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**2008 3<sup>rd</sup> Quarter Report of Shanghai  
Mechanical & Electrical Industry Co.,  
Ltd.**

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## §1 Critical Notes

1.1 The company's board of directors, board of supervisors, and directors, supervisors, and executives guarantee that the report do not have any false records, misleading statement or significant omission, and individually and collectively undertake the responsibility for the correctness, accuracy and completeness of its content.

1.2 All members of the board of directors attended the board meeting.

1.3 The company's third quarterly report is unaudited.

1.4 Principal of the company, Mr. Xu Jianguo, principal of accounting, Mr. Si Wenpei, and accountant in chief, Ms. Zou Xiaolu jointly declare that the financial report in this quarter report is true and complete.

## §2 Company's Basic Information

### 2.1 Main Accounting Datum and Financial Indexes

Currency: RMB

	At the end of the reporting period	At the end of the last year	Increase or Decrease of the end of the reporting period than the end of the last year (%)
Total assets (Yuan)	10,507,452,280.65	10,026,108,121.42	4.80
Owners' equity (or shareholders' equity) (Yuan)	4,422,815,579.93	4,064,286,599.12	8.82
Net assets of per share of shareholders of listed company (Yuan)	4.32	4.77	-9.43
	From the beginning of the year to the end of the reporting period (January - September)		Increase or Decrease than the same period of the last year (%)
Net cash flow generated in business (Yuan)	381,218,783.56		-50.48
Net Cash Flow form Operating Activities (Yuan)	0.37		-58.89
	During the reporting period (July - September)	From the beginning of the year to the end of the reporting period (January - September)	Increase or Decrease of the reporting period than the same period of the last year (%)
Net profits of shareholders of listed company (Yuan)	141,654,067.52	467,593,814.04	1.06
Basic income per share (Yuan)	0.139	0.457	-15.84
Basic earnings per share after non-frequent profit and loss (Yuan)	-	0.460	-
Net profit per share (Yuan)	0.139	0.457	-15.84

Fully diluted yield rate of net assets (%)	3.20	10.57	Decreased by 1.03%
Fully diluted yield rate of net assets after non-frequent profits and losses (%)	3.21	10.64	Decreased by 0.94%
Items of the non-frequent profits and losses	Amount from the beginning of the year to the end of the reporting period (January - September) (Yuan) Way of deduction: separate deduction		
Profits and losses of disposal of non-current assets	-4,033,073.42		
Non-business net income and expense other than the items above	1,548,839.94		
Effects of income tax of non-frequent profits and losses	1,100,197.68		
Effects of non-frequent profits and losses of minority	-104,980.27		
Total	-1,489,016.07		

2.2 Total number of shareholders and share holding position of top 10 unlimited shareholders at the end of the reporting period

Unit: Share

Number of all shareholders at the end of the reporting period: 75,488 units, including 41,819 units of A-tradable shareholders and 33,669 units of B-tradable shares.		
Share holding of top 10 unlimited tradable shareholders		
Name of Shareholders (full name)	Amount of unlimited tradable shares held at the end of reporting period	Type
Agriculture Bank of China - Zhongyou Hexin Chengzhang Securities Investment Fund	42,985,688	Common Stock in RMB
Agriculture Bank of China - Zhongyou Hexin Youxuan Securities Investment Fund	34,209,298	Common Stock in RMB
Bank of China- Haifutong Stock Securities Investment Fund	8,254,207	Common Stock in RMB
Agriculture Bank of China - Huabao Xingye Advanced Developing Securities Investment Fund	5,400,000	Common Stock in RMB
Wanxiang Financial Co., Ltd.	5,095,850	Common Stock in RMB
Industrial Bank Co., Ltd. - Everbright Prudential Dividend Securities Investment Fund	5,045,822	Common Stock in RMB
Shanghai Pudong Development Bank - Changxin Jinli Trending Securities Investment Fund	5,002,048	Common Stock in RMB
GTPRCFUND	4,800,195	Domestic Listed Foreign Share

Industrial and Commercial Bank of China – Jingshun Changcheng Essential Blue Chips Securities Investment Fund	4,200,000	Common Stock in RMB
Industrial and Commercial Bank of China – ShenWan Paris New Power Securities Investment Fund	4,199,930	Common Stock in RMB

