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## **Sinopec Oilfield Service Corporation**

*(a joint stock limited company established in the People's Republic of China)*

**(Stock code: 1033)**

### **2018 Third Quarterly Results**

This announcement is made by Sinopec Oilfield Service Corporation (**the "Company"**) pursuant to Rule 13.09 (2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") and the relevant regulations issued by the Shanghai Stock Exchange.

The Board of Directors (**the "Board"**) of the Company hereby presents the third quarterly results of the Company and its subsidiaries ended 30 September 2018.

#### **§1. Important Notes**

1.1 The Board and the Supervisory Committee of the Company and its directors, supervisors and senior management warrant that there are no false representations, misleading statements or material omissions in this quarterly report and individually and jointly accept full responsibility for the authenticity, accuracy and completeness of the information contained in this quarterly report.

1.2 The Company's third quarterly financial report is prepared in accordance with the PRC Accounting Standards for Business Enterprises and unaudited.

1.3 Mr. Sun Qingde, Vice Chairman and General Manager, Mr. Li Tian, Chief Financial Officer and Mr. Pei Defang, Director of the Asset and Accounting Department of the Company warranted the authenticity and completeness of the financial statements contained in this quarterly report.

#### **§2. Key financial data and changes in shareholders of the Company**

2.1 Key financial data (prepared in accordance with the PRC Accounting Standards for

Business Enterprises and unaudited)

	As at 30 September 2018 RMB'000	As at 31 December 2017 RMB'000	Increase/(decrease) from last year (%)
Total assets	60,720,791	61,942,629	-2.0
Total equity attributable to shareholders of the Company	6,208,700	-2,102,628	Not applicable
	For the nine months ended 30 September 2018 RMB'000	For the nine months ended 30 September 2017 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Net cash inflow from operating activities ("—" for outflow)	-3,043,798	-2,376,958	Not applicable
	For the nine months ended 30 September 2018 RMB'000	For the nine months ended 30 September 2017 RMB'000	Increase/(decrease) from corresponding period of last year (%)
Operating income	37,181,137	30,026,964	23.8
Net profit attributable to equity shareholders of the Company ("—" for losses)	439,974	-3,306,005	Not applicable
Net profit deducted extraordinary gain and loss attributable to equity shareholders of the Company ("—" for losses)	2,033	-3,340,431	Not applicable
Weighted average return on net assets (%)	8.97	-48.69	Increase 57.7 percentage points
Basic earnings per share (in RMB) ("—" for losses)	0.024	-0.234	Not applicable
Diluted earnings per share (in RMB) ("—" for losses)	0.024	-0.234	Not applicable

Extraordinary gain and loss items

√ Applicable       Not Applicable

Items	Amount during the period from July to September 2018 RMB'000	For the nine months ended 30 September 2018 RMB'000
Disposal of non-current assets	-8,143	-7,248
Government grants recognized in profit or loss during the current period	7,721	392,240
Gain or loss on debt restructuring	18,150	165,480
Other non-operating income and expenses excluding the aforesaid items	30,503	28,562
Effect of income tax	-10,776	-141,093
Total	37,455	437,941

2.2 The number of shareholders of the Company at the end of this reporting period and details of the top ten shareholders and the top ten shareholders of shares without selling restrictions

Unit: Share

The total number of shareholders at the end of this reporting period	140,459, of which the number of H shareholders was 340					
<b>Shareholdings of the top ten shareholders</b>						
Names of shareholders	Number of shares held (shares)	Percent age to total share capital (%)	Number of shares with selling restrictions (shares)	Number of pledged or frozen share		Nature of shareholders
				Shares status	Amounts	
China Petrochemical Corporation	10,727,896,364	56.51	1,503,568,702	None	0	State-owned legal person
Hong Kong Securities Clearing Company (Nominees) Limited	5,401,964,978	28.45	2,595,786,987	None	0	Overseas legal person
CITIC Limited	1,035,000,000	5.45	0	None	0	State-owned legal person
Darry Asset Management (Hangzhou) Co., Ltd.	133,333,333	0.70	0	Pledge d	133,333,300	Other
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	0.35	0	None	0	Other

Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	0.35	0	None	0	Other
Changjiang Pension Insurance Co.,Ltd.-Changjiang Shengshi Huazhang No.2 Community Pension anagement Fund	23,148,854	0.12	23,148,854	None	0	Other
Huaan Fund- Industrial Bank –China Foreign Economy and Trade Trust Co.Ltd	13,333,300	0.07	0	None	0	Other
Shenzhen Yongtai Investment Co., Ltd.	10,000,000	0.05	0	None	0	Domestic non-state-owned legal person
Cai Xilian	6,680,000	0.04	0	None	0	Domestic natural person

**Shareholdings of the top ten shareholders of shares without selling restriction**

Name of shareholders	Number of shares without selling restrictions held at the end of the reporting period (shares)	Type and Amount of shares	
		Type	Amount
China Petrochemical Corporation	9,224,327,662	A shares	9,224,327,662
Hong Kong Securities Clearing Company (Nominees) Limited	2,806,177,991	H shares	2,806,177,991
CITIC Limited	1,035,000,000	A shares	1,035,000,000
Darry Asset Management (Hangzhou) Co., Ltd.	133,333,333	A shares	133,333,333
Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan	66,666,666	A shares	66,666,666
Donghai Fund-Industrial Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan	66,666,666	A shares	66,666,666
Huaan Fund- Industrial Bank –China Foreign Economy and Trade Trust Co.,Ltd.	13,333,300	A shares	13,333,300
Shenzhen Yongtai Investment Co., Ltd.	10,000,000	A shares	10,000,000

Cai Xilian	6,680,000	A shares	6,680,000
Hu Xucang	6,200,189	A shares	6,200,189
Statement on the connected relationship or activities in concert among the above-mentioned shareholders	Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.47 Trust Plan and Donghai Fund- Industrial Bank-Huaxin Trust-Huizhi Investment No.49 Trust Plan belong to Donghai Fund Management Co. Ltd. Other than the above, the Company is not aware that there is any connected relationship or activities in concert among the above-mentioned shareholders.		

### §3. Significant Events

3.1 Significant changes of key accounting items and financial indicators and the reasons for the changes (figures extracted from the financial statements prepared in accordance with the PRC Accounting Standards for Business Enterprises) (unaudited)

√Applicable    □Not applicable

Item	As at 30 September 2018 RMB '000	As at 31 December 2017 RMB '000	Change (%)	Reason for change
Prepayments	721,402	424,731	69.8	Mainly due to the increase in construction materials
Inventories	2,439,254	1,344,434	81.4	Mainly due to the increase in new construction projects in 2018
Contract assets	10,052,114	6,458,640	55.6	Mainly due to the progress of the settlement of the new construction project in 2018 lagged behind the construction progress.
Non-current assets due within one year	101,865	0	Not applicable	Mainly due to the increase in long-term receivables due within one year
Other current assets	1,206,643	885,473	36.3	Mainly due to the increase in VAT deductible tax
Long-term receivables	-	233,061	Not applicable	Mainly due to transfer to long-term receivables due within one year
Other payables	2,506,422	6,370,386	-60.7	Mainly due to the repayment of debts
Non-current liabilities due within one year	160,614	28,844	456.8	Mainly due to the increase in financing lease payments due within one year
Other current liabilities	47,048	11,744	300.6	Mainly due to an increase in the tax to be resold
Long-term payables	913,096	67,533	1252.1	Mainly due to the increase in financing lease payments

Share capital	18,984,340	14,142,661	34.2	Mainly due to the completion of non-public offering of shares in January 2018
Capital reserve	11,702,532	8,907,868	31.4	Mainly due to the equity premium arising from the completion of the non-public offering of shares in January 2018
Special reserve	437,488	202,477	116.1	Mainly due to the provision of safe production costs
Equity attributable to shareholders of the Company	6,208,700	-2,102,628	Not applicable	Mainly due to the completion of non-public offering of shares in January 2018 and the profit from January to September.

