

**HAINAN JINGLIANG HOLDINGS CO., LTD.**  
**FIRST QUARTER REPORT 2018**

**April 2018**

## **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

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 stock	common	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 stock	common	2,597,803		
ZHANG XIAOXIA	1,949,250	Domestically listed stock for foreign investors		1,949,250		
WANG XIAOXING	1,836,500	RMB stock	common	1,836,500		
ZHONG YI	1,730,083	RMB stock	common	1,730,083		
WU LING	1,723,600	RMB stock	common	1,723,600		
WANG DAO	1,694,000	RMB stock	common	1,694,000		
CHEN OUQIN	1,652,679	RMB stock	common	1,652,679		
YAN GUANGYAN	1,629,600	RMB stock	common	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)	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
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Unit: share

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 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	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)

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 associated with derivative investments held in Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk, legal risk, etc.)	During the Reporting Period, the Company held future hedging positions, which were 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	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				

Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	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.

## Part IV Financial Statements

### I Financial Statements

#### 1. Consolidated Balance Sheet

Prepared by Hainan Jingliang Holdings Co., Ltd.

March 31, 2018

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	1,179,183,577.83	1,014,438,663.43
Settlement reserve		
Inter-bank loans granted		
Financial assets at fair value through profit or loss		
Derivative financial assets	116,348,822.10	176,699,298.60
Notes receivable	200,610.15	
Accounts receivable	84,051,748.93	75,165,127.11
Prepayments	500,436,966.88	912,843,489.70
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Interest receivable	2,558,004.44	2,657,591.11
Dividends receivable		
Other receivables	81,688,074.14	73,064,548.76
Financial assets purchased under resale agreements		
Inventories	969,712,592.48	1,393,958,764.07
Assets classified as held for sale		
Current portion of non-current assets	73,000,000.00	51,000,000.00
Other current assets	564,504,458.53	165,867,238.70
Total current assets	3,571,684,855.48	3,865,694,721.48
Non-current assets:		
Loans and advances to customers		
Available-for-sale financial assets	20,000,000.00	20,000,000.00

Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	175,607,186.74	174,589,701.74
Investment property	34,605,414.95	35,008,852.62
Property, plant and equipment	1,322,740,822.95	1,333,410,146.38
Construction in progress	7,001,363.78	12,737,673.01
Construction materials		
Proceeds from disposal of property, plant and equipment		
Productive living assets		
Oil and gas assets		
Intangible assets	395,078,962.69	398,844,032.07
R&D expense		
Goodwill	191,394,422.51	191,394,422.51
Long-term prepaid expense	34,272,881.72	33,247,595.28
Deferred income tax assets	15,981,381.18	14,179,072.07
Other non-current assets		3,277,634.07
Total non-current assets	2,196,682,436.52	2,216,689,129.75
Total assets	5,768,367,292.00	6,082,383,851.23
Current liabilities:		
Short-term borrowings	1,872,515,403.45	2,007,171,362.73
Borrowings from central bank		
Customer deposits and deposits from banks and other financial institutions		
Inter-bank loans obtained		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable	7,925,905.10	83,154,229.20
Accounts payable	190,932,563.69	317,538,928.27
Advances from customers	358,416,002.93	212,124,147.38
Financial assets sold under repurchase agreements		
Handling charges and commissions payable		
Payroll payable	13,575,323.92	30,762,031.53
Taxes payable	30,119,658.43	36,855,139.18
Interest payable	85,503,590.37	86,064,211.31
Dividends payable	10,151,817.01	3,397,317.01

Other payables	355,165,391.30	451,938,294.35
Reinsurance payables		
Insurance contract reserve		
Payables for trading of securities		
Payables for underwriting of securities		
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities	43,702,332.90	90,215,292.43
Total current liabilities	2,968,007,989.10	3,319,220,953.39
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables	801,625.20	801,625.20
Long-term payroll payable	31,257,600.00	26,791,209.91
Specific payables	3,371.00	
Provisions		
Deferred income	78,535,661.58	78,961,972.67
Deferred income tax liabilities	61,235,315.90	56,185,676.15
Other non-current liabilities		
Total non-current liabilities	171,833,573.68	162,740,483.93
Total liabilities	3,139,841,562.78	3,481,961,437.32
Owners' equity:		
Share capital	685,790,364.00	685,790,364.00
Other equity instruments		
Including: Preferred shares		
Perpetual bonds		
Capital reserves	1,592,541,582.73	1,592,541,582.73
Less: Treasury shares		
Other comprehensive income	-146,118.02	
Specific reserve		
Surplus reserves	122,122,436.98	122,122,436.98
General reserve		

