



HEFEI MEILING CO., LTD

THE THIRD QUARTERLY REPORT FOR 2016

October 2016

Section I. Important Notes

Board of Directors and the Supervisory Committee of Hefei Meiling Co., Ltd. (hereinafter referred to as the Company) and its directors, supervisors and senior executives hereby confirm that there are no any fictitious statements, misleading statements, or important omissions carried in this report, and shall take all responsibilities, individual and/or joint, for the reality, accuracy and completion of the whole contents.

Principal of the Company Mr. Liu Tibin, Person in Charge of Accounting Works Mr. Zhang Xiaolong and Person in Charge of Accounting Organ (Accounting Officer) Mr. Luo Bo hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable Not applicable

Third quarterly report of 2016 has not been audited.

All directors of the Company are attended the Meeting for quarterly report deliberation.

Section II. Main accounting data and changes of shareholders

I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data for accounting policy changed and accounting error correction or not

Yes No

	End of this period	End of last period		Changes of this period-end over same period-end of last year
		Before adjustment	After adjustment	After adjustment
Total assets(RMB)	13,081,356,785.16	9,066,223,601.14	9,237,288,359.74	41.61%
Net assets attributable to shareholders of listed company (RMB)	3,497,586,150.52	3,384,574,993.19	3,475,377,586.34	0.64%
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	3,130,593,704.26	54.34%	9,997,224,966.94	16.24%
Net profit attributable to shareholders of the listed company (RMB)	55,295,963.61	1,176.55%	165,288,664.89	1.72%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	42,159,261.91	848.21%	132,960,916.62	-13.11%
Net cash flow arising from operating activities(RMB)	--	--	1,562,939,649.39	57.22%
Basic earnings per share (RMB/Share)	0.0724	1,176.55%	0.2164	1.72%
Diluted earnings per share (RMB/Share)	0.0724	1,176.55%	0.2164	1.72%
Weighted average ROE	1.55%	1.41 percent point Increase	4.67%	0.13 percent point Increase

Note: the Company successfully acquired 98.856% equity interests of Guangdong Changhong Ridian Science & Technology Company Limited (“Changhong Ridian”) in relevant bidding at the end of 2015, and completed business and commercial registration procedures in respect of this acquisition in early February 2016. Upon

completion of the registration, the Company will hold 98.856% equity interests of Changhong Ridian. According to relevant provisions under No.33 of the Enterprise Accounting Standards-*consolidated financial statement*, with respect to subsidiaries and businesses acquired by the parent company due to business combination under the same control during the reporting period, adjustments shall be made to the beginning figures in the consolidated statement, and relevant items in comparative statements shall be also adjusted, as if the consolidated reporting entity had been existing since the time when the ultimate controller begins to exercise control. Accordingly, beginning figures for the period and figures of the corresponding period of last year are restated.

Reasons for changes in accounting policies and accounting error correction

Applicable Not applicable

Total share capital of the Company up to a trading day before disclosure:

Total share capital of the Company up to a trading day before disclosure (Share)	1,044,597,881
Fully diluted earnings per share calculated with the latest share capital (RMB/Share)	0.1582

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-1,023,871.76	Found in “Non-operating income and expenditure”
Governmental subsidy reckoned into current gains/losses (not including the subsidy enjoyed in quota or ration according to national standards, which are closely relevant to enterprise’s business)	25,313,525.44	Found in “Non-operating income and expenditure”
Except for effective hedge business relevant to normal operation of the Company, gains and losses arising from fair value change of tradable financial assets and tradable financial liabilities, and investment income from disposal of tradable financial assets, tradable financial liabilities and financial assets available for sale	7,122,928.57	Found in “Investment income” and “Changes in fair value gains”
Other non-operating income and expenditure except for the aforementioned items	5,366,293.59	Found in “Non-operating income and expenditure”
Less: impact on income tax	4,247,893.58	
Impact on minority shareholders’ equity (post-tax)	203,233.99	
Total	32,327,748.27	--

Concerning the extraordinary profit (gain)/loss defined by *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss*, and the items defined as recurring profit (gain)/loss according to the lists of extraordinary profit (gain)/loss in *Q&A Announcement No.1 on Information Disclosure for Companies Offering Their*

Securities to the Public --- Extraordinary Profit/loss, explain reasons

√Applicable □Not applicable

Item	Involved amount (RMB)	Reason
Non-operating income	3,172,370.11	During the Period, in line with the “Notice of VAT for Software Products issued by Ministry of Finance and the State Administration of Taxation” Cai Sui[2011] No.100, the wholly-owned subsidiary Mianyang Meiling Software Technology Co., Ltd. received a drawback of VAT for software products. With purpose of fully valued the operation of the Company, in accordance with the relevant regulation of No. (III) clause of Article II in “Q&A Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public --- Extraordinary Profit/loss(2008)”, as for the government subsidy continues enjoy by certain quota or quantitative, with closely relation with normal operation business, and qualified national policies shall reckoned into recurring gains/losses

II. Total number of shareholders at the end of this report period and top ten shareholders

1. Number of common shareholders and preference shareholders with voting rights recovered and top ten common shareholders

In shares

Total number of common shareholders at the end of report period	63,129	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	21.58%	164,828,330	0	--	--
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	6.26%	47,823,401	0	--	--
Changhong (Hong Kong) Trade Co., Ltd.	Foreign legal person	3.30%	25,165,823	0	--	--
CAO SHENGCHUN	Foreign natural person	1.77%	13,542,207	0	--	--
Wu Caiyin	Domestic natural person	1.40%	10,673,996	0	--	--
ICBC-Huitianfu Balance Growth Mix SIF	Domestic non-state-owned legal person	0.79%	6,042,529	0	--	--

China Securities Finance Corporation Limited	Domestic general legal person	0.58%	4,399,500	0	--	--
NORGES BANK	Foreign legal person	0.55%	4,216,432	0	--	--
DEUTSCHE BANK AKTIENGESELLSCHAFT	Foreign legal person	0.44%	3,323,610	0	--	--
Long Qinfang	Foreign natural person	0.43%	3,294,937	0	--	--
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	164,828,330	RMB ordinary shares	164,828,330			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
Changhong (Hong Kong) Trade Co., Ltd.	25,165,823	Domestically listed foreign shares	25,165,823			
CAO SHENGCHUN	13,542,207	Domestically listed foreign shares	13,542,207			
Wu Caiyin	10,673,996	RMB ordinary shares	10,673,996			
ICBC-Huitianfu Balance Growth Mix SIF	6,042,529	RMB ordinary shares	6,042,529			
China Securities Finance Corporation Limited	4,399,500	RMB ordinary shares	4,399,500			
NORGES BANK	4,216,432	Domestically listed foreign shares	4,216,432			
DEUTSCHE BANK AKTIENGESELLSCHAFT	3,323,610	RMB ordinary shares	3,323,610			
Long Qinfang	3,294,937	Domestically listed foreign shares	3,294,937			
Explanation on associated relationship among the aforesaid shareholders	Among the above shareholders, Changhong (Hong Kong) Trade Co., Ltd. is the wholly-owned subsidiary of Sichuan Changhong Electronic Co., Ltd.; there existed no associated relationship or belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies among Sichuan Changhong Electronic Co., Ltd., Changhong (Hong Kong) Trade Co., Ltd. and other top 8 shareholders; as the Company has not known whether there exists any business relationship among the other shareholders with unrestricted subscription or they belong to the concerted actors as specified in the Measures for the Administration of Information Disclosure of Shareholder Equity Changes of Listed Companies.					
Explanation on top ten common shareholders involving margin business (if applicable)	Not applicable					

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period

Yes No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy-back agreement dealing in reporting period.

