



**HEFEI MEILING CO., LTD.**

**THE THIRD QUARTERLY REPORT FOR 2017**

**October 2017**

## **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. Li Wei, 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 2017 has not been audited.

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

## Section II Basic information of Company

### I. Main accounting data and index

Whether it has retroactive adjustment or re-statement on previous accounting data or not

Yes No

	End of this period	End of last period	Changes of this period-end over same period-end of last year	
Total assets(RMB)	16,383,030,571.27	12,507,567,310.84	30.98%	
Net assets attributable to shareholders of listed company (RMB)	5,145,115,072.82	5,095,160,291.91	0.98%	
	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)	4,661,344,340.71	48.90%	13,179,138,533.81	31.83%
Net profit attributable to shareholders of the listed company (RMB)	28,147,276.19	-49.10%	120,222,315.96	-27.27%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	15,681,839.2	-62.80%	82,587,178.18	-37.89%
Net cash flow arising from operating activities(RMB)	--	--	-130,798,084.09	-108.37%
Basic earnings per share (RMB/Share)	0.0269	-62.85%	0.1151	-46.81%
Diluted earnings per share (RMB/Share)	0.0269	-62.85%	0.1151	-46.81%
Weighted average ROE	0.55%	1 percentage points down	2.34%	2.33 percentage points down

Note: the earnings per share calculated at same period of last year were based on total shares of 763,739,205, and the Company offering 280,858,676 common shares (A-stock) by privately placement in October 2016, total shares capital of the Company goes to 1,044,597,881 shares. Therefore, the earnings per shares calculated in the period

were based on total shares of 1,044,597,881.

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)	-13,970,120.28	Found in “Non-operating income and expenditure” and “Investment income”
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)	36,093,847.79	Found in “Non-operating income”
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	-15,475,683.18	Found in “Changes in fair value gains”
Other non-operating income and expenditure except for the aforementioned items	1,687,944.93	Found in “Non-operating income and expenditure”
Gain/losses items qualified definition of the non-recurring gains/losses	36,783,219.64	Found in “Investment income”
Less: impact on income tax	6,458,995.14	--
Impact on minority shareholders’ equity (post-tax)	1,025,075.98	--
Total	37,635,137.78	--

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

The Company has no 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*, in the period

## 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	61,867	Total preference shareholders	0
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the end of report period(A/C)		with voting rights recovered at end of reporting period (if applicable)				
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	22.47%	234,705,968	69,877,638	--	--
Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	--	--
Changhong (Hong Kong) Trade Co., Ltd. (Note 1)	Foreign legal person	2.96%	30,895,442	0	--	--
Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products	Domestic non-state-owned legal person	2.26%	23,613,595	23,613,595	--	--
Golden Egle- SPD-U Trust-U Trust JinYue No.4 Collected Asset Trust Plan	Domestic non-state-owned legal person	2.26%	23,613,595	23,613,595	--	--
CAO SHENGCHUN	Foreign natural person	1.32%	13,829,083	0	--	--
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	Domestic non-state-owned legal person	1.20%	12,522,361	12,522,361	--	--
Ping An Bank – Ping An UOB Dingtai Flexible Mix Stock Investment Fund	Domestic non-state-owned legal person	1.20%	12,522,361	12,522,361	--	--
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	10,733,452	--	--
National Social Security Funds-504	Domestic non-state-owned legal person	0.94%	9,838,998	9,838,998	--	--
Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd.	Domestic non-state-owned legal person	0.94%	9,838,998	9,838,998	--	--
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.	30,895,442	Domestically listed foreign shares	30,895,442
CAO SHENGCHUN	13,829,083	Domestically listed foreign shares	13,829,083
ICBC- Dongfanghong New Dynamic Flexible Mixed Investment Funds	6,596,794	RMB ordinary shares	6,596,794
CMB- Dongfanghong JD Big Data Flexible Mixed Investment Fund	5,400,945	RMB ordinary shares	5,400,945
NORGES BANK	4,546,432	Domestically listed foreign shares	4,546,432
China Securities Finance Corporation Limited	4,362,500	RMB ordinary shares	4,362,500
Long Qinfang	3,353,496	Domestically listed foreign shares	3,353,496
Vanguard Investment Australia Co., Ltd. –Vanguard Emerging Market Index Funds (Exchange)	2,685,828	RMB ordinary shares	2,685,828
Explanation on associated relationship among the aforesaid shareholders	<p>Among the above shareholders, Changhong (Hong Kong) Trade Co., Ltd. is the wholly-owned subsidiary of Sichuan Changhong Electronic Co., Ltd., which holds B-share of the Company and holds through Hui Li Securities (H.K.) Limited; 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; and top ten shareholders with unrestricted subscription;</p> <p>" Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd. " and " Ping An Bank – Ping An UOB Dingtai Flexible Mix Stock Investment Fund " have subscribed the investment portfolio managed by Ping An Dahua Fund Management Co., Ltd. in the Company's non-public offering of shares in 2016; "“National Social Security Funds-504 ” and “Harvest Fund- Ping An Bank- Huaxia Asset Management Co., Ltd. ” have subscribed the investment portfolio managed by Harvest Fund Management Co., Ltd. in the Company's non-public offering of shares in 2016. The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the “Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies”.</p>		
Explanation on top ten common shareholders involving margin business (if applicable)	Not applicable		

Note 1: At end of the reporting period, the person acting in concert with controlling shareholder Sichuan Changhong-- Changhong (Hong Kong) Trading Company Limited, holds B-stock of the Company as 30,895,442 shares, among which, 3,817,645 shares are held through Hui Li Securities (H.K.) Co., Ltd.

Note 2: In the above table, "the top ten shareholders" is subject to the data on stock transfer books provided by China Securities Depository and Clearing Corporation Limited Shenzhen Branch, in 2016, 7 issuing objects including Sichuan Changhong Electric Co., Ltd. , Ping An Dahua Fund Management Co., Ltd., Golden Eagle Fund Management Co., Ltd., Harvest Fund Management Co., Ltd., Ping An Endowment Insurance Co., Ltd., Rongtong Fund Management Co., Ltd., and Caitong Fund Management Co., Ltd. have subscribed the company's non-public offering of A-shares in 2016. Up to the disclosure date, restriction period for the shares (210,981,038 shares) subscribed by six issuing object, Sichuan Changhong excluded, have 12 months ended, the share trades on 16 October 2017. Found more in relevant notice (Notice No.: 2016-057 and 2017-079) released dated 13 October 2016 and on 13 October 2017 respectively.

