

Stock Code: 000505, 200505

Stock Name: \*ST Pearl River A, \*ST Pearl River B

Announcement No. 2017-025

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

### **Abstract of the Report for the First Quarter of 2017**

## **Section I Important Statements**

**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.**

**Wang Chunli, company principal, Guan Ying, chief of the accounting work and Wu Xiukun, 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 Profile of the Company

### I Financial results

Whether the Company performed any retroactive adjustments to or restatement of its accounting data due to changes of accounting policies or correction of accounting errors

Yes  No

	January-March 2017	January-March 2016	+/-%
Operating revenues (RMB)	250,701,694.22	80,025,245.10	213.28%
Net profit attributable to shareholders of the Company (RMB)	13,757,116.56	-38,541,192.11	135.69%
Net profit attributable to shareholders of the Company before exceptional profit and loss (RMB)	14,595,277.71	-38,415,455.62	137.99%
Net operating cash flow (RMB)	-77,228,574.91	124,823,160.52	-161.87%
Basic earnings per share (RMB/share)	0.03	-0.09	133.33%
Diluted earnings per share (RMB/share)	0.03	-0.09	133.33%
Weighted average return on equity (%)	19.12%	0.00%	19.12%
	31 March 2017	31 December 2016	+/-%
Total assets (RMB)	1,090,959,173.69	1,385,469,635.17	-21.26%
Net assets attributable to shareholders of the Company (RMB)	78,845,419.44	65,088,302.88	21.14%

Exceptional profit and loss

Applicable  Not applicable

Unit: RMB

Item	January-March 2017	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	167,691.55	
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for the Reporting Period	512,971.70	
Non-operating income and expense other than the above	-1,539,967.75	
Less: Income tax effects	-42,187.36	
Minority interests effects (after tax)	21,044.01	
Total	-838,161.15	--

Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Profit and Loss, or reclassified any exceptional profit/loss item given as an example in the said explanatory announcement to recurrent profit/loss

Applicable  Not applicable

No such cases in the Reporting Period.

## II Total number of shareholders at the period-end and shareholdings of top ten shareholders

### 1. Numbers of common shareholders and preference shareholders with resumed voting rights as well as shareholdings of top ten shareholders

Unit: share

Total number of common shareholders at the period-end	31,930	Total number of preference shareholders with resumed voting rights at the period-end (if any)	0			
Shareholdings of top ten 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 Grain Group Co., Ltd.	State-owned corporation	28.95%	123,561,963			
Li Sheryn Zhan Ming	Foreign individual	4.84%	20,647,100			
BOC—Jiashi Securities Investment Fund in Value-added Industry	Domestic non-state-owned corporation	0.61%	2,595,200			
Yang Shuling	Domestic individual	0.58%	2,458,000			
Xu Zhen	Domestic individual	0.52%	2,209,200			
Gao Biao	Domestic individual	0.50%	2,120,000			
Yao Liyuan	Foreign individual	0.46%	1,950,000			
Zhang Xiaoxia	Foreign individual	0.46%	1,949,250			
Zhong Yi	Domestic individual	0.38%	1,640,083			
Wang Dao	Domestic individual	0.37%	1,595,900			
Shareholdings of top ten non-restricted shareholders						
Name of shareholder		Number of non-restricted shares held		Variety of shares		

		Variety	Number
Beijing Grain Group Co., Ltd.	123,561,963	RMB common shares	123,561,963
Li Sheryn Zhan Ming	20,647,100	Domestically listed foreign shares	20,647,100
BOC—Jiashi Securities Investment Fund in Value-added Industry	2,595,200	RMB common shares	2,595,200
Yang Shuling	2,458,000	RMB common shares	2,458,000
Xu Zhen	2,209,200	RMB common shares	2,209,200
Gao Biao	2,120,000	RMB common shares	2,120,000
Yao Liyuan	1,950,000	Domestically listed foreign shares	1,950,000
Zhang Xiaoxia	1,949,250	Domestically listed foreign shares	1,949,250
Zhong Yi	1,640,083	RMB common shares	1,640,083
Wang Dao	1,595,900	RMB common shares	1,595,900
Related or acting-in-concert parties among the above 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.		
Top ten common shareholders conducting securities margin trading (if any)	The shareholder, Zhong Yi held 1,640,083 shares of the Company through the customer credit collateral securities trading account of Fortune Securities Co., Ltd.. The shareholder, Wang Dao held 1,295,900 shares of the Company through common account and held 300,000 shares of the Company through the customer credit collateral securities trading account of Cinda Securities Co., Ltd..		

Did any of the top ten common shareholders or the top ten non-restricted common shareholders of the Company conduct any promissory repo during the Reporting Period?

Yea  No

No such cases in the Reporting Period.