2. Total shareholders with preferred stock held and shares held by top ten shareholders with preferred stock held

Applicable Not applicable

Section III. Important events

I. Particular about major changes from items of main accounting statements and financial indexes as well as reasons

√ Applicable □ Not applicable

1. Changes of items of balance sheet and cause analysis

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Note receivable	6,321,718,018.27	2,135,189,879.15	196.07%	The sale increased in the Period and due to the receivable for privately offering
Financial assets measured by fair value and with its variation reckon into current gains/losses	2,281,687.20	-	100.00%	Change of the fair value of forward foreign exchange contract in the Period
Account paid in advance	93,792,888.51	68,041,820.73	37.85%	The account paid in advance to the suppliers at period-end increased
Interest receivable	2,228,315.08	1,238,199.65	79.96%	Interest accountable for the fixed term deposit of subsidiary Zhongshan Changhong recognized
Other current assets	41,701,666.49	539,101,578.44	-92.26%	The capital was collected for the trust management from parent company in the Period
Long-term equity investment	98,180,964.59	74,239,547.01	32.25%	Company invested more capital in some associated enterprises in the Period
Short-term loans	724,439,071.88	58,680,093.19	1134.56%	Short-term loans from parent company increased in the Period
Financial liabilities measured by fair value and with its variation reckon into current gains/losses	145,060.00	-	100.00%	Same reason as "Financial assets measured by fair value and with its variation reckon into current gains/losses"
Note payable	3,261,646,892.47	2,172,064,923.79	50.16%	Note payable undue increased at period-end
Interest payable	30,400.81	214,328.89	-85.82%	The interest payable for loans are pay by parent company in the Period
Other account payable	2,371,218,448.51	643,567,087.33	268.45%	The account of privately offering are collected temporary at period-end
Non-current liabilities due within	261,134,779.00	11,153,067.68	2241.37%	The long-term loans due within one year are re-classified for transfer-in

one year				
Long-term loans	50,603,427.20	243,004,866.40	-79.18%	The long-term loans due within one year are re-classified for transfer-out
Specific payable	1,400,000.00	-	100.00%	Government specific received for the projects un-acceptance in the Period
Other comprehensive income	422,352.79	-2,280,500.61	118.52%	Changes of the rate in foreign money for foreign subsidiaries in the Period
Minority's interest	64,429,580.21	36,290,904.66	77.54%	Minorities investment absorb by the subsidiary in the Period

2. Changes of items of profit statement and cause analysis

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Business tax and surcharge	89,996,490.73	68,442,782.18	31.49%	Additional tax as payable VAT increased in the Period
Assets impairment losses	5,766,561.15	16,214,724.29	-64.44%	The account receivable and operation efficiency of the inventory assets growth on a y-o-y basis in the Period
Add: Changing income of fair value(Loss is listed with "-")	2,136,627.20	-1,206,430.00	277.10%	Gains from the fair value changes from forward foreign exchange contract in the Period
Investment income (loss is listed with "-")	6,625,694.81	-15,605,274.06	142.46%	Associated enterprise gains on a y-o-y basis in the Period
Including: Investment income on affiliated company and joint venture	3,536,619.33	-18,400,988.39	119.22%	Same reason as "Investment income"
Add: non-operation revenue	38,230,085.35	23,051,887.91	65.84%	Government grant received on a y-o-y growth in the Period
Including: Disposal loss of non-current asset	4,017,716.14	860,658.87	366.82%	The income from fixed assets disposal increased in the Period
Less: non-operation expenditure	5,401,767.97	9,330,099.23	-42.10%	Non-operational expenditure decreased on a y-o-y basis in the Period
Minority shareholders' gains and losses	547,468.49	-2,432,447.72	122.51%	Same of the non-wholly-owned subsidiary gains on a y-o-y basis in the Period

3. Changes of items of cash flow statement and cause analysis

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Cash paid for purchasing goods and labor service received	6,611,688,071.65	5,042,733,431.26	31.11%	Purchasing raw materials and note payable paid on due in the Period increased on a y-o-y basis

Cash received from returns of investments	500,000,000.00	100,500,000.00	397.51%	The capital of due trust management received on a y-o-y growth
Cash received from investment income	6,693,575.48	2,795,714.33	139.42%	The income received from trust management growth on a y-o-y basis
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	25,572,793.14	4,202,632.00	508.49%	Account from disposal of fixed assets growth on a y-o-y growth
cash paid for purchasing fixed assets, intangible assets and other long-term assets	97,689,141.65	73,647,201.37	32.64%	More fixed assets purchased in the Period
Cash paid for investment	115,583,860.00	470,150,056.00	-75.42%	Trust management capital are paid at same period of last year, no such account in the Period
Cash paid for other investment activities	4,296,600.00	-	100.00%	Same of the forward contract disposed in the Period are losses
Cash received from absorbing investment	1,564,983,118.37	-	100.00%	The account for privately offering in the Period, no such account at same period of last year
Cash received related with other financing activities	3,451.80	-	100.00%	Odd stock dividend received by parent company, no such account at same period of last year
Cash paid for debts	800,889,419.18	1,617,381,942.11	-50.48%	Short-term loans paid by parent company decreased on a y-o-y basis

II. Analysis and explanation of significant events and their influence and solutions

√ Applicable □ Not applicable

(I) Particular about the last process of the fund raised and investment of fund raised

All projects invested with raised funds of non-public offering by the Company in 2010 have been completed and reached the production index, balance of the raised funds have drawn in full by the Company. Up to 30 September 2016, net amount of RMB 1,177,954,320, the last raised fund, have received by the Company, interest accumulated as RMB 44,788,824, a RMB 1,222,743,144 in total. Projects with raised fund have RMB 914706054 invested accumulated, actually RMB 308037090 used for current capital supplemental. Presently, the specific account for last fund-raising capital was closed by the Company.

(II) Non-public issuance of share of the Company in 2016

The Company carried out privately offering of shares since end of 2015, and received a Reply on Privately Offering of Shares of Hefei Meiling Co., Ltd. Approval (CSRC Permit[2016]No.1396) from the CSRC, the non-public offering of shares have approved by the CSRC.

The above mentioned event found more in the notices and Annual Report 2015, 1Q of 2016 and Semi-Annual Report 2016 released on appointed website Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) dated 19 Nov. 2015, 23 Dec., 30 Dec., 2015 and 30 Jan. 2016, 24

Feb., 7 March, 19 March, 25 March, 2 April, 7 April, 24 April, 30 April, 19 May and 26 July respectively(Notice No. as No.: 2015-053, No.: 2015-054, No.: 2015-057, No.: 2015-063, No.: 2015-064, No.: 2015-065, No.: 2015-070, No.: 2016-006, No.: 2016-007, No.: 2016-009, No.: 2016-010, No.: 2016-011, No.: 2016-012, No.: 2016-014, No.: 2016-015, No.: 2016-016, No.: 2016-017, No.: 2016-018, No.: 2016-019, No.: 2016-024, No.: 2016-036, No.: 2016-037, No.: 2016-040, No.: 2016-045, No.: 2016-049, No.: 2016-051)

In September 2016, the Company privately offering RMB ordinary Shares (A-share) 280,858,676 shares to 7 qualified specific investors including Sichuan Changhong Elec Co., Ltd., shares issued with RMB 1.00 for each face value and price of RMB 5.59. Totally RMB 1,569,999,998.84 raised, net amount raised as RMB1,540,732,722.76 after deducting issuance fee (tax included) RMB 29,267,276.08. ShineWing CPA (Special Ordinary Partnership) (hereinafter referred as ShineWing) have verified the condition of fully funded in privately offering dated 18 September 2016, and carried out a Verification Report (XYZH/2016CDA40272).

In order to standardized the capital management of raised-funds, being deliberated and approved by the 25th session of 8th Board of Directors, agreed to opening specific account for raised-funds in four banks respectively as Hefei Jinzai Road Branch of Agricultural Bank of China, Hefei Souchun Branch of Bank of Communications, Changjiang West Road Branch of China Everbright Bank and Hefei Changjiang East Road Branch of ICBC. Meanwhile, the Company and underwriting sponsors- Shenwan Hongyuan Securities Underwriting Sponsors Limited entered into a Three-Party Supervision Agreement for Raised-Fund with the above mentioned banks.

