

Shenzhen International Enterprise Co., Ltd. The First Quarterly Report 2009

§1. Important Notes

1.1 The Board of Directors, the Supervisory Committee, as well as directors, supervisors and senior executives of Shenzhen International Enterprise Co., Ltd. (hereinafter referred to as the Company) warrant that this report does not contain any false or misleading statements or omit any material facts and all information set forth herein are true, accurate and complete.

1.2 Other than the following directors, other directors attended the Board meeting in person, at which the first quarterly report 2009 is reviewed.

Name	Office title	Reason	Name of assignee
Xiao Guangsheng	Director	He went abroad due to business trip	Li Jinquan
Li Mugui	Director	Business trip	Li Jinquan
Chen Weihuai	Director	Business trip	Zhao LiJin

1.3 The first quarterly financial report has not been audited.

1.4 Chairman of the Board of the Company Mr. Li Jinquan, General Manager Ms. Song Shengjun and Person in charge of Accounting and Chief Financial Officer Mr. Zhou Xiaoliang hereby confirm that the Financial Report of the Quarterly Report is true and complete.

§ 2 Company Profile

2.1 Main accounting data and financial indicators

Unit: RMB

	As at 31 Mar. 2009	As at 31 Dec. 2008	Increase/decrease (%)
Total assets	1,120,591,553.75	1,126,126,509.48	-0.49%
Owner's equity attributable to parent company	227,873,788.64	218,861,548.42	4.12%
Share capital	220,901,184.00	220,901,184.00	0.00%
Net assets per share attributable to owners of parent company	1.03	0.99	4.04%
	Jan.-Mar. 2009	Jan.-Mar. 2008	Increase/decrease (%)
Gross revenue	3,724,315.37	3,449,058.92	7.98%
Net profit attributable to owners of parent company	9,012,240.22	-1,812,407.83	537.25%
Net cash flow arising from operating activities	-7,602,576.75	-37,998,557.67	-79.99%
Net cash flow per share arising from operating activities	-0.03	-0.17	32.35%
Basic earnings per share	0.04	-0.01	840.74%
Diluted earnings per share	0.04	-0.01	840.74%
Return on equity	3.95%	3.95%	4.70%
Return on equity after deducting extraordinary gains and losses	-1.89%	3.95%	-0.73%
Items of extraordinary gains and losses			Amount from the year-begin to the end of reporting period
Non-operating income			13,326,821.32
Total			13,326,821.32

Explanation on items of extraordinary gains and losses:

In Feb. 2009, the Company revitalized the existing properties, receiving RMB 13,326,821.32.

2.2 Total number of shareholders as at the end of reporting period and shares held by the top ten shareholders not subject to trading moratorium

Unit: Share

Total number of shareholders as at the end of reporting period		21,722
Shares held by the top ten shareholders holding shares not subject to trading moratorium		
Name of shareholder (full name)	Number of shares not subject to trading moratorium	Type of share
Malaysia Foh Chong & Sons Limited	30,264,192	Domestically listed foreign shares
Shenzhen SDG Co., Ltd.	21,566,857	RMB common shares
Shenzhen Maoye Emporium Ltd	13,577,548	RMB common shares
First Shanghai Securities Limited	16,546,541	Domestically listed foreign shares
F.C. (ASIA) HOLDINGS SDN. BHD.	8,684,194	Domestically listed foreign shares
Shenzhen Taitian Industrial Development Co., Ltd.	8,447,602	RMB common shares
Hong Kong Mengxing Industrial Co., Ltd.	2,170,200	Domestically listed foreign shares
Dapu Foh Chong Chemical Co., Ltd.	1,877,800	RMB common shares
YANG JUN	1,560,000	RMB common shares
LETSCON HOLDINGS SDN. BHD.	1,497,172	Domestically listed foreign shares

§3 Significant Events

3.1 Particulars about large-margin change in item of the main accounting statement and financial index, as well as the reason

☒ Applicable ☐ Inapplicable

Reason for large-margin increase of prepayment: advances on construction for CBD IA Mall.

