



HEFEI MEILING CO., LTD.
SEMI-ANNUAL REPORT 2015

August 2015

Section I. Important Notice, Contents and Paraphrase

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

There are no directors, supervisors and senior executives of the Company could not guarantee the reality, accuracy and completion of the whole contents or have objections.

All the directors attended the board meeting on discussing the Semi-Annual Report in both ways of site and communication.

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either.

Chairman of the Company Mr. Liu Tibin, President Mr. Li Wei, Vice President and chief financial officer Mr. Zhang Xiaolong and Mr. Luo Bo, person in charge of accounting organ (accounting supervisor) hereby confirm that the Financial Report of Semi-Annual Report 2015 is authentic, accurate and complete.

The Financial Report of Semi-Annual Report 2015 of the Company had not been audited by CPAs.

Concerning the forward-looking statements with future planning involved in the Report, they do not constitute a

Substantial commitment for investors. Investors are advised to exercise caution of investment risks.

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Paraphrase

Items	Refers to	Contents
Company, the Company or Meiling Electric	Refers to	HEFEI MEILING CO., LTD
Sichuan Changhong or controlling shareholder	Refers to	Sichuan Changhong Electric Co., LTD
Changhong Group	Refers to	Sichuan Changhong Electronics Group Co., Ltd.
Hong Kong Changhong	Refers to	Changhong (Hong Kong) Trading Company Limited
Meiling Group	Refers to	Hefei Meiling Group Holdings Limited
Xingtai Holding	Refers to	Hefei Xingtai Holding Group Co., Ltd.
Shine Wing	Refers to	Shine Wing Certified Public Accountants Co., Ltd. (LLP.)
Changhong Air-conditioner	Refers to	Sichuan Changhong Air-conditioner Co., Ltd.
Jiangxi Meiling Electric	Refers to	Jiangxi Meiling Electrical Co., Ltd.
Mianyang Meiling	Refers to	Mianyang Meiling Refrigeration Co., Ltd.
Zhongshan Changhong	Refers to	Zhongshan Changhong Electric Co., LTD
Mianyang Meiling Software	Refers to	Mianyang Meiling Software Technology Co., Ltd.
Zhiyijia	Refers to	Sichuan Zhiyijia Network Technology Co., Ltd.
Changhong Finance Company	Refers to	Sichuan Changhong Group Finance Co., Ltd.
Tianyou Guigu	Refers to	Sichuan Tianyou Guigu Technology Co., Ltd.
Huayi Compressor	Refers to	Huayi Compressor Co., Ltd.
CSRC	Refers to	China Securities Regulatory Commission
Anhui Securities Bureau	Refers to	China Securities Regulatory Commission, Anhui Province Securities Regulatory Bureau
SSE	Refers to	Shenzhen Stock Exchange

Section II. Company Profile

I. Company information

Short form of the Stock	MEILINGDIANQI, WANMEILING-B	Stock code	000521, 200521
Short form of the Stock after changed (if applicable)	N/A		
Listing stock exchange	Shenzhen Stock Exchange		
Chinese name of the Company	合肥美菱股份有限公司		
Short form of the Company (in Chinese)	美菱电器		
Foreign name of the Company(if applicable)	HEFEI MEILING CO.,LTD.		
Abbr. of English name of the Company(if applicable)	HFML		
Legal representative	Liu Tibin		

II. Contact person and ways

	Secretary of the Board	Representative of Securities affairs
Name	Li Xia	Zhu Wenjie
Contact adds.	No. 2163, Lian Hua Road, Economic and Technology Development Zone, Hefei	No. 2163, Lian Hua Road, Economic and Technology Development Zone, Hefei
Tel.	0551-62219021	0551-62219021
Fax.	0551-62219021	0551-62219021
E-mail	lixia@meiling.com	wenjie.zhu@meiling.com

III. Others

1. Way of contact

Whether registrations address, offices address and codes as well as website and email of the Company changed in reporting period or not

Applicable Not applicable

Registrations address, offices address and codes as well as website and email of the Company has no change in reporting period, found more details in Annual Report 2014.

2. Information disclosure and preparation place

Whether information disclosure and preparation place changed in reporting period or not

Applicable Not applicable

The newspaper appointed for information disclosure, website for semi-annual report publish appointed by CSRC and preparation place for semi-annual report have no change in reporting period, found more details in Annual Report 2014.

