Shanghai Haixin Group Co., Ltd.



§1. Important Notice

1.1 The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Shanghai Haixin Group Co., Ltd. (hereinafter referred to as "the Company") hereby ensure that this report does not contain any false information, misleading statement or material omission and shall take individual and/or joint responsibilities for the factuality, accuracy and completeness of the whole contents of this report.

The Abstract of the Semi-annual Report 2012 is abstracted from the full text of the Semi-annual Report 2012. Investors are suggested to read the full text to understand more details.

1.2 Where any director did not attend the board session for reviewing this report, give his/her name separately in the table below.

Name of the director Office title Explanation for not attending the session Name of the proxy Yang Chaojun Independent director Due to business affairs 1.3 The financial report for the first six months of 2012 has not been audited by a CPAs firm.

1.4 Whether there existed any non-operating capital occupation by the controlling shareholder and its related parties?

1.5 Whether there existed any provision of external guaranty which violated the prescribed decision-making procedure?

1.6 Mr. Xu Wenbin, Chairman of the Board, Mr. Chen Mouliang, President, Mr. Chen Aimin, head of the accounting work and Ms. Chen Aimin, head of the accounting department, hereby declare that they guarantee factuality and completeness of the financial report enclosed in this semi-annual report.

English Translation for Reference Only. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

§2 Company Profile

2.1. Basic info	rmation								
Short form of stock	HXGF								
Stock code	600851								
Stock exchange	Shanghai Stock Exchange	hanghai Stock Exchange							
Short form of stock	HXBG	IXBG							
Stock code	900917	00917							
Stock exchange	Shanghai Stock Exchange	nanghai Stock Exchange							
	Company Secretary	Securities Affairs Representative							
Name	He Lili	Shan Yingkun							
Contact Address	18/F, Jinling Haixin Building, No. 666 Fuzhou Road, Shanghai	18/F, Jinling Haixin Building, No. 666 Fuzhou Road, Shanghai							
Tel.	021-63917000	021-63917000							
Fax	021-63917678	021-63917678							
E-mail	hxsecretary@haixin.com	hxsecretary@haixin.com							
2.2 Financial h	nighlights								

2.2.1 Major accounting data and financial indexes

	Uı	nit: (RMB) Yuar
30 Jun. 2012	31 Dec. 2011	Increase/decrease (%)
4,289,326,399.93	3,966,305,746.85	8.14
2,772,633,699.46	2,528,586,805.86	9.65
	2.0948	9.65
Reporting period (JanJun.)	Same period of last year	Year-on-year increase/ decrease (%)
14,026,576.47	47,841,933.82	-70.68
13,684,329.78	49,472,869.18	-72.34
11,816,769.34	44,171,387.19	-73.25
	19,168,935.09	-164.83
0.0098	0.0366	-73.22
-0.0103	0.0159	-164.78
0.0098	0.0366	-73.22
0.4458	1.4642	Down 1.0184 percent- age points
-67,401,455.18	-49,686,631.10	Inapplicable
-0.0558	-0.0412	Inapplicable
	4,289,326,399,93 2,772,633,699,46 2,297 Reporting period (JanJun.) 14,026,576,47 13,684,329,78 11,816,769,34 -12,427,839,81 0,0098 -0,0103 0,0458 -67,401,455,18	30 Jun. 2012 31 Dec. 2011 4,289,326,399.93 3,966,305,746,85 2,772,633,699.46 2,528,586,805.86 2,297 2,0948 Reporting period (JanJun.) 14,026,576.47 47,841,933.82 13,684,329.78 49,472,869.18 11,816,769.34 44,171,387.19 -12,427,839.81 19,168,935.09 0,0098 0,0366 -0,0103 0,0159 0,0098 1,4642 -67,401,455.18 -49,686,631.10

