

Yongye International, Inc.
(NASDAQ: YONG) – Putting the
Green in Management's Pocket

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Yongye International, Inc.

(NASDAQ: YONG) Summary Financials & Trading Information

\$mm, except per share data	
NASDAQ Ticker:	YONG
Industry	Agricultural Chemicals
Closing Price on 05/17/11	\$4.58
Market Capitalization	\$226.6
Firm Value	\$193.5
Diluted Shares Outstanding	49.5
Average Volume (3-Months/10-Days)	1.1mm/1.1mm
Estimated Fundamental Value (\$/share)	\$1.00
Recommendation	CONVICTION SELL

\$mm	Historical Financials					Management Guidance
	FY07	FY08	FY09	FY10	1Q11-LTM	FY11E
Summary Results						
Revenue	\$13.1	\$48.1	\$98.1	\$214.1	\$239.4	\$320.0
EBITDA	\$5.1	\$13.8	\$32.0	\$67.8	\$79.3	NA
Net Income	\$4.4	\$11.2	\$26.2	\$48.5	\$49.0	\$81.0
Operating Cash Flow	(\$4.6)	(\$8.7)	(\$2.2)	\$15.9	\$22.0	NA
CAPEX & Acquisitions	\$0.3	\$5.5	\$4.4	\$46.1	\$29.3	NA
Current Trading Multiples						
FV/Revenue	14.7x	4.0x	2.0x	0.9x	0.8x	0.6x
FV/EBITDA	37.6x	14.0x	6.1x	2.9x	2.4x	N.A.
FCF Yield	N.M.	N.M.	N.M.	N.M.	N.M.	N.A.
P/E	52.0x	20.2x	8.6x	4.7x	4.6x	2.8x

Yongye International, Inc. engages in the research and development, manufacturing, and distribution of liquid fertilizers and powder nutrient compounds for plants and animal feed used in the agriculture industry in the People's Republic of China. Yongye is headquartered in Beijing and listed in NASDAQ in 2009



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I, Kevin Barnes, an Equity Analyst with Absaroka Capital Management, LLC, hereby certify as of 05/18/11 that the opinions expressed in this document accurately reflect my personal opinions about the subject company(ies), security(ies), and commodity(ies).

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Executive Summary – Yongye International, Inc. (NASDAQ: YONG)

Yongye International, Inc. (NASDAQ: “YONG” or “Yongye” or the “Company”) is a fraud. In this Initiating Coverage Report, Absaroka Capital Management, LLC (“Absaroka”) will present irrefutable evidence that Yongye has fraudulently misrepresented its business and thus the Company is massively overvalued by the market at this time. Absaroka’s concerns about Yongye include the following material issues:

1. The \$35.0mm cash acquisition of the Wuchuan Lignite Coal Project is not a legitimate transaction and appears to be a scheme to transfer funds out of the Company at the expense of public shareholders
2. Intertwined relationships with its two largest suppliers appear to allow the Company to fraudulently manipulate earnings: Wuchuan Sanda was ordered to cease production by the government and Wuchuan Shuntong does not supply nearly the amount of humic acid claimed by Yongye
3. The \$32.3mm Hebei Customer List acquisition has limited industrial logic and appears to be another scheme by Yongye Management to falsely manipulate earnings
4. Yongye falsely claims Shengmingsu, its main fertilizer product, was developed by 38 scientists at Stanford University: Absaroka provides a letter from Stanford University certifying it has no connection to Yongye’s Shengmingsu fertilizer and Yongye does not have permission to utilize Stanford’s name, trademark, or images in its advertising and marketing efforts.
5. Yongye’s Shengmingsu is minimally effective for farmers and Yongye’s product claims do not correspond with reality
6. The new bank loans are illogical relative to the supposed cash balance, which raises doubt about the reality of the \$44.6mm cash balance on the unaudited 03/31/11 10-Q balance sheet
7. Excessive management compensation relative to peers is diluting shareholder interests because of continued large share-based compensation grants
8. The unsatisfactory auditor history raises grave concern about the validity of historical financials and forward-looking guidance

Any of these issues on a stand-alone basis should be enough to convince public shareholders to question the current \$4.58/share valuation and pursue the “Wall Street Walk” form of shareholder activism.

Recommendation: CONVICTION SELL
Estimated Fundamental Value: \$1.00

1: Yongye's \$35.0mm Acquisition of the Lignite Coal Project –Appears Yongye Management looted cash at the expense of public investors

On 03/01/10, Yongye entered into an agreement with Wuchuan Shuntong Humic Acid Trading Company, Ltd. (“Wuchuan Shuntong”) to acquire a permit for the rights to explore, develop and produce lignite coal resources in Wuchuan County of the PRC for \$35.0mm in cash.¹ As of 03/31/11, \$34.4mm in cash had been prepaid for this lignite coal project, despite the fact the Wuchuan Shuntong is not an operating business, has no financial resources, is still in the process of securing the government approvals necessary to complete the transaction and has no guarantee of permit or development success.² Absaroka will provide documentary evidence to prove the Wuchuan Shuntong transaction is actually a hoax controlled by Yongye Management and was apparently created to loot \$35.0mm of public investor's cash out of the Company.

To begin, the contact phone number in Wuchuan Shuntong People's Republic of China State Administration of Industry and Commerce (“SAIC”) filings is actually the same as Yongye's (Figure A). Second, the two purported founders and owners of Wuchuan Sanda Mr. Guo Chunjiang and Ms. Wang Yumei, are husband and wife rural farmers with minimal education and de minimus financial resources (Figure B). Third, Wuchuan Shuntong's address listed in the SAIC filings is actually the location of the Wuchuan Sanda Humic Acid Factory (“Wuchuan Sanda”), a different humic acid company which is also a supplier of Yongye (Appendix 4). Fourth, Wuchuan Shuntong's SAIC financials are indicative of an insignificant holding company with limited capital, no revenue, and a short history of existence; not a 1st tier global coal reserve that is shovel-ready for development (Appendix 5). Finally, Wuchuan government information shows Yongye, not Wuchuan Sanda, is sponsor of the Wuchuan County lignite coal project (Appendix 6).

On the 03/10/11 earnings call, Yongye CFO Mr. Sam Yu perjured himself to public investors while attempting to allay concerns regarding the Wuchuan Shuntong transaction by stating:

“Because of the assistance [Yongye] provided [to Wuchaun Shuntong], our contact information was mistakenly left on Wuchuan Shuntong's business registration form.”

If investors are supposed to take Mr. Yu's explanation at face value, Absaroka challenges Yongye Management to explain how two farmers with minimal educations and limited financial resources, that were incapable of independently completing basic business registration forms, could suddenly own a coal project worth \$35.0mm cash. In summary, \$35.0mm in cash belonging to Yongye shareholders has apparently evaporated in pursuit of the mirage that is the Wuchuan Shuntong lignite coal project.

¹ YONG 12/31/10 10-K, page F-17, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

² YONG 03/31/11 10-Q, page 3, http://www.sec.gov/Archives/edgar/data/1398551/000114420411027154/v221491_10q.htm

Figure A: Wuchuan Shuntong and Yongye SAIC Filings Have the Same Contact Number

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings:

企业信息打印

基本信息表									
经营状态	开业		成立日期	2008-03-12		最后年检年度	2009年 A级		
注册号	15011000001122		档案号			原注册号	1501002400231		
核准日期	2008年03月12日		企业类型	有限责任公司(自然人投资或控股)					
行业门类	批发和零售业			行业代码	其他未列明的零售				
企业名称	武川县顺通腐植酸商贸有限公司								
住所	武川县河边食品公司院内								
经办科室	私营	城乡标志	城镇	邮政编码	011700	管辖单位	1501108		
法定代表人	郭春江		联系电话	3395767		注册资本	20.0000 万元		
业务范围	许可经营项目：无。 一般经营项目：腐植酸及腐植酸系列产品的销售。(国家法律法规规定应经审批的未获审批前不得生产经营)								
经营期限	2008年03月12日		至	2016年03月11日		止			

Q. 页面设置 S. 保存页面设置 P. 详细信息打印 L. 基本信息打印 X. 退出

Inner Mongolia Yongye Nongfeng Biotechnology Co., Ltd., SAIC filings:

企业信息打印

基本信息表									
经营状态	开业	最后年检年度	2009年 A级	成立日期	2008年01月04日		原注册号		
档案号	40-357			注册号	150000400000679				
核准日期	2010年01月07日			企业类型	有限责任公司(台港澳与境内合作)				
行业门类	制造业			行业代码	有机肥料及微生物肥料制造				
企业名称	内蒙古永业农丰生物科技有限公司								
住所	呼和浩特市金山开发区金山大道永业工业园区								
经办科室	外资		企业国别	中国香港		管辖单位	内蒙古自治区工商局		
邮政编码	010010		法定代表人	吴子申		联系电话	3395767		
投资总额	9990.0000 万元	币种	美元	注册资本	9320.0000 万元	币种	美元		
业务范围	黄腐植酸系列产品的研发、加工、生产、推广、销售；动物生命素、植物生命素系列产品的研发、加工、生产、推广、销售；黄腐植酸深加工生物蛋白饲料的生产、研发、推广、销售(上述涉及经营许可证管理、专项规定管理的商品按国家有关规定办理)。								

Q. 页面设置 S. 保存页面设置 P. 详细信息打印 L. 基本信息打印 X. 退出

Difficult to believe Yongye and Wuchuan Shuntong are not connected

Please review Appendix 2 for a complete English translation of the SAIC filings

Figure B: Wuchuan Shuntong Ownership and Background Verification Information

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings:

Legal Representative Information (Left Screenshot):

