



京粮控股
JL Holdings

HAINAN JINGLIANG HOLDINGS CO., LTD.

THIRD QUARTER REPORT 2019

October 2019

Part I Important Notes

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

All the Company’s directors have attended the Board meeting for the review of this Report and its summary.

Li Shaoling, 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 and its summary have been prepared in both Chinese and English. Should there be any discrepancies or misunderstandings between the two versions, the Chinese versions shall prevail.

Part II Key Corporate Information

I Key Consolidated Financial Information

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

☐ Yes ☒ No

	30 September 2019	31 December 2018	Change (%)	
Total assets (RMB)	5,132,178,541.12	4,917,148,996.28	4.37%	
Equity attributable to the listed company’s shareholders (RMB)	2,358,063,029.90	2,272,469,925.43	3.77%	
	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY change (%)
Operating revenue (RMB)	1,824,886,529.92	-3.94%	5,108,164,255.31	-7.79%
Net profit attributable to the listed company’s shareholders (RMB)	33,840,967.80	-20.08%	85,351,872.21	-16.54%
Net profit attributable to the listed company’s shareholders before exceptional items (RMB)	28,276,307.45	-34.00%	69,470,781.04	-30.00%
Net cash generated from/used in operating activities (RMB)	--	--	446,745,732.08	6.47%
Basic earnings per share (RMB/share)	0.05	-16.67%	0.12	-20.00%
Diluted earnings per share (RMB/share)	0.05	-16.67%	0.12	-20.00%
Weighted average return on equity (%)	1.48%	-26.00%	3.69%	-22.00%

Exceptional gains and losses:

☒ Applicable ☐ Not applicable

Unit: RMB

Item	Q1-Q3 2019	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	11,265,753.65	
Government subsidies recognized in the current period, except for those acquired in the ordinary course of business or granted at certain quotas or amounts according to the government's unified standards	3,058,788.87	
Gains/Losses on fair value changes of trading financial assets and liabilities & investment income from disposal of trading financial assets and liabilities as well as financial assets available for sale (exclusive of	7,948,330.08	

effective hedges related to normal business operations of the Company)		
Non-operating income and expense other than above	889,800.28	
Project confirmed with the definition of non-recurring gains and losses and losses	-122,538.24	
Less: Income tax effects	5,760,033.66	
Non-controlling interests effects (net of tax)	1,399,009.81	
Total	15,881,091.17	--

Explanation of why the Company reclassifies as recurrent an exceptional gain/loss item defined or listed in the Explanatory Announcement No. 1 on Information Disclosure for Companies Offering Their Securities to the Public—Exceptional Gain/Loss Items:

☐ Applicable ☒ Not applicable

No such cases for the Reporting Period.

II Total Number of Shareholders and Holdings of Top 10 Shareholders at 30 September 2019

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

Unit: share

Number of ordinary shareholders	38,631	Number of preferred shareholders with resumed voting rights (if any)	0			
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Number of shares	Restricted shares	Shares in pledge or frozen	
					Status	Shares
BEIJING GRAIN GROUP CO., LTD.	State-owned legal person	42.06%	288,439,561	164,877,598		
BEIJING STATE-OWNED CAPITAL OPERATION AND MANAGEMENT CENTER	State-owned legal person	7.07%	48,510,460	48,510,460		
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.	State-owned legal person	2.97%	20,393,051	0		
LI SHERYN ZHAN MING	Foreign natural person	2.54%	17,425,400	0		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO.,	Other	2.20%	15,116,472	0		

LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)						
MEI JIANYING	Domestic natural person	0.38%	2,604,203	0		
HU TIANGAO	Domestic natural person	0.34%	2,356,052	0		
ZHANG XIAOXIA	Domestic natural person	0.28%	1,949,250	0		
WANG XIAOXING	Domestic natural person	0.25%	1,742,700	0		
LIN LI	Domestic natural person	0.24%	1,669,600	0		
Top 10 unrestricted shareholders						
Name of shareholder		Unrestricted shares		Shares by type		
				Type	Shares	
BEIJING GRAIN GROUP CO., LTD.		123,561,963		RMB-denominated ordinary stock	123,561,963	
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.		20,393,051		RMB-denominated ordinary stock	20,393,051	
LI SHERYN ZHAN MING		17,425,400		Domestically listed foreign stock	17,425,400	
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)		15,116,472		RMB-denominated ordinary stock	15,116,472	
MEI JIANYING		2,604,203		RMB-denominated ordinary stock	2,604,203	
HU TIANGAO		2,356,052		RMB-denominated ordinary stock	2,356,052	
ZHANG XIAOXIA		1,949,250		Domestically listed foreign stock	1,949,250	
WANG XIAOXING		1,742,700		RMB-denominated ordinary stock	1,742,700	
LIN LI		1,669,600		RMB-denominated ordinary stock	1,669,600	
CHEN OUQIN		1,652,679		RMB-denominated	1,652,679	