$\sqrt{\text{Applicable}}$	□Inapplicable

√Applicable □Inapplicable	
Unit: (F	RMB) Yuan
Items of non-recurring gains and losses	Amount
Gains on disposal of non-current assets	-9,603.02
Government subsidies recorded into current gains and losses (excluding gov- ernment subsidies with close relationship with the Company's business and rationed government grants in line with the united standard and the state policy)	75,486.00
Gains and losses from fair value changes in transactional financial assets and ilabilities held, and investment incomes from disposing transactional financial assets and liabilities and financial assets available for sale, except for the effec- tive hedging business related to the Company's normal operation	
Other non-operation incomes and expenses other than items above	-408,129.67
Effect on income tax	-8,183,017.26
Effect on minority interests (after tax)	87,252.45
Total	24,244,609.15

§3. Changes in Share Capital and Particulars about Shareholders 3.1 Statement of changes in shares

Applicable $\sqrt{}$ Inapplicable

3.2 Total number of shareholders and particulars about shares held by

Total number of shareholder	s at the period-end	172,760 sha		luding 126,836 on ones of B-share.	es of A-share
Part	iculars about shares	held by the	top ten share	holders	
Name of shareholder	Nature of shareholder	Sharehold- ing proportion (%)	Total number of shares held	Number of shares subject to trading moratorium held	Share pledged or frozen
 Shanghai Songjiang Dongjing Industrial Corp. 	Domestic non – state –owned legal person	7.51	90,613,819	0	80,000,000 shares were pledged
Hong Kong Shenhai Lim- ited	Overseas legal person	4.60	55,488,916	0	Naught
Shanghai Toys Import & Export Co., Ltd.	State-owned legal person	4.07	49,080,000	0	Naught
 Shanghai New Industrial Associate (Group) Co., Ltd. 	Domestic non – state –owned legal person	2.06	24,892,046	0	Naught
5. Fan Qingzhang	Domestic natural person	0.47	5,710,098	0	Naught
6. Li Ge	Domestic natural person	0.46	5,540,000	0	Naught
7. Hong Kong Yuli Develop- ment Co. Ltd.	Overseas legal person	0.38	4,583,800	0	Naught
8. CITIC Trust Co., Ltd. – Wealth Management 18 Trust Product	Domestic non – state –owned cor– poration	0.31	3,747,000	0	Naught
9. CITIC Trust Co., Ltd Fund No. 9	Domestic non – state –owned cor– poration	0.19	2,351,000	0	Naught
10. Zhang Lijun	Domestic natural person	0.18	2,191,310	0	Naught
Particulars about the	top ten shareholder	s holding sha	ares not subje	ct to trading morat	orium
Name of share	holder	subject t moratorium	shares not to trading held by the holder	Type and numb	er of shares
Shanghai Songjiang Dongj	ing Industrial Corp.		90,613,819	RMB ordinar 90,613,819	y share:
2. Hong Kong Shenhai Limite	ed		55,488,916	Domestically lis shares: 55,488,91	sted foreig 6
3. Shanghai Toys Import & E	xport Co., Ltd.	49,080,000		RMB ordinary shares 49,080,000	
 Shanghai New Industrial A Co., Ltd. 	Associate (Group)		24,892,046	Domestically listed foreign shares: 24,892,046	
5. Fan Qingzhang			5,710,098	RMB ordinary 5,710,098	y shares
6. Li Ge			5,540,000	Domestically lis shares: 5,540,000	sted foreig
7. Hong Kong Yuli Developm	ent Co. Ltd.		4,583,800	Domestically lis shares: 4,583,800	sted foreig
	CITIC Trust Co., LtdWealth Management 18 Trust Product			RMB ordinary 3,747,000	y shares
8. CITIC Trust Co., LtdWea					
8. CITIC Trust Co., LtdWea	d No. 9		2,351,000	RMB ordinary 2,351,000	y share:

3.3 Particulars about changes of the controlling shareholder and actual controller of the Company

\square Applicable $\sqrt{\text{Inapplicable}}$

§4. Particulars about Directors, Supervisors and Senior Management

4.1 Particulars about changes in shares held by directors, supervisors

and senior management □Applicable √Inapplicable

§5. Report of the Board of Directors

5.1 Discussion and analysis on the overall operation in the reporting period

For the reporting period, the Company achieved operating revenues of RMB 502 million, up 3.72% from RMB 484 million at the same period of last year; operating profit of RMB 14.0266 million, down 71% as compared with RMB 47.8419 million from a year earlier; and net profit attributable to shareholders of the Company of RMB 11.8168 million, also down by 73% from RMB 44.1714 million at the same period of

Since 2012, affected by a weaker global market demand and the growth slowdown of the domestic market demand, the textile industry of China showed a decreasing trend, with decreasing export, poorer business performance and more enterprises suffering loss. In terms of the textile business in the reporting period, the Company suffered a loss of RMB 8.39 million on the plush fabric business, down RMB 8.83 million over the net profit of the same period of last year; a loss of RMB 5.01 million on the plush garment business, down RMB 1.81 million over the loss of the same period of last year; and a loss of RMB

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0.95 million on the plush toy business, down RMB 0.45 million over the loss of the same period of last year.

In terms of the medicine sector, under pressures from stricter government control, falling medicine prices and the new GMP examination, the Company managed to maintain stability in terms of the production and operation figures in this sector. The Company gained RMB 5.82 million in this sector, with the net profit down RMB 0.30 million on a year-on-year basis.

As for the finance sector, due to the decrease of bonuses from Changiang Securities, the earnings in this sector decreased considerably. The Company gained RMB 52.37 million in this sector, down RMB 37.82 million over the same period of last year.

Besides the aforesaid main business sectors, the Company had some real estate business, which mainly involved leasing and management of commercial buildings, as well as construction of houses relocated due to government requirement. And the Company gained RMB 4.76 million in this sector for the reporting period.

Since 2008, the Company shut down some textile subsidiaries which suffered loss with weak market competitiveness. Currently, the major task in shutting down those subsidiaries is to reach agreement with shareholders and work out solutions involving plant land, etc.. Up until now, there are still 9 subsidiaries in production halt. These subsidiaries incurred a loss of RMB 6.65 million during the reporting period, down RMB 10.12 million over the loss of the same period of last year.

For plush fabric subsidiaries, it was very important to accurately judge market needs and manufacture products that were needed by the time and the market. At the end of Mar. 2012 and in the middle of Apr. 2012, the Company's affiliated subsidiary Nanjing Haixin Lining Plush Co., Ltd. cooperated with Mr. Wu Xuekai, a famous fashion designer, and held imitation fur fashion shows in Beijing, Shanghai and other cities with "MAGIC FUR" as the theme, showing Haixin' s high–end and verisimilitude plush fabric products to the market.

During the reporting period, the medicine subsidiaries of the Company focused on both production and market promotion. The sales income generated in the medicine sector went up 24% over the same period of last year. Xi' an Haixin Pharmaceutical Co., Ltd. examined their agents on a quarterly basis and appraised the performance of its sales personnel on a monthly basis. Jiangxi Gannan Haixin Pharmaceutical Co., Ltd. adopted differential strategies on different product varieties and built up customer groups for key varieties; meanwhile, in terms of the new GMP examination on the small needle production line, it carried out various examinations and thoroughly adjusted relevant software. Through channel integration, Shanghai Haixin Pharmaceutical Co., Ltd. (mainly engaged in sale of pharmaceutical products) solidified its existing clients, attracted some new clients and kept improving its marketing network in the Yangtze River Delta. With various efforts, Shanghai Haixin Biotechnology Co., Ltd. finally obtained the approval document on 26 Jul. 2012 for the clinical testing phase III of the APDC project to carry out the project.

On 8 Jun. 2012, the Board of Directors, the Supervisory Committee and the senior execution team were re-elected in progression. After the re -election, the handover went on smoothly, with all the work proceeding steadily and in an orderly way. The new senior execution team listened to various opinions and suggestions and organized seminars for all business divisions and the semi-annual economic work conference. In face of the harsh situation and various difficulties, the team kept clearing and dealing with shutdown subsidiaries and subsidiaries will a poor performance and at the same time pushed forward new projects to lay a foundation for adjusting the business structure and realize long-term development.