姓名	郭春江	性别	男	民族	汉族	出生年月	1958年12月18日
文化程度	高中毕业	政治面貌	13	职务	执行董事兼总经理		
邮政编码	0511700	联系电话	3395767	身份证号			
现在住址	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号						
开户银行	账号		币种	有效期限			
中国农业银行怀来县支行	15-543101040005870		人民币	2008-03-12			

Shareholders (Right Screenshot):

自然人股东1	自然人姓名	郭春江	出资额(万元)	15.0000
	身份证号	1132529195812192618	占百分比(%)	75.00
自然人股东2	自然人姓名	王玉梅	出资额(万元)	5.0000
	身份证号	1132529195812192618	占百分比(%)	25.00

Company Information (Right Screenshot):

企业名称	武川县顺通院植酸商贸有限公司							
基本	姓名	郭春江	性别	男	民族	汉族	政治面貌	群众
法人	健康状态	健康	企业职务	执行董事兼总经理	社会职务	其他	技术职称	
股东	文化程度	高中毕业	地址	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号				
出资	联系电话	3395767	户籍地址	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号				
认缴	投资总额	15.00	是否认缴	否	身份证号	1132529195812192618		
实缴	核准日期	2008.03.12	产生方式	选举	任命单位	武川县顺通院植酸商贸有限公司		

Wuchuan Shuntong Humic Acid Trading Company, Ltd. Owners:

Name	Guo Chunjiang (郭春江)	Name	Wang Yumei (王玉梅)
PRC ID no.	132529195812192618	PRC ID no.	13252919580126262X
Gender	Male	Gender	Female
Date of birth	December 19, 1956	Date of birth	January 26, 1958
Race	Han	Race	Han
Ancestral home (籍贯)	Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县	Ancestral home (籍贯)	Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县
District of registration	Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县	District of registration	Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县
Residential address	No. 8, Row 7, West Xincun Ave., Nanshuiquan Village, Donghuayuan Town, East Garden Town Nanshuiquan Village New Village West Street 7 Row 8 No. 8	Residential address	No. 8, Row 7, West Xincun Ave., Nanshuiquan Village, Donghuayuan Town, East Garden Town Nanshuiquan Village New Village West Street 7 Row 8 No. 8
Place of birth	Nanshuiquan Village, Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县南水泉村	Place of birth	Tumu Village, Huailai County, Zhangjiakou City, Hebei Province 河北省张家口市怀来县南水泉村
Education	Junior High School	Education	Junior High School
Marital status	Married	Marital status	Married
Military service	Did not serve	Military service	Did not serve
Height	-	Height	-
Profession	Farmer	Profession	Farmer
Place of work	Nanshuiquan Village (南水泉村)	Place of work	Nanshuiquan Village (南水泉村)
Registered PSB	Huayuan Paichusuo (花园派出所)	Registered PSB	Huayuan Paichusuo (花园派出所)

Are these two farmers really worth \$35.0mm cash?

Please review Appendix 3 for a complete English translation of the SAIC filings

2: Yongye's Mysterious Supplier Relationships – Appears Yongye Management controls its suppliers to fraudulently manipulate earnings

In addition to selling Yongye the Wuchuan County lignite coal project, Wuchuan Shuntong is also Yonge's largest supplier of raw materials and accounted for 58% of raw materials purchased in FY10.³ For FY09, Yongye's supplies of humic acid (primary ingredient in Shengmingsu) were sourced from:

*"Two principal suppliers which are both in Hohhot: Wuchuan Shuntong Company and Wuchuan Sanda Company. Wuchuan Shuntong is our largest supplier, providing us with more than 90% of our humic acid raw material. Wuchuan Shuntong has dedicated one production line to us and has based its production design on our specific technical requirements."*⁴

Thus, the two suppliers intertwined in the fraudulent \$35.0mm lignite coal project transaction are also supposedly Yongye's major suppliers, which should raise a major red flag for investors. Moreover, channel checks and Wuchuan Shuntong's SAIC financials do not indicate the firm is providing anywhere close to the volume of humic acid Yongye claims. Next, Wuchuan Sanda was ordered to cease production of humic acid by the Wuchuan government in April of 2010. Absaroka believes these sham supplier relationships allow Yongye Management to artificially manipulate the reported volume and cost of its primary input, humic acid, and thus mislead auditors and investors about its actual fiscal results.

Wuchuan Shuntong is a captive supplier to Yongye, as it does not appear to supply humic acid or any other products to other companies. Diligent channel checks with other humic acid industry participants in northern China found no record of the company. In addition, Wuchuan Shuntong's contact information does not appear in Inner Mongolia business, telephone, and internet directories, which is usually a basic requirement for a viable and active business operation. Next, Wuchuan Shuntong's SAIC financials show zero revenue in FY08 or FY09 (Appendix 5). Based on Yongye's reported FY09 COGS, it appears Wuchuan Shuntong should actually have reported revenue of at least \$25mm in FY09 if it supplied the volume of humic acid claimed by Yongye Management.

Yongye's second supplier, Wuchuan Sanda, was ordered by the Wuchuan County government to shut down its illegal, small sized humic acid manufacturing facility because of heavy pollution and excessive energy consumption (Figure C). By 04/25/10, Wuchuan Sanda was ordered to cease production and the state utility provider was instructed to cancel electricity service to the plant. Also, since 04/25/10, there is no indication that Wuchuan Sanda has relocated its production equipment or otherwise been able to restart humic acid production.

As of 03/31/11, Yongye had advanced \$12.5mm in cash deposits to suppliers, which is incremental to the \$34.4mm cash prepayment for lignite coal project.⁵ As basic humic acid is a commodity and readily available from numerous suppliers, Absaroka finds it dubious that Yongye must advance such significant amount of cash (54.5% of 1Q11 COGS) to its suppliers. This is another significant concern regarding Yongye's relationships with its suppliers.

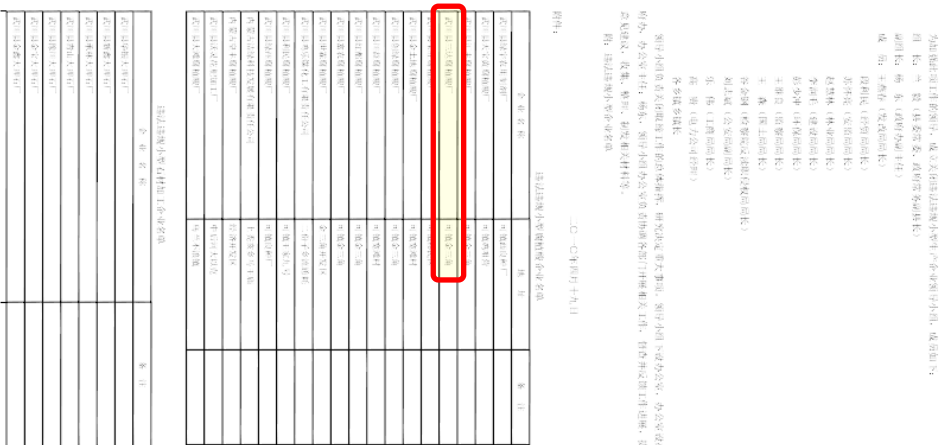
Yongye has attempted to allay concerns regarding its suppliers by recently indicating Wuchuan Shuntong also runs a trading business and is actually thus able to source the volume of raw materials claimed. However, this excuse is not logical because 1) Wuchuan Shuntong supposedly dedicated one of its production lines to Yongye in order to meet its technical specifications; 2) Yongye utilizes a proprietary production processes for Shengmingsu; 3) Yongye considers its manufacturing process a trade-secret (i.e. it has no patent protection) and is thus incentivized to share its production requirements with as few parties as necessary. In addition, Yongye's excuse that Wuchuan Shuntong and Wuchuan Sanda are actually run by the same team does not make sense because the suppliers are presented as separate companies in Yongye's SEC filings and even their combined actual production capacity could not meet the volume of raw materials supposedly consumed by Yongye.

³ YONG 12/31/10 10-K, page 14, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

⁴ YONG 12/31/09 10-K, page 11, http://www.sec.gov/Archives/edgar/data/1398551/000114420410013297/v177333_10k.htm

⁵ YONG 03/31/11 10-Q, page 10, http://www.sec.gov/Archives/edgar/data/1398551/000114420411027154/v221491_10q.htm

Please review Appendix 7 for a complete English translation of the SAIC filings



3: \$32.3mm Hebei Customer List Acquisition – Limited industrial logic and appears to be another scheme to manipulate earnings

On 06/21/11, Yongye announced an agreement to acquire the Shengmingsu distribution network in Hebei Province, comprised solely of a customer list, from a provincial level distributor for \$32.3mm (\$3.0mm in cash and 3.6mm newly issued shares, subject to a six-month lock-up).⁶ However, Absaroka cannot find any information on the supposed provincial level distributor and thus strongly believes the transaction is a scheme to increase earnings of the business by subsidizing operations with a cash in-flow from the purported investment.

As Hebei province has been a core market for the Shengmingsu product since launch, it is not logical that Yongye did not have access to its branded store customer list. Absaroka is confident that the supposed provincial level distributor in the Hebei province acquisition is a hoax for the following reasons. First, according to a 2009 interview with Yongye's Chief of Marketing, Mr. Xu Nan, Hebei was the first province Shengmingsu was marketed in by the Company and it directly hired over 70 retailers in Leting county for the product launch in September 2008; after this initial success, Yongye utilized the same sales/marketing structure in other parts of Hebei province.⁷ As part of this provincial product launch, a sales center was established in Hebei on September 2008 by Yongye. Next, on 03/13/10, three months before the supposed acquisition, the Hebei province sales center hosted over 500 distributors for the Yongye 1H10 Strategic Plan Summit.⁸ This meeting is a clear indication Yongye had direct access to its distributors prior to the customer list acquisition and thus there is no industrial logic to spend \$32.3mm for a phantom customer list.

