1,230,982.11	1,571,553.68
Less: Non-business expenses	13	286,786.16	20,030.73	585,493.88	2,375,659.46
IV. Gross profit	14	116,879,050.36	215,155,722.28	212,622,396.13	250,479,144.36
Less: Income tax	15	15,519,480.78	39,425,686.15	30,379,324.40	59,500,234.83
Minor shareholders' equity	16	0.00	0.00	38,346,466.92	20,119,205.31
V. Net profit	17	101,359,569.58	175,730,036.13	143,896,604.81	170,859,704.22
Plus: Retained profit at the beginning of term	18	1,458,563,300.58	1,344,515,677.21	1,671,365,444.72	1,434,092,349.94
Other transferred in	19				
VI. Distributable profit	20	1,559,922,870.16	1,520,245,713.34	1,815,262,049.53	1,604,952,054.16
Less: Statutory surplus reserves	21				
Drawing of statutory public welfare	22				
Employee award and welfare fund	23				
Reserves	24				
Profit returned to investment	25				
VII. Profit available to be distributed	26	1,559,922,870.16	1,520,245,713.34	1,815,262,049.53	1,604,952,054.16
Less: Preference share dividend payable	27				
Optional surplus reserves	28				
Common share dividend payable	29				
Common share dividend transferred to capital share	30				
VIII. Undistributed profit	31	1,559,922,870.16	1,520,245,713.34	1,815,262,049.53	1,604,952,054.16

## Cash Flow Statement

Prepared by: Shandong Chenming Paper Holdings Ltd.

March 31<sup>st</sup> 2006

in RMB Yuan

Items	Line	Parent company	Consolidated
I. Net cash flow from business operation			
Cash received from sales of products and providing of services	1	1,580,024,185.28	2,130,267,117.03
Tax returned	2		43,012,549.23
Other cash inflow related to operation	3	3,237,585.99	140,961,782.97
Subtotal of cash inflow	4	1,583,261,771.27	2,314,241,449.23
Cash paid for purchasing of merchandise and services	5	1,608,293,609.88	2,063,838,007.08
Cash paid to staffs or paid for staffs	6	41,553,509.64	118,701,590.43
Taxes paid	7	63,025,842.16	172,923,607.91
Other cash paid related to operation	8	59,475,193.14	190,614,419.36
Subtotal of cash outflow	9	1,772,348,154.82	2,546,077,624.78
Cash flow generated by business operation, net	10	-189,086,383.55	-231,836,175.55
II. Cash flow generated by investing			
Cash received from returning of investment	11		
Cash received as investment profit	12	15,127,939.47	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	13	195,197.73	568,517.37
Other cash received related to investment	14		
Subtotal of cash inflow	15	15,323,137.20	568,517.37
Cash paid to acquire fixed assets, intangible assets and other long-term assets	16	178,156,134.06	302,729,090.08
Cash paid for investment	17		
Other cash paid related to investment	18		
Subtotal of cash outflow	19	178,156,134.06	302,729,090.08
Net cash flow generated by investment	20	-162,832,996.86	-302,160,572.71
III. Cash flow generated by financing			
Proceeds from investments	21		
Cash received from loans	22	2,260,578,000.00	2,934,005,795.00
Other cash received related to financing	23		
Subtotal of cash inflow	24	2,260,578,000.00	2,934,005,795.00
Cash paid for recovering of debt	25	1,912,374,500.00	2,346,249,070.00
Cash paid for dividend, profit or interest	26	51,273,399.53	83,967,425.89
Other cash paid related to financing	27		
Subtotal of cash outflow	28	1,963,647,899.53	2,430,216,495.89
Net cash flow generated by financing	29	296,930,100.47	503,789,299.11
IV. Influence of exchange rate movement	30	543,132.56	434,599.30
V. Net increase of cash and cash equivalents	31	-54,446,147.38	-29,772,849.85

Supplementary Information	Line	Parent company	Consolidated
1.Net profit adjusted to cash flow of operation:			
Net profit	32	101,359,569.58	143,896,604.81
:Plus: Minor shareholders' equity			38,346,466.92
Asset impairment provision drawn	33	41,109,203.49	46,778,503.92
Depreciation of fixed assets	34	120,395,892.76	225,349,592.81
Amortizing of intangible assets	35	699,174.18	2,287,268.25
Amortizing of long-term expenses	36		540,839.77
Decrease of amortizable expenses (less: increase)	37	-552,828.31	-380,624.01
Increasing of reserved expenses (less: decreasing)	38	475,200.98	3,695,606.18
Cash lost from treatment of fixed assets, intangible assets and other long-term assets (less: gains)	39	134,286.16	-208,177.43
Loss of disposing fixed assets	40		
Financial expenses	41	55,275,168.23	100,839,983.67
Investment loss (less: gains)	42	-51,638,351.42	
Credit of deferred tax (less: debit)	43		
Decreasing of inventories (less: increasing)	44	-118,638,693.26	-108,910,047.10
Decrease (less: increase) in operating receivables	45	-851,604,871.26	-914,516,766.24
Increase (less: decrease) in operating payables	46	513,899,865.32	230,444,572.90
Others	47		
Cash flow generated by business operation, net	48	-189,086,383.55	-231,836,175.55
2.Investment and financing activities not connected to cash			
Liabilities converted to capital	49		
Convertible bond expire in 1 year	50		
Fixed assets leased through financing	51		
3.Net increase of cash and cash equivalents			
Balance of cash at period end	52	527,872,515.32	976,585,842.06
Less: Initial balance of cash	53	582,318,662.70	1,006,358,691.91
Plus: Balance of cash equivalents at the period end	54		
Less: Initial balance of cash equivalents	55		
Net increasing of cash and cash equivalents	56	-54,446,147.38	-29,772,849.85