



HaiNan Pearl River Holdings Co., Ltd.

Report for the First Quarter of 2017

April 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

(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	http://www.cninfo.com.cn 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	http://www.cninfo.com.cn 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	03/17/2017	http://www.cninfo.com.cn Announcement No.:

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.		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

Commitment	Commitment maker	Commitment type	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitments made at the time of assets reorganization	Beijing Food Group Co., Ltd(hereinafter referred to as "BGG"); Chen Binglian; Guan Ying; Wang Chunli; Wang Guofeng; Wang Jianxin; Wang Xinxin; Xue Chunlei; Yao Gang; Zhao Yanming; Zhao Yinhu; Zhu Hengyuan	Other commitments	The Company will bear compensation liabilities if there exists illegal behaviors, like idle land not disclosed, causing a loss for listed companies and investors.	03/17/2017	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period
	Beijing Food Group Co., Ltd	Commitments on increased	"1. Person who increases shares: BGG; 2.	11/07/2016	Performing according to	the commitment

	shares	Implementation period of increased shares plan: from 11/07/2016 to 05/07/2017, total 6 months; 3. The amount or number of increased shares: increasing the Company's shares on the condition that the related rules of CSRC and Shenzhen Stock Exchange are observed, and the amount is no less than RMB130 million, no more than RMB220 million, and it can't trigger the duty of tender offer; 4. Price of increased shares: not setting a price range. BGG will not initiatively decrease the holdings of Company's shares on holding period and within the legal time limit. "		the commitment makers abided by the commitments during the Reporting Period
Beijing State-owned Capital Operation and Management Center(hereinafter referred to as "GGZX"); Beijing Food Group Co., Ltd	Commitment on performance and compensation arrangement	"BGG and GGZX committed that the net profit attributable to owners of the Company after deducting exceptional profit and loss in the consolidates financial statements committed during the commitment period of profit by Beijing Food Co., Ltd(hereinafter referred to as "JLGF") was respectively no less than RMB130.1115 million, RMB150.3937million, and RMB162.1605 million. During the commitment period of profit, if the placed assets' accumulative actual net profit till the end of the current period is less then accumulative the promised net profit till the end of the current period, then BGG and GGZX should	11/02/2016	Performing according to the commitment makers abided by the commitments during the Reporting Period

		compensate the listed companies as agreed....."			
Guan Ying; Song Chunling; Wang Chunli; Wang Guofeng; Wang Jianxin; Wang Xinxin; Xu Laizheng; Xue Chunlei; Yao Gang; Zhang Cunliang; Zhao Yanming; Zhao Yinhu; Zhu Hengyuan	Other commitments	<p>"According to requirements in the Guidance about Diluted Immediate Return of Initial Offering and Refunding, Major Assets Restructuring Related Issues of China Securities Regulatory Commission (announcement of China Securities Regulatory Commission No. [2015]31), director and senior managers of listed company make the following commitment: 1. Do not transport interest to other units or person with payment or unfair terms, also, do not take other methods to harm the interest of company; 2. Restrain the position-related consuming behavior of committing party; 3. Do not use capital of corporate assets to work on investment and consumption activities which are irrelevant to implementation of duty; 4. The salary system formulated by board of directors or salary and assessment committee is linked up with the implementation of filling return measures of the company; 5. If the company publishes equity incentive policy next, the exercise conditions of equity incentive policy to be published is linked up with the implementation of filling return measures of the company; 6. From the date of</p>	11/02/2016	Performing according to the commitment	the commitment makers abided by the commitments during the Reporting Period

		issuing the commitment to the date of the implementation of major assets reconstructing of the company this time is completed, if China Securities Regulatory Commission publishes other new regulatory rules about filling return measures and the commitment, and the above commitment cannot meet the corresponding rule of China Securities Regulatory Commission, then complementary commitment will be issued according to new rules of China Securities Regulatory Commission.”			
Beijing State-owned Capital Management Center	Other commitments	“The stocks which are issued to GGZX this time cannot be transferred within 36 months since the date of listed stocks. When the above term expires, if the GGZX does not complete to implement the obligations of profit compensation which is agreed according to Profit Compensation Agreement and the complementary agreement, then the lockup period of stocks which are issued to GGZX will be prolonged to the date when GGZX completes to implement the obligations of profit compensation. If the information provided or revealed for the transaction is suspected of being involved in false record, misleading statement or major omission, and judicial office places a case on file for investigation	07/29/2016	Performing according to the commitment	the commitment makers abided by the commitments during the Reporting Period