**2. Total number of preference shareholders and shareholdings of the top ten of them**

Applicable  Not applicable

## Section III Significant Events

### I Changes in major accounting statement items and financial indicators for the Reporting Period, as well as reasons for such changes

√ Applicable □ Not applicable

Item	03/31/2017	12/31/2016	+/- (%)	Reason for change
Monetary funds	145,198,515.20	246,504,351.39	-41.10%	Mainly because of the repayment of loans and money for land transfer from subsidiary Hubei Pearl River Co., Ltd. in this Reporting Period
Inventories	113,680,381.94	297,867,807.05	-61.84%	Mainly because of subsidiary Shanghai Real Estate Co., Ltd.'s change of holding purpose of building it holds, from inventories to investment real estate and costs of the selling of real estate transaction from Hubei Company.
Other current assets	-	8,714,139.07	-100.00%	Mainly because there are no such cases in this Reporting Period where subsidiary Hubei Company paid taxes in advance
Investment real estate	41,424,771.83	19,244,780.80	115.25%	Mainly because of subsidiary Shanghai Real Estate Co., Ltd.'s change of holding purpose of building it holds, from inventories to investment real estate
Accounts payable	17,670,161.90	77,627,005.61	-77.24%	Mainly because of the payment of parts of project fund from subsidiary Hubei Real

				Estate Co., Ltd. in this Reporting Period
Accounts received in advance	224,367,103.88	365,746,868.16	-38.66%	Mainly because of income of the selling of real estate transaction from subsidiary Hubei Real Estate Co., Ltd.
Non-current liabilities due within one year	-	78,710,181.59	-100.00%	Mainly because of repayment of loans from subsidiary Mudanjiang Travel Group
Long-term borrowings	5,000,000.00	73,666,666.66	-93.21%	Mainly because of repayment of loans from subsidiary Mudanjiang Travel Group
Minority equity	-11,470,075.98	-4,096,952.76	-179.97%	Mainly because of dividend of subsidiary Hubei Real Estate Co., Ltd.

Item	January-March 2017	January-March 2016	+/- (%)	Reason for change
Operating revenues	250,701,694.22	80,025,245.10	213.28%	Mainly because of income of the selling of real estate transaction from subsidiary Hubei Pearl River Co., Ltd.
Operating costs	184,669,214.20	62,053,529.67	197.60%	Mainly because of costs of the selling of real estate transaction from subsidiary Hubei Pearl River Co., Ltd.
Taxes and surtaxes	11,359,640.40	4,535,479.61	150.46%	Mainly because of the provision of related taxes for selling of real estate from subsidiary Hubei Pearl River Co., Ltd.
Selling expenses	2,813,146.35	4,500,007.25	-37.49%	Mainly because of the decrease of sales commission in this Reporting Period

Financial expenses	3,601,893.63	24,749,365.53	-85.45%	Mainly because of repayment of the principal and decrease of financing costs in this Reporting Period
Asset impairment loss	-4,012,911.94	245,161.16	-1736.85%	Mainly because of receiving parts of receivables in this Reporting Period
Income tax expenses	8,208,612.14	29,699.94	27538.48%	Mainly because of provision of income taxes for revenues from Hubei Pearl River Co., Ltd. and Shanghai Real Estate Co., Ltd.
Minority interest income	1,806,876.78	-2,335,161.42	177.38%	Mainly because of revenues from subsidiary Hubei Pearl River Co., Ltd.
Net cash flow from operating activities	-77,228,574.91	124,823,160.52	-161.87%	Mainly because of decrease of receipt of house payment in advance from subsidiary Hubei Pearl River Co., Ltd. in this Reporting Period
Net cash flow from investment activities	53,904,911.22	7,258,357.17	642.66%	Mainly because of receiving cash from recovery of parts of investment and selling of parts of fixed assets and investment real estate
Net cash flow from financing activities	-77,982,172.50	-127,094,529.15	38.64%	Mainly because of increase of receipts from loans in this Reporting Period

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

Applicable  Not applicable

(I) The Company signed the Supplementary Agreement (II) on the Profit Compensation Agreement that has additional conditions with Beijing Grain Group Co., Ltd. and Beijing State-owned Capital Management Center on February 15, 2017. After the signing of

the supplementary agreement, the profitability commitment period of the transaction is adjusted from 2016, 2017 and 2018 to 2017, 2018 and 2019, and if the transaction fails to be implemented in 2017, the first year of the profitability commitment period of this transaction will be the year when the target company completes the transaction. The net profit-attributable to the owner of the Company- of the consolidated financial statements after deducting non-recurring gains and losses committed by the target company for 2017, 2018, and 2019 will be adjusted accordingly to not less than RMB 130.1115 million, RMB 150.3937 million and RMB 162.1605 million.

(II) To resolve competition between the controlling shareholders and the listed company, to safeguard the interests of listed companies and small and medium shareholders, the Company decides to terminate the grain trade contract signed by parties concerned, to recover the commercial acceptance bill and authorize the management of the Company to handle the specific business and contract's cancellation and termination.

(III) According to the relevant issues raised in "The Notice of the First Review Feedback of China Securities Regulatory Commission Administrative Licensing Project, the Company has updated and revised documents related to major assets reorganization such as the auditing report of the transaction object and files for review of listed companies, has seriously studied and implemented the helpful feedback and has replied to questions raised as required together with the agency in accordance with the latest financial status of the Company and the target company.

