

Stock Symbol: 000505, 200505

Stock Name: JLKG, JL-B

Announcement No.: 2018-028

**HAINAN JINGLIANG HOLDINGS CO., LTD.**  
**FIRST QUARTER REPORT 2018 (SHORT VERSION)**

## Part I Important Notes

**The Board of Directors (or the “Board”), the Supervisory Board as well as the Directors, Supervisors and senior management of Hainan Jingliang Holdings Co., Ltd. (together with its consolidated subsidiaries, the “Company”; exclusive of its subsidiaries, the “Parent Company”, except where the context otherwise requires) hereby guarantee the actuality, accuracy and completeness of the contents of this Report, and shall be jointly and severally liable for any misrepresentations, misleading statements or material omissions in this Report.**

**All the Company’s Directors have attended the Board meeting for the review of this Report.**

**Wang Guofeng, the Company’s legal representative, Guan Ying, the Company’s head for financial affairs, and Liu Quanli, head of the Company’s financial department (equivalent to financial manager) hereby guarantee that the Financial Statements carried in this Report are factual, accurate and complete.**

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

## Part II Key Corporate Information

### I Key Financial Information

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

Yes  No

	January-March 2018	January-March 2017	Change
Sales revenue (RMB)	1,866,527,190.78	1,545,437,876.41	20.78%
Net income attributable to shareholders of the listed company (RMB)	31,041,912.71	29,668,391.83	4.63%
Net income attributable to shareholders of the listed company before nonrecurring gains and losses (RMB)	29,930,951.86	13,757,116.56	117.57%
Net cash flows from operating activities (RMB)	671,468,699.31	-124,811,091.49	637.99%
Basic earnings per share (RMB/share)	0.05	0.05	0.00%
Diluted earnings per share (RMB/share)	0.05	0.05	0.00%
Weighted average return on equity (%)	1.47%	2.12%	-0.65%
	March 31, 2018	December 31, 2017	Change
Total assets (RMB)	5,768,367,292.00	6,082,383,851.23	-5.16%
Equity attributable to shareholders of the listed company (RMB)	2,132,238,478.06	2,101,342,683.37	1.47%

Nonrecurring gains and losses:

Applicable  Not applicable

Unit: RMB

Item	January-March 2018	Note
Non-operating income and expense other than above	2,071,983.76	
Less: Income tax effects	517,995.94	
Non-controlling interests effects (net of tax)	443,026.97	
Total	1,110,960.85	--

Explanation of why the Company classifies an item as a nonrecurring gain/loss according to the definition in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Nonrecurring Gains and Losses, or reclassifies any nonrecurring gain/loss item listed in the said explanatory announcement as a recurring gain/loss:

Applicable  Not applicable

No such cases for the Reporting Period.

## II Total Number of Shareholders and Top 10 Shareholders' Holdings at Period-End

### 1. Numbers of Common Shareholders and Preferred Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Common shareholders at period-end		33,650	Preferred shareholders with resumed voting rights at period-end (if any)		0	
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage at period-end (%)	Shares	Restricted shares	Pledged or frozen shares	
					Status	Shares
BEIJING GRAIN GROUP CO., LTD.	State-owned juridical person	42.06%	288,439,561	164,877,598		
BEIJING STATE-OWNED CAPITAL OPERATION AND MANAGEMENT CENTER	State-owned juridical person	7.07%	48,510,460	48,510,460		
LI SHERYN ZHAN MING	Foreign natural person	3.41%	23,394,100	0		
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.	State-owned juridical person	3.33%	22,828,451	22,828,451		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	Other	3.33%	22,828,451	22,828,451		
MEI JIANYING	Domestic natural person	0.38%	2,597,803	0		
ZHANG XIAOXIA	Domestic natural person	0.28%	1,949,250	0		
WANG XIAOXING	Domestic natural person	0.27%	1,836,500	0		
ZHONG YI	Domestic natural person	0.25%	1,730,083	0		
WU LING	Domestic natural person	0.25%	1,723,600	0		

