

## Ossen Innovation Announces Third Quarter 2013 Financial Results

*To Host Conference call at 9:00 am ET on December 9, 2013*

SHANGHAI, December 9, 2013 /PRNewswire-FirstCall/ -- Ossen Innovation Co., Ltd. ("Ossen" or the "Company") (Nasdaq: OSN), a China-based manufacturer of an array of plain surface, rare earth and zinc coated pre-stressed steel materials, today announced its financial results for the three months and nine months ended September 30, 2013.

"The market for steel materials used in infrastructure projects in China continued to be challenging in the third quarter of 2013," said Dr. Liang Tang, Chairman of Ossen Innovation. "However, I am pleased to report that Ossen continued to sell more of our higher margin, pre-stressed coated products as a percentage of total sales. Combined with lower raw material prices, this resulted in improved gross profit, gross margin and increased earnings for the third quarter and nine months ended September 30, 2013. Although the domestic infrastructure environment remains challenging, we continue to focus on driving sales of higher margin products and maintaining conservative operating expenses," concluded Dr. Tang.

### Financial Summary

(in millions ex- EPS)	Q3 2013	Q3 2012	Chg.	YTD 2013	YTD 2012	Chg.
Revenue	\$33.1	\$41.1	-19%	\$71.9	\$95.0	-24%
Gross Profit	\$3.9	\$2.9	+33%	\$8.5	\$7.7	+10%
Net Income*	\$1.7	\$0.7	+126%	\$2.5	\$1.1	+127%
EPS	\$0.08	\$0.04	+100%	\$0.12	\$0.05	+140%
Shares Outstanding	19.9	20.0	-0.9%	19.9	20.0	-0.3%

\*Net income attributable to Ossen Innovation Co., Ltd.

### Third Quarter 2013 Financial Results

Revenue for the three months ended September 30, 2013 was \$33.1 million, down 19% from the same period a year ago. Sales of coated pre-stressed steel materials, including rare earth and zinc coated products, were approximately \$24.3 million, down 8% compared to approximately \$26.4 million in the third quarter of 2012. Sales of plain surface PC strands were \$4.9 million for the three months ended September 30, 2013, a decrease of \$5.9 million compared to the prior year. These decreases are primarily due to lower demand of coated pre-stressed steel materials and plain surface PC strands because of a decrease in large scale infrastructure projects and increased price competition.

Gross profit increased from \$2.9 million to \$3.9 million, a 33% year-over-year increase. Gross margin was 11.7%, up from 7.1% in the third quarter of 2012. Gross profit and gross margin were higher as a result of lower raw material prices and an increase in sales of higher margin coated pre-stressed steel materials as a percentage of total sales in the third quarter of 2013 compared to the prior year period.

Selling expenses were reduced by 47% to \$0.2 million due to a decrease in total sales. General and administrative expenses were \$0.8 million, an increase of 63% compared to \$0.5 million in the third quarter of 2012 due to higher R&D expenses related to Japanese Industrial Standards certification. Operating income was approximately \$2.9 million, an increase of 36% from the same period a year ago.

Net income attributable to Ossen Innovation Co., Ltd. was \$1.7 million in the third quarter of 2013 compared to \$0.7 million in the year-ago period. Earnings per share were \$0.08 versus \$0.04 a year ago. The weighted average diluted shares outstanding were 19.9 million compared to 20.0 million.

#### **Nine Months Ended September 30, 2013 Financial Results**

Revenue for the nine months ended September 30, 2013 was \$71.9 million, down 24% from the same period a year ago. Sales of coated pre-stressed steel materials, including rare earth and zinc coated products, were approximately \$61.8 million, down 13% compared to approximately \$71.0 million in the same period of 2012. Sales of plain surface PC strands were \$10.1 million for the nine months ended September 30, 2013, a decrease of \$13.9 million compared to the prior year. These decreases are primarily due to lower demand of coated pre-stressed steel materials and plain surface PC strands because of a decrease in large scale infrastructure projects and increased price competition.

Gross profit increased from \$7.7 million to \$8.5 million, a 10% year-over-year increase. Gross margin was 11.8%, up from 8.1% in the same period of 2012. Gross margin was higher as a result of lower raw material prices and an increase in sales of higher margin coated pre-stressed steel materials as a percentage of total sales in 2013 compared to the prior year period.

Selling expenses were reduced by 31% to \$0.4 million due to a decrease in total sales. General and administrative expenses were \$2.4 million, down 17% compared to \$2.9 million in the same period of 2012 due to lower audit fees and R&D expenses. Operating income was approximately \$5.6 million, an increase of 35% from the same period a year ago.

