

# SHENZHEN BENELUX ENTERPRISE CO., LTD.

## THE THIRD QUARTERLY REPORT 2008

### §1. Important Notice

1.1 The Board of Directors, the Supervisory Committee as well as directors, supervisors and senior management of Shenzhen Benelux 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 shoulder individually and jointly responsibility for true, accurate and complete.

1.2 None of the directors, supervisors, senior management demonstrated uncertainty or disagreement about the truthfulness, accuracy, and completeness of this quarterly report.

1.3 All directors attended the Board Meeting.

1.4 The Financial Report of the Third Quarterly Report has not been audited.

1.5 Xu Min, person in charge of the Company, Wang Changsheng, person in charge of accounting work and Li Lingling, person in charge of Accounting Organ, hereby confirmed that the Financial Report enclosed in the Quarterly Report is true and complete.

### §2. Company Profile

#### 2.1 Main accounting data and financial indexes

Unit: RMB Yuan

	At the end of the report period	At the end of the last year	Increase/decrease at the end of the report period compared with that at the end of the last year (%)
Total assets	22,761,431.92	23,480,019.14	-3.06%
Owners' equity (or shareholders' equity)	-325,592,934.55	-324,253,030.33	-0.41%
Net assets per share	-5.38	-5.36	-0.37%
	From the beginning of the year to the end of the report period		Increase/decrease compared with the same period of the last year (%)
Net cash flow from operating activities	-21,521.21		43.83%
Net cash flow from operating activities per share	0.00		0.00%
	In the report period	From the beginning of the year to the end of the report period	Increase/decrease in the report period compared with the same period of the last year (%)
Net profit	-292,972.32	-1,339,904.22	78.13%
Basic earnings per share	-0.005	-0.022	77.27%
Basic earnings per share deducted non-recurring gain/loss	-	0.00	-
Diluted earnings per share	-0.005	-0.022	77.27%
Net profit	0.00%	0.00%	0.00%

Basic earnings per share	0.00%	0.00%	0.00%
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### Items of non-recurring gains and losses

Unit: RMB Yuan

Items of non-recurring gains and losses	From the beginning of the year to the end of report period
N/A	0.00
Total	0.00

### 2.2 Total number of shareholders at the end of the report period and statement on shares held by the top ten shareholders holding shares not subject to trading moratorium

Unit: Share

Total number of shareholders	3,865	
Shares held by the top ten tradable shareholders		
Name of shareholders	Number of tradable shares held	Type of share
SUN LI FENG	1,093,701	Domestically listed foreign share
WANG YONG	320,000	Domestically listed foreign share
WANG YAN	300,000	Domestically listed foreign share
ABN AMRO BANK NV	246,700	Domestically listed foreign share
KOTO TRANSPORT LTD	200,000	Domestically listed foreign share
ZHANG HAN XING	196,900	Domestically listed foreign share
WANG JUN BIN	188,902	Domestically listed foreign share
GUI RAN YAO	150,000	Domestically listed foreign share
CHEN SU JUAN	146,000	Domestically listed foreign share
CHEN WEI	121,000	Domestically listed foreign share

### §3. Significant events

3.1 Particular about large-margin change in main item of accounting statement and financial index and reason for change

Applicable      Inapplicable

3.2 Progress and influence of significant events as well as explanation and analysis of resolving proposal

Applicable      Inapplicable

I. Explanation on involved event of “disclaimer of opinion ” of CPAs in previous year made by the Board of Directors were published in summary and text of Annual Report 2007 of Securities Times, Hong Kong Ta Kung Pao and [www.cninfo.com.cn](http://www.cninfo.com.cn) dated 30 Apr. 2008;

II. The disposal on involved event of “non-standard audit report” in previous year was still in the process, therefore, there was no situations shall be published in accordance with regulations.

III. According to the settlement agreement and supplementary agreement on guarantee event achieved between the Company and China Orient Asset Management Corporation (including Shenzhen Office and Chengdu Office), the two installment recombined amount RMB 14,340,000 shall be paid by the Company dated 30 Sep. 2008, of among which RMB 11,100,000 of Shenzhen Office and RMB 3,240,000 of

Chengdu Office. However, the Company was failed to pay this amount owing to particulars about fund and whole liability recombination. The event was waiting for deal after the shareholders of the Company held meeting.