During the reporting period, according to requirements of the five departments and ministries, the Company proactively and seriously implemented the internal control rules.

The operating environment for the second half of 2012 is still harsh, with an uncertain macro -economy, especially the peripheral environment, and rising costs of labor, resources, environment and other elements. Orders for the Company's textile business, especially the plush fabric subsidiaries, for the second half of the year are expected to decrease about 25% over the same period of last year, which means an extremely tough task for production and operation.

In face of the harsh environment and the tough task, the ongoing subsidiaries need to further transform their operating ideology, enhance management and improve the market expansion ability and earnings. While adjusting its business structure, the Company will work hard on planning and research for the textile, medicine and industrial real estate sectors so as to promote sustainable development of its

5.2 Main operations classified according to industries or products

					(Uı	nit: KMB Yuan
Industries or products	Operating revenue	Operating cost	Operat- ing profit margin (%)	Increase/ decrease of operating revenue compared with the same period of last year (%)	Increase/ decrease of operating cost compared with the same period of last year (%)	
		Classi	fied acco	rding to industrie	S	
Textile	257,542,594.20	222,591,424.67	13.57	-13.77	-13.47	Down 0.3 percentage points
Medicine	239,077,522.57	188,990,834.90	20.95	24.43	22.83	Up 1.03 percentage points
		Class	ified acco	rding to product:	S	
Fabrics	178,669,749.97	160,925,549.95	9.93	-21.14	-18.89	Down 2.5 percentage points
Medicine	239,077,522.57	188,990,834.90	20.95	24.43	22.83	Up 1.03 percentage points
Garments	78,277,147.44	61,479,596.94	21.46	15.17	11.62	Up 2.5 percentage points

Of which: The related-party transactions concerning the Company selling products and offering labor service to the controlling shareholder and its subsidiaries valued RMB 0.00 in the reporting

3.3 Main operations classified according to areas									
		(Unit: RMB Yuan							
Area	Operating revenue	YoY increase/decrease (%)							
Mainland, China	503,811,241.62	1.65							
Hong Kong, China	44,345,514.85	17.36							
North America	487,413.05	-79.27							
Internal offset	-67,655,695.13	-0.32							
Total	490 099 474 30	2.80							

5.4 Reasons for significant changes in main operations and their

structure □Applicable √Inapplicable

5.5 Reasons for significant changes in profitability (gross profit ratio) of main operations compared with that of last year □Applicable √Inapplicable

5.6 Analysis on reasons for significant changes in profit breakdown compared with the previous year

□Applicable √Inapplicable 5.7 Utilization of raised proceeds

5.7.1 Utilization of raised proceeds

☐Applicable √Inapplicable

5.7.2 Change of projects invested with raised proceeds

□Applicable √Inapplicable

5.8 Projects financed by non-raised funds

The Company had no projects financed by non-raised funds in the reporting period.

5.9 Revised business plan of the Board for the second half of the year □Applicable ∨Inapplicable

5.10 Warnings of and explanation on possible deficit or considerable year-on-year change of the accumulative net profit from year-begin to the end of the next reporting period

☐Applicable √Inapplicable 5.11 Explanation of the Board of Directors on "Non-standard Auditor's Report" issued by CPA firm for the reporting period

□ Applicable √ Inapplicable 5.12 Explanation by the Board of Directors on changes and solutions of

the issues involved in "Non-standard Auditor's Report" issued by CPA firm last year □Applicable √Inapplicable