3. Registration changes of the Company

Whether registration has changed in reporting period or not

Applicable Not applicable

Date/place for registration of the Company, registration number for enterprise legal license, number of taxation registration and organization code have no change in reporting period, found more details in Annual Report 2014.

4. Other relevant information

Whether other relevant information has changed in reporting period or not

Applicable Not applicable

Section III. Accounting data and summary of financial indexes

I. Main accounting data and financial indexes

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

Yes No

	Current period	Same period of last year	Increase/decrease in this report y-o-y
Operating revenue (RMB)	6,426,917,289.25	6,344,389,052.17	1.30%
Net profit attributable to shareholders of the listed company(RMB)	158,369,766.68	159,106,275.83	-0.46%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	148,569,574.10	143,657,925.11	3.42%
Net cash flow arising from operating activities(RMB)	343,410,987.03	-272,408,725.76	226.06%
Basic earnings per share (RMB/Share)	0.2074	0.2083	-0.46%
Diluted earnings per share (RMB/Share)	0.2074	0.2083	-0.46%
Weighted average ROE (%)	4.52%	4.64%	0.12 percent point down
	End of current period	End of last period	Increase/decrease in this report-end over that of last period-end
Total assets (RMB)	10,467,292,489.73	9,009,014,201.70	16.19%
Net assets attributable to shareholder of listed company(RMB)	3,526,953,220.26	3,422,746,664.67	3.04%

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)	763,739,205
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Whether share capital of the Company, from period-end to the disclosure date of semi-annual report, has changed and has influenced on amount of owners' equity due to the new shares issuing, increase issues in stocks, allotment, stock ownership incentive exercise and buy-back etc. or not

Yes No

II. Difference of the accounting data under accounting rules in and out of China

1. Difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

The Company has no difference of the net profit and net assets disclosed in financial report, under both IAS (International Accounting Standards) and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period.

2. Difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles)

Applicable Not applicable

In RMB

	Net profit attributable to shareholders of listed company		Net assets attributable to shareholders of listed company	
	Amount in this period	Amount in last period	Amount at period-end	Amount at period-begin
Chinese GAAP	158,369,766.68	159,106,275.83	3,526,953,220.26	3,422,746,664.67
Items and amount adjusted by foreign accounting rules				
Foreign accounting rules	158,369,766.68	159,106,275.83	3,526,953,220.26	3,422,746,664.67

The Company has no difference of the net profit and net assets disclosed in financial report, under both foreign accounting rules and Chinese GAAP (Generally Accepted Accounting Principles) in reporting period.

3. Reasons for the differences of accounting data under accounting rules in and out of China

Applicable Not applicable

The “Notice of Relevant Issues of Audit for Company with Domestically Foreign Shares Offering” was issued from CSRC dated 12 September 2007, since the day issuing, cancel the previous “dual audit” requirement for companies who offering domestically listed foreign shares (B-share enterprise) while engaging securities practice qualification CPA for auditing. The Company did not compile financial report under foreign accounting rules since 2007, the financial report of the Company is complying on the “Accounting Standard for Business Enterprise” in China, and therefore, there are no differences of accounting data under accounting rules in and out of China at period-end.

III. Items and amounts of extraordinary profit (gains)/loss

√ Applicable □ Not applicable

In RMB

Item	Amount	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	-5,682,027.31	Found in "Non-operating 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)	12,344,884.49	Found in "Non-operating expenditure"
Gain/loss from commissioned investment or assets	517,808.22	Found in "Investment income"
Held transaction financial asset, gains/losses of changes of fair values from transaction financial liabilities, and investment gains from disposal of transaction financial asset, transaction financial liabilities and financial asset available for sales, exclude the effective hedging business relevant with normal operations of the Company	4,133,602.00	Found in "Investment income" and "Changes in fair value gains/losses"
Other non-operating income and expenditure except for the aforementioned items	-1,122,350.47	Found in "Non-operating expenditure"
Impact on income tax	503,618.35	—
Impact on minority shareholders' equity (post-tax)	-111,894.00	—
Total	9,800,192.58	--

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

In reporting period, the Company has no particular about 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*

Section IV. Report of the Board of Directors

I. Summary

For the first half of 2015, the overall domestic economy presented to be stable with steady growth, especially the distinct warming-back of real estate market. However, declining pressure and difficulties also existed in economics. For the first half year, our GDP experienced a year-on-year increase of 7.0%; the three pillar demands decreased simultaneously; the aggregate import and export volume decreased by 6.9%; investments to fixed assets recorded nominal increase of 11.4%, representing a drop of 2.1 percentage points as compared to the first quarter; the aggregate retail sales amount of consumptives recorded a year-on-year increase of 10.4%, representing a drop of 0.2 percentage points as compared to the first quarter.

