



Hainan Pearl River Holdings Co., Ltd.

Report for the First Quarter of 2013

April 2013

Section I. Important Reminders

The Board of Directors, the Supervisory Committee, directors, supervisors and senior management staff of Hainan Pearl River Holdings Co., Ltd. (hereinafter referred to as “the Company”) warrant that the information carried in this report is factual, accurate and complete, without any false record, misleading statement or material omission. And they shall be jointly and severally liable for that.

Zheng Qing, company principal, Chen Binglian, chief of the accounting work, and Yang Daoliang, chief of the accounting organ (chief of accounting), hereby confirm that the financial statements enclosed in this report are factual, accurate and complete.

All directors have attended the board session for reviewing this report.

This report is prepared in both Chinese and English. Should there be any discrepancy between the two versions, the Chinese version shall prevail.

Section II. Financial Highlights & Change of Shareholders

I. Financial highlights

Does the Company adjust retrospectively or restate any accounting data of previous years?

☐ Yes ☒ No

	Jan.-Mar. 2013	Jan.-Mar. 2012	+/- (%)
Operating revenues (RMB Yuan)	62,592,524.54	64,997,421.96	-3.7%
Net profit attributable to shareholders of the Company (RMB Yuan)	-25,395,899.69	-27,330,011.28	7.08%
Net profit attributable to shareholders of the Company after deducting extraordinary gains and losses (RMB Yuan)	-30,434,695.80	-28,932,703.38	-5.19%
Net cash flows from operating activities (RMB Yuan)	-32,277,707.08	-84,831,600.85	61.95%
Basic EPS (RMB Yuan/share)	-0.06	-0.06	0%
Diluted EPS (RMB Yuan/share)	-0.06	-0.06	0%
Weighted average ROE (%)	-11.47%	-7.63%	Down by 3.84 percentage points
	31 Mar. 2013	31 Dec. 2012	+/- (%)
Total assets (RMB Yuan)	1,408,174,456.31	1,424,764,273.52	-1.16%
Net assets attributable to shareholders of the Company (RMB Yuan)	205,105,904.53	237,625,634.44	-13.69%

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	1 Jan. 2013-31 Mar. 2013	Explanation
Gain/loss on the disposal of non-current assets (including the offset part of the asset impairment provisions)	-667.10	
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	5,032,652.80	
Non-operating income and expense other than the above	6,278.82	
Less: Income tax effects	0.00	
Less: Minority interests effects (after tax)	-531.59	
Total	5,038,796.11	--

II. Total number of shareholders at the period-end and shareholdings of top 10 shareholders

Unit: share

Total number of shareholders at the period-end		40,301				
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total shares held at the period-end	Number of restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Beijing Wanfa Real Estate Development Co., Ltd.	State-owned corporation	26.36%	112,479,478	0	Pledged	20,000,000
Chen Qingtao	Domestic natural person	1.08%	4,596,000	0		
Li Jianhua	Domestic natural person	0.74%	3,149,813	0		
Zhang Xiaoxia	Domestic natural person	0.46%	1,949,250	0		
Zeng Ping	Domestic natural person	0.43%	1,843,000	0		
Hu Zhengxiu	Domestic natural person	0.37%	1,588,000	0		
Ou Lei	Domestic natural person	0.35%	1,500,000	0		
Nanhua Finance Co., Ltd.	Other	0.3%	1,299,500	1,299,500		
Huang Yueling	Domestic natural person	0.27%	1,166,900	0		
Pearl River Enterprises Group Co., Ltd.	State-owned corporation	0.26%	1,150,000	0		
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder		Number of non-restricted shares held			Variety of shares	
					Variety	Number
Beijing Wanfa Real Estate Development Co., Ltd.		112,479,478			RMB ordinary shares	112,479,478
Chen Qingtao		4,596,000			RMB ordinary shares	4,596,000

Li Jianhua	3,149,813	RMB ordinary shares	3,149,813
Zhang Xiaoxia	1,949,250	Domestically listed foreign shares	1,949,250
Zeng Ping	1,843,000	RMB ordinary shares	1,843,000
Hu Zhengxiu	1,588,000	RMB ordinary shares	1,588,000
Ou Lei	1,500,000	RMB ordinary shares	1,500,000
Huang Yueling	1,166,900	RMB ordinary shares	1,166,900
Pearl River Enterprises Group Co., Ltd.	1,150,000	RMB ordinary shares	1,150,000
Liu Guosheng	1,061,589	Domestically listed foreign shares	1,061,589
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Among shareholders above, there exists no related-party relationship between the principal shareholder and other shareholders of the Company. Nor they are parties with concerted action as prescribed in the Information Disclosure Administrative Methods for Changes in Shareholding of Shareholders of Listed Companies. And it is unknown whether there exists related-party relationship among other shareholders and whether they are prescribed parties with concerted action.		
Explanation on shareholders participating in the margin trading business (if any)	Naught		