After privately offering, total share capital of the Company increased to 1,044,597,881 shares from 763,739,205. Relevant registration information for the shares increased in the offering have been applied to the Shenzhen Branch of CSDC on 28 September 2016, and have been listed on Shenzhen Stock Exchange dated 14 October 2016. meanwhile, the unrestricted 47,823,401 shares originally held by former second largest shareholder of the Company – Hefei Industry Investment Holding (Group) Co., Ltd. (hereinafter referred as II Group), takes 6.26% of the total share capital 763,739,205 shares before privately offering. After privately offering, shares of the Company held by II Group have no changed, except the share-ratio diluted down to 4.58%, and II Group is no longer as the shareholders with over 5% shares held of the Company.

Found more in notices (No.: 2015-059, 2015-060 and 2015-061) released on appointed media Securities Times, China Securities Journal, Hong Kong Commercial Daily and Juchao Website (www.cninfo.com.cn) on 13 October 2016.

In view of that, the total raised-fund have been transferred to the specific account by underwriting sponsor after deducting underwriting sponsor's fees. Among which, the account of "item of current fund supplemental" in privately offering, after underwriting sponsor fee deduction, actually RMB 271,999,998.84 funded. According to the Verification Report issued by ShineWing, after deducted other issuance fees RMB 1,267,276.08, the balance in the account RMB 270,732,722.76 and interest have drawn for supplementing the current capital, and the account of "item of current fund supplemental" will close after the money extract.

(III) Implementation for annual performance incentive fund

On August 9, 2012 and August 28, 2012, the Company considers the adoption of "Hefei Meiling annual performance incentive fund implementation plan" (hereinafter referred to as "" stimulus "") on the 16th meeting of

the 7th board of directors and the 2012-second provisional shareholders meeting. Details were disclosed on information disclosure media appointed by the Company as "Securities Times", "Chinese Securities Daily", "Hong Kong Commercial Daily" and the Juchao network (www.cninfo.com.cn) on August 10, 2012 and August 29th in the form of announcement (No.: 2012-028, No.:2012-035).

1. Implementation about 2012, 2013 and 2014 performance incentive fund provision and distribution plan

Please see the details in "The implementation of the company's annual incentive funds "of "XV-Implementation of the company's stock incentive plan, employee stock ownership plan or other employee incentives " at "Section Five-Important matters" in "2015 Annual Report" of the company disclosed on Mar. 25, 2016.

As at the end of this reporting period, stocks of the Company purchased by certain performance incentive grantees of 2012 (other than directors, supervisors and senior management) with the 2012 performance incentive funds granted to them and their own capital can be totally released, and stocks of the Company purchased by certain performance incentive grantees of 2013 (other than directors, supervisors and senior management) with the 2013 performance incentive funds granted to them and their own capital can be half released. The overall shareholding by these grantees is set out below. Stocks of the Company purchased by the performance incentive grantees of 2014 with the 2014 performance incentive funds granted to them and their own capital are held less than one year, so all the stocks purchased by these grantees are locked for sale. The existing directors, supervisors and senior management among the performance incentive grantees who purchase stocks of the Company under the 2012, 2013 and 2014 performance incentive plans have not reduced their shareholding.

2. Shareholding and reducing of performance incentive objects of the Company

Up to 30 September 2016, the total number of the company's stock held by incentive objects is 10,386,002 shares, accounting for 1.36% of the Company's total share capital, of which A stock is 9,052,870 shares, accounting for about 1.19% of the company's total share capital, B stock is 1,333,132 shares, accounting for about 0.17% of the company's total share capital. Up to 30 September 2016, some 2012 & 2013 annual performance incentive objects (non directors, supervisors or senior management) have cumulatively reduced holding of 3,093,454 shares from September 2014 to the end of this reporting period, accounting for 0.41% of the company's total share capital; 976,101 shares reduced holding in the Period, accounting for 0.13% of the company's total shares.

(IV) Transaction with Sichuan Changhong Group Finance Co., Ltd

Subject to approval from the 2016 board of directors and general meeting of the Company, it is agreed for the Company continued to enter into Financial Service Agreement with Sichuan Changhong Group Finance Co., Ltd. ("Changhong Finance Company") for a term of three years. Pursuant to the agreement, Changhong Finance Company will provide a series of financial services including savings and loans within its operating scope according to requirements of the Company and its subsidiaries. From the beginning of this year to the end of reporting period, the connected transactions occurred between the Company and Changhong Finance Company are set out below:

Item	Opening balance	Increased during the Year	Decreased during the Year	Ending balance	Interest, handling charge paid or received
I. Savings in Changhong Group Finance Company	1,260,081,706.55	13,218,922,116.53	12,479,985,013.79	1,999,018,809.29	18,865,219.63
II. Borrowings from Changhong Group Finance Company					
1.Short-term loans	-	-	-	-	-
2.Long-term loans	-	-	-	-	-
III. Other financial business					
1.notes drawing	733,001,248.18	1,533,712,127.84	1,160,923,526.45	1,105,789,849.57	-
2.notes discounted	236,410,328.55	745,078,712.73	621,321,949.75	360,167,091.53	9,479,297.52

Note: the Company acquired Guangdong Changhong Ridian Technology Co., Ltd. (hereinafter referred to as "Changhong Ridian") in early 2016, the above table already contains Changhong Ridian and Changhong Finance related transactions deposits, loans and other financial services.

(V) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
As approved by board of directors, the Company is approved to acquire 98.856% equity interests of Guangdong Changhong Ridian Science & Technology Company Limited ("Changhong Ridian") in relevant bidding at the end of 2015, at the consideration of RMB95.65 million. During the reporting period, the business and commercial registration has been completed in respect of this equity transfer.	2015-12-19; 2015-12-24; 2016-1-5; 2016-2-4;	Juchao Website: http://www.cninfo.com.cn (No.: 2015-061, 2015-062, 2015-066, 2015-067, 2016-001, 2016-008)
In order to ensure orderly proceeding of smart living project, as approved by board of directors, the Company is approved to invest in incorporation of Changmei Technology Company.	2016-1-8	Juchao Website: http://www.cninfo.com.cn (No.: 2016-002)
Commitment Letter on No Reduction of Shareholding in Meiling Appliances within a half year issued by the first largest shareholder of the Company-Sichuan Changhong Appliances Company Limited.	2016-1-19	Juchao Website: http://www.cninfo.com.cn (No.: 2016-003)
Due to change of personal job, Mr. Li Jin, the former vice chairman of the Board, applied to resign as the director and vice chairman of the 8 th board of directors and member of the strategic committee and remuneration and examination committee.	2016-1-21	Juchao Website: http://www.cninfo.com.cn (No.: 2016-004)
Zhongke Meiling Low Temperature Technology Company Limited	2016-1-30;	Juchao Website:

<p>(“Zhongke Meiling”), a controlling subsidiary of the Company, is officially listed on the national middle and small enterprise stock transfer system on 24 February 2016, in way of agreement transfer, with the securities abbreviation and stock code being Zhongke Meiling and 835892 respectively.</p>	2016-2-24;	<p>http://www.cninfo.com.cn (No.: 2016-005, 2016-013)</p>
<p>As approved by the board of directors and general meeting, it is agreed for the Company and its subsidiaries to carry out forward exchange capital transactions during the period from 1 July 2016 to 30 June 2017, the transaction balance shall not exceed USD500 million and settlement period for a single transaction shall not last for over 2 years.</p>	2016-3-19; 2016-4-6;	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-020, 2016-022, 2016-037)</p>
<p>As approved by the board of directors and general meeting, it is agreed for the Company to continue financial service cooperation with Sichuan Finance Company, and to enter into Financial Service Agreement with a term of three years, in respect of which, the independent directors issued prior consent and approval opinions.</p>	2016-3-19; 2016-4-6;	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-020, 2016-021, 2016-023, 2016-024, 2016-037)</p>
<p>The former second largest shareholder of the Company-Hefei Xingtai Financial Holdings (Group) Company Limited transferred 49,477,513 stated owned shares of the Company held by it to Hefei Industrial Investment Holdings (Group) Company Limited at nil consideration. As of the end of the reporting period, transfer registration procedures for this equity transfer has been completed.</p>	2016-3-25	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-026)</p>
<p>Being approved by the Board of Directors, and Shareholders General Meeting, Mr. Xu Bangjun was elected as the candidate of non-independent director for 8th BOD; service term is the same as 8th BOD. Mr. Xu bangjun and Mr. Li Wei were elected as the deputy chairman of 8th BOD by the Board, and Mr. Xu elected as the member of Strategy Committee of the 8th BOD and member of Remuneration and Examination Committee.</p>	2016-3-25; 2016-5-5;	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-027, 2016-046, 2016-047)</p>
<p>The board of directors agreed the subsidiary Zhongshan Changhong Appliances Company (“Zhongshan Changhong”) to jointly, with the partner RUBA GENERAL TRADING FZE (a company based in The United Arab Emirates), increase capital injection into Changhong Ruba Trading Company(Private) Limited in cash according to the existing shareholding proportion. Changhong Ruba Trading Company (Private) Limited is a joint venture sales company established by the two parties in Pakistan, the total amount of the increased capital is USD6.40 million.</p>	2016-3-25	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-027, 2016-032)</p>
<p>The board of directors agreed the subsidiaries Zhongshan Changhong and Sichuan Changhong Air Conditioner Company to jointly establish PT.CHANGHONG MEILING ELECTRIC INDONESIA in Indonesia, with registered capital of USD 6.0 million.</p>	2016-3-25	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-027, 2016-033)</p>
<p>As approved by board of directors, it is agreed for the Company to apply from Hefei Branch of China Merchants Bank a special credit facility with the maximum amount of RMB300 million involving notes related businesses. The term of credit facility is one year, and the facility is mainly used on note</p>	2016-3-25	<p>Juchao Website: http://www.cninfo.com.cn (No.: 2016-027, 2016-034)</p>

related business by way of note pledge.		
The “Profit Distribution Plan for year of 2015” have been deliberated and approved by the 19 th session of 8 th BOD, 10 th session of 8 th Supervisory Committee and AGM of 2015 on 23 March 2016 and 4 May 2016, based on the total shares dated 31 Dec. 2015-763,739,205 shares, distributed cash dividend as RMB 0.6 (tax included) for ever 10 shares to all of the shareholders. On 9 May 2016, the profit distribution plan released and implemented.	2016-3-25; 2016-5-5; 2016-5-9	Juchao Website: http://www.cninfo.com.cn (No.: 2016-027, 2016-028, 2016-046, 2016-048)
On 2 June 2016, the Company opens a press conference of “Smart Space Future Controlling” ----- Plan of Meiling Smart Ecosphere and new products of second generation of CHiQ. On the press, the Company implemented the plan of “Smart Ecosphere”, and produce the second generation CHiQ refrigerator, which has smart changed with the space according to the food requirement for human-oriented, and the CHiQ smart air steward change the air automatically.	2016-6-3	Juchao Website: http://www.cninfo.com.cn (No.: 2016-050)
According to the requirement of equity management for subordinate enterprises, being deliberated and approved by the 23 rd session of 8 th BOD, the 99% equity of Mianyang Meiling Software Technology Co., Ltd. (Meiling Software) held by the Company transferred to the subordinate wholly-owned subsidiary Sichuan Changhong AC Co., Ltd. (Changhong AC). Equity transferred price based on the net assets of Meiling Software up to 30 June 2016, and the price was RMB 5,798,619.62 after two parties’ confirmation. After transferred, Changhong AC and Mianyang Meiling Refrigeration holds 100% equity of Meiling Software in total.	2016-7-29	Juchao Website: http://www.cninfo.com.cn (No.: 2016-052)
For better development of the Zhongke Meiling, established a perfected long-term incentive mechanism, supplemented operation funds, strengthen the vitality of stock exchange and promoted the continuous development, BOD agrees Zhongke Meiling offering 3.15 million shares (3.15 million included) at most to its senior executives and core employees, capital for raised is not over the RMB 5.1345 million (RMB 5.1345 million included); the issue objects shall subscribed in cash, meanwhile, the Company give up pre-emption rights for the offering on equal conditions. The offering price determined as RMB 1.63/Share, the evaluation value on net assets of Zhongke Meiling up to 30 June 2016.	2016-9-21	Juchao Website: http://www.cninfo.com.cn (No.: 2016-055, 2016-056)

III. Commitments that the company, shareholders, actual controller, purchaser, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period

√Applicable □ Not applicable

Commitment	Acceptor	Content		Date	Term	Implementation
Commitments made in acquisition report or equity change report	Sichuan Changhong Electric Co., LTD (hereinafter referred to as the “Sichuan Changhong”)	About committed and promised in order to prevent horizontal competition in the Acquisition Report of Hefei Meiling Co., Ltd.	1. The acquirer shall not engage in refrigerator business or activity which competes or will compete with business of Meiling Electrical Appliances Co., Ltd. (hereinafter referred to as the “Meiling Electrical Appliances”), or that which has interest conflict with Meiling Electrical Appliances.	2007-6-12	Valid for long term	Strictly implemented
			2. The acquirer promises to apply shareholders’ right on a legal and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electrical Appliances.			Strictly implemented
			3. For any opportunity to engage in competing business, the acquirer will advise Meiling Electrical Appliances in written for engaging such business or not. If Meiling Electrical Appliances gives no clear written reply as to whether engaging the competing business or not within 20 days after receipt of the aforesaid letter, it shall be deemed that it will not engage in such business. The acquirer will only engage in non-competing business provided that Meiling Electrical Appliances confirms not to or is deemed to not engage in such non-competing business.			Strictly implemented
Commitment made during the non-public offer in 2010	Sichuan Changhong	Commitment regarding to reducing and preventing competition with Meiling Electrical Appliances	1. It will not engage in such business or activity that competes with or has interest conflict with that of Meiling Electrical Appliances except for the action taken for sake of Meiling Electrical Appliances as required by Meiling Electrical Appliances.	2010-6-24	Valid for long term	Strictly implemented
			2. The Company promises to apply shareholders’ right on a legal			

		and reasonable manner and shall not take any action to limit or affect the normal operation of Meiling Electrical Appliances.			
		3. In case that Meiling Electrical Appliances expects, on the basis of its existing business, to expand its operation scope into the business which the Company has already operated, the Company agrees to grant pre emptive right to Meiling Electrical Appliances regarding such business if the same conditions are met, provided that the Company is still the controlling shareholder or actual controller of Meiling Electrical Appliances.			
	Commitment regarding to reducing and standardizing related transaction with Meiling Electrical Appliances	1. Measures will be adopted to prevent continued related transaction with Meiling Electrical Appliances: as to the related transaction that can not be prevented, it will sign related transaction agreement with Meiling Electrical Appliances under the market principles of “equally paid and mutual benefit”, and fairly determined the transaction price according to the market prevailing standards.	2010-6-24	Valid for long term	Strictly implemented
2. Perform the necessary obligations to make related directors and related shareholder abstain from voting according to relevant regulation, and observe legal procedure for approving related transaction and information disclosure obligations.					
3. Promise not to hurt legal interests of Meiling Electrical Appliances and other shareholders through related transaction.					
	Commit to authorized Changhong Air Conditioning and Zhongshan Air Conditioning Co., Ltd. (hereinafter referred to as the “Zhongshan Air Conditioning”) to use “Changhong” trademark and relevant patents for free.	2010-11-6	Valid for long term	Strictly implemented	
The Company	1. Commit to disclose periodic reports on a truthful, accurate, complete, fair and prompt	2011-1-7	Valid for long term	Strictly	