In the first half year, competition was getting more furious for home appliance industry, remarking deteriorating market conditions. During the early period, as driven by the advantageous policies relating to home appliances sent to countryside and energy saving, this industry was able to enter into high speed development phrase. However, as those policies gradually faded out, home appliance industry of China began to fluctuate under the “New Normal” economic conditions, in particular, the overall performance of both domestic and export refrigerators and air conditioners continued to shrink in 2015. According to China Market Monitor, retail volume of the domestic refrigerators sector for the period between January to June 2015 recorded a year-on-year decrease of 2.12%, and 9.03% for air conditioner sector. As illustrated by custom data, export sales of refrigerators sector for the period between January to June 2015 recorded a year-on-year decrease of 1.18%, and 8.01% for air conditioner sector. During the reporting period, the Company continued to promote its strategy of “Double Three Strategies and One Center” and practically carry out the operating policy of “leading products, sales transformation and improved management” as determined at the beginning of the year, so as to actively respond to all the external negative effects and in turn enhance its comprehensive competitiveness, under the guideline of Meiling Dream. During the reporting period, the Company realized operating income of RMB 6.427 billion, representing a year-on-year increase of 1.30%; and it also realized RMB 158.3698 million net profit attributable to shareholders of listed issuer, representing a year-on-year decrease of 0.46%.

II. Analysis on major operations

(I) Summary

Shows no difference with the summary disclosed in Report of the Board of Director

Yes No

For the period from January to June 2015, business segment of refrigerator and freezing box realized operating revenue of RMB 3.511 billion approximately, with a decrease of 1.11% y-o-y. According to CMM, Meiling refrigerators occupied market share of 7.85% in domestic market in terms of retail sales for the period from January to June 2015, increasing 0.29% of the same period of last year; Meiling refrigerators accounted for 9.42% of the market share for the period from January to June 2015, increasing 1.14% of the same period of last year.

For the period from January to June 2015, business segment of air conditioner realized operating income of RMB 2.442 billion approximately, with an increase of 4.25% y-o-y. For the period from January to June 2015, business segment of washing machine realized income of RMB 0.117 billion approximately, with an increase of 34.17% y-o-y.

(II) Year-on-year changes of main financial data

In RMB

	Current period	Same period of last year	Y-o-y increase/decrease	Reasons for changes
Operation revenue	6,426,917,289.25	6,344,389,052.17	1.30%	—
Operation cost	5,084,245,127.90	4,780,495,721.56	6.35%	—
Sales expenses	945,446,083.20	1,156,472,220.52	-18.25%	—
Administrative expenses	192,562,243.42	194,547,455.17	-1.02%	—
Financial cost	-45,802,594.42	-43,840,298.90	-4.48%	—
Income tax expense	14,512,173.60	36,794,783.31	-60.56%	Mainly because subsidiary Mianyang Meiling Software enjoys the income tax preferential policy and part of the subsidiaries made up the annual losses of previous years by pre-tax profit
R&D expenses	206,928,659.96	215,494,155.61	-3.97%	—
Net cash flow arising from	343,410,987.03	-272,408,725.76	226.06%	Mainly because the sales received in the Period

