



HaiNan Pearl River Holdings Co., Ltd.

Report for the First Quarter of 2014

April 2014

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.

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

Zheng Qing, company principal, and Yang Daoliang, chief of the accounting work and chief of the accounting organ (chief of accounting), hereby confirm that the Financial Report enclosed in this report is 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. Main accounting data and financial indicators

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

	Jan.-Mar. 2014	Jan.-Mar. 2013	+/- (%)
Operating revenues (RMB Yuan)	75,218,398.46	62,592,524.54	20.17%
Net profit attributable to shareholders of the Company (RMB Yuan)	-35,538,513.44	-25,395,899.69	-39.94%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-35,502,994.82	-30,434,695.80	-16.65%
Net cash flows from operating activities (RMB Yuan)	-95,995,336.71	-32,277,707.08	-197.4%
Basic EPS (RMB Yuan/share)	-0.08	-0.06	33.33%
Diluted EPS (RMB Yuan/share)	-0.08	-0.06	33.33%
Weighted average ROE (%)	-37.83%	-11.47%	-26.36%
	31 Mar. 2014	31 Dec. 2013	+/- (%)
Total assets (RMB Yuan)	1,423,482,954.56	1,237,713,804.04	15.01%
Net assets attributable to shareholders of the Company (RMB Yuan)	71,149,003.97	116,714,215.59	-39.04%

Items and amounts of extraordinary gains and losses

☒ Applicable ☐ Inapplicable

Unit: RMB Yuan

Item	1 Jan. 2014-31 Mar. 2014	Explanation
Gains/losses on the disposal of non-current assets (including the offset part of the asset impairment provisions)	-421.50	
Capital occupation charges on non-financial enterprises that are recorded into current gains and losses	312,652.80	
Non-operating income and expense other than the above	-347,323.44	
Minority interests effects (after tax)	426.48	
Total	-35,518.62	--

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 shareholdings of top 10 shareholders

Unit: share

Total number of shareholders at the period-end		37,259				
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	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			
Xu Zhen	Domestic	0.61%	2,590,200			
Zhang Xiaoxia	Domestic	0.46%	1,949,250			
Hu Zhengxiu	Domestic	0.43%	1,845,500			
Chen Mingwei	Domestic	0.43%	1,827,900			
Li Hong	Domestic	0.33%	1,400,500			
Song Jing	Domestic	0.32%	1,356,799			
Nanhua Finance	Domestic	0.31%	1,299,500	1,299,500		
Ou Lei	Domestic	0.3%	1,289,465			
Liu Guosheng	Domestic	0.28%	1,175,616			
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	
Xu Zhen		2,590,200		RMB ordinary shares	2,590,200	
Zhang Xiaoxia		1,949,250		Domestically listed foreign shares	1,949,250	
Hu Zhengxiu		1,845,500		RMB ordinary shares	1,845,500	
Chen Mingwei		1,827,900		Domestically	1,827,900	

		listed foreign shares	
Li Hong	1,400,500	RMB ordinary shares	1,400,500
Song Jing	1,356,799	RMB ordinary shares	1,356,799
Ou Lei	1,289,465	RMB ordinary shares	1,289,465
Liu Guosheng	1,175,616	Domestically listed foreign shares	1,175,616
Guangzhou Pearl River Enterprises Group	1,150,000	RMB ordinary shares	1,150,000
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.		

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

☐ Yes ☒ No

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 Mar. 2014	31 Dec. 2013	+/-%	Reasons for the change
Monetary funds	111,022,578.43	62,362,242.69	78.03%	A subsidiary secured more cash borrowings.
Inventories	249,248,993.61	118,546,684.93	110.25%	Subsidiary Hubei Pearl River Real Estate Development Co., Ltd. increased its investment in the “Meilin Qingcheng Phase III Project”.
Other current assets	4,500,000.00		100.00%	Subsidiaries acquired bank wealth management products.
Other payables	735,844,500.79	555,911,820.21	32.37%	Subsidiary Hubei Pearl River Real Estate Development Co., Ltd. secured a borrowing from another company.
Minority interests	20,516,097.99	11,253,753.74	82.30%	The minority shareholders and the registered capital of subsidiary Hubei Pearl River Real Estate Development Co., Ltd. increased.

