

Stock Code: 000505, 200505

Stock Abbr.: *STZJ, *STZJB

Announcement No.: 2013-032

HaiNan Pearl River Holdings Co., Ltd.

Abstract of the 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	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 Co., Ltd.	State-owned corporation	26.36%	112,479,478	0	Pledged	20,000,000
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	0.32%	1,356,799	0		

	person					
Nanhua Finance Co., Ltd.	Domestic non-state-owned corporation	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	Naught					

financing and securities lending (if any)	
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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 http://www.cninfo.com.cn 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