3.2 Progress of the significant events and its effects, as well as explanation on solutions analysis

☐ Applicable ☒ Inapplicable

3.3 Fulfillment of commitments made by the Company, shareholders and the actual controller

☐ Applicable ☒ Inapplicable

3.4 Warnings of possible losses or major changes of the accumulative net profit achieved during the period from the beginning of the year to the end of the next reporting period compared with the same period of last year according to prediction, as well as the reasons

☐ Applicable ☒ Inapplicable

3.5 Other significant events

3.5.1 Stock investment

☐ Applicable ☒ Inapplicable

3.5.2 Visits and interviews received in the reporting period

In the reporting period, there was no field investigation, communication by telephone and written inquisition from investors.

3.5.3 Other significant events

☐ Applicable ☒ Inapplicable

§4 Attachment

4.1 Balance Sheet

Prepared by Shenzhen International Enterprise Co., Ltd..

31 Mar. 2009

Unit: RMB Yuan

Items	Balance at the period-end		Balance at the year-begin	
	Consolidation	Parent company	Consolidation	Parent company
Current Assets:				
Monetary funds	50,659,032.92	354,392.31	68,414,884.06	26,129,141.95
Settlement fund reserve				
Dismantle fund				
Transaction financial asset				
Notes receivable				
Account receivable	1,237,040.86		1,287,719.72	
Account paid in advance	1,480,038.00	180,000.00	816,795.00	180,000.00
Premium receivables				
Receivables from reinsures				
Reinsurance contract reserve receivables				
Interest receivable				
Dividend receivable				
Other account receivable	7,819,518.96	183,009,608.49	5,898,179.41	158,069,588.23
Financial assets purchased under agreements to resell				
Inventories	979,499,116.34	24,000.00	965,170,729.88	
Non-current assets due within 1 year				
Other current assets				
Total current assets	1,040,694,747.08	183,568,000.80	1,041,588,308.07	184,378,730.18
Non-current assets:				
Loans and advance				
Available for sale financial assets				
Held to maturity investments				
Long-term account receivable				
Long-term equity investment	6,570,262.84	65,944,253.87	6,570,262.84	65,944,253.87
Investing property	1,729,001.71	1,346,004.74	1,755,450.46	1,365,055.94
Fixed asset	71,372,542.12	20,820,951.73	75,972,488.11	24,754,990.04
Project in construction				
Engineering material				
Fixed asset disposal				
Bearer biological asset				
Oil assets				

Intangible assets				
Development expense				
Goodwill				
Long-term expense to be apportioned	225,000.00	225,000.00	240,000.00	240,000.00
Deferred tax assets				
Other non-current assets				
Total of non-current assets	79,896,806.67	88,336,210.34	84,538,201.41	92,304,299.85
Total assets	1,120,591,553.75	271,904,211.14	1,126,126,509.48	276,683,030.03
Current liabilities:				
Short-term borrowings	6,000,000.00		8,000,000.00	
Borrowing from Central Bank				
Deposits and due to banks and other financial institutions				
Placements from banks and other financial institutions				
Transaction financial liabilities				
Notes payable				
Account payable	243,272,627.76		243,472,627.76	
Account received in advance	47,956,024.75	1,797,053.00	59,411,157.15	13,412,185.40
Financial assets sold under agreements to repurchase				
Handling charges and commission payable				
Employee 's compensation payable	2,992,167.63	1,160,771.11	3,357,743.19	1,318,426.30
Tax payable	838,789.24	3,334,638.24	17,096.76	2,453,401.54
Interest payable	1,002,787.50		1,002,787.50	
Dividend payable	5,127,701.36	5,127,701.36	5,127,701.36	5,127,701.36
Other account payable	213,726,450.67	35,657,539.77	210,873,595.06	44,692,535.39
Due to reinsures				
Insurance contract reserve				
Customer deposits				
Amount payables under security underwriting				
Non-current liabilities due within 1 year	14,994,000.00	14,994,000.00	14,992,300.00	14,992,300.00
Other current liabilities				
Total current liabilities	535,910,548.91	62,071,703.48	546,255,008.78	81,996,549.99
Non-current liabilities:				
Long-term borrowings	418,000,000.00		418,000,000.00	
Debentures payable				
Long-term payables				
Specific purpose account payables				
Provisions for contingent liabilities	11,801,909.16	11,801,909.16	11,801,909.16	11,801,909.16
Deferred income				
Deferred tax liabilities	1,338,066.74		1,440,994.95	
Other non-current liabilities				