		<p>or China Securities Regulatory Commission places a case on file for investigation, before forming investigation conclusions, committing party cannot transfer the stocks with equity in HaiNan Pearl River Holdings Co., Ltd. (hereinafter referred to as “ZJKG”), and written application for pausing transferring and stock account shall be submitted to board of directors of listed company within two transaction days since the date that the case is filed and inspection notice is received. Board of directors applies to Stock Exchange and Registration & Settlement Company for lockup directly. If committing party does not submit lockup application within two transaction days, board of directors is authorized for verification, after this, board of directors can report the identification information and account information of the person to Stock Exchange and Registration & Settlement Company directly, and the board applies for lockup. If board of directors does not report the identification information and account information of committing party to Stock Exchange and Registration & Settlement Company, Stock Exchange and Registration & Settlement Company are authorized to</p>		
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			lock the relevant stocks directly. If laws violating and regulations violating conditions are found in investigation conclusions, committing party promises that the locked stocks can be used for compensation for relevant investors voluntarily."			
Beijing Fang Cheng Real Estate Development CO., Ltd; Zhao Guangsheng	Other commitments		"1. Except that the Company/I myself, once regarded as the limited partner with Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership) (hereinafter referred to as "XNRY")existed associated relationships with it, the Company/I myself didn't exist any associated relationships with ZJKG, BGG, GGZX, Guokai Finance Co., Ltd(hereinafter referred to as "GKJR"), and JLGF. 2. the Company/I myself signed the Share Transfer Agreement of Partnership Firm with Beijing Xinniu Investment Consulting Co., Ltd, and Xinniu Runying(Tianjing) Equity Investment Funds Management Co., Ltd, transferring all the shares of XNRY held by the Company to Beijing Xinniu Investment Consulting Co., Ltd. The price of this share transfer is based on the initial invested amount. Considering the 10% return on investment per year, the pricing of this share transfer is not comparable with the pricing of this	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

			transaction, and there is no associated relationship between this transfer agreement and this transaction.”			
Beijing Xinniu Investment Consulting Co., Ltd; Beijing Xingrongji Real Estate Co., Ltd; Beijing Zhibang Rongye Investment Co., Ltd; Shan Jinchao; Jiang Shuang; Lu Zhuohui; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership); Xu Dianxiang; Yang Hanhui; Zunhua Dadexing Investment Co., Ltd	Other commitments	I myself / the Company invested the Xinniu Funds with own funds without cases of share-holding entrustment or other equity arrangements. Except that I myself / the Company, once regarded as the limited partner with XNRY existed associated relationships with it, I myself /the Company didn't exist any associated relationships with JLGF, BGG, GGZX, GKJR, and ZJKG.	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period	
Beijing Food Group Co., Ltd	Other commitments	BGG will no transfer any holding shares of ZJKG within 12 months after the date of this transaction (that is the date when the shares issued to BGG listed in this transaction) if the shares of ZJKG increased due to reasons, like stock dividend, bonus, and the increased share capital before the date of this transaction, the increased part of shares should be in compliance with the aforementioned regular arrangement.	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period	
Beijing Wanfa Real Estate Development Co., Ltd	Other commitments	“1. If ZJKG does not release the guarantee or security provided for subsidiary debt	07/29/2016	Performing according to the commitment makers	the commitment makers	

		<p>in sold assets of the transaction before the second board meeting about the transaction, and Pearl River Holding holds responsibilities for debtors or guaranteed person as guarantor, Beijing Wanfa is responsible for compensating the listed company. 2. The liabilities which are not revealed within the scope of the sold assets (subject to sold assets audit report) of the transaction by ZJKG before base date are not regarded as the liabilities related to sold assets, the liabilities are undertaken by ZJKG after settlement day. Any claim or requirement, proposed by the third party about additional liabilities, not revealed and undertaken by ZJKG in reality, exceed the additional liabilities which are recorded in financial statement on May 31, 2016 (hereafter referred to as “base date”), is treated by Beijing Wanfa or entity assigned by Beijing Wanfa, and Beijing Wanfa undertakes any actual loss or expenditure of ZJKG generated by the demand or requirement of the third party. 3. Except the liability within the scope of sold assets, Beijing Wanfa will compensate for liabilities and loss, expense and expenditure formed by liabilities which are not covered in audit report issued by accounting firm with qualification for</p>	commitments	abided by the commitments during the Reporting Period
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		securities business up to base date of listed company to ZJKG 4. As the guarantor for ZJKG to carry out Major Assets Exchange and Issued Stocks Purchase Assets Agreement between All Shareholders of Hainan Pearl River Holding Co., Ltd. and Beijing Food Co., Ltd., Beijing Wanfa, (hereafter referred to as "Major Assets Exchange and Issued Stocks Purchase Assets Agreement"), Beijing Wanfa agrees to compensate to the counter party of the transaction for the loss, expense and expenditure (including the expenditure of agency fee such as legal service etc) generated by ZJKG and Beijing Wanfa violate the statement, guarantee or commitment under Major Assets Exchange and Issued Stocks Purchase Assets Agreement. Beijing Wanfa agrees to take compensation responsibilities within 60 days since the day the listed company or counter party undertakes the responsibilities or loss incurs for the above committed issue."			
Beijing Food Group Co., Ltd	Other commitments	"1. BGG has clearly known that ZJKG prepared to exchange-out assets and limited right defects and legal risks listed in the Report of Assets Assessment, and Auditor's Report in this transaction. BGG made sure that service supply partner of	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		<p>exchanged-out assets designated by BGG shall fully accept exchanged-out assets according to the conditions of exchanged-out assets on delivery date. 2. After the delivery date, BGG makes certain that exchanged-out assets and its corresponding business's all rights and duties are transferred to the service supply partner of exchanged-out assets designated by BGG to enjoy and undertake. ZJKG no longer enjoy any rights or undertake any duties and responsibilities for exchanged-out assets. 3. BGG will help JLGF to cancel the guarantee for other subsidiaries of BGG before the Second Board of Directors related to this transaction of ZJKG, and offer supplementary guarantee. 、 4. The shares issued to BGG can't be transferred within 36 months after the date when shares listed. If BGG hasn't performed the obligation of profit compensation according to Agreement on Profit Compensation and its supplementary agreement, then the lockup period of shares issued to BGG defers to the date when BGG has performed the the obligation of profit compensation. "</p>			
Beijing Food Co., Ltd	Other commitments	<p>"1. JLGF and its wholly-owned, holding subsidiaries now don't exist any significant lawsuit cases</p>	01/01/2014	Performing according to the commitment	the commitment makers abided by the