		d ordinary stock	
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 a 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.		
Top 10 ordinary shareholders involved in securities margin trading (if any)	1. Shareholder Wang Xiaoxing holds 1,742,700 shares in the Company through his account of collateral securities for margin trading in Soochow Securities Co., Ltd. 2. Shareholder Hu Tiangao holds 338,000 shares in the Company through his account of collateral securities for margin trading in Zheshang Securities Co., Ltd. and 2,018,052 shares in the Company through his common account.		

Indicate by tick mark whether any of the top 10 ordinary shareholders or the top 10 unrestricted ordinary 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 Consolidated Financial Statement Line Items and Explanation of why

√ Applicable ☐ Not applicable

1. The decrease of monetary capital primarily driven by the repayment of bank borrowings and purchase of income receipts regarding cash management of raised funds during the Reporting Period.
2. The increase of prepayments primarily driven by the increase of prepayments to suppliers arising from increase of procurement out of necessity of production and operation during the Reporting Period.
3. The increase of other receivables primarily driven because the charge of warehouse service for Q3 2019 has not been received yet as at 30 September 2019.
4. The increase of other current assets primarily because the purchase of income receipts regarding cash management of raised funds during the Reporting Period has not expired yet as at 30 September 2019.
5. The decrease of construction in progress primarily driven by the transfer of some construction in progress into fixed assets due to completion during the Reporting Period.
6. The increase of other non-current assets primarily driven by the increase of fixed time deposits of more than one year during the Reporting Period.
7. The increase of notes payable and accounts payable primarily driven by the increase of debts to suppliers arising from increase of procurement out of necessity of production and operation.
8. The decrease of payroll payable primarily driven by the payment in the Reporting Period of the 2018 annual performance pay that had been set aside in 2018.
9. The increase of asset disposal income primarily driven by the net income from demolition of some courtyard walls of the Company located at Luhe, Tongzhou District, Beijing for the eastern expansion of Guangqu Road in 2019.
10. The increase of net cash generated from financing activities primarily driven by bank loan repayment in 2019 out of necessity of production and operation plans.
11. The decrease of net profit attributable to the listed company's shareholders before exceptional items is primarily driven by the negative effects on the Sino-US trade friction and the increase of the raw material cost and others.

II Progress, Influence and Solutions Associated with Significant Events

√ Applicable □ Not applicable

Overview of significant events	Disclosure date	Announcement index
The Company and its wholly-owned subsidiary Beijing Jingliang Food Co., Ltd. intend to purchase 25.1149% of equity interests in Zhejiang Xiaowangzi Food Share Co, Ltd. collectively held by six natural persons via cash payment and share offering. The six natural persons are Wang Yuecheng, Qiu Xiaobin, Hong Muqiang, Zhu Yanjun, Yao Zishan and Shuai Yiwu. The Company held the board meeting on 19 July 2019, on which the <i>Proposal on Plan of Asset Purchase via Cash Payment and Share Offering by Hainan Jingliang Holdings Co., Ltd. and its Summary</i> and proposals in relation to this transaction were reviewed and approved.	13 July 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Suspension of Trading of the Company's Stocks for Plan of Asset Purchase via Cash Payment and Share Offering</i> (2019-045)
	22 July 2019	Cninfo: <i>Indicative Announcement of Hainan Jingliang Holdings Co., Ltd. on Plan of Asset Purchase via Cash Payment and Share Offering and Related-party Transactions and Resumption of Trading of the Company's Stocks</i> (2019-046)
	21 August 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Progress of Plan of Asset Purchase via Cash Payment and Share Offering and Related-party Transactions after Disclosure thereof</i> (2019-056)
	21 September 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Progress of Plan of Asset Purchase via Cash Payment and Share Offering and Related-party Transactions after Disclosure thereof</i> (2019-065)
The 8 th Board of Directors and the 8 th Supervisory Committee expired in September 2019. Then, the Company held the 3 rd Extraordinary General Meeting of 2019 on 23 September 2019 and approved all proposals in relation to the general election of the Board of Directors and the Supervisory Committee via cumulative voting and held the 1 st Meeting of the 9 th Board of Directors and the 1 st Meeting of the 9 th Supervisory Committee on 26 September 2019, on which the Chairman of the Board, the Chairman of the Supervisory Committee and members of all special committees were elected and the senior management were engaged.	24 September 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Changing Directors and Supervisors</i> (2019-067)
	27 September 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Resolutions of the 1st Meeting of the 9th Board of Directors</i> (2019-068)
	27 September 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Resolutions of the 1st Meeting of the 9th Supervisory Committee</i> (2019-069)