Retained earnings	-268,069,787.63	-299,111,700.34
Total equity attributable to owners of Parent Company	2,132,238,478.06	2,101,342,683.37
Non-controlling interests	496,287,251.16	499,079,730.54
Total owners' equity	2,628,525,729.22	2,600,422,413.91
Total liabilities and owners' equity	5,768,367,292.00	6,082,383,851.23

Legal representative: Wang Guofeng

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

## 2. Parent Company Balance Sheet

Unit: RMB

Item	March 31, 2018	December 31, 2017
Current assets:		
Monetary assets	20,509,152.13	15,360,177.32
Financial assets at fair value through profit or loss		
Derivative financial assets		
Notes receivable		
Accounts receivable	106,626.00	109,389.00
Prepayments		
Interest receivable		
Dividends receivable		
Other receivables	103,948,179.01	60,576,292.62
Inventories	4,824,035.45	4,824,035.45
Assets classified as held for sale		
Current portion of non-current assets		
Other current assets	1,861,141.71	2,905,667.38
Total current assets	131,249,134.30	83,775,561.77
Non-current assets:		
Available-for-sale financial assets	20,000,000.00	20,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	2,350,139,964.05	2,336,639,964.05
Investment property	6,005,621.78	6,081,230.93
Property, plant and equipment	3,528,883.93	3,589,144.87
Construction in progress		
Construction materials		

Proceeds from disposal of property, plant and equipment		
Productive living assets		
Oil and gas assets		
Intangible assets		
R&D expense		
Goodwill		
Long-term prepaid expense		
Deferred income tax assets		
Other non-current assets		
Total non-current assets	2,379,674,469.76	2,366,310,339.85
Total assets	2,510,923,604.06	2,450,085,901.62
Current liabilities:		
Short-term borrowings		
Financial liabilities at fair value through profit or loss		
Derivative financial liabilities		
Notes payable		
Accounts payable	2,482,949.70	2,482,949.70
Advances from customers	38,896.41	38,896.41
Payroll payable	2,330,068.37	2,017,684.57
Taxes payable	954,436.04	2,557,993.95
Interest payable	80,374,601.90	82,468,756.03
Dividends payable	3,213,302.88	3,213,302.88
Other payables	434,482,421.45	363,827,970.43
Liabilities directly associated with assets classified as held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	523,876,676.75	456,607,553.97
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preferred shares		
Perpetual bonds		
Long-term payables		
Long-term payroll payable		

Specific payables		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	523,876,676.75	456,607,553.97
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 shares		
Other comprehensive income		
Specific reserve		
Surplus reserves	109,487,064.39	109,487,064.39
Retained earnings	-981,617,969.79	-975,186,549.45
Total owners' equity	1,987,046,927.31	1,993,478,347.65
Total liabilities and owners' equity	2,510,923,604.06	2,450,085,901.62

### 3. Consolidated Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Operating revenue	1,866,527,190.78	1,545,437,876.41
Including: Sales revenue	1,866,527,190.78	1,545,437,876.41
Interest revenue		
Premium revenue		
Handling charge and commission revenue		
2. Cost of operating revenue	1,841,620,802.54	1,465,231,517.11
Including: Cost of sales	1,729,424,214.02	1,334,365,360.22
Interest expense		
Handling charge and commission expense		
Surrenders		

Net claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and surtaxes	6,306,256.24	15,295,744.89
Selling expense	47,255,530.90	46,170,650.26
Administrative expense	47,691,112.12	69,600,726.09
Finance costs	11,042,135.57	4,907,707.14
Asset impairment losses	-98,446.31	-5,108,671.49
Add: Gains on changes in fair value (“-” for losses)	19,033,892.64	-26,035,857.00
Investment income (“-” for loss)	3,756,489.11	4,568,029.56
Including: Share of profit or loss of joint ventures and associates		-514,986.56
Foreign exchange gains (“-” for losses)		
Asset disposal income (“-” for loss)	-20,558.77	178,110.44
Other income	374,931.06	
3. Operating income (“-” for loss)	48,051,142.28	58,916,642.30
Add: Non-operating revenue	2,194,528.27	3,329,854.26
Less: Non-operating expense	101,985.74	473,966.64
4. Pretax income (“-” for loss)	50,143,684.81	61,772,529.92
Less: Income tax expense	13,089,751.48	19,522,857.31
5. Net income (“-” for net loss)	37,053,933.33	42,249,672.61
5.1 Net income from continuing operations (“-” for net loss)		
5.2 Net income from discontinued operations (“-” for net loss)		
Attributable to owners of Parent Company	31,041,912.71	29,668,391.83
Attributable to non-controlling interests	6,012,020.62	12,581,280.78
6. Other comprehensive income, net of tax		
Attributable to owners of Parent Company		
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		