(IV) In order to ensure the smooth progress of this major assets reorganization, the Company determined to terminate the cooperation agreement with Beijing Anxin Law Firm and entrusted Beijing Zhonglun Law Firm as the special legal adviser for this major assets reorganization, providing documents related to the major assets reorganization such as the legal opinion after the friendly consultations with Beijing Anxin Law Firm and Beijing Zhonglun Law Firm.

(V) The progress of the Company's joint and several liability guarantee for ICBC Mudanjiang Sub-Branch and China Citic Bank Mudanjiang Sub-Branch and the Company's liability of counter guarantee for Heilongjiang Xinzhen Investment Guarantee Group Co., Ltd.: the Company has received the notice from ICBC Mudanjiang Sub-Branch, China Citic Bank Mudanjiang Sub-Branch and Heilongjiang Xinzhen Investment Guarantee Group Co., Ltd. that the Company's related liabilities have been lifted after the full return of loans by Mudanjiang Pearl River Wanja Tourism Investment Development Group Co., Ltd..

Generalization of significant events	Date of disclosure	Index
The Company signed the Supplementary Agreement (II) on the Profit Compensation Agreement that has additional conditions with Beijing Grain Group Co., Ltd. and Beijing State-owned Capital Management Center on February 15, 2017. After the signing of the supplementary agreement, the profitability commitment period of the transaction is adjusted from 2016, 2017 and 2018 to 2017, 2018 and 2019, and if the transaction fails to be implemented in 2017, the first year of the profitability commitment period of this transaction will be the year when the target company completes the transaction. The net profit-attributable to the owner of the Company- of the consolidated financial statements after deducting non-recurring gains and losses committed by the target company for 2017, 2018, and 2019 will be adjusted accordingly to not less than RMB 130.1115 million, RMB 150.3937 million and RMB 162.1605 million.	02/16/2017	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> Announcement No.: 2017-003
To resolve competition between the controlling shareholders and the listed company, to safeguard the interests of listed companies and small and medium shareholders, the Company decides to terminate the grain trade contract signed by parties concerned, to recover the commercial acceptance bill and authorize the management of the Company to handle the specific business and contract's cancellation and termination.	03/07/2017	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> Announcement No.: 2017-009

According to the relevant issues raised in "The Notice of the First Review Feedback of China Securities Regulatory Commission Administrative Licensing Project, the Company has updated and revised documents related to major assets reorganization such as the auditing report of the transaction object and files for review of listed companies, has seriously studied and implemented the helpful feedback and has replied to questions raised as required together with the agency in accordance with the latest financial status of the Company and the target company.	03/17/2017	http://www.cninfo.com.cn Announcement No.: 2017-012
In order to ensure the smooth progress of this major assets reorganization, the Company determined to terminate the cooperation agreement with Beijing Anxin Law Firm and entrusted Beijing Zhonglun Law Firm as the special legal adviser for this major assets reorganization, providing documents related to the major assets reorganization such as the legal opinion after the friendly consultations with Beijing Anxin Law Firm and Beijing Zhonglun Law Firm.	04/01/2017	http://www.cninfo.com.cn Announcement No.: 2017-015
The progress of the Company's joint and several liability guarantee for ICBC Mudanjiang Sub-Branch and China Citic Bank Mudanjiang Sub-Branch and the Company's liability of counter guarantee for Heilongjiang Xinzheng Investment Guarantee Group Co., Ltd.: the Company has received the notice from ICBC Mudanjiang Sub-Branch, China Citic Bank Mudanjiang Sub-Branch and Heilongjiang Xinzheng Investment Guarantee Group Co., Ltd. that the Company's related liabilities have been lifted after the full return of loans by Mudanjiang Pearl River Wanja Tourism Investment Development Group Co., Ltd..	04/11/2017	http://www.cninfo.com.cn Announcement No.: 2017-017

### **III Commitments of the Company's actual controller, shareholders, related parties and acquirer, as well as the Company and other commitment makers, unfulfilled in this reporting period**

Applicable  Inapplicable

For details, please refer to the Report for the First Quarter of 2017 disclosed at the same time with this Abstract on [www.cninfo.com.cn](http://www.cninfo.com.cn).

### **IV Operating result forecast for January-June 2017**

Warning of a forecast deficit or considerable YoY change in the accumulative net profit made during the period from the beginning of the year to the end of the next reporting period, as well as explanation of why:

Applicable  Not applicable

### **V Securities investments**

Applicable  Not applicable

No such cases in the Reporting Period.

## **VI Investments in derivative financial instruments**

Applicable  Not applicable

No such cases in the Reporting Period.

## **VII Visits paid to the Company in the Reporting Period for purposes of research, communication, interview, etc.**

Applicable  Not applicable

No such cases in the Reporting Period.

## **VIII Illegal provision of guarantees for external parties**

Applicable  Not applicable

No such cases in the Reporting Period.

## **IX Occupation of the Company's funds by the controlling shareholder or its related parties for non-operating purposes**

Applicable  Not applicable

No such cases in the Reporting Period.

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

**April 29, 2017**