

Stock Code: 000505, 200505

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

Announcement No. 2016-096

HAINAN PEARL RIVER HOLDINGS CO., LTD.

ABSTRACT OF THIRD QUARTER REPORT 2016

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 Financial Highlights & Shareholder Changes

I Highlights of accounting data and financial indicators

Whether the Company performs any retroactive adjustments to or restatements of its accounting data of last year due to change in accounting policies or correction of accounting errors

Yes No

	30 September 2016	31 December 2015	+/- (%)	
Total assets (RMB)	1,905,501,859.63	1,714,444,000.65	11.14%	
Net assets attributable to shareholders of the Company (RMB)	-307,928,239.56	-217,136,869.15	-41.81%	
	July-September 2016	YoY +/- (%)	January-September 2016	YoY +/- (%)
Operating revenues (RMB)	68,143,078.33	30.86%	217,175,606.73	15.40%
Net profit attributable to shareholders of the Company (RMB)	-43,420,775.53	22.02%	-90,791,370.41	-165.57%
Net profit attributable to shareholders of the Company excluding exceptional profit and loss (RMB)	-44,205,595.65	24.80%	-129,970,101.32	20.06%
Net cash flows from operating activities (RMB)	--	--	173,185,063.30	16.08%
Basic earnings per share (RMB/share)	-0.10	23.08%	-0.21	-162.50%
Diluted earnings per share (RMB/share)	-0.10	23.08%	-0.21	-162.50%
Weighted average return on equity (%)	0.00%	0.00%	0.00%	0.00%

Unit: RMB

Item	January-September 2016	Note
Profit/loss on disposal of non-current assets (including offset amount of asset impairment provisions)	284,912.66	
Capital occupation charges on non-financial enterprises that are charged to the profit/loss for the Reporting Period	4,368,243.68	
Non-operating income and expense other than the above	-3,682,689.74	
Other profit/loss that meet the definition of exceptional	38,155,550.74	

profit/loss		
Less: Corporate income tax	-27,926.79	
Minority interests (after tax)	-24,786.78	
Total	39,178,730.91	--

Explanation of why the Company classified an item as exceptional profit/loss according to the definition in the Explanatory 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 and shareholdings of top 10 shareholders at the period-end

1. Total number of ordinary shareholders and preference shareholders who had resumed their voting right & shareholdings of top 10 shareholders at the period-end

Unit: share

Total number of ordinary shareholders at the end of the Reporting Period	35,607	Total number of preference shareholders who had resumed their voting right at the end of the Reporting Period (if any)	0			
Shareholdings of top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares held	Number of restricted shares held	Pledged or frozen shares	
					Status	Number
BGG	Domestic non-state-owned corporation	26.36%	112,479,478			
LI LEON ZHAN WEI	Foreign individual	2.63%	11,215,043			
YAO XIU GUANG	Foreign individual	2.31%	9,850,128			
Chongqing International Trust Co., Ltd.—Yuxin Innovation Advantage No. 11 Assembled Funds Trust	Domestic non-state-owned corporation	1.83%	7,827,463			

Chen Huanan	Domestic individual	0.66%	2,802,117			
Xu Zhen	Domestic individual	0.58%	2,462,300			
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. – Hongyan Shen Zhou Mu Fund	Domestic non-state-owned corporation	0.55%	2,343,818			
Yao Liyuan	Foreign individual	0.47%	2,005,600			
Zhang Xiaoxia	Domestic individual	0.46%	1,949,250			
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. – Shangshan Shen Zhou Mu No. 5 Securities Investment Fund	Domestic non-state-owned corporation	0.42%	1,795,300			
Shareholdings of top 10 non-restricted shareholders						
Name of shareholder	Number of non-restricted shares held at the period-end	Type of shares				
		Type	Number			
BGG	112,479,478	RMB ordinary share	112,479,478			
LI LEON ZHAN WEI	11,215,043	Domestically listed foreign share	11,215,043			
YAO XIU GUANG	9,850,128	Domestically listed foreign share	9,850,128			
Chongqing International Trust Co., Ltd.—Yuxin Innovation	7,827,463	RMB ordinary	7,827,463			