		<p>and arbitration cases that are still not settled or predictable.</p> <p>2. JLGF and its wholly-owned , holding subsidiaries haven't subjected to any administrative punishments with serious circumstances for violating laws and administrative rules, like Industrial and Commercial Law, the Tax Law, and Law of National Land, Food Safety, Construction, Planning, Environmental Protection, Fire Protection, and Quality Supervision since January 1, 2014.</p> <p>3. The food safety accidents haven't happened in JLGF and its wholly-owned, holding subsidiaries since January 1, 2014. "</p>		s	commitments during the Reporting Period
HaiNan Pearl River Holdings Co., Ltd.	Other commitments	<p>"1. Except the revealed conditions, ZJKG confirms to possess the ownership and/or right to use of the assets to be sold legally; possess complete and effective disposition for the assets to be sold; guarantee the assets to be sold do not have guarantee, mortgage, pledge to any third party and do not have unclear ownership, other flaws of assets to be sold (including but not limited to unclear ownership, right is restricted, decrease in value which may exist, it is unable to transfer, it cannot be delivered actually etc) or any interests and rights of the third party, in order to assure that the third party will not press for payment, and to</p>	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		<p>assure that the assets to be sold can be transferred to the contractor of assets to be sold assigned by BGG according to Chinese law. 2. ZJKG will negotiate with the relevant parties of rights and interests of the third party or other limitation of rights which the sold assets are set with to solve the release issues of other rights of the assets, and the written agreement about agreeing to release the mortgage from mortgager of the mortgage shall be got before the settlement of the sold assets in this transaction.</p> <p>3. ZJKG promises that the conditions of mortgage, pledge or rights and interests of the third party or other limitation of rights which restrict the transfer of ownership of sold assets will be released legally before the settlement date of sold assets, in order to ensure the sold assets are deliverable. The debtor and corresponding guarantee person (if there is) of liabilities in sold assets shall issue written document about agreement of transfer of liabilities/assured responsibilities. 4. ZJKG promises that ZJKG and subsidiary companies of ZJKG do not have the conditions of providing external guarantee and it is still not released, and do not add new external guarantee before the settlement of sold</p>		
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			assets. ZJKG will release the guarantee or pledge provided for the liabilities of subsidiary companies in sold assets of the transaction before the second board meeting about the transaction. 5. ZJKG plans to purchase 100% of shares of JLGF by assets exchange and issued shares purchase assets (hereafter referred to as “the restructuring”). According to the restructuring scheme, non-equity assets related five properties to be sold in restructuring draft are as the assets to be sold of the company, the contractor of sold assets will undertake them. As the properties are in the state of mortgage and being closed down, the company promises if the transfer of ownership cannot be completed for the properties at the settlement date agreed in Major Assets Exchange and Issued Stocks Purchase Assets Agreement signed by each party, then the company will compensate the contractor of sold assets or other parties assigned by the contractor according to the equal amount of appraisal value of the properties in the restructuring by cash, after compensation, the properties will not be sold any more.”		
Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited)	Other commitments	"1. There doesn't exist employee stock ownership plan or share-holding entrustment, or equity arrangement in XNRY and	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments

	partnership)		investors in various levels. 2. XNRY confirms that Jiang Shuang is the actual controller of XURY. XNRY calculates through penetration that there are 12 individual investors who conform with the regulations of Article 10 numbers of issuing targets is no more than 200 in Securities Law. 3. the investors of XNRY are institutions and natural person. there doesn't exist structured arrangement. And it doesn't influence the stability of the Company's equity structure. 4. There doesn't exist any other significant agreement arrangement in XNRY. "		during the Reporting Period
Beijing State-owned Capital Operation and Management Center; Beijing Food Group Co., Ltd; Guokai Finance Co., Ltd; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership)	Commitments on the horizontal competition, the related transaction and the capital occupation		“1. The committing party and the company which is controlled or influenced by the party shall avoid and decrease the related transaction between ZJKG and its subsidiary companies as much as possible. For the transaction which ZJKG and its subsidiary companies deal with independent third party through market, ZJKG and its subsidiary companies will deal with the independent third party. The company which is controlled or influenced by committing party will strictly avoid lending from ZJKG and its subsidiary companies, occupying the capital of ZJKG and its subsidiary companies or using the advanced money of ZJKG and	07/29/2016	Performing according to the commitment makers abided by the commitments during the Reporting Period