§6 Significant Events

6.1 Purchase of assets

□Applicable √Inapplicable 6.2 Sales of assets □Applicable √Inapplicable

6.3 Provision of guarantees √Applicable □Inapplicable

(Unit: RMB Ten t	thousand)
Guarantees provided by the Company for its controlled subsidiaries	
Total guarantee amount for the subsidiaries in the reporting period	6,000.00
Total guarantee balance for the subsidiaries at the end of the reporting period	6,000.00
Total guarantee amount of the Company (including the guarantees for the subs	idiaries)
Total guarantee amount	6,000.00
Proportion of the total guarantee amount in net assets of the Company (%)	2.16
Including:	
Debt guarantee amount directly or indirectly provided for parties with an asset-lia-bilities ratio over 70%	1,200.00
Total amount of the guarantee amounts above	1,200.00

6.4 Credits and liabilities with related parties √Applicable □Inapplicable

11		(Un	it: RMB Ten t	thousand)	
Related parties	Fund provided parties		Fund provided by related parties to the listed company		
	Incurred amount	Balance	Incurred amount	Balance	
Shanghai JinXing Union Development Co., Ltd.				4,500	
Total				4,500	

6.5 Significant lawsuits and arbitrations □Applicable

√Inapplicable

6.6 Other significant events as well as analysis and explanations on

their influences and solutions 6.6.1 Securities investment

 $\sqrt{\text{Applicable}}$ \square Inapplicable

Serial No.	Type of securities	Code of securities	Abbr. of securities	Initial investment cost (RMB Yuan)	Number held (share)	Closing book value (RMB Yuan)	Proportion in total securities investments at the periodend (%)	Gain/loss in the reporting period (RMB Yuan)
1	Fund	519979	Changxin Domestic Demand Growth	5,000,000.00	4,999,450.00	4,789,473.10	50.88	529,941.70
2	Stock	600655	YYSC	1,342,594.40	150,000.00	1,182,000.00	12.56	-160,594.40
3	Fund	110022	E Fund Consump- tion Industry	1,000,000.00	990,259.01	864,496.12	9.18	49,512.95
4	Stock	002585	SXXC	1,430,000.00	52,000.00	652,080.00	6.93	-236,860.00
5	Fund	519518	China Universal Social Responsibili- ty	300,000.00	296,607.69	259,531.73	2.76	11,864.31
6	Stock	601258	PDJT	720,000.00	40,000.00	244,000.00	2.59	-2,000.00
7	Fund	090007	Dacheng Strategy Return Stock Fund	350,000.00	281,721.89	235,519.50	2.50	1,408.61
8	Fund	090012	Dacheng Shenzhen Stock Exchange 40 Feeder	250,000.00	247,579.75	195,092.84	2.07	12,626.57
9	Stock	000536	HYKJ	247,324.48	10,000.00	182,800.00	1.94	54,000.00
10	Stock	601558	HRFD	270,000.00	12,000.00	84,120.00	0.89	-9,720.00
Other securities investments held at the period- end		866,478.67	/	724,227.50	7.69	-142,251.17		
Gain/loss on securities sold in the reporting period			/	/	/	/	397,667.62	
		Total		11,776,397.55	/	9,413,340.79	100	505,596.19

6.6.2 Equity of other listed companies held by the Company

VApplicable □Inapplicable

Unit: RMB Yuan

Stock code	Short form of stock	Initial investment cost	Proportion in the equity of the investee (%)	Book value at the period-end	Profit and loss in the reporting period	Change in owners' equity in the reporting period	Accounting title	Source of shares
000783	CJZQ	471,932,288.47	7.05	1,520,610,000.00	16,710,000.00	230,433,208.44	Available- for-sale financial assets	Corporate share investment
To	ital	471,932,288.47	/	1,520,610,000.00	16,710,000.00	230,433,208.44	/	/
6.6.3	Equ	ity of non-	-listed	financial e	nterprises	s held by t	he Com	pany

√Applicable □Inapplicable

Name of the investee	Initial investment cost (RMB Yuan)	Number of shares held (share)	Proportion in the equity of the investee (%)	Book value at the period-end (RMB Yuan)	Profit and loss in the reporting period (RMB Yuan)	Change in owners' equity in the reporting period (RMB Yuan)	Account ing title
Chang Xin							Long-