Item	For the nine months ended 30 September		Change (%)	Reason for change
	2018 RMB '000	2017 RMB '000		
Research and development expenses	268,744	120,270	123.5	Mainly due to the increase in the investment of scientific research projects
Finance costs	223,609	433,261	-48.4	Mainly due to the increase in foreign exchange gains
Credit impairment losses	-122,824	284,193	Not applicable	Mainly due to the year-on-year decrease in expected credit losses of receivables for more than one year.
Other income	528,570	146,109	261.8	Mainly to receive government subsidies for employee resettlement
Investment income	-1,304	-12,878	Not applicable	Mainly due to the decrease in the loss of joint ventures
Asset disposal income	-7,248	-36,194	Not applicable	Mainly due to the decrease in the loss of fixed assets disposal
Non-operating income	234,517	115,204	103.6	Mainly due to the increase in debt restructuring gains

3.2 The progress of significant events and their impacts as well as the analysis and explanations for the solutions

Applicable    Not applicable

3.3 Non-performance of undertakings during the reporting period

Applicable    Not applicable

3.4 Warnings on potential fluctuation from the net profit to the loss for the period from the beginning of the year to the end of next reporting period or significant changes as compared with the same period of the preceding year

Applicable    Not applicable

By order of the Board  
Li Honghai  
Secretary to the Board  
29 October 2018, Beijing

*As at the date of this announcement, the Board of Directors comprises Mr. Sun Qingde#, , Mr. Chen Xikun#, Mr. Lu Baoping+, Mr. Fan Zhonghai+, Mr. Wei Ran+, Ms. Jiang Bo\*, Mr. Pan Ying\*, Mr. Chen Weidong\* and Mr. Dong Xiucheng\**

*“ + ” Non-Executive Director*

*“ # ” Executive Director*

*“ \* ” Independent Non-Executive Director*

§ 4 Appendix

Consolidated Balance Sheet  
As at 30 September 2018

Sinopec Oilfield Service Corporation

(Expressed in thousands of renminbi yuan and unaudited)

item	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	2,153,990	2,537,894
Bills receivable and accounts receivable	14,366,502	18,171,083
Including: Bills receivable	616,365	1,209,147
Accounts receivable	13,750,137	16,961,936
Prepayments	721,402	424,731
Other receivables	2,360,702	2,000,100
Including: Interest receivable	0	0
Dividend receivable	188	188
Inventories	2,439,254	1,344,434
Contract assets	10,052,114	6,458,640
Non-current assets due within one year	101,865	0
Other current assets	1,206,643	885,473
Total current assets	33,402,472	31,822,355
<b>Non-current assets:</b>		
Long-term receivables	0	233,061
Long-term equity investments	205,036	207,046
Other equity instrument investments	24,389	24,389
Fixed assets	23,386,818	25,584,153
Construction in progress	250,318	237,638
Intangible assets	241,889	281,534
Long-term deferred expenses	2,737,684	3,080,269
Deferred tax assets	472,185	472,184
Other non-current assets		
Total non-current assets	27,318,319	30,120,274



Total assets	60,720,791	61,942,629
<b>Current liabilities:</b>		
Short-term loans	17,031,832	17,510,830
Bills payable and accounts payable	25,848,270	29,487,875
Advances from customers		
Contract liabilities	6,184,184	8,538,959
Employee benefits payable	354,732	381,240
Taxes payable	756,595	1,033,201
Other payables	2,506,422	6,370,386
Including: Interest payables	64	10,927
Dividend payables	0	0
Non-current liabilities due within one year	160,614	28,844
Other current liability	47,048	11,744
Total current liabilities	52,889,697	63,363,079
<b>Non-current liabilities:</b>		
Long-term loans	523,782	455,826
Long-term payable	913,096	67,533
long-term employment benefits payable		
Provisions		
Deferred income	162,633	136,312
Deferred tax liabilities	22,883	23,879
Other non-current liability		
Total non-current liabilities	1,622,394	683,550
Total liabilities	54,512,091	64,046,629
<b>Shareholders' equity:</b>		
Share capital	18,984,340	14,142,661
Capital reserve	11,702,532	8,907,868
Other comprehensive income	0	0
Specific reserve	437,488	202,477
Surplus reserve	200,383	200,383
Retained earnings	-25,116,043	-25,556,017
Equity attributable to shareholders of the Company	6,208,700	-2,102,628
Minority interests		-1,372