Section III. Significant Events

I. Significant changes of the major accounting statement items and financial indicators for the reporting period, as well as the reasons for these changes

Item	31 March 2013	31 Dec. 2012	Increase or decrease (%)	Major reasons for the changes
Accounts receivable	13,318,225.83	9,889,336.96	34.67	Mainly resulting from the corresponding increase of accounts receivable caused by increase of service revenue of hotel
Tax payable	30,413.45	2,205,732.91	-98.62	Mainly resulting from payment for tax
Item	31 March 2013	31 Dec. 2012	Increase or decrease (%)	Major reasons for the changes
Operating tax and surcharges	3,752,740.27	5,567,111.72	-32.59	Resulting from decrease of sales revenue of real estate
Loss from impairment of assets	-1,428,641.10	-2,058,389.27	30.59	Resulting from decrease of withdrawn accounts receivable
Other comprehensive income	-7,123,830.22	-1,995,000.00	-257.08	Resulting from changes in fair value of financial assets available for sale
Net value of cash flow generated from operating activities	-32,277,707.08	-84,831,600.85	61.95	Mainly resulting from decrease of accounts current of paying entities
Net value of cash flow generated from investment activities	5,471,658.83	54,013,907.33	-89.87	Mainly resulting from decrease of cash got from borrowing

II. Progress of significant events and analysis & explanations on their influence and solutions

In the reporting period, the loan contract about RMB 210 million signed by the Company and Chongqing International Trust Co., Ltd. (hereinafter referred to as Chongqing Trust) became due and the Company was not able to return loans within the regulated period. On 8 April 2013, the Company disclosed the announcement on risk prompt. For details see the announcements disclosed on China Securities Journal, Ta Kung Pao and <http://www.cninfo.com.cn> on 30 March 2012 and 8 April 2013.

At present, the Company is actively cooperating with Chongqing Trust to go through relevant formalities of extending the period of financing. However, the extension of period has not been accomplished yet because of the complex formalities and uncertain factors. Owing to the long-term and good cooperative relationship between the Company and Chongqing Trust, the extension of period of loans can effectively relieve the pressure of corporate operating fund and is beneficial to the development of corporate investment projects.

III. Commitments made by the Company or any shareholder with a shareholding over 5% in the reporting period or such commitments carried down into the reporting period

☐ Applicable ☒ Non-applicable

IV. Explanation about holding equities of other listed companies

Particulars about holding equities of other listed companies

Unit: RMB Yuan

Stock code	Stock abbr.	Initial amount of investment	Holding shares	Proportion of shareholding	book value at the end of this period	Gains and losses in the reporting period	Changes in owners' equities in the reporting period
600369	Southwest Securities	RMB 150 million	3064.013 ten thousand shares	1.32%	264,117,920.60		-9,498,440.30

V. Researches, visits and interviews received in the reporting period

Time of reception	Place of reception	Way of reception	Visitor type	Visitor	Main discussion and materials provided by the Company
7 Jan. 2013	Securities Department	Communication by phone	Individual	Individual investor	Construction projects on special railway of Mulin Town and wholesale market of coal
9 Jan. 2013	Securities Department	Communication by phone	Individual	Individual investor	Particulars about holding Southwest Securities
17 Jan. 2013	Securities Department	Communication by phone	Individual	Individual investor	Particulars about corporate performance
28 Jan. 2013	Securities Department	Communication by phone	Individual	Individual investor	Particulars about holding Southwest Securities
30 Jan. 2013	Securities Department	Communication by phone	Individual	Individual investor	Consulting corporate performance
4 Feb. 2013	Securities Department	Communication by phone	Individual	Individual investor	Particulars about the overall situation of corporate operation
11 March 2013	Securities Department	Communication by phone	Individual	Individual investor	Project on new rural construction and development of real estate in Luquan of Shijiazhuang

12 March 2013	Securities Department	Communication by phone	Individual	Individual investor	Particulars about Southwest Securities and real estate projects
28 March 2013	Securities Department	Communication by phone	Individual	Individual investor	Understanding the corporate development