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

#### (I) Changes of items of balance sheet and cause analysis

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Note receivable	3,048,120,777.27	1,421,429,723.73	114.44%	Note receivable increased at period-end for the prematurity notes
Accounts receivable	1,571,813,566.63	1,118,960,552.49	40.47%	Sales of credit customers increased on a y-o-y basis
Advance payment	300,776,799.70	134,706,488.38	123.28%	The prepayment for land used right and house & buildings under the name of Anhui Dongwei Solar Energy Technology (hereinafter referred to as Anhui Dongwei)
Interest receivable	3,480,191.25	2,645,494.32	31.55%	The accrued interest for time deposit increased
Other receivables	110,485,645.16	39,553,919.44	179.33%	Bid bonds paid for land purchasement under the name of subsidiary Sichuan Changhong Air-conditioner Co., Ltd. (hereinafter referred to as Changhong Air-conditioner )
Non current assets due within one year	45,197,289.00	12,625,340.00	257.99%	The long-term time deposit under the name of subsidiary Zhongshan Changhong Electrics Co., Ltd. (hereinafter referred to as Zhongshan Changhong) re-classified to non-current assets due within one year at period-end
Other current assets	2,116,431,771.53	1,454,346,297.42	45.52%	Entrusted financing business increased in the period
Financial assets available for sale	40,900,000.00	17,000,000.00	140.59%	Contribution for the new generation of IT venture capital fund of Sichuan Hongyun
Investment real estate	59,289,274.10	13,275,631.40	346.60%	The new plants under the name of subsidiary Zhongke Meiling Cryogenic Technology Co., Ltd (hereinafter referred to as Zhongke Meiling), which has rented has transferred to assets
Development expenditure	95,378,543.18	45,023,750.60	111.84%	Investment for R&D increased in the period
Long-term deferred expenses	4,483,750.69	1,132,075.48	296.06%	Expenses of the long-term assets to be amortized under the name of Changhong Air-conditioner increased
Other non-current assets	-	34,615,630.00	-100.00%	Same as “non-current assets due within one year ”
Short-term loans	1,553,345,758.64	288,343,724.73	438.71%	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	12,942,210.83	559,249.58	2214.21%	Change of the fair value of forward foreign exchange contract in the period
Note payable	4,288,201,190.58	2,635,051,740.30	62.74%	Note payable increased at period-end for the prematurity notes
Interest payable	2,820,852.12	1,617,352.01	74.41%	Loans interest paid from parent company
Dividends payable	16,973,446.44	2,545,801.23	566.72%	The Company contribute dividend in the period, and some of the shareholders did not withdraw
Non-current liabilities due within one year	65,793,269.73	272,202,590.10	-75.83%	The long-term loans are paid back on due by parent company, which has reclassified to non-current liability due within one year
Long-term loans	253,460,000.00	38,908,788.00	551.42%	Long-term loans from parent company increased in the period
Other comprehensive income	-1,473,690.53	3,474,546.95	-142.41%	Changes of the foreign exchange rate in overseas subsidiaries
Minority's interest	101,795,027.15	70,921,198.01	43.53%	Minority shareholders equity increased for new subsidiary Meiling Kadi Washing Machine Co., Ltd. (hereinafter referred to as Meiling Kadi) established in the period

**(II) Changes of items of profit statement and cause analysis**

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Business income	13,179,138,533.81	9,997,224,966.94	31.83%	Product sales increased on a y-o-y basis
Operating costs	10,848,595,161.10	8,029,455,223.27	35.11%	Product sales increased on a y-o-y basis
Financial expenses	-39,804,446.21	-69,033,626.17	42.34%	Exchange earnings from parent company and Zhongshan Changhong decreased on a y-o-y basis
Assets impairment losses	30,602,083.00	5,766,561.15	430.68%	Bad debt provision increased for the growth of account receivable
Add: Changing income of fair value(Loss is listed with "-")	-15,475,683.18	2,136,627.20	-824.30%	Losses the changes of fair value from forward foreign exchange contract in the period
Investment income (loss is listed with "-")	39,675,737.03	6,625,694.81	498.82%	Entrusted financing earnings increased on a y-o-y basis
Investment income on affiliated company and joint venture	2,235,018.46	3,536,619.33	-36.80%	Earnings from associated enterprises declined on a y-o-y basis

Other benefits	3,775,806.69	-	100.00%	Tax return from subsidiary Mianyang Meiling Software Technology Co., Ltd. (hereinafter referred to as Meiling Software)
Gain on disposal of non current assets	261,776.49	4,017,716.14	-93.48%	Earnings from fixed assets disposal declined on a y-o-y basis
Non operating expenses	14,573,069.00	5,401,767.97	169.78%	Loss from assets disposal for relocation in subsidiary Mianyang Meiling Refrigeration Co., Ltd. (hereinafter referred to as Mianyang Meiling)
Disposal loss of non-current asset	14,234,403.75	5,041,587.90	182.34%	Same as “non-operation expenditure”
Income tax expense	24,356,057.20	36,173,658.96	-32.67%	Taxable income declined on a y-o-y basis
Minority shareholders’ gains and losses	7,618,443.66	547,468.49	1291.58%	Earnings from some of the non-wholly-owned subsidiary increased on a y-o-y basis

**(III) Changes of items of cash flow statement and cause analysis**

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Write-back of tax received	332,183,490.22	247,773,581.20	34.07%	Export rebate in the period increased on a y-o-y basis
Cash paid for purchasing goods and labor service received	9,088,798,341.30	6,611,688,071.65	37.47%	The amount for raw material purchasement and payment of the due note payable increased on a y-o-y basis
Other cash paid concerning operating activities	626,015,434.18	403,000,203.98	55.34%	Monetary capital with operational limit increased on a y-o-y basis
Cash received from returns of investments	2,957,000,000.00	500,000,000.00	491.40%	The principal for entrust financing collected increased on a y-o-y basis
Cash received from investment income	47,477,575.32	6,693,575.48	609.30%	Entrusted financing earnings increased on a y-o-y basis
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,531,948.87	25,572,793.14	-90.10%	Collection from assets disposal declined from a year earlier
cash paid for purchasing fixed assets, intangible assets and other long-term assets	343,043,647.04	97,689,141.65	251.16%	Purchase and construction of fixed assets increased from a year earlier
Cash paid for investment	3,581,652,412.20	115,583,860.00	2998.75%	Principal paid for entrust financing increased from a year earlier
Cash paid for other investment activities	10,574,661.31	4,296,600.00	146.12%	Delivery deficit from forward foreign exchange contract increased from a year earlier
Cash received from absorbing	23,068,316.00	1,564,983,118.37	-98.53%	Collection from privately placement at same period

investment				of last year, while no such amount occurred in the period
Cash received from loans	2,371,636,546.03	1,512,385,108.63	56.81%	Short-term loans from parent company increased from a year earlier
Cash received related with other financing activities	-	3,451.80	-100.00%	Piece meal dividend received at same period of last year by parent company, while no such dividend occurred in the period
Cash paid for debts	1,096,840,299.04	800,889,419.18	36.95%	Short-term loans paid from parent company increased from a year earlier
IV. Influence on cash due to fluctuation in exchange rate	-18,706,015.36	20,383,777.92	-191.77%	Change of foreign exchange rate

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

√ Applicable  Not applicable

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

In 2016, the Company carried out private placement of A-share with 1,569,999,998.84 Yuan raise in total. Net amount raise as 1,540,732,722.76 Yuan after vary issuance costs (tax included) 29,267,276.08 Yuan deducted.