Progress on any share repurchases:

☐ Applicable ☒ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

☐ Applicable ☒ Not applicable

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

IV Securities Investments

☒ Applicable ☐ Not applicable

Unit: RMB

Security type	Security code	Security name	Initial investment cost	Measurement method	Beginning carrying amount	Gain/Loss on fair-value changes in Reporting Period	Accumulated fair-value changes charged to equity	Purchased in Reporting Period	Sold in Reporting Period	Gain/loss in Reporting Period	Ending carrying amount	Accounting title	Funding source
Other	204001	GC001		Cost method				20,647,200,000.00	20,647,200,000.00	2,070,748.08		Other	Self-raised
Other	204004	GC004		Cost method				300,000,000.00	300,000,000.00	74,650.83		Other	Self-raised
Other	204007	GC007		Cost method				120,200,000.00	120,200,000.00	119,991.46		Other	Self-raised
Other	204014	GC014		Cost method				100,300,000.00	100,300,000.00	98,005.90		Other	Self-raised
Total			0.00	--	0.00	0.00	0.00	21,167,700,000.00	21,167,700,000.00	2,363,396.27	0.00	--	--
Disclosure date of announcement on Board's consent for securities investments			21 February 2019										
Disclosure date of announcement on general			N/A										

meeting's consent for securities investments (if any)	
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V Wealth Management Entrustment

√ Applicable □ Not applicable

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

Type of wealth management	Funding source	Principal	Outstanding amount before maturity	Overdue amount
Wealth management product purchased from securities trader	Idle raised	38,700	38,700	0
Wealth management product purchased from bank	Self-funded	9,030	3,430	0
Total		47,730	42,130	0

High-risk wealth management entrustments with amounts that are individually significant, or with low security, low liquidity, or no protection of the principal:

√ Applicable □ Not applicable

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

Trustee	Type of trustee	Type of wealth management product	Principal	Funding source	Start date	End date	Investment with principal	Way of payback	Reference annualized return (%)	Expected earnings (if any)	Actual gain/loss in Reporting Period	Collection/payment of gain/loss in Reporting Period	Impairment allowance (if any)	Through prescribed procedure or not	Any plan for further entrustment	Overview and index to more information (if any)
CITIC SECURITIES	Securities company	Certification of trust receipt	38,700	Idle raised capital	4 July 2019	14 October 2019	Agreement of contract	Pay the principal and earnings at the maturity	2.70%		0	Unredeemed		Yes	Yes	www.cninfo.com.cn: 2019-044

								ty date of invest ment								
Total			38,700	--	--	--	--	--	--	0	0	--		--	--	--

Wealth management entrustments with possible impairments including an expectedly unrecoverable principal:

☐ Applicable ☒ Not applicable

VI Investments in Derivative Financial Instruments

☒ Applicable ☐ Not applicable

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

Type of derivative	Start date	End date	Ending investment	Ending investment as % of the Company's ending net assets	Actual gain/loss in Reporting Period
Agricultural product future contract	1 January 2019	30 September 2019	7,532.71	3.19%	-4,955.39
Foreign exchange forwards	1 January 2019	30 September 2019	23	0.01%	376.1
Total	--	--	7,555.71	3.20%	-4,579.29
Funding source	Self-funded				
Legal matters involved (if applicable)	N/A				
Disclosure date of board announcement approving derivative investment (if any)	21 February 2019				
	30 March 2019				
Disclosure date of general meeting announcement approving derivative investment (if any)	9 March 2019				
	20 April 2019				
Analysis of risks and control measures associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	The Company's conduction of hedging business is not aimed at speculation, but mainly to effectively avoid the impact of raw material price fluctuation on the Company. However, there will be certain risks: 1. Price fluctuation risk: price fluctuation risk may be generated when the futures market changes greatly, resulting in transaction losses; 2. Capital risk: capital risk may be correspondingly brought because the futures trading adopts margin and marking-to-market system; 3. Internal control risk: there may be risks due to imperfect internal control system for the high expertise and complexity of futures trading; 4. Technical risk: there may be technical risks due to incomplete computer systems. The Company adopts following risk control measures: 1. Matching the hedging business with the Company's production and operation so as to maximally reduce the price fluctuation risk; 2. The Company will reasonably dispatch its own funds for hedging business,				

