



京粮控股
JL Holdings

HAINAN JINGLIANG HOLDINGS CO., LTD.

THIRD QUARTERLY REPORT 2020

October 2020

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. (hereinafter referred to as the “Company”) hereby guarantee that the contents of this Report and its summary are true, accurate and complete and free of any misrepresentations, misleading statements or material omissions, and collectively and individually accept legal responsibility for such contents.

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 truthful, 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 Financial Information

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

Yes No

	30 September 2020	31 December 2019		Change (%)
Total assets (RMB)	6,057,365,761.06	5,231,266,600.19		15.79%
Equity attributable to the listed company's shareholders (RMB)	2,645,832,412.43	2,406,039,283.87		9.97%
	Q3 2020	YoY change (%)	Q1-Q3 2020	YoY change (%)
Operating revenue (RMB)	1,928,342,701.75	5.67%	5,679,115,769.38	11.18%
Net profit attributable to the listed company's shareholders (RMB)	40,894,930.95	20.84%	114,657,826.14	34.34%
Net profit attributable to the listed company's shareholders before exceptional gains and losses (RMB)	32,040,014.29	13.31%	100,035,204.24	44.00%
Net cash generated from/used in operating activities (RMB)	-273,955,632.37	-221.14%	-86,859,811.61	-119.44%
Basic earnings per share (RMB/share)	0.06	20.00%	0.16	33.33%
Diluted earnings per share (RMB/share)	0.06	20.00%	0.16	33.33%
Weighted average return on equity (%)	1.56%	5.41%	4.65%	26.02%

Exceptional gains and losses:

Applicable Not applicable

Unit: RMB

Item	Q1-Q3 2020	Note
Gain or loss on disposal of non-current assets (inclusive of impairment allowance write-offs)	-30,020.88	
Government grants through profit or loss (exclusive of government grants given in the Company's ordinary course of business at fixed quotas or amounts as per the government's uniform standards)	7,543,633.15	
Gain or loss on fair-value changes on held-for-trading and derivative financial assets and liabilities & income from disposal of held-for-trading and derivative financial assets and liabilities and other debt investments (exclusive of the effective portion of hedges that arise in the Company's	13,538,448.19	

ordinary course of business)		
Non-operating income and expense other than the above	-727,186.58	
Less: Income tax effects	5,293,637.02	
Non-controlling interests effects (net of tax)	408,614.96	
Total	14,622,621.90	--

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 of Them as at the End of the Reporting Period

1. Numbers of Ordinary Shareholders and Preference Shareholders with Resumed Voting Rights as well as Holdings of Top 10 Shareholders

Unit: share

Number of ordinary shareholders		79,532	Number of preference shareholders with resumed voting rights (if any)	0		
Top 10 shareholders						
Name of shareholder	Nature of shareholder	Shareholding percentage	Total shares held	Restricted shares held	Shares in pledge or frozen	
					Status	Shares
BEIJING GRAIN GROUP CO., LTD.	State-owned corporation	39.68%	288,439,561	164,877,598		
BEIJING STATE-OWNED CAPITAL OPERATION AND MANAGEMENT CENTER	State-owned corporation	6.67%	48,510,460	48,510,460		
WANG YUECHENG	Domestic individual	5.66%	41,159,887	41,159,887		
LI SHERYN ZHAN MING	Foreign individual	1.23%	8,941,300	0		
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.	State-owned corporation	0.94%	6,849,384	0		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	Other	0.51%	3,684,503	0		
MEI JIANYING	Domestic	0.36%	2,604,203	0		

	individual				
ZHANG XIAOXIA	Domestic individual	0.27%	1,949,250	0	
WANG XIAOXING	Domestic individual	0.24%	1,748,400	0	
ZHU PENG	Domestic individual	0.22%	1,577,900	0	
Top 10 unrestricted shareholders					
Name of shareholder	Unrestricted ordinary shares held	Shares by class			
		Class	Shares		
BEIJING GRAIN GROUP CO., LTD.	123,561,963	RMB-denominated ordinary share	123,561,963		
LI SHERYN ZHAN MING	8,941,300	Domestically listed foreign share	8,941,300		
CHINA DEVELOPMENT BANK CAPITAL CO., LTD.	6,849,384	RMB-denominated ordinary share	6,849,384		
GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND MANAGEMENT CO., LTD.—GOLD BUFFALO RUNYING (TIANJIN) EQUITY INVESTMENT FUND (L.P.)	3,684,503	RMB-denominated ordinary share	3,684,503		
MEI JIANYING	2,604,203	RMB-denominated ordinary share	2,604,203		
ZHANG XIAOXIA	1,949,250	Domestically listed foreign share	1,949,250		
WANG XIAOXING	1,748,400	RMB-denominated ordinary share	1,748,400		
ZHU PENG	1,577,900	RMB-denominated ordinary share	1,577,900		
ORIENT SECURITIES (HONG KONG) LIMITED	1,354,500	Domestically listed foreign share	1,354,500		
FOSHAN SHUNDE XIHUA ELECTRONICS CO., LTD.	1,144,000	RMB-denominated ordinary share	1,144,000		
Related or acting-in-concert parties among the 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 the aforesaid, the Company does not know whether there are any other related parties or acting-in-concert parties among the top 10 shareholders.				
Top 10 shareholders engaged in securities	① Shareholder Wang Xiaoxing held 1,748,400 shares in the Company through his				