After approved by 27<sup>th</sup> session of 8<sup>th</sup> BOD of 2016, the 14<sup>th</sup> session of 8<sup>th</sup> Supervisory Committee and 2<sup>nd</sup> extraordinary shareholders meeting of 2016, and agreed from the independent directors and after verification opinion without objection from the sponsor institution, the idle raise capital 900 million Yuan (rolling application) at most for one-year guaranteed financial products (with high safety, and good liquidity) investment to be allowed. So far, the Company used the raised fund in line with the decision-making and relevant regulations and standards.

Up to 30<sup>th</sup> September, the raised capital for raised-fund projects have invested 349,584,365.19 Yuan accumulate in total, balance of the specific raised-fund A/C counted as 1,223,350,100.88 Yuan (including accumulate interest 8,356,586.48 Yuan, maturity yield from bank financial products 23,697,815.82 Yuan and bank financial products 900 million Yuan purchased with idle raise fund)

The raised-fund investment 349,584,365.19 Yuan including the follow projects: intelligent manufacturing construction invested 31,225,044.04 Yuan accumulated; intelligent R & D capacity building and intelligent home appliances technology development project invested 29,478,657.38 Yuan accumulated; intelligent life project invested 18,000,600.00 Yuan in total and 270,880,063.77 Yuan (including interest 147,341.01 Yuan) accumulated for supplementation of the current capital.

Up to 30<sup>th</sup> September 2017, among the intelligent manufacturing construction: the intelligent manufacturing construction (Hefei) has completed phase I construction basically, and proactively in phase II construction. The planning construction project of "production line construction project for newly increased 600,000 sets of environmental protection and energy saving freezers with large an medium volume" (Hereinafter referred to as "freezer intelligent construction project"), during the reporting period, because the No. 9 plant of company's freezer factory where the project construction site locates is used by the subsidiary - Zhongke Meiling Cryogenic Technology Co., Ltd. as its new plant is still under construction, the implementation of this project is affected, and the project is still in the factory planning stage. And expect to complete at end of 2018; the project of "intelligent R & D capacity building and intelligent home appliances technology development project" is in the process of promoting in accordance with the investment plan; as the implementation subject of "intelligent life project",

Changmei Science and Technology Co., Ltd. (hereinafter referred to as "Changmei Technology") actively exploit the marks and promote a normal operation in reporting period.

## **(II) 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 16<sup>th</sup> meeting of the 7<sup>th</sup> board of directors and the 2012-second provisional shareholders meeting. Details were disclosed 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

See details in " Implementation about 2012, 2013 and 2014 performance incentive fund provision and distribution plan" in "XV Implementation of the company's stock incentive plan, employee stock ownership plan, or other employee incentive measures" in "Section V Significant Events" of the company's "2016 Annual Report" disclosed on March 30, 2017.

Up to the end of this reporting period, the company's stock purchased by some 2012/2013 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2012/2013 annual performance incentive funds and own funds has been fully desterilized. the company's stock purchased by some 2014 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2014 annual performance incentive funds and own funds has been desterilized by 50% for term of holding for two years. The share-reducing for the above mentioned shares can be found as below. Among the incentive objects, the current directors, supervisors and senior management have not reduced the Company's shares purchased by implementing 2012, 2013, and 2014 annual performance incentive plans.

### 2. Implementation about 2016 performance incentive fund provision and distribution plan

Found more in "Implementation of the company's annual incentive fund for year of 2016" in "XI Implementation of the company's stock incentive plan, employee stock ownership plan, or other employee incentive measures" in "Section V Significant Events" of the company's "2017 Semi-Annual Report" disclosed on 10 August 2017

The incentive plan still in process till the reporting date

Found more in relevant notice (notice No.: 2017-010, 2017-011, 2017-015, 2017-031, 2017-035, 2017-036, 2017-037, 2017-041, 2017-062, 2017-064 and 2017-070) released respectively on 30 March 2017, 5 May, 3 June, 21 June, 10 August, 18 August, 19 August and 26 August as well as the 2017 Semi-Annual Report

### 3. Share holding and reduction of the company's performance incentive objects

As of September 30, 2017, all incentive objects held a total of 12,351,777 shares, accounting for 1.1824% of the company's general capital, of which 11,018,645 shares of A share, accounting for approximately 1.0548% of the company's general capital, 1,333,132 shares of B share, and accounting for about 0.1276% of the company's general capital. Some 2012, 2013 and 2014 annual performance incentive objects (not directors, supervisors or senior management) have totally reduced share of 3,562,577shares from September 2014 to the end of the this reporting period, accounting for approximately 0.3410% of the company's general capital, and reduced holding of

308,000 shares in this reporting period.

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

Approved by the 34<sup>th</sup> session of 8<sup>th</sup> BOD held on 9 August 2017 and 12 September and 2<sup>nd</sup> extraordinary shareholder meeting 2017, the Company are allowed to carried out financial service cooperation with Sichuan Changhong Group Finance Co., Ltd. (hereinafter referred to as "Changhong Finance Company"), and sign a "financial service agreement" with 3-year terms. Under the agreement, Changhong Finance Company would provide a series of financial services as deposit and loans ect. within the business scope in accordance with the requirements of the Company and its subsidiaries. Related transactions with Changhong Finance Company from year-begging to the period-end are as:

In RMB					
Item	Opening balance	Increased during the Year	Decreased during the Year	Ending balance	Interest, handling charge paid or received
<b>I. Savings in Changhong Group Finance Company</b>	1,908,842,163.20	18,402,603,399.21	18,540,787,486.49	1,770,658,075.92	37,326,259.07
<b>II. Borrowings from Changhong Group Finance Company</b>					
1.Short-term loans	-	-	-	-	-
2.Long-term loans	-	-	-	-	-
<b>III. Other financial business</b>					
1.notes drawing	544,374,441.19	1,596,908,825.43	955,035,279.26	1,186,247,987.36	459,673.48
2.notes discounted	565,252,574.29	1,454,683,667.45	1,283,818,658.05	736,117,583.69	16,034,907.49

