

Stock Code: 000505, 200505

Stock Abbr.: \*STZJ, \*STZJB

Announcement No.: 2013-032

## **HaiNan Pearl River Holdings Co., Ltd.**

### **Report for the Third Quarter of 2013**

## **Section I. Important Reminders**

The Board of Directors, the Supervisory Committee as well as all directors, supervisors and senior management staff of XXX Co., Ltd. (hereinafter referred to as “the Company”) warrant that 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.

All directors attended the board session for reviewing this report.

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.

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. Major accounting data and financial indexes

Does the Company adjust retrospectively or restate accounting data of previous years due to change of the accounting policy or correction of any accounting error?

Yes  No

	30 Sept. 2013	31 Dec. 2012		Increase/decrease (%)
		Before adjustment	After adjustment	
Total assets (RMB Yuan)	1,436,266,260.28	1,424,764,273.52	1,424,764,273.52	0.81%
Net assets attributable to shareholders of the Company (RMB Yuan)	141,237,729.67	237,625,634.44	237,625,634.44	-40.56%
	Jul.-Sept. 2013	YoY increase/decrease (%)	Jan.-Sept. 2013	YoY increase/decrease (%)
Operating revenues (RMB Yuan)	47,202,742.92	14.03%	154,425,764.05	3.13%
Net profit attributable to shareholders of the Company (RMB Yuan)	-34,001,104.90	17.17%	-98,456,113.55	-24.97%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-43,085,186.74	-3.94%	-115,964,812.01	-15.4%
Net cash flows from operating activities (RMB Yuan)	--	--	-64,788,775.13	7.65%
Basic EPS (RMB Yuan/share)	-0.08	20%	-0.23	-27.78%
Diluted EPS (RMB Yuan/share)	-0.08	20%	-0.23	-27.78%
Weighted average ROE (%)	-23.82%	-11.96%	-51.97%	-28.72%

Items and amounts of extraordinary gains and losses

Applicable  Inapplicable

Unit: RMB Yuan

Item	Amount as of Jan.-Sept. 2013	Note
Gains/losses on the disposal of non-current assets (including the offset part of asset impairment provisions)	179,405.31	
Capital occupation charges on non-financial enterprises that recorded into current gains and losses	5,671,854.08	
Gain/loss on debt restructuring	5,644,350.59	

Other non-operating income and expenses other than the above	2,993,612.32	
Other gain/loss items that meet the definition of an extraordinary gain/loss	3,064,013.00	
Less: Income tax effects	33,805.90	
Minority interests effects (after tax)	10,730.94	
Total	17,508,698.46	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item

Applicable  Inapplicable

## II. Total number of shareholders at the period-end and shares held by the top ten shareholders

Unit: share

Total number of shareholders at the period-end		38,713				
Shares held by the top ten shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of the shares held	Number of the restricted shares held	Pledged or frozen shares	
					Status of shares	Number of shares
Beijing Wanfa Real Estate Development	State-owned corporation	26.36%	112,479,478	0	Pledged	20,000,000
Co., Ltd. Zhang Xiaoxia	Domestic natural person	0.46%	1,949,250	0		
Chen Mingwei	Domestic natural person	0.43%	1,827,900	0		
Hu Zhengxiu	Domestic natural person	0.43%	1,827,000	0		
Zeng Ping	Domestic natural person	0.41%	1,750,000	0		
Ou Lei	Domestic natural person	0.35%	1,500,000	0		
Li Hong	Domestic natural person	0.33%	1,400,500	0		
Song Jing	Domestic natural person	0.32%	1,356,799	0		
Nanhua Finance	Domestic	0.3%	1,299,500	1,299,500		

Sheng Fubo	Domestic natural person	0.28%	1,192,095	0		
Shares held by the top ten non-restricted share holders						
Name of shareholder	Number of non-restricted shares held			Type of shares		
				Type	Number	
Beijing Wanfa Real Estate Development Co., Ltd.			112,479,478	RMB ordinary shares		112,479,478
Zhang Xiaoxia			1,949,250	Domestically listed foreign shares		1,949,250
Chen Mingwei			1,827,900	Domestically listed foreign shares		1,827,900
Hu Zhengxiu			1,827,000	RMB ordinary shares		1,827,000
Zeng Ping			1,750,000	RMB ordinary shares		1,750,000
Ou Lei			1,500,000	RMB ordinary shares		1,500,000
Li Hong			1,400,500	RMB ordinary shares		1,400,500
Song Jing			1,356,799	RMB ordinary shares		1,356,799
Sheng Fubo			1,192,095	Domestically listed foreign shares		1,192,095
Xu Zhen			1,159,300	RMB ordinary shares		1,159,300
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 is related-party relationship among other shareholders and whether they are prescribed parties with concerted action.					
Shareholders taking part in margin financing and securities lending (if any)	Naught					