margin trading (if any)	account of collateral securities for margin trading in Soochow Securities Co., Ltd. ② Shareholder Zhu Peng held 1,315,200 shares in the Company through his account of collateral securities for margin trading in China Merchants Securities Co., Ltd.
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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 Preference Shareholders and Shareholdings of Top 10 of Them

Applicable Not applicable

Part III Significant Events

I Changes in Key Financial Statement Line Items and Explanation of why

Applicable Not applicable

1. Derivative financial assets increased primarily driven by an increase in deposits for futures contracts in the current period.
2. Prepayments increased primarily driven by an increase in prepayments to suppliers due to new soy bean purchases for the oils and oilseeds business in the current period.
3. Other non-current assets increased primarily driven by new bank deposits with a term of over one year in the current period.
4. Short-term borrowings increased primarily driven by bank loan raised for new soy bean purchases for the oils and oilseeds business in the current period.
5. R&D expense increased primarily driven by the reclassification of certain R&D personnel's salaries from administrative expense to R&D expense in the current period.
6. Return on investment increased primarily driven by increases in return on joint venture investments and in wealth management income.
7. Gain on fair value changes decreased primarily driven by changes in the value of futures contracts.
8. Net profit increased primarily driven by year-on-year increases in both production and sales volume in the oils pressing business due to a strong market in the current period, boosting revenue and gross profit.
9. Net cash generated from operating activities decreased primarily driven by a year-on-year increase in soy bean purchases for the oils pressing business in the current period.
10. Net cash generated from financing activities increased primarily driven by bank loan raised for new soy bean purchases for the oils and oilseeds business in the current period.

II Progress, Influence and Solutions in respect of Significant Events

Applicable Not applicable

Progress of any share repurchase:

Applicable Not applicable

Progress of any reduction of the repurchased shares through centralized bidding:

Applicable Not applicable

III Commitments that the Company's Actual Controller, Shareholders, Related Parties, Acquirers, the Company Itself or Other Relevant Parties, Failed to Fulfill on Time during the Reporting Period

Applicable Not applicable

No such cases in the Reporting Period.

IV Financial Investments

1. Securities Investments

Applicable Not applicable

Unit: RMB

Type of securities	Code of securities	Name of securities	Initial investment cost	Accounting measurement method	Opening carrying amount	Gain/loss on fair-value changes in the current period	Cumulative fair-value changes through equity	Purchased in the current period	Sold in the current period	Gain/loss in the current period	Closing carrying amount	Accounting title	Funding source
Other	204001	GC001		Cost method				289,900,000.00	289,900,000.00	30,767.16	0.00	Other	Self-funded
Other	204003	GC003		Cost method				40,000,000.00	40,000,000.00	34,619.73	0.00	Other	Self-funded
Other	204007	GC007		Cost method				50,000,000.00	0.00	0.00	50,000,000.00	Other	Self-funded
Total			0.00	--	0.00	0.00	0.00	379,900,000.00	329,900,000.00	65,386.89	50,000,000.00	--	--
Disclosure date of the announcement on the Board's approval of securities investments			7 March 2020										
Disclosure date of the announcement on the general meeting's approval of securities investments (if													

any)	
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2. Investments in Derivative Financial Instruments