	strictly control the hedging fund scale and reasonably plan and use margins; 3. <i>Management System of Commodity Futures Trading</i> is formulated at the Company and subsidiaries levels respectively based on actual situation of the Company and pursuant to governing stipulations of <i>Guidelines for Standard Operation of Companies Listed in Shenzhen Stock Exchange</i> which have made clearly stipulations about the amount, variety scope, approval authority, internal approval procedures, responsible departments and persons, information isolation measures, internal risk report and related solution process, information disclosure, etc. regarding hedging business. The Company will strictly control all sectors in accordance with the management system formulated; 4. Establishing qualified systems for transaction, communication and information services so as to guarantee the normal operation of the transaction system and smooth proceeding of transactions. When a wrong order occurs, corresponding measures should be timely taken to reduce losses.
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.
Major changes in accounting policies and specific accounting principles adopted for derivative investments in Reporting Period compared to last reporting period	N/A
Opinion of independent directors on derivative investments and risk control	The relevant decision-making procedures for the Company and its majority-owned subsidiaries to conduct foreign exchange derivatives trading business are in compliance with relevant national laws, regulations and the governing provisions of the <i>Articles of Association</i> after verification. Based on normal production and operation, the Company uses foreign exchange derivatives instruments to reduce exchange rate risks and finance costs, and control business risks. There is no harm to the interests of the Company and all other shareholders, especially minority shareholders. It is agreed that the Company and its majority-owned subsidiaries will conduct foreign exchange derivative trading business within the consideration amount, and submit to the general meeting for deliberation.

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

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

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 Capital by Controlling Shareholder or Its Related Parties for Non-Operating Purposes

☐ Applicable ☒ Not applicable

No such cases in the Reporting Period.

Part IV Financial Statements

I Financial Statements

1. Consolidated Balance Sheet

Prepared by Hainan Jingliang Holdings Co., Ltd.

30 September 2019

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	495,666,232.11	924,870,016.78
Settlement reserve		
Interbank loans granted		
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets	49,872,120.50	71,260,414.60
Notes receivable		
Accounts receivable	95,540,151.58	97,775,710.11
Accounts receivable financing		
Prepayments	430,689,409.61	120,181,442.89
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	65,460,014.32	18,256,513.93
Including: Interests receivable	483,694.45	2,400,877.51
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	992,709,551.35	1,224,186,963.07
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		

Other current assets	836,609,741.86	288,821,816.63
Total current assets	2,966,547,221.33	2,745,352,878.01
Non-current assets:		
Loans and advances to customers		
Investments in debt obligations		
Available-for-sale financial assets		20,000,000.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	187,325,274.16	182,827,226.11
Investments in other equity instruments	20,000,000.00	
Other non-current financial assets		
Investment property	32,184,788.51	33,395,101.68
Fixed assets	1,241,030,763.35	1,271,803,080.56
Construction in progress	27,249,683.31	37,369,757.78
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	373,516,890.08	383,382,527.68
R&D expense		
Goodwill	191,394,422.51	191,394,422.51
Long-term prepaid expense	23,950,504.42	34,671,018.22
Deferred income tax assets	13,978,993.45	15,330,980.14
Other non-current assets	55,000,000.00	1,622,003.59
Total non-current assets	2,165,631,319.79	2,171,796,118.27
Total assets	5,132,178,541.12	4,917,148,996.28
Current liabilities:		
Short-term borrowings	1,139,402,578.70	1,437,715,080.91
Borrowings from central bank		
Interbank loans obtained		
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		

Notes payable		
Accounts payable	336,251,875.67	140,564,713.11
Advances from customers	324,648,928.69	145,317,064.18
Contractual liabilities		
Financial assets sold under repurchase agreements		
Customer deposits and interbank deposits		
Payables for acting trading of securities		
Payables for underwriting of securities		
Payroll payable	11,003,826.95	31,494,568.05
Taxes payable	38,933,903.00	35,783,819.84
Other payables	165,377,948.13	111,288,708.99
Including: Interest payable	25,010,702.02	26,972,826.90
Dividends payable	11,013,302.88	11,197,317.01
Handling charges and commissions payable		
Reinsurance payable		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		11,100,915.25
Total current liabilities	2,015,619,061.14	1,913,264,870.33
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable	40,245,406.52	40,245,406.52
Provisions		