		<p>manner, to disclose all the information that have important influences over investors, to accept supervision under the CSRC and Shenzhen Stock Exchange.</p> <p>2. Commit to make public clarification in respect of such information that is released from any public media and may result in misleading influences on stock price once the Company is aware of such information.</p> <p>3. The directors, supervisors, senior management and core technicians of the Company will accept opinions and criticism from the social publics, and they will not trade the Company's securities, directly or indirectly, with any inside information and other illegal methods. The Company promises that the documents submitted to Shenzhen Stock Exchange exist no false statement or material omission, and no relevant information will be disclosed during the application for listing without prior content from Shenzhen Stock Exchange.</p>			implemented
Commitment made in transfer of air conditioning assets property	Sichuan Changhong	<p>1. Since the property transfer didn't involve the buildings and land currently used by Changhong Air Conditioning, Sichuan Changhong commits, upon the completion of equity transfer, to continue to lease such assets to Changhong Air Conditioning at market price.</p>	2009-12-10	Valid for long term	Strictly implemented
		<p>2. After completion of this property transfer, Sichuan Changhong commits to manage to prevent new related transaction with Meiling Electrical Appliances. For those which can not be prevented, Sichuan Changhong commits to determine the transaction price based on market accepted methods, so as to ensure fairness of related transaction and protection of the interest of Meiling Electrical Appliances.</p>		Valid for long term	Strictly implemented
		<p>3. Sichuan Changhong commits that it will not engage in air conditioning and refrigerator business or activity which competes or will compete with business of Meiling Electrical Appliances, or that which has interest conflict with Meiling Electrical Appliances.</p>			
Commitments by Annual performance incentive fund, incentive	Some of the Directors, supervisors and senior executives of the Company as	<p>1. Make promise not to reduce the shares of Meiling bought in every year during implementation of the performance incentive fund via any market ways in the later first year, which was allowed to be reduced by 50% according to the laws and regulations in the second year, and the remaining 50% was allowed to be reduced in the third year in accordance with the laws and regulations.</p>	<p>2013-8-15; 2014-7-3; 2015-7-21</p>	Three years after current shares purchased	Implementing

objects while purchasing stock of the Company with performance incentive funds and owned fund	well as other incentive objects	2. The directors, supervisors and senior management promised to manage in accordance with the relevant management approaches in accordance with the "Company Law", "Securities Law" and "The Company's shares held by the directors, supervisors and senior management of the listed company and its change management rules", as objects of annual performance incentive fund of Meiling, including but not limited to: during his tenure, the shares transferred each year shall not exceed 25% of the total number of shares held of the Company; shall not sell the shares of the Company within six months after bought it or purchase again six months after sold it; shall not transfer the shares held within six months after Dismission.		2013-8-15; 2014-7-3; 2015-7-21	From the date when annual incentive fund plan deliberated and approved by general meeting to 6 months after director, supervisor and senior executives resigned	Implementing
Commitments of not to reducing the shares	Sichuan Changhong Electric Co., LTD and persons acting in concert Changhong (Hong Kong) Trading Company Limited	1. Based on market conditions and as allowed by laws and rules, multiple measures were adopted adequately to increase shareholding of Meiling Appliances, so as to demonstrate its firm confidence on the PRC economy and Meiling Appliances with its actual actions, maintain sound development of capital market and promote recovery of healthy market;		2015-7-9	Valid for long term	Strictly implemented
		2. The Company continued to support operation and development of listed company. It is committed to bringing steady and real return to investors.				
Commitment made during the non-public offer in 2016	Sichuan Changhong	Shares of the Privately Offering of A-Share subscribed should not be transferred within thirty six (36) months since the privately offering closed		2016-3-6	Form 14 October 2016 to 14 October 2019	Implementing
	Directors and senior executives of the Company	Commitment on compensation of immediate dilution of return arising from non-public issuance of	1. I hereby undertake not to deliver interests to other entities or individuals without consideration or at unfair conditions, nor to prejudice the Company's interests by other means. 2. I hereby undertake to restrain my role related consumption behaviors.	2016-2-23	Till the completion of projects invested with the proceeds from this non-public issuance	Implementing

	shares	<p>3. I hereby undertake not to conduct any investment and consumption which is not related to performance of duties with utilization of any company assets.</p> <p>4. I hereby undertake that the remuneration system determined by the board of directors or the remuneration and examination committee be linked to implementation of the compensation of return measures.</p> <p>5. In case that the Company adopts share based incentive plan in future, I hereby undertake that the exercise conditions of the incentive plan to be announced by the Company be linked to implementation of the compensation of return measures.</p> <p>6. For the period from the date of this commitment to the date of completion of this non-public issuance of shares, if the CSRC makes other new regulatory requirements on compensation of return measures and the commitment thereof, and in case that the above commitments cannot satisfy these new requirements from the CSRC, I hereby undertake to issue supplementary commitment in compliance with the latest CSRC requirements.</p> <p>As one of the principals responsible for compensation of return measures, I, in case of break of the above commitments or refuse to perform the above commitments, agree to receive relevant punishment or to adopt relevant administration measures according to the systems, rules and regulations of the CSRC and Shenzhen Stock Exchange.</p>		of shares	
	The Company	<p>1. Commit to disclose periodic reports on a truthful, accurate, complete, fair and prompt manner, to disclose all the information that have important influences over investors, to accept supervision under the CSRC and Shenzhen Stock Exchange.</p> <p>2. Commit to make public clarification in respect of such information that is released from</p>	2016-10-12	Valid for long term	Strictly implemented

		any public media and may result in misleading influences on stock price once the Company is aware of such information.			
		3. The directors, supervisors, senior management and core technicians of the Company will accept opinions and criticism from the social publics, and they will not trade the Company's securities, directly or indirectly, with any inside information and other illegal methods.			
	Six purchaser except Sichun Changhong	The privately offering A-share for year of 2016 has restriction term of listed for 12 months	2016-9-9	Form 14 October 2016 to 14 October 2017	Implementing
Perform the commitment promptly or not		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
If the commitments is not fulfilled on time, shall explain the specify reason and the next work plan		Not applicable			

Note: for the commitments completed and exemption for implementing in above mentioned table, the Company will not disclose in next ordinary report.

IV. Forecast of operation performance of 2016

Estimation on accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation on reason

Applicable Not applicable

V. Securities Investment

Applicable Not applicable

No security investment in Period.

VI. Particulars about derivatives investment

√ Applicable □ Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased during the reporting period	Amount sold during the reporting period	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end	Actual gains/losses in period
Financial institutions	N/A	No	Forward foreign exchange contract	56,813.32	2016-5-30	2017-8-16	0	69,009.45	45,281.63		24,100.27	6.89%	-372.45
Total				56,813.32	--	--	0	69,009.45	45,281.63		24,100.27	6.89%	-372.45
Capital resource				Self-owned capital									
Lawsuits (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				2016-3-19									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				2016-4-7									
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk,				Risk analysis: 1. Market risk: the changes in domestic and foreign economic situation may create a major volatility in exchange rate, future exchange business under certain market risks. Forward exchange transaction business of the Company aims at lock-up the price in sale and purchase of foreign exchange, and lowers the impact									

liquidity risk, credit risks, operational risk and legal risk etc.)	<p>on profit from exchange fluctuations. The Company will closely following the changes in exchange rate, based on the target rate fix by business, with the research and judgment in aspect of the trend in foreign exchange rate, determine the signature planning of agreement for forward exchange transaction combine with prediction on receipt and payment as well as the tolerance capacity of changing price arising from rate fluctuation; implement dynamic management on the business to guarantee a reasonable profit standards for the Company.</p> <p>2. Liquidity risk: all of the foreign exchange funds trading are depend on reasonably estimated of the import-export business in future, satisfy the requirement of trading truth. In addition, forward exchange transaction operates in way of bank credit; there is no impact on the fund liquidity of the Company.</p> <p>3. Bank default risk: if the cooperative bank close down or default in contractual period, the Company is un-able to settle the original foreign exchange contract in contractual price, it exists a risks of income uncertainty. Therefore, the Company chose the Chinese-funded banks as Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China and China Construction Bank, and CEB, China CITIC Bank –the shareholding Chinese banks for the foreign exchange funds trading and part of the larger foreign banks (e.g. Deutsche Bank, United Overseas Bank, Oversea-Chinese Banking Corp. etc.), the above mentioned banks owns fund strength and operating soundness, there is a slim chance of money costs for close down.</p> <p>4. Operational risk: the money trading in forward exchange might causes relevant risks due to the incorrect operations by handling personnel, relevant management mechanism has formulated by the Company, well-defined the operation procedure and duty officer in favor of preventing risk and risk control.</p> <p>5. Legal risk: legal disputes may arise from the un-clear trading agreement signed between the Company and banks in aspect of money trading in forward exchange. The Company strengthens the review on relevant contracts in way of law, and chooses banks for cooperation with good credit status in order to control the risk.</p>
Particular about the changes of market price or product's fair value of invested derivatives in Period; as for analysis of the fair value of derivatives, disclosed specific treatment methods and relevant hypothesis and parameter setting	<p>In accordance with the Article 7 “Recognition of Fair Value” of “The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments”, the Company determined and measure the fair value basically in line with the price provided or obtained from pricing services such as banks. As for the calculation of fair value for derivatives, it mainly refers to the un-matured contract of forward exchange facilities that signed with the banks in reporting period, and recognized as transactional financial assets or liabilities based on the difference of forward exchange facilities’ contract quotation at period-end and forward rate. In the reporting period, the gains/losses of forward foreign exchange contract amounting to (3,724,500) Yuan.</p>
Explanation on major changes on specific principle of accounting policy and accounting calculation for derivatives in Period, by comparing with last period	Not applicable
Specific opinions from independent directors on derivative investment and risk controlling	<p>Upon inspection, the independent directors of the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the standardized operation guidelines for listed issuer on main board (2015 amended) issued by Shenzhen Stock Exchange, the Articles of Association, Authorization Management of the Company, Management System in relating to Foreign Exchange Forward Deals, and these deals were</p>

