

Stock Code: 000505, 200505

Stock Name: JLKG, JL-B

Announcement No. 2020-054

HAINAN JINGLIANG HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2020 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the Semi-annual Report of Hainan Jingliang Holdings Co., Ltd. (together with its consolidated subsidiaries, the “Company”, except where the context otherwise requires). In order for a full understanding of the Company’s operating results, financial condition and future development plans, investors should carefully read the aforesaid full text, which has been disclosed together with this Summary on the media designated by the China Securities Regulatory Commission (the “CSRC”).

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

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

Independent auditor’s modified opinion:

☐ Applicable ☒ Not applicable

Board-approved interim cash and/or stock dividend plan for ordinary shareholders:

☐ Applicable ☒ Not applicable

The Company has no interim dividend plan, either in the form of cash or stock.

Board-approved interim cash and/or stock dividend plan for preferred shareholders:

☐ Applicable ☒ Not applicable

Part II Key Corporate Information

1. Stock Profile

Stock name	JLKG, JL-B	Stock code	000505, 200505
Stock exchange for stock listing	Shenzhen Stock Exchange		
Contact information	Board Secretary	Securities Representative	
Name	Guan Ying	Gao Deqiu	
Office address	15/F, Jing Liang Building, NO. 16 East Third Ring Middle Road, Chaoyang District, Beijing	15/F, Jing Liang Building, NO. 16 East Third Ring Middle Road, Chaoyang District, Beijing	
Tel.	010-51672130	010-51672029	
E-mail address	1124387865@qq.com	gaodeqiu_jl@163.com	

2. Key Financial Information

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

☐ Yes ☒ No

	H1 2020	H1 2019	Change (%)
Operating revenue (RMB)	3,750,773,067.63	3,283,277,725.39	14.24%
Net profit attributable to the listed company's shareholders (RMB)	73,762,895.19	51,510,904.41	43.20%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	67,995,189.95	41,194,473.59	65.06%
Net cash generated from/used in operating activities (RMB)	187,095,820.76	220,592,294.21	-15.18%
Basic earnings per share (RMB/share)	0.11	0.08	37.50%
Diluted earnings per share (RMB/share)	0.11	0.08	37.50%
Weighted average return on equity (%)	3.02%	2.24%	0.78%
	30 June 2020	31 December 2019	Change (%)
Total assets (RMB)	5,334,498,957.68	5,231,266,600.19	1.97%
Equity attributable to the listed company's shareholders (RMB)	2,605,230,169.38	2,406,039,283.87	8.28%

3. Shareholders and Their Shares at Period-End

Unit: share

Number of ordinary shareholders		59,539	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	Pledged or frozen shares	
					Status	Shares
BEIJING GRAIN GROUP CO., LTD.	State-owned legal person	39.68%	288,439,561	164,877,598		
BEIJING STATE-OWNED CAPITAL OPERATION AND MANAGEMENT CENTER	State-owned legal person	6.67%	48,510,460	48,510,460		
WANG YUECHENG	Domestic natural person	5.66%	41,159,887	41,159,887		
LI SHERYN ZHAN MING	Foreign natural person	1.88%	13,689,800			
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.	State-owned legal person	1.34%	9,707,366			
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	Other	0.87%	6,307,736			
MEI JIANYING	Domestic natural person	0.36%	2,604,203			
WANG XIAOXING	Domestic natural person	0.27%	1,984,600			
ZHANG XIAOXIA	Domestic natural	0.27%	1,949,250			

	person					
CHEN OUQIN	Domestic natural person	0.23%	1,652,679			
Connected or acting-in-concert parties among shareholders above		① 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 39.68% holding). ② Wang Yuecheng is a Deputy General Manager of the Company. 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 margin trading (if any)		Shareholder Wang Xiaoxing holds 1,984,600 shares in the Company through his account of collateral securities for margin trading in Soochow Securities Co., Ltd.				

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

Change of the controlling shareholder in the Reporting Period:

☐ Applicable ☒ Not applicable

The controlling shareholder remained the same in the Reporting Period.

Change of the actual controller in the Reporting Period:

☐ Applicable ☒ Not applicable

The actual controller remained the same in the Reporting Period.

5. Numbers of Preferred Shareholders and Shareholdings of Top 10 of Them

☐ Applicable ☒ Not applicable

No preferred 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 date of this Report's approval or were due but could not be redeemed in full?

No.

Part III Operating Performance Discussion and Analysis

1. Business Overview of Reporting Period

Is the Company subject to any industry-specific disclosure requirements?

No.

In face of the constant hits by unfavorable factors such as the COVID-19 pandemic, the China-U.S. trade war and the African swine fever in the first half of 2020, the Company proactively adjusted operating strategies, took the initiative to seize opportunities, forged ahead against headwinds, and responded to new changes with new thinking. As a result, the Company achieved solid growth in operating results, as well as progress in innovation and development amid stability. For the Reporting Period, the Company recorded operating revenue of RMB3,751 million, up 14.24% year-on-year; and net profits of RMB95 million, representing a 46.08% increase from a year ago. By operating division, the oils and oilseeds division generated operating revenue of RMB3,289 million (a 17.19% year-on-year growth) and net profits of RMB48.38 million (a 95% year-on-year increase); and the food division reported operating revenue of RMB450 million (a year-on-year decline of 0.55%) and net profits

of RMB60.97 million (a 0.64% year-on-year expansion).

1. Performance of the Oils and Oilseeds Division

The oils and oilseeds division of the Company is committed to building six major operational platforms—"Risk Control and R&D, Operation of Stocks, Import & Export and Oils & Oilseeds Trading, Procurement of Raw and Auxiliary Materials, Production Management, and Product Marketing", and building a competitive industrial chain featuring resource integration, information sharing and mutual support based on those platforms. This advantage came into play especially during the COVID-19 pandemic. Given a considerable decrease in demand for oils in small package of certain channels such as restaurants, canteens and food companies in the first half of the year, the Company proactively promoted integrated marketing and online sales, emphasized initiative in various work, and refreshed the operation and management system under the new circumstances. The oils pressing business enhanced market judgment and seized raw material procurement opportunities. Apart from an advance order of soybean placed in late last year, procurement was scheduled reasonably to ensure the supply of raw materials. Jingliang Tianjin achieved, in the first half of the year, an operation rate of as high as 82.35% and a significant year-on-year growth in net profits. The oils and oilseeds trading business adhered to the hedging model and placed importance on development of futures, especially on product varieties that were less impacted in the pandemic such as homegrown soybean, sunflower seed oil and non-GMO rapeseed oil, which has helped cushion the impact of the pandemic. The oil storage business refreshed the service model, actively explored cooperation models, and continued to build the brand in storage and management service.

2. Performance of the Food Production Division

With a decline in business in the first quarter of the year due to the pandemic, the food production division adjusted marketing strategies in a timely manner, and continued to carry out product innovation. The snack food business beefed up production and achieved a monthly output that is higher than the pre-pandemic average while giving full play to e-commerce channels and strengthening marketing through short videos and live streaming to turn the crisis to opportunities, in addition to maintaining and promoting the existing distribution channels. The baking business strengthened development of new products, completed the development and launch of new products in cooperation with other relevant entities, beefed up online sales and improved the sales model.

2. Matters Related to Financial Reporting

(1) Changes in Accounting Policies, Accounting Estimates or Measurement Methods Compared to Last Accounting Period

☐ Applicable ☒ Not applicable

No such cases.

(2) Retrospective Restatements due to Correction of Material Accounting Errors in Reporting Period

☐ Applicable ☒ Not applicable

No such cases.

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

☐ Applicable ☒ Not applicable

No such cases.

Hainan Jingliang Holdings Co., Ltd.

22 August 2020