113.420.545.47 7.484.526.28 7.484.526.2

113,420,545.47 7,484,526.28 7,484,526.28

Total 51,495,000.00 51,495,000.00 §7 Financial Report

7.1 Auditor's opinion Financial Report

√Un–audited

□ Audited 7.2 Financial statements

Balance Sheet (Consolidated) 30 Jun. 2012

Prepared by Shanghai Haixin Group Co., Ltd. (Unit: RMB Yuan) Notes Closing balance Beginning balance Current assets 234,439,820.14 334,047,197.0 Monetary funds ntra-group lendings 11.515.769.15 ransactional financial assets 9,413,340,7 otes receivable 1,911,033.08 13,272,843.57 counts receivable 302.167.690.29 256.888.624.09 counts paid in advance 23,840,350.73 22,485,615.49 ceivables from reinsurers einsurance contract reserve receivables erest receivable vidend receivable 16.710.000.0 57.730.685.74 Other accounts receivab 42,099,588.90

Other accounts receivable	42,099,588.90	57,730,685.74
Financial assets purchased under agreements to resell		
Inventories	448,092,098.17	348,544,162.14
	446,092,096.17	346,344,102.14
Non-current assets due within 1 year Other current assets		
Total current assets	1,078,673,922.10	1,044,484,897.19
Non-current assets:	1,070,070,322.10	1,044,404,007.10
Loans and advances		
Available-for-sale financial assets	1,520,610,000.00	1,225,510,000.00
Held-to-maturity investments	1,020,010,000.00	1,220,010,000.00
Long-term accounts receivable		
Long-term equity investment	742,777,261.63	744,233,713.55
Investing properties	310,079,011.83	310,079,011.83
Fixed assets	506,831,593.34	522,922,129.64
Construction in progress	24,081,433.69	9,136,679.69
Engineering materials	2,,000,,00000	-,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Fixed asset disposal	5,205,587.65	5,270,485.46
Bearer biological assets	.,,	
Oil-and-gas assets		
Intangible assets	55,606,097.79	58,110,517.96
Development expenses	30,375,509.63	27,503,097.47
Goodwill		,,,,,,,
Long-term deferred expenses	2,623,791.24	2,385,731.49
Deferred income tax assets	12,462,191.03	16,669,482.57
Other non-current assets		
Total of non-current assets	3,210,652,477.83	2,921,820,849.66
Total assets	4,289,326,399.93	3,966,305,746.85
Current liabilities:		
Short-term borrowings	602,603,754.93	629,724,397.76
Borrowings from Central Bank		
Deposits and due to banks and other financial		
institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable	3,708,311.70	
Accounts payable	197,793,239.27	154,805,341.11
Accounts received in advance	26,479,671.25	35,977,958.63
Financial assets sold under agreements to re- purchase		
Handling charges and commission payable		
Employees' compensation payable	20,604,721.25	21,083,963.65
Taxes payable	-4,495,057.97	3,274,528.36
Interest payable	2,918,749.74	1,150,406.48
Dividend payable	1,518,566.99	9,038,566.99
Other accounts payable	120,026,963.12	108,755,283.84
Due to reinsurers	.20,020,300.12	. 55,7 55,205.04
Insurance contract reserve	+	
Payables for acting trading of securities		
Payables for acting underwriting of securities	+	
Non-current liabilities due within 1 year	+	
Other current liabilities		
Total current liabilities	971,158,920.28	963,810,446.82
Non-current liabilities:	071,100,020.20	000,010,110.02
Long-term borrowings		
Debentures payable		
Long-term payables	1,284,414.00	1,331,342.19
Specific-purposed accounts payable	2,013,200.00	2,763,200.00
Accrued liabilities		
Deferred income tax liabilities	319,780,225.75	242,969,068.50
Other non-current liabilities		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Total non-current liabilities	323,077,839.75	247,063,610.69
Total liabilities	1,294,236,760.03	1,210,874,057.51
Owners' equity (or shareholders' equity)		
Paid-in capital (or share capital)	1,207,056,692.00	1,207,056,692.00
Capital reserve	1,314,514,791.51	1,084,081,583.07
Less: Treasury Stock		
Special reserve		
Surplus reserve	365,720,497.10	365,720,497.10
General risk provision		,. ==,