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

Yes  No

## Section III. Significant Events

### **I. Major changes of main accounting statement items and financial indicators in the reporting period, as well as reasons for the changes**

#### 1. Financial statement item

Item	30 Sept. 2013	31 Dec. 2012	Increase/decrease (%)	Main reason for the change
Accounts receivable	17,370,512.29	9,889,336.96	75.65%	Mainly due to the income of the property service and the hotel revenues of the subsidiary increased, which led accounts payable increased correspondingly.
Short-term loans	-	210,000,000.00	-100.00%	Due to the short-term loans which had returned to Chongqing International Trust Co., Ltd.
Taxes payable	-1,028,383.07	2,205,732.91	-146.62%	Due to the payment of the taxes and so on.
Other accounts payable	701,211,935.09	379,871,030.04	84.59%	Mainly due to the borrowed funds from other enterprises increased.
Non-current liabilities due within 1 year	228,000,000.00	28,000,000.00	714.29%	Loans from Chongqing International Trust Co., Ltd. will due within 1 year.
Long-term loans	132,000,000.00	341,000,000.00	-61.29%	Loans from Chongqing International Trust Co., Ltd. will due within 1 year.

#### 2. Income statement and cash flow statement

Item	Jan.-Sep. 2013	Jan.- Sep. 2012	Increase/decrease (%)	Main reason for the change
Financial expenses	65,346,919.03	47,616,946.88	37.23%	Mainly due to the raising funds increased.
Assets impairment loss	-1,475,764.86	-8,082,061.18	81.74%	Mainly due to the recover part of the current payment of the reversal of bad debts provision decreased.
Investment gains	2,355,087.76	17,854,565.89	-86.81%	Mainly due to the transfer of parts of Xinan Securities shares of last period, and there's no such situation in this period.
Non-operating income	8,892,795.37	171,828.34	5075.40%	Mainly due to the gains on restructuring of debt with Construction Bank and the default compensation of the original Longzhu Three Project.
Income tax expenses	208,612.05	1,872,560.35	-88.86%	Mainly due to the profits from the subsidiary—Hubei Pearl River Real Estate Development Co., Ltd. decreased.

Gains and losses of minority shareholders	-2,808,509.35	-184,402.81	-1423.03%	Mainly due to the profits from the subsidiary—Hubei Pearl River Real Estate Development Co., Ltd. decreased.
Other comprehensive income	2,068,208.78	10,611,681.59	-80.51%	Mainly due to the transfer of parts of Xinan Securities shares of last period, and there's no such situation in this period.
Net cash flows from investing activities	-5,094,222.55	-64,689,197.79	92.13%	Mainly due to the cash payment of the purchase of the fixed assets and so on decreased compared to the same period of last period.
Net cash flows from financing activities	62,907,979.91	232,678,551.25	-72.96%	Mainly due to the cash received from the loans decreased compared to the same period of last period.

## II. Progress and influence of significant events, as well as the analysis and explanation on solutions

Overview of the significant event	Date of disclosure	Index to the relevant announcement disclosed on the website
<p>Process of Longzhu Three Projects: 22 Aug. 2013, the Company had a quadripartite agreement, Supplementary Agreement on Executing the Center Project--the Original Sixth Agreement of Haikou Visun, with Haikou Visun Real Estate Development Co., Ltd., Haikou Visun Binhai Construction Co., Ltd., Hainan Visun Real Estate Group Co., Ltd..</p> <p>Visun Company paid the Company economic compensation with the amount of RMB 3 million because of the delayed construction. At the same time, Visun Company promised to promote the planning approval process of the center project of Visun as well as to start the comprehensive construction after meeting with the construction conditions as soon as possible, and try hard to gain the permit for presale for the center project of Visun. The project insured the Company for avoiding the losses that due to the possible delayed construction again.</p>	24 Aug. 2013	China Securities Journal, Hong Kong Ta Kung Pao and <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> on 10 Apr., 26 May, 18 Jun. in 2010, 22 Nov. 2011 and 24 Aug. 2013.