### §3 Significant events

3.1 Situation and reasons for major changes of main accounting report items and financial indices.

Applicable Inapplicable

3.2 Analysis and Statement of significant events and its influence and solution

Applicable Inapplicable

3.3 Implementation of the commitments by the Company, shareholders and the actual controller

Applicable Inapplicable

Shanghai Electric (Group) Corporation will actively support its subsidiary Shanghai M&E in industrial integration in the 1-2 years of approval of Split Share Structure Reform Program. The Group will aim to develop Shanghai M&E into a core business platform of all-in-one electromechanical industry integrating elevator manufacturing, refrigerator and air conditioner manufacturing, printing and packing machines, engineering machines and artificial plates. Recently, the Group will speed up the integration of printing and packing machines business for Shanghai M&E.

According to the commitment of Group Corporation, active supports are provided for the electromechanical integration of the Company.

3.4 Warning and reasons for the prediction that the accumulated net profits from the this year beginning to the next report term end may be negative and major changes compared with the same period of the last year

Applicable Inapplicable

3.5 Securities Investment

Applicable Inapplicable

Unit: Yuan

Number	Stock Code	Abbreviation	Held amount at the end of the reporting period (share)	Initial investment volume	Account value of term end	Account value of term beginning	Accounting items
1	600618	Chlor-alkali Chemicals	338,800	1,240,000.00	1,487,332	2,727,340.00	Financial assets available for sale
2	600633	White Cat	2,191,200	7,461,700.00	16,258,704	27,105,144.00	Financial assets available for sale
3	600665	Tiandiyuan	660,000	1,400,000.00	2,283,600	7,748,400.00	Financial assets available for sale
4	600845	Baoxin Software	800,000	2,909,090.91	13,360,000	29,608,000.00	Financial assets available for sale
5	000501	Ewushang A	149,202	353,400.00	895,212	3,013,880.40	Financial assets available for sale
6	601328	Bank of Communications	1,578,150	1,893,780.00	9,437,337	24,445,543.50	Financial assets available for sale
Total			—	15,257,970.91	43,722,185	94,648,307.90	—

Shanghai Mechanical &amp; Electrical Industry Co., Ltd.

Legal representative: Xu Jianguo

October 28<sup>th</sup>, 2008

## §4 Appendix

### 4.1

#### Combined balance sheet

September 30<sup>th</sup>, 2008

Made by: Shanghai Mechanical & Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Term-end balance	Year-beginning balance
<b>Floating assets:</b>		
Monetary fund	4,119,186,192.75	4,079,426,457.65
Provision settlement		
Funds for inter-bank lending		
Trading financial assets		
Notes receivable	80,748,931.52	163,423,318.18
Payment receivable	931,726,293.78	724,370,215.98
Advanced payment	292,294,187.27	240,242,463.64
Premiums receivable		
Reinsurance accounts receivable		
Reinsurance contract provision receivable		
Interest receivable		2,870,662.50
Dividend receivable	86,095,263.06	27,745,072.35
Other account receivable	138,880,816.87	87,370,218.06
Buying of counterpurchased financial assets		
Stock	1,988,232,581.62	1,790,572,925.44
Noncurrent assets to be due in a year		
Other floating assets		
Total floating assets	7,637,164,266.87	7,116,021,333.80
<b>Noncurrent assets:</b>		
Loan and advanced-payment giving		
Financial assets available for sale	43,722,185.00	69,064,699.90
Investment fund held to term end		
Long-term payment payable		
Long-term equity investment	1,151,794,723.22	1,191,708,150.57
Investment real estate		
Fixed assets	1,236,073,520.22	1,217,601,361.01
Construction in progress	124,082,506.65	95,499,666.03
Engineering materials		
Liquidation of fixed assets		
Manufacturing biological assets		
Gas and oil assets		
Invisible assets	232,507,169.98	265,196,860.91
Development expense		
Goodwill	3,627,166.84	3,627,166.84
long-term fees to be apportioned	14,039,274.92	10,711,006.80
Defer income tax assets	64,441,466.95	56,677,875.56
Other non-current assets		
Total non-current assets	2,870,288,013.78	2,910,086,787.62
Total assets	10,507,452,280.65	10,026,108,121.42
<b>Floating liabilities:</b>		