According to Yongyi filings, the Hebei Customer List intangible asset acquisition cost is being amortized over a period of nine years on a straight-line basis.⁹ This extremely long amortization duration is difficult to understand for this "asset" as most of Yongye's distributors have signed three-year agreements with the Company. If the intangible asset acquisition cost amortization period was shortened to match the three-year duration of the distribution agreements, Yongye's net income would decrease by \$5.5mm on an annual basis because of the increased amortization expense.

Finally, the Hebei Customer List acquisition is suspicious because Yongye supposedly issued 3.6 new shares (8.1% of total shares outstanding at 06/30/10) in consideration to the distributor, yet no 13-D was ever filed by the distributor after the close of the transaction.¹⁰ Under Section 13(d) of the U.S. Securities Exchange Act of 1934, any person who acquires beneficial ownership of more than five percent of a registered class of shares must disclose the position within 10 calendar days, even if the person is not a "related party."¹¹ Yongye has attempted to obscure this issue by blaming the filing delay on the distributor, but it does not make sense for the Company to refuse to provide the identity of the distributor in the face of growing investor concerns.

⁶ YONG 12/31/10 10-K, page 52, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

⁷ "Let Little Yongye Profit: Contributing Human Capital, Contributing Propaganda, and Contributing Services." [Feed Research Institute of Chinese Academy of Agricultural Sciences](http://www.cfeed.net/PageSL/9/2447.html). 04/03/09, available at: <http://www.cfeed.net/PageSL/9/2447.html>

⁸ "Yongye Hebei Group Sales Center Hosts 1H10 Strategic Plan Announcement" available at: <http://user.qzone.qq.com/191713/blog/1271057263>

⁹ YONG 12/31/10 10-K, page F-16, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

¹⁰ YONG 06/30/10 10-Q, page 1, http://www.sec.gov/Archives/edgar/data/1398551/000114420410042765/v193257_10q.htm

¹¹ "SEC Enforcement Action on Section 13(d) Disclosure Requirements" Gibson, Dunn & Crutcher LLP, dated 07/27/09, available at: <http://goo.gl/vb1Wc>

4: Yongye Falsely Claims Shengmingsu was Developed at Stanford – Indicative of Yongye’s use of deception and dishonesty to further objectives

In a television promotional campaign run on CCTV-7, the national agriculture channel in China, Yongye claimed Shengmingsu was developed in the United States by 38 scientists from Stanford University.¹² This claim is patently false and indicative of Yongye’s use of deception and dishonesty to achieve its objectives.

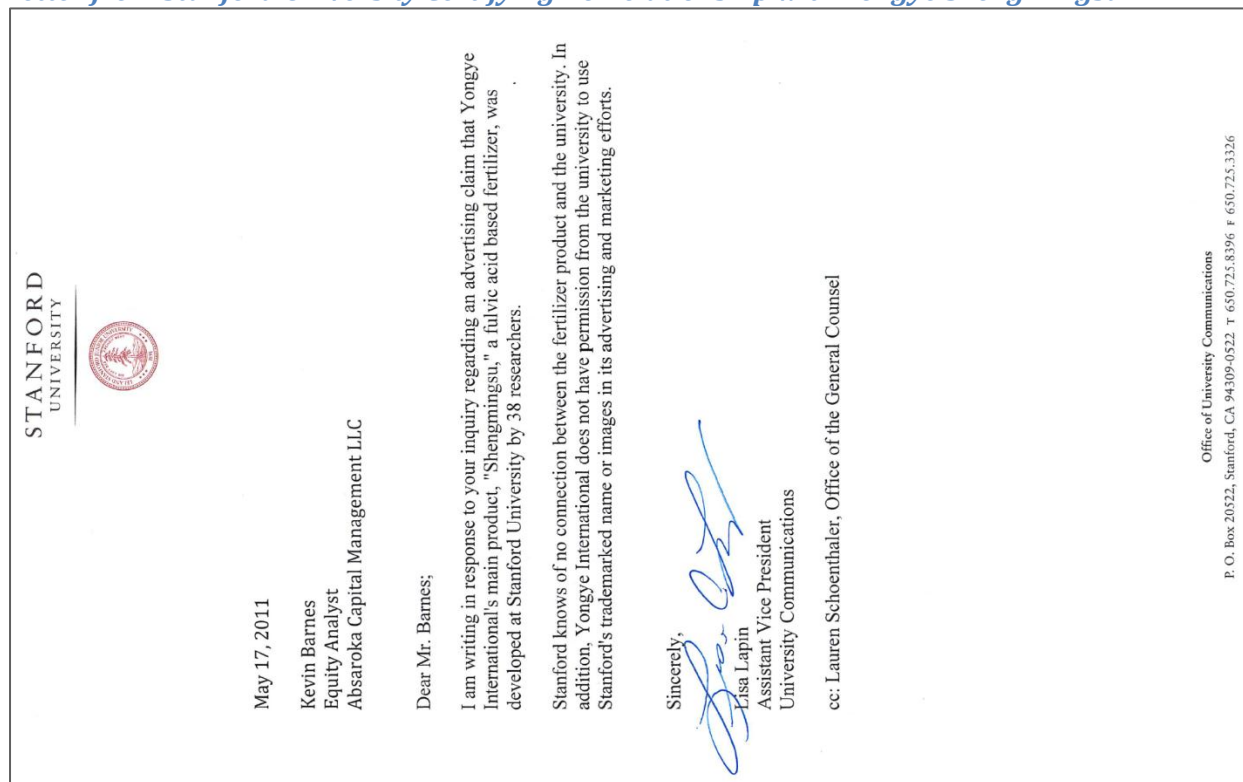
Complete advertisement (in Chinese): <http://www.youtube.com/watch?v=JYWUDDh6CoM>

Subtitled version of the advertisement: <http://www.youtube.com/watch?v=Sz6ejXRHuc8>

Selected Screenshots from the Yongye Television Advertisement:



Letter from Stanford University Certifying No Relationship with Yongye Shengmingsu:



¹² Please note Absaroka was able to verify Mr. Sam (Yue) Yu, Yongye’s CFO, obtained a Master’s in Business Administration on 06/16/02 from Stanford University, but this fact does not explain the fraudulent claim that 38 scientists from Stanford developed Shengmingsu.

5: Yongye's Main Product, Shengmingsu, is Not Effective – Yongye's product claims do not correspond with reality

Yongye's main product, Shengmingsu, which means "Life Element," is a liquid plant product consisting of a fulvic acid compound base (a derivative of humic acid) and other nutrients. Shengmingsu's compound base is a complex, acidic, biochemical polymer which is either created naturally through the decomposition of plant material, or can be produced by extracting it from humic acid. Yongye instructs farmers to spray Shengmingsu directly on plants, typically in conjunction with other fertilizers and pesticides applications. Farmers usually purchase Shengmingsu in 100 milliliter bottles from distributors and distributors purchase Shengmingsu in cases of 100 from Yongye.

In a recent interview, Mr. Wu Zishen, Yongye's Chairman and CEO, claimed Shengmingsu provides farmers with a 10.0x cash-on-cash return due to increased crop yields.¹³ In addition, according to Yongye, Shengmingsu can help farmers more efficiently use other fertilizers and pesticides, reducing the farmers' overall input costs and environmental damage to the farmers' land. Yongye's purported internal studies claim farmers will experience the following yield increases with the use of Shengmingsu:

Crop	Yongye's Claimed Yield Increase with Shengmingsu
Green pepper	22.7%
Potatoes	17.3%
Wheat	10.7%

However, these claims simply do not correspond with credible, peer-reviewed research on the topic. For example, the American Society of Horticultural Science recently published an article by Professor Timothy Hartz of the University of California with the following conclusions (fulvic acid is the water-soluble portion of humic acid):

*"Five commercial humic acid (HA) formulations were evaluated for their effects on soil microbial activity, seedling emergence, crop productivity, and nutrient uptake when applied to representative agricultural soils. Field trials were conducted in 2008 and 2009 evaluating the effects of pre-transplant soil application of HA at 1.1 or 3.4 kgha⁻¹ a.i. on growth, nutrient uptake, and fruit yield of processing tomato. In neither year was macro- or micronutrient uptake increased with HA. Similarly, there was no significant HA effect on plant dry mass accumulation or fruit yield. We conclude that, at typical commercial application rates in representative field soils, **commercial humic acid formulations are unlikely to significantly improve vegetable crop nutrient uptake or productivity.**"¹⁴*

Thus, Shengmingsu appears to be a quack remedy perpetuated on poorly-educated farmers via an over-hyped marketing machine. Yongye Chairman and CEO Mr. Wu Zishen's claims of a 10.0x cash-on-cash return for farmers utilizing Shengmingsu is clearly bogus and indicative of the false promises perpetuated by Yongye Management.

¹³ "Fruits of a Growing Ambition" Yu Tianyu. China Daily, 07/12/10, available at: http://www.chinadaily.com.cn/bizchina/2010-07/12/content_10093491_3.htm

¹⁴ "Humic Substances Generally Ineffective in Improving Vegetable Crop Nutrient Uptake or Productivity" Timothy Hartz & Thomas Bottoms. HortScience. Vol. 45(6), June 2010, pages 906-910, available at: <http://ucanr.org/sites/nm/files/76748.pdf>

6: Yongye Cash Balance and New Bank Loans are Illogical – Raises doubt about reality of supposed cash balance

As per the 03/31/11 10-Q unaudited financial statements, Yongye reported \$44.6mm cash on its balance sheet and an insignificant amount of debt (\$0.9mm of total debt). Yongye generated \$22.0mm in net cash from operating activities on an LTM basis as of 1Q11 and Management guidance as of March indicated the positive operating cash flow will continue in FY11. Thus, it is difficult to understand why Yongye was forced to pursue \$15.2mm in one-year bank loans at a weighted average interest rate of 8.0%, which implies \$1.2mm in annual cash interest expense, from China Everbright Bank, a relatively small regional bank in Inner Mongolia, China.¹⁵ In addition, Mr. Zishen Wu, Yongye's Chairman, was forced to personally guarantee the loans, despite Management's rosy financial outlook and supposedly available cash balance. This fact-pattern indicates Everbright Bank may have significant concerns about the Yongye business, based on information that may not be readily available to U.S. equity investors.