√ Applicable □ Not applicable

Unit: RMB'0,000

Type of derivative financial instrument	Start date	End date	Closing investment amount	Closing investment amount as % of the Company's closing net assets	Actual gain/loss in the current period
Agricultural commodity futures	1 January 2020	30 September 2020	27,395.28	10.35%	2,756.59
Forex forwards	1 January 2020	30 September 2020	42,364.52	16.01%	-1,922.48
Forex forwards	14 September 2020	30 November 2020	802.8	0.30%	0
Forex forwards	16 September 2020	31 December 2020	858	0.32%	0
Forex forwards	17 September 2020	31 December 2020	132	0.05%	0
Forex forwards	25 September 2020	31 December 2020	896.4	0.34%	0
Total	--	--	72,449	27.37%	834.11
Funding source	Self-funded				
Legal matters involved (if applicable)	N/A				
Disclosure date of the announcement on the Board's approval of investments in derivative financial instruments (if any)	7 March 2020 28 March 2020				
Disclosure date of the announcement on the general meeting's approval of investments in derivative financial instruments (if any)	18 April 2020				
Risk analysis and control measures in respect of derivative investments held in the Reporting Period (including but not limited to market risk, liquidity risk, credit risk, operational risk,	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				

legal risk, etc.)	<p>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 for Commodity Futures Trading</i> is formulated 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 <i>Management System for Commodity Futures Trading</i>; 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.</p>
Changes in market prices or fair value of derivative investments in the Reporting Period (fair value analysis should include measurement method and related assumptions and parameters)	<p>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.</p>
Significant changes in accounting policies and specific accounting principles adopted for derivative investments in the Reporting Period compared to the last reporting period	<p>None</p>
Opinion of independent directors on derivative investments and risk control	<p>1. Opinion of independent directors on the Proposal on 2020 Futures Hedging Plan of Jingliang (Tianjin) Grain and Oil Industry Co., Ltd. and Beijing Jingliang Oils Co., Ltd.: after check, the Company carried out the business of futures hedging based on normal production and management, relying on specific business. Under the premise of ensuring normal production and management, the Company used futures hedging tools to avoid the adverse impacts on the Company's operation from the large price fluctuation of raw materials and products, which is not detrimental to the interests of the Company and all other shareholders, especially minority shareholders. At the same time, the Company formulated relevant systems, and specific operating instructions for the business of futures hedging through strengthening internal control and implementing risk prevention measures. It is agreed that the Company and its subsidiaries will continue to conduct futures hedging business according to the relevant regulations.</p> <p>2. Opinion of independent directors on the Proposal on Conducting Foreign Exchange Derivatives Trading Business by the Company and Majority-owned Subsidiaries: after check, 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</p>

	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.
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V Progress of Projects Financed with Raised Funds

Applicable Not applicable

The Company's projects financed with raised funds are the intermediary agency fee and transaction tax and fee project, the technological R&D centre project, and the channel and brand development project. The intermediary agency fee and transaction tax and fee project has been completed, while the other two projects are in a stage of adjustment.

VI 2020 Annual Operating Performance Forecast

Warning of a forecast loss on or a forecast significant year-on-year change in the 2020 annual net profit, as well as explanation of why:

Applicable Not applicable

VII Significant Contracts Arising from the Company's Ordinary Course of Business

Applicable Not applicable

VIII Cash Entrusted for Wealth Management

Applicable Not applicable

Unit: RMB'0,000

Type	Funding source	Amount	Undue amount	Unrecovered overdue amount
Bank's wealth management product	Self-funded	35,330	8,830	0
Broker's wealth management product	Idle raised funds	38,700	28,000	0
Total		74,030	36,830	0

High-risk wealth management transactions with a significant single amount, or with low security, low liquidity or

no principal protection:

Applicable Not applicable

Unit: RMB'0,000

Trustee	Type of trustee	Type of wealth management product	Principal	Funding source	Start date	End date	Investment with principal	Way of payback	Reference annualized rate of return	Expected return (if any)	Actual gain/loss in the Reporting Period	Recovery of the gain/loss in the Reporting Period	Impairment allowance (if any)	Through prescribed procedures or not	Any plan for further transactions	Summary and index to more information (if any)
China Securities Co., Ltd.	Broker	Income certificate	28,000	Idle raised funds	19 August 2020	22 February 2020	As contracted actually agreed	Payback of principal with interest upon maturity	2.95%	0	0	Unredeemed		Yes	Yes	Announcement No. 2020-049 on www.cninfo.com.cn
Total			28,000	--	--	--	--	--	--	0	0	--		--	--	--

Wealth management transactions with possible impairments including an expectedly unrecoverable principal:

Applicable Not applicable

IX Irregularities in the Provision of Guarantees

Applicable Not applicable

No such cases in the Reporting Period.

X Occupation of the Company's Capital by the Controlling Shareholder or any of Its Related Parties for Non-Operating Purposes

Applicable Not applicable

No such cases in the Reporting Period.