operation activities				increased on a y-o-y base
Net cash flow arising from investment activities	-65,011,572.46	33,272,248.97	-295.39%	Mainly because new associated enterprise invested in the Period and increasing capital for part of the associated enterprise
Net cash flow arising from financing activities	-164,640,005.09	718,848,755.01	-122.90%	Mainly because the short-term loans paid by parent company in the Period increased y-o-y
Net increase of cash and cash equivalent	123,472,277.33	477,017,942.02	-74.12%	The same as “Net cash flow arising from financing activities”
Financial assets measured by fair value and whose change is recorded in current gains and losses	3,572,100.00	-	100%	Mainly due to the fair value change of forward foreign exchange contract carried out by the Company in the Period
Notes receivable	1,786,165,001.95	1,223,468,044.05	45.99%	Mainly due to the notes received increased in the Period
Account receivables	1,993,308,900.76	1,160,192,277.00	71.81%	Mainly because the proportion of sales from credit customer increased y-o-y in the Period
Interest receivable	582,870.63	-	100%	Mainly because the accrued interest of the time deposit of subsidiary Zhongshan Changhong was recognized, and there no such item in last year
Other account receivable	39,765,529.55	28,729,328.80	38.41%	Mainly because the export drawback increased in the Period without received temporary
Long-term equity investment	78,096,234.75	14,211,004.21	449.55%	Mainly because new associated enterprise invested in the Period and increasing capital for part of the associated enterprise
Construction in progress	28,235,524.90	62,766,707.57	-55.02%	Mainly due to the

				construction in process are transfer to capital by parent company in the Period
Expense on Research and Development	38,620,703.41	25,194,157.09	53.29%	Mainly because the R&D investment increased by parent company, which are not transfer to capital temporary
Other non-current asset	41,633,616.00	-	100%	Mainly because new time deposit increased by subsidiary Zhongshan Changhong in the Year
Financial liabilities measured by fair value and whose change is recorded in current gains and losses	-	81,170.00	-100.00%	The same as "Financial assets measured by fair value and whose change is recorded in current gains and losses"
Notes payable	2,638,130,242.78	1,553,110,292.55	69.86%	Mainly due to the un-matured note payable increased at end of the Period
Wage payable	105,447,267.73	156,537,212.29	-32.64%	Mainly because the salary, bonus and subsidy for last year which are accrued are paid in the Period
Taxes payable	134,142,270.74	51,153,350.18	162.24%	Mainly because payable VAT increased over that of year-begin for sale peak season during the Period
Dividend payable	12,592,208.16	2,237,640.91	462.74%	Mainly because the Company has bonus carried out in the Peirod, and part of the shareholders are not withdrawal their bonus
Long-term loans	48,400,646.40	18,947,000.00	155.45%	Mainly because the long-term loans from subsidiary Zhongshan Changhong increased in the Period
Minority interests	23,989,945.95	15,634,189.83	53.45%	Mainly because part of the subsidiaries get a profit and buy the Minority

				shareholders' equity of subsidiaries in the Period
Changing income of fair value(Loss is listed with "-")	3,653,270.00	-	100.00%	The same as "Financial assets measured by fair value and whose change is recorded in current gains and losses"
Investment income (Loss is listed with "-")	-5,484,432.72	-784,297.22	-599.28%	Mainly because the associated enterprise losses y-o-y
Including: Investment income on affiliated company and joint venture	-6,482,572.94	-784,297.22	-726.55%	Follow "investment income"
Including: Disposal income of non-current asset	14,776.00	1,469,461.36	-98.99%	Mainly because the earnings from fixed assets disposal decreased y-o-y
Non-operating expense	9,264,613.15	2,812,927.92	229.36%	Mainly because the losses from fixed assets disposal increased y-o-y
Including: Disposal loss of non-current asset	5,696,803.31	554,394.53	927.57%	Follow "Non-operating expense"
Minority shareholders' gains and losses	673,108.14	1,890,652.45	-64.40%	Mainly because part of the subsidiaries get a profit declined on a y-o-y basis in the Period

(III) Major changes on profit composition or profit resources in reporting period

Applicable Not applicable

No major changes on profit composition or profit resources occurred in reporting period

(IV) The future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

Applicable Not applicable

No future development and planning extended to reporting period that published in disclosure documents as prospectus, private placing memorandum and recapitalize statement

(V) Summary on the progress of the operation plan as disclosed previously by the

Company during the reporting period

During the Period, the Company formulated an operation plan for year of 2015 by closely around the established development strategy and business plan for year of 2015, main works are as:

(1)Leading Products

Brand competition was more intensified in 2015. Since industrial scale would not continue to expand, brand upgrade remained as the key point for development. Adhering to its two major products-oriented strategy (namely smart and frequency conversion series), the Company made leading position in smart and frequency conversion products, and promoted “high-end differentiation, middle-end serialization and low-end generalization” in relation to product research and development. According to the experiment and reflect from users of CHiQ series I products, and taking into account the smart development trend of this industry, the Company is in the process of developing new CHiQ series products. In addition, the Company increased coordination with upstream compressor manufacturers in connection with developing frequency conversion integrated products. On 9 March 2015, the Company announced that it begun to cease production of fixed frequency refrigerators with capacity of 260L or above at the opening ceremony of “change for frequency conversion products” campaign across the nation, which improved its brand and product image. For the period from January to June, sales of frequency conversion refrigerators accounted for more than 20%, laying foundation for its future development.