According to the 05/10/11 earnings call, Yongye obtained the loans to provide working capital for the summer season. However, this explanation is completely illogical. Even by excluding the \$12.5mm in existing cash deposits to suppliers, Yongye's current cash position is approximately two quarters worth of COGS, so from a working capital perspective, there should be no need for additional debt capacity if the cash on the balance sheet is real.

7: Excessive Management Compensation Relative to Peers – Shareholders are being diluted by continued share-based compensation

Relative to its peers, Yongye's management compensation is egregiously outsized and continues to dilute public shareholders. Absaroka believes Yongye may have shifted its compensation scheme to an equity-focused structure to minimize its actual cash flow (especially if the reported cash balances are fraudulent) and incentivize employees to continue perpetuating the supposed business results.

Yongye International, Inc. (NASDAQ: YONG)

Name/Position	Year	Salary	Bonus	Stock Awards	Total
Zishen Wu	2010	\$550,000	\$0	\$1,397,003	\$1,947,003
(Principal Executive Officer)	2009	\$211,902	\$0	\$0	\$211,902
Sam Yu	2010	\$400,000	\$147,520	\$930,120	\$1,477,640
(Principal Financial Officer)	2009	\$124,173	\$0	\$0	\$124,173

China Green Agriculture, Inc. (NYSE: CGA)

Name/Position	Year	Salary	Bonus	Stock Awards	Total
Tao Li	2010	\$189,000	\$43,200	\$767,557	\$999,757
(Principal Executive Officer)	2009	\$129,000	\$0	\$0	\$129,000
Ying Yang	2010	\$130,359	\$33,600	\$552,650	\$716,609
(Principal Financial Officer)	2009	\$150,000	\$0	\$0	\$150,009

China Agritech, Inc. (NASDAQ: CAGC)

Name/Position	Year	Salary	Bonus	Stock Awards	Total
Yu Chang	2010	NA	NA	NA	NA
(Principal Executive Officer)	2009	\$93,000	\$103,048	\$0	\$196,048
Yau-Sing Tang	2010	NA	NA	NA	NA
(Principal Financial Officer)	2009	\$150,000	\$343,493	\$0	\$493,493

¹⁵ YONG 03/31/11 10-Q, page 18, http://www.sec.gov/Archives/edgar/data/1398551/000114420411027154/v221491_10q.htm

8: Unsatisfactory Auditor History – Raises grave concern about the validity of historical financials and forward-looking guidance

Yongye utilized two small, no-name auditors as part of its reverse-merger transaction. Absaroka vigorously disagrees with some U.S. investors' perspective that an audit opinion from a "big four" firm eliminates the possibility of accounting fraud. Based on the Yongye business issues discussed earlier in this report and the abysmal track record of "big four" auditors in China, the probability of KPMG resigning its engagement with Yongye and/or its audit opinion being withdrawn appears significant. As a reminder, a timely and valid audit opinion from a PCAOB certified auditor is a prerequisite for continued listing on the major U.S. equity exchanges.

Yongye's Unsatisfactory Audit History

Fiscal Year	Firm	Comments
2009-Present	KPMG - Hong Kong	<ul style="list-style-type: none"> Most recent PCAOB report lists 25 partners and 23 issuer clients¹⁶ <u>Auditor of the alleged China Integrated Energy (NASDAQ: CBEH) fraud</u>¹⁷ KPMG withdrew its CBEH fiscal year 2010 audit opinion and the stock remains halted
2008	MSPC	<ul style="list-style-type: none"> Most recent PCAOB report lists 6 partners and 17 issuer clients¹⁸ <u>Auditor of the alleged China Sky One Medical (NASDAQ: CSKI) fraud</u>¹⁹ Not a top-100 global auditor²⁰
2007	Patrizio & Zhao, LLC	<ul style="list-style-type: none"> Most recent PCAOB inspection was in 2009 and listed 2 partners, 9 staff members, and 10 issuer clients²¹ PCAOB 2009 Inspection found <u>material deficiencies in 50% of issuers' financials reviewed</u> Not a top-100 global auditor²²

All of the "big four" auditors have been party to recent and significant frauds in China. Also, because equity investors may perform less detailed due diligence when a larger audit firm is providing an audit opinion on a company's financials, the scope of a fraud can potentially expand to a greater size.

¹⁶ Public Company Accounting Oversight Board, MSPC Form 2 Annual Report for 2010, available at:

<https://rasr.pcaobus.org/Forms/FormSummary.aspx?ID=5C1D22F3D74F9A606A5230E13577C6C8>

¹⁷ CBEH 8-K dated 05/02/11, http://www.sec.gov/Archives/edgar/data/1070045/000114420411025491/v220576_8k.htm

¹⁸ Public Company Accounting Oversight Board, MSPC Form 2 Annual Report for 2010, available at:

<https://rasr.pcaobus.org/Forms/FormSummary.aspx?ID=B176B664A6BA443247A93127F5AE60A7>

¹⁹ "The SEC Probes China Sky One Medical's Incredible Numbers" Roddy Boyd *The Financial Investigator*, 08/04/10, available at:

<http://www.thefinancialinvestigator.com/?p=166>

²⁰ "The 2010 Top 100 Accounting Firms" *Inside Public Accounting*, August 2010, available at: http://insidepublicaccounting.com/PDF/top100_2010.pdf

²¹ Public Company Accounting Oversight Board, Patrizio & Zhao, LLC Inspection Report Dated November 19, 2009, available at:

http://pcaobus.org/Inspections/Reports/Documents/2009_Patrizio_Zhao.pdf

²² "The 2010 Top 100 Accounting Firms" *Inside Public Accounting*, August 2010, available at: http://insidepublicaccounting.com/PDF/top100_2010.pdf

“Big Four” Auditors’ Abysmal Track Record in China

Auditor	Illustrative Example	Example Commentary
Deloitte Touche Tohatsu	China MediaExpress Holdings NASDAQ: CCME	<ul style="list-style-type: none"> Citron and MuddyWaters published detailed report raising concerns about CCME On 03/11/11, Deloitte resigned as auditor as it was “no longer able to rely on the representations of management” and other significant issues²³ Deloitte withdrew its fiscal year 2009 and 2010 audit opinions; CCME remains halted on the NASDAQ
Ernst & Young	China Agritech, Inc. NASDAQ: CAGC	<ul style="list-style-type: none"> Bronte Capital and Lucas McGee Research published detailed reports raising concerns about CAGC On 03/14/11, Ernst & Yong was terminated by CAGC as its auditor²⁴ Ernst & Yong had advised CAGC that it would likely no longer be “able to rely on management’s representations” and would unlikely be able to meet the 10-K filing deadline due to this and other issues related to the audit
KPMG	China Integrated Energy, Inc. NASDAQ: CBEH	<ul style="list-style-type: none"> Alfred Little and Sinclair Upton published detailed reports raising concerns about CBEH On 04/27/11, KPMG resigned as auditor due “the manner of management’s conduct during the [Special Committee] investigation” and other major issues²⁵ KPMG withdrew its fiscal year 2010 audit opinion, CBEH remains halted on the NASDAQ
PwC	Wonder Auto Technology, Inc. NASDAQ: WATG	<ul style="list-style-type: none"> Chinese Company Analyst and others published reports raising concerns about WATG PwC started the WATG audit engagement on 12/06/10, despite previously raised concerns about the company²⁶ On 02/23/11, WATG announced investors should no longer rely on its FY08 and FY09 financials and it would be unable to file its FY10 10-K on time²⁷ On 05/06/11, WATG trading was halted pending an additional information request by NASDAQ and the company currently remains halted²⁸

A “Big Four” audit opinion does not absolve investors of their responsibility to perform independent due diligence on a business prior to any investment

²³ CCME 8-K dated 03/11/11, http://www.sec.gov/Archives/edgar/data/1399067/000114420411015546/v215073_8k.htm

²⁴ CAGC 8-K dated 03/13/11, http://www.sec.gov/Archives/edgar/data/1166389/000114420411015802/v215259_8k.htm

²⁵ CBEH 8-K dated 05/02/11, http://www.sec.gov/Archives/edgar/data/1070045/000114420411025491/v220576_8k.htm

²⁶ WATG 8-K dated 12/06/10, http://www.sec.gov/Archives/edgar/data/1162862/000114420410064882/v204685_8k.htm

²⁷ WATG 8-K dated 02/23/11, http://www.sec.gov/Archives/edgar/data/1162862/000114420411012004/v213111_8k.htm

²⁸ NASDAQ Current Trading Halts, available at: <http://www.nasdaqomxtrader.com/Trader.aspx?id=Tradehalts>

Yongye Estimated Fundamental Value

\$/Share Equity Valuation Metrics²⁹



Absaroka's valuation calculations assume 49.5mm diluted shares outstanding and a current net cash position of \$43.7mm as per Yongye's 03/31/11 10-Q SEC filing. Because of the numerous concerns discussed earlier in this document, Absaroka has zero confidence in Yongye's reported financials. Thus, Absaroka feels the best valuation metrics for YONG are based on public investors' potential recovery in a liquidation scenario as the over-hyped Shengmingsu business has limited operating value on a go-forward basis. Yongye's Sino-Foreign Cooperative Joint Venture Agreement restricts public investors' recourse with Yongye's Management to pursue legal damages, so the best hope of recovery lies in the liquidation of the net property, plant, and equipment and the distribution of cash purported on the balance sheet. As Yongye Management has recklessly disregarded the interests of public investors in the acquisitions of the Wuchuan Shuntong coal project and the Hebei customer list, Absaroka is concerned similar malfeasance has occurred in the acquisition of other property, plant, and equipment, and thus has valued the net PP&E at 0.75x-1.00x the reported figure as of the 03/31/11 10-Q. Finally, this valuation is predicated on the assumption that the \$43.7mm cash figure is accurate; any reduction in actual cash balance would cause Absaroka to materially reassess this Estimated Fundamental Value calculation.