Item	31 Mar. 2014	31 Mar. 2013	+/-%	Reasons for the change
Selling expenses	1,579,375.39	3,435,537.06	-54.03%	The sales personnel of subsidiary Mudanjiang Pearl River Wanjia Travel Investment and Development Group Co., Ltd. decreased.
Financial expenses	25,549,141.58	15,205,396.83	68.03%	The financing costs increased.
Asset impairment loss	437,579.97	-1,428,641.10	130.63%	Bad-debt provisions increased.
Minority interest income	-1,696,853.93	-917,616.62	-84.92%	The minority interests of subsidiary Hubei Pearl River Real Estate Development Co., Ltd. increased and it recorded a loss for the current period.
Net cash flows from operating activities	-95,995,336.71	-32,277,707.08	-197.40%	Subsidiary Hubei Pearl River Real Estate Development Co., Ltd. increased its investment in the “Meilin Qingcheng Phase III Project”.
Net cash flows from investing activities	-18,636,529.55	21,052,622.45	-188.52%	The cash received in investment withdrawal decreased and the cash paid as investment increased.
Net cash flows from financing activities	163,292,202.00	5,471,658.83	2884.33%	The cash received as borrowings increased.

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

See the details in the table below:

Overview of the significant event	Date of disclosure	Website index to the disclosed relevant interim report
About the transfer of the equities of the majority shareholder and the planned private placement from the Company to TusHoldings, the State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality planned to transfer the equities of Beijing Xinxing Real Estate Development Corp. ("Xinxing Real Estate" for short), the actual controller of the Company's majority shareholder, from 18 Dec. 2013. Meanwhile, the Company planned to carry out a private placement with TusHoldings. Trading of the Company's shares was suspended from 18 Dec. 2013 for the reason for the said significant event of asset reorganization in planning. The Company promised to try to disclose the information in relation to the said significant event of asset reorganization according to the Format No. 26 and resume the share trading not later than 19 May 2014. Currently, the said significant event of asset reorganization is proceeding.	18 Dec. 2013	http://www.cninfo.com.cn
	25 Dec. 2013	http://www.cninfo.com.cn
	24 Jan. 2014	http://www.cninfo.com.cn
	18 Mar. 2014	http://www.cninfo.com.cn
	18 Apr. 2014	http://www.cninfo.com.cn
On 17 Dec. 2013, the 4 th Session of the 7th Board of Directors of the Company approved controlled subsidiary Hubei Pearl River Real Estate Development Co., Ltd. to bring in private real estate funds of RMB 250 million in total for the preliminary development of the phase III of its project. And RMB 160 million arrived in the reporting period.	20 Dec. 2013	http://www.cninfo.com.cn
	8 Jan. 2014	http://www.cninfo.com.cn

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

Naught

IV. Predict the operating results of Jan.-Jun. 2014

Warning of possible loss or considerable YoY change of the accumulated net profit made during the period-begin to the end of the next reporting period according to prediction, as well as explanations on the reasons:

☐ Applicable ☒ Inapplicable

V. Securities investments

Shareholdings in other listed companies

Unit: RMB Yuan

Stock code	Stock abbr.	Initial investment	Number of shares held	Stake in the investee	Closing book value	Gain/loss in the reporting period	Changes in owners' equity in the reporting period
600369	XNZQ	RMB 150 million	7.75 million shares	0.27%	64,867,500.00		-9,067,500.00

The stake in Southwest Securities changed due to the private placement that it carried out.

VI. Investments in derivatives

Naught

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
3 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	Asked about the suspension of the Company's shares and replied to the contents of the Company's announcement
6 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	The Mulin Town Special Railway and Coal Wholesale Market projects

7 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	The Company's business performance
7 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	The disclosure date of the Company's performance forecast
15 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	Asked about the suspension of the Company's shares and replied to the contents of the Company's announcement
15 Jan. 2014	Department of Securities	By phone	Individual	Individual investor	The disclosure date of the Company's performance forecast
4 Feb. 2014	Department of Securities	By phone	Individual	Individual investor	Asked about the suspension of the Company's shares and replied to the contents of the Company's announcement
26 Mar. 2014	Department of Securities	By phone	Individual	Individual investor	Asked about the suspension of the Company's shares and replied to the contents of the Company's announcement