(2)Switch of sales model

As for domestic market, the Company changed its sales model to end-driven model from the original policy-supported-driven model, aiming to continuously enhancing the operating capability of its marketing entities and end sales capability. The Company raised ranking in domestic refrigerator market, with continuous growth in freezer and washing machine segment. As affected by the overall decline of the refrigerator industry, the Company maintained substantially the same revenue as last year. As for overseas market, the Company remained focused on establishment of core customers, and sales to those core customers increased relatively high. Meanwhile, through adjustment to refrigerator products structure, sales contribution and scale of large and middle sized refrigerators were increased, realizing overall growth of refrigerators, freezers and air conditioners. Besides, the Company received preliminary effect in building its own brands in overseas market.

(3)Management enhancement

The Company emphasized performance-related culture and established performance-based assessment system with clear target, quantitative index and performance orientation. In order to perfect staff construction system, the Company established talents base comprising of excellent university students and potential leaders. In order to further arouse enthusiasm of its R&D staff, the Company completed occupation development planning for them. By continuously carrying out works to improve human, substance and money efficiency, the Company was able to strengthen risk control, optimize internal procedure system, carry out value creation activities thoroughly and raise its comprehensive competitiveness.

III. Constitution of main business

In RMB

	Operating revenue	Operating cost	Gross profit ratio	Increase or decrease of operating revenue over same period of last year	Increase or decrease of operating cost over same period of last year	Increase or decrease of gross profit ratio over same period of last year
According to industries						
Manufacture of household appliances	6,160,055,353.93	4,849,322,744.97	21.28%	1.56%	7.31%	-4.21%
According to products						
Refrigerators, freezers	3,510,601,243.62	2,707,916,216.04	22.86%	-1.11%	2.42%	-2.66%
Air conditioning	2,441,545,800.41	1,973,497,153.25	19.17%	4.25%	13.36%	-6.50%
Washing machine	117,350,072.10	94,819,325.89	19.20%	34.17%	35.74%	-0.93%
Others	90,558,237.80	73,090,049.79	19.29%	5.61%	13.62%	-5.69%
According to region						
Domestic	4,848,200,937.56	3,657,366,355.08	24.56%	-4.55%	0.88%	-4.07%
Foreign	1,311,854,416.37	1,191,956,389.89	9.14%	33.09%	33.36%	-0.18%

IV. Core competence analysis

(I) Company strength

1. Brand capacity

Hefei Meiling Co., Ltd., one of the famous home appliances manufacturers in the PRC, owns several product lines such as refrigerator, freezing box and air conditioner. Meiling refrigerator, the leading products of the Company falls within the national inspection-free products and the first batch of national famous products, Meiling trademark is listed as one of the most valuable brands in the PRC. The trademark “Athena” in refrigerator, freezer (services) of the Company was recognized as the famous mark in Anhui Province. Targeting to further improve its brand image so as to satisfy the need for product transformation and upgrade, the Company designed new LOGO in the first half year, and intended to launch the new LOGO in the later half year. In particular, the latest version of new LOGO will be put in products, terminal display and internal propaganda products, new LOGO release conference will be convened as appropriate to release the latest LOGO image and brand proposition, so as to improve the new brand image in general.

2. Product capacity

The Company has been focusing on refrigerator industry for 30 years, launching many refrigerator products of different types, including Athena series superior refrigerators, the coldest refrigerator across the world with the record of -192°C and top superior energy-saving refrigerator with daily electricity consumption of 0.23 degree and other products which represented the industrial development trend. As for product quality, the Company owned advanced development and quality assurance systems, and received certification of ISO9001 and ISO14000 from domestic and overseas authorities. The products of the Company have good quality and reliable capacities. As for technology development, the Company owned national technology centers, and advanced core technologies in energy-saving, air cooling, intelligence and copious cooling. As for product development, combine with technology development trend and characteristics of demand from upgrades in consumers, the Company, in 2015, will focus on development of CHiQ intelligent products and frequency conversion products with obvious upgrading in product structure.