Net income attributable to Ossen Innovation Co., Ltd. was \$2.5 million in the nine months ended September 30, 2013 compared to \$1.1 million in the year-ago period. Earnings per share were \$0.12 versus \$0.05 a year ago. The weighted average diluted shares outstanding were 19.9 million compared to 20.0 million.

## **Balance Sheet and Cash Flows**

Ossen had approximately \$35.0 million of cash and restricted cash as of September 30, 2013 compared to \$27.4 million at December 31, 2012. Total accounts receivable on September 30, 2013 increased to \$51.1 million from \$45.7 million on December 31, 2012. The average accounts receivable days sales outstanding were 139 days in the third quarter of 2013 compared to 101 days in the third quarter of 2012 which was primarily due to a decrease in total sales. The balance of prepayments to suppliers of raw materials was \$55.6 million as of September 30, 2013, a decrease of \$22.4 million compared with December 31, 2012. The decrease was mainly due to the Company receiving a large delivery of raw materials from two major suppliers during the first nine months of 2013. Accordingly, inventories increased from \$9.8 million at December 31, 2012 to \$16.6 million at September 30, 2013. Total working capital was \$76.6 million at September 30, 2013.

The Company generated positive cash flows from operations of \$18.0 million for the nine months ended September 30, 2013 as compared to \$13.0 million of outflows for the same period of 2012. The primary reasons for the increase in cash generated in operations were an increase in customer deposits and a decrease in advance to suppliers during the first nine months of 2013, partially offset by higher inventories and accounts receivable.

Cash flow used by financing activities was \$21.9 million for the nine months ended September 30, 2013 as compared to cash flow provided by financing activities of \$12.9 million for the same period of 2012. The primary reasons for the increase in cash used by financing activities were increases in restricted cash, repayments of bank loans and notes payable, and a decrease in proceeds from short-term bank loans due to the Chinese government's prudent monetary policy.

## **Business Updates and Outlook**

Ossen believes that the Chinese central government will continue to stimulate economic growth by further injecting capital into the economy by funding new infrastructure projects. While Ossen does not believe that the Chinese government will initiate another large scale, comprehensive capital injection, the Company believes that infrastructure spending will be selectively targeted at developing regions in Central or Western China. Furthermore, Ossen expects spending by local governments on regional infrastructure development, all of which should create additional bidding opportunities for the Company in 2014 and beyond.

In addition, Ossen recently announced that it has been awarded two contracts to supply its plain surface steel strands for new infrastructure projects in Anhui Province. The first contract is to supply 2,500 tons of plain surface steel strands for the renovation of the G205 national highway's Cihu to Caishi section. This renovation project, overseen by the Chinese Ministry of Transport, will use the steel strands for long span prestressed concrete structures of the overpass. The second contract is to supply 18,000 tons of plain surface steel strands for the construction of the Wangdong Yangtze

River highway bridge upstream of the Wan River in Anhui Province. This construction project, overseen by the Anhui Province Planning Department, will use the steel strands for long span prestressed concrete structures of the bridge approach. Based on information received from the Ministry of Transport and the Anhui Province Planning Department, respectively, Ossen expects to begin delivery of these plain surface steel strands in the first half of 2014.

Furthermore, Ossen announced that it has been awarded a contract to supply 15,000 tons of plain surface steel strands to a construction company responsible for building the new Jiujiang express loop highway in Jiujiang City, Jiangxi Province, China. The steel strands will be used in the construction of bridges and elevated highways in this infrastructure project. Based on information received from the construction company responsible for building the Jiujiang express loop highway, Ossen expects to begin delivery of the plain surface steel strands in the first quarter of 2014.

Finally, Ossen expects Q4 2013 sales will be similar to the third quarter of 2013 while 2014 results are expected to significantly improve over 2013, provided that the industry is not impeded by the problems it encountered this past year, including government regulation and lack of liquidity among lending institutions.

#### **Conference Call**

To attend the call, please use the information below for either dial-in access or webcast access. When prompted on dial-in, ask for "Ossen Innovation Third Quarter 2013 Conference Call" or be prepared to utilize the conference ID.

<b>Conference Call</b>	Ossen Innovation Third Quarter 2013 Conference Call
<b>Date:</b>	Monday, December 9, 2013
<b>Time:</b>	9:00 am Eastern Time, US
<b>Conference Line Dial-In (U.S.):</b>	+1-845-675-0437
<b>International Toll Free:</b>	United States: +1-866-519-4004 China, Domestic Mobile: 4006208038 China, Domestic: 8008190121
<b>Conference ID:</b>	19296069

Please dial in at least 10 minutes before the call to ensure timely participation. A playback will be available through December 17, 2013. To listen, please call +1-855-452-5696 within the United States or +1-646-254-3697 if calling internationally. Utilize the pass code 19296069 for the replay.