3.3 Implementation on commitments made by the Company, shareholders and the actual controller

Applicable Inapplicable

3.4 Warnings of possible loss or great change of the accumulated net profit made during the period from the beginning of the year to the end of the next report period compared with the same period of the last year according to prediction, as well as explanations on the reasons

Applicable Inapplicable

Owing to the Company made the loss in the report period, it is predicted that the accumulated net profit made during the period from the beginning of the year to the end of the next report period will make a loss.

Other significant events need to be explained

There were no other significant events need to be explained in the report period.

3.5.1 Securities investment

Applicable Inapplicable

3.5.2 Equity of other listed companies held by the Company

Applicable Inapplicable

3.5.3 Investigation, communication and interview of the Company in the report period

Reception time	Reception place	Reception way	Reception object	Discussion content and materials provided
20 Aug. 2008	Building 13, ZTE Industry City, Nanshan District	Telephone communication	Individual investor	Investors inquire that whether the Company can resume trading recently
15 Sep. 2008	Building 13, ZTE Industry City, Nanshan District	Telephone communication	Individual investor	Investors inquire that whether the Company can resume trading recently

## §4. Attachment

### 4.1 Balance sheet

Prepared by Shenzhen Benelux Enterprise Co., Ltd

30 Sep. 2008

Unit: RMB (Yuan)

Items	Amount at period-end		Amount at period-beginning	
	Consolidation	Parent company	Consolidation	Parent company
Current Assets:				
Monetary funds	40,204.54	40,204.54	61,725.75	61,725.75
Settlement reserve				
Dismantle fund				
Transaction financial asset				
Notes receivable				
Account receivable				
Account paid in advance				
Premiums receivable				
Reinsurance premiums receivable				
Receivable reinsurance contract reserves				

Interest receivable				
Other account receivable	11,920,319.71	11,920,319.71	11,978,089.35	11,978,089.35
Buying back the sale of financial assets				
Inventories				
Non-current assets due within 1 year				
Other current assets				
Total current liabilities	11,960,524.25	11,960,524.25	12,039,815.10	12,039,815.10
Non-current assets:				
Loans and advance				
Available for sale financial assets				
Held to maturity investments				
Long-term account receivable				
Long-term equity investment				
Investing property				
Fixed assets	10,800,907.67	10,800,907.67	11,440,204.04	11,440,204.04
Construction in progress				
Engineering material				
Disposal of fixed assets				
Production biological assets				
Oil-gas assets				
Intangible assets				
Development expense				
Goodwill				
Long-term deferred expenses				
Deferred tax assets				
Other non-current assets				
Total of non-current assets	10,800,907.67	10,800,907.67	11,440,204.04	11,440,204.04
Total assets	22,761,431.92	22,761,431.92	23,480,019.14	23,480,019.14
Current liabilities: :				
Short-term borrowings	6,990,000.00	6,990,000.00	6,990,000.00	6,990,000.00
Borrowing from Central Bank				
Deposits and sue to banks and other financial institutions				
Call loan received				
Transaction financial liabilities				
Notes payable				
Account payable	136,282.84	136,282.84	136,282.84	136,282.84
Account received in advance				
Financial assets sold for repurchase				
Handling charges and commissions payable				
Employee's compensation payable				
Tax payable	1,383,021.13	1,383,021.13	1,383,021.13	1,383,021.13
Interest payable	3,142,868.79	3,142,868.79	2,836,216.29	2,836,216.29