### (IV) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
Controlling shareholder - Sichuan Changhong Electric Co., Ltd. (hereinafter referred to as Sichuan Changhong), plans to offering exchangeable bonds privately with part of the A-shares of the Company held and its fruits	28 Feb. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> ( No.: 2017-004)
Former staff supervisor Mr. Shang Wen resigned his post as staff supervisor of the 8 <sup>th</sup> BOD for personnel job change. Meanwhile, the Staff Congress	2 March 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-005)

held on 28 Feb. 2017, after democratic election, Mr. Deng Li supplemented as staff supervisor of 8 <sup>th</sup> supervisory committee of the Company		
Approved by the resolution from the Board, subsidiary Jiangxi Meiling Electric Co., Ltd. (hereinafter referred to as Jiangxi Meiling) allowed establishing an intelligent production line for one million sets of environmental and energy-saving refrigerators with 209.6 million Yuan. Meanwhile, allowed the Company invested 200 million Yuan for this project.	14 March 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-006)
Approved by the resolution from the Board, subsidiary Zhongshan Changhong Electric Co., Ltd. ( hereinafter referred to as Zhongshan Changhong) allowed established the Zhongshan Hongyou Nuantong Equipment Co., Ltd. (tentatively, the name shall approved by Industrial & Commerce Bureau) with Zhuhai Sanyou Environment Technology Co., Ltd. (hereinafter referred to as Sanyou Changhong), the enterprise with advantage of R&D, technology and channels as well as foreign clients resource. Registered capital amounted as 40 million Yuan, the Zhongshan Changhong contributes 24 million Yuan with owned funds while Sanyou Environment invested 16 million Yuan.	14 March 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-006)
On 21 March 2017, the Company entered into a Strategy Cooperation Framework Agreement with Italy Candy Hoover Group S.r.l., Candy S.p.A.. The two parties will establishing strategic cooperative partnership in field of refrigerator (ice box), washing machine business. Expanding market together, promote the brand to achieved a maximum commercial value and social value	21 Mar. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-007)
Approved by the resolution from the Board and shareholders meeting, the Company and subsidiaries carried forward foreign exchange fund transactions during 1 July 2017 to 30 June 2018. Balance of the transaction will not exceed \$ 550 million, delivery period for single business will not exceed one year	30 Mar. 2017 5 May 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010, No.: 2017-017, No.: 2017-031)
Approved by the resolution from the Board, the Company allowed investing 371.21 million Yuan at most for production line of the 2 million fully-automatic washing machines	30 Mar. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010)
Approved by the resolution from the Board, the Company participates in judicial sales of the plants and office buildings and lands under the name of Anhui Dongwei with owned funds, in bidding price range authorized by the Board. On 30 March 2017, the Company participate the bidding by regulations, and successful bidding the areas of plans and buildings and land use right. Recently, the Company in process of ownership transferred procedures.	30 Mar. 2017 14 Apr. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010, No.: 2017-024)
Approved by the resolution from the Board, subsidiary Hefei Meiling Nonferrous Products Co., Ltd. (hereinafter referred to as Meiling Nonferrous) entered into the Cooperative Contract of the Lands of Meiling	30 Mar. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010, No.: 2017-018)

Nonferrous in Feidong Country with Hefei Vanke Property Co., Ltd., in aspect of the lands located in Liaoyuan East Road, Feidong County, Hefei owned by Meiling Nonferrous		
Approved by the resolution from the Board, the Company allowed establishing Meiling Kadi Washing Machine Co., Ltd. with Candy Hoover Group S.r.l. (hereinafter referred to as Candy Group). Registered capital amounted to 150 million Yuan, the Company invested 90 million Yuan in cash while Candy Group invested 60 million Yuan in cash or equivalent USD.	30 Mar. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010)
Approved by the resolution from the Board, the Company allowed to applied for a special credit line of bill pool to Hefei Branch of CMB with 300 million Yuan at most for one year, and in way of bill pledge, the products mainly used in the polling business	30 Mar. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010, No.: 2017-019)
Former deputy chairman Mr. Xu Bangjun resigned his post as deputy chairman, director of the 8 <sup>th</sup> BOD, and committee member of strategy Committee and committee member of remuneration and approval committee for personnel job change.	25 Apr. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-028)
On 24 April 2017, the Company received a proposal of non-independent director by-election for 8 <sup>th</sup> BOD from controlling shareholder Sichuan Changhong. Mr. Teng Guangsheng nominated for candidate of the non-independent director of 8 <sup>th</sup> BOD, and the proposal shall be deliberate in AGM 2016 as extraordinary proposal. On 4 May 2017, approved by AGM 2016, Mr. Teng Guangsheng elected as non-independent director of the Company.	25 Apr. 2017 5 May 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-029, No.: 2017-031)
For keeping the controls of the Company, promoted a sustainable, stable and healthy development of the Company, controlling shareholder- Sichuan Changhong purchased tradable B-share of the Company via trading system of SSE through the person acting in concert Changhong (Hong Kong) Trading Company Limited (hereinafter referred to as HK Changhong ) during 19 April 2017 to 14 September 2017. Totally 5,729,619 shares purchased, a 0.55% of total shares of the Company so far.	26 May 2017 30 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-032, No.: 2017-078)
On 28 March 2017 and 4 May 2017, the 29 <sup>th</sup> session of 8 <sup>th</sup> BOD, 15 <sup>th</sup> session of 8 <sup>th</sup> supervisory committee and AGM 2016 approved the Profit Distribution Plan of 2016. Based on total share capital 1,044,597,881 up to 31 December 2016, distributed cash bonus 0.6 Yuan (tax included) for every 10-share held by shareholders. The profit distribution plan has completed.	30 Mar. 2017 5 May 2017 27 May 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-010, No.: 2017-011, No.: 2017-031, No.: 2017-033)
In July 2017, the Company received the Accept the Registration Notice from National Association of Financial Market Institutional Investors (hereinafter referred to as NAFMII), the SCP registration of the Company accepted by NAFMII	13 Jul. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-046)