XI Communications with the Investment Community such as Researches, Inquiries and Interviews Received during the Reporting Period

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.

30 September 2020

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Monetary assets	720,149,456.50	557,168,512.39
Settlement reserve		
Loans to other banks and financial institutions		
Held-for-trading financial assets	121,300,000.00	161,300,000.00
Derivative financial assets	273,952,800.00	88,792,254.00
Notes receivable		
Accounts receivable	89,221,674.32	80,743,986.81
Receivables financing		
Prepayments	636,843,733.07	138,379,800.10
Premiums receivable		
Reinsurance receivables		
Receivable reinsurance contract reserve		
Other receivables	19,439,812.76	19,220,097.34
Including: Interest receivable	1,854,761.12	3,927,438.90
Dividends receivable		
Financial assets purchased under resale agreements		
Inventories	1,308,878,985.35	1,412,755,661.65
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	668,986,307.59	560,297,233.13

Total current assets	3,838,772,769.59	3,018,657,545.42
Non-current assets:		
Loans and advances to customers		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	208,701,333.79	198,301,333.79
Investments in other equity instruments	20,000,000.00	20,000,000.00
Other non-current financial assets		
Investment property	22,927,669.32	31,781,350.74
Fixed assets	1,143,126,883.39	1,210,450,340.22
Construction in progress	17,745,104.13	17,876,177.78
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	357,094,187.52	368,170,434.38
Development costs		
Goodwill	191,394,422.51	191,394,422.51
Long-term prepaid expense	20,325,416.09	21,026,628.97
Deferred income tax assets	7,277,974.72	2,603,066.38
Other non-current assets	230,000,000.00	151,005,300.00
Total non-current assets	2,218,592,991.47	2,212,609,054.77
Total assets	6,057,365,761.06	5,231,266,600.19
Current liabilities:		
Short-term borrowings	2,070,991,982.00	1,329,238,701.60
Borrowings from the central bank		
Loans from other banks and financial institutions		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable	68,346,520.70	
Accounts payable	151,338,619.76	130,568,413.43
Advances from customers		481,119,461.41
Contract liabilities	427,501,912.35	

Financial assets sold under repurchase agreements		
Customer deposits and deposits from other banks and financial institutions		
Payables for acting trading of securities		
Payables for underwriting of securities		
Employee benefits payable	11,721,759.04	25,192,583.58
Taxes and levies payable	37,554,687.45	47,842,621.41
Other payables	124,220,692.02	96,171,396.23
Including: Interest payable	21,686,584.31	24,604,524.69
Dividends payable	11,013,302.88	11,013,302.88
Fees and commissions payable		
Reinsurance payables		
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities	28,340,190.00	
Total current liabilities	2,920,016,363.32	2,110,133,177.66
Non-current liabilities:		
Insurance contract reserve		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable	5,720,716.87	5,730,662.87
Provisions		
Deferred income	70,249,608.46	71,518,169.27
Deferred income tax liabilities	45,560,808.12	52,788,949.62
Other non-current liabilities		
Total non-current liabilities	121,531,133.45	130,037,781.76
Total liabilities	3,041,547,496.77	2,240,170,959.42

Owners' equity:		
Share capital	726,950,251.00	685,790,364.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	1,679,833,419.67	1,595,672,048.19
Less: Treasury stock		
Other comprehensive income	81,672.08	267,628.14
Specific reserve		
Surplus reserves	122,122,436.98	122,122,436.98
General reserve		
Retained earnings	116,844,632.70	2,186,806.56
Total equity attributable to owners of the Company as the parent	2,645,832,412.43	2,406,039,283.87
Non-controlling interests	369,985,851.86	585,056,356.90
Total owners' equity	3,015,818,264.29	2,991,095,640.77
Total liabilities and owners' equity	6,057,365,761.06	5,231,266,600.19

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

2. Balance Sheet of the Company as the Parent

Unit: RMB

Item	30 September 2020	31 December 2019
Current assets:		
Monetary assets	17,409,976.16	5,606,837.37
Held-for-trading financial assets		
Derivative financial assets		
Notes receivable		
Accounts receivable	42,510.00	42,510.00
Receivables financing		
Prepayments	467,482.14	532,843.92
Other receivables	19,277,199.41	12,612,756.48
Including: Interest receivable		