Total shareholders' equity	6,208,700	-2,104,000
Total liabilities and shareholders' equity	60,720,791	61,942,629

*Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian*  
*Director of Asset and Accounting Department: Mr. Pei Defang*

**Balance Sheet**  
**As at 30 September 2018**

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

item	At the end of this reporting period	At the end of the last reporting year
<b>Current assets:</b>		
Cash at bank and on hand	58,679	236,745
Bills receivable and accounts receivable		
Including: Bills receivable		
Accounts receivable		
Prepayments		
Other receivables	4,369,461	5,313,186
Including: Interest receivable		
Dividend receivable		
Inventories		
Contract assets		
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	32	0
Total current assets	4,428,172	5,549,931
<b>Non-current assets:</b>		
Long-term receivables		
Long-term equity investments	27,891,662	20,215,327
Other equity instrument investments		
Other non-current financial assets		

Fixed assets		
Construction in progress		
Intangible assets		
Research and development expenditure		
Goodwill		
Long-term deferred expenses		
Deferred tax assets		
Other non-current assets		
Total non-current assets	27,891,662	20,215,327
Total assets	32,319,834	25,765,258
<b>Current liabilities:</b>		
Short-term loans		
Bills payable and accounts payable		
Advances from customers		
Contract liabilities		
Employee benefits payable		
Taxes payable	26,331	26,231
Other payables	7,460	1,127,163
Including: Interest payables		
Dividend payables		
Liabilities classified as held for sale		
Non-current liabilities due within one year		
Other current liability		
Total current liabilities	33,791	1,153,394
<b>Non-current liabilities:</b>		
Long-term loans		
Long-term payable		
long-term employment benefits payable		
Provisions		
Deferred income		
Deferred tax liabilities		

Other non-current liabilities		
Total non-current liabilities		
Total liabilities	33,791	1,153,394
<b>Shareholders' equity:</b>		
Share capital	18,984,340	14,142,661
Capital reserve	14,561,006	11,764,970
Other comprehensive income		
Specific reserve		
Surplus reserve	200,383	200,383
Retained earnings	-1,459,686	-1,496,150
Total shareholders' equity	32,286,043	24,611,864
Total liabilities and shareholders' equity	32,319,834	25,765,258

Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian  
Director of Asset and Accounting Department: Mr. Pei Defang

**Consolidated Income Statement**  
For the nine months ended 30 September 2018

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the three months ended 30 September 2018 (July to September)	For the three months ended 30 September 2017 (July to September)	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017
1. Total Operating Income	13,528,135	10,184,646	37,181,137	30,026,964
Including: Operating Income	13,528,135	10,184,646	37,181,137	30,026,964
2. Total Operating Costs	13,463,986	11,168,802	37,227,085	33,247,320
Including: Operating Costs	12,635,125	10,075,030	34,893,173	29,943,394
Business taxes and surcharges	65,375	68,931	182,943	240,478
Selling and distribution expenses	14,811	12,861	38,342	34,231
General and administrative expenses	661,086	757,570	1,743,098	2,191,493
Research and development expenses	28,548	69,132	268,744	120,270
Finance costs	59,985	185,278	223,609	433,261
Including: Interest expenses	173,290	186,158	456,754	465,064