Former chairman Mr. Liu Tibin resigned his post as chairman, director of the 8 <sup>th</sup> BOD, and committee member of strategy Committee and committee member of nomination committee for personnel job change.	19 Jul. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-048)
Former president Mr. Li Wei resigned his post as president of the Company for personnel job change. Meanwhile, approved by 33 <sup>rd</sup> session of the Board, Mr. Li Wei was elected as Chairman of 8 <sup>th</sup> BOD; Mr. Wu Dinggang appointed as president of the Company	22 Jul. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-049, No.: 2017-050)
Approved by the resolution from the Board, subsidiary Guangdong Changhong Ridian Technology Co., Ltd. (hereinafter referred to as Ridian Technology) allowed establishing a wholly-owned subsidiary Hebei Hongmao Appliance Technology in Handan City, Hebei Province in 5 million Yuan cash, which engaged in the production, R&D, and sales of gas heating hot water products act.	22 Jul. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-050)
On 9 August and 12 September 2017, the election resolution for 9 <sup>th</sup> BOD and supervisory committee have approved by 34 <sup>th</sup> session of 8 <sup>th</sup> BOD, the 18 <sup>th</sup> session of 8 <sup>th</sup> supervisory committee and 2 <sup>nd</sup> extraordinary shareholders meeting of 2017. The office term comes to 3-year from 12 September 2017 to 12 September 2020. On 12 September 2017, approved by 1 <sup>st</sup> extraordinary meeting of 9 <sup>th</sup> BOD, Mr. Li Wei was elected as Chairman of 9 <sup>th</sup> BOD; Mr. Wu Dinggang elected as deputy Chairman of 9 <sup>th</sup> BOD; The meeting approved the resolution of establish specific committee under the 9 <sup>th</sup> BOD of the Company and the proposal on Appointing Senior Managers of the Company. At the same day, approved by 1 <sup>st</sup> extraordinary meeting of 9 <sup>th</sup> supervisory committee, Mr. Shao Min was elected as chairman of 9 <sup>th</sup> supervisory committee of the Company	10 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053, No.: 2017-054, No.: 2017-057, No.: 2017-073, No.: 2017-074, No.: 2017-075)
Approved by the resolution from the Board, Supervisory, and shareholders meeting, after opinion issued by independent director and sponsor institute, the Company allowed to re-sign a 3-year Financial Service Agreement with Changhong Finance Company. And in the agreement, in 3 years since the new agreement come into effective, the maximum balance (including accrual interest and handling charge) and maximum unpaid mortgage payment everyday in Finance Company adjusted to 3,800 million Yuan at most.	10 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053, No.: 2017-054, No.: 2017-058, No.: 2017-073)
Approved by the resolution from the Board, the shares of Zhongke Meiling held under the name of resigning employees, 400,000 shares in total, allowed to transferred from Zhongke Meiling Cryogenic Technology Co., Ltd. (hereinafter referred to as Zhongke Meiling)	10 Aug. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053)
Approved by the resolution from the Board, subsidiary Zhongshan Changhong Appliance Co., Ltd. (hereinafter referred to as Zhongshan Changhong) and partner UAE RUBA Company allowed to increased the capital in joint venture manufacturing company and sales company, carried	10 Aug. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053, No.: 2017-059)



out the foaming of refrigerator door and new product development. The Zhongshan Changhong increased \$ 8,150,000.		
Approved by the resolution from the Board, and shareholders meeting, according to development needs of the Company, operation business scope allowed to supplemented, and revised relevant regulations in Article of Association of the Company	10 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053, No.: 2017-060, No.: 2017-073)
Approved by the resolution from the Board, and shareholders meeting, Sichuan Changhong Air-conditioner Co., Ltd. (hereinafter referred to as Changhong Air-conditioner) allowed investing 1090.4101 million Yuan in Mianyang Economy Development Zone for the relocation and capacity expansion project, to establish a production base for air-conditioner with 4.2 million sets made in one year. At the same time, the Company allowed to increased 650 million Yuan capital in Changhong Air-conditioner	10 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-053, No.: 2017-061, No.: 2017-073)
Approved by the resolution from the Board, and shareholders meeting, the Company allowed to increased the forecast of routine related transactions for year of 2017 to 461 million Yuan in total, which will occurred between the Company/subsidiary and Changhong Group/its subsidiary (Sichuan Changhong excluded), and Sichuan Changhong /its subsidiary (Huayi Compressor Co., Ltd excluded)	22 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-065, No.: 2017-066, No.: 2017-073)
Approved by the resolution from the Board, Zhongshan Changhong allowed to invested approximately 24.367 million Yuan in technical reconstruction for its production line etc.	22 Aug. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-065)
Approved by the resolution from the Board, and according to implementation of incentive fund 2016 under the name of Zhongke Meiling, Zhongke Meiling allowed carrying out the directional issue of shares. The issuing object -- management of Zhongke Meiling will subscribe in cash, meanwhile, the Company give up the pre-emptive right under the same conditions in this issuance	22 Aug. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-065, No.: 2017-067)
Approved by the resolution from the Board, the Company allowed to applied for a special credit line of bill pool to Hefei Luyang Branch of CCB with 400 million Yuan at most for one year, and in way of bill pledge	22 Aug. 2017 13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-065, No.: 2017-068, No.: 2017-073)
Approved by the resolution from the Board, Changhong Air-conditioner allowed to invested approximately 37.0586 million Yuan for technical revamping of capacity expansion	13 Sept. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-074)
Up to the disclosure date, balance of bank and entrust financial products (without expired) purchased by the Company with owned funds amounted as 755.2 million Yuan, balance of guaranteed bank financial products without expired purchased with idle raised fund amounted as 900 million Yuan.	24 Jan. 2017 16 Feb. 2017 23 March 2017 25 March 2017 1 Apr. 2017 8 Apr. 2017	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-002, No.: 2017-003, No.: 2017-008, No.: 2017-009, No.: 2017-020, No.: 2017-021, No.: 2017-034, No.: 2017-039, No.: 2017-042, No.: 2017-044, No.: 2017-045, No.: 2017-047, No.: 2017-051, No.: 2017-063, No.: 2017-076, No.: 2017-077, No.: 2017-081)

	27 May 2017	
	9 Jun. 2017	
	24 Jun. 2017	
	1 Jul. 2017	
	8 Jul. 2017	
	13 Jul. 2017	
	27 Jul. 2017	
	19 Aug. 2017	
	28 Sept. 2017	
	30 Sept. 2017	
	17 Oct. 2017	

**III. Commitments that the company, shareholders, actual controller, offeror, 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

There are no commitments that the company, shareholders, actual controller, offeror, 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.

**IV. Forecast of operation performance of 2017**

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	63,230.44	2016-6-8	2018-6-26	37,890.69	251,858.33	93,066.38	-	188,308.27	36.60%	260.04
Total				63,230.44	--	--	37,890.69	251,858.33	93,066.38	-	188,308.27	36.60%	260.04
Capital resource				Self-owned capital									
Lawsuits (if applicable)				Not applicable									
Disclosure date for approval from the Board for investment of derivatives (if applicable)				2017-3-30									
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)				2017-5-4									
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk, liquidity risk, credit risks, operational risk and legal risk etc.)				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 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>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	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 2,600,400 Yuan.
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 directs on derivative investment and risk controlling	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 of Hefei Meiling Co., Ltd., and these deals were conducted within the authorization scope under general meeting and board meeting. The Company conducts no foreign exchange transactions on the purpose of getting profit only, all of the forward foreign exchange transactions are operates based on normal operating and production, which is relying on specific business operations with purpose of avoiding the preventing the risks in exchange rate. The forward foreign exchange transactions of the Company are 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.