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	111,022,578.43	62,362,242.69
Settlement reserves		
Intra-group lendings		
Transactional financial assets		
Notes receivable		
Accounts receivable	12,614,705.30	13,143,175.36
Accounts paid in advance	89,540,360.80	91,018,812.99
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserves		
Interest receivable		
Dividend receivable	260,015.00	260,015.00
Other accounts receivable	308,036,553.77	287,625,206.34
Financial assets purchased under agreements to resell		
Inventories	249,248,993.61	118,546,684.93
Non-current assets due within 1 year		
Other current assets	4,500,000.00	
Total current assets	775,223,206.91	572,956,137.31
Non-current assets:		
Loans by mandate and advances granted		
Available-for-sale financial assets	64,867,500.00	76,957,500.00

Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	47,940,981.62	48,179,838.13
Investing property	23,461,509.62	23,984,418.97
Fixed assets	444,932,649.07	452,747,443.22
Construction in progress	10,188,964.09	10,188,964.09
Engineering materials	606,206.60	606,206.60
Disposal of fixed assets		
Production biological assets		
Oil-gas assets		
Intangible assets	31,321,912.19	31,185,913.86
R&D expense		
Goodwill		
Long-term deferred expenses	24,940,024.46	20,907,381.86
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	648,259,747.65	664,757,666.73
Total assets	1,423,482,954.56	1,237,713,804.04
Current liabilities:		
Short-term borrowings		
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	35,036,279.32	34,758,922.28
Accounts received in advance	23,946,282.53	23,843,858.07
Financial assets sold for repurchase		
Handling charges and commissions payable		
Employee's compensation payable	8,882,459.08	10,764,089.33
Tax payable	8,406,616.51	8,600,877.07
Interest payable	112,998,670.73	101,140,724.11
Dividend payable	3,213,302.88	3,213,302.88

Other accounts payable	735,844,500.79	555,911,820.21
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	228,000,000.00
Other current liabilities		
Total current liabilities	1,156,328,111.84	966,233,593.95
Non-current liabilities:		
Long-term borrowings	164,000,000.00	129,000,000.00
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	11,489,740.76	14,512,240.76
Other non-current liabilities		
Total non-current liabilities	175,489,740.76	143,512,240.76
Total liabilities	1,331,817,852.60	1,109,745,834.71
Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	426,745,404.00	426,745,404.00
Capital reserves	378,477,752.61	387,545,252.61
Less: Treasury stock		
Specific reserves		
Surplus reserves	109,487,064.39	109,487,064.39
Provisions for general risks		
Retained profits	-843,561,217.03	-807,063,505.41
Foreign exchange difference		
Total equity attributable to owners of the Company	71,149,003.97	116,714,215.59
Minority interests	20,516,097.99	11,253,753.74
Total owners' (or shareholders') equity	91,665,101.96	127,967,969.33

Total liabilities and owners' (or shareholders') equity	1,423,482,954.56	1,237,713,804.04
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Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: 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	318,725.12	1,650,620.37
Transactional financial assets		
Notes receivable		
Accounts receivable	2,752,470.60	2,437,957.05
Accounts paid in advance	50,000,000.00	50,000,000.00
Interest receivable		
Dividend receivable	260,015.00	260,015.00
Other accounts receivable	621,006,440.70	599,990,581.53
Inventories	4,824,035.45	4,824,035.45
Non-current assets due within 1 year		
Other current assets		
Total current assets	679,161,686.87	659,163,209.40
Non-current assets:		
Available-for-sale financial assets	64,867,500.00	76,957,500.00
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investment	298,765,150.25	298,915,199.18
Investing property	7,215,368.18	7,290,977.33
Fixed assets	15,702,471.34	16,056,715.04
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Production biological assets		

Oil-gas assets		
Intangible assets	1,493,461.05	1,505,376.96
R&D expense		
Goodwill		
Long-term deferred expenses	6,392,868.63	9,127,521.96
Deferred income tax assets		
Other non-current assets		
Total of non-current assets	394,436,819.45	409,853,290.47
Total assets	1,073,598,506.32	1,069,016,499.87
Current liabilities:		
Short-term borrowings		
Transactional financial liabilities		
Notes payable		
Accounts payable	2,482,949.70	2,482,949.70
Accounts received in advance	265,963.50	61,875.00
Employee's compensation payable	460,078.88	781,412.78
Tax payable	7,141,893.52	6,966,593.30
Interest payable	70,808,925.57	61,988,940.20
Dividend payable	3,213,302.88	3,213,302.88
Other accounts payable	430,751,101.83	403,455,124.29
Non-current liabilities due within 1 year	197,000,000.00	197,000,000.00
Other current liabilities		
Total current liabilities	712,124,215.88	675,950,198.15
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Long-term payables		
Specific payables		
Estimated liabilities		
Deferred income tax liabilities	10,753,125.00	13,775,625.00
Other non-current liabilities		
Total non-current liabilities	10,753,125.00	13,775,625.00
Total liabilities	722,877,340.88	689,725,823.15