Short-term loan	323,500,000.00	368,715,528.00
Loans from central bank		
Deposit absorbing and Vostro account		
Funds for inter-bank borrowing		
Trading financial debts		
Notes payable	1,064,770.00	944,050.00
Payment payable	1,200,947,866.18	1,016,380,092.88
Payment received in advance	2,210,239,250.94	2,186,370,342.22
Fund of selling of counterpurchased financial assets		
Handling charges and commissions payable		
Employees' salaries payable	123,343,504.34	209,565,774.99
Tax payable	97,428,252.43	134,812,189.12
Interest Payable		
Dividend payable	84,632,530.93	44,288,109.77
Other account payable	407,585,272.33	359,363,809.20
Reinsurance account payable		
Insurance contract provision		
Proxy securities transaction fund		
Proxy securities undertaking fund		
Noncurrent liabilities to be due in a year		
Other floating liabilities	3,715,634.42	7,789,600.00
Total floating liabilities	4,452,457,081.57	4,328,229,496.18
<b>Noncurrent liabilities:</b>		
Long-term loan	10,111,946.00	10,236,812.93
Bonds payable		
Long-term payment payable	1,753,920.89	1,753,920.89
Specific account payable		
Estimated liabilities		
Deferred income tax liabilities	25,097,550.68	27,134,956.11
Other non-current liabilities		
Total non-current liabilities	36,963,417.57	39,125,689.93
Total liabilities	4,489,420,499.14	4,367,355,186.11
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or equity capital)	1,022,739,308.00	852,282,757.00
Capital reserve fund	1,434,397,466.53	1,625,836,133.43
Minus: Treasury stocks		
Surplus accumulation fund	747,142,301.04	747,153,162.12
Normal risk provision		
Unallocated profits	1,230,328,682.04	848,115,182.62
Conversion difference of foreign currency report	-11,792,177.68	-9,100,636.05
Total ownership equity of parental company	4,422,815,579.93	4,064,286,599.12
Minority shareholders' equity	1,595,216,201.58	1,594,466,336.19
Total ownership equity	6,018,031,781.51	5,658,752,935.31
Total liabilities and ownership equity	10,507,452,280.65	10,026,108,121.42

Company's legal representative: Xu Jianguo

Person in charge of accounting: Si Wenpei

Accounting manager: Zou Xiaolu

**Balance sheet of parental company**September 30<sup>th</sup>, 2008

Made by: Shanghai Mechanical &amp; Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Term-end balance	Year-beginning balance
<b>Floating assets:</b>		
Monetary fund	210,049,217.72	109,339,205.40
Trading financial assets		
Notes receivable		
Payment receivable		
Advanced payment	123,380.46	
Interest receivable		
Dividend receivable	35,197,486.32	12,336,464.28
Other account receivable	56,688,525.74	4,118,618.24
Stock		
Noncurrent assets to be due in a year		
Other floating assets		10,000,000.00
Total floating assets	302,058,610.24	135,794,287.92
<b>Noncurrent assets:</b>		
Financial assets available for sale	43,722,185.00	68,775,601.30
Investment fund held to term end		
Long-term payment payable		
Long-term equity investment	3,311,936,744.97	3,310,133,256.75
Investment real estate		
Fixed assets	60,843,987.95	64,661,071.85
Construction in progress		
Engineering materials		
Liquidation of fixed assets		
Manufacturing biological assets		
Gas and oil assets		
Invisible assets	45,264,597.32	69,663,672.97
Development expense		
Goodwill		
long-term fees to be apportioned		
Defer income tax assets		
Other non-current assets		
Total non-current assets	3,461,767,515.24	3,513,233,602.87
Total assets	3,763,826,125.48	3,649,027,890.79
<b>Floating liabilities:</b>		
Short-term loan		40,000,000.00
Trading financial debts		
Notes payable		
Payment payable	4,842,773.48	4,842,773.48