### III. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

Applicable  Inapplicable

### IV. Predict the 2013 annual operating results

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

Applicable  Inapplicable

### V. Securities investment

Variety of securities	Code of securities	Name of securities	Initial investment cost (RMB Yuan)	Number of shares held at period-begin	Shareholding percentage at period-begin	Number of shares held at period-end	Shareholding percentage at period-end	Closing book value (RMB Yuan)	Gain/loss for report period (RMB Yuan)	Accounting title	Source of stock
Shares	600369	Southwest Securities	150,000,000.00	30,640,130	1.32%	30,640,130	1.32%	235,009,797.10	0.00	Financial assets available-for-sale	Direct admission
Total			150,000,000.00	30,640,130	--	30,640,130	--	235,009,797.10	0.00	--	--

Shareholdings in other listed companies

Applicable  Inapplicable

### VI. Investments in derivatives

Applicable  Inapplicable

### VII. 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
5 Jul. 2013	Securities department	Telephone Communication	Individual	Individual investor	Put forward advice for the Company, and had record it as well as reported to board of directors.

9 Jul. 2013	Securities department	Telephone Communication	Individual	Individual investor	Inquire of the published time of the earnings preannouncement and had replied.
12 Jul. 2013	Securities department	Telephone Communication	Individual	Individual investor	Coal Project of Mulin Town and Iron Ore Project of Yunxi: had replied and offered published information.
12 Aug. 2013	Securities department	Written inquiries	Individual	Individual investor	Know of the process of Visun Project, and had replied.
13 Aug. 2013	Individual	Individual investor	Individual	Individual investor	Process of the New Residential Project of Nanluoling Village, Dahe Town, Luquan, Hebei, and had replied
20 Aug. 2013	Securities department	Telephone Communication	Individual	Individual investor	Inquire of the company performance.
23 Sep. 2013	Securities department	Telephone Communication	Individual	Individual investor	Inquire of the development prospect of the Company.
24 Sep. 2013	Securities department	Telephone Communication	Individual	Individual investor	Know of the operation situation of the Company.
24 Sep. 2013	Securities department	Telephone Communication	Individual	Individual investor	Put forward advice for the Company, and had record it as well as reported to board of directors.

HaiNan Pearl River Holdings Co., Ltd.

24 Oct. 2013

## Section IV. Financial Statements

### I. Financial statements

#### 1. Consolidated balance sheet

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	58,787,853.56	65,762,871.33
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		
Accounts receivable	17,370,512.29	9,889,336.96
Accounts paid in advance	173,594,989.13	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	313,700,302.41	314,281,649.69
Financial assets purchased under agreements to resell		
Inventories	111,169,943.97	109,749,172.81
Non-current assets due within 1 year		
Other current assets	3,000,000.00	
Total current assets	677,883,616.36	648,226,933.40
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	276,373,972.60	273,616,360.90
Held-to-maturity investments		

Long-term accounts receivable		
Long-term equity investment	50,049,791.10	50,758,716.34
Investing property	24,274,063.96	25,308,707.14
Fixed assets	317,234,405.53	334,321,547.26
Construction in progress	38,791,384.28	34,908,625.06
Engineering materials	606,206.60	606,206.60
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	30,916,300.94	31,636,550.86
R&D expense		
Goodwill		
Long-term deferred expenses	20,136,518.91	25,380,625.96
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	758,382,643.92	776,537,340.12
Total assets	1,436,266,260.28	1,424,764,273.52
Current liabilities:		
Short-term borrowings		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	19,307,946.77	20,503,123.52
Accounts received in advance	19,329,405.64	19,033,810.90
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	8,527,484.11	9,181,755.84
Tax payable	-1,028,383.07	2,205,732.91
Interest payable	122,908,293.74	112,552,231.11
Dividend payable	3,213,302.88	3,213,302.88
Other accounts payable	701,211,935.09	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	228,000,000.00	28,000,000.00
Other current liabilities		
Total current liabilities	1,101,469,985.16	784,560,987.20
Non-current liabilities:		
Long-term borrowings	132,000,000.00	341,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	48,290,592.27	47,601,189.35
Other non-current liabilities		
Total non-current liabilities	180,290,592.27	388,601,189.35
Total liabilities	1,281,760,577.43	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	524,014,365.95	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	-919,009,104.67	-820,552,991.12
Foreign exchange difference		
Total equity attributable to owners of the Company	141,237,729.67	237,625,634.44
Minority interests	13,267,953.18	13,976,462.53
Total owners' (or shareholders') equity	154,505,682.85	251,602,096.97
Total liabilities and owners' (or shareholders') equity	1,436,266,260.28	1,424,764,273.52