Other account payable	77,224,286.06	77,224,286.06	76,909,621.56	76,909,621.56
Reinsurance premiums payable				
Insurance contract reserves				
Money received for acting trading of securities				
Money paid for acting underwriting of securities				
Non-current liabilities due within 1 year				
Other current liabilities				
Total current liabilities	88,876,458.82	88,876,458.82	88,255,141.82	88,255,141.82
Non-current liabilities:				
Long-term borrowings				
Bonds payable				
Long-term payables				
Specific payables				
Accrued liabilities	259,477,907.65	259,477,907.65	259,477,907.65	259,477,907.65
Deferred tax liabilities				
Other non-current liabilities				
Total non-current liabilities	259,477,907.65	259,477,907.65	259,477,907.65	259,477,907.65
Total liabilities	348,354,366.47	348,354,366.47	347,733,049.47	347,733,049.47
Owner's equity (or shareholder's equity)				
Paid-up capital (or share capital)	60,500,000.00	60,500,000.00	60,500,000.00	60,500,000.00
Capital reserves	34,791,680.54	34,791,680.54	34,791,680.54	34,791,680.54
Less: Treasury Stock				
Surplus reserves	31,716,564.50	31,716,564.50	31,716,564.50	31,716,564.50
Provisions for general risks				
Retained profits	-452,601,179.59	-452,601,179.59	-451,261,275.37	-451,261,275.37
Foreign exchange difference				
Total owners' equity attributable to parent company	-325,592,934.55	-325,592,934.55	-324,253,030.33	-324,253,030.33
Minority interest				
Total owner's equity	-325,592,934.55	-325,592,934.55	-324,253,030.33	-324,253,030.33
Total liabilities and owner's equity	22,761,431.92	22,761,431.92	23,480,019.14	23,480,019.14

#### 4.2 Income statement in this report period

Prepared by Shenzhen Benelux Enterprise Co., Ltd

Jul.- Sep. 2008

Unit: RMB (Yuan)

Items	In current period		The same period of last year	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	144,740.00	144,740.00	271,904.00	271,904.00
Including: Sales income	144,740.00	144,740.00	271,904.00	271,904.00
Interest income				
Premium income				
Handling charges and commission income				
II. Total cost of sales	437,712.32	437,712.32	682,149.43	682,149.43
Including: Cost of sales	2,732.40	2,732.40	160,302.37	160,302.37

Interests expenses				
Handling charges and commission expenses				
Cash surrender value				
Net amount of claims				
Net amount of withdrawn from the insurance contract reserve				
Expenditure on policy dividends				
Reinsurance premium				
Taxes and associate charges				
Selling expenses				
Administrative expenses	332,547.48	332,547.48	419,023.26	419,023.26
Financial expenses	102,432.44	102,432.44	102,823.80	102,823.80
Impairment loss				
Add: gain from change in fair value (“-” means loss)				
Gain from investment (“-” means loss)				
Including: income form investment on affiliated enterprise and jointly enterprise				
Foreign exchange difference (“-” means loss)				
III. Business profit (“-” means loss)	-292,972.32	-292,972.32	-410,245.43	-410,245.43
Add: non-operation income				
Less: non-business expense				
Including: loss from non-current asset disposal				
IV. Total profit (“-” means loss)	-292,972.32	-292,972.32	-410,245.43	-410,245.43
Less: Tax expense				
V. Net profit (“-” means loss)	-292,972.32	-292,972.32	-410,245.43	-410,245.43
Attributable to owners of parent company	-292,972.32	-292,972.32	-410,245.43	-410,245.43
Minority interest				
VI. Earnings per share				
(I) Basic earnings per share	-0.005	-0.005	-0.007	-0.007
(II) Diluted earnings per share	-0.005	-0.005	-0.007	-0.007

#### 4.3 Income statement from the year-beginning to the end of report period

Prepared by Shenzhen Benelux Enterprise Co., Ltd

Jul.- Sep. 2008

Unit: RMB (Yuan)

Items	In current period		The same period of last year	
	Consolidation	Parent company	Consolidation	Parent company
I. Total sales	452,048.00	452,048.00	1,302,968.00	1,302,968.00
Including: Sales income	452,048.00	452,048.00	1,302,968.00	1,302,968.00
Interest income				
Premium income				
Handling charges and commission income				
II. Total cost of sales	1,791,952.22	1,791,952.22	2,218,148.01	2,218,148.01
Including: Cost of sales	14,668.10	14,668.10	477,782.52	477,782.52