Section IV. Financial Statements

I. Financial statements

1. Consolidated balance sheet

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	60,009,445.53	65,762,871.33
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		
Accounts receivable	13,318,225.83	9,889,336.96
Accounts paid in advance	159,735,271.89	148,283,887.61
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable	260,015.00	260,015.00
Other accounts receivable	304,890,518.38	314,281,649.69
Financial assets purchased under agreements to resell		
Inventories	108,513,934.85	109,749,172.81
Non-current assets due within 1 year		
Other current assets		
Total current assets	646,727,411.48	648,226,933.40
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	264,117,920.60	273,616,360.90
Held-to-maturity investments		
Long-term accounts receivable		

Long-term equity investment	50,520,982.68	50,758,716.34
Investing property	24,935,188.17	25,308,707.14
Fixed assets	328,425,060.73	334,321,547.26
Construction in progress	38,125,793.28	34,908,625.06
Engineering materials	606,206.60	606,206.60
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	31,339,462.61	31,636,550.86
R&D expense		
Goodwill		
Long-term deferred expenses	23,376,430.16	25,380,625.96
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	761,447,044.83	776,537,340.12
Total assets	1,408,174,456.31	1,424,764,273.52
Current liabilities:		
Short-term borrowings	210,000,000.00	210,000,000.00
Borrowings from Central Bank		
Customer bank deposits and due to banks and other financial institutions		
Intra-group borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	19,429,583.92	20,503,123.52
Accounts received in advance	15,561,778.16	19,033,810.90
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	7,796,644.95	9,181,755.84
Tax payable	30,413.45	2,205,732.91
Interest payable	122,076,882.35	112,552,231.11
Dividend payable	3,213,302.88	3,213,302.88
Other accounts payable	398,674,520.89	379,871,030.04
Reinsurance premiums payable		

Insurance contract reserves		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Non-current liabilities due within 1 year	28,000,000.00	28,000,000.00
Other current liabilities		
Total current liabilities	804,783,126.60	784,560,987.20
Non-current liabilities:		
Long-term borrowings	340,000,000.00	341,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	45,226,579.27	47,601,189.35
Other non-current liabilities		
Total non-current liabilities	385,226,579.27	388,601,189.35
Total liabilities	1,190,009,705.87	1,173,162,176.55
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	426,745,404.00	426,745,404.00
Capital reserves	514,822,326.95	521,946,157.17
Less: Treasury stock		
Specific reserves		
Surplus reserves	109,487,064.39	109,487,064.39
Provisions for general risks		
Retained profits	-845,948,890.81	-820,552,991.12
Foreign exchange difference		
Total equity attributable to owners of the Company	205,105,904.53	237,625,634.44
Minority interests	13,058,845.91	13,976,462.53
Total owners' (or shareholders') equity	218,164,750.44	251,602,096.97
Total liabilities and owners' (or shareholders') equity	1,408,174,456.31	1,424,764,273.52

Legal representative: Zheng Qing
Chief of the accounting organ: Yang Daoliang

Chief of the accounting work: Chen Binglian

2. Balance sheet of the Company

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	1,589,207.86	2,641,297.45
Transactional financial assets		
Notes receivable		
Accounts receivable	2,708,500.15	2,341,351.09
Accounts paid in advance	50,116,665.00	50,196,666.00
Interest receivable		
Dividend receivable	260,015.00	260,015.00
Other accounts receivable	564,827,817.38	557,322,758.74
Inventories	4,824,035.45	4,824,035.45
Non-current assets due within 1 year		
Other current assets		
Total current assets	624,326,240.84	617,586,123.73
Non-current assets:		
Available-for-sale financial assets	264,117,920.60	273,616,360.90
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	299,870,458.98	300,108,192.64
Investing property	7,517,804.78	7,593,413.93
Fixed assets	16,998,835.26	17,446,366.12
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	1,541,124.69	1,553,040.60
R&D expense		
Goodwill		