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

**2. Balance sheet of the Company**

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Closing balance	Opening balance
Current Assets:		
Monetary funds	7,226,421.54	2,641,297.45
Transactional financial assets		
Notes receivable		
Accounts receivable	2,968,429.08	2,341,351.09
Accounts paid in advance	50,300,000.00	50,196,666.00
Interest receivable		
Dividend receivable	260,015.00	260,015.00
Other accounts receivable	594,298,369.78	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	659,877,270.85	617,586,123.73
Non-current assets:		
Available-for-sale financial assets	276,373,972.60	273,616,360.90
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	299,436,895.40	300,108,192.64
Investing property	7,366,586.48	7,593,413.93
Fixed assets	16,278,268.98	17,446,366.12
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	1,517,292.87	1,553,040.60
R&D expense		

Goodwill		
Long-term deferred expenses	11,953,441.04	16,324,363.64
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	612,926,457.37	616,641,737.83
Total assets	1,272,803,728.22	1,234,227,861.56
Current liabilities:		
Short-term borrowings		210,000,000.00
Transactional financial liabilities		
Notes payable		
Accounts payable	2,482,949.70	2,482,949.70
Accounts received in advance	130,680.00	59,400.00
Employee's compensation payable	468,881.71	546,010.23
Tax payable	-1,336,435.64	-1,615,110.81
Interest payable	89,566,938.50	81,573,212.53
Dividend payable	3,213,302.88	3,213,302.88
Other accounts payable	554,182,620.91	295,396,790.14
Non-current liabilities due within 1 year	197,000,000.00	
Other current liabilities		
Total current liabilities	845,708,938.06	591,656,554.67
Non-current liabilities:		
Long-term borrowings		178,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	47,492,201.50	46,802,798.58
Other non-current liabilities		
Total non-current liabilities	47,492,201.50	224,802,798.58
Total liabilities	893,201,139.56	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	527,030,705.49	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	-683,660,585.22	-643,426,456.79
Foreign exchange difference		
Total owners' (or shareholders') equity	379,602,588.66	417,768,508.31
Total liabilities and owners' (or shareholders') equity	1,272,803,728.22	1,234,227,861.56

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

### 3. Consolidated income statement for the reporting period

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total operating revenues	47,202,742.92	41,396,363.51
Including: Sales income	47,202,742.92	41,396,363.51
II. Total operating cost	91,267,715.61	83,012,981.08
Including: Cost of sales	39,178,126.18	33,761,484.54
Taxes and associate charges	3,259,795.48	2,394,060.06
Selling and distribution expenses	1,612,330.26	1,826,277.83
Administrative expenses	23,184,600.41	25,445,687.48
Financial expenses	24,473,683.01	18,550,214.62
Asset impairment loss	-440,819.73	1,035,256.55
Gain/(loss) from investment ("-" means loss)	-201,429.17	-258,725.01
Including: share of profits in associates and joint ventures	-201,429.17	
III. Business profit ("-" means loss)	-44,266,401.86	-41,875,342.58
Add: non-operating income	8,819,519.77	98,938.84
Less: non-operating expense	4,119.85	13,884.01
IV. Total profit ("-" means loss)	-35,451,001.94	-41,790,287.75
Less: Income tax expense	33,134.28	95,531.39

V. Net profit (“-” means loss)	-35,484,136.22	-41,885,819.14
Attributable to owners of the Company	-34,001,104.90	-41,048,615.60
Minority shareholders' income	-1,483,031.32	-837,203.54
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.08	-0.1
(II) Diluted earnings per share	-0.08	-0.1
VII. Other comprehensive incomes	31,023,131.63	-41,420,280.00
VIII. Total comprehensive incomes	-4,461,004.59	-83,306,099.14
Attributable to owners of the Company	-2,977,973.27	-82,468,895.60
Attributable to minority shareholders	-1,483,031.32	-837,203.54