	<p>conducted within the authorization scope under general meeting and board meeting. The Company was based on the normal production and operation, relied on the specific operation business, thus to avoid and prevent from exchange risks. The foreign exchange forward deals conducted by the Company were closely related to its normal operation needs, which was beneficial to prevent the exchange risks exposed by import and export business and thus met its requirement for operation development. There was no speculative operation, no break of relevant rules and regulations and relevant business was conducted under corresponding decision-making procedures. Interests of the Company and entire shareholders, especially minority shareholders, were not prejudiced.</p>
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VII. Registration form for receiving research, communication and interview in the report period

√ Applicable □ Not applicable

Time	Way	Type	Basic situation index of investigation
2016-1-7	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-1-15	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-1-22	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-1-26	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-5-11	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-5-24	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-6-16	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-6-27	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-7-29	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-2	Field research	Institute and natural person	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-3	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-5	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-10	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-23	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-25	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-29	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
2016-8-31	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521

2016-9-7	Field research	Institute	http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521
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VIII. Guarantee outside against the regulation

Applicable Not applicable

The Company had no guarantee outside against the regulation in the reporting period.

IX. Non-operational fund occupation from controlling shareholders and its related party

Applicable Not applicable

The Company had no non-operational fund occupation from controlling shareholders and its related party.

Section IV. Financial Statement

I. Financial statement

1. Consolidate balance sheet

Prepared by Hefei Meiling Co., Ltd.

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	6,321,718,018.27	2,135,189,879.15
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses	2,281,687.20	-
Derivative financial liability		
Notes receivable	1,491,421,568.75	1,286,332,682.74
Accounts receivable	1,380,721,508.86	1,338,396,321.83
Accounts paid in advance	93,792,888.51	68,041,820.73
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	2,228,315.08	1,238,199.65
Dividend receivable		
Other receivables	27,877,526.99	39,494,835.30
Purchase restituted finance asset		
Inventories	1,426,156,383.97	1,554,946,209.51
Divided into assets held for sale		
Non-current asset due within one year		
Other current assets	41,701,666.49	539,101,578.44
Total current assets	10,787,899,564.12	6,962,741,527.35
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	17,000,000.00	17,000,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	98,180,964.59	74,239,547.01
Investment property	13,477,776.93	14,084,213.51
Fixed assets	1,229,015,760.80	1,267,493,931.98
Construction in progress	70,870,521.99	56,504,880.99
Engineering material		
Disposal of fixed asset	75,788,138.47	75,773,138.47
Productive biological asset		
Oil and gas asset		
Intangible assets	597,606,844.73	593,449,698.85
Expense on Research and Development	67,638,049.56	53,344,827.72
Goodwill		
Long-term expenses to be apportioned		
Deferred income tax asset	78,403,345.97	78,435,177.86
Other non-current asset	45,475,818.00	44,221,416.00
Total non-current asset	2,293,457,221.04	2,274,546,832.39
Total assets	13,081,356,785.16	9,237,288,359.74
Current liabilities:		
Short-term loans	724,439,071.88	58,680,093.19
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses	145,060.00	-
Derivative financial liability		
Notes payable	3,261,646,892.47	2,172,064,923.79
Accounts payable	1,919,118,454.38	1,604,075,191.50
Accounts received in advance	276,614,334.71	295,604,800.16
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	82,446,882.70	115,297,429.40

Taxes payable	74,742,953.13	70,530,483.54
Interest payable	30,400.81	214,328.89
Dividend payable	2,545,801.23	2,200,499.91
Other accounts payable	2,371,218,448.51	643,567,087.33
Reinsurance payables		
Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Divided into liability held for sale		
Non-current liabilities due within 1 year	261,134,779.00	11,153,067.68
Other current liabilities		
Total current liabilities	8,974,083,078.82	4,973,387,905.39
Non-current liabilities:		
Long-term loans	50,603,427.20	243,004,866.40
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	31,177,841.52	38,211,463.86
Special accounts payable	1,400,000.00	-
Projected liabilities	332,017,394.85	338,125,014.55
Deferred income	130,059,312.04	132,890,618.54
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	545,257,975.61	752,231,963.35
Total liabilities	9,519,341,054.43	5,725,619,868.74
Owner's equity:		
Share capital	763,739,205.00	763,739,205.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,429,225,754.29	1,529,184,356.13
Less: Inventory shares		
Other comprehensive income	422,352.79	-2,280,500.61

Reasonable reserve		
Surplus public reserve	367,066,994.18	367,066,994.18
Provision of general risk		
Retained profit	937,131,844.26	817,667,531.64
Total owner's equity attributable to parent company	3,497,586,150.52	3,475,377,586.34
Minority interests	64,429,580.21	36,290,904.66
Total owner's equity	3,562,015,730.73	3,511,668,491.00
Total liabilities and owner's equity	13,081,356,785.16	9,237,288,359.74

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	5,085,758,951.19	1,654,499,494.28
Financial liability measured by fair value and with variation reckoned into current gains/losses	2,281,687.20	-
Derivative financial liability		
Notes receivable	869,715,837.34	828,061,004.44
Accounts receivable	1,127,056,607.69	943,328,995.97
Account paid in advance	191,470,142.61	302,567,578.88
Interest receivable		
Dividends receivable		
Other receivables	102,188,941.77	53,255,891.89
Inventories	759,046,556.56	869,593,027.59
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	25,246,211.93	522,617,641.34
Total current assets	8,162,764,936.29	5,173,923,634.39
Non-current assets:		
Available-for-sale financial assets	17,000,000.00	17,000,000.00
Held-to-maturity investments		

Long-term receivables		
Long-term equity investments	1,009,294,714.32	840,634,581.05
Investment property	11,450,487.49	11,805,903.99
Fixed assets	870,414,151.27	890,217,780.00
Construction in progress	13,356,482.50	20,365,686.01
Project materials		
Disposal of fixed assets	43,494,954.71	43,479,954.71
Productive biological assets		
Oil and natural gas assets		
Intangible assets	429,209,268.32	438,227,183.15
Research and development costs	17,566,872.58	2,162,829.06
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	69,469,080.49	70,170,515.47
Other non-current assets		
Total non-current assets	2,481,256,011.68	2,334,064,433.44
Total assets	10,644,020,947.97	7,507,988,067.83
Current liabilities:		
Short-term borrowings	697,939,071.88	34,411,720.00
Financial liability measured by fair value and with variation reckoned into current gains/losses	145,060.00	-
Derivative financial liability		
Notes payable	1,577,388,083.90	1,395,443,530.25
Accounts payable	1,200,762,432.36	1,114,807,199.47
Accounts received in advance	245,240,897.18	145,333,375.62
Wage payable	12,362,271.27	42,847,802.62
Taxes payable	15,488,409.64	20,425,867.86
Interest payable	30,400.81	214,328.89
Dividend payable	2,545,801.23	2,200,499.91
Other accounts payable	2,630,915,408.25	686,009,980.82
Divided into liability held for sale		
Non-current liabilities due within 1 year	257,469,027.08	7,487,315.76
Other current liabilities		