Interest income	28,805	2,503	63,919	10,896
Asset impairment losses				
Credit impairment losses	-944	0	-122,824	284,193
Add: Other income	12,721	13,269	528,570	146,109
Investment income (“-” for losses)	1,665	0	-1,304	-12,878
Including: Investment income from associated enterprise and joint ventures	1,665	0	-1,304	-12,945
Gains from changes in fair value (“-” for losses)				
Asset disposal income (“-” for losses)	-8,143	-3,220	-7,248	-36,194
Exchange gains (“-” for losses)				
3. Operating profit (“-” for losses)	70,392	-974,107	474,070	-3,123,319
Add: Non-operating income	67,805	26,504	234,517	115,204
Less: Non-operating expenses	19,151	7,701	40,475	33,175
4. Total profit (“-” for losses)	119,046	-955,304	668,112	-3,041,290
Less: Income tax expenses	80,021	65,345	228,138	264,715
5. Net profit (“-” for losses)	39,025	-1,020,649	439,974	-3,306,005
Classification by going concern:				
– Continuous operating net profit. (“-” for losses)	39,025	-1,020,649	439,974	-3,306,005
– Termination of net profit. (“-” for losses)				
Classification by ownership				
– Attributable to the owners’ of parent company. (“-” for losses)	39,025	-1,020,649	439,974	-3,306,005
– Minority interests. (“-” for losses)				0
6. Other comprehensive net income after tax	0	0	0	0
– Attributable to minority shareholders	0	0	0	0
7. Total comprehensive income	39,025	-1,020,649	439,974	-3,306,005
Attributable to shareholders of the Company	39,025	-1,020,649	439,974	-3,306,005
Attributable to minority shareholders of the Company	0	0	0	0
8. Earnings per share:				
(1) Basic earnings per share (in RMB)	0.002	-0.072	0.024	-0.234

(2) Diluted earnings per share (in RMB)	0.002	-0.072	0.024	-0.234
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Profit from combined party before business combination under common control was zero during the current period. Profit from combined party before business combination under common control was zero during the prior period.

*Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian*

*Director of Asset and Accounting Department: Mr. Pei Defang*

**Income Statement**  
For the nine months ended 30 September 2018

**Sinopec Oilfield Service Corporation**

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the three months ended 30 September 2018 (July to September)	For the three months ended 30 September 2017 (July to September)	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017
1. Operating Income				
Less: Operating Costs				
Business taxes and surcharges				
Selling and distribution expenses				
General and administrative expenses	1,029	1,141	3,457	23,640
Research and development expenses				
Finance costs	-345	-770	-39,921	-3,805
Including: Interest expenses				
Interest income	1,301	770	1,301	3,808
Asset impairment losses				
Credit impairment losses				
Add: Other income				
Investment income (“-” for losses)				
Including: Investment income from associated enterprise and joint ventures				
Gains from hedging in exposure (“-” for losses)				
Gains from changes in fair				

value (“-” for losses)				
Asset disposal income (“-” for losses)				
2. Operating profit (“-” for losses)	-684	-371	36,464	-19,835
Add: Non-operating income				
Less: Non-operating expenses				
3. Total profit (“-” for losses)	-684	-371	36,464	-19,835
Less: Income tax expenses				
4. Net profit (“-” for losses)	-684	-371	36,464	-19,835
– Continuous operating net profit. (“-” for losses)	-684	-371	36,464	-19,835
– Termination of net profit. (“-” for losses)				
5. Other comprehensive net income after tax	0	0	0	0
6. Total comprehensive income for the period	-684	-371	36,464	-19,835
7. Earnings per share:				
(1) Basic earnings per share (in RMB)				
(2) Diluted earnings per share (in RMB)				

*Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian*  
*Director of Asset and Accounting Department: Mr. Pei Defang*

**Consolidated Cash flow statement**  
**For the nine months ended 30 September 2018**

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the nine months ended 30 September 2018	For the nine months ended 30 September 2017
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services	26,188,713	23,494,806
Refund of taxes	88,254	56,587
Cash received relating to other operating activities	19,241,828	8,537,339
Sub-total of cash inflows	45,518,795	32,088,732
Cash paid for goods and services	22,054,678	19,210,646
Cash paid to and for employees	8,996,720	7,579,179
Cash paid for all types of taxes	899,175	1,337,759