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

#### 4. Income statement of the Company for the reporting period

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jul.-Sept. 2013	Jul.-Sept. 2012
I. Total sales	290,872.20	288,669.10
Less: cost of sales	88,898.40	88,898.40
Business taxes and surcharges	16,288.84	16,165.47
Distribution expenses		1,701.00
Administrative expenses	5,385,677.19	5,654,351.12
Financial costs	16,490,490.12	11,264,799.65
Impairment loss	-431,920.19	983,003.54
Gain/(loss) from investment (“-” means loss)	-170,780.17	-258,725.01
II. Business profit (“-” means loss)	-21,429,342.33	-17,978,975.09
Add: non-business income	8,644,350.59	
Less: non-business expense	523.93	3,528.12
III. Total profit (“-” means loss)	-12,785,515.67	-17,982,503.21
IV. Net profit (“-” means loss)	-12,785,515.67	-17,982,503.21

V. Earnings per share	--	--
VI. Other comprehensive income	31,023,131.63	-41,420,280.00
VII. Total comprehensive income	18,237,615.96	-59,402,783.21

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

## 5. Consolidated income statement for Jan.-Sept. 2013

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total operating revenues	154,425,764.05	149,738,319.71
Including: Sales income	154,425,764.05	149,738,319.71
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	266,654,230.88	244,719,732.49
Including: Cost of sales	117,018,038.63	108,730,640.46
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	9,620,082.67	11,301,987.61
Selling and distribution expenses	6,219,275.46	6,705,935.94
Administrative expenses	69,925,679.95	78,446,279.78
Financial expenses	65,346,919.03	47,616,949.88
Asset impairment loss	-1,475,764.86	-8,082,061.18
Add: Gain/(loss) from change in fair value ("-" means loss)		

Gain/(loss) from investment (“-” means loss)	2,355,087.76	17,854,565.89
Including: share of profits in associates and joint ventures	-708,925.24	-688,189.29
Foreign exchange gains (“-” means loss)		
III. Business profit (“-” means loss)	-109,873,379.07	-77,126,846.89
Add: non-operating income	8,892,795.37	171,828.34
Less: non-operating expense	75,427.15	140,237.95
Including: loss from non-current asset disposal	18,727.23	
IV. Total profit (“-” means loss)	-101,056,010.85	-77,095,256.50
Less: Income tax expense	208,612.05	1,872,560.35
V. Net profit (“-” means loss)	-101,264,622.90	-78,967,816.85
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	-98,456,113.55	-78,783,414.04
Minority shareholders' income	-2,808,509.35	-184,402.81
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.23	-0.18
(II) Diluted earnings per share	-0.23	-0.18
VII. Other comprehensive incomes	2,068,208.78	10,611,681.59
VIII. Total comprehensive incomes	-99,196,414.12	-68,356,135.26
Attributable to owners of the Company	-96,387,904.77	-68,171,732.45
Attributable to minority shareholders	-2,808,509.35	-184,402.81

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

## 6. Income statement of the Company for Jan.-Sept. 2013

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Total sales	872,616.60	868,007.30
Less: cost of sales	266,695.20	266,695.20
Business taxes and surcharges	48,866.52	48,496.41
Distribution expenses		2,968.00
Administrative expenses	16,407,806.60	16,416,375.91
Financial costs	46,074,535.80	27,302,414.28
Impairment loss	-10,660,882.71	-2,293,543.42
Add: gain/(loss) from change in fair value (“-” means loss)		
Gain/(loss) from investment (“-” means loss)	2,392,715.76	110,254,565.89
Including: income from investment on associates and joint ventures	-671,297.24	-688,189.29
II. Business profit (“-” means loss)	-48,871,689.05	69,379,166.81
Add: non-business income	8,644,350.78	
Less: non-business expense	6,790.16	3,543.18
Including: loss from non-current asset disposal		
III. Total profit (“-” means loss)	-40,234,128.43	69,375,623.63
Less: income tax expense		
IV. Net profit (“-” means loss)	-40,234,128.43	69,375,623.63
V. Earnings per share	--	--
(I) Basic earnings per share	0	0
(II) Diluted earnings per share	0	0
VI. Other comprehensive income	2,068,208.78	10,611,681.59
VII. Total comprehensive income	-38,165,919.65	79,987,305.22