Total current liabilities	6,640,286,863.60	3,449,181,621.20
Non-current liabilities:		
Long-term loans	5,701,900.00	199,341,900.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	31,177,841.52	38,211,463.86
Special accounts payable		
Projected liabilities	332,017,394.85	338,125,014.55
Deferred income	64,765,276.45	68,050,877.23
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	433,662,412.82	643,729,255.64
Total liabilities	7,073,949,276.42	4,092,910,876.84
Owners' equity:		
Share capita	763,739,205.00	763,739,205.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,493,143,491.54	1,497,987,446.59
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	366,848,828.50	366,848,828.50
Retained profit	946,340,146.51	786,501,710.90
Total owner's equity	3,570,071,671.55	3,415,077,190.99
Total liabilities and owner's equity	10,644,020,947.97	7,507,988,067.83

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
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I. Total operating income	3,130,593,704.26	2,028,359,377.87
Including: Operating income	3,130,593,704.26	2,028,359,377.87
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	3,076,387,035.13	2,005,125,100.79
Including: Operating cost	2,596,993,536.17	1,683,686,810.59
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		
Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	27,854,913.26	22,719,815.53
Sales expenses	398,059,771.10	252,640,828.62
Administration expenses	113,633,218.57	84,760,152.62
Financial expenses	-29,334,284.01	-19,439,394.21
Losses of devaluation of asset	-30,820,119.96	-19,243,112.36
Add: Changing income of fair value(Loss is listed with “-”)	3,415,197.41	-4,859,700.00
Investment income (Loss is listed with “-”)	2,472,603.86	-10,120,841.34
Including: Investment income on affiliated company and joint venture	4,369,829.75	-11,918,415.45
Exchange income (Loss is listed with “-”)	-	-
III. Operating profit (Loss is listed with “-”)	60,094,470.40	8,253,735.74
Add: Non-operating income	16,758,382.91	8,040,700.05
Including: Disposal gains of non-current asset	3,686,882.38	845,874.87

Less: Non-operating expense	3,582,893.79	61,703.36
Including: Disposal loss of non-current asset	3,496,458.26	2,194.90
IV. Total Profit (Loss is listed with “-”)	73,269,959.52	16,232,732.43
Less: Income tax expense	17,357,472.98	15,004,174.47
V. Net profit (Net loss is listed with “-”)	55,912,486.54	1,228,557.96
Net profit attributable to owner’s of parent company	55,295,963.61	4,331,668.79
Minority shareholders’ gains and losses	616,522.93	-3,103,110.83
VI. Net after-tax of other comprehensive income	1,136,930.29	541,651.50
Net after-tax of other comprehensive income attributable to owners of parent company	888,396.33	338,644.07
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	888,396.33	338,644.07
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity		

investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements	888,396.33	338,644.07
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	248,533.96	203,007.43
VII. Total comprehensive income	57,049,416.83	1,770,209.46
Total comprehensive income attributable to owners of parent Company	56,184,359.94	4,670,312.86
Total comprehensive income attributable to minority shareholders	865,056.89	-2,900,103.40
VIII. Earnings per share:		
(i) Basic earnings per share	0.0724	0.0057
(ii) Diluted earnings per share	0.0724	0.0057

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

4. Profit Statement of Parent Company (the period)

In RMB

Item	Current Period	Last Period
I. Operating income	1,795,492,670.63	1,329,826,538.29
Less: Operating cost	1,635,128,856.94	1,170,877,670.41
Operating tax and extras	10,358,020.08	14,068,239.18
Sales expenses	95,478,445.45	46,832,102.06
Administration expenses	54,680,750.96	34,872,319.84
Financial expenses	-20,932,496.87	-13,917,059.19
Losses of devaluation of asset	-6,902,766.78	-2,006,516.36
Add: Changing income of fair value(Loss is listed with “-”)	3,415,197.41	-4,859,700.00
Investment income (Loss is	3,455,851.28	-8,341,667.04

listed with “-”)		
Including: Investment income on affiliated company and joint venture	4,504,457.55	-10,139,241.15
II. Operating profit (Loss is listed with “-”)	34,552,909.54	65,898,415.31
Add: Non-operating income	3,066,843.07	6,126,819.05
Including: Disposal gains of non-current asset	-	-
Less: Non-operating expense	1,289,725.14	-
Including: Disposal loss of non-current asset	1,289,725.14	-
III. Total Profit (Loss is listed with “-”)	36,330,027.47	72,025,234.36
Less: Income tax expense	6,285,843.65	13,244,337.71
IV. Net profit (Net loss is listed with “-”)	30,044,183.82	58,780,896.65
V. Net after-tax of other comprehensive income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		

3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	30,044,183.82	58,780,896.65
VII. Earnings per share:		
(i) Basic earnings per share	0.0393	0.0770
(ii) Diluted earnings per share	0.0393	0.0770

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

5. Consolidated Profit Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Total operating income	9,997,224,966.94	8,600,839,344.61
Including: Operating income	9,997,224,966.94	8,600,839,344.61
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	9,836,805,813.99	8,408,175,374.87
Including: Operating cost	8,029,455,223.27	6,897,179,514.12
Interest expense		
Commission charge and commission expense		
Cash surrender value		
Net amount of expense of compensation		
Net amount of withdrawal of insurance contract reserve		

Bonus expense of guarantee slip		
Reinsurance expense		
Operating tax and extras	89,996,490.73	68,442,782.18
Sales expenses	1,473,707,521.70	1,209,409,682.24
Administration expenses	306,913,643.31	282,044,138.83
Financial expenses	-69,033,626.17	-65,115,466.79
Losses of devaluation of asset	5,766,561.15	16,214,724.29
Add: Changing income of fair value(Loss is listed with “-”)	2,136,627.20	-1,206,430.00
Investment income (Loss is listed with “-”)	6,625,694.81	-15,605,274.06
Including: Investment income on affiliated company and joint venture	3,536,619.33	-18,400,988.39
Exchange income (Loss is listed with “-”)	-	-
III. Operating profit (Loss is listed with “-”)	169,181,474.96	175,852,265.68
Add: Non-operating income	38,230,085.35	23,051,887.91
Including: Disposal gains of non-current asset	4,017,716.14	860,658.87
Less: Non-operating expense	5,401,767.97	9,330,099.23
Including: Disposal loss of non-current asset	5,041,587.90	5,702,780.93
IV. Total Profit (Loss is listed with “-”)	202,009,792.34	189,574,054.36
Less: Income tax expense	36,173,658.96	29,516,348.07
V. Net profit (Net loss is listed with “-”)	165,836,133.38	160,057,706.29
Net profit attributable to owner’s of parent company	165,288,664.89	162,490,154.01
Minority shareholders’ gains and losses	547,468.49	-2,432,447.72
VI. Net after-tax of other comprehensive income	3,621,779.01	35,643.14
Net after-tax of other comprehensive income attributable to owners of parent company	2,702,853.40	-41,280.31
(I) Other comprehensive income		

items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss	2,702,853.40	-41,280.31
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements	2,702,853.40	-41,280.31
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	918,925.61	76,923.45
VII. Total comprehensive income	169,457,912.39	160,093,349.43
Total comprehensive income attributable to owners of parent Company	167,991,518.29	162,448,873.70
Total comprehensive income attributable to minority shareholders	1,466,394.10	-2,355,524.27