Also, because of Yongye's significant business and accounting issues, Absaroka believes there is a material risk of NASDAQ enacting a trading halt while these issues are resolved and more information is provided. As the recent CAGC/CCME/DGW/PUDA/UTA/WATG situations have shown, a trading halt can have a significant duration while these critical issues are resolved.

Triangulating all the information discussed earlier in the report, the recent trading history, and reasonable valuation metrics, Absaroka is initiating coverage of Yongye International, Inc. with a **\$1.00 Estimated Fundamental Value and a CONVICTION SELL Recommendation.**

²⁹ 49.5mm shares outstanding is calculated based on 49,370,711 shares out as of 05/06/11, 148,172 warrants with an exercise price of \$1.54 outstanding as of 03/31/11; for firm value calculations, the equity value is also adjusted by the \$10.6mm Non-controlling Equity Interest on YONG's 03/31/11 balance sheet

Conclusion – Yongye International, Inc. (NASDAQ: YONG)

In this Initiating Coverage Report, Absaroka presented irrefutable evidence that Yongye International, Inc. has fraudulently misrepresented its business and thus Yongye is massively over-valued by the market at this time. Absaroka's significant concerns about Yongye include the following material issues:

1. The \$35.0mm cash acquisition of the Wuchuan Lignite Coal Project is not a legitimate transaction and appears to be a scheme to transfer funds out of the Company at the expense of public shareholders
2. Intertwined relationships with its two largest suppliers appear to allow the Company to fraudulently manipulate earnings: Wuchuan Sanda was ordered to cease production by the government and Wuchuan Shuntong does not produce nearly the amount of humic acid claimed by Yongye
3. The \$32.3mm Hebei Customer List acquisition has limited industrial logic and appears to be another scheme by Yongye Management to falsely manipulate earnings
4. Yongye falsely claims Shengmingsu, its main product, was developed by 38 scientists at Stanford University: Absaroka provides a letter from Stanford University certifying it has no connection to Yongye's Shengmingsu fertilizer and Yongye does not have permission to utilize Stanford's name, trademark, or images in its advertising and marketing efforts.
5. Yongye's Shengmingsu is minimally effective for farmers and Yongye's product claims do not correspond with reality
6. The new bank loans are illogical relative to the supposed cash balance, which raises doubt about the reality of the cash balance on the unaudited 03/31/11 10-Q balance sheet
7. Excessive management compensation relative to peers is diluting shareholder interests because of continued large share-based compensation grants
8. The unsatisfactory auditor history raises grave concern about the validity of historical financials and forward-looking guidance

Any of these issues on a stand-alone basis should be enough to convince public shareholders to question the current \$4.58/share valuation and pursue the "Wall Street Walk" form of shareholder activism

Recommendation: CONVICTION SELL
Estimated Fundamental Value: \$1.00

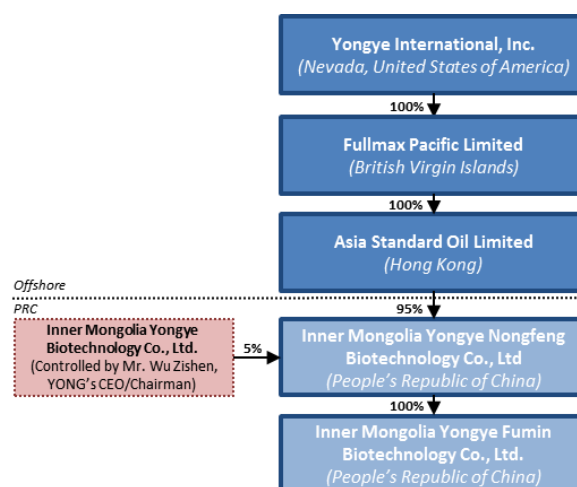
Appendix 1: Corporate Overview – Sub-optimal reverse-merger listing history

Yongye Abbreviated Corporate History

- Incorporated in Nevada on 12/12/06 under the corporate name “Golden Tan, Inc.,” the Company originally offered sunless tanning services prior to entering into the reverse-merger transaction with Fullmax Pacific Limited on 04/17/08³⁰
- In connection with the 09/11/08 private placement of 19.0mm common shares, the Company began to trade freely on the OTC-BB exchange under the symbol “YGYB”³¹
- On 09/03/09, Yongye was listed on the NASDAQ under the symbol “YONG”
- On 12/17/09, the Company raised \$60mm in new equity at \$7.50/share and the use of proceeds was purportedly to expand production capacity and acquire lignite coal resources³²
- On 03/01/10, Yongye entered into an asset purchase agreement with Wuchuan Shuntong to acquire lignite coal project for cash consideration of \$35.0mm³³
- On 06/21/10, the Company announced the acquisition of a “regional distributor” of Shengmingsu for \$32.3mm in total consideration (\$3.0mm in cash and 3.6mm shares of common stock)

Yongye Simplified Corporate Structure³⁴

While this onshore/offshore corporate structure is relatively standard in the Chinese reverse-merger space, the Sino-Foreign Cooperative Joint Venture Agreement (the “JV Agreement”) between Asia Standard Oil Limited and Inner Mongolia Yongye Biotechnology Co., Ltd. exposes United States investors to significant legal risk regarding custody of the actual operating business and assets. For reference, the CJV Agreement is similar to the variable interest entities (VIEs) utilized by some other Chinese reverse-mergers for an offshore/onshore structure. As recent accusations involving a similar Chinese coal company have proven, U.S. domiciled investors have limited recourse if management takes custody of an operating business entity and pledges it as collateral for other personal business interests. Moreover, Yongye’s CEO/Chairman, Mr. Wu Zishan’s, direct ownership stake in Yongye Biotechnology exposes investors to the risk that the Company will not be managed in the best interests of public investors. YONG’s recent acquisitions provide clear examples of the danger of this type of CJV Agreement entity structure to public investors.



³⁰ YONG 12/31/10 10-K, page 8, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

³¹ YONG 09/11/08 Prospectus, page 1, http://www.sec.gov/Archives/edgar/data/1398551/000114420408052608/v126286_424b3.htm

³² YONG 12/17/10 Prospectus, page S-4, http://www.sec.gov/Archives/edgar/data/1398551/000114420409065030/v168784_424b5.htm

³³ YONG 12/31/09 10-K, page F-36, http://www.sec.gov/Archives/edgar/data/1398551/000114420410013297/v177333_10k.htm

³⁴ YONG 12/31/10 10-K, page 10, http://www.sec.gov/Archives/edgar/data/1398551/000114420411014483/v214367_10k.htm

Appendix 2: Wuchuan Shuntong and Yongye SAIC Filings Have the Same Contact Number

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings - Original:

企业信息打印

基本信息表									
经营状态	开业	成立日期	2008-03-12		最后年检年度	2009年 通过			
注册号	150110000001122		档案号		原注册号	1501002400231			
核准日期	2008年03月12日		企业类型	有限责任公司(自然人投资或控股)					
行业门类	批发和零售业			行业代码	其他未列明的零售				
企业名称	武川县顺通腐植酸商贸有限公司								
住所	武川县河边食品公司院内								
经办科室	私营	城乡标志	城镇	邮政编码	011700	管辖单位	1501106		
法定代表人	郭春江	联系电话	3395767			注册资本	20.0000 万元		
业务范围	许可经营项目：无。 一般经营项目：腐植酸及腐植酸系列产品的销售。（国家法律法规规定应经审批的未获审批前不得生产经营）								
经营期限	2008年03月12日		至	2018年03月11日		止			

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Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings - Translated:

Operation Status	Open-up	Funded Date	2008-03-12	Last Annual Audit	2009 A Grade		
Registration Number	150110000001122	Profile No.		Original Registration No.	1501002400231		
Approval Date	2008-03-12	Types of companies	limited liability company (Natural person investment or holding)				
Industry Type	wholesale and retail		Industry Code		Other retails no listed		
Company Name	Wuchuan Shuntong Humic Acid Trading Co., Ltd						
Address	Inside the Yard of Wuchuan Hebian Food Co., Ltd						
Administering Dept.	Privately-operated	Urban or Rural	Urban	Zip	011700	Jurisdiction Dept.	1501106
Legal Representative	Guo Chunjiang	Tel	3395767		Registered Capital		RMB200,000
Business Scope	Licensed business items: None. General operating items: Humic acid and humic acid series product sales (No production and operation before national laws and regulations approved for items requiring assessment)						
Operation Period	12 th March, 2008 to 11 th March,2018						

Appendix 2 (continued): Wuchuan Shuntong and Yongye SAIC Filings Have the Same Contact Number

Inner Mongolia Yongye Nongfeng Biotechnology Co., Ltd., SAIC filings - Original:

企业信息打印

基本信息表							
经营状态	开业	最后年检 年度	2009年 A级	成立日期	2008年01月04日	原注册号	
档案号	40-357		注册号	150000400000679			
核准日期	2010年01月07日		企业类型	有限责任公司(台港澳与境内合作)			
行业门类	制造业			行业代码	有机肥料及微生物肥料制造		
企业名称	内蒙古永业农丰生物科技有限公司						
住 所	呼和浩特市金山开发区金山大道永业工业园区						
经办科室	外资		企业国别	中国香港	管辖单位	内蒙古自治区工商局	
邮政编码	010010		法定代表人	吴子申	联系电话	3395767	
投资总额	9990.0000	万元	币种	美元	注册资本	9320.0000	万元 币种 美元
业 务 范 围	黄腐植酸系列产品的研发、加工、生产、推广、销售；动物生命素、植物生命素系列产品的研发、加工、生产、推广、销售；黄腐植酸深加工生物蛋白饲料的生产、研发、推广、销售（上述涉及配许可证管理、专项规定管理的商品按国家有关规定办理）。						

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Inner Mongolia Yongye Nongfeng Biotechnology Co., Ltd., SAIC filings - Translated:

Operating Status	Open	Annual Inspection (Year)	2009 Grade: A	Date of Incorporation	Jan. 04, 2008	Registration No.	
File No.	40-357		Registration No.		150000400000679		
Date of Approval	Jan. 07, 2010		Type of Company		Co., Ltd (Joint Venture between Taiwan, Hong Kong and Macau and Mainland China)		
Industry	Manufacturing		Industry Code		Production of organic and microbial fertilizers		
Company Name	Inner Mongolia Yongye Nong Feng Biotechnology Co., Ltd						
Address	Jinshang Blvd, Yongye Industrial Park, Jinshang Development Zone, Hohhot						
Source of Capital	Foreign Investment	Owners Nationality	Hong Kong, China		Jurisdiction	Inner Mongolia Trade and Industry Bureau	
Zip Code	010010	Legal Representative	Wu Zishen		Telephone	3395767	
Total Investment	\$99,900,000	Currency	USD	Registered Capital	\$93,200,000	Currency	USD
Business	Research and development, processing, manufacturing, marketing and sales of yellow humic acid products; Research and development, processing, manufacturing, marketing and sales of animal and plant growth regulator products; Research and development, manufacturing, marketing and sales of bioprocessed yellow humic acid protein feed (management of quotas and use licenses and all relevant product management for products mentioned above are conducted in accordance to the state's rules and regulations)						

Difficult to believe Yongye and Wuchuan Shuntong are not connected

Appendix 3: Wuchuan Shuntong Ownership and Background Verification Information

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings - Original

企业信息打印

法定代表人

姓 名	郭春江	性 别	男	民 族	汉族	出生年月	1956年12月19日
文化程度	高中毕业	政治面貌	13	职 务	执行董事兼总经理		
邮政编码	011700	联系电话	3395767	身份证号			
现在住址	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号						
开户银行	帐 号		币种		有限期限		
中国农业银行呼和浩特市武川县支行	15-543101040005670		人民币		2008-03-12		

自然人股东

自然人股东1

自然人姓名	郭春江	出资额 (万元)	15.0000
身份证件号码		占百分比 (%)	75.00
住 所	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号		

自然人股东2

自然人姓名	王玉梅	出资额 (万元)	5.0000
身份证件号码		占百分比 (%)	25.00
住 所	河北省张家口市怀来县东花园镇南水泉村新村大街西7排8号		

Q. 页面设置 S. 保存页面设置 E. 详细信息打印 L. 基本信息打印 X. 退 出

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings - Translated

The Legal Representative

Name	Guo Chunjiang	Gender	M	Nationality	Han	Birthday	1956-12-19
Education	High School	Political Status	13	Position	Executive Director&GM		
Zip	011700	Tel	3395767	ID No.			
Current Add	No.8, Row 7 Xincun Street, Nan Shuiquan Village, Dong Huayuan Town, Huailai County, Zhang Jiakou						
Account-opening Bank	Account No.		Currency	Limited Period			
WuChuan County branch of China Agricultural Bank of Hohhot	15-543101040005670		RMB	2008-03-12			

Natural Person Shareholder

Natural Person Shareholder 1

Natural Person Name	Guo Chunjiang	Contributive Amount (Ten Thousand)	15.0000
ID No.		Percentage (%)	75.00
Current Add	No.8, Row 7 Xincun Street, Nan Shuiquan Village, Dong Huayuan Town, Huailai County, Zhang Jiakou		

Natural Person Shareholder 2

Natural Person Name	Wang Yumei	Contributive Amount (Ten Thousand)	5.0000
ID No.		Percentage (%)	25.00
Current Add	No.8, Row 7 Xincun Street, Nan Shuiquan Village, Dong Huayuan Town, Huailai County, Zhang Jiakou		

Appendix 3 (continued): Wuchuan Shuntong Ownership and Background Verification Information

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings - Original

私营企业情况查询窗

企业名称: **武川县顺通腐植酸商贸有限公司**

基本信息

姓名: **郭春江** 性别: **男** 民族: **汉族** 政治面貌: **群众** 文化程度: **高中毕业**

健康状况: **健康** 企业职务: **执行董事兼总** 社会职务: **其他** 技术职称:

住 址: **河北省张家口市怀来县东花园镇南水泉村新村** 邮政编码: **011700** 人员类型: **其他人员**

联系电话: **3395767** 户籍地址: **河北省张家口市怀来县东花园镇南水泉村** 公务员标志: **否**

投资数额: **15.00** 万元 身份证件名称: **中国居民身份证** 身份证件号码: **132529195612192618**

核准日期: **2008.03.12** 产生方式: **选举** 任命单位: **武川县顺通腐植酸商贸有限公司**

简 历:

P. 详细打印 L. 列表打印 S. 选择打印 X. 退 出 Y. 签字样板

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC Filings – Translated

Company Name: Wuchuan Shuntong Humic Acid Trading Co., Ltd

Name	<u>Guo Chunjiang</u>	Gender	M	Nationality	Han	Political Status	General Public	Education	Junior High
Health Status	Healthy	Company Position	Executive Director & General Manager	Social Position	others	Technical Position			
Add	No.8, Row 7 <u>Xincun Street</u> , Nan <u>Shuiquan Village</u> , Dong <u>Huayuan</u> Town, <u>Huailai</u> County, Zhang <u>Jiakou</u>				Zip	011700	Personnel Type	Others	
Tel	3395767	Home Add	No.8, Row 7 <u>Xincun Street</u> , Nan <u>Shuiquan Village</u> , Dong <u>Huayuan</u> Town, <u>Huailai</u> County, Zhang <u>Jiakou</u>			Public Servant Mark	No		
Total Investments	RMB 150,000	Type of Identification Document	Resident Identification Card of The People's Republic of China		ID No.	132529195612192618			
Approved Date	2008-03-12	Generated Method	Election	Appointed Unit	<u>Wuchuan Shuntong Humic Acid Trading Co., Ltd</u>				
Resume									

Appendix 4: Wuchuan Shuntong and Wuchuan Sanda Humic Acid Factory Have the Same Physical Address

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC filing - Original

企业信息打印

基本信息表					
经营状态	开业	成立日期	2008-03-12	最后年检年度	2009年 通过
注册号	150110000001122	档案号		原注册号	1501002400231
核准日期	2008年03月12日	企业类型	有限责任公司(自然人投资或控股)		
行业门类	批发和零售业		行业代码	其他未列明的零售	
企业名称	武川县顺通麻植酸商贸有限公司				
住所	武川县河边食品公司院内				
经办科室	私营	城乡标志	城镇	邮政编码	011700
法定代表人	郭春江	联系电话	3395767	管辖单位	1501106
经营范围	许可经营项目：无。 一般经营项目：腐植酸及腐植酸系列产品的销售。（国家法律法规规定应经审批的未获审批前不得生产经营）				
经营期限	2008年03月12日 至 2018年03月11日 止				

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Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC filing - Translated

Operation Status	Open-up	Funded Date	2008-03-12		Last Annual Audit	2009 A Grade	
Registration Number	150110000001122	Profile No.			Original Registration No.	1501002400231	
Approval Date	2008-03-12	Types of companies	limited liability company (Natural person investment or holding)				
Industry Type	wholesale and retail		Industry Code		Other retails no listed		
Company Name	Wuchuan Shuntong Humic Acid Trading Co., Ltd						
Address	Inside the Yard of Wuchuan Hebian Food Co., Ltd						
Administering Dept.	Privately-operated	Urban or Rural	Urban	Zip	011700	Jurisdiction Dept.	1501106
Legal Representative	Guo Chunjiang	Tel	3395767	Registered Capital		RMB200,000	
Business Scope	Licensed business items: None. General operating items: Humic acid and humic acid series product sales (No production and operation before national laws and regulations approved for items requiring assessment)						
Operation Period	12 th March, 2008 to 11 th March, 2018						

Appendix 4 (continued): Wuchuan Shuntong and Wuchuan Sanda Humic Acid Factory Have the Same Physical Address

Wuchuan Sanda Humic Acid Factory Contact Information - Original

您当前所在的位置: 名录库 > 内蒙古工商企业名录组织机构黄页 > 呼和浩特市 > 武川县 > 武川县三达腐植酸厂

★ 武川县三达腐植酸厂基本信息:

- 机构名称: 武川县三达腐植酸厂
- 经营范围: 腐植酸加工
- 经济类型: 41 (个体工商户)
- 注册日期: 1999-1-13 (年-月-日)
- 注册资金: 5 (万元)
- 职工人数: 6 (人)
- 补充说明:
武川县三达腐植酸厂是一家位于内蒙古呼和浩特市武川县的组织机构, 注册地址在武川县食品公司院, 所属行业为: 制造业、化学原料及化学制品制造业、化学肥料制造业、其他化学肥料制造业。

武川县三达腐植酸厂行业信息:

- 经济行业: C2629
- 门类: 制造业
- 大类: 化学原料及化学制品制造业
- 中类: 化学肥料制造业
- 小类: 其他化学肥料制造业

关键字: 化学原料, 腐植酸, 化学试剂

武川县三达腐植酸厂联系方式:

- 法人代表: 尚文军
- 行政区划号: 150125
 - 省份: 内蒙古自治区
 - 城市: 呼和浩特市
 - 区县: 武川县
- 机构地址: 武川县食品公司院
- 邮政编码: 011700
- 长途区号: 0471 (0086471, +86-471)
- 电话号码: 0471-8811669 (04718811669)

Source: <http://goo.gl/DuqQx>

Wuchuan Sanda Humic Acid Factory Contact Information – Translated

Name of Organization: Wuchuan Sanda Humic Acid Factory

Organization Type: 2 (unincorporated enterprises)

Business: humic acid processing

Economic types: 41 (individual businesses)

Registration Date: 1999-1-13 (year - month - day)

Registered capital: 5 (million)

Number of employees: 6 (person)

Additional information: Wuchuan County of humic acid plant is located in Hohhot, Inner Mongolia Wuchuan County organization, registered address Wuchuan County, food company in the hospital, affiliated industries: manufacturing, chemical materials and chemical products manufacturing, chemical fertilizer manufacturing, other chemical fertilizer manufacturing.