6.2 Items that may subsequently be reclassified to profit or loss		
6.2.1 Share of other comprehensive income of investees that will be reclassified to profit or loss under equity method		
6.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets		
6.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
6.2.4 Effective gains/losses on cash flow hedges		
6.2.5 Differences arising from translation of foreign currency-denominated financial statements		
6.2.6 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	37,053,933.33	42,249,672.61
Attributable to owners of Parent Company	31,041,912.71	29,668,391.83
Attributable to non-controlling interests	6,012,020.62	12,581,280.78
8. Earnings per share		
8.1 Basic earnings per share	0.05	0.05
8.2 Diluted earnings per share	0.05	0.05

Where business mergers under the same control occurred in the current period, the net income achieved by the merged parties before the business mergers was RMB , with the amount for the same period of last year being RMB .

Legal representative: Wang Guofeng    Head for financial affairs: Guan Ying    Head of the financial department: Liu Quanli

#### 4. Parent Company Income Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Sales revenue	0.00	2,857.14
Less: Cost of sales	75,609.15	75,609.15
Taxes and surtaxes	38,992.73	35,285.59
Selling expense		
Administrative expense	3,955,623.47	3,558,898.68
Finance costs	2,459,641.30	1,463,740.59
Asset impairment losses	-98,446.31	-5,318,040.00
Add: Gains on changes in fair value (“-” for losses)		
Investment income (“-” for loss)		75,278,013.44

Including: Share of profit or loss of joint ventures and associates		-514,986.56
Asset disposal income (“-” for loss)		
Other income		
2. Operating income (“-” for loss)	-6,431,420.34	75,465,376.57
Add: Non-operating revenue		
Less: Non-operating expense		803,756.82
3. Pretax income (“-” for loss)	-6,431,420.34	74,661,619.75
Less: Income tax expense		
4. Net income (“-” for net loss)	-6,431,420.34	74,661,619.75
4.1 Net income from continuing operations (“-” for net loss)		
4.2 Net income 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 into profit or loss under equity method		
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 into profit or loss under equity method		
5.2.2 Gains/Losses on changes in fair value of available-for-sale financial assets		
5.2.3 Gains/Losses arising from reclassification of held-to-maturity investments to available-for-sale financial assets		
5.2.4 Effective gains/losses on cash flow hedges		
5.2.5 Differences arising from translation of foreign currency-denominated financial statements		
5.2.6 Other		
6. Total comprehensive income	-6,431,420.34	74,661,619.75
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

## 5. Consolidated Cash Flow Statement

Unit: RMB

Item	January-March 2018	January-March 2017
1. Cash generated by or used in operating activities:		
Proceeds from sale of commodities and rendering of services	2,175,325,772.32	1,614,929,946.34
Net increase in customer deposits and deposits from banks and other financial institutions		
Net increase in loans 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		
Net increase in proceeds from disposal of financial assets at fair value through profit or loss		
Interest, handling charges and commissions received		
Net increase in interbank loans obtained		
Net increase in proceeds from repurchase transactions		
Tax rebates	4,353,341.48	1,820,315.81
Cash generated by other operating activities	640,978,685.79	266,790,380.57
Subtotal of cash generated by operating activities	2,820,657,799.59	1,883,540,642.72
Payments for commodities and services	1,348,654,820.64	1,477,050,855.90
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		
Interest, handling charges and commissions paid		
Policy dividends paid		
Cash paid to and for employees	79,113,433.88	139,785,274.94
Taxes paid	50,185,919.15	74,055,622.91
Cash used in other operating activities	671,234,926.61	317,459,980.46
Subtotal of cash used in operating activities	2,149,189,100.28	2,008,351,734.21
Net cash flows from operating activities	671,468,699.31	-124,811,091.49
2. Cash generated by or used in investing activities:		
Proceeds from disinvestments	232,510,000.00	343,700,400.00