Dividends receivable		
Inventories	4,824,035.45	4,824,035.45
Contract assets		
Assets held for sale		
Current portion of non-current assets		
Other current assets	2,410,159.49	2,114,765.22
Total current assets	44,431,362.65	25,733,748.44
Non-current assets:		
Debt investments		
Other debt investments		
Long-term receivables		
Long-term equity investments	2,626,437,846.24	2,377,420,527.10
Investments in other equity instruments	20,000,000.00	20,000,000.00
Other non-current financial assets		
Investment property	5,249,530.28	5,476,357.73
Fixed assets	2,912,507.86	3,028,013.69
Construction in progress		
Productive living assets		
Oil and gas assets		
Right-of-use assets		
Intangible assets	22,350.00	94,800.66
Development costs		
Goodwill		
Long-term prepaid expense	15,723.16	86,477.92
Deferred income tax assets		
Other non-current assets		
Total non-current assets	2,654,637,957.54	2,406,106,177.10
Total assets	2,699,069,320.19	2,431,839,925.54
Current liabilities:		
Short-term borrowings		
Held-for-trading financial liabilities		
Derivative financial liabilities		
Notes payable		

Accounts payable		
Advances from customers		38,896.41
Contract liabilities	38,896.41	
Employee benefits payable	275,537.37	480,445.28
Taxes and levies payable	1,017,410.80	1,709,752.97
Other payables	339,863,112.10	503,550,996.94
Including: Interest payable	21,082,795.47	21,082,795.47
Dividends payable	3,213,302.88	3,213,302.88
Liabilities directly associated with assets held for sale		
Current portion of non-current liabilities		
Other current liabilities		
Total current liabilities	341,194,956.68	505,780,091.60
Non-current liabilities:		
Long-term borrowings		
Bonds payable		
Including: Preference shares		
Perpetual bonds		
Lease liabilities		
Long-term payables		
Long-term employee benefits payable		
Provisions		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities		
Total liabilities	341,194,956.68	505,780,091.60
Owners' equity:		
Share capital	726,950,251.00	685,790,364.00
Other equity instruments		
Including: Preference shares		
Perpetual bonds		
Capital reserves	2,381,244,900.85	2,173,387,468.71

Less: Treasury stock		
Other comprehensive income		
Specific reserve		
Surplus reserves	109,487,064.39	109,487,064.39
Retained earnings	-859,807,852.73	-1,042,605,063.16
Total owners' equity	2,357,874,363.51	1,926,059,833.94
Total liabilities and owners' equity	2,699,069,320.19	2,431,839,925.54

3. Consolidated Income Statement for Q3

Unit: RMB

Item	Q3 2020	Q3 2019
1. Revenues	1,928,342,701.75	1,824,886,529.92
Including: Operating revenue	1,928,342,701.75	1,824,886,529.92
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	1,896,429,445.83	1,764,674,515.46
Including: Cost of sales	1,799,452,877.93	1,652,610,736.57
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	5,605,278.41	5,490,323.70
Selling expense	43,982,894.87	50,699,252.02
Administrative expense	43,872,344.26	47,487,578.68
R&D expense	3,662,915.86	703,632.42
Finance costs	-146,865.50	7,682,992.07
Including: Interest expense	1,944,727.32	13,489,855.34

Interest income	2,266,888.66	5,935,578.64
Add: Other income	4,209,110.12	1,908,875.68
Return on investment (“-” for loss)	9,660,149.23	1,089,429.46
Including: Share of profit or loss of joint ventures and associates	3,457,423.01	
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	18,961,468.85	-512,728.81
Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)	40,000.00	1,193.30
Asset disposal income (“-” for loss)	-30,020.88	-733,109.31
3. Operating profit (“-” for loss)	64,753,963.24	61,965,674.78
Add: Non-operating income	162,376.14	539,843.22
Less: Non-operating expense	151,689.36	1,127,254.62
4. Gross profit (“-” for loss)	64,764,650.02	61,378,263.38
Less: Income tax expense	19,076,844.38	15,853,529.76
5. Net profit (“-” for net loss)	45,687,805.64	45,524,733.62
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	45,687,805.64	45,524,733.62
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	40,894,930.95	33,840,967.80
5.2.1 Net profit attributable to non-controlling interests	4,792,874.69	11,683,765.82
6. Other comprehensive income, net of tax	-292,687.90	190,287.74
Attributable to owners of the Company as the parent	-292,687.90	190,287.74

6.1 Items that will not be reclassified to profit or loss		
6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-292,687.90	190,287.74
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-292,687.90	190,287.74
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	45,395,117.74	45,715,021.36
Attributable to owners of the Company as the parent	40,602,243.05	34,031,255.54
Attributable to non-controlling interests	4,792,874.69	11,683,765.82
8. Earnings per share		
8.1 Basic earnings per share	0.06	0.05
8.2 Diluted earnings per share	0.06	0.05

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB , with the amount for the same period of last year being RMB .

