

Stock Code: 000505, 200505

Stock Name: Pearl River A, Pearl River B

Announcement No.: 2017-050

HAINAN PEARL RIVER HOLDINGS COMPANY LIMITED

SEMI-ANNUAL REPORT 2017 (ABSTRACT)

I Important Notes

This Abstract is based on the full text of the Semi-Annual Report. In order for a full understanding of the operating results, financial condition and future development planning of the Company, investors are kindly reminded to read the full text carefully on the media designated by the China Securities Regulatory Commission (the “CSRC”).

The semi-annual financial report is unaudited.

The Company has no plans to distribute cash dividends or bonus shares and convert capital reserve into share capital.

This Abstract has been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese version shall prevail.

II Company Profile

1. Stock Profile

Stock name	Pearl River A, Pearl River B	Stock code	000505, 200505
Stock exchange	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Zhao Yinhu		
Office address	Jing Liang Building, 16 East Third Ring Middle Road, Chaoyang District, Beijing		
Tel.	010-51672029		
E-mail	593374748@qq.com		

2. Key Consolidated Financial Results

Indicate by tick mark whether the Company needs to retroactively adjust or restate any of its accounting data.

Yes No

	Reporting Period	Same period of last year	+/- (%)
Operating revenues (RMB)	393,836,785.57	149,032,528.40	164.26%
Net profit attributable to shareholders of the Company (RMB)	17,226,146.52	-47,370,594.88	136.36%
Net profit attributable to shareholders of the Company before exceptional gains and losses (RMB)	18,603,896.70	-85,764,505.67	121.69%
Net cash from operating activities (RMB)	-69,730,210.02	161,345,565.54	-143.22%
Basic earnings per share (RMB/share)	0.04	-0.11	136.36%
Diluted earnings per share (RMB/share)	0.04	-0.11	136.36%
Weighted average return on equity (%)	23.37%	0.00%	23.37%
	End of Reporting Period	End of last year	+/- (%)
Total assets (RMB)	1,126,499,389.90	1,385,469,635.17	-18.69%
Net assets attributable to shareholders of the Company (RMB)	82,314,449.40	65,088,302.88	26.47%

3. Shareholders and Their Holdings at Period-End

Unit: share

Total number of common shareholders at period-end	32,668	Total number of preference shareholders with resumed voting rights at period-end (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Pledged or frozen shares	
					Status	Number
Beijing Grain	State-owned	28.95%	123,561,963			

Group Co., Ltd.	corporation					
Li Sheryn Zhan Ming	Foreign individual	4.90%	20,909,400			
Dong Xueliang	Domestic individual	0.67%	2,844,041			
Mei Jianying	Domestic individual	0.61%	2,583,803			
Xu Zhen	Domestic individual	0.57%	2,425,500			
Yang Shuling	Domestic individual	0.47%	2,000,000			
Yao Liyuan	Foreign individual	0.46%	1,950,000			
Zhang Xiaoxia	Domestic individual	0.46%	1,949,250			
Wang Xiaoxing	Domestic individual	0.43%	1,836,500			
Jiao Qingling	Domestic individual	0.41%	1,770,759			
Related or acting-in-concert parties among shareholders above	Among shareholders above, there exists no related-party relationship between the primary shareholder and other shareholders of the Company. Neither 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 belong to prescribed parties with concerted action.					
Shareholders conducting securities margin trading (if any)	Shareholder Dong Xueliang held 600,000 shares in the Company through his account of collateral securities for margin trading and held 2,244,041 shares in the Company through his common stock account in China Galaxy Securities Co., Ltd..					

4. Change of Controlling Shareholder or Actual Controller in Reporting Period

The controlling shareholder remained the same in the Reporting Period.

The actual controller remained the same in the Reporting Period.

5. Number of Preference Shareholders and Shareholdings of Top 10 of Them

No preference shareholders in the Reporting Period.

6. Corporate bonds

Does the Company have any corporate bonds publicly offered and listed on the stock exchange, which were undue before the approval date of this Report or were due but could not be redeemed in full?

No.

III Performance Discussion and Analysis

1. Performance Review for Reporting Period

In the first half of 2017, the Company proactively carried forward its reorganization program while paying adequate attention to its other operations. As a result, for this period, the Company achieved, on a consolidated basis, operating revenues of RMB393.8368 million and net profit of RMB20.5404 million.

(1) Carrying forward the reorganization program solidly

The significant assets restructuring of the Company and Beijing Grain Group Co., Ltd. (BGG) are in the orderly process of promotion. On the first half year of 2017, the Company studied the related questions and feedback carefully and implemented them term by term according to Notice about the First Feedback of Administrative License Projects Review of CSRC and Notice about the Second Feedback of Administrative License Projects Review of CSRC. The Company replied the listed questions according to the requirements of feedback, and updated and revised related materials, such as audit report, assessment report, preparation for review report, and reorganization report, etc. This significant assets restructuring was conditionally passed by listed companies' mergers and restructuring review committee of CSRC on June 28. On July 28, this significant assets restructuring

acquired The Approval about Checking and Approving HaiNan Pearl River Holdings Co., Ltd. to Issue Shares to Purchase Assets and Raise Supporting Funds to Companies, like BGG, etc. Recently, the Company is conducting the delivery work of this significant assets restructuring.

(2) Operation Review

Firstly, the property sells well. In the first half of 2017, even though the real estate market of Wuhan, Hubei was influenced by a series of finance and policies such as purchase restriction, monitoring of house price and tighter mortgage loan, the sales of real estate still went well for the decrease of pusher. Thus, the sales of Meilin Qingcheng Phase III Project of Wuhan, Hubei went smoothly. In the first half of 2017, the real estate development business generated operating revenue of RMB235.7708 million and net profits of RMB32.9709 million.

Secondly, the property management runs smoothly. The property management business of the Company runs smoothly with no efficient optimization for project structures and relatively low profit margin. The operating revenue and net profits generated from property management are respectively RMB147.2127 million and RMB-1.4795 million for the first half of 2017. There are a total of 86 management projects covering over 7,600,000m² including 14 office projects and 66 residential projects accounting for 80% most of which are old projects. With the aging facilities, the rapid increase of operating cost without rising of property fees for many years further compresses the profit space of property management business.

Thirdly, the hotel service business remains distressed. The Company's subsidiary Mudanjiang Tourism Group is mainly in charge of the construction and operation of Snow Land. Because of the large investment by the Company recently in infrastructure and tourism facilities of Snow Land, high financing cost and gradual transfer of constructions in progress into fixed assets generating great depreciation expense, it is difficult to make profits in a short time. In the first half of 2017, the operating revenue and net profits generated by hotel & tourism service are respectively RMB10.8533 million and RMB-10.9509 million.

2. Matters Related to Financial Report

(1) Changes in Accounting Policies, Accounting Estimations and Measurement Methods Compared to Last Accounting Period

No such cases.

(2) Retroactive Restatements due to Correction of Significant Accounting Errors in Reporting Period

No such cases.

(3) Changes in Scope of Consolidated Financial Statements Compared to Last Accounting Period

No such cases.

Hainan Pearl River Holdings Co., Ltd.
August 25, 2017