This call is being webcast and can be accessed by clicking on this link: <http://www.media-server.com/m/p/rpe2si4h>

About Ossen Innovation Co., Ltd.

Ossen Innovation Co., Ltd. manufactures and sells a wide variety of plain surface pre-stressed steel materials and rare earth coated and zinc coated pre-stressed steel materials. The Company's products are mainly used in the construction of bridges, as well as in highways and other infrastructure projects. Ossen has two manufacturing facilities located in Maanshan, Anhui Province, and Jiujiang, Jiangxi Province.

Safe Harbor Statements

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and as defined in the U.S. Private Securities Litigation Reform Act of 1995. These forward-looking statements involve inherent risks and uncertainties that could cause actual results to differ materially from those projected or anticipated, including risks outlined in the Company's public filings with the Securities and Exchange Commission, including the Company's annual report on Form 20-F, as amended. All information provided in this press release is as of the date hereof. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

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**OSSEN INNOVATION CO., LTD AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	<b>September 30,</b>	<b>December 31,</b>
	<b>2013</b>	<b>2012</b>
	<u>(Unaudited)</u>	
<b><u>ASSETS</u></b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,298,617	\$ 1,996,764
Restricted cash	32,694,705	25,407,499
Notes receivable – bank acceptance notes	-	394,079
Accounts receivable, net of allowance for doubtful accounts of \$1,286,407 and \$1,277,091 at September 30, 2013 and December 31,2012, respectively	51,094,124	45,734,381
Inventories	16,572,561	9,807,044
Advance to suppliers	55,558,438	77,948,496
Other current assets	2,205,884	1,904,626
Notes receivable from related party – bank acceptance notes	-	1,830,208
<b>Total Current Assets</b>	<b><u>160,424,329</u></b>	<b><u>165,023,097</u></b>
Property, plant and equipment, net	8,888,337	9,707,587
Land use rights, net	4,361,318	4,317,669
Prepayment for plant and equipment	8,146,031	7,933,361
<b>TOTAL ASSETS</b>	<b><u>\$ 181,820,015</u></b>	<b><u>\$ 186,981,714</u></b>

**OSSEN INNOVATION CO., LTD AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

	<b>September 30, 2013</b>	<b>December 31, 2012</b>
	<u>(Unaudited)</u>	
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>		
<b>Current Liabilities</b>		
Notes payable – bank acceptance notes	\$ 48,340,631	\$ 36,933,710
Short-term bank loans	31,388,857	50,679,026
Long term bank loans – current portion	-	4,438,386
Accounts payable	408,581	572,305
Customer deposits	1,828,131	384,602
Income tax payable	87,223	391,353
Other payables and accrued expenses	1,254,604	805,196
Due to related party	467,252	-
<b>Total Current Liabilities</b>	<b><u>83,775,279</u></b>	<b><u>94,204,578</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>83,775,279</u></b>	<b><u>94,204,578</u></b>
<b>EQUITY</b>		
<b>Shareholders' Equity</b>		
Ordinary shares, \$0.01 par value: 100,000,000 shares authorized, 20,000,000 shares issued and outstanding as of September 30, 2013 and December 31, 2012, respectively	200,000	200,000
Additional paid-in capital	33,971,455	33,971,455
Statutory reserve	4,477,623	4,179,027
Retained earnings	40,467,753	38,311,527
Treasury stock, at cost: 98,041 shares as both of September 30, 2013 and December 31, 2012	(96,608)	(96,608)
Accumulated other comprehensive income	8,524,134	5,999,214
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>87,544,357</u></b>	<b><u>82,564,615</u></b>
Non-controlling interest	10,500,379	10,212,521
<b>TOTAL EQUITY</b>	<b><u>98,044,736</u></b>	<b><u>92,777,136</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>\$ 181,820,015</u></b>	<b><u>\$ 186,981,714</u></b>