**VII. Registration form for receiving research, communication and interview in the report period**√ Applicable  Not applicable

Time	Way	Type	Basic situation index of investigation
2017-1-12	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-1-18	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-2-15	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-2-24	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-4-20	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-5-11	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-5-25	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-6-14	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2017-7-6	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>

**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.

**X. Fulfill the precise social responsibility for poverty alleviation**

The Company has no precise social responsibility for poverty alleviation in the period and has no follow-up plan either

## 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	4,469,883,597.36	4,058,869,234.63
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses	8,967,491.37	12,060,213.30
Derivative financial assets		
Notes receivable	3,048,120,777.27	1,421,429,723.73
Accounts receivable	1,571,813,566.63	1,118,960,552.49
Accounts paid in advance	300,776,799.70	134,706,488.38
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	3,480,191.25	2,645,494.32
Dividend receivable		
Other receivables	110,485,645.16	39,553,919.44
Purchase restituted finance asset		
Inventories	2,300,644,579.42	1,974,526,734.86
Divided into assets held for sale		
Non-current asset due within one year	45,197,289.00	12,625,340.00
Other current assets	2,116,431,771.53	1,454,346,297.42
Total current assets	13,975,801,708.69	10,229,723,998.57
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	40,900,000.00	17,000,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	94,389,501.79	81,643,631.37
Investment property	59,289,274.10	13,275,631.40
Fixed assets	1,261,944,649.05	1,204,093,169.72
Construction in progress	100,095,959.87	107,037,409.95
Engineering material		
Disposal of fixed asset	75,846,390.89	75,788,138.47
Productive biological asset		
Oil and gas asset		
Intangible assets	589,379,958.51	613,969,271.63
Expense on Research and Development	95,378,543.18	45,023,750.60
Goodwill		
Long-term expenses to be apportioned	4,483,750.69	1,132,075.48
Deferred income tax asset	85,520,834.50	84,264,603.65
Other non-current asset	-	34,615,630.00
Total non-current asset	2,407,228,862.58	2,277,843,312.27
Total assets	16,383,030,571.27	12,507,567,310.84
Current liabilities:		
Short-term loans	1,553,345,758.64	288,343,724.73
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	12,942,210.83	559,249.58
Derivative financial liability		
Notes payable	4,288,201,190.58	2,635,051,740.30
Accounts payable	3,020,021,671.33	2,331,899,310.82
Accounts received in advance	471,826,277.65	390,935,440.46
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	165,651,828.54	189,592,039.00



Taxes payable	43,059,629.85	59,849,032.13
Interest payable	2,820,852.12	1,617,352.01
Dividend payable	16,973,446.44	2,545,801.23
Other accounts payable	766,676,107.98	622,580,323.43
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	65,793,269.73	272,202,590.10
Other current liabilities		
Total current liabilities	10,407,312,243.69	6,795,176,603.79
Non-current liabilities:		
Long-term loans	253,460,000.00	38,908,788.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	25,912,286.96	29,696,403.85
Special accounts payable	1,530,000.00	1,400,000.00
Projected liabilities	327,309,402.62	331,575,430.79
Deferred income	119,251,414.32	142,919,562.49
Deferred income tax liabilities	1,345,123.71	1,809,032.00
Other non-current liabilities		
Total non-current liabilities	728,808,227.61	546,309,217.13
Total liabilities	11,136,120,471.30	7,341,485,820.92
Owner's equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,685,317,635.93	2,687,961,060.65
Less: Inventory shares		
Other comprehensive income	-1,473,690.53	3,474,546.95

Reasonable reserve		
Surplus public reserve	391,029,420.33	391,029,420.33
Provision of general risk		
Retained profit	1,025,643,826.09	968,097,382.98
Total owner's equity attributable to parent company	5,145,115,072.82	5,095,160,291.91
Minority interests	101,795,027.15	70,921,198.01
Total owner's equity	5,246,910,099.97	5,166,081,489.92
Total liabilities and owner's equity	16,383,030,571.27	12,507,567,310.84

Legal Representative: Li Wei

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	2,538,891,650.59	3,071,362,771.31
Financial assets measured by fair value and with variation reckoned into current gains/losses	8,177,491.37	12,060,213.30
Derivative financial assets		
Notes receivable	1,867,222,311.00	1,053,598,721.93
Accounts receivable	1,765,115,101.94	1,006,701,894.37
Account paid in advance	260,166,247.30	106,947,474.25
Interest receivable		
Dividends receivable		
Other receivables	65,110,294.20	26,742,423.95
Inventories	992,189,207.52	1,017,090,374.81
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,473,614,755.93	1,427,283,451.40
Total current assets	8,970,487,059.85	7,721,787,325.32
Non-current assets:		
Available-for-sale financial assets	31,000,000.00	17,000,000.00
Held-to-maturity investments		

Long-term receivables		
Long-term equity investments	1,027,003,540.91	992,282,289.21
Investment property	10,976,598.81	11,332,015.32
Fixed assets	823,751,690.56	861,163,999.99
Construction in progress	66,347,840.16	19,478,121.20
Project materials		
Disposal of fixed assets	43,553,207.13	43,494,954.71
Productive biological assets		
Oil and natural gas assets		
Intangible assets	428,222,188.11	430,435,091.82
Research and development costs	13,167,208.57	12,797,092.26
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	68,898,501.62	69,138,686.26
Other non-current assets		
Total non-current assets	2,512,920,775.87	2,457,122,250.77
Total assets	11,483,407,835.72	10,178,909,576.09
Current liabilities:		
Short-term borrowings	1,250,645,758.64	261,843,724.73
Financial liability measured by fair value and with variation reckoned into current gains/losses	12,161,010.83	-
Derivative financial liability		
Notes payable	2,125,244,809.04	1,734,774,950.13
Accounts payable	1,437,945,563.51	1,521,019,717.86
Accounts received in advance	93,612,893.62	104,205,506.34
Wage payable	16,396,848.43	57,714,577.87
Taxes payable	16,497,829.06	25,677,906.64
Interest payable	2,820,852.12	1,617,352.01
Dividend payable	16,973,446.44	2,545,801.23
Other accounts payable	680,946,230.18	634,561,307.52
Divided into liability held for sale		
Non-current liabilities due within 1 year	8,384,280.52	257,750,238.18
Other current liabilities		

Total current liabilities	5,661,629,522.39	4,601,711,082.51
Non-current liabilities:		
Long-term loans	253,460,000.00	4,751,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	25,912,286.96	29,696,403.85
Special accounts payable		
Projected liabilities	327,309,402.62	331,575,430.79
Deferred income	58,817,773.52	64,601,290.18
Deferred income tax liabilities	1,226,623.71	1,809,032.00
Other non-current liabilities		
Total non-current liabilities	666,726,086.81	432,433,156.82
Total liabilities	6,328,355,609.20	5,034,144,239.33
Owners' equity:		
Share capita	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,753,017,007.10	2,753,017,007.10
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	390,811,254.65	390,811,254.65
Retained profit	966,626,083.77	956,339,194.01
Total owner's equity	5,155,052,226.52	5,144,765,336.76
Total liabilities and owner's equity	11,483,407,835.72	10,178,909,576.09