3. Operation capacity

The Company actively carried out superior management activity and enhanced its fundamental management. The Company established healthy internal control system, strengthened management control, promoted standardized management through information and prevented operation risks. In 2015, the Company carried out enhancements in personnel, capital and materials; continues to hoisting capacity of internal management, and enhance the competitiveness of enterprises.

4. Marketing capacity

The Company established healthy sales network and service system. Meanwhile, it established its business marketing model by means of joint ventures. The Company continued to intensify

construction of marketing team, and realized balanced development in various channels including chain, wholesale and e-business, etc. There are 250 new Changhong-Meiling exclusive shops open in first half of the Year; also, construction of Changhong-Meiling outlet is being progressed well. Meanwhile, the Company expanded into overseas markets with products exported to more than 100 countries and regions around the world.

(II) Potential risks and countermeasures

The Company will face a grim situation of macroeconomic growth, cold industry, increased competition, labor tension, human resources costs rising sharply, and crashes from new business models and internet.

1. Cross-boundary impact from internet

With the arrival of the Internet era and the smart times, the new business models and new product form emerge in endlessly, the Internet era pursues the user experience and rapid response, the traditional industries and even the emerging industries which cannot keep up with the trend of times may easily be replaced or even to be overturned. The new game rules have brought strong senses of crisis and urgency.

2. Industry competition further aggravates, impact by the cline of whole industry

In recent years, the brand pattern of both the domestic and abroad appliances industry has been undergoing major upheaval and adjustment, the brands and enterprises do not take the initiative to keep up with the changing situations would be eliminated. The era of rapid growth in the whole industry has gone, and now it has entered the era of micro-growth or decline, the industry has entered a phase of aggressive growth. The severe industry competition may result in the irrational market competition and bring business risks to the enterprises. The overall market capacity turns declined in 1st half of the 2015, and show no signs of recovery, vary brand's competition is more vehemence.

3. Labor shortage in workman, soaring labor cost

The demographic advantage of China is gradually weakening, the shortage of labor resources becomes more and more severe, and the insufficient front-line operatives has brought great challenges to the labor-intensive enterprises like the home appliance industry, increased the difficulty of production organization, increased the manufacturing costs, and reduced the Company's profit margins. The labor resources are becoming a major bottleneck to restrict the development of the industry.

Faced with the above risks, on the one hand, the Company will improve the risk awareness,

overall arrange the products, technologies, corresponding the upgrade of market competition and markets in advance, transform the products to be high-end and intelligent, adhere to two product strategies - intelligence and frequency conversion, enrich the product line, and create a comprehensive white enterprise; promote the technological innovation, strengthen the research and development to intelligence, frequency conversion, air-cooling and copious cooling technologies; attach importance to the development of overseas markets which have great potential for the future development, and actively explore the construction of own brand in overseas markets; improve the human resource planning. Matching the labor resources in order to respond the soaring labor costs. On the other hand, the company will carry out the management principle of "product leader, sales transformation, management efficiency" under the leadership of the Board and the guidelines of "Meiling Dream", take globalization as a platform, take intelligence and frequency transformation as a breakthrough, constantly improve the management and technological innovation, and strengthen the cooperation with others to achieve the healthy and sustainable development of the Company.

(III) Operating countermeasures for the second half year

1. Operating policy

For the later half year, the Company will continue to implement the operating policy relating to "leading products, sales transformation and management enhancement". In order to respond effectively to the deteriorating macro economy and industrial conditions, the Company will focus on maintaining targets and steady growth. Besides, its comprehensive competitiveness will be strengthened through enhancement in human, substance and money efficiency. Resources are also allocated to promote upgrade in its capability of technical innovation and management innovation, so as to realize sustainable development.

2. Market strategy

As for domestic market, the policies of "intensified promotion, accelerated transformation, highlighted terminal and emphasized training" continued. In addition to strengthening channel coordination and consolidation of traditional channel, the Company also turned to E-business, thus to improve its overall operation capacity. As for overseas market, progress in products, customers and operation was made as scheduled, seeking for more development in international market.

3. Product strategy

In respect of research and development, the Company speeded up research and development for new generation of smart products and continued implementing the strategy of "high-end differentiation, middle-end series and low-end generation". Terminal decoration project continued,

display of smart and frequency conversion products was improved and promotion sales of smart and frequency conversion products were intensified, in order to raise sales proportion of these products.

