

Stock Code: 000505, 200505

Stock Abbr.: ZJKG, ZJB

Announcement No.: 2015-015

# HaiNan Pearl River Holdings Co., Ltd.

## Abstract of the 2015 Semi-annual Report

### 1. Important reminders

This abstract is based on the full text of the semi-annual report. For more details, investors are suggested to read the full text disclosed at the same time with this abstract on <http://www.cninfo.com.cn>, the website of Shenzhen Stock Exchange or any other website designated by CSRC.

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

Company profile

Stock abbreviation	ZJKG, ZJB	Stock code	000505, 200505
Stock exchange listed with	Shenzhen Stock Exchange		
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### 2. Financial highlights and changes in shareholders

#### (1) Financial highlights

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

	Reporting period	Same period of last year	YoY +/-
Operating revenues (RMB Yuan)	136,117,829.19	124,684,500.79	9.17%
Net profit attributable to shareholders of the Company (RMB Yuan)	21,492,625.03	-76,849,759.83	127.97%
Net profit attributable to shareholders of the Company after extraordinary gains and losses (RMB Yuan)	-103,796,313.13	-77,979,104.27	-33.11%
Net cash flows from operating activities (RMB Yuan)	-94,962,794.82	-156,748,554.81	39.42%
Basic EPS (RMB Yuan/share)	0.05	-0.18	127.98%
Diluted EPS (RMB Yuan/share)	0.05	-0.18	127.98%
	As at the end of the reporting period	As at the end of last year	YoY +/-
Total assets (RMB Yuan)	1,588,084,330.14	1,645,436,644.78	-3.49%
Net assets attributable to shareholders of the Company (RMB Yuan)	-88,070,500.20	15,564,470.40	-665.84%

#### (2) Shareholdings of the top 10 common shareholders

Unit: share

Total number of common shareholders at the end of the reporting period	40,122
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Shareholdings of the top 10 common shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total common shares held at the period-end	Number of restricted common 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			
Li Leon Zhan Wei	Foreign individual	2.38%	10,158,806			
Yao Xiu Guang	Foreign individual	2.06%	8,777,329			
Yao Liyuan	Domestic individual	0.46%	1,963,376			
Zhang Xiaoxia	Domestic individual	0.46%	1,949,250			
Lu Yusheng	Domestic individual	0.39%	1,649,750			
Wang Jianjun	Domestic individual	0.37%	1,599,910			
Chen Mingwei	Domestic individual	0.36%	1,523,704			
Zhongrong International Trust Co., Ltd.-Rongxiang No. 4 Structural Securities Investment Assembled Funds Trust	Other	0.34%	1,440,800			
South China Financial Holdings Limited	Domestic non-state-owned corporation	0.30%	1,299,500	1,299,500		
Explanation on associated relationship or persons acting in concert among the above-mentioned shareholders	Among the 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 securities margin trading (if any)	Shareholder Wang Jianjun holds 1,599,910 shares in the Company through a client account of collateral securities for margin trading in Nanjing Securities Co., Ltd. And shareholder Ren Yuhua holds a total of 1,230,700 shares in the Company, with 30,700 shares through a common securities account and 1,200,000 shares through a client account of collateral securities for margin trading in China Galaxy Securities Co., Ltd.					

### (3) Shareholdings of the top 10 preference shareholders

Applicable  Inapplicable

No preference shares in the reporting period.

### (4) Change of the controlling shareholder or the actual controller

Change of the controlling shareholder in the reporting period

Applicable  Inapplicable

The controlling shareholder did not change in the reporting period.

Change of the actual controller in the reporting period

Applicable  Inapplicable

The actual controller did not change in the reporting period.

### 3. Discussion and analysis by the management

In the first half of 2015, we still faced great difficulties in our operation due to the strong pressure for us to repay the principals and interest of the mature loans previously secured, the rising labor cost in our property and hotel services, the fierce competition on the regional market, etc.

Up to 30 Jun. 2015, our un-audited total assets were RMB 1,588,084,330.14 and net assets attributable to our shareholders were RMB -88,070,500.20. For Jan.-Jun. 2015, we achieved operating revenues of RMB 136,117,829.19 and net profits of RMB 18,641,274.06, of which the net profits attributable to the owners of the Company (without subsidiaries) were RMB 21,492,625.03 and the minority shareholders' income was RMB -2,851,350.97.