Long-term deferred expenses	14,848,027.94	16,324,363.64
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	604,894,172.25	616,641,737.83
Total assets	1,229,220,413.09	1,234,227,861.56
Current liabilities:		
Short-term borrowings	210,000,000.00	210,000,000.00
Transactional financial liabilities		
Notes payable		
Accounts payable	2,482,949.70	2,482,949.70
Accounts received in advance	249,480.00	59,400.00
Employee's compensation payable	449,915.36	546,010.23
Tax payable	-1,087,338.22	-1,615,110.81
Interest payable	89,390,322.52	81,573,212.53
Dividend payable	3,213,302.88	3,213,302.88
Other accounts payable	305,688,040.89	295,396,790.14
Non-current liabilities due within 1 year		
Other current liabilities		
Total current liabilities	610,386,673.13	591,656,554.67
Non-current liabilities:		
Long-term borrowings	177,000,000.00	178,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	44,428,188.50	46,802,798.58
Other non-current liabilities		
Total non-current liabilities	221,428,188.50	224,802,798.58
Total liabilities	831,814,861.63	816,459,353.25
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	426,745,404.00	426,745,404.00
Capital reserves	517,838,666.49	524,962,496.71
Less: Treasury stock		

Specific reserves		
Surplus reserves	109,487,064.39	109,487,064.39
Provisions for general risks		
Retained profits	-656,665,583.42	-643,426,456.79
Foreign exchange difference		
Total owners' (or shareholders') equity	397,405,551.46	417,768,508.31
Total liabilities and owners' (or shareholders') equity	1,229,220,413.09	1,234,227,861.56

Legal representative: Zheng Qing

Chief of the accounting work: Chen Binglian

Chief of the accounting organ: Yang Daoliang

3. Consolidated income statement

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Jan.-Mar. 2013	Jan.-Mar. 2012
I. Total operating revenues	62,592,524.54	64,997,421.96
Including: Sales income	62,592,524.54	64,997,421.96
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	88,673,918.91	91,367,681.55
Including: Cost of sales	43,104,049.53	41,163,681.51
Interest expenses		
Handling charge and commission expenses		
Surrenders		
Net claims paid		
Net amount withdrawn for the insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium		
Taxes and associate charges	3,752,740.27	5,567,111.72
Selling and distribution expenses	3,435,537.06	3,362,228.94
Administrative expenses	24,604,836.32	29,010,964.80

Financial expenses	15,205,396.83	14,322,083.85
Asset impairment loss	-1,428,641.10	-2,058,389.27
Add: Gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	-237,733.66	-316,225.41
Including: share of profits in associates and joint ventures	-237,733.66	-316,225.41
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	-26,319,128.03	-26,686,485.00
Add: non-operating income	34,128.02	67,839.50
Less: non-operating expense	28,516.30	2,011.20
Including: loss from non-current asset disposal	667.10	
IV. Total profit ("-" means loss)	-26,313,516.31	-26,620,656.70
Less: Income tax expense	0.00	874,240.95
V. Net profit ("-" means loss)	-26,313,516.31	-27,494,897.65
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	-25,395,899.69	-27,330,011.28
Minority shareholders' income	-917,616.62	-164,886.37
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.06	-0.06
(II) Diluted earnings per share	-0.06	-0.06
VII. Other comprehensive incomes	-7,123,830.22	-1,995,000.00
VIII. Total comprehensive incomes	-33,437,346.53	-29,489,897.65
Attributable to owners of the Company	-32,519,729.91	-29,325,011.28
Attributable to minority shareholders	-917,616.62	-164,886.37

Legal representative: Zheng Qing

Chief of the accounting work: Chen Binglian

Chief of the accounting organ: Yang Daoliang

4. Income statement of the Company

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Jan.-Mar. 2013	Jan.-Mar. 2012
I. Total sales	290,872.20	290,669.10
Less: cost of sales	88,898.40	88,898.40
Business taxes and surcharges	16,288.84	16,165.47
Distribution expenses		
Administrative expenses	4,995,993.19	4,922,725.14
Financial costs	9,508,699.18	6,993,479.28
Impairment loss	-1,317,614.44	-1,046,392.00
Add: gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	-237,733.66	-316,225.41
Including: income from investment on associates and joint ventures	-237,733.66	-316,225.41
II. Business profit ("-" means loss)	-13,239,126.63	-11,000,432.60
Add: non-business income		
Less: non-business expense		
Including: loss from non-current asset disposal		
III. Total profit ("-" means loss)	-13,239,126.63	-11,000,432.60
Less: income tax expense		
IV. Net profit ("-" means loss)	-13,239,126.63	-11,000,432.60
V. Earnings per share	--	--
(I) Basic earnings per share	0	0
(II) Diluted earnings per share	0	0
VI. Other comprehensive income	-7,123,830.22	-1,995,000.00
VII. Total comprehensive income	-20,362,956.85	-12,995,432.60

