

Stock Code: 000505, 200505

Stock Name: JLKG, JL-B

Announcement No.: 2019-072

# **HAINAN JINGLIANG HOLDINGS CO., LTD.**

## **THIRD QUARTER REPORT 2019 (SUMMARY)**

## 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 (%)	
	Q3 2019	YoY change (%)	Q1-Q3 2019	YoY 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%
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	
<b>Total</b>	<b>15,881,091.17</b>	<b>--</b>

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			

		持普通股	
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 Tiango 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.

Yes  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 <sup>th</sup> Board of Directors and the 8 <sup>th</sup> Supervisory Committee expired in September 2019. Then, the Company held the 3 <sup>rd</sup> 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 <sup>st</sup> Meeting of the 9 <sup>th</sup> Board of Directors and the 1 <sup>st</sup> Meeting of the 9 <sup>th</sup> 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 1<sup>st</sup> Meeting of the 9<sup>th</sup> Board of Directors</i> (2019-068)
	27 September 2019	Cninfo: <i>Announcement of Hainan Jingliang Holdings Co., Ltd. on Resolutions of the 1<sup>st</sup> Meeting of the 9<sup>th</sup> 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	Princip al	Fundi ng source	Start date	End date	Invest ment with princ ipal	Way of payba ck	Refere nce annual ized return	Expect ed earnin gs (if any)	Actual gain/loss in Report ing Period	Collec tion/pa yment of gain/loss in Report ing Period	Impair ment allowa nce (if any)	Throu gh prescri bed proced ure or not	Any plan for further entrustment	Overv iew and index to more infor mation (if any)
CITIC SECURITIES RITIES	Securit ies compa ny	Certific ation of trust receipt	38,700	Idle raised capital	4 July 2019	14 October 2019	Agree ment of contra ct	Pay the princ iple and earnin gs at the maturi	2.70%		0	Unredeemed		Yes	Yes	www. cninfo. com. cn: 2019-044

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.

Hainan Jingliang Holdings Co., Ltd.

19 October 2019