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

4. Income Statement of the Company as the Parent for Q3

Unit: RMB

Item	Q3 2020	Q3 2019
1. Operating revenue	657,313.52	0.00
Less: Cost of sales	0.00	0.00
Taxes and levies	98,534.78	33,908.40
Selling expense		
Administrative expense	10,108,313.15	10,567,161.77
R&D expense		
Finance costs	-7,460.77	4,064,326.05
Including: Interest expense		4,067,234.62
Interest income	8,657.77	3,054.57
Add: Other income		
Return on investment (“-” for loss)	206,002,223.87	
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)		
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	196,460,150.23	-14,665,396.22

Add: Non-operating income	29,508.17	
Less: Non-operating expense		
3. Gross profit (“-” for loss)	196,489,658.40	-14,665,396.22
Less: Income tax expense		
4. Net profit (“-” for net loss)	196,489,658.40	-14,665,396.22
4.1 Net profit from continuing operations (“-” for net loss)	196,489,658.40	-14,665,396.22
4.2 Net profit 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 caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		

5.2.7 Other		
6. Total comprehensive income	196,489,658.40	-14,665,396.22
7. Earnings per share		
7.1 Basic earnings per share		
7.2 Diluted earnings per share		

5. Consolidated Income Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Revenues	5,679,115,769.38	5,108,164,255.31
Including: Operating revenue	5,679,115,769.38	5,108,164,255.31
Interest income		
Insurance premium income		
Fee and commission income		
2. Costs and expenses	5,471,569,621.49	5,018,488,742.07
Including: Cost of sales	5,155,654,135.99	4,693,289,477.71
Interest expense		
Fee and commission expense		
Surrenders		
Net insurance claims paid		
Net amount provided as insurance contract reserve		
Expenditure on policy dividends		
Reinsurance premium expense		
Taxes and levies	14,256,389.78	17,090,887.34
Selling expense	150,624,014.01	151,930,390.29
Administrative expense	121,904,630.55	128,785,807.05
R&D expense	6,466,632.88	1,234,698.42
Finance costs	22,663,818.28	26,157,481.26
Including: Interest expense	18,919,769.38	36,471,148.41
Interest income	7,640,376.87	10,056,207.22

Add: Other income	9,256,058.96	11,779,973.90
Return on investment (“-” for loss)	26,356,075.22	10,268,731.55
Including: Share of profit or loss of joint ventures and associates	10,405,201.69	4,824,933.21
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Exchange gain (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)	-57,915,198.40	25,645,552.41
Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)	40,000.00	-196,502.26
Asset disposal income (“-” for loss)	-30,020.88	11,264,409.09
3. Operating profit (“-” for loss)	185,253,062.79	148,437,677.93
Add: Non-operating income	851,815.96	2,256,286.81
Less: Non-operating expense	1,570,361.13	1,949,673.24
4. Gross profit (“-” for loss)	184,534,517.62	148,744,291.50
Less: Income tax expense	43,538,676.24	37,975,305.88
5. Net profit (“-” for net loss)	140,995,841.38	110,768,985.62
5.1 By operating continuity		
5.1.1 Net profit from continuing operations (“-” for net loss)	140,995,841.38	110,768,985.62
5.1.2 Net profit from discontinued operations (“-” for net loss)		
5.2 By ownership		
5.2.1 Net profit attributable to owners of the Company as the parent	114,657,826.14	85,351,872.21
5.2.1 Net profit attributable to non-controlling interests	26,338,015.24	25,417,113.41
6. Other comprehensive income, net of tax	-185,956.06	241,232.26
Attributable to owners of the Company as the parent	-185,956.06	241,232.26
6.1 Items that will not be reclassified to profit or loss		

6.1.1 Changes caused by remeasurements on defined benefit schemes		
6.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
6.1.3 Changes in the fair value of investments in other equity instruments		
6.1.4 Changes in the fair value arising from changes in own credit risk		
6.1.5 Other		
6.2 Items that will be reclassified to profit or loss	-185,956.06	241,232.26
6.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
6.2.2 Changes in the fair value of other debt investments		
6.2.3 Other comprehensive income arising from the reclassification of financial assets		
6.2.4 Credit impairment allowance for other debt investments		
6.2.5 Reserve for cash flow hedges		
6.2.6 Differences arising from the translation of foreign currency-denominated financial statements	-185,956.06	241,232.26
6.2.7 Other		
Attributable to non-controlling interests		
7. Total comprehensive income	140,809,885.32	111,010,217.88
Attributable to owners of the Company as the parent	114,471,870.08	85,593,104.47
Attributable to non-controlling interests	26,338,015.24	25,417,113.41
8. Earnings per share		
8.1 Basic earnings per share	0.16	0.12
8.2 Diluted earnings per share	0.16	0.12

Where business combinations under common control occurred in the current period, the net profit achieved by the acquirees before the combinations was RMB , with the amount for the same period of last year being RMB .