Payment received in advance		
Employees' salaries payable	17,427,966.61	20,041,866.77
Tax payable	7,352,633.22	332,211.54
Interest Payable		
Dividend payable		
Other account payable	685,061,049.35	723,172,041.13
Noncurrent liabilities to be due in a year		
Other floating liabilities		
Total floating liabilities	714,684,422.66	788,388,892.92
<b>Noncurrent liabilities:</b>		
Long-term loan		
Bonds payable		
Long-term payment payable		
Specific account payable		
Estimated liabilities		
Deferred income tax liabilities	10,778,966.96	17,042,321.04
Other non-current liabilities		
Total non-current liabilities	10,778,966.96	17,042,321.04
Total liabilities	725,463,389.62	805,431,213.96
<b>Owners' equity (or shareholders' equity):</b>		
Paid-up capital (or equity capital)	1,022,739,308.00	852,282,757.00
Capital reserve fund	1,421,934,984.65	1,611,181,597.87
Minus: Treasury stocks		
Surplus accumulation fund	235,568,705.86	235,568,705.86
Unallocated profits	358,119,737.35	144,563,616.10
Total ownership equity (or shareholders equity)	3,038,362,735.86	2,843,596,676.83
Total liabilities and ownership equity (or shareholders equity)	3,763,826,125.48	3,649,027,890.79

Legal representative: Xu Jianguo      Person in charge of accounting: Si Wenpei

Accounting manager: Zou Xiaolu

## 4.2

**Combined profit statement**

Made by: Shanghai Mechanical &amp; Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Amount of current period (July - September)	Amount of previous period (July - September)	Amount from the beginning of the year to the end of the reporting period (from Jan. to Sep.)	Amount from the beginning of the last year to the end of the reporting period (from Jan. to Sep.)
I. Gross trading income	2,727,198,700.95	2,456,560,935.03	7,918,918,582.45	6,667,310,641.75
Including: business income	2,727,198,700.95	2,456,560,935.03	7,918,918,582.45	6,667,310,641.75
Interest received				
Insurance premium earned				
Handling charges and commissions income				
II. total business cost	2,515,677,137.20	2,224,256,828.46	7,268,045,157.88	6,059,954,400.76
Including: business cost	2,218,779,027.58	1,956,111,285.93	6,394,198,410.49	5,289,137,929.52
Interest expense				
Handling charges and commissions expense				
loan value				
Net indemnity expense				
Net provision of insurance contract				
Insurance policy dividends expense				
Reinsurance expense				
Business taxes and additional ones	7,195,717.12	7,643,769.54	21,453,805.74	21,674,399.34
Sales expense	162,036,106.52	127,231,113.36	375,411,125.96	355,914,981.87
Management expenses	185,774,009.48	153,894,772.12	528,160,805.46	434,563,880.16
Financial expenses	-20,013,437.03	-14,304,193.89	-50,001,404.32	-22,649,401.35

Assets devaluation loss	-38,094,286.47	-6,319,918.60	-1,177,585.45	-18,687,388.78
Plus: fair value change income ("-" means loss)				
Investment income ("-" means loss)	55,178,746.09	68,391,352.32	202,198,200.10	217,566,698.08
Including: investment income from cooperative business and joint companies	54,885,284.90	68,467,341.81	197,168,703.81	214,420,749.17
Agiotage income ("-" means loss)				
III. Business profits ("-" means loss)	266,700,309.84	300,695,458.89	853,071,624.67	824,922,939.07
Plus: nonrevenue receipt	10,158,814.39	6,743,703.15	28,336,316.50	12,381,006.79
Minus: non-business expenditure	6,352,170.25	3,075,239.84	13,648,879.35	5,819,916.15
Including: net loss of non-current assets disposal	3,437,517.12	628,841.83	7,772,158.21	2,451,067.77
IV. Total profits ("-" means loss)	270,506,953.98	304,363,922.20	867,759,061.82	831,484,029.71
Minus: income tax	42,102,880.12	48,062,456.36	141,560,743.21	132,415,189.92
V. Net profit ("-" means loss)	228,404,073.86	256,301,465.84	726,198,318.61	699,068,839.79
Net profits of parental company owner	141,654,067.52	164,895,853.84	467,593,814.04	462,700,020.14
Profit and loss of minority shareholders	86,750,006.34	91,405,612.00	258,604,504.57	236,368,819.65
VI. Income per share:				
(I) Basic income per share	0.139	0.194	0.457	0.543
(II) Net profit per share	0.139	0.194	0.457	0.543

Company's legal representative: Xu Jianguo      Person in charge of accounting: Si Wenpei  
Accounting manager: Zou Xiaolu