Advantage No. 11 Assembled Funds Trust		share	
Chen Huanan	2,802,117	RMB ordinary share	2,802,117
Xu Zhen	2,462,300	RMB ordinary share	2,462,300
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. – Hongyan Shen Zhou Mu Fund	2,343,818	RMB ordinary share	2,343,818
Yao Liyuan	2,005,600	Domestically listed foreign share	2,005,600
Zhang Xiaoxia	1,949,250	Domestically listed foreign share	1,949,250
Beijing Shen Zhou Mu Investment Fund Management Co., Ltd. –Shangshan Shen Zhou Mu No. 5 Securities Investment Fund	1,795,300	RMB ordinary share	1,795,300
Related or act-in-concert parties among the shareholders above	Among shareholders above, there exists no related-party relationship between the principal shareholder and other shareholders of the Company. Nor they are parties with concerted action as prescribed in the Information Disclosure Administrative Methods for Changes in Shareholding of Shareholders of Listed Companies. And it is unknown whether there is related-party relationship among other shareholders and whether they are prescribed parties with concerted action.		

Did any of the top 10 ordinary shareholders or the top 10 non-restricted ordinary 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 10 of them at the period-end

Applicable Not applicable

Section III Significant Events

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

Applicable Not applicable

(I) Balance sheet items

Unit: RMB

Item	30 September 2016	31 December 2015	Change (%)	Main reason for change
Accounts receivable	26,338,352.39	17,161,981.62	53.47%	Increase in the property management fees receivable by the property & hotel management subsidiary and the account receivable by the Company for grain trading
Accounts paid in advance	208,170,541.47	108,236,943.90	92.33%	Increase in the prepayment in grain trading
Inventories	693,760,735.17	531,145,489.05	30.62%	Increased development costs of the Meilin Phase III project of subsidiary Hubei Pearl River
Available-for-sale financial assets	31,411,309.90	11,411,309.90	175.26%	Investment in Chongqing Longkin Network Technology Co., Ltd. in the current period
Long-term deferred expenses	2,754,324.21	8,029,043.26	-65.70%	Heilongjiang Longshi Pearl River Media Co., Ltd. was deconsolidated for the current period
Short-term borrowings	20,000,000.00	-	100.00%	Borrowing from Chongqing Trust
Accounts payable	77,846,691.18	24,313,483.40	220.18%	Increase in the account payable by sub-subsidiary Hubei Pearl River Real Estate Development Co., Ltd. for construction service
Accounts received in advance	873,746,833.94	428,054,670.19	104.12%	House pre-sale revenue received by subsidiary Hubei Pearl River
Taxes payable	-51,822,202.70	-5,255,663.63	-886.03%	Increase in the prepaid taxes on the advances from house buyers of sub-subsidiary Hubei Pearl River Real Estate Development Co., Ltd.
Other accounts payable	964,376,656.93	561,278,959.68	71.82%	Increase in borrowings from Beijing Wanfa Real Estate Development Co., Ltd.
Non-current liabilities due within one year	66,456,595.19	353,287,364.69	-81.19%	Repayment of borrowings from Chongqing Trust
Long-term borrowings	131,000,000.00	390,333,333.34	-66.44%	Some borrowings were repaid