Head of the accounting work: Yang Aimin Head of the accounting department: Chen Aimin

-97.370,072.32

-17,288,208.83

2,772,633,699.46

222.455.940.44

2,995,089,639.90

-19,085,124.65

226.844.883.48

2,755,431,689.34

4,289,326,399.93 3,966,305,746.85

General risk provision

Total equity attributable to owners of the Cor

Legal Representative: Xu Wenbin

etained earnings oreign exchange difference

Minority interests

Total owner's equity

Total liabilities and owner's equity

Balance Sheet (the Company) 30 Jun 2012

Prepared by Shanghai Haixin Group Co., Ltd.

Items	Notes	Closing balance	Beginning balance
Current assets :			
Monetary funds		59,300,458.76	99,572,696.
Transactional financial assets		6,344,113.29	5,738,759.
Notes receivable		245,000.00	7,121,591.
Accounts receivable		58,425,868.35	59,372,276.
Accounts paid in advance			
nterest receivable			
Dividend receivable		41,958,143.15	25,248,143
Other accounts receivable		536,319,382.60	537,349,657
nventories		80,281,832.75	66,711,620
Non-current assets due within 1 year			
Other current assets			
Total current assets		782,874,798.90	801,114,744
Non-current assets:			
Available-for-sale financial assets		1,520,610,000.00	1,225,510,000
Held-to-maturity investments			
ong-term accounts receivable		171,349,852.32	171,349,852
ong-term equity investment		1,536,535,085.01	1,529,809,022
nvesting properties		70,376,726.59	70,376,726
Fixed assets		56,703,407.55	57,821,092
Projects in construction		00,700,107.00	07,021,002
Engineering materials			
Fixed asset disposal			
·			
Bearer biological assets			
Dil-and-gas assets ntangible assets			
•			
Development expenses			
Goodwill			
Long-term expenses to be apportioned			
Deferred income tax assets		10,521,029.24	14,737,036
Other non-current assets			
Total of non-current assets		3,366,096,100.71	3,069,603,729
Total assets		4,148,970,899.61	3,870,718,474
Current liabilities:			
Short-term borrowings		389,000,000.00	442,680,000
Fransactional financial liabilities			
Notes payable			
Accounts payable		20,156,595.03	15,478,977
Accounts received in advance		2,253,249.56	7,599,646
Employees' compensation payable		5,871,701.05	6,230,962
Taxes payable		166,328.76	-23,834
nterest payable		887,327.47	887,327
Dividend payable			
Other accounts payable		26,044,455.19	49,926,339
Non-current liabilities due within 1 year			
Other current liabilities			
Total current liabilities		444,379,657.06	522,779,418
Non-current liabilities:			
ong-term borrowings			
Debentures payable			
ong-term payables			
Specific-purposed accounts payable			
Accrued liabilities			
Deferred income tax liabilities		277,400,703.68	200,589,634
Other non-current liabilities		, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	. ,,
Total non-current liabilities		277,400,703.68	200,589,634
Fotal liabilities		721,780,360.74	723,369,053
Owner's equity (or shareholders' equity):		, . 55,555.74	. 20,000,000
Paid-in capital (Share capital)		1,207,056,692.00	1,207,056,692
,			1,017,942,627
Capital reserves		1,248,375,836.24	1,017,942,027
Less: Treasury Stock			
		005 700 407 15	005 700 :
	1	365,720,497.10	365,720,497
Surplus reserve			
Surplus reserve General risk provision			
Special reserve Surplus reserve General risk provision Retained earnings		606,037,513.53	556,629,604
Surplus reserve General risk provision		606,037,513.53 3,427,190,538.87	556,629,604 3,147,349,421

Head of the accounting work: Yang Aimin Head of the accounting department: Chen Aimin Income Statement (Consolidated) Jan.-Jun. 2012

