

Stock Code: 000505, 200505

Stock Name: JLKG, JL-B

Announcement No. 2018- 049

HAINAN JINGLIANG HOLDINGS CO., LTD.

SEMI-ANNUAL REPORT 2018 (SUMMARY)

Part I Important Notes

This Summary is based on the full text of the 2018 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.

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

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.

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

Reasons for retrospective restatements:

Business merger under the same control.

	H1 2018	H1 2017		Change (%)
		Before	Restated	Restated
Operating revenue (RMB)	3,639,625,979.41	393,836,785.57	3,282,562,276.93	10.88%
Net profit attributable to the listed company's shareholders (RMB)	59,918,995.68	17,226,146.52	59,669,131.85	0.42%
Net profit attributable to the listed company's shareholders before exceptional items (RMB)	57,359,036.51	18,603,896.70	18,603,896.70	208.32%
Net cash generated from/used in operating activities (RMB)	45,694,542.88	-69,730,210.02	-689,492,578.81	106.63%
Basic earnings per share (RMB/share)	0.09	0.04	0.09	0.00%
Diluted earnings per share (RMB/share)	0.09	0.04	0.09	0.00%
Weighted average return on net assets (%)	2.73%	23.37%	4.22%	-1.49%
	30 June 2018	31 December 2017		Change (%)
		Before	Restated	Restated
Total assets (RMB)	6,334,431,733.31	6,082,383,851.23	6,082,383,851.23	4.14%
Net assets attributable to the listed company's shareholders (RMB)	2,161,447,086.80	2,101,342,683.37	2,101,342,683.37	2.86%

3. Shareholders and Their Shares at Period-End

Unit: share

Number of ordinary shareholders		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	3.33%	22,828,451	22,828,451		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	Other	3.33%	22,828,451	22,828,451		
LI SHERYN ZHAN MING	Foreign natural person	3.14%	21,539,400	0		
MEI JIANYING	Domestic natural person	0.38%	2,604,203	0		

DONGYANG HENGDIAN GUARANTY CO., LTD.	Domestic non-state-owned legal person	0.32%	2,204,976	0	
ZHANG XIAOXIA	Domestic natural person	0.28%	1,949,250	0	
WANG XIAOXING	Domestic natural person	0.26%	1,808,000	0	
ZHONG YI	Domestic natural person	0.25%	1,728,283	0	
Connected or acting-in-concert parties among shareholders above		Beijing State-Owned Capital Operation And Management Center owns 100% holdings 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.			
Shareholders conducting margin trading (if any)		<p>1. Shareholder Wang Xiaoxing holds 1,808,000 shares in the Company through his account of collateral securities for margin trading in Soochow Securities Co., Ltd.</p> <p>2. Shareholder Zhong Yi holds 1,728,283 shares in the Company through his account of collateral securities for margin trading in Fortune Securities Co., Ltd.</p> <p>3. Shareholder Hu Tiangao holds 338,000 shares in the Company through his account of collateral securities for margin trading and holds 1,192,252 shares in the Company through his ordinary stock account in Zheshang Securities Co., Ltd.</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 disclosure requirements for special industries?

No.

(I) Overall Performance

In face of a complicated and harsh market environment, as well as increasing competition in the first half of 2018,

the Company adhered to the strategy of pursuing progress amid stability. For this period, the Company recorded operating revenue of RMB3,640 million, up 10.88% year-on-year; and profits of RMB109 million and net profit attributable to the Company as the parent of RMB59.92 million, representing a 0.5% rise from a year ago. By operating division, the Oil and Oilseed division generated operating revenue of RMB3,203 million (a 28.28% year-on-year increase) and profits of RMB68.57 million (a 39.84% year-on-year increase); and the food production division reported operating revenue of RMB419 million (a year-on-year growth of 10.66%) and profits of RMB67.48 million (a 10.84% year-on-year expansion). Beijing Jingliang Food Co., Ltd., a swapped-in asset of the Company, registered operating revenue of RMB3,640 million, expanding 22.99% year-on-year; profits of RMB123 million, a 14.17% rise from a year ago; and net profits attributable to the company as the parent of RMB73.54 million, rising 19.46% compared to the same period of last year.