		<p>its subsidiary companies or using the method of compensating liabilities etc to embezzle the capital of ZJKG.</p> <p>2. For all necessary transaction behavior between committing party and the company controlled or influenced by the party and ZJKG and its subsidiary companies, each party shall obey the market rules and the transaction shall be carried fairly and reasonably with the general principles of equality and mutual benefit, compensation of equal value.</p> <p>If the price of transaction is fixed by government, then the fixed price shall be executed; if the price of transaction is not fixed by government, then the generally accepted price of market shall be executed; if the price of transaction is not fixed by government and there has no reference price of market, the cost shall be confirmed and executed according to cost added comparable reasonable profit.</p> <p>3. For the related transaction between committing party and the company controlled or influenced by the party and ZJKG and its subsidiary companies, necessary legal procedures will be implemented according to regulations of ZJKG and management system of related transaction. When issues about related transaction are deliberated in authority of</p>			
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		ZJKG, avoidance obligation shall be implemented legally and initially; the issues about related transaction which must be reported to authority for deliberation can be executed after they are deliberated and passed by authority. 4. Committing party promises that the party will not gain any improper interests or make ZJKG and its subsidiary companies undertake any obligations by related transaction. If there is loss of ZJKG and its subsidiary companies caused by violating the commitment or the interests of ZJKG and its subsidiary companies are invaded by using related transaction, the loss of ZJKG and its subsidiary companies is undertaken by committing party.”			
Beijing Food Group Co., Ltd	Commitments on the horizontal competition, the related transaction and the capital occupation	"Except the target company and its subsidiaries, other enterprises controlled by commitment maker don't engage in any businesses by any way that exist competition or may compete with the target company and its subsidiaries at present. In order to avoid the horizontal competition with ZJKG after this transaction, the commitment maker committees that: 1. The commitment maker will not directly or indirectly engage in any business by any way, including cooperating with others , that is as same as,	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		similar to or competitive in any aspects with ZJKG; 2. The commitment maker will spare no efforts to prevent its associated enterprises from engaging in business that is as same as, similar to or competitive in any aspects with ZJKG; 3. The commitment maker will not invest or control shares of the companies, enterprises, or other organizations whose business is as same as, similar to or competitive in any aspects with ZJKG; 4. The commitment maker will not offer trade secrets, such as proprietary technology, sales channel, and clients information to the companies, enterprises, or other organizations and individuals whose business is as same as, similar to or competitive in any aspects with ZJKG; 5. If the commitment maker will prepare to engage in business that may exists horizontal competition with ZJKG and its subsidiaries, the commitment maker should resolve it through negotiation with ZJKG based on the principle that ZJKG and its subsidiaries have the priority."			
Beijing State-owned Capital Operation and Management Center; Beijing Food Group Co., Ltd; Beijing Wanfa Real Estate Development Co., Ltd; Guokai Finance Co.,	Other commitments	The commitment maker will provide ZJKG with the related information of this transaction in time and guarantee that the offered information is factual, accurate and complete. The commitment maker will undertake compensation	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

	Ltd; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership)		liability according to law if there exists any false record, misleading statement or material omission, making a loss to ZJKG and investors.			
	Beijing State-owned Capital Operation and Management Center; Beijing Food Group Co., Ltd; Guokai Finance Co., Ltd; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership)	Other commitments	The commitment makers and its management personnel guaranteed that there were no cases where the Companies failed to repay large debts as scheduled or failed to fulfill the commitments, or they were in administrative supervision by CSRC or punished by law by Stock Exchange in the past five years.	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period
	Beijing Food Group Co., Ltd	Other commitments	The staff, assets, finances, institutions, and business of the target company are totally independent from the commitment maker and other enterprises controlled by commitment maker, there was no confusion between them. The commitment maker guarantee to separate the staff, assets, finance, institutions, and business of listed companies from the commitment maker and other enterprises controlled by commitment maker to keep the independence of listed companies in staff, assets, finance, institutions, and business after this transaction.	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period
	Beijing Food Group Co., Ltd	Other commitments	"There are no such things, like false funding, influence on legal procedure in JLGF, and it will not influence the normal use of JLGF if its	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments

			assets with defects are existed. The commitment will need to compensate ZJKG and JLGF for all economic losses with equal amount if there are any defects of main assets in JLGF resulting to any economic losses in ZJKG and JLGF after this significant assets restructuring. "			during the Reporting Period
HaiNan Pearl River Holdings Co., Ltd.	Other commitments		"1. Speeding up the completion of integrating the underlying assets. After this transaction, the Company will speed up to integrate the underlying assets, setting up a more scientific and standard operating system, expand the market positively, keeping a good communication with customers, and completing the operating plan efficiently with the existing business concept in accordance with industry characteristics of target companies. 2. Strengthening operating management and internal control. The Company will strengthen operating management and internal control further, improving daily operating efficiency, cutting down operating costs, controlling comprehensively and effectively the risks of operation and management, improving operation efficiency. 3. Carrying out positive policy of profit distribution. After this restructuring, the Company	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		<p>will increase the return to investors, perfect the policy of profit distribution, increase transparency of distribution policy implementation, and protect the interests of all shareholders, setting up a more scientific and rational profit distribution and decision-making mechanism to protect the interests of shareholders and investors better. If the Company violate the aforementioned commitments, it will need to announce its violation and the reason. Except the force majeure or other reasons attributable to the Company, the Company will need to apologize to the shareholders and public investors.</p> <p>Meanwhile, it also needs to provide the investors with supplementary commitments or substitutive commitments to try to protect the interests of investors. It need to carry out the supplementary commitments or substitutive commitments reviewed and approved by general meeting of shareholders. "</p>		
Beijing State-owned Capital Operation and Management Center; Guokai Finance Co., Ltd; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership)	Other commitments	<p>"1. The commitment makers had the only, undisputed, and exclusive rights to the shares of target company. There were no such cases where the commitment makers acted for the third party to hold shares, where lawsuits and potential disputes was caused, where any third party put forward the claim for rights to the</p>	07/29/2016	<p>Performing according to the commitment s</p> <p>the commitment makers abided by the commitments during the Reporting Period</p>