VIII. Earnings per share:		
(i) Basic earnings per share	0.2164	0.2128
(ii) Diluted earnings per share	0.2164	0.2128

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

6. Profit Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Operating income	5,566,265,834.56	5,053,471,290.23
Less: Operating cost	4,795,261,083.95	4,355,900,602.90
Operating tax and extras	37,154,614.61	35,661,857.61
Sales expenses	516,556,298.89	413,572,867.04
Administration expenses	144,041,330.09	127,044,881.98
Financial expenses	-52,450,533.19	-52,365,696.17
Losses of devaluation of asset	2,257,210.13	7,245,337.37
Add: Changing income of fair value(Loss is listed with "-")	2,136,627.20	-1,206,430.00
Investment income (Loss is listed with "-")	86,348,448.62	-14,401,544.51
Including: Investment income on affiliated company and joint venture	7,149,440.12	-16,716,926.84
II. Operating profit (Loss is listed with "-")	211,930,905.90	150,803,464.99
Add: Non-operating income	17,439,146.83	11,921,447.17
Including: Disposal gains of non-current asset	269,387.27	-
Less: Non-operating expense	2,506,291.62	7,706,718.05
Including: Disposal loss of non-current asset	2,440,092.05	5,679,902.32
III. Total Profit (Loss is listed with "-")	226,863,761.11	155,018,194.11
Less: Income tax expense	21,200,973.23	26,931,805.06
IV. Net profit (Net loss is listed with "-")	205,662,787.88	128,086,389.05
V. Net after-tax of other comprehensive		

income		
(I) Other comprehensive income items which will not be reclassified subsequently to profit of loss		
1. Changes as a result of re-measurement of net defined benefit plan liability or asset		
2. Share of the other comprehensive income of the investee accounted for using equity method which will not be reclassified subsequently to profit and loss		
(II) Other comprehensive income items which will be reclassified subsequently to profit or loss		
1. Share of the other comprehensive income of the investee accounted for using equity method which will be reclassified subsequently to profit or loss		
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		
3. Gains or losses arising from reclassification of held-to-maturity investment as available-for-sale financial assets		
4. The effect hedging portion of gains or losses arising from cash flow hedging instruments		
5. Translation differences arising on translation of foreign currency financial statements		
6. Other		
VI. Total comprehensive income	205,662,787.88	128,086,389.05
VII. Earnings per share:		
(i) Basic earnings per share	0.2693	0.1677
(ii) Diluted earnings per share	0.2693	0.1677

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

7. Consolidated Cash Flow Statement (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	9,599,703,438.75	7,439,986,909.80
Net increase of customer deposit and interbank deposit		
Net increase of loan from central bank		
Net increase of capital borrowed from other financial institution		
Cash received from original insurance contract fee		
Net cash received from reinsurance business		
Net increase of insured savings and investment		
Net increase of amount from disposal financial assets that measured by fair value and with variation reckoned into current gains/losses		
Cash received from interest, commission charge and commission		
Net increase of capital borrowed		
Net increase of returned business capital		
Write-back of tax received	247,773,581.20	202,906,688.63
Other cash received concerning operating activities	34,952,309.45	32,565,505.21
Subtotal of cash inflow arising from operating activities	9,882,429,329.40	7,675,459,103.64
Cash paid for purchasing commodities and receiving labor service	6,611,688,071.65	5,042,733,431.26
Net increase of customer loans and advances		

Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	920,334,293.94	844,863,154.52
Taxes paid	384,467,110.44	302,223,760.20
Other cash paid concerning operating activities	403,000,203.98	491,522,751.72
Subtotal of cash outflow arising from operating activities	8,319,489,680.01	6,681,343,097.70
Net cash flows arising from operating activities	1,562,939,649.39	994,116,005.94
II. Cash flows arising from investing activities:		
Cash received from recovering investment	500,000,000.00	100,500,000.00
Cash received from investment income	6,693,575.48	2,795,714.33
Net cash received from disposal of fixed, intangible and other long-term assets	25,572,793.14	4,202,632.00
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	63,100,133.03	77,422,418.27
Subtotal of cash inflow from investing activities	595,366,501.65	184,920,764.60
Cash paid for purchasing fixed, intangible and other long-term assets	97,689,141.65	73,647,201.37
Cash paid for investment	115,583,860.00	470,150,056.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning	4,296,600.00	-

investing activities		
Subtotal of cash outflow from investing activities	217,569,601.65	543,797,257.37
Net cash flows arising from investing activities	377,796,900.00	-358,876,492.77
III. Cash flows arising from financing activities		
Cash received from absorbing investment	1,564,983,118.37	-
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	1,512,385,108.63	1,400,969,378.32
Cash received from issuing bonds		
Other cash received concerning financing activities	3,451.80	-
Subtotal of cash inflow from financing activities	3,077,371,678.80	1,400,969,378.32
Cash paid for settling debts	800,889,419.18	1,617,381,942.11
Cash paid for dividend and profit distributing or interest paying	57,565,188.54	52,485,529.54
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	156,871.81	224,020.35
Subtotal of cash outflow from financing activities	858,611,479.53	1,670,091,492.00
Net cash flows arising from financing activities	2,218,760,199.27	-269,122,113.68
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	20,383,777.92	20,829,296.40
V. Net increase of cash and cash equivalents	4,179,880,526.58	386,946,695.89
Add: Balance of cash and cash equivalents at the period -begin	2,121,161,238.01	2,709,097,193.11
VI. Balance of cash and cash equivalents at the period -end	6,301,041,764.59	3,096,043,889.00

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

8. Cash Flow Statement of Parent Company (form the year-begin to the period-end)

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	4,698,437,869.58	3,847,637,016.40
Write-back of tax received	123,186,350.49	117,943,770.04
Other cash received concerning operating activities	15,201,480.61	13,230,836.70
Subtotal of cash inflow arising from operating activities	4,836,825,700.68	3,978,811,623.14
Cash paid for purchasing commodities and receiving labor service	3,699,813,726.55	3,157,708,450.41
Cash paid to/for staff and workers	370,683,809.63	300,601,769.60
Taxes paid	118,631,891.16	121,867,065.71
Other cash paid concerning operating activities	207,844,269.17	222,116,329.76
Subtotal of cash outflow arising from operating activities	4,396,973,696.51	3,802,293,615.48
Net cash flows arising from operating activities	439,852,004.17	176,518,007.66
II. Cash flows arising from investing activities:		
Cash received from recovering investment	505,798,619.62	100,000,000.00
Cash received from investment income	81,954,888.88	2,315,382.33
Net cash received from disposal of fixed, intangible and other long-term assets	1,919,834.50	969,312.00
Net cash received from disposal of subsidiaries and other units		

Other cash received concerning investing activities	47,967,134.69	58,154,223.63
Subtotal of cash inflow from investing activities	637,640,477.69	161,438,917.96
Cash paid for purchasing fixed, intangible and other long-term assets	53,798,472.75	35,984,182.41
Cash paid for investment	171,250,000.00	415,000,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	67,327,805.65	-
Subtotal of cash outflow from investing activities	292,376,278.40	450,984,182.41
Net cash flows arising from investing activities	345,264,199.29	-289,545,264.45
III. Cash flows arising from financing activities		
Cash received from absorbing investment	1,541,999,998.84	-
Cash received from loans	1,482,458,180.27	1,312,414,820.91
Cash received from issuing bonds		
Other cash received concerning financing activities	499,060,968.88	390,538,160.60
Subtotal of cash inflow from financing activities	3,523,519,147.99	1,702,952,981.51
Cash paid for settling debts	772,716,315.18	1,475,931,002.11
Cash paid for dividend and profit distributing or interest paying	56,064,494.85	50,789,587.20
Other cash paid concerning financing activities	67,598,005.48	97,303,941.36
Subtotal of cash outflow from financing activities	896,378,815.51	1,624,024,530.67
Net cash flows arising from financing activities	2,627,140,332.48	78,928,450.84
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	19,002,920.97	16,089,563.99
V. Net increase of cash and cash	3,431,259,456.91	-18,009,241.96

equivalents		
Add: Balance of cash and cash equivalents at the period -begin	1,654,499,494.28	2,390,446,316.58
VI. Balance of cash and cash equivalents at the period -end	5,085,758,951.19	2,372,437,074.62

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

II. Audit report

Whether the 3rd quarterly report has been audited or not

Yes No

The 3rd quarterly report of the Company has not been audited.

Hefei Meiling Co., Ltd.

Chairman: Liu Tabin

18 October 2016