Interests expenses				
Handling charges and commission expenses				
Cash surrender value				
Net amount of claims				
Net amount of withdrawn from the insurance contract reserve				
Expenditure on policy dividends				
Reinsurance premium				
Taxes and associate charges				
Selling expenses				
Administrative expenses	1,470,464.52	1,470,464.54	1,432,768.03	1,432,768.03
Financial expenses	306,819.60	306,819.60	307,597.46	307,597.46
Impairment loss				
Add: gain from change in fair value (“-” means loss)				
Gain from investment (“-” means loss)				
Including: income form investment on affiliated enterprise and jointly enterprise				
Foreign exchange difference (“-” means loss)				
III. Business profit (“-” means loss)	-1,339,904.22	-1,339,904.22	-915,180.01	-915,180.01
Add: non-operation income				
Less: non-business expense			187,151.08	187,151.08
Including: loss from non-current asset disposal				
IV. Total profit (“-” means loss)	-1,339,904.22	-1,339,904.22	-1,102,331.09	-1,102,331.09
Less: Tax expense				
V. Net profit (“-” means loss)	-1,339,904.22	-1,339,904.22	-1,102,331.09	-1,102,331.09
Attributable to owners of parent company	-1,339,904.22	-1,339,904.22	-1,102,331.09	-1,102,331.09
Minority interest				
VI. Earnings per share				
(I) Basic earnings per share	-0.022	-0.022	-0.018	-0.018
(II) Diluted earnings per share	-0.022	-0.022	-0.018	-0.018

#### 4.4 Cash flow statement from the year-beginning to the end of report period

Prepared by Shenzhen Benelux Enterprise Co., Ltd

Jul.- Sep. 2008

Unit: RMB (Yuan)

Items	In current period		The same period of last year	
	Consolidation	Parent company	Consolidation	Parent company
I. Cash flows from operating activities:				
Cash received from sale of commodities and rendering of service				
Net increase of deposits from customers and dues from banks				
Net increase of loans from the central bank				
Net increase of funds borrowed from other				

financial institutions				
Cash received from premium of original insurance contracts				
Net cash received from reinsurance business				
Net increase of savings of policy holders and investment fund				
Net increase of disposal of tradable financial assets				
Cash received from interest, handling charges and commissions				
Net increase of borrowed inter-bank funds				
Net increase of buy-back funds				
Tax refunds received				
Other cash received relating to operating activities	452,048.00	452,048.00	1,302,968.00	1,302,968.00
Subtotal of cash inflows from operating activities	452,048.00	452,048.00	1,302,968.00	1,302,968.00
Cash paid for purchase of commodities and reception of service				
Net increase of customer lending and advance				
Net increase of funds deposited in the central bank and amount due from banks				
Cash for paying claims of the original insurance contract				
Cash for paying interest, handling charges and commissions				
Cash for paying policy dividends				
Cash paid to and for employees	230,486.27	230,486.27	271,543.77	271,543.77
Various taxes paid	23,033.61	23,033.61	46,958.05	46,958.05
Payment of cash relating to operating activities	220,049.33	220,049.33	1,022,778.62	1,022,778.62
Subtotal of cash outflows from operating activities	473,569.21	473,569.21	1,341,280.44	1,341,280.44
Net cash flows from operating activities	-21,521.21	-21,521.21	-38,312.44	-38,312.44
II. Cash Flows from investment activities:				
Cash received from return of investments				
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 subsidiary or other operating business units				
Other cash received relating to investment activities				
Subtotal of cash inflows from investment activities				
Cash paid to acquire fixed assets, intangible assets and other long-term assets				
Cash paid to investment				

Net increase of pledged loans				
Net cash paid by subsidiaries and other operating business units				
Payment of cash relating to other investment activities				
Subtotal of cash outflows from investment activities				
Net cash flows from investment activities				
III. Cash flows from Financing Activities:				
Cash received from absorbing investment				
Including: Cash received from increase in minority interest				
Cash received from borrowings				
Cash received from issuance of bonds				
Other cash received relating to financing activities				
Subtotal of cash inflows from financing activities				
Cash repayments of amounts borrowed				
Cash paid interest expenses and distribution of dividends or profit				
Including: dividends or profit paid to minority interest				
Other cash payments relating to financing activities				
Sub-total of cash outflows from financing activities				
Net cash flow from financing activities				
IV. Effect of foreign exchange rate changes on cash and cash equivalents				
V. Increase in cash and cash equivalents	-21,521.21	-21,521.21	-38,312.44	-38,312.44
Add : Cash and cash equivalents at year-begin	61,725.75	61,725.75	59,430.80	59,430.80
VI. Cash and cash equivalents at the end of the year	40,204.54	40,204.54	21,118.36	21,118.36

#### 4.5 Audit report

Audit opinion: un-audited