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

## 7. Consolidated cash flow statement for Jan.-Sept. 2013

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
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I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	150,363,104.72	134,531,557.50
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	31,350,987.80	18,020,154.87
Subtotal of cash inflows from operating activities	181,714,092.52	152,551,712.37
Cash paid for goods and services	63,227,126.91	51,505,073.86
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	90,916,572.94	78,753,886.41
Various taxes paid	16,193,706.56	18,782,038.75
Other cash payment relating to operating activities	76,165,461.24	73,666,224.43
Subtotal of cash outflows from operating activities	246,502,867.65	222,707,223.45
Net cash flows from operating activities	-64,788,775.13	-70,155,511.08
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	35,000,000.00	44,400,000.00
Cash received from return on investments	3,064,013.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	629,757.00	21,515,827.27
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	5,647,661.11	8,718,575.65
Subtotal of cash inflows from investing activities	44,341,431.11	74,634,402.92
Cash paid to acquire fixed assets, intangible assets and other long-term assets	16,435,653.66	84,323,600.71
Cash paid for investment	33,000,000.00	55,000,000.00
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	49,435,653.66	139,323,600.71
Net cash flows from investing activities	-5,094,222.55	-64,689,197.79
III. Cash Flows from Financing Activities:		
Cash received from capital contributions	2,100,000.00	

Including: Cash received from minority shareholder investments by subsidiaries	2,100,000.00	0.00
Cash received from borrowings	379,000,000.00	602,400,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities	1,300,000.00	
Subtotal of cash inflows from financing activities	382,400,000.00	602,400,000.00
Repayment of borrowings	262,000,000.00	303,900,000.00
Cash paid for interest expenses and distribution of dividends or profit	40,650,248.94	40,662,348.75
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	16,841,771.15	25,159,100.00
Sub-total of cash outflows from financing activities	319,492,020.09	369,721,448.75
Net cash flows from financing activities	62,907,979.91	232,678,551.25
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-6,975,017.77	97,833,842.38
Add: Opening balance of cash and cash equivalents	65,762,871.33	52,507,843.73
VI. Closing balance of cash and cash equivalents	58,787,853.56	150,341,686.11

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

## 8. Cash flow statement of the Company for Jan.-Sept. 2013

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Sept. 2013	Jan.-Sept. 2012
I. Cash flows from operating activities:		

Cash received from sale of commodities and rendering of service	885,215.20	0.00
Tax refunds received		
Other cash received relating to operating activities	57,930,297.95	6,676,569.64
Subtotal of cash inflows from operating activities	58,815,513.15	6,676,569.64
Cash paid for goods and services		
Cash paid to and for employees	4,332,624.69	3,690,573.44
Various taxes paid	865,562.55	394,820.10
Other cash payment relating to operating activities	17,887,380.95	113,562,093.74
Subtotal of cash outflows from operating activities	23,085,568.19	117,647,487.28
Net cash flows from operating activities	35,729,944.96	-110,970,917.64
II. Cash flows from investing activities:		
Cash received from retraction of investments	35,000,000.00	45,400,000.00
Cash received from return on investments	3,064,013.00	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		20,932,029.27
Net cash received from disposal of subsidiaries or other business units		
Other cash received relating to investing activities	5,647,661.11	8,718,575.65
Subtotal of cash inflows from investing activities	43,711,674.11	75,050,604.92
Cash paid to acquire fixed assets, intangible assets and other long-term assets	277,435.00	94,496.00
Cash paid for investment	103,329,500.00	153,100,000.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from	103,606,935.00	153,194,496.00

investing activities		
Net cash flows from investing activities	-59,895,260.89	-78,143,891.08
III. Cash Flows from Financing Activities:		
Cash received from capital contributions		
Cash received from borrowings	322,000,000.00	488,300,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	322,000,000.00	488,300,000.00
Repayment of borrowings	250,000,000.00	246,300,000.00
Cash paid for interest expenses and distribution of dividends or profit	30,607,788.83	28,250,655.26
Other cash payments relating to financing activities	12,641,771.15	21,659,100.00
Sub-total of cash outflows from financing activities	293,249,559.98	296,209,755.26
Net cash flows from financing activities	28,750,440.02	192,090,244.74
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	4,585,124.09	2,975,436.02
Add: Opening balance of cash and cash equivalents	2,641,297.45	515,955.59
VI. Closing balance of cash and cash equivalents	7,226,421.54	3,491,391.61

Legal representative: Zheng Qing

Person-in-charge of the accounting work: Chen Binglian

Chief of the accounting division: Yang Daoliang

## II. Audit report

Is this report audited?

Yes ✓ No

This report is not audited.