Legal representative: Li Shaoling

Head for financial affairs: Guan Ying

Head of the financial department: Liu Quanli

6. Income Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Operating revenue	1,033,922.69	0.00
Less: Cost of sales	0.00	0.00
Taxes and levies	101,234.78	102,985.20
Selling expense		
Administrative expense	23,632,368.27	24,078,567.37
R&D expense		
Finance costs	-12,505.93	11,629,290.32
Including: Interest expense		11,638,818.11
Interest income	16,908.21	14,138.40
Add: Other income	50,313.02	
Return on investment (“-” for loss)	206,400,562.23	
Including: Share of profit or loss of joint ventures and associates		
Income from the derecognition of financial assets at amortized cost (“-” for loss)		
Net gain on exposure hedges (“-” for loss)		
Gain on changes in fair value (“-” for loss)		
Credit impairment loss (“-” for loss)		
Asset impairment loss (“-” for loss)		-4,344.16
Asset disposal income (“-” for loss)		
2. Operating profit (“-” for loss)	183,763,700.82	-35,815,187.05
Add: Non-operating income	33,509.61	
Less: Non-operating expense	1,000,000.00	469,440.00
3. Gross profit (“-” for loss)	182,797,210.43	-36,284,627.05

Less: Income tax expense		
4. Net profit (“-” for net loss)	182,797,210.43	-36,284,627.05
4.1 Net profit from continuing operations (“-” for net loss)	182,797,210.43	-36,284,627.05
4.2 Net profit 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 caused by remeasurements on defined benefit schemes		
5.1.2 Other comprehensive income that will not be reclassified to profit or loss under the equity method		
5.1.3 Changes in the fair value of investments in other equity instruments		
5.1.4 Changes in the fair value arising from changes in own credit risk		
5.1.5 Other		
5.2 Items that will be reclassified to profit or loss		
5.2.1 Other comprehensive income that will be reclassified to profit or loss under the equity method		
5.2.2 Changes in the fair value of other debt investments		
5.2.3 Other comprehensive income arising from the reclassification of financial assets		
5.2.4 Credit impairment allowance for other debt investments		
5.2.5 Reserve for cash flow hedges		
5.2.6 Differences arising from the translation of foreign currency-denominated financial statements		
5.2.7 Other		
6. Total comprehensive income	182,797,210.43	-36,284,627.05
7. Earnings per share		

7.1 Basic earnings per share		
7.2 Diluted earnings per share		

7. Consolidated Cash Flow Statement for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services	6,130,501,668.95	5,561,175,595.39
Net increase in customer deposits and deposits from other banks and financial institutions		
Net increase in borrowings from the 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		
Interest, fees and commissions received		
Net increase in loans from other banks and financial institutions		
Net increase in proceeds from repurchase transactions		
Net proceeds from acting trading of securities		
Tax and levy rebates	13,983,951.32	8,511,133.41
Cash generated from other operating activities	981,039,681.44	1,018,233,943.12
Subtotal of cash generated from operating activities	7,125,525,301.71	6,587,920,671.92
Payments for commodities and services	5,873,912,623.39	4,955,576,528.87
Net increase in loans and advances to customers		
Net increase in deposits in the central bank and other banks and financial institutions		

Payments for claims on original insurance contracts		
Net increase in loans to other banks and financial institutions		
Interest, fees and commissions paid		
Policy dividends paid		
Cash paid to and for employees	231,484,488.18	225,542,724.31
Taxes and levies paid	141,181,130.25	113,872,002.20
Cash used in other operating activities	965,806,871.50	846,183,684.46
Subtotal of cash used in operating activities	7,212,385,113.32	6,141,174,939.84
Net cash generated from/used in operating activities	-86,859,811.61	446,745,732.08
2. Cash flows from investing activities:		
Proceeds from disinvestment	2,021,317,255.39	1,451,236,691.57
Return on investment	13,741,859.72	24,608,980.29
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets	128,368.58	69,211.68
Net proceeds from the disposal of subsidiaries and other business units	5,000,000.00	
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	2,040,187,483.69	1,475,914,883.54
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	22,088,912.56	41,645,608.65
Payments for investments	2,351,915,689.04	1,921,580,563.05
Net increase in pledged loans granted		
Net payments for the acquisition of subsidiaries and other business units	104,730,266.66	
Cash used in other investing activities	578,813.60	752.21
Subtotal of cash used in investing activities	2,479,313,681.86	1,963,226,923.91
Net cash generated from/used in investing activities	-439,126,198.17	-487,312,040.37
3. Cash flows from financing activities:		