**OSSEN INNOVATION CO., LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME**  
**(Unaudited)**

	<b>FOR THE THREE MONTHS ENDED SEPTEMBER 30,</b>		<b>FOR THE NINE MONTHS ENDED SEPTEMBER 30,</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
<b>REVENUES</b>	\$ 33,118,243	\$ 41,066,144	\$ 71,897,988	\$ 94,956,669
<b>COST OF GOODS SOLD</b>	<u>29,239,480</u>	<u>38,141,575</u>	<u>63,407,366</u>	<u>87,224,774</u>
<b>GROSS PROFIT</b>	<u>3,878,763</u>	<u>2,924,569</u>	<u>8,490,622</u>	<u>7,731,895</u>
<b>Operating Expenses:</b>				
Selling and distribution expenses	159,249	298,231	439,357	633,325
General and administrative expenses	<u>848,110</u>	<u>521,602</u>	<u>2,406,865</u>	<u>2,916,249</u>
<b>Total Operating Expenses</b>	<u>1,007,359</u>	<u>819,833</u>	<u>2,846,222</u>	<u>3,549,574</u>
<b>INCOME FROM OPERATIONS</b>	<u>2,871,404</u>	<u>2,104,736</u>	<u>5,644,400</u>	<u>4,182,321</u>
<b>Other Income (Expenses):</b>				
Financial expenses, net	(727,244)	(1,143,588)	(2,458,130)	(2,915,253)
Other income, net	<u>38,232</u>	<u>49,374</u>	<u>134,143</u>	<u>383,255</u>
<b>INCOME BEFORE INCOME TAXES</b>	<u>2,182,392</u>	<u>1,010,522</u>	<u>3,320,413</u>	<u>1,650,323</u>
<b>INCOME TAXES</b>	<u>(333,683)</u>	<u>(156,041)</u>	<u>(577,733)</u>	<u>(318,511)</u>
<b>NET INCOME</b>	<u>1,848,709</u>	<u>854,481</u>	<u>2,742,680</u>	<u>1,331,812</u>
<b>LESS: NET INCOME ATTRIBUTABLE TO NONCONTROLLING INTEREST</b>	<u>172,305</u>	<u>113,215</u>	<u>287,858</u>	<u>251,927</u>
<b>NET INCOME ATTRIBUTABLE TO OSSEN INNOVATION CO.,LTD AND SUBSIDIARIES</b>	<u>1,676,404</u>	<u>741,266</u>	<u>2,454,822</u>	<u>1,079,885</u>
<b>OTHER COMPREHENSIVE INCOME</b>				
Foreign currency translation gain, net of tax	<u>591,937</u>	<u>(174,728)</u>	<u>2,524,920</u>	<u>446,498</u>
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<u>591,937</u>	<u>(174,728)</u>	<u>2,524,920</u>	<u>446,498</u>
<b>COMPREHENSIVE INCOME</b>	<u>2,268,341</u>	<u>566,538</u>	<u>4,979,742</u>	<u>1,526,383</u>
<b>EARNINGS PER ORDINARY SHARE</b>				
Basic and diluted	\$ <u>0.08</u>	\$ <u>0.04</u>	\$ <u>0.12</u>	\$ <u>0.05</u>
<b>WEIGHTED AVERAGE ORDINARY SHARES OUTSTANDING</b>				
Basic and diluted	\$ <u>19,901,959</u>	\$ <u>19,919,613</u>	\$ <u>19,901,959</u>	\$ <u>19,954,867</u>

**OSSEN INNOVATION CO., LTD AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF SHAREHOLDER'S EQUITY**  
**(Unaudited)**

**Total Ossen Innovation Co., Ltd. Shareholders' Equity**

	Ordinary Shares \$0.01 Par Value		Treasury Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Statutory Reserve	Retained Earnings	Non Controlling Interest	Total
	Shares	Amount	Shares	Amount						
<b>Balance at December 31, 2012</b>	<b>20,000,000</b>	<b>200,000</b>	<b>(98,041)</b>	<b>(96,608)</b>	<b>33,971,455</b>	<b>5,999,214</b>	<b>4,179,027</b>	<b>38,311,527</b>	<b>10,212,521</b>	<b>92,777,136</b>
Net income	-	-	-	-	-	-	-	2,454,822	287,858	2,742,680
Transfer to statutory reserve	-	-	-	-	-	-	298,596	(298,596)	-	-
Foreign currency translation adjustment	-	-	-	-	-	2,524,920	-	-	-	2,524,920
<b>Balance at September 30, 2013</b>	<b>20,000,000</b>	<b>\$ 200,000</b>	<b>(98,041)</b>	<b>\$ (96,608)</b>	<b>\$ 33,971,455</b>	<b>\$ 8,524,134</b>	<b>\$ 4,477,623</b>	<b>\$ 40,467,753</b>	<b>\$ 10,500,379</b>	<b>\$ 98,044,736</b>