Deferred income	73,743,596.30	74,953,385.51
Deferred income tax liabilities	65,140,818.53	49,618,839.47
Other non-current liabilities		
Total non-current liabilities	179,129,821.35	164,817,631.50
Total liabilities	2,194,748,882.49	2,078,082,501.83
Owners' equity:		
Share capital	685,790,364.00	685,790,364.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,595,711,805.31	1,595,711,805.31
Less: Treasury stock		
Other comprehensive income	241,670.59	438.33
Special reserves		
Surplus reserves	122,122,436.98	122,122,436.98
General reserve		
Retained earnings	-45,803,246.98	-131,155,119.19
Total equity attributable to owners of the Company as the parent	2,358,063,029.90	2,272,469,925.43
Non-controlling interests	579,366,628.73	566,596,569.02
Total owners' equity	2,937,429,658.63	2,839,066,494.45
Total liabilities and owners' equity	5,132,178,541.12	4,917,148,996.28

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2019	31 December 2018
Current assets:		
Monetary capital	3,806,520.59	13,597,659.66
Trading financial assets		
Financial assets at fair value through profit or loss		
Derivative financial assets		

Notes receivable		
Accounts receivable	74,460.00	79,986.00
Accounts receivable financing		
Prepayments	19,000.00	20,000.00
Other receivables	31,789,102.45	227,353.10
Including: Interest receivable		
Dividends receivable		
Inventories	4,824,035.45	4,824,035.45
Contractual assets		
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	2,234,896.21	1,962,371.32
Total current assets	42,748,014.70	20,711,405.53
Non-current assets:		
Investments in debt obligations		
Available-for-sale financial assets		20,000,000.00
Investments in other debt obligations		
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,377,420,527.10	2,375,639,964.05
Investments in other equity instruments	20,000,000.00	
Other non-current financial assets		
Investment property	5,551,966.88	5,778,794.33
Fixed assets	3,232,789.18	3,260,620.04
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	94,088.04	171,069.18
R&D expense		
Goodwill		
Long-term prepaid expense	110,062.84	180,817.60
Deferred income tax assets		

Other non-current assets		
Total non-current assets	2,406,409,434.04	2,405,031,265.20
Total assets	2,449,157,448.74	2,425,742,670.73
Current liabilities:		
Short-term borrowings		
Trading financial liabilities		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable		
Advances from customers	38,896.41	38,896.41
Contractual liabilities		
Payroll payable	376,482.76	438,195.96
Taxes payable	992,416.59	976,458.68
Other payables	509,692,210.91	449,947,050.56
Including: Interest payable	21,082,795.47	21,082,795.47
Dividends payable	3,213,302.88	3,213,302.88
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	511,100,006.67	451,400,601.61
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term payroll payable		
Provisions		
Deferred income		
Deferred income tax liabilities		

Other non-current liabilities		
Total non-current liabilities		
Total liabilities	511,100,006.67	451,400,601.61
Owners' equity:		
Share capital	685,790,364.00	685,790,364.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	2,173,387,468.71	2,173,387,468.71
Less: Treasury stock		
Other comprehensive income		
Special reserves		
Surplus reserves	109,487,064.39	109,487,064.39
Retained earnings	-1,030,607,455.03	-994,322,827.98
Total owners' equity	1,938,057,442.07	1,974,342,069.12
Total liabilities and owners' equity	2,449,157,448.74	2,425,742,670.73

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Revenue	1,824,886,529.92	1,899,805,985.97
Including: Operating revenue	1,824,886,529.92	1,899,805,985.97
Interest income		
Premium income		
Handling charge and commission income		
2. Costs and expenses	1,764,674,515.46	1,806,906,735.47
Including: Cost of sales	1,652,610,736.57	1,703,299,548.14
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		

Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	5,490,323.70	4,706,132.09
Selling expense	50,699,252.02	48,195,311.31
Administrative expense	47,487,578.68	52,378,722.27
R&D expense	703,632.42	349,299.58
Finance costs	7,682,992.07	-2,022,277.92
Including: Interest expense	29,919,400.39	28,498,954.62
Interest income	22,365,123.69	12,702,511.85
Add: Other income	1,908,875.68	3,420,131.60
Return on investment (“-” for loss)	1,089,429.46	5,574,816.04
Including: Share of profit or loss of joint ventures and associates		
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-512,728.81	-36,001,451.60
Credit impairment loss (“-” for loss)		
Assets impairment loss (“-” for loss)	1,193.30	-203,532.58
Asset disposal income (“-” for loss)	-733,109.31	-1,607,843.98
3. Operating profit (“-” for loss)	61,965,674.78	64,081,369.98
Add: Non-operating income	539,843.22	983,957.85
Less: Non-operating expense	1,127,254.62	276,289.34
4. Profit before tax (“-” for loss)	61,378,263.38	64,789,038.49
Less: Income tax expense	15,853,529.76	9,498,223.59
5. Net profit (“-” for net loss)	45,524,733.62	55,290,814.90