Top 10 non-restricted shareholders			
Name of shareholder	Non-restricted shares held at period-end	Type of shares	
		Type	Shares
BEIJING GRAIN GROUP CO., LTD.	123,561,963	RMB common stock	123,561,963
LI SHERYN ZHAN MING	23,394,100	Domestically listed stock for foreign investors	23,394,100
MEI JIANYING	2,597,803	RMB common stock	2,597,803
ZHANG XIAOXIA	1,949,250	Domestically listed stock for foreign investors	1,949,250
WANG XIAOXING	1,836,500	RMB common stock	1,836,500
ZHONG YI	1,730,083	RMB common stock	1,730,083
WU LING	1,723,600	RMB common stock	1,723,600
WANG DAO	1,694,000	RMB common stock	1,694,000
CHEN OUQIN	1,652,679	RMB common stock	1,652,679
YAN GUANGYAN	1,629,600	RMB common stock	1,629,600
Related or acting-in-concert parties among shareholders above	Beijing State-Owned Capital Operation And Management Center owns 100% of Beijing Grain Group Co., Ltd., and Beijing Grain Group Co., Ltd. is the controlling shareholder of the Company (a 42.06% holding). Apart from that, the Company does not know whether there are any other related parties or acting-in-concert parties among the top 10 shareholders.		
Shareholders conducting securities margin trading (if any)	1. Shareholder Wang Xiaoxing holds 1,836,500 shares in the Company through an account of collateral securities for margin trading in Soochow Securities Co., Ltd. 2. Shareholder Zhong Yi holds 1,730,083 shares in the Company through an account of collateral securities for margin trading in Fortune Securities Co., Ltd. 3. Shareholder Wang Dao holds 327,500 shares in the Company through an account of collateral securities for margin trading in Cinda Securities Co., Ltd., as well as another 1,366,500 shares in the Company through a common stock account. 4. Shareholder Yan Guangyan holds 1,370,100 shares in the Company through an account of collateral securities for margin trading in Shanxi Securities Co., Ltd., as well as another 259,500 shares in the Company through a common stock account.		

Indicate by tick mark whether any of the top 10 common shareholders or the top 10 non-restricted common shareholders of the Company conducted any promissory repo during the Reporting Period.

Yea  No

No such cases in the Reporting Period.

## 2. Number of Preferred Shareholders and Shareholdings of Top 10 of Them

Applicable  Not applicable

## Part III Significant Events

### I Changes in Selected Financial Statement Items and Reasons for Such Changes

Applicable  Not applicable

1. Derivative financial assets at the end of the Reporting Period decreased from the opening amount, primarily driven by less future margins of subsidiary Jingliang Oils as a result of its decreased future contracts.
2. Prepayments at the end of the Reporting Period decreased from the opening amount, primarily driven by the deliveries previously paid for shifting to inventories.
3. Inventories at the end of the Reporting Period decreased from the opening amount, primarily driven by the sale of some inventories.
4. Current portion of non-current assets at the end of the Reporting Period increased from the opening amount, primarily driven by a larger amount in wealth management.
5. Other current assets at the end of the Reporting Period increased from the opening amount, primarily driven by the increase in national debt reverse repo investments.
6. Construction in progress at the end of the Reporting Period decreased from the opening amount, primarily driven by the completed production line of subsidiary Xiaowangzi shifting to property, plant and equipment.
7. Notes payable at the end of the Reporting Period decreased from the opening amount, primarily driven by the settlement of letters of credit issued at the beginning of the year for imports.
8. Accounts payable at the end of the Reporting Period decreased from the opening amount, primarily driven by the payments made to suppliers.
9. Advances from customers at the end of the Reporting Period increased from the current Advances from customers .
10. Payroll payable at the end of the Reporting Period decreased from the opening amount, primarily because the annual performance remuneration for the prior year was paid in the Current Period.
11. Other current liabilities at the end of the Reporting Period decreased from the opening amount, was primarily driven by decreases in certain floating losses on hedging.
12. Taxes and surtaxes of the Reporting Period decreased from the same period of last year, primarily because there was land value added tax on real estate revenue in the same period of last year, while there was no real estate revenue in the Current Period.
13. Finance costs of the Reporting Period increased from the same period of last year, primarily driven by the increase in bank loans.
14. The impairment loss of assets during the Reporting Period decreased from the same period of last year, was primarily driven by doubtful account allowances in the same period of last year.
15. Net cash flows from operating activities of the Reporting Period increased from the same period of last year, was primarily caused by the Inventories decreased and the cash in-flowed from sales.