Economic sectors: C2629

Categories: Manufacturing

Broad categories: chemical materials and chemical products

In categories: chemical fertilizer manufacturing

Class: Other chemical fertilizer manufacturing

Legal Representative: Wen-Jun Xiao

Administrative Number: 150125

Province: Inner Mongolia Autonomous Region

Cities: Hohhot

District: Wuchuan County

Address: Inside the Yard of the Wuchuan Hebian food Co., Ltd

Postal Code: 011700

Long-distance area code: 0471 (0086471, +86-471)

Phone: 0471-8811669 (04718811669)

Appendix 5: Wuchuan Shuntong Humic Acid Trading SAIC Financials

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC filing - Original

企业名称: 武川县顺通腐植酸商贸有限公司
企业地址: 武川县河边食品院内
注册号码: 150110000001122
注册资金: 20 万元
法人代表: 郭春江
经营范围: 许可经营项目: 无。一般经营项目: 腐植酸及腐植酸系列产品的销售 (国家法律法规规定应经审批的未获审批前不得生产经营)。
成立日期: 2008 年 03 月 12 日
经营期限: 2008 年 03 月 12 日 至 2018 年 03 月 11 日
企业类型: 有限责任公司 (自然人投资或控股)
登记机关: 武川县工商行政管理局

固定资产合计: 17,469.83 13,328.97
无形资产: 0.00 0.00
其它资产: 0.00 0.00
资产总计: 186,204.43 70,513.25
负债及所有者权益:
短期借款: 0.00 0.00
应付账款: 0.00 0.00
预收账款: 0.00 0.00
其它应付款: 0.00 0.00
预提费用: 0.00 0.00
其他流动负债: 0.00 0.00
流动负债合计: 0.00 0.00
长期负债合计: 0.00 0.00
负债合计: 0.00 0.00
所有者权益合计: 186,204.43 70,513.25
其中: 实收资本: 200,000.00 200,000.00
资本公积: 0.00 0.00
盈余公积: 0.00 0.00
未分配利润: -13,795.57 -129,486.75
负债及所有者权益总计: 186,204.43 70,513.25

2. 损益表:
主营业务收入: 0.00 0.00
减: 主营业务成本: 0.00 0.00
主营业务税金及附加: 0.00 0.00
主营业务利润: 0.00 0.00
减: 经营费用: 0.00 0.00
管理费用: 13,795.57 107,691.18
财务费用: 0.00 0.00
减: 营业外支出: 0.00 8,000.00
利润总额: -13,795.57 -115,691.18
减: 所得税: 0.00 0.00
净利润: -13,795.57 -115,691.18

股东情况:
姓名 出资金额
郭春江 15 万元
王玉梅 5 万元

法人代表情况:
郭春江: 1956 年 12 月 19 日出生, 男 高中
住所: 张家口怀来县东花园镇南水泉村
电话: 3395767

银行情况:
开户银行: 呼和浩特市农业银行武川县支行
银行账号: 15-543101040005670

财务情况: (单位: 元)
1、资产负债表:
2008 年 2009 年
资产:
现金及银行存款: 119,391.75 9,751.30
应收账款: 0.00 0.00
预付账款: 2,715.18 805.31
其它应收款: 0.00 0.00
库存: 46,627.67 46,627.67
待摊费用: 0.00 0.00
其它流动资产: 0.00 0.00
流动资产合计: 168,734.60 57,184.28
长期投资: 0.00 0.00

Wuchuan Shuntong Humic Acid Trading Company, Ltd. SAIC filing - Translated

Company Name: Wuchuan Shuntong Humic Acid Trading Co., Ltd

Company Address: Inside the Yard of Wuchuan Hebian Food Co., Ltd

Registration Number: 150110000001122

Registered Capital: RMB200,000

The Legal Representative: Guo Chunjiang

Business Scope: Licensed business items: None.

General operating items: Humic acid and humic acid series product sales (No production and operation before national laws and regulations approved for items requiring assessment)

Funded Date: 12th March, 2008

Operation Period: 12th March, 2008 to 11th March, 2018

Types of companies: Limited Liability Company (Natural person investment or holding)

Registration Authority: Wuchuan County Administration for Industry and Commerce

Shareholders: Guo Chunjiang (RMB150,000) Wang Yumei RMB50,000.00

The Legal Representative: Guo Chunjiang, 12/19/56 DOB, Male, Home Address: Nan Shuiquan Village, Dong Huayuan Town, Huailai County, Zhang Jiakou Tel: 3395767

1. Balance Sheet:	2008 – RMB	2009 – RMB	2008 – USD	2009 – USD
Assets				
Cash and deposits with banks	¥119,392	¥9,751	\$17,493	\$1,429
Account prepaid	¥2,715	¥805	\$398	\$118
Inventory	¥46,628	¥46,628	\$6,832	\$6,831
Total current assets	¥168,735	¥57,184	\$24,723	\$8,378
Total fixed assets	¥17,470	¥13,329	\$2,560	\$1,953
Total assets	¥186,204	¥70,513	\$27,283	\$10,330
Liabilities and owner's equity				
Total shareholder's equity	¥186,204	¥70,513	\$27,283	\$10,330
Additional paid-in capital	¥200,000	¥200,000	\$29,304	\$29,300
Undistributed profit	-¥13,796	-¥129,487	(\$2,021)	(\$18,970)
Total Liabilities and Equity	¥186,204	¥70,513	\$27,283	\$10,330
2. Income Statement	2008 – RMB	2009 – RMB	2008 – USD	2009 – USD
Revenue of main business				
Main business revenue	¥0	¥0	\$0	\$0
Tax and associate charge	¥0	¥0	\$0	\$0
Income from main operation	¥0	¥0	\$0	\$0
Operating costs	¥0	¥0	\$0	\$0
Administrative expenses	¥13,796	¥107,691	\$1,994	\$15,769
Finance charge	¥0	¥0	\$0	\$0
Non-business expenditures	¥0	¥8,000	\$0	\$1,171
Total profits	-¥13,796	-¥115,691	(\$1,994)	(\$16,940)
Income tax	¥0	¥0	\$0	\$0
Net profits	-¥13,796	-¥115,691	(\$1,994)	(\$16,940)

Appendix 6: Wuchuan Government Press Release Proving Yongye is Behind the Wuchuan Sanda Lignite Coal Project

Wuchuan Government Press Release - Original

日期: 2011年5月16日 星期一 中国 武川天气预报

网站首页 | 走进武川 | 政务公开 | 网上服务 | 公众参与 | 特色展示

服务居民 | 服务旅游者 | 服务企业 | 服务投资者

县级领导

县委 人大

政府 政协

专题报道

网站导航

政民互动

领导信箱 信息反馈

建言献策 嘉宾访谈

热点信息排行 TOP10

- 武川县竞争性选拔科级领导干部 2010-1-13
- 竞争性选拔科级领导干部任前 2010-2-5
- 政府工作报告 2010-1-12
- 转变发展方式 彰显武川优 2010-1-7
- 武川县竞争性选拔科级领导干部 2010-1-15
- 武川县竞争性选拔优秀年轻科 2009-12-11
- 位置面积 2009-10-22
- 参加竞争性选拔优秀年轻科级 2010-1-4
- 武川县委召开全委会和常委会 2010-2-5
- 武川县公开招聘聘用乌兰牧骑 2009-10-28

顺通腐植酸项目

信息来源: 上传时间: 2010-6-12 浏览次数: 812次 【关闭窗口】 【打印文章】 【放大文字】 【缩小文字】



顺通腐植酸项目是内蒙古永业农丰生物科技有限公司在武川经济开发区入口鑫川大道南侧投资建设风化煤综合利用开发项目。该项目是合理利用武川地区丰富的风化煤及泥炭资源,采用现代高新技术手段,开发腐植酸系列产品,变废为宝,实现资源的综合利用和可持续发展。项目总投资95500万元人民币,一期投资19500万元,建设年产3万吨腐植酸系列装置;二期投资76000万元,建设年产50万吨腐植酸颗粒有机系列肥生产线。该产品可广泛用于农业、林业、牧业、石油化工、建材、医药、卫生、环保等领域,项目同时实现了对生产过程中分离的固体物进行循环综合利用。

一期完成投资19500万元,其中固定资产投资18105.41万元。于2010年4月初土建开工,6月中旬开始设备安装,8月建成投产。项目建成后可年产黄腐植酸钠5000吨,腐植酸类土壤改良剂25000吨,副产土壤改良剂99000吨。