		shares of target company held by the commitment makers by any way; 2. The commitment makers and management personnel(if any)haven't been in any administrative punishment(except the punishment irrelevant to securities market), criminal penalties. Also, they haven't been involved in any significant civil lawsuits or arbitration related to economic disputes; 3. The commitment makers are qualified to be the issuing targets of non-public stock of listed companies. There was no cases where the commitments makers can't be regarded as the issuing targets as stipulated in law, regulations, rules, and normative documents. "			
Beijing Food Group Co., Ltd	Other commitments	"1. The commitment makers had the only, undisputed, and exclusive rights to the shares of target company. There were no such cases where the commitment makers acted for the third party to hold shares, where lawsuits and potential disputes was caused, where any third party put forward the claim for rights to the shares of target company held by the commitment makers by any way; 2. The commitment makers and management personnel(if any)haven't been in any administrative punishment(except the	07/29/2016	Performing according to the commitments	the commitment makers abided by the commitments during the Reporting Period

		<p>punishment irrelevant to securities market), criminal penalties. Also, they haven't been involved in any significant civil lawsuits or arbitration related to economic disputes; 3. The commitment makers are qualified to be the issuing targets of non-public stock of listed companies. There was no cases where the commitments makers can't be regarded as the issuing targets as stipulated in law, regulations, rules, and normative documents; 4. Purchasing the listed companies is permitted. "</p>			
Beijing Food Group Co., Ltd	Other commitments	<p>"The stocks which are issued to committing party this time cannot be transferred within 36 months since the date of listed stocks. If the closing price of stocks of ZJKG is lower than offering price for 20 successive transaction days within 6 months after the transaction is completed, or the closing price at the end of 6 months is lower than offering price after the transaction is completed, the lockup term of stocks of ZJKG which are held by committing party will be prolonged for at least 6 months. If the information provided or revealed for the transaction is suspected of being involved in false record, mislead statement or major omission, and judicial office places a case on file for</p>	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		<p>investigation or China Securities Regulatory Commission places a case on file for investigation, before forming investigation conclusions, committing party cannot transfer the stocks with equity in ZJKG, and written application for pausing transferring and stock account shall be submitted to board of directors of listed company within two transaction days since the date that the case is filed and inspection notice is received. Board of directors applies to Stock Exchange and Registration & Settlement Company for lockup directly. If committing party does not submit lockup application within two transaction days, board of directors is authorized for verification, after verification, board of directors can report the identification information and account information of the person to Stock Exchange and Registration & Settlement Company directly, and the board applies for lockup. If board of directors does not report the identification information and account information of committing party to Stock Exchange and Registration & Settlement Company, Stock Exchange and Registration & Settlement Company are authorized to lock the relevant stocks directly. If laws violating and regulations violating</p>		
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			conditions are found in investigation conclusions, committing party promises that the locked stocks can be used for compensation for relevant investors voluntarily."			
Guokai Finance Co., Ltd; Xinniu Runying(Tianjing) Equity Investment Funds Partnership Firm(limited partnership)	Other commitments		"The stocks which are issued to committing party this time cannot be transferred within 12 months since the date of listed stocks. If the information provided or revealed for the transaction is suspected of being involved in false record, mislead statement or major omission, and judicial office places a case on file for investigation or China Securities Regulatory Commission places a case on file for investigation, before forming investigation conclusions, committing party cannot transfer the stocks with equity in Pearl River Holding, and written application for pausing transferring and stock account shall be submitted to board of directors of listed company within two transaction days since the date that the case is filed and inspection notice is received. Board of directors applies to Stock Exchange and Registration & Settlement Company for lockup directly. If committing party does not submit lockup application within two transaction days, board of directors is authorized for verification,	07/29/2016	Performing according to the commitment s	the commitment makers abided by the commitments during the Reporting Period

		after verification, board of directors can report the identification information and account information of the person to Stock Exchange and Registration & Settlement Company directly, and the board applies for lockup. If board of directors does not report the identification information and account information of committing party to Stock Exchange and Registration & Settlement Company, Stock Exchange and Registration & Settlement Company are authorized to lock the relevant stocks directly. If laws violating and regulations violating conditions are found in investigation conclusions, committing party promises that the locked stocks can be used for compensation for relevant investors voluntarily. "		
Executed timely or not?	Yes			

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.

Section IV Financial Statements

I Financial statements

1. Consolidated balance sheet

Prepared by HaiNan Pearl River Holdings Co., Ltd.