5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	45,524,733.62	55,290,814.90
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	33,840,967.80	42,345,394.93
5.2.2 Net profit attributable to non-controlling interests	11,683,765.82	12,945,419.97
6. Other comprehensive income, net of tax	190,287.74	264,437.23
Attributable to owners of the Company as the parent	190,287.74	264,437.23
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit pension schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value of the company’s credit risks		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	190,287.74	264,437.23
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		
6.2.4 Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from the reclassification of held-to-maturity		

investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from the translation of foreign currency-denominated financial statements	190,287.74	264,437.23
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	45,715,021.36	55,555,252.13
Attributable to owners of the Company as the parent	34,031,255.54	42,609,832.16
Attributable to non-controlling interests	11,683,765.82	12,945,419.97
8. Earnings per share		
8.1 Basic earnings per share	0.05	0.06
8.2 Diluted earnings per share	0.05	0.06

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMBXXX, with the amount for the same period of last year being RMBXXX.

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2019	Q3 2018
1. Operating revenue	0.00	0.00
Less: Cost of sales	0.00	75,609.15
Taxes and surcharges	33,908.40	32,242.73
Selling expense		
Administrative expense	10,567,161.77	8,498,118.65
R&D expense		
Finance costs	4,064,326.05	3,587,578.96

Including: Interest expense	4,067,234.62	3,588,242.50
Interest income	3,054.57	2,774.94
Add: Other income		
Return on investment (“-” for loss)		
Including: Share of profit or loss of joint ventures and associates		
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)		
Assets impairment loss (“-” for loss)	0.00	-580.00
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	-14,665,396.22	-12,194,129.49
Add: Non-operating income		
Less: Non-operating expense		
3. Profit before tax (“-” for loss)	-14,665,396.22	-12,194,129.49
Less: Income tax expense		
4. Net profit (“-” for net loss)	-14,665,396.22	-12,194,129.49
4.1 Net profit from continuing operations (“-” for net loss)	-14,665,396.22	
4.2 Net profit from discontinued operations (“-” for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes caused by remeasurements on defined benefit pension schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or		

loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value of the company's credit risks		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in the fair value of available-for-sale financial assets		
5.2.4 Other comprehensive income arising from the reclassification of financial assets		
5.2.5 Gain/Loss arising from the reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	-14,665,396.22	-12,194,129.49
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
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1. Revenue	5,108,164,255.31	5,539,431,965.38
Including: Operating revenue	5,108,164,255.31	5,539,431,965.38
Interest income		
Premium income		
Handling charge and commission income		
2. Operating costs and expenses	5,018,488,742.07	5,367,776,105.45
Including: Cost of sales	4,693,289,477.71	5,038,627,672.46
Interest expense		
Handling charge and commission expense		
Surrenders		
Net claims paid		
Net amount provided as policy reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surcharges	17,090,887.34	19,018,278.45
Selling expense	151,930,390.29	139,821,320.67
Administrative expense	128,785,807.05	135,753,834.87
R&D expense	1,234,698.42	1,072,960.08
Finance costs	26,157,481.26	33,482,038.92
Including: Interest expense	52,900,693.46	80,549,317.31
Interest income	26,485,752.27	28,499,809.74
Add: Other income	11,779,973.90	8,937,425.37
Investment income (“-” for loss)	10,268,731.55	16,487,429.06
Including: Share of profit or loss of joint ventures and associates		
Derecognition income of financial assets measured at amortized cost		
Foreign exchange gain (“-” for loss)		
Net gain on exposure hedges (“-”		

for loss)		
Gain on changes in fair value (“-” for loss)	25,645,552.41	-22,110,484.16
Credit impairment loss (“-” for loss)		
Assets impairment loss (“-” for loss)	-196,502.26	278,887.16
Asset disposal income (“-” for loss)	11,264,409.09	-1,796,072.16
3. Operating profit (“-” for loss)	148,437,677.93	173,453,045.20
Add: Non-operating income	2,256,286.81	10,781,378.60
Less: Non-operating expense	1,949,673.24	9,896,461.65
4. Profit before tax (“-” for loss)	148,744,291.50	174,337,962.15
Less: Income tax expense	37,975,305.88	44,488,495.00
5. Net profit (“-” for net loss)	110,768,985.62	129,849,467.15
5.1 By operating continuity (“-” for net loss)		
5.1.1 Net profit from continuing operations (“-” for net loss)	110,768,985.62	129,849,467.15
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	85,351,872.21	102,264,390.61
5.2.2 Net profit attributable to non-controlling interests	25,417,113.41	27,585,076.54
6. Other comprehensive income, net of tax	241,232.26	449,844.98
Attributable to owners of the Company as the parent	241,232.26	449,844.98
6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
6.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		