(II) Items in the income statement and the cash flow statement

Unit: RMB

Item	January-Sept ember 2016	January-Sept ember 2015	Change (%)	Main reason for change
Selling expenses	13,640,847.59	8,424,409.14	61.92%	Increase in the sales commission expenses of sub-subsidiary Hubei Pearl River Real Estate Development Co., Ltd.
Finance costs	59,470,769.90	98,672,199.56	-39.73%	Some borrowings were repaid
Return on			-69.47%	An income was generated from the sale of the Southwest Securities shares

investment	37,851,133.96	123,966,408.18		in the same period of last year, while there were no such events in the current period
Non-operating expense	6,280,006.34	256,002.30	2353.11%	Some fixed assets were discarded and the overdue fine in relation to the Southwest Securities shares held by the Company was paid
Corporate income tax	186,308.86	15,833,774.84	-98.82%	Recognized deferred tax assets were reversed in the same period of last year, while there were no such events in the current period
Other comprehensive income	-	-125,127,595.63	100.00%	Other comprehensive income shifted to return on investment due to the sale of the Southwest Securities shares held by the Company in the same period of last year, while there were no such events in the current period
Net cash flows from investing activities	-22,680,197.15	99,519,007.70	-122.79%	The sale of the Southwest Securities shares held by the Company generated bulk cash in the same period of last year, while there were no such events in the current period
Net cash flows from financing activities	-209,839,890.23	-100,576,038.32	-108.64%	Decrease in financings secured and increase in borrowings repaid

II Progress on significant events, as well as the influence and solutions

√ Applicable □ Not applicable

Content	Disclosure date	Index
On 19 July 2016, Beijing Wanfa Real Estate Development Co., Ltd. and BGG had signed Equity Transfer Agreement, which Beijing Wanfa Real Estate Development Co., Ltd. transferred 112,479,478 share, all its holding share of the Company, 26.36% of the total to BGG, the transfer event had been approved by the State-owned Assets Supervision and Administration Commission and completed the transfer on 5 September 2016, BGG now is the first majority shareholder of the Company but the actual controller still is Beijing State-owned Assets Supervision and Administration Commission.	2016-09-07	www.cninfo.com.cn Announcement No. 2016-069
On 8 August 2016, the Company received Permission Recombination Inquiry Letter [2016] No. 52 of Recombination Inquiry Letter to HaiNan Pearl River Holdings Co., Ltd. (hereinafter referred to as Inquiry Letter)	2016-10-25	www.cninfo.com.cn Announcement No. 2016-091

<p>issued by SZSE . SZSE had proposed several opinions to the significant recombination, and the Company will actively reply the Inquiry Letter and relevant content, and will conduct audit, evaluation with each trading party and promote the evaluation report to the State-owned assets for the record. So far, the reply to the Inquiry Letter and the revision of recombination preplan in line with Management Method of Significant Asset Recombination of Listing Company (New) had been Completed, the relevant signature of the documents was under processing.</p>		
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III Commitments of the Company, its shareholders, actual controller, acquirer, directors, supervisors, senior management or other related parties fulfilled in the Reporting Period or ongoing at the period-end

Applicable Not applicable

No such cases in the Reporting Period.

IV Performance forecast for Y2016

Warning of possible loss or considerable YoY change in the accumulative net profit made during the year-beginning to the end of the next reporting period, as well as the reasons

Applicable Not applicable

V Securities investment

Applicable Not applicable

No such cases in the Reporting Period.

VI Investment in derivative financial instruments

Applicable Not applicable

No such cases in the Reporting Period.

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

Applicable Not applicable

Date of visit	Way of visit	Type of visitor	About
2016-01-08	By phone	Individual	Known about the operation situation of the Company
2016-01-09	By phone	Individual	Query name lists of shareholders
2016-01-22	By phone	Individual	Known about the operation situation of the Company
2016-02-28	By phone	Individual	disclosure time of annual report
2016-03-24	By phone	Individual	Known about the sale progress of the assets of the Company
2016-06-22	Other	Individual	Known about recombination progress of the Company
2016-07-13	Other	Individual	Query name lists of shareholders
2016-09-09	Other	Individual	Known about resumption time of Company stock

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 for non-operating purposes by the controlling shareholder and its related parties

Applicable Not applicable

No such cases in the Reporting Period.

HaiNan Pearl River Holdings Co., Ltd.

31 October 2016