**OSSEN INNOVATION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net income</b>	\$ 2,742,680	\$ 1,331,812
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:		
Depreciation and amortization	1,152,788	1,190,589
Share-based compensation expense	-	79,276
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase) Decrease In:</b>		
Accounts receivable	(5,359,744)	7,501,657
Inventories	(6,765,517)	4,774,010
Advance to suppliers	22,390,059	(34,144,039)
Other current assets	(301,259)	3,310,212
Notes receivable - bank acceptance notes	394,079	2,948,352
Notes receivable from related party - bank acceptance notes	1,830,208	-
Account receivable from related party	-	(513,817)
<b>Increase (Decrease) In:</b>		
Accounts payable	(163,724)	251,104
Customer deposits	1,443,528	148,935
Income tax payable	(304,130)	38,206
Other payables and accrued expenses	449,408	96,882
Due to related party	467,252	-
<b>Net cash provided by/(used in) operating activities</b>	<b>17,975,628</b>	<b>(12,986,821)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of plant and equipment	(14,806)	(28,882)
Prepayment for plant and equipment	-	(1,583)
<b>Net cash used in investing activities</b>	<b>(14,806)</b>	<b>(30,465)</b>

**OSSEN INNOVATION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Nine Months Ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in restricted cash	(7,287,207)	(2,848,766)
Proceeds from short-term bank loans	28,766,506	41,784,077
Repayments of short-term bank loans	(49,171,458)	(44,474,787)
Repayments of long-term bank loans	(4,503,563)	(158,278)
Proceeds from notes payable-bank acceptance notes	62,406,511	59,354,226
Repayment of notes payable-bank acceptance notes	(52,112,653)	(40,677,430)
Repurchase of common shares	-	(87,733)
<b>Net cash provided by/(used in) financing activities</b>	<b>(21,901,864)</b>	<b>12,891,309</b>
<b>DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Effect of exchange rate changes on cash	4,242,895	658,425
Cash and cash equivalents at beginning of period	1,996,764	1,568,261
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 2,298,617</b>	<b>\$ 2,100,709</b>
<b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
<b>Cash paid during the periods:</b>		
Income taxes paid	\$ 884,946	\$ 280,278
Interest paid	\$ 2,428,135	\$ 2,778,438
<b>Non-cash transactions:</b>		
Appropriation to statutory reserve	\$ 298,596	\$ 155,297

**OSSEN INNOVATION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Three Months Ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
<b>Net income</b>	\$ 1,848,709	\$ 854,481
Adjustments to reconcile net income to net cash provided by/ (used in) operating activities:		
Depreciation and amortization	383,139	361,743
Share-based compensation expense	-	26,618
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase) Decrease In:</b>		
Accounts receivable	(1,290,529)	9,404,698
Inventories	(1,343,507)	2,555,970
Advance to suppliers	17,239,266	(12,743,803)
Other current assets	(294,734)	2,766,985
Notes receivable - bank acceptance notes	-	15,270
Account receivable from related party	-	(513,817)
<b>Increase (Decrease) In:</b>		
Accounts payable	(6,694,566)	54,347
Customer deposits	(3,370,578)	257,450
Income tax payable	(69,176)	(3,057)
Other payables and accrued expenses	330,731	86,437
Due to related party	(1,121,686)	(316,741)
<b>Net cash provided by operating activities</b>	<b>5,617,069</b>	<b>2,806,581</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of plant and equipment	(493)	(486)
<b>Net cash used in investing activities</b>	<b>(493)</b>	<b>(486)</b>

**OSSEN INNOVATION CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited)

	<b>Three Months Ended September 30,</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Increase in restricted cash	(1,974,345)	(5,500,566)
Proceeds from short-term bank loans	14,215,839	9,317,286
Repayments of short-term bank loans	(16,544,377)	(15,017,994)
Repayments of long-term bank loans	(4,503,563)	-
Proceeds from notes payable-bank acceptance notes	16,600,338	19,443,550
Repayment of notes payable-bank acceptance notes	(14,795,037)	(10,744,423)
Repurchase of common shares	-	(18,702)
<b>Net cash used in financing activities</b>	<b>(7,001,145)</b>	<b>(2,520,849)</b>
 <b>INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	<b>(1,384,569)</b>	<b>285,246</b>
Effect of exchange rate changes on cash	949,486	(281,630)
Cash and cash equivalents at beginning of period	2,733,700	2,097,093
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 2,298,617</b>	<b>\$ 2,100,709</b>
 <b>SUPPLEMENTARY CASH FLOW INFORMATION</b>		
<b>Cash paid during the periods:</b>		
Income taxes paid	\$ 402,645	\$ 159,038
Interest paid	\$ 682,581	\$ 928,937
<b>Non-cash transactions:</b>		
Appropriation to statutory reserve	\$ 171,856	\$ 77,102