#### I. Operation review for the reporting period

1. During the reporting period, the progress of the major structures of the 38# building, 39# building and 40# building of Phase III of Hubei Meiling Qingcheng Project had respectively reached the 27<sup>th</sup> floor, 24<sup>th</sup> floor and 21<sup>st</sup> floor; the progress of the brickwork and the secondary structure had respectively reached the 15<sup>th</sup> floor, 10<sup>th</sup> floor and 8<sup>th</sup> floor; the waterproof engineering and backfill engineering of the basement had completed; the completed amount of the main project was of RMB 63 million and the accumulative completed amount was of RMB 93 million. There were 446 sets of the residences of 41,950 square meters in the 39<sup>th</sup> building and 40<sup>th</sup> building of the opening quotation of the first period and there were 234 sets completed the subscription on the day of opening as well as the amount of the tentative contract of the purchase letter was about of RMB 230 million that acquired the favorable performance of the opening quotation.

2. The business season of the Snow Town of the controlling shareholder, Mudanjiang Tourist Development Group in 2015 was from Jan. to Mar. and since Apr., the Group went out of business after the snow season. The realized operating income of the business season of the first half year was of RMB 22.5036 million with the realized net profits of RMB 12.5404 million and within the reporting period, the Group continued to invest of about RMB 30 million for the construction of the comprehensive service center project of the Days Resort in Snow Town which had not completed the capping of the major structures with the secondary structure being executing.

3. Property management: the property management company the Company attributed to was facing larger financial risks and capital pressure. Owning to part of the "migrant bird type" project was in the property income recycling slack season, part of the income of the first half year delayed the recycling. Meanwhile the lowest wage standards and the payment base of the employees' social security had constantly been up-regulated, which caused the labor cost of the employees increased sharply compared to the same period of the previous years. The property company of the first half year of 2015 had completed the operating income of RMB 94.1058 million, the expense of operating cost of RMB 94.5869 million, the paid business tax of RMB 5.4576 million and the realized profits of RMB -0.4852 million as well as there were 86 management projects of the property company and its subsidiaries and branch companies with the comprehensive management area of about 7.50 million square meter, of which there were 67 residence projects and 14 office projects. In terms of the structure of the project, the percentage of the residence projects was of 80%, while under the situation of the unraised property fee of more than ten years but the operating cost increased by twofoldness, the profit sources of the residence projects became smaller even was in the loss state.

4. Progress of the projects invested in previous period:

The coal logistics project of Mulin Town had changed the plan as used the land lot for developing the solar power generation and the greenhouse agriculture projects, during the reporting period, had

completed project approval, now the Company is applying project approval procedures, etc to the relevant departments.

Yunxi iron mines project: Owing to the continuous low level of the market price of the powdered iron, the Company temporary slowed down the original plan of mining area production line construction and equipment installation. During the reporting period, the Company and the cooperation party strengthen the management of mining area, contacted with many steel mills, inspection, straighten out and establish sales channel. In line with the market condition, adjusted production line construction and mineral detailed survey schedule of mining area of Zhao courtyard and Dujiawan. Due to the iron ores grade of Zhao courtyard was lower than Dujiawan, in line with the analysis of market condition, planed to transfer the production equipment invested to Dujiawan, the iron ore grade had larger competitiveness in the market. Meanwhile, considering the influence of the continuous low level of the domestic market price of iron ore, the Company actively seeks project transfer or introduces strategic investors to develop the project in common.

During the reporting period, the land certificate for the industrial land of the Real Estate Development Project on a Former Tubular Pile Factory had been completed, so far, the Company is waiting for the land certificate issued by Land Departments. The planning and design of project will be conducted after the adjustment of regulatory detailed planning in the area issued by the Sanya government.

5. During the reporting period, in order to relieve capital pressure of repaying capital with interest of the loan in previous period due in reporting period, the Company had sold its holding of 7,750,000 shares of Southwest Securities which obtained investment income RMB 120 million, which was the Company's main profit sources in the first half of the year .

#### 4. Matters related to financial reporting

**(1) Explain any changes in the accounting policies, accounting estimates and measurement methods as compared with the financial reporting of last year**

Applicable  Inapplicable

No such cases in the reporting period.

**(2) Explain any retrospective restatement due to correction of significant accounting errors in the reporting period**

Applicable  Inapplicable

No such cases in the reporting period.

**(3) Explain any changes in the consolidation scope as compared with the financial reporting of last year**

Applicable  Inapplicable

No such cases in the reporting period.

**(4) Explanation of the Board of Directors and the Supervisory Committee concerning the “non-standard audit report” issued by the CPAs firm for the reporting period**

Applicable  Inapplicable

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

29 August 2015