Jan.−Ju	11. 20.	1.2	
		(U	nit: RMB Yuan
Items	Notes	Reporting period	Same period of last year
I. Total operating revenues		502,319,511.46	484,126,638.98
Including: Sales		502,319,511.46	484,126,638.98
Interest income			
Premium income			
Handling charges and commission income			
II. Total operating costs		549,827,129.06	536,187,652.67
Including: Operating cost		405,188,112.72	389,191,924.82
Interest expenses			
Handling charges and commission expenses			
Surrender value			
Claim expenses-net			
Insurance contract reserve-net			
Policy dividend payment			
Amortized reinsurance expense			
Tax and levies on operations		2,458,940.26	2,177,230.74
Selling expense		38,684,910.47	33,320,695.13
Administrative expenses		77,619,720.78	83,768,166.60
Financial expenses		26,125,444.83	27,828,278.28
Asset impairment losses		-250,000.00	-98,642.90
Add: Income from change in fair value ("-" shows loss)		107,928.57	-1,443,545.62
Investment income ("-" shows loss)		61,426,265.50	101,346,493.13
Including: share of results of associates and joint ventures			
Exchange gain/(loss) ("-" shows loss)			
III. Operating profit ("-" shows loss)		14,026,576.47	47,841,933.82
Add: Non-operating income		422,390.77	1,812,474.44
Less: Non-operating expenses		764,637.46	181,539.08
Including: Loss on disposals of non -current assets		178,305.59	39,200.86
IV. Total profit ("-" shows loss)		13,684,329.78	49,472,869.18
Less: Income tax expenses		6,059,112.14	8,146,810.59
V. Net profit ("-" shows net loss)		7,625,217.64	41,326,058.59
Attributable to owners of the Company		11,816,769.34	44,171,387.19
Profit and loss of minority shareholders		-4,191,551.70	-2,845,328.60
VI. Earning per share:			
(1) Basic earnings per share		0.0098	0.0366
(2) Diluted earnings per share		0.0098	0.0366
VII. Other comprehensive income		232,230,124.26	-88,853,517.33
VIII. Total comprehensive income		239,855,341.90	-47,527,458.74
Attributable to: Equity holders of the Company		244,046,893.60	-44,682,130.14
Minority shareholders		-4,191,551.70	-2,845,328.60

Legal Representative: Xu Wenbin Head of the accounting work: Yang Aimin Head of the accounting department: Chen Aimin

Income Statement (the Company) Jan.-Jun. 2012

(Unit: RMR Yuan)

		(U)	nit: KMB Yuan
Items	Notes	Reporting period	Same period of last year
I. Revenues		47,792,259.03	47,664,301.11
Less: Operating cost		39,347,399.35	36,698,938.61
Tax and levies on operations		187,923.93	18,268.44
Selling expense		817,608.30	1,653,903.78
Administrative expenses		13,050,740.39	12,008,781.90
Financial expenses		10,442,588.65	11,451,611.49
Asset impairment losses			
Add: Income from change in fair value ("-" shows loss)		605,354.14	-85,918.44
Investment income ("-" shows loss)		69,211,112.75	113,019,110.64
Including: share of results of associates and joint ventures			
II. Operating profit ("-" shows loss)		53,762,465.30	98,765,989.09
Add: Non-operating income		32,563.20	48,000.00
Less: Non-operating expenses		171,112.94	6,683.25
Including: Loss on disposals of non-current assets			
III. Total profit ("-" shows loss)		53,623,915.56	98,807,305.84
Less: Income tax expenses		4,216,006.81	4,592,578.14
IV. Net profit ("-" shows net loss)		49,407,908.75	94,214,727.70
V. Earning per share:			
(1) Basic earnings per share		0.0409	0.0781
(2) Diluted earnings per share		0.0409	0.0781
VI. Other comprehensive income		230,433,208.44	-87,445,211.17
VII. Total comprehensive income		279,841,117.19	6,769,516.53

Head of the accounting work: Yang Aimin Head of the accounting department: Chen Aimin