Legal representative: Zheng Qing

Chief of the accounting work: Chen Binglian

Chief of the accounting organ: Yang Daoliang

5. Consolidated cash flow statement

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Jan.-Mar. 2013	Jan.-Mar. 2012
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	57,631,845.31	42,553,330.68
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 deposits 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 intra-group borrowings		
Net increase of funds in repurchase business		
Tax refunds received		
Other cash received relating to operating activities	19,337,375.12	37,808,298.50
Subtotal of cash inflows from operating activities	76,969,220.43	80,361,629.18
Cash paid for goods and services	21,906,135.82	17,377,694.88
Net increase of customer lendings and advances		
Net increase of funds deposited in the central bank and amount due from banks		
Cash for paying claims of the original insurance contracts		

Cash for paying interest, handling charges and commissions		
Cash for paying policy dividends		
Cash paid to and for employees	34,793,165.45	29,396,413.07
Various taxes paid	7,266,596.46	5,904,014.25
Other cash payment relating to operating activities	45,281,029.78	112,515,107.83
Subtotal of cash outflows from operating activities	109,246,927.51	165,193,230.03
Net cash flows from operating activities	-32,277,707.08	-84,831,600.85
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	26,000,000.00	22,500,000.00
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	189,000.00	537,291.00
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	5,647,661.11	
Subtotal of cash inflows from investing activities	31,836,661.11	23,037,291.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	10,784,038.66	3,911,196.60
Cash paid for investment		
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	10,784,038.66	3,911,196.60
Net cash flows from investing activities	21,052,622.45	19,126,094.40
III. Cash Flows from Financing Activities:		

Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries	0.00	0.00
Cash received from borrowings	31,000,000.00	320,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	31,000,000.00	320,000,000.00
Repayment of borrowings	13,000,000.00	258,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	9,618,865.55	4,486,092.67
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	2,909,475.62	3,500,000.00
Sub-total of cash outflows from financing activities	25,528,341.17	265,986,092.67
Net cash flows from financing activities	5,471,658.83	54,013,907.33
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-5,753,425.80	-11,691,599.12
Add: Opening balance of cash and cash equivalents	65,762,871.33	52,507,843.73
VI. Closing balance of cash and cash equivalents	60,009,445.53	40,816,244.61

Legal representative: Zheng Qing

Chief of the accounting work: Chen Binglian

Chief of the accounting organ: Yang Daoliang

6. Cash flow statement of the Company

Prepared by Hainan Pearl River Holdings Co., Ltd.

Unit: Yuan

Item	Jan.-Mar. 2013	Jan.-Mar. 2012
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I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	401,165.00	
Tax refunds received		
Other cash received relating to operating activities	11,695,394.78	1,373,838.56
Subtotal of cash inflows from operating activities	12,096,559.78	1,373,838.56
Cash paid for goods and services		
Cash paid to and for employees	1,612,063.85	1,187,592.57
Various taxes paid	112,414.29	239,894.28
Other cash payment relating to operating activities	13,629,756.72	2,356,865.95
Subtotal of cash outflows from operating activities	15,354,234.86	3,784,352.80
Net cash flows from operating activities	-3,257,675.08	-2,410,514.24
II. Cash flows from investing activities:		
Cash received from retraction of investments	26,000,000.00	22,500,000.00
Cash received from return on investments		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	5,647,661.11	
Subtotal of cash inflows from investing activities	31,647,661.11	22,500,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets	0.00	8,398.00
Cash paid for investment	38,999,500.00	19,500,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		

Subtotal of cash outflows from investing activities	38,999,500.00	19,508,398.00
Net cash flows from investing activities	-7,351,838.89	2,991,602.00
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	31,000,000.00	210,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	31,000,000.00	210,000,000.00
Repayment of borrowings	13,000,000.00	210,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	6,133,100.00	
Other cash payments relating to financing activities	2,309,475.62	
Sub-total of cash outflows from financing activities	21,442,575.62	210,000,000.00
Net cash flows from financing activities	9,557,424.38	
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-1,052,089.59	581,087.76
Add: Opening balance of cash and cash equivalents	2,641,297.45	515,955.59
VI. Closing balance of cash and cash equivalents	1,589,207.86	1,097,043.35

Legal representative: Zheng Qing

Chief of the accounting work: Chen Binglian

Chief of the accounting organ: Yang Daoliang

II. Audit report

Is this report audited?

☐ Yes ☒ No

Hainan Pearl River Holdings Co., Ltd.

27 April 2013