March 31, 2017

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	145,198,515.20	246,504,351.39
Settlement reserve		
Interbank lendings		
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	13,783,788.48	16,084,139.32
Accounts paid in advance	85,029,876.68	67,598,789.02
Premiums receivable		
Reinsurance premiums receivable		
Receivable reinsurance contract reserve		
Interest receivable	2,710,880.79	2,710,880.79
Dividends receivable	260,015.00	260,015.00
Other accounts receivable	318,036,622.50	350,870,047.05
Financial assets purchased under agreements to resell		
Inventories	113,680,381.94	297,867,807.05
Assets held for sale		
Non-current assets due within one year		
Other current assets		8,714,139.07
Total current assets	678,700,080.59	990,610,168.69
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	30,824,994.90	30,824,994.90

Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	33,288,016.55	33,866,644.98
Investment property	41,424,771.83	19,244,780.80
Fixed assets	216,785,574.09	220,409,931.29
Construction in progress	78,169,695.02	78,169,695.02
Engineering materials		
Disposal of fixed assets		
Productive living assets		
Oil-gas assets		
Intangible assets	3,648,879.08	3,692,130.10
R&D expenses		
Goodwill		
Long-term deferred expenses	1,549,835.13	2,083,962.89
Deferred tax assets	4,985,486.50	4,985,486.50
Other non-current assets	1,581,840.00	1,581,840.00
Total non-current assets	412,259,093.10	394,859,466.48
Total assets	1,090,959,173.69	1,385,469,635.17
Current liabilities:		
Short-term borrowings		
Borrowings from the Central Bank		
Money deposits accepted and inter-bank deposits		
Interbank borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	17,670,161.90	77,627,005.61
Accounts received in advance	224,367,103.88	365,746,868.16
Financial assets sold for repurchase		
Fees and commissions payable		
Payroll payable	11,243,320.06	12,392,816.29
Taxes payable	94,264,637.00	84,404,890.27
Interest payable	82,587,092.77	86,294,850.36
Dividends payable	3,213,302.88	3,213,302.88

Other accounts payable	584,640,314.81	541,823,806.30
Reinsurance premiums payable		
Insurance contract reserve		
Payables for acting trading of securities		
Payables for acting underwriting of securities		
Liabilities held for sale		
Non-current liabilities due within one year		78,710,181.59
Other current liabilities		
Total current liabilities	1,017,985,933.30	1,250,213,721.46
Non-current liabilities:		
Long-term borrowings	5,000,000.00	73,666,666.66
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term accounts payable		
Long-term payroll payable		
Special payables		
Provisions		
Deferred income		
Deferred tax liabilities	597,896.93	597,896.93
Other non-current liabilities		
Total non-current liabilities	5,597,896.93	74,264,563.59
Total liabilities	1,023,583,830.23	1,324,478,285.05
Owners' equity:		
Share capital	426,745,404.00	426,745,404.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	543,615,438.94	543,615,438.94
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	109,487,064.39	109,487,064.39
Provisions for general risks		

Retained earnings	-1,001,002,487.89	-1,014,759,604.45
Equity attributable to owners of the Company	78,845,419.44	65,088,302.88
Minority interests	-11,470,075.98	-4,096,952.76
Total owners' equity	67,375,343.46	60,991,350.12
Total liabilities and owners' equity	1,090,959,173.69	1,385,469,635.17

2. Balance sheet of the Company

Unit: RMB

Item	Closing balance	Opening balance
Current assets:		
Monetary funds	6,046,393.18	33,952,786.37
Financial assets at fair value through profit/loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	663,817.23	1,032,085.83
Accounts paid in advance	50,000,000.00	50,000,000.00
Interest receivable		
Dividends receivable	260,015.00	260,015.00
Other accounts receivable	553,760,636.82	591,785,222.60
Inventories	4,824,035.45	4,824,035.45
Assets held for sale		
Non-current assets due within one year		
Other current assets		
Total current assets	615,554,897.68	681,854,145.25
Non-current assets:		
Available-for-sale financial assets	30,824,994.90	30,824,994.90
Held-to-maturity investments		
Long-term accounts receivable		
Long-term equity investments	101,171,813.99	101,713,800.55
Investment property	6,308,058.38	6,383,667.53
Fixed assets	3,898,673.13	4,019,513.64
Construction in progress		
Engineering materials		
Disposal of fixed assets		
Productive living assets		

Oil-gas assets		
Intangible assets		
R&D expenses		
Goodwill		
Long-term deferred expenses	232,283.31	278,707.32
Deferred tax assets		
Other non-current assets		
Total non-current assets	142,435,823.71	143,220,683.94
Total assets	757,990,721.39	825,074,829.19
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit/loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	2,482,949.70	2,482,949.70
Accounts received in advance	38,896.41	38,896.41
Payroll payable	1,096,956.10	1,224,801.48
Taxes payable	27,517,328.47	27,537,449.60
Interest payable	82,468,756.03	82,468,756.03
Dividends payable	3,213,302.88	3,213,302.88
Other accounts payable	508,873,600.84	650,471,361.88
Liabilities held for sale		
Non-current liabilities due within one year		
Other current liabilities		
Total current liabilities	625,691,790.43	767,437,517.98
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Of which: Preference shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		
Special payables		
Provisions		