Total non-current liabilities	431,139,975.90	11,801,909.16	431,242,904.11	11,801,909.16
Total liabilities	967,050,524.81	73,873,612.64	977,497,912.89	93,798,459.15
Owner's equity				
Share capital	220,901,184.00	220,901,184.00	220,901,184.00	220,901,184.00
Capital surplus	72,315,347.06	64,951,444.59	72,315,347.06	64,951,444.59
Less: Treasury Stock				
Reserved fund	125,929,834.48	96,841,026.39	125,929,834.48	96,841,026.39
General risk provision				
Retained earnings	-191,272,576.90	-184,663,056.48	-200,284,817.12	-199,809,084.10
Foreign exchange difference				
Total owners' equity attributable to holding company	227,873,788.64	198,030,598.50	218,861,548.42	182,884,570.88
Minority interest	-74,332,759.70		-70,232,951.83	
Total owner's equity	153,541,028.94	198,030,598.50	148,628,596.59	182,884,570.88
Total liabilities and owner's equity	1,120,591,553.75	271,904,211.14	1,126,126,509.48	276,683,030.03

4.2 Income Statement

Prepared by Shenzhen International Enterprise Co., Ltd...

Jan.- Mar .2009

Unit: RMB Yuan

Items	Amount for this period		Amount for the last period	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	3,724,315.37	50,490.00	3,449,058.92	126,962.00
Including: Sales	3,724,315.37	50,490.00	3,449,058.92	126,962.00
Interests income				
Premium income				
Handling charges and commission income				
II. Total cost of sales	12,844,332.21	-1,023,642.37	7,872,222.75	-3,308,424.71
Including: Cost of sales	3,833,678.64	2,006.54	2,229,555.61	16,390.01
Interests expenses				
Handling charges and commission expenses				
Claim expenses-net				
Provision for insurance liability reserve				
Expenses for reinsurance accepted				
Payments on surrenders				
Policyholder dividends				
Taxes and associate charges	132,729.19		142,411.72	
Selling and distribution expenses	330,505.33		2,425,847.46	
Administrative expenses	4,013,991.53	2,001,155.01	4,804,320.49	3,130,432.79
Financial expense	4,533,427.53	-3,026,803.92	-1,729,912.53	-6,455,247.51
Impairment loss				
Add: gain/(loss) from change in fair value ("-" means loss)				
Gain/(loss) from investment ("-" means loss)	750,000.00	750,000.00		
Including: income form investment on affiliated enterprise				

and jointly enterprise				
Foreign exchange difference (“-” means loss)				
III. Business profit (“-” means loss)	-8,370,016.84	1,824,132.37	-4,423,163.83	3,435,386.71
Add: non-business income	13,326,821.32	13,326,131.20	1,008,216.30	1,008,216.30
Less: non-business expense	44,372.13	4,235.95	6,985.00	
Including: loss from non- current asset disposal				
IV. Total profit (“-” means loss)	4,912,432.35	15,146,027.62	-3,421,932.53	4,443,603.01
Less: Tax expense			76,035.91	
V. Net profit (“-” means loss)	4,912,432.35	15,146,027.62	-3,497,968.44	4,443,603.01
Attributable to parent company	9,012,240.22	15,146,027.62	-1,812,407.83	4,443,603.01
Minority interest	-4,099,807.87		-1,685,560.61	
VI. Earnings per share				
(I) Basic earnings per share	0.04	0.07	-0.01	0.02
(II) Diluted earnings per share	0.04	0.07	-0.01	0.02

4.3 Cash Flow Statement

Prepared by Shenzhen International Enterprise Co., Ltd...