Legal Representative: Li Wei

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	4,661,344,340.71	3,130,593,704.26
Including: Operating income	4,661,344,340.71	3,130,593,704.26
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	4,641,920,759.94	3,076,387,035.13
Including: Operating cost	3,852,369,112.25	2,596,993,536.17
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	48,770,715.24	36,652,677.61
Sales expenses	632,230,730.76	398,059,771.10
Administration expenses	129,791,354.97	104,835,454.22
Financial expenses	-6,349,963.54	-29,334,284.01
Losses of devaluation of asset	-14,891,189.74	-30,820,119.96
Add: Changing income of fair value(Loss is listed with "-")	-5,116,597.88	3,415,197.41
Investment income (Loss is listed with "-")	16,082,387.37	2,472,603.86
Including: Investment income on affiliated company and joint venture	5,461,346.63	4,369,829.75
Exchange income (Loss is listed with "-")	-	-
Other income	2,499,869.07	-
III. Operating profit (Loss is listed with "-")	32,889,239.33	60,094,470.40

Add: Non-operating income	14,891,086.61	16,758,382.91
Including: Disposal gains of non-current asset	-	3,686,882.38
Less: Non-operating expense	3,117,768.37	3,582,893.79
Including: Disposal loss of non-current asset	2,874,528.59	3,496,458.26
IV. Total Profit (Loss is listed with “-”)	44,662,557.57	73,269,959.52
Less: Income tax expense	14,916,499.34	17,357,472.98
V. Net profit (Net loss is listed with “-”)	29,746,058.23	55,912,486.54
Net profit attributable to owner’s of parent company	28,147,276.19	55,295,963.61
Minority shareholders’ gains and losses	1,598,782.04	616,522.93
VI. Net after-tax of other comprehensive income	-3,141,017.15	1,136,930.29
Net after-tax of other comprehensive income attributable to owners of parent company	-2,412,157.86	888,396.33
(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	-2,412,157.86	888,396.33
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	-2,412,157.86	888,396.33
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-728,859.29	248,533.96
VII. Total comprehensive income	26,605,041.08	57,049,416.83
Total comprehensive income attributable to owners of parent Company	25,735,118.33	56,184,359.94
Total comprehensive income attributable to minority shareholders	869,922.75	865,056.89
VIII. Earnings per share:		
(i) Basic earnings per share	0.0269	0.0724
(ii) Diluted earnings per share	0.0269	0.0724

Legal Representative: Li Wei

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	2,048,257,729.20	1,795,492,670.63
Less: Operating cost	1,803,309,297.32	1,635,128,856.94
Operating tax and extras	19,826,226.92	16,655,993.91
Sales expenses	162,337,651.60	95,478,445.45
Administration expenses	39,291,319.80	48,382,777.13
Financial expenses	760,172.92	-20,932,496.87
Losses of devaluation of asset	-4,641,531.19	-6,902,766.78
Add: Changing income of fair	-5,116,597.88	3,415,197.41

value(Loss is listed with “-”)		
Investment income (Loss is listed with “-”)	10,591,073.95	3,455,851.28
Including: Investment income on affiliated company and joint venture	435,788.04	4,504,457.55
Other income		
II. Operating profit (Loss is listed with “-”)	32,849,067.90	34,552,909.54
Add: Non-operating income	6,931,501.13	3,066,843.07
Including: Disposal gains of non-current asset	-	-
Less: Non-operating expense	4,823.30	1,289,725.14
Including: Disposal loss of non-current asset	4,823.30	1,289,725.14
III. Total Profit (Loss is listed with “-”)	39,775,745.73	36,330,027.47
Less: Income tax expense	5,951,952.15	6,285,843.65
IV. Net profit (Net loss is listed with “-”)	33,823,793.58	30,044,183.82
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	33,823,793.58	30,044,183.82
VII. Earnings per share:		
(i) Basic earnings per share	0.0324	0.0393
(ii) Diluted earnings per share	0.0324	0.0393

Legal Representative: Li Wei

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	13,179,138,533.81	9,997,224,966.94
Including: Operating income	13,179,138,533.81	9,997,224,966.94
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	13,078,726,742.99	9,836,805,813.99
Including: Operating cost	10,848,595,161.10	8,029,455,223.27
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		
tax and extras	114,606,735.55	116,110,258.87
Sales expenses	1,772,402,762.84	1,473,707,521.70
Administration expenses	352,324,446.71	280,799,875.17
Financial expenses	-39,804,446.21	-69,033,626.17
Losses of devaluation of asset	30,602,083.00	5,766,561.15
Add: Changing income of fair value(Loss is listed with "-")	-15,475,683.18	2,136,627.20
Investment income (Loss is listed with "-")	39,675,737.03	6,625,694.81
Including: Investment income on affiliated company and joint venture	2,235,018.46	3,536,619.33
Exchange income (Loss is listed with "-")	-	-
Other income	3,775,806.69	-
III. Operating profit (Loss is listed with "-")	128,387,651.36	169,181,474.96
Add: Non-operating income	38,382,234.46	38,230,085.35
Including: Disposal gains of non-current asset	261,776.49	4,017,716.14
Less: Non-operating expense	14,573,069.00	5,401,767.97
Including: Disposal loss of non-current asset	14,234,403.75	5,041,587.90
IV. Total Profit (Loss is listed with "-")	152,196,816.82	202,009,792.34
Less: Income tax expense	24,356,057.20	36,173,658.96
V. Net profit (Net loss is listed with "-")	127,840,759.62	165,836,133.38
Net profit attributable to owner's of parent company	120,222,315.96	165,288,664.89
Minority shareholders' gains and losses	7,618,443.66	547,468.49
VI. Net after-tax of other comprehensive income	-6,493,532.56	3,621,779.01

Net after-tax of other comprehensive income attributable to owners of parent company	-4,948,237.48	2,702,853.40
(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	-4,948,237.48	2,702,853.40
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	-4,948,237.48	2,702,853.40
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-1,545,295.08	918,925.61
VII. Total comprehensive income	121,347,227.06	169,457,912.39
Total comprehensive income	115,274,078.48	167,991,518.29

attributable to owners of parent Company		
Total comprehensive income attributable to minority shareholders	6,073,148.58	1,466,394.10
VIII. Earnings per share:		
(i) Basic earnings per share	0.1151	0.2164
(ii) Diluted earnings per share	0.1151	0.2164