Deferred income		
Deferred tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	625,691,790.43	767,437,517.98
Owners' equity:		
Share capital	426,745,404.00	426,745,404.00
Other equity instruments		
Of which: Preference shares		
Perpetual bonds		
Capital reserve	546,201,098.01	546,201,098.01
Less: Treasury shares		
Other comprehensive income		
Special reserve		
Surplus reserve	109,487,064.39	109,487,064.39
Retained earnings	-950,134,635.44	-1,024,796,255.19
Total owners' equity	132,298,930.96	57,637,311.21
Total liabilities and owners' equity	757,990,721.39	825,074,829.19

3. Consolidated income statement

Unit: RMB

Item	January-March 2017	January-March 2016
1. Operating revenues	250,701,694.22	80,025,245.10
Including: Sales income	250,701,694.22	80,025,245.10
Interest income		
Premium income		
Fee and commission income		
2. Operating costs	224,978,184.11	120,292,401.17
Including: Cost of sales	184,669,214.20	62,053,529.67
Interest expenses		
Fee and commission expenses		
Surrenders		
Net claims paid		
Net amount provided as insurance contract reserve		

Expenditure on policy dividends		
Reinsurance premium		
Taxes and surtaxes	11,359,640.40	4,535,479.61
Selling expenses	2,813,146.35	4,500,007.25
Administrative expenses	26,547,201.47	24,208,857.95
Finance costs	3,601,893.63	24,749,365.53
Asset impairment loss	-4,012,911.94	245,161.16
Add: Profit on fair value changes ("-" means loss)		
Investment income ("-" means loss)	-578,628.43	-120,373.11
Including: Share of profit/loss of associates and joint ventures	-514,986.56	-93,817.01
Exchange gains ("-" means loss)		
3. Operating profit ("-" means loss)	25,144,881.68	-40,387,529.18
Add: Non-operating income	218,154.56	167,838.50
Including: Profit on disposal of non-current assets	168,799.75	37,402.65
Less: Non-operating expense	1,590,430.76	626,962.91
Including: Loss on disposal of non-current assets	1,108.20	
4. Total profit ("-" means loss)	23,772,605.48	-40,846,653.59
Less: Corporate income tax	8,208,612.14	29,699.94
5. Net profit ("-" means loss)	15,563,993.34	-40,876,353.53
Net profit attributable to owners of the Company	13,757,116.56	-38,541,192.11
Minority interests' income	1,806,876.78	-2,335,161.42
6. Other comprehensive income net of tax		
Other comprehensive income net of tax attributable to owners of the Company		
6.1 Other comprehensive income that will not be reclassified into profit/loss		
6.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
6.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
6.2 Other comprehensive income to be subsequently reclassified into profit/loss		
6.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss		

under the equity method		
6.2.2 Profit/loss on fair value changes of available-for-sale financial assets		
6.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
6.2.4 Effective profit/loss on cash flow hedges		
6.2.5 Currency translation differences		
6.2.6 Other		
Other comprehensive income net of tax attributable to minority interests		
7. Total comprehensive income	15,563,993.34	-40,876,353.53
Attributable to owners of the Company	13,757,116.56	-38,541,192.11
Attributable to minority interests	1,806,876.78	-2,335,161.42
8. Earnings per share		
8.1 Basic earnings per share	0.03	-0.09
8.2 Diluted earnings per share	0.03	-0.09

Where business mergers under the same control occurred in this Reporting Period, the net profit achieved by the merged parties before the business mergers was RMB , with the corresponding amount for the last period being RMB .

4. Income statement of the Company

Unit: RMB

Item	January-March 2017	January-March 2016
1. Operating revenues	2,857.14	24,000.00
Less: Operating costs	75,609.15	88,898.40
Taxes and surtaxes	35,285.59	1,344.00
Selling expenses		
Administrative expenses	3,558,898.68	3,345,978.22
Finance costs	1,463,740.59	19,802,710.81
Asset impairment loss	-5,318,040.00	10,508.69
Add: profit on fair value changes ("-" means loss)		
Investment income ("-" means loss)	75,278,013.44	-93,817.01
Including: Share of profit/loss of associates and joint ventures	-514,986.56	-93,817.01
2. Operating profit ("-" means loss)	75,465,376.57	-23,319,257.13
Add: Non-operating income		37,402.65

Including: Profit on disposal of non-current assets		37,402.65
Less: Non-operating expense	803,756.82	505,557.69
Including: Loss on disposal of non-current assets		
3. Total profit ("-" means loss)	74,661,619.75	-23,787,412.17
Less: Corporate income tax		
4. Net profit ("-" means loss)	74,661,619.75	-23,787,412.17
5. Other comprehensive income net of tax		
5.1 Other comprehensive income that will not be reclassified into profit and loss		
5.1.1 Changes in net liabilities or assets with a defined benefit plan upon re-measurement		
5.1.2 Share of other comprehensive income of investees that cannot be reclassified into profit/loss under the equity method		
5.2 Other comprehensive income to be subsequently reclassified into profit/loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified into profit/loss under the equity method		
5.2.2 Profit/loss on fair value changes of available-for-sale financial assets		
5.2.3 Profit/loss on reclassifying held-to-maturity investments into available-for-sale financial assets		
5.2.4 Effective profit/loss on cash flow hedges		
5.2.5 Currency translation differences		
5.2.6 Other		
6. Total comprehensive income	74,661,619.75	-23,787,412.17
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated cash flow statement

Unit: RMB

Item	January-March 2017	January-March 2016
1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service	110,756,485.97	271,878,051.01