4. Staff construction

Talents base with potential leaders and competition & elimination system in respect of overseas talents were all constructed, with technical experts elected into such base to establish a high-efficient team. For the later half year, the Company will conduct the routine leader campaign again as hold once a year, aiming to find and elect talents through leader campaign, thus to further emphasize its human resource system featuring with “leave those who can and eliminate those who can not” to inspire their best potentials.

V. Investment analysis

(I). Situation of equity investment outside

1. Situation of investment outside

√ Applicable □ Not applicable

Investment outside		
Investment in the reporting (RMB)	Investment in the same period of last year's (RMB)	Changes
40,000,000	40,950,000	-2.32%
Invested company		
Name	Main business	Equity proportion in invested company for Listed company
Sichuan Zhiyijia Network Technology Co., Ltd.	Computer software and hardware development, computer networking sales and undertakes, import and export of cargo and technology (projects are prohibited by law and regulations excluded, restrained items should run with the permit), advertisement design and production, design, production and sales of pattern, development and sales of household products, use the internet to sell general merchandise, cloth, leatherwear, shoes and hats, washing products, cosmetics, photographic equipment, toys, stereo system and equipment, household appliances, electronics, communication equipment and device, instrument, lamps, electro-mechanical equipments and accessories, machinery equipment and accessories, prepackaged food, stationery, sports goods, hotel facilities, travel and cultural goods, gold and silver, jewelry, value-added	30%

	telecom service (entrusted operation), chemical materials and products (hazardous chemical substance excluded), solar equipment and class-I medical devices.	
Sichuan Tianyou Guigu Technology Co., Ltd.	Development, manufacture, sales, installation and after-sales services of the control system for indoor air environment, AHU, air-conditioner, negative ion products, air purifier and spare part; sales of the house appliance, water heater of air, solar photovoltaic equipment, mechanical and electrical equipment, electronics and refrigeration plant, SI and installation and after-sale services; equipment leasing and spare part laser job shop; sales of mental materials, development, sales and software services	25%

2. Holding equity of financial enterprise

Applicable Not applicable

Name	Type	Initial investment capital (RMB)	Shares held at period-begin (Share)	Proportion of shares held at period-begin	Shares held at period-end (Share)	Proportion of shares held at period-end	Book value at period-end (RMB)	Gains/losses in report period (RMB)	Accounting items	Resources
Huishang Bank Co., Ltd.	Commercial bank	5,000,000.00	10,737,573	0.0972%	10,737,573	0.0972%	5,000,000.00	0	Available for sale financial assets	Initial investment
Total		5,000,000.00	10,737,573	--	10,737,573	--	5,000,000.00	0	--	--

3. Security investment

Applicable Not applicable

No security investment in Period.

Explanation on equity of other listed company held

Applicable Not applicable

The Company had no equity of other listed company held in Period.

4. Explanation on equity of other listed company held

Applicable Not applicable

The Company had no equity of other listed company held in Period.

(II) Trust financing, derivative investment and trust loans

1. Trust financing

√ Applicable □ Not applicable

In 10 thousand Yuan

Name	Related relationship	Whether related trade or not	Type	Trust financing amount	Start date	End date	Criteria for fixing reward	Principal actually collected in the Period	Amount of reserve for devaluation of withdrawing (if applicable)	Anticipated income	Actual gains/losses in period
Anhui Province branch of Bank of Communications	N/A	No	Floating proceeds products	10,000	2015-5-22	2015-6-26	5.4% annual yield	10,000	0	51.78	51.78
Total				10,000	--	--	--	10,000	0	51.78	51.78
Capital resource				Self-owned capital							
Principal uncollected for overdue and accumulated earnings				N/A							
Lawsuit involved (if applicable)				Not applicable							
Disclosure date for approval from the Board for trust financing (if applicable)				2015-3-26							
Disclosure date for approval from board of shareholders for trust financing (if applicable)				2015-4-18							

2. Derivative investment

√ Applicable □ Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount of reserve for devaluation	Investment amount at period-end	Ratio of investment amount at period-end	Actual gains/losses in period
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		or not						tion of withdra wing (if applica ble)		d in net assets of the Company at period-en d	
Financial institution	N/A	No	Forward foreign exchange contract	25