Owners' equity (or shareholders' equity)		
Paid-up capital (or share capital)	426,745,404.00	426,745,404.00
Capital reserves	381,494,092.15	390,561,592.15
Less: Treasury stock		
Specific reserves		
Surplus reserves	109,487,064.39	109,487,064.39
Provisions for general risks		
Retained profits	-567,005,395.10	-547,503,383.82
Foreign exchange difference		
Total owners' (or shareholders') equity	350,721,165.44	379,290,676.72
Total liabilities and owners' (or shareholders') equity	1,073,598,506.32	1,069,016,499.87

Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: Yang Daoliang

3. Consolidated income statement

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Operating revenues	75,218,398.46	62,592,524.54
Including: Sales income	75,218,398.46	62,592,524.54
Interest income		
Premium income		
Handling charge and commission income		
II. Total operating cost	111,890,551.33	88,673,918.91
Including: Cost of sales	51,153,821.56	43,104,049.53
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	4,078,574.55	3,752,740.27
Selling and distribution expenses	1,579,375.39	3,435,537.06
Administrative expenses	29,092,058.28	24,604,836.32
Financial expenses	25,549,141.58	15,205,396.83
Asset impairment loss	437,579.97	-1,428,641.10
Add: Gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	-215,469.56	-237,733.66
Including: share of profits in associates and joint ventures	-238,856.51	-237,733.66
Foreign exchange gains ("-" means loss)		
III. Business profit ("-" means loss)	-36,887,622.43	-26,319,128.03
Add: non-operating income	28,749.69	34,128.02
Less: non-operating expense	376,494.63	28,516.30
Including: loss from non-current asset disposal	421.50	667.10
IV. Total profit ("-" means loss)	-37,235,367.37	-26,313,516.31
Less: Income tax expense	0.00	
V. Net profit ("-" means loss)	-37,235,367.37	-26,313,516.31
Including: Net profit achieved by combined parties before the combinations		
Attributable to owners of the Company	-35,538,513.44	-25,395,899.69
Minority shareholders' income	-1,696,853.93	-917,616.62
VI. Earnings per share	--	--
(I) Basic earnings per share	-0.08	-0.06
(II) Diluted earnings per share	-0.08	-0.06
VII. Other comprehensive incomes	-9,067,500.00	-7,123,830.22

VIII. Total comprehensive incomes	-46,302,867.37	-33,437,346.53
Attributable to owners of the Company	-44,606,013.44	-32,519,729.91
Attributable to minority shareholders	-1,696,853.93	-917,616.62

Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: Yang Daoliang

4. Income statement of the Company

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Operating revenues	252,422.13	290,872.20
Less: operating costs	88,898.40	88,898.40
Business taxes and surcharges	10,775.65	16,288.84
Distribution expenses		
Administrative expenses	4,577,873.56	4,995,993.19
Financial costs	14,933,444.67	9,508,699.18
Impairment loss	-6,607.80	-1,317,614.44
Add: gain/(loss) from change in fair value ("-" means loss)		
Gain/(loss) from investment ("-" means loss)	-150,048.93	-237,733.66
Including: income from investment on associates and joint ventures	-150,048.93	-237,733.66
II. Business profit ("-" means loss)	-19,502,011.28	-13,239,126.63
Add: non-business income		
Less: non-business expense		
Including: loss from non-current asset disposal		
III. Total profit ("-" means loss)	-19,502,011.28	-13,239,126.63
Less: income tax expense		
IV. Net profit ("-" means loss)	-19,502,011.28	-13,239,126.63
V. Earnings per share	--	--

(I) Basic earnings per share	0	0
(II) Diluted earnings per share	0	0
VI. Other comprehensive income	-9,067,500.00	-7,123,830.22
VII. Total comprehensive income	-28,569,511.28	-20,362,956.85

Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: Yang Daoliang

5. Consolidated cash flow statement

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	72,575,085.92	57,631,845.31
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	44,801,654.00	19,337,375.12
Subtotal of cash inflows from operating activities	117,376,739.92	76,969,220.43
Cash paid for goods and services	146,784,870.19	21,906,135.82
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	43,109,204.98	34,793,165.45
Various taxes paid	5,675,757.16	7,266,596.46
Other cash payment relating to operating activities	17,802,244.30	45,281,029.78
Subtotal of cash outflows from operating activities	213,372,076.63	109,246,927.51
Net cash flows from operating activities	-95,995,336.71	-32,277,707.08
II. Cash flows from investing activities:		
Cash received from withdrawal of investments	6,543,871.23	26,000,000.00
Cash received from return on investments	9,515.72	
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	1,341,447.50	189,000.00
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	7,894,834.45	31,836,661.11

Cash paid to acquire fixed assets, intangible assets and other long-term assets	2,531,364.00	10,784,038.66
Cash paid for investment	11,000,000.00	
Net increase of pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities	13,000,000.00	
Subtotal of cash outflows from investing activities	26,531,364.00	10,784,038.66
Net cash flows from investing activities	-18,636,529.55	21,052,622.45
III. Cash flows from financing Activities:		
Cash received from capital contributions	10,000,000.00	
Including: Cash received from minority shareholder investments by subsidiaries	10,000,000.00	0.00
Cash received from borrowings	176,200,000.00	31,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	186,200,000.00	31,000,000.00
Repayment of borrowings	13,000,000.00	13,000,000.00
Cash paid for interest expenses and distribution of dividends or profit	4,994,798.00	9,618,865.55
Including: dividends or profit paid by subsidiaries to minority shareholders		
Other cash payments relating to financing activities	4,913,000.00	2,909,475.62
Sub-total of cash outflows from financing activities	22,907,798.00	25,528,341.17
Net cash flows from financing	163,292,202.00	5,471,658.83

activities		
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	48,660,335.74	-5,753,425.80
Add: Opening balance of cash and cash equivalents	62,362,242.69	65,762,871.33
VI. Closing balance of cash and cash equivalents	111,022,578.43	60,009,445.53

Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: Yang Daoliang

6. Cash flow statement of the Company

Prepared by HaiNan Pearl River Holdings Co., Ltd.

Unit: RMB Yuan

Item	Jan.-Mar. 2014	Jan.-Mar. 2013
I. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	468,918.25	401,165.00
Tax refunds received		
Other cash received relating to operating activities	24,455,231.90	11,695,394.78
Subtotal of cash inflows from operating activities	24,924,150.15	12,096,559.78
Cash paid for goods and services		
Cash paid to and for employees	1,620,691.54	1,612,063.85
Various taxes paid	85,826.85	112,414.29
Other cash payment relating to operating activities	6,380,527.01	13,629,756.72
Subtotal of cash outflows from operating activities	8,087,045.40	15,354,234.86
Net cash flows from operating activities	16,837,104.75	-3,257,675.08
II. Cash flows from investing activities:		

Cash received from retraction of investments	6,030,000.00	26,000,000.00
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	6,030,000.00	31,647,661.11
Cash paid to acquire fixed assets, intangible assets and other long-term assets	0.00	
Cash paid for investment	25,200,000.00	38,999,500.00
Net cash paid to acquire subsidiaries and other business units		
Other cash payments relating to investing activities		
Subtotal of cash outflows from investing activities	25,200,000.00	38,999,500.00
Net cash flows from investing activities	-19,170,000.00	-7,351,838.89
III. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received from borrowings	10,900,000.00	31,000,000.00
Cash received from issuance of bonds		
Other cash received relating to financing activities		
Subtotal of cash inflows from financing activities	10,900,000.00	31,000,000.00
Repayment of borrowings	6,000,000.00	13,000,000.00
Cash paid for interest expenses	1,986,000.00	6,133,100.00

and distribution of dividends or profit		
Other cash payments relating to financing activities	1,913,000.00	2,309,475.62
Sub-total of cash outflows from financing activities	9,899,000.00	21,442,575.62
Net cash flows from financing activities	1,001,000.00	9,557,424.38
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	-1,331,895.25	-1,052,089.59
Add: Opening balance of cash and cash equivalents	1,650,620.37	2,641,297.45
VI. Closing balance of cash and cash equivalents	318,725.12	1,589,207.86

Legal representative: Zheng Qing

Chief of the accounting work: Yang Daoliang

Chief of the accounting organ: Yang Daoliang

II. Audit report

This report is not audited.