6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value of the company's credit risks		
6.1.5 Other		
6.2 Items that may subsequently be reclassified to profit or loss	241,232.26	449,844.98
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Changes in the fair value of investments in other debt obligations		
6.2.3 Gain/Loss on changes in fair value of available-for-sale financial assets		
6.2.4. Other comprehensive income arising from the reclassification of financial assets		
6.2.5 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.6 Allowance for credit impairments in investments in other debt obligations		
6.2.7 Reserve for cash flow hedges		
6.2.8 Differences arising from translation of foreign currency-denominated financial statements	241,232.26	449,844.98
6.2.9 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	111,010,217.88	130,299,312.13
Attributable to owners of the Company as the parent	85,593,104.47	102,714,235.59
Attributable to non-controlling interests	25,417,113.41	27,585,076.54
8. Earnings per share		

8.1 Basic earnings per share	0.12	0.15
8.2 Diluted earnings per share	0.12	0.15

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMBXXX, with the amount for the same period of last year being RMBXXX.

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Operating revenue	0.00	0.00
Less: Cost of sales	0.00	226,827.45
Taxes and surcharges	102,985.20	1,046,593.89
Selling expense		
Administrative expense	24,078,567.37	14,511,777.95
R&D expense		
Finance costs	11,629,290.32	9,982,985.70
Including: Interest expense	11,638,818.11	10,929,291.28
Interest income	14,138.40	954,302.98
Add: Other income		
Investment income ("-" for loss)		
Including: Share of profit or loss of joint ventures and associates		
Derecognition income of financial assets measured at amortized cost		
Net gain on exposure hedges ("-" for loss)		
Gain on changes in fair value ("-" for loss)		
Credit impairment loss ("-" for loss)		
Assets impairment loss ("-" for loss)	-4,344.16	98,668.41
Asset disposal income ("-" for loss)		

loss)		
2. Operating profit ("-" for loss)	-35,815,187.05	-25,669,516.58
Add: Non-operating income		
Less: Non-operating expense	469,440.00	100.00
3. Profit before tax ("-" for loss)	-36,284,627.05	-25,669,616.58
Less: Income tax expense		
4. Net profit ("-" for net loss)	-36,284,627.05	-25,669,616.58
4.1 Net profit from continuing operations ("-" for net loss)	-36,284,627.05	
4.2 Net profit from discontinued operations ("-" for net loss)		
5. Other comprehensive income, net of tax		
5.1 Items that will not be reclassified to profit or loss		
5.1.1 Changes in net liabilities or assets caused by remeasurements on defined benefit pension schemes		
5.1.2 Share of other comprehensive income of investees that will not be reclassified to profit or loss under equity method		
5.1.3 Changes in the fair value of investments in other debt obligations		
5.1.4 Changes in the fair value of the company's credit risks		
5.1.5 Other		
5.2 Items that may subsequently be reclassified to profit or loss		
5.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
5.2.2 Changes in the fair value of investments in other debt obligations		
5.2.3 Gain/Loss on changes in fair value of available-for-sale financial assets		
5.2.4 Other comprehensive income arising from the reclassification of		

financial assets		
5.2.5 Gain/Loss arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.6 Allowance for credit impairments in investments in other debt obligations		
5.2.7 Reserve for cash flow hedges		
5.2.8 Differences arising from translation of foreign currency-denominated financial statements		
5.2.9 Other		
6. Total comprehensive income	-36,284,627.05	-25,669,616.58
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	5,561,175,595.39	6,089,990,408.11
Net increase in customer deposits and interbank deposits		
Net increase in borrowings from central bank		
Net increase in loans from other financial institutions		
Premiums received on original insurance contracts		
Net proceeds from reinsurance		
Net increase in deposits and investments of policy holders		
Interest, handling charges and commissions received		
Net increase in interbank loans		