**Parental company's profit statement**

Made by: Shanghai Mechanical &amp; Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Amount of current period (July - September)	Amount of previous period (July - September)	Amount from the beginning of the year to the end of the reporting period (from Jan. to Sep.)	Amount from the beginning of the last year to the end of the reporting period (from Jan. to Sep.)
I. Business income	27,000.00		229,497.30	206,350.00
Minus: business cost				
Business taxes and additional ones	1,498.50		12,737.11	11,452.44
Sales expense				
Management expenses	5,737,642.61	5,392,939.09	22,046,951.75	18,904,649.51
Financial expenses	-638,064.25	412,086.27	-146,716.48	2,310,853.76
Assets devaluation loss				
Plus: fair value change income ("-" means loss)				
Investment income ("-" means loss)	15,784,004.03	20,274,984.56	320,802,490.47	344,410,585.74
Including: investment income from cooperative business and joint companies	15,784,004.03	20,050,624.23	53,478,088.34	24,891,945.55
II. Business profits ("-" means loss)	10,709,927.17	14,469,959.20	299,119,015.39	323,389,980.03
Plus: nonrevenue receipt			11,435.00	
Minus: non-business expenditure		75,000.00	346,053.44	134,869.00
Including: net loss of non-current assets disposal			171,952.03	

III. Total profits ("-" means total loss)	10,709,927.17	14,394,959.20	298,784,396.95	323,255,111.03
Minus: income tax				
IV. Net profit ("-" means net loss)	10,709,927.17	14,394,959.20	298,784,396.95	323,255,111.03

Company's legal representative: Xu Jianguo      Person in charge of accounting: Si Wenpei  
Accounting manager: Zou Xiaolu

## 4.3

**Combined statement of cash flow**

Jan. – Sep. 2008

Made by: Shanghai Mechanical &amp; Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of the last year to the end of the reporting period (January - September)
<b>I. Cash flow generated in business</b>		
Cash received by selling commodities or providing labor service	8,583,509,185.22	7,604,383,352.42
Net increase of customers' deposit and Vostro account		
Net increase of loan from central bank		
Net increase of Funds for inter-bank borrowing from other financial institutes		
Cash obtained from former insurance contract premium		
Net cash obtained from reinsurance business		
Net increase of policy holder and investment fund		
Net increase of disposing transaction financial assets		
Cash obtained from interests, handling charge and commission		
Net increase of funds for inter-bank borrowing		
Net increase of counterpurchased business fund		
Returned tax received	56,572,497.23	50,740,094.36
Cash received in other business	335,974,851.21	161,866,179.29
Subtotal of business cash flow-in	8,976,056,533.66	7,816,989,626.07
Cash paid for buying commodities or accepting labor service	7,006,740,701.76	5,645,438,824.82
Net increase of customers' loan and advanced payment		
Net increase of account in central bank and Vostro account		
Cash paid for indemnity of former insurance contract		
Cash paid for interests, handling charge and		

commission		
Cash paid for insurance policy dividends		
Cash paid to or for employees	461,699,732.84	410,989,697.45
Taxes paid	404,803,647.59	482,545,529.24
Cash paid for other business	721,593,667.91	508,155,486.41
Subtotal of business cash flow-in	8,594,837,750.10	7,047,129,537.92
Net cash flow generated in business	381,218,783.56	769,860,088.15
<b>II. Cash flow generated in investment</b>		
Cash received from returned investment	8,596,096.51	29,882,250.57
Cash received from investment income	181,466,136.30	42,627,406.37
Net cash received by disposing fixed assets, invisible assets and other long-term assets	4,778,366.91	543,776.00
Net cash amount received from the disposal of subsidiaries and other branches		
Cash received in other investment	75,547.41	
Subtotal of investment cash flow-in	194,916,147.13	73,053,432.94
Cash paid for purchasing fixed assets, invisible assets and other long-term assets	199,681,821.17	136,073,823.54
Cash paid for investment		236,246,014.48
Net increase of pledged loan		
Net cash value paid by subsidiaries and other branches		
Cash paid for other investment	5,411,415.58	
Subtotal of investment cash flow-out	205,093,236.75	372,319,838.02
Net cash flow generated in investment	-10,177,089.62	-299,266,405.08
<b>III. Cash flow generated in fund raising</b>		
Cash received from investment absorbing		
Including: Cash received from minority shareholders affiliated by subsidiaries		
Cash received through loan	230,000,000.00	452,000,000.00
Cash received by bond issuance		
Cash received from other fund raising		1,100,000.00
Subtotal of raising cash flow-in	230,000,000.00	453,100,000.00
Cash paid for debt	247,000,000.00	448,351,390.80
Cash paid for distribution of dividend, profits of interest disbursement	314,576,109.47	308,225,237.47
Including: dividends and profits paid by subsidiaries to minority shareholders	208,044,100.00	202,155,200.00
Cash paid in other fund raising		
Subtotal of raising cash flow-out	561,576,109.47	756,576,628.27
Net cash flow generated in fund raising	-331,576,109.47	-303,476,628.27
<b>IV. Exchange rate effect on cash and cash equivalent</b>	294,150.63	-2,048,691.23