Capital contributions received		
Including: Capital contributions by non-controlling interests to subsidiaries		
Borrowings raised	2,371,670,609.65	1,633,175,871.20
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	2,371,670,609.65	1,633,175,871.20
Repayment of borrowings	1,639,317,329.25	1,929,842,758.45
Interest and dividends paid	34,506,528.74	75,821,378.17
Including: Dividends paid by subsidiaries to non-controlling interests		
Cash used in other financing activities		
Subtotal of cash used in financing activities	1,673,823,857.99	2,005,664,136.62
Net cash generated from/used in financing activities	697,846,751.66	-372,488,265.42
4. Effect of foreign exchange rates changes on cash and cash equivalents	-6,809,062.59	3,782,563.49
5. Net increase in cash and cash equivalents	165,051,679.29	-409,272,010.22
Add: Cash and cash equivalents, beginning of the period	555,097,777.21	867,870,016.78
6. Cash and cash equivalents, end of the period	720,149,456.50	458,598,006.56

8. Cash Flow Statement of the Company as the Parent for Q1~Q3

Unit: RMB

Item	Q1~Q3 2020	Q1~Q3 2019
1. Cash flows from operating activities:		
Proceeds from sale of commodities and rendering of services		
Tax and levy rebates	200.00	1,800.00
Cash generated from other operating activities	57,136,167.69	33,566,371.69
Subtotal of cash generated from operating activities	57,136,367.69	33,568,171.69
Payments for commodities and services	26,731.99	25,453.09

Cash paid to and for employees	16,823,531.12	17,908,969.70
Taxes and levies paid	350,168.29	105,317.14
Cash used in other operating activities	20,396,962.02	52,051,442.98
Subtotal of cash used in operating activities	37,597,393.42	70,091,182.91
Net cash generated from/used in operating activities	19,538,974.27	-36,523,011.22
2. Cash flows from investing activities:		
Proceeds from disinvestment		
Return on investment	205,893,687.32	
Net proceeds from the disposal of fixed assets, intangible assets and other long-lived assets		
Net proceeds from the disposal of subsidiaries and other business units		
Cash generated from other investing activities		
Subtotal of cash generated from investing activities	205,893,687.32	0.00
Payments for the acquisition of fixed assets, intangible assets and other long-lived assets	158,787.62	187,564.80
Payments for investments		1,780,563.05
Net payments for the acquisition of subsidiaries and other business units		
Cash used in other investing activities		
Subtotal of cash used in investing activities	158,787.62	1,968,127.85
Net cash generated from/used in investing activities	205,734,899.70	-1,968,127.85
3. Cash flows from financing activities:		
Capital contributions received		
Borrowings raised	4,000,000.00	28,700,000.00
Cash generated from other financing activities		
Subtotal of cash generated from financing activities	4,000,000.00	28,700,000.00
Repayment of borrowings	215,400,000.00	
Interest and dividends paid		

Cash used in other financing activities		
Subtotal of cash used in financing activities	215,400,000.00	
Net cash generated from/used in financing activities	-211,400,000.00	28,700,000.00
4. Effect of foreign exchange rates changes on cash and cash equivalents		
5. Net increase in cash and cash equivalents	13,873,873.97	-9,791,139.07
Add: Cash and cash equivalents, beginning of the period	3,536,102.19	13,597,659.66
6. Cash and cash equivalents, end of the period	17,409,976.16	3,806,520.59

II Adjustments to the Financial Statements

1. Adjustments to the Financial Statements at the Beginning of the First Execution Year (2020) of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

2. Retrospective Adjustments to the Comparative Data of Prior Periods due to the First Execution in 2020 of the New Accounting Standards Governing Revenue and Leases

Applicable Not applicable

III Independent Auditor's Report

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

Yes No

These financial statements have not been audited by such an auditor.

Hainan Jingliang Holdings Co., Ltd.

24 October 2020