Legal Representative: Li Wei

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	6,177,866,081.70	5,566,265,834.56
Less: Operating cost	5,578,678,753.58	4,795,261,083.95
Operating tax and extras	47,548,756.62	55,404,879.61
Sales expenses	393,775,870.67	516,556,298.89
Administration expenses	148,356,536.03	125,791,065.09
Financial expenses	-36,446,166.41	-52,450,533.19
Losses of devaluation of asset	215,030.18	2,257,210.13
Add: Changing income of fair value(Loss is listed with "-")	-16,043,732.76	2,136,627.20
Investment income (Loss is listed with "-")	40,321,157.90	86,348,448.62
Including: Investment income on affiliated company and joint venture	3,541,251.70	7,149,440.12
Other income		
II. Operating profit (Loss is listed with "-")	70,014,726.17	211,930,905.90
Add: Non-operating income	14,350,220.11	17,439,146.83
Including: Disposal gains of non-current asset	-	269,387.27
Less: Non-operating expense	1,452,725.15	2,506,291.62
Including: Disposal loss of non-current asset	1,448,384.55	2,440,092.05
III. Total Profit (Loss is listed with	82,912,221.13	226,863,761.11

“-”)		
Less: Income tax expense	9,949,458.52	21,200,973.23
IV. Net profit (Net loss is listed with “-”)	72,962,762.61	205,662,787.88
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	72,962,762.61	205,662,787.88
VII. Earnings per share:		

(i) Basic earnings per share	0.0698	0.2693
(ii) Diluted earnings per share	0.0698	0.2693

Legal Representative: Li Wei

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	10,688,634,329.82	9,599,703,438.75
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	332,183,490.22	247,773,581.20
Other cash received concerning operating activities	41,763,321.49	34,952,309.45
Subtotal of cash inflow arising from	11,062,581,141.53	9,882,429,329.40

operating activities		
Cash paid for purchasing commodities and receiving labor service	9,088,798,341.30	6,611,688,071.65
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	1,060,957,793.60	920,334,293.94
Taxes paid	417,607,656.54	384,467,110.44
Other cash paid concerning operating activities	626,015,434.18	403,000,203.98
Subtotal of cash outflow arising from operating activities	11,193,379,225.62	8,319,489,680.01
Net cash flows arising from operating activities	-130,798,084.09	1,562,939,649.39
II. Cash flows arising from investing activities:		
Cash received from recovering investment	2,957,000,000.00	500,000,000.00
Cash received from investment income	47,477,575.32	6,693,575.48
Net cash received from disposal of fixed, intangible and other long-term assets	2,531,948.87	25,572,793.14
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	73,811,624.63	63,100,133.03
Subtotal of cash inflow from investing activities	3,080,821,148.82	595,366,501.65
Cash paid for purchasing fixed, intangible and other long-term assets	343,043,647.04	97,689,141.65

Cash paid for investment	3,581,652,412.20	115,583,860.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	10,574,661.31	4,296,600.00
Subtotal of cash outflow from investing activities	3,935,270,720.55	217,569,601.65
Net cash flows arising from investing activities	-854,449,571.73	377,796,900.00
III. Cash flows arising from financing activities		
Cash received from absorbing investment	23,068,316.00	1,564,983,118.37
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	2,371,636,546.03	1,512,385,108.63
Cash received from issuing bonds	-	-
Other cash received concerning financing activities	-	3,451.80
Subtotal of cash inflow from financing activities	2,394,704,862.03	3,077,371,678.80
Cash paid for settling debts	1,096,840,299.04	800,889,419.18
Cash paid for dividend and profit distributing or interest paying	67,101,769.40	57,565,188.54
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	151,611.24	156,871.81
Subtotal of cash outflow from financing activities	1,164,093,679.68	858,611,479.53
Net cash flows arising from financing activities	1,230,611,182.35	2,218,760,199.27
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-18,706,015.36	20,383,777.92



V. Net increase of cash and cash equivalents	226,657,511.17	4,179,880,526.58
Add: Balance of cash and cash equivalents at the period -begin	3,986,098,419.76	2,121,161,238.01
VI. Balance of cash and cash equivalents at the period -end	4,212,755,930.93	6,301,041,764.59

Legal Representative: Li Wei

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	4,210,014,747.91	4,698,437,869.58
Write-back of tax received	167,344,442.26	123,186,350.49
Other cash received concerning operating activities	18,738,823.22	15,201,480.61
Subtotal of cash inflow arising from operating activities	4,396,098,013.39	4,836,825,700.68
Cash paid for purchasing commodities and receiving labor service	5,205,491,001.62	3,699,813,726.55
Cash paid to/for staff and workers	416,120,059.29	370,683,809.63
Taxes paid	68,213,970.16	118,631,891.16
Other cash paid concerning operating activities	174,378,876.86	207,844,269.17
Subtotal of cash outflow arising from operating activities	5,864,203,907.93	4,396,973,696.51
Net cash flows arising from operating activities	-1,468,105,894.54	439,852,004.17
II. Cash flows arising from investing activities:		
Cash received from recovering investment	2,880,000,000.00	505,798,619.62
Cash received from investment	46,802,594.32	81,954,888.88

income		
Net cash received from disposal of fixed, intangible and other long-term assets	567,847.40	1,919,834.50
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	58,985,857.24	47,967,134.69
Subtotal of cash inflow from investing activities	2,986,356,298.96	637,640,477.69
Cash paid for purchasing fixed, intangible and other long-term assets	241,876,285.81	53,798,472.75
Cash paid for investment	2,995,180,391.20	171,250,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	10,574,661.31	67,327,805.65
Subtotal of cash outflow from investing activities	3,247,631,338.32	292,376,278.40
Net cash flows arising from investing activities	-261,275,039.36	345,264,199.29
III. Cash flows arising from financing activities		
Cash received from absorbing investment	-	1,541,999,998.84
Cash received from loans	2,022,551,446.03	1,482,458,180.27
Cash received from issuing bonds		
Other cash received concerning financing activities	305,264,361.17	499,060,968.88
Subtotal of cash inflow from financing activities	2,327,815,807.20	3,523,519,147.99
Cash paid for settling debts	1,023,790,749.04	772,716,315.18
Cash paid for dividend and profit distributing or interest paying	65,697,535.58	56,064,494.85
Other cash paid concerning financing activities	27,237,860.58	67,598,005.48
Subtotal of cash outflow from financing activities	1,116,726,145.20	896,378,815.51

Net cash flows arising from financing activities	1,211,089,662.00	2,627,140,332.48
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	-11,923,958.43	19,002,920.97
V. Net increase of cash and cash equivalents	-530,215,230.33	3,431,259,456.91
Add: Balance of cash and cash equivalents at the period -begin	3,067,671,385.08	1,654,499,494.28
VI. Balance of cash and cash equivalents at the period -end	2,537,456,154.75	5,085,758,951.19

Legal Representative: Li Wei

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

## II. Audit report

Whether the 3<sup>rd</sup> quarterly report has been audited or not

Yes  No

The 3<sup>rd</sup> quarterly report of the Company has not been audited.

Hefei Meiling Co., Ltd.

Chairman: Li Wei

18 October 2017