Net increase in money deposits from customers and interbank placements		
Net increase in loans from the Central Bank		
Net increase in funds borrowed from other financial institutions		
Cash received from premium of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits of policy holders and investment fund		
Net increase in disposal of financial assets at fair value through profit/loss		
Interest, fees and commissions received		
Net increase in interbank borrowings		
Net increase in funds in repurchase business		
Tax refunds received		
Cash received from other operating activities	11,544,600.50	36,012,845.76
Subtotal of cash inflows from operating activities	122,301,086.47	307,890,896.77
Cash paid for goods and services	47,389,616.85	55,351,676.42
Net increase in loans and advances to customers		
Net increase in funds deposited in the Central Bank and interbank placements		
Cash paid for claims of original insurance contracts		
Interest, fees and commissions paid		
Cash paid as policy dividends		
Cash paid to and for employees	62,131,142.29	56,510,933.73
Taxes paid	14,923,785.96	24,943,567.32
Cash paid for other operating activities	75,085,116.28	46,261,558.78
Subtotal of cash outflows due to operating activities	199,529,661.38	183,067,736.25
Net cash flows from operating activities	-77,228,574.91	124,823,160.52
2. Cash flows from investing activities:		
Cash received from retraction of investments	10,000,000.00	12,000,000.00
Cash received as investment income		8,767.17
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	44,096,793.00	1,250,200.00
Net cash received from disposal of subsidiaries or other business units		

Cash received from other investing activities	49,136.10	
Subtotal of cash inflows from investing activities	54,145,929.10	13,258,967.17
Cash paid to acquire fixed assets, intangible assets and other long-term assets	241,017.88	617,966.30
Cash paid for investment		4,000,000.00
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		1,382,643.70
Subtotal of cash outflows due to investing activities	241,017.88	6,000,610.00
Net cash flows from investing activities	53,904,911.22	7,258,357.17
3. Cash flows from financing activities:		
Cash received from capital contributions		
Including: Cash received from minority shareholder investments by subsidiaries		
Cash received as borrowings	181,957,725.27	25,582,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		5,890,876.56
Subtotal of cash inflows from financing activities	181,957,725.27	31,472,876.56
Repayment of borrowings	245,090,489.70	135,739,611.00
Cash paid for interest expenses and distribution of dividends or profit	13,129,408.07	20,454,822.21
Including: dividends or profit paid by subsidiaries to minority interests		
Cash paid for other financing activities	1,720,000.00	2,372,972.50
Sub-total of cash outflows due to financing activities	259,939,897.77	158,567,405.71
Net cash flows from financing activities	-77,982,172.50	-127,094,529.15
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-101,305,836.19	4,986,988.54
Add: Opening balance of cash and cash equivalents	246,504,351.39	205,762,131.54
6. Closing balance of cash and cash equivalents	145,198,515.20	210,749,120.08

6. Cash flow statement of the Company

Unit: RMB

Item	January-March 2017	January-March 2016
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1. Cash flows from operating activities:		
Cash received from sale of commodities and rendering of service		3,010,360.00
Tax refunds received		
Cash received from other operating activities	37,335.96	81,546,191.96
Subtotal of cash inflows from operating activities	37,335.96	84,556,551.96
Cash paid for goods and services		
Cash paid to and for employees	1,632,281.06	2,077,411.96
Taxes paid	41,296.88	400,383.73
Cash paid for other operating activities	2,985,361.81	8,282,131.06
Subtotal of cash outflows due to operating activities	4,658,939.75	10,759,926.75
Net cash flows from operating activities	-4,621,603.79	73,796,625.21
2. Cash flows from investing activities:		
Cash received from retraction of investments	10,000,000.00	8,000,000.00
Cash received as investment income		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	35,000,000.00	50,000.00
Net cash received from disposal of subsidiaries or other business units		
Cash received from other investing activities	49,136.10	
Subtotal of cash inflows from investing activities	45,049,136.10	8,050,000.00
Cash paid to acquire fixed assets, intangible assets and other long-term assets		5,999.00
Cash paid for investment		10,000,000.00
Net cash paid to acquire subsidiaries and other business units		
Cash paid for other investing activities		
Subtotal of cash outflows due to investing activities		10,005,999.00
Net cash flows from investing activities	45,049,136.10	-1,955,999.00
3. Cash flows from financing activities:		
Cash received from capital contributions		
Cash received as borrowings	2,000,000.00	1,000,000.00
Cash received from issuance of bonds		
Cash received from other financing activities		
Subtotal of cash inflows from financing activities	2,000,000.00	1,000,000.00
Repayment of borrowings	66,954,800.00	66,739,611.00

Cash paid for interest expenses and distribution of dividends or profit	1,659,125.50	5,105,311.08
Cash paid for other financing activities	1,720,000.00	118,830.00
Sub-total of cash outflows due to financing activities	70,333,925.50	71,963,752.08
Net cash flows from financing activities	-68,333,925.50	-70,963,752.08
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-27,906,393.19	876,874.13
Add: Opening balance of cash and cash equivalents	33,952,786.37	479,720.71
6. Closing balance of cash and cash equivalents	6,046,393.18	1,356,594.84

II Auditor's report

Is this Report audited?

Yes No

This Report is not audited.

HaiNan Pearl River Holdings Co., Ltd.

April 29, 2017