Cash paid relating to other operating activities	16,612,020	6,338,106
Sub-total of cash outflows	48,562,593	34,465,690
Net cash inflow from operating activities (outflow listed with “-”)	-3,043,798	-2,376,958
<b>2. Cash flows from investing activities:</b>		
Cash received from investment	0	0
Cash received from investment income	706	367
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,847	2,614
Cash received relating to other investing activities	19	320
Sub-total of cash inflows	4,572	3,301
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	402,645	540,063
Cash paid for investments	0	0
Cash paid relating to other investing activities	0	43
Sub-total of cash outflows	402,645	540,106
Net cash inflow from investing activities (outflow listed with “-”)	-398,073	-536,805
<b>3. Cash flows from financing activities:</b>		
Cash received from the acquisition of investments	7,639,698	0
Cash received from borrowings	24,968,942	33,037,761
Cash received from issuance of bonds		
Cash received relating to other financing activities		0
Sub-total of cash inflows	32,608,640	33,037,761
Cash repayments of borrowings	25,600,294	29,929,290
Cash paid for dividends or interest	449,351	533,587
Cash paid relating to other financing activities	3,742,758	19,200
Sub-total of cash outflows	29,792,403	30,482,077
Net cash inflow from financing activities	2,816,237	2,555,684
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	241,727	-69,088
<b>5. Net increase in cash and cash equivalents</b>	-383,907	-427,167
Add: Cash and cash equivalents at the beginning of the period	2,523,356	2,446,923
<b>6. Cash and cash equivalents at the end of</b>	2,139,449	2,019,756



<b>the period</b>		
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*Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian*  
*Director of Asset and Accounting Department: Mr. Pei Defang*

**Cash flow statement**  
**For the nine months ended 30 September 2018**

Sinopec Oilfield Service Corporation

*(Expressed in thousands of renminbi yuan and unaudited)*

Item	For the nine months ended 30 September 2017	For the nine months ended 30 September 2016
<b>1. Cash flows from operating activities:</b>		
Cash received from sale of goods and rendering of services		
Refund of taxes		
Cash received relating to other operating activities	1,121,738	4,008
Sub-total of cash inflows	1,121,738	4,008
Cash paid for goods and services		
Cash paid to and for employees		
Cash paid for all types of taxes		0
Cash paid relating to other operating activities	7,901,458	144,857
Sub-total of cash outflows	7,901,458	144,857
Net cash inflow from operating activities (outflow listed with “-”)	-6,779,720	-140,849
<b>2. Cash flows from investing activities:</b>		
Cash received from disposal of investment		
Cash received from investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities		
Sub-total of cash inflows		0
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		
Cash paid for other investment activities		
Net cash paid for acquisition of subsidiaries and other business units		

Cash paid for other investing activities		0
Sub-total of cash outflows		0
Net cash inflow from investing activities (outflow listed with “-”)		0
<b>3. Cash flows from financing activities:</b>		
Cash received from the acquisition of investments	7,639,698	0
Cash received from borrowings		
Cash received relating to other financing activities		
Sub-total of cash inflows	7,639,698	
Cash repayments of borrowings		
Cash paid for distribution of dividend, profit or payments of interests		
Cash paid for other financing activities	1,120,283	
Sub-total of cash outflows	1,120,283	0
Net cash inflow from financing activities	6,519,415	0
<b>4. Effect of exchange rate changes on cash and cash equivalents</b>	82,239	0
<b>5. Net increase in cash and cash equivalents</b>	-178,066	-140,849
Add: Cash and cash equivalents at the beginning of the period	236,745	382,997
<b>6. Cash and cash equivalents at the end of the period</b>	58,679	242,148

*Legal Representative: Mr. Sun Qingde      Chief Financial Officer: Mr. Li Tian*  
*Director of Asset and Accounting Department: Mr. Pei Defang*