(II) Performance of Oil and Oilseeds Division

Since this year, the United States has been keeping a tense relationship with the global trade. On March 22, Donald Trump, the President of the United States signed a presidential memorandum on “The Intellectual Property Infringement” of China (including increasing imported tariff which is worth of US\$60 billion from China), so in the early April, China announced a plan to impose tariffs on the soybeans and other products from the United States. The trade disputes between China and the U.S is growing tenser. Jingliang Tianjin which is affiliated Company is mainly responsible for oil pressing, and the purchase of the raw soybeans from Brazil. In order to confront the impact of the Sino-US trade war, the oil and oilseeds division relying on five platforms takes full advantages of the industrial chain. In the case of declining of the oil making industry, this division generated RMB68.57 million, increasing 39.84% year-on-year. With the structure of small packaged oil products continuously optimizing, the Company’s small package oil marketing enterprise Gu Chuan Oils has realized the profits of RMB12.13 million in the Reporting Period, increasing 65.03% year-on-year, and the comprehensive gross profit margin has reached 15.62%, which is a new high for the company. The oil and oilseed trading business responded to the impact of the Sino-US trade war flexibly and effectively for the carefully studying and evaluating of the market. In the Reporting Period, the profit of this business was RMB31.26 million, increasing 140.73% year-on-year.

(III) Performance of Food Production Division

In the first half of 2018, the food production division achieved a profit of RMB67.48 million, increasing 10.84% year-on-year in the case of continuous influx of strategic competitors and the increased competition in the terminal market, maintaining a steady development momentum. The snack business takes “one major two wings” (one major: potato products, two wings: puffed food and cakes) as the strategic direction, adheres “differentiated asymmetric competition strategy”, deepens the model of “professional manufacturing+ cultural creativity + Internet”, and makes great efforts to the strategy of the quality goods and the upgrading products. During the Reporting Period, this business realized operating revenue of RMB386 million, increasing 8.17%, and the profit was RMB65.92 million, increasing 9.56%. While consolidating the KFC channel, the baking business actively expanded retail channels, increased the layout of foreign companies and developed new products. During the Reporting Period, this business achieved operating revenue of RMB34.55 million, increasing 18.2% year-on-year

and the profit realized was RMB1.56 million, up 119.72%.

(IV) Performance of Land Restoration Division

The 22nd and 24th meetings of the 8th Board of Directors reviewed and approved the Jiangsu Xinyi Yaowan Town Project and the Tangshan Caofeidian Project. On January 10, the Company established Jingliang Rural Complex Construction and Operation (Xinyi) Co., Ltd. together with Xinyi Yaowan Tourism Industrial Park Development Co., Ltd., Shizhu Tujia Autonomous County Yujinzhong Agricultural Partnership (General Partnership), BGG Gold Buffalo Runying Equity Investment Fund (Limited Partnership). Jingliang Rural Complex Construction and Operation (Xinyi) Co., Ltd., where the Company holds a stake of 45%, started the Jiangsu Xinyi Yaowan Town project. On April 16th, the Company completed the capital increase in Jingliang (Caofeidian) Agricultural Development Co., Ltd., holding a 51% stake. The Tangshan Caofeidian project was launched by Jingliang (Caofeidian) Agricultural Development Co., Ltd. and the design bidding has been completed. The design proposal passed the assessment of Tangshan Land Experts and will follow up. Promote project construction, government acceptance and declaration of sales of farmland indicators.

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 changes.

(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

Two new subsidiaries, Jingliang Rural Complex Construction and Operation (Xinyi) Co., Ltd. and Jingliang (Caofeidian) Agricultural Development Co., Ltd., have been added to the consolidation scope of the Reporting Period.

Hainan Jingliang Holdings Co., Ltd.

17 August 2018