截止目前,包装车间的墙体正在砌筑,主厂房、主车间的基础浇筑已完成,正在做基础回填,锅炉房的地梁正在施工。办公楼开始施工,正在进行挖基槽。对该厂区绿化工作进行了规划,已种植杨树500多株,云杉50多株,人工湖已经挖开,正在进行砌筑围堰。

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武川县人民政府 主办 武川县信息化工作办公室 承办

地址: 中国 内蒙古 呼和浩特市 武川县 可镇 邮编: 011700

信箱: postmaster@wuchuan.gov.cn

蒙ICP备05003938号

Source: <http://www.wuchuan.gov.cn/newsfb/sylist.asp?tbid=2292>

Appendix 6 (continued): Wuchuan Government Press Release Proving Yongye is Behind the Wuchuan Sanda Lignite Coal Project

Wuchuan Government Press Release – Translated

Shuntong Humic Acid Project

Date of Publication: 06/12/10

The Shuntong Humic Acid Facility is a project developed by Inner Mongolia Yongye Nongfeng Biotechnology Co. Ltd., located to the south side of Xinchuan Road (near the entrance of Wuchuan Economic Development Zone). The project is an effective use of rich Wuchuan lignite coal and peat resources and the use of modern high-tech process to produce humic acid products, which literally turns waste into treasure as part of the comprehensive utilization of resources and sustainable development. The total investment of 95,500mm yuan, following the current investment of 19,500mm yuan for an annual production capacity of 3mm tons of humic acid; part two of the investment is 76,000mm yuan, for a production line with an annual production capacity of 50 tons of particulate organic humic acid fertilizer. These products are widely used in agriculture, forestry, animal husbandry, petrochemical, building materials, medicine, health, environmental protection and other areas.

The total investment of is expect to be 19,500mm yuan, including fixed assets investment 18,105mm. In 2010, early civil engineering was completed, and it is estimated the project will be in full production in 8 months. After completion, the project can also produce yellow sodium humate, 5,000 tons of humic acid soil conditioner, and 25,000 tons of by-product of soil conditioner.

Up to now, packaging workshop of the wall is masonry, the main plant, the main workshop has been completed pouring the foundation, a foundation is backfilled, the boiler room of the ground beam is under construction. Office building to start construction in progress dug foundation trench. The project is being developed utilizing green methods, including planting 500 poplars, 50 spruces, the digging of an artificial lake, and the creation of the masonry cofferdam.

Wuchuan Sanda Humic Acid Government Closing Decree - Original



Absaroka
Capital Management

Appendix 7 (continued): Wuchuan Government Closing Degree for Wuchuan Sanda Humic Acid Factory

Wuchuan Sanda Humic Acid Government Closing Decree - Translated

Wuchuan County People's Government Notice Regarding Closing Illegally-Operated Small Manufacture Enterprises

To Township People's Governments, Departments of Wuchuan County:

In the recent years, with further exploitation of mineral resources and great promotion of mining economy in our county, many successful enterprises with large scale, high resource efficiency and tremendous economic benefit have set up plants in our county. However, despite repeated orders of banning, there still exists many small enterprises illegally operated featuring lack of business license, high consumption of energy and resources and heavy pollution of environment. They have seriously hindered the adjustment of industrial economic structure in our county and led to unauthorized and wasteful mining which caused a lot of complaints from the residents. Moreover, these illegal enterprises may also have bad impact on the upcoming conference on promoting the material and ethical progress in the city of Hohhot and a series of stringent measures making Hohhot as the model city for environment protection.

To better optimize industrial structure, standardize business management, strike illegal operation and maintain a healthy market, it is decided that all the illegal enterprises in Wuchuan County should be shut down after this date.

1. Banned and closed range:

Enterprises that haven't got the legal project license, land use approval, business license and environment impact evaluation record or those which did poor in safety production and environment protection or those small iron plants which haven't one fixed mineral source and those manufacture enterprise producing electric mangle, weathered coal(humid acid), facing decorative stone must be closed.

Enterprises that separate gold through old ways like small cyanided tank, small amalgamate mercury or down spouting which are prohibited by the government must be closed.

Unauthorized and wasteful mining, gold mining and iron concentration in river course must be prohibited.

Liquor processing enterprises that pose threat to people's health and disrupt the market must be closed.

2. Time Limits:

All the illegal enterprises must stop their production before April 25, 2010 by themselves and deal with any problems arising from the shutdown in a timely manner, or they will be forced to do so by local authorities. The electric utility section of the government will cut off electricity for these illegal enterprises after April 25, 2010.

3. Measures:

Each township's government and department should establish the communication and coordination mechanism and enhance law enforcement to fulfill their duty in banning and closing illegal enterprises according to the relevant regulations.

The Administration for Industry and Commerce should ban the enterprises without business license and revoke the license of illegal enterprises. Department of Land and Resources should investigate the problem of illegal land use and punish those responsible. Electricity supplying department should cut off production electricity and remove electric supply equipment for those illegal enterprises immediately. Economic and trade department and environment protection department should coordinate the work and urge the illegal enterprises to dismantle their production equipment.

The manufacturing enterprises producing humic acid (weathered coal) and face decorative stone should set up their plants in the production park and the county government will grant preferential policies in land and taxation. In principle, enterprises producing humic acid ought to be moved into economic development zone and enterprises doing stone machining ought to be moved to Stone Industrial Park in Xiwulanbulang Town in the west of Wuchuan County.

In mining, the unified law enforcement mechanism should be established to fight against unauthorized and wasteful mining, mining beyond the limited area, and the substitution of mining for exploitation. The cases like unscrupulous plundering of mineral resources and the deforestation which are heavily destructive and constitute crime will be handed over to judiciary department.

Relevant departments should work together to assume their respective responsibility. Any individual or department responsible for the dereliction of duty or malfeasance that give rise to major accidents or heavy environment pollution will be investigated for administrative responsibility. Any law enforcement officials or civil servants violating law by buying shares of illegal enterprises or setting up illegal enterprises with others will be investigated and punished by the administration for supervision and anti- malfeasance. Those closed enterprises that restarted must be punished heavily to ensure the implementation of the measures.

Relevant departments should establish long-term supervision mechanism to prevent the illegal behaviors of enterprises. They should set a higher standard of market access for manufacture enterprises and eliminate those which cannot meet the technical standards or the requirement of the company.

Appendix 7 (continued): Wuchuan Government Closing Degree for Wuchuan Sanda Humic Acid Factory

Wuchuan Sanda Humic Acid Government Closing Decree – Translated (continued)

4. Leadership Group:

The group responsible for the shutdown of the small illegal enterprises has been set up and members are as follows:

Head of the group: Lan Yi (member of the standing committee of Wuchuan County, Deputy Head of Wuchuan County)

Associate head of the group: Yang Dong (Deputy Director of the Government)

Other Members of the group:

Wang Yanchun (Secretary for the Committee of Development and Reform)

Duan Liming (Chief of Economic and Trading Bureau)

Su Huanliang (Chief of Work and Safety Bureau)

Zhao Huiling (Chief of Forestry Bureau)

Li Runmao (Chief of Construction Bureau)

Peng Shaochong (Chief of Environmental Protection Bureau)

Wang Jiliang (Chief of Supervisory Bureau)

Wang Chong (Chief of Land and Resources Bureau)

Gu Jinggang (Chief of Anti-malfeasance Bureau of County Procuratorate)

Liu Zhibing (Deputy Chief of the Public Security Bureau)

Le Wei (Chief of Industrial and Commercial Bureau)

Gao Gui (manager of power company)

Mayors of all the towns

This group is responsible for the overall direction and the important decisions. Under the group, the Office was set up and the chief of Office is Yang Dong. The Office is responsible for the coordination of the work of different departments, supervision and feedback of progress of work, raising suggestions and collection of relevant materials.

April. 29th, 2010

Attachment: The following is a list of illegal enterprises

Illegal Plants Producing Humic Acid

Name	Address	reference
Lv Yu Preparation Factory of Wuchuan County	Xi Liangzhong Factory in Ke Zhen County	
Tian Baohuang Humic Acid Plant of Wuchuan County	Jijv Camp in Kezhen County	
Huifeng Humic Acid Plant of Wuchuan County	Jing Sanjiao in Kezhen County	
Wuchuan Sanda Humic Acid Factory	Jing Sanjiao in Kezhen County	
Bao Wang Humic Acid Plant of Wuchuan County	Migrant place in Kezhen County	
Gold Land Humic Acid Plant of Wuchuan County	Kuan Huai Village in Kezhen County	
Lv Fu Humic Acid Plant of Wuchuan County	Jing Sanjiao in Kezhen County	
Chuan Yi Humic Acid Plant of Wuchuan County	Kuan Huai Village in Kezhen County	
Hong Du Humic Acid Plant of Wuchuan County	Jing Sanjiao in Kezhen County	
Fu Nong Humic Acid Plant of Wuchuan County	Jing Sanjiao in Kezhen County	
Shi Ling Humic Acid Plant of Wuchuan County	Jing Sanjiao Economic Development Zone	
Ming Hua Coalification Limited Liability Company of Wuchuan	Er Fenzi Xiangliu Tonghhao	
Liming Humic Acid Plant of Wuchuan County	Wang Family , No.9 of Wuchuan County	
Lv Zhou Humic Acid Plant of Wuchuan County	Liangzhong Factory in Ke Zhen County	
Jie Lv Technology Development Limited Liability Company	Mawang Temple in Shang Tugai village	
Huang Feng Humic Acid Plant of Inner Mongolia	Economic and Development Zone	
Wo Ling Potted Flower Fertilizer Plant of Wuchuan County	ZhonGhou Heda Yike	
Da Tan Humic Acid Plant of Wuchuan County	Wu Lan Bu Lang County	