obtained		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax rebates	8,511,133.41	11,907,624.39
Cash generated from other operating activities	1,018,233,943.12	1,766,762,056.68
Subtotal of cash generated from operating activities	6,587,920,671.92	7,868,660,089.18
Payments for commodities and services	4,955,576,528.87	5,488,803,432.64
Net increase in loans and advances to customers		
Net increase in deposits in central bank and in interbank loans granted		
Payments for claims on original insurance contracts		
Net increase in interbank loans granted		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	225,542,724.31	215,823,143.63
Taxes paid	113,872,002.20	149,429,869.38
Cash used in other operating activities	846,183,684.46	1,595,019,949.04
Subtotal of cash used in operating activities	6,141,174,939.84	7,449,076,394.69
Net cash generated from/used in operating activities	446,745,732.08	419,583,694.49
2. Cash flows from investing activities:		
Proceeds from disinvestment	1,451,236,691.57	1,647,338,090.45
Return on investment	24,608,980.29	22,660,696.79
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	69,211.68	624,362.84
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		94,375,000.00

Subtotal of cash generated from investing activities	1,475,914,883.54	1,764,998,150.08
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	41,645,608.65	44,298,838.25
Payments for investments	1,921,580,563.05	1,944,330,000.00
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units		47,954,985.00
Cash used in other investing activities	752.21	289,112,694.38
Subtotal of cash used in investing activities	1,963,226,923.91	2,325,696,517.63
Net cash generated from/used in investing activities	-487,312,040.37	-560,698,367.55
3. Cash flows from financing activities:		
Capital contributions received		126,553,500.00
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings obtained	1,633,175,871.20	1,705,500,818.73
Cash generated from other financing activities		4,857,675,313.61
Subtotal of cash generated from financing activities	1,633,175,871.20	6,689,729,632.34
Repayments of borrowings	1,929,842,758.45	1,917,644,873.55
Payments for interest and dividends	75,821,378.17	98,022,459.14
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		4,891,136,552.93
Subtotal of cash used in financing activities	2,005,664,136.62	6,906,803,885.62
Net cash generated from/used in financing activities	-372,488,265.42	-217,074,253.28
4. Effect of foreign exchange rate changes on cash and cash equivalents	3,782,563.49	19,414,338.66
5. Net increase in cash and cash equivalents	-409,272,010.22	-338,774,587.68
Add: Cash and cash equivalents, beginning of the period	867,870,016.78	1,014,438,663.43
6. Cash and cash equivalents, end of the period	458,598,006.56	675,664,075.75

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2019	Q1~Q3 2018
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services		
Tax rebates	1,800.00	750.00
Cash generated from other operating activities	33,566,371.69	58,581,113.47
Subtotal of cash generated from operating activities	33,568,171.69	58,581,863.47
Payments for commodities and services	25,453.09	87,700.45
Cash paid to and for employees	17,908,969.70	12,261,894.85
Taxes paid	105,317.14	5,670,439.48
Cash used in other operating activities	52,051,442.98	57,497,384.43
Subtotal of cash used in operating activities	70,091,182.91	75,517,419.21
Net cash generated from/used in operating activities	-36,523,011.22	-16,935,555.74
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment		
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		-34,427.35
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	0.00	-34,427.35
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	187,564.80	214,550.26
Payments for investments	1,780,563.05	39,000,000.00
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing		

activities		
Subtotal of cash used in investing activities	1,968,127.85	39,214,550.26
Net cash generated from/used in investing activities	-1,968,127.85	-39,248,977.61
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings obtained	28,700,000.00	75,900,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	28,700,000.00	75,900,000.00
Repayments of borrowings		16,000,000.00
Payments for interest and dividends		3,649,220.00
Cash used in other financing activities		
Subtotal of cash used in financing activities	0.00	19,649,220.00
Net cash generated from/used in financing activities	28,700,000.00	56,250,780.00
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	-9,791,139.07	66,246.65
Add: Cash and cash equivalents, beginning of the period	13,597,659.66	15,360,177.32
6. Cash and cash equivalents, end of the period	3,806,520.59	15,426,423.97

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the Execution of any New Standards Governing Financial Instruments, Revenue or Leases from 2019

☐ Applicable ☒ Not applicable

2. Retrospective Restatement of Previous Comparative Data due to the Execution of any New Standards Governing Financial Instruments or Leases from 2019

☐ Applicable ☒ Not applicable

III Independent Auditor's Report

Indicate by tick mark whether the financial statements above have been audited by an independent auditor.

☐ Yes ☒ No

These financial statements have not been audited by such an auditor.

Hainan Jingliang Holdings Co., Ltd.

19 October 2019