Investment income	1,472,885.18	1,045,044.85
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets	322,250.00	44,108,993.00
Net proceeds from disposal of subsidiaries or other business units		
Cash generated by other investing activities	104,370,288.32	61,520,928.48
Subtotal of cash generated by investing activities	338,675,423.50	450,375,366.33
Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets	13,101,741.12	7,681,384.98
Payments for investments	621,530,000.00	105,721,000.00
Net increase in pledged loans granted		
Net payments for acquisition of subsidiaries and other business units	7,764,985.00	204,524,900.00
Cash used in other investing activities	140,631,056.14	74,800,000.00
Subtotal of cash used in investing activities	783,027,782.26	392,727,284.98
Net cash flows from investing activities	-444,352,358.76	57,648,081.35
3. Cash generated by or used in financing activities:		
Capital contributions received	6,553,500.00	
Including: Capital contributions by non-controlling interests to subsidiaries		
Increase in borrowings obtained	150,698,502.12	201,957,725.27
Net proceeds from issuance of bonds		
Cash generated by other financing activities	1,443,544,816.72	228,458,000.00
Subtotal of cash generated by financing activities	1,600,796,818.84	430,415,725.27
Repayment of borrowings	323,198,502.12	327,771,770.70
Payments for interest and dividends	21,335,613.45	30,452,574.63
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities	1,318,105,876.66	218,209,000.00
Subtotal of cash used in financing activities	1,662,639,992.23	576,433,345.33
Net cash flows from financing activities	-61,843,173.39	-146,017,620.06
4. Effect of foreign exchange rate changes on cash and cash equivalents	-528,252.76	-185,158.53
5. Net increase in cash and cash equivalents	164,744,914.40	-213,365,788.73
Add: Cash and cash equivalents, beginning of the period	1,014,438,663.43	510,477,847.81
6. Cash and cash equivalents, end of the period	1,179,183,577.83	297,112,059.08

**6. Parent Company Cash Flow Statement**

Unit: RMB

Item	January-March 2018	January-March 2017
<b>1. Cash generated by or used in operating activities:</b>		
Proceeds from sale of commodities and rendering of services		
Tax rebates		
Cash generated by other operating activities	7,179,777.27	37,335.96
Subtotal of cash generated by operating activities	7,179,777.27	37,335.96
Payments for commodities and services		
Cash paid to and for employees	1,802,949.00	1,632,281.06
Taxes paid	2,116,405.74	41,296.88
Cash used in other operating activities	10,336,154.55	2,985,361.81
Subtotal of cash used in operating activities	14,255,509.29	4,658,939.75
Net cash flows from operating activities	-7,075,732.02	-4,621,603.79
<b>2. Cash generated by or used in investing activities:</b>		
Proceeds from disinvestments		10,000,000.00
Investment income		
Net proceeds from disposal of property, plant and equipment, intangible assets and other long-lived assets		35,000,000.00
Net proceeds from disposal of subsidiaries or other business units		
Cash generated by other investing activities		49,136.10
Subtotal of cash generated by investing activities		45,049,136.10
Payments for acquisition of property, plant and equipment, intangible assets and other long-lived assets		
Payments for investments	13,500,000.00	
Net payments for acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	13,500,000.00	
Net cash flows from investing activities	-13,500,000.00	45,049,136.10
<b>3. Cash generated by or used in financing activities:</b>		
Capital contributions received		
Increase in borrowings obtained	27,500,000.00	2,000,000.00
Net proceeds from issuance of bonds		

Cash generated by other financing activities		
Subtotal of cash generated by financing activities	27,500,000.00	2,000,000.00
Repayment of borrowings		66,954,800.00
Payments for interest and dividends		1,659,125.50
Cash used in other financing activities	1,775,293.17	1,720,000.00
Sub-total of cash used in financing activities	1,775,293.17	70,333,925.50
Net cash flows from financing activities	25,724,706.83	-68,333,925.50
4. Effect of foreign exchange rate changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	5,148,974.81	-27,906,393.19
Add: Cash and cash equivalents, beginning of the period	15,360,177.32	33,952,786.37
6. Cash and cash equivalents, end of the period	20,509,152.13	6,046,393.18

## II Independent Auditor's Report

Indicate by tick mark whether the Q1 financial statements have been audited by an independent auditor.

Yes  No

The Q1 financial statements have not been audited.

Hainan Jingliang Holdings Co., Ltd.

April 16, 2018