Jan.- Mar .2009

Unit: RMB Yuan

Items	Amount for this period		Amount for the last period	
	Consolidation	Parent company	Consolidation	Parent company
1. Cash flows for operating activities:				
Cash received from sales of goods or rendering of services	3,774,994.23	50,490.00	3,449,058.92	126,962.00
Cash received on deposits and from banks and other financial institutions				
Net increased cash received on borrowings from central bank				
Cash received on placements from other financial institutions				
Premium received				
Cash received from reinsurance				
Net increased amount received on policyholder deposit and investment				
Cash received from disposal of held for trading financial assets				
Interests, handling charges and commission received				
Cash received on placements from bank, net				
Cash received under repurchasing, net				
Refund of tax and fare received				
Other cash received relating to operating activities	1,006,118.96	3,579,035.38	5,807,295.35	38,253,141.54
Sub-total of cash inflows	4,781,113.19	3,629,525.38	9,256,354.27	38,380,103.54
Cash paid for goods and services	2,994,142.40		4,331,721.26	
Loans and advances drawn				

Cash paid to central bank, banks and other financial institutions, net				
Claims paid				
Interests, handling charges and commission paid				
Dividends paid to policyholders				
Cash paid to and on behalf of employees	3,634,256.13	872,708.86	3,829,579.66	972,445.10
Tax and fare paid	517,495.71	173,356.33	678,074.35	372,065.54
Other cash paid relating to operating activities	5,237,795.70	32,064,770.44	38,415,536.67	40,546,908.81
Sub-total of cash outflows	12,383,689.94	33,110,835.63	47,254,911.94	41,891,419.45
Net cash flow from operating activities	-7,602,576.75	-29,481,310.25	-37,998,557.67	-3,511,315.91
2. Cash Flows from Investment Activities:				
Cash received from return of investments	20,000.00	20,000.00		
Cash received from investment income				
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,906,285.60	3,906,285.60		
Proceeds from sale of subsidiaries and other operating units			16,000,000.00	16,000,000.00
Other cash received relating to investment activities				
Sub-total of cash inflows	3,926,285.60	3,926,285.60	16,000,000.00	16,000,000.00
Cash paid for acquiring fixed assets, intangible assets and other long-term assets			84,253.00	59,160.00
Cash paid for acquiring investments				
Net cash used in loans				
Net cash used in acquiring subsidiaries and other operating units				
Other cash paid relating to investment activities				
Sub-total of cash outflows			84,253.00	59,160.00
Net cash flow from investing activities	3,926,285.60	3,926,285.60	15,915,747.00	15,940,840.00
3. Cash Flows from Financing Activities:				
Cash received from absorbing investment				
Including: Cash received from increase in minority interest				
Cash received from borrowings	6,000,000.00		8,000,000.00	
Cash received from issuing debentures				
Other proceeds relating to financing activities				

Sub-total of cash inflows	6,000,000.00		8,000,000.00	
Cash paid for settling debt	8,000,000.00		18,481,075.00	18,481,075.00
Cash paid for distribution of dividends or profit or reimbursing interest	8,579,559.99	219,724.99	5,116,154.87	438,634.02
Including: dividends or profit paid to minority interest				
Other cash payments relating to financing activities	3,500,000.00			
Sub-total of cash outflows	20,079,559.99	219,724.99	23,597,229.87	18,919,709.02
Net cash flow from financing activities	-14,079,559.99	-219,724.99	-15,597,229.87	-18,919,709.02
4. Effect of foreign exchange rate changes				
5. Increase in cash and cash equivalents	-17,755,851.14	-25,774,749.64	-37,680,040.54	-6,490,184.93
Add : Cash and cash equivalents at period-begin	68,414,884.06	26,129,141.95	61,342,998.09	11,452,920.30
6.Cash and cash equivalents at the end of the period	50,659,032.92	354,392.31	23,662,957.55	4,962,735.37

4.4 Auditor's report

Auditor's opinion: un-audited