<b>V. Net increase value of cash and its equivalent</b>	39,759,735.10	165,068,363.57
Plus: balances of term beginning cash and cash equivalent	3,579,426,457.65	3,016,690,549.09
<b>Balances of term end cash and cash equivalent</b>	3,619,186,192.75	3,181,758,912.66

Company's legal representative: Xu Jianguo Person in charge of accounting: Si Wenpei  
Accounting manager: Zou Xiaolu

### Parental company's cash flow statement

Jan. – Sep. 2008

Made by: Shanghai Mechanical & Electrical Industry Co., Ltd.

Unit: Yuan Currency: RMB Type: Unaudited

Item	Amount from the beginning of the year to the end of the reporting period (January - September)	Amount from the beginning of the last year to the end of the reporting period (January - September)
<b>I. Cash flow generated in business</b>		
Cash received by selling commodities or providing labor service	229,497.30	206,350.00
Returned tax received		
Cash received in other business	1,426,466.85	907,328.19
Subtotal of business cash flow-in	1,655,964.15	1,113,678.19
Cash paid for buying commodities or accepting labor service		
Cash paid to or for employees	10,128,640.27	5,408,382.65
Taxes paid	463,918.19	896,745.11
Cash paid for other business	69,179,377.12	18,147,261.41
Subtotal of business cash flow-in	79,771,935.58	24,452,389.17
Net cash flow generated in business	-78,115,971.43	-23,338,710.98
<b>II. Cash flow generated in investment</b>		
Cash received from returned investment	10,000,000.00	26,382,250.57
Cash received from investment income	296,137,980.21	239,247,502.51
Net cash received by disposing fixed assets, invisible assets and other long-term assets		
Net cash amount received from the disposal of subsidiaries and other branches		
Cash received in other investment		
Subtotal of investment cash flow-in	306,137,980.21	265,629,753.08
Cash paid for purchasing fixed assets, invisible	804,730.76	76,220.00

assets and other long-term assets		
Cash paid for investment		231,337,646.50
Net cash value paid by subsidiaries and other branches		
Cash paid for other investment		
Subtotal of investment cash flow-out	804,730.76	231,413,866.50
Net cash flow generated in investment	305,333,249.45	34,215,886.58
<b>III. Cash flow generated in fund raising</b>		
Cash received from investment absorbing		
Cash received through loan	40,000,000.00	230,000,000.00
Cash received from other fund raising		
Subtotal of raising cash flow-in	40,000,000.00	230,000,000.00
Cash paid for debt	80,000,000.00	230,000,000.00
Cash paid for distribution of dividend, profits of interest disbursement	86,507,265.70	88,258,605.70
Cash paid in other fund raising		
Subtotal of raising cash flow-out	166,507,265.70	318,258,605.70
Net cash flow generated in fund raising	-126,507,265.70	-88,258,605.70
<b>IV. Exchange rate effect on cash and cash equivalent</b>		161,600.93
<b>V. Net increase value of cash and its equivalent</b>	100,710,012.32	-77,219,829.17
Plus: balances of term beginning cash and cash equivalent	109,339,205.40	120,320,861.59
<b>Balances of term end cash and cash equivalent</b>	210,049,217.72	43,101,032.42

Company's legal representative: Xu Jianguo

Person in charge of accounting: Si Wenpei

Accounting manager: Zou Xiaolu