16. Net cash flows from investing activities of the Reporting Period decreased from the same period of last year, primarily driven by a larger investment amount in reserve repo and bank's wealth management.

17. Net cash flows from financing activities of the Reporting Period increased from the same period of last year, primarily driven by a larger loan repayment amount to bank in the same period of last year.

## II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

Summary of significant event	Disclosure date	Index to related announcement
On January 26, 2018, the Company signed Cooperation Agreement with Tangshan Caofeidian Agricultural Development Group Co., Ltd (hereinafter referred to as "CAD Group"), where the Company paid RMB25.5 million in monetary to increase capital to Jingliang (Caofeidian) Agricultural Development Co., Ltd (hereinafter referred to as "Jingliang AD Company"), the wholly-owned subsidiary of CAD Group. After the capital increase, the registered capital of Jingliang AD Company is RMB50 million, and the shareholding ration of the Company and CAD Group is respectively 51% and 49%.Based on the land reserves of freshwater aquaculture in Caofeidian District, the Company conducts land remediation year by year, which forms the indicator of requisition-compensation balance to implement the project of agriculture industrialization based on marketization. The management and operation of the Company improve the utility efficiency of land, at the same time, boost the development of agriculture industry, forming the new pattern of integrative development for integration of the first, second, and third industry.	01/27/2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement on Capital Increase of the Company to Jingliang (Caofeidian) Agricultural Development Co., Ltd to Launch the Project of Land Remediation in Caofeidian, Tangshan (No. 2018-005 )
In order to further expand financing channels, reduce financial costs, improve capital usage efficiency, and achieve the benefits to the maximum, the Company signed Agreement of Financial Services in Beijing with and Beijing Grain Group Finance Co., Ltd. (Hereinafter referred to as "Finance Company") on January 26, 2018. According to the Agreement, Finance Company provided the Company with a series of financial services within its business scope, including but not limited to deposit service, settlement service, comprehensive credit service, and other business that Finance Company can engage in approved by CBRC.	01/27/2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement on Agreement of Financial Services Signed with Beijing Grain Group Finance Co., Ltd and Related Transactions (No. 2018-008)
The Company finished the significant assets restructuring on November 2017, and the main businesses were converted from development of real estate, hotel tourism, and property management into processing of vegetable oil, food manufacturing and land remediation. In accordance with the relevant regulations of Index of Industry Classification of Listed Companies, when the proportion of	01/31/2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement on Industry Change of the Company (No. 2018-010)

operating revenues of a business is larger than or equal to 50%, then it shall be classified into the category corresponding to the business. The industry of the Company was changed into: manufacturing industry-farm and sideline food processing industry (Code C13) after being confirmed by Committee of Experts of Industry Classification of Association of Chinese Listed Companies and approved and issued by CSRC (for details, see the Results on Industry Classification of Listed Companies in the 4 <sup>th</sup> Quarter of 2017 disclosed on the website of CSRC).		
Since the main business of the Company has been changed, the existing name of the Company and stock name can't embody the future development strategy and the current actual business characteristics accurately and comprehensively. In order to reflect more accurately the business situations, and be in line with the future development strategy layout, the name of the Company was changed into Hainan Jingliang Holdings Co., Ltd, which will be easier for investors to understand. After the approval of Shenzhen Stock Exchange, stock names of Company were changed into "JLKG" and "JL-B" from March 13, 2018. The stock symbols remained the same, still was "000505" and "200505".	03/13/2018	<a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> : Announcement on Changes in the Company's Name and Stock name (No. 2018-017)

### III Commitments that the Company's Actual Controller, Shareholders, Related Parties and Acquirers, as well as the Company and Other Commitment Makers, Failed to Fulfill on Time during Reporting Period

Applicable  Not applicable

No such cases in the Reporting Period.

### IV Operating Result Forecast for January-June 2018

Warning of a forecast loss on or a forecast significant year-over-year change in net income for January-June 2018, as well as explanation of why:

Applicable  Not applicable

### V Securities Investments

Applicable  Not applicable

Variety of security	Symbol of security	Name of security	Initial investment cost (RMB)	Opening holding (share)	Opening holding percentage	Closing holding (share)	Closing holding percentage	Closing book value (RMB)	Gain/loss in Reporting Period (RMB)	Accounting title	Source
Other	204001	GC001	0.00		0.00%	3,546,000		354,600,000.00	1,123,327.08	Other current	-

										assets	
Other	204002	GC002	0.00		0.00%				35,392.23	Other current assets	-
Other	204003	GC003	0.00		0.00%				46,619.45	Other current assets	-
Other	204004	GC004	0.00		0.00%				39,346.08	Other current assets	-
Other	204007	GC007	0.00		0.00%				288,648.72	Other current assets	-
Total			0.00	0	--	3,546,000	--	354,600,000.00	1,533,333.56	--	--
Disclosure date of announcement on Board's consent for securities investment			01/27/2018								
Disclosure date of announcement on shareholders' meeting's consent for securities investment (if any)			02/13/2018								

## VI Investments in Derivative Financial Instruments

Applicable  Not applicable

Unit: RMB'0,000 (in RMB ten thousand yuan)

Type of derivative	Starting date	Ending date	Closing investment	Closing investment as a percentage of the Company's closing net asset value	Actual gain/loss in Reporting Period
Agricultural product future contract	01/01/2018	03/31/2018	2,547.33	0.98%	1,669.68
Agricultural product future contract	01/01/2018	03/31/2018	1,494.59	0.57%	155.87
Agricultural product future contract	01/01/2018	03/31/2018	2,338.46	0.90%	-195.07
Soybean hedging	01/01/2018	03/31/2018	11,634.88	4.47%	-3,830.14
Total	—	—	18,015.26	6.92%	-2,199.66
Source of money used for investment	The Company's own money				
Legal matters involved (if applicable)	N/A				
Analysis of risks and control measures	During the Reporting Period, the Company held future hedging positions, which were				

associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	all connected to material objects with forward contracts with high liquidity. The credit risk was low with no default risk. The deals were conducted in a regulated manner with strict decision-making and operational procedures, which would result no operational or legal risk.
Changes in market prices or fair value of derivative investments in Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	The value of the Company's future contracts changed according to the contract prices declared by the future exchange, which were broadly representative. And the fair value of the Company's future contracts was executed in strict compliance with the future exchange's settlement methods.
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	No significant changes

## VII Visits Paid to the Company for Purposes of Research, Communication, Interview, etc. during Reporting Period

Applicable  Not applicable

Date of visit	Way of visit	Type of visitor	About
03/12/2018	By one-on-one meeting	Institution	See The Sheet of Investor Relations Activities of Hainan Jingliang Holdings Co., Ltd. (No. 2018-01)

## VIII Irregularities in Provision of Guarantees for External Parties

Applicable  Not applicable

No such cases in the Reporting Period.

## IX Occupation of the Company's Money by Its Controlling Shareholder or Related Parties for Non-Operating Purposes

Applicable  Not applicable

No such cases in the Reporting Period.

Hainan Jingliang Holdings Co., Ltd.

April 16, 2018