

Stock Code: 000505, 200505

Stock Name: JLKG, JL-B

Announcement No. 2019-054

HAINAN JINGLIANG HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2019 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2019 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	Zhao Yinhu		
Office address	Jing Liang Building, 16 East Third Ring Middle Road, Chaoyang District, Beijing		
Tel.	010-51672029		
E-mail address	593374748@qq.com		

2. Key Financial Information

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

Yes No

	H1 2019	H1 2018	Change (%)
Operating revenue (RMB)	3,283,277,725.39	3,639,625,979.41	-9.79%
Net profit attributable to the listed company's shareholders (RMB)	51,510,904.41	59,918,995.68	-14.03%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	41,194,473.59	57,359,036.51	-28.18%
Net cash generated from/used in operating activities (RMB)	220,592,294.21	45,694,542.88	382.75%
Basic earnings per share (RMB/share)	0.08	0.09	-11.11%
Diluted earnings per share (RMB/share)	0.08	0.09	-11.11%
Weighted average return on equity (%)	2.24%	2.73%	-0.49%
	30 June 2019	31 December 2018	Change (%)
Total assets (RMB)	5,173,875,154.65	4,917,148,996.28	5.22%
Equity attributable to the listed company's shareholders (RMB)	2,324,031,774.36	2,272,469,925.43	2.27%

3. Shareholders and Their Shares at Period-End

Unit: share

Number of ordinary shareholders	40,642	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	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	2.69%	18,443,600	0		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	Other	2.20%	15,116,472	0		
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		

WANG HANGYI	Domestic natural person	0.24%	1,666,000	0	
Connected or acting-in-concert parties among shareholders above		Beijing State-Owned Capital Operation and Management Center owns 100% ownership of Beijing Grain Group Co., Ltd., and Beijing Grain Group Co., Ltd. owns 42.06% shares 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)		<p>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.</p> <p>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 ordinary securities account.</p> <p>3. Shareholder Wang Hangyi holds 333,000 shares in the Company through his account of collateral securities for margin trading in Zheshang Securities Co., Ltd., and 1,333,000 shares in the Company through his ordinary securities account.</p>			

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.

(1) Overall Performance

In the first half of 2019, the company faces a serious operating environment. On one hand, the oils and oilseeds division of the Company took a heavier hit from the China-U.S trade war, with tough operating decisions and increasing operating cost. On the another hand, as for the African swine fever (ASF), SBM market demand is weak, which directly impact on the performance of oils and oilseed division with relatively low sales. For this period, the Company recorded operating revenue of RMB3,283 million, down 9.79% year-on-year; and profits of

RMB87.37 million, representing a 20.25% decline from a year ago. By operating division, the food division reported operating revenue of RMB452 million (a year-on-year growth of 7.60%) and profits of RMB88.99 million (a 31.84% year-on-year expansion); and the oils and oilseeds division generated operating revenue of RMB2,831 million (an 11.61% year-on-year decrease) and profits of RMB9.18 million (an 86.62% year-on-year decrease).

(2) Performance of the Oils and Oilseeds Division

With effect on the China-U.S. trade war and ASF, especially oil crushing business, the Company had to turn to imports from South America and reserved soybeans for raw materials for its oils pressing business due to the trade war. Meanwhile, the decreasing domestic prices of soybean oil and meal severely squeezed profit of the oils processing business and caused a loss in this business, which had a direct impact on the performance of the oils and oilseeds division. Sale of oils in small packages and oils and oilseeds trading progressed steadily as planned by the Board of the Company at the beginning of the year, with stable sales volumes of high added value products such as sunflower seed oil, camelina seed oil, olive oil and non-GMO soybean oil, as well as a further optimized product mix.

(3) Performance of the Food Production Division

The food production division achieved a profit of RMB88.99 million, increasing 31.84% year-on-year despite the continuous influx of strategic competing products and the increased competition in the retail sales market, maintaining a steady development momentum. The snack food business adhered to the “differentiated asymmetric competing strategy”, deepened the model of “professional production + cultural creativity + Internet”, and made great effort on the strategy of quality products and product transitions. During the Reporting Period, this business realized operating revenue of RMB405 million, increasing 4.80% year-on-year, and a profit of RMB85.91 million, increasing 30.32% year-on-year. The baking business focused on expanding custom and branded products to keep pace with market demand. During the Reporting Period, this business realized operating revenue of RMB48.02 million, increasing 38.94% year-on-year, and a profit of RMB3.08 million, increasing 97.47% year-on-year.

(4) Performance of the Land Restoration Division

The Company is currently engaged in two land restoration projects, namely, the Jiangsu Xinyi Yaowan Town project and the Tangshan Caofeidian project. After the ownership change, the Xinyi Yaowan Town project started a new round of research and analysis on the project planning. The Tangshan Caofeidian project went on smoothly. Currently in the construction stage, this project is expected to include another 1,183 mu of farmland.

2. Matters Related to Financial Reporting

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

Applicable Not applicable

① The Ministry of Finance issued from 31 March 2017 the revised versions of certain accounting standards, including the Accounting Standard No. 22 for Business Enterprises—Recognition and Measurement of Financial

Instruments (CK [2017] No. 7), the Accounting Standard No. 23 for Business Enterprises—Transfer of Financial Assets (CK [2017] No. 8), the Accounting Standard No. 24 for Business Enterprises—Hedge Accounting (CK [2017] No. 9), and the Accounting Standard No. 37 for Business Enterprises—Presentation of Financial Instruments (CK [2017] No. 14), which were required to be applied, from 1 January 2019, to enterprises listed domestically in China.

② The Ministry of Finance issued in May 2019 the revised versions of the Accounting Standard No. 7 for Business Enterprises—Exchange of Non-Monetary Assets (CK [2019] No. 8) and the Accounting Standard No. 12 for Business Enterprises—Debt Restructuring (CK [2019] No. 9), which were required to be applied, from 10 and 17 June 2019 respectively, to enterprises adopting China's Accounting Standards for Business Enterprises.

(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

As reviewed by the 27th meeting of the 8th Board of the Company, the Company's wholly-owned subsidiary Beijing Jingliang Food Co., Ltd. was agreed to incorporate Beijing Jingliang Gu Bi Oils Co., Ltd. with RMB50 million. Beijing Jingliang Gu Bi Oils Co., Ltd. was registered with the industrial and commercial administration on 7 May 2019 and therefore included in the consolidated financial statements of the Reporting Period.

Hainan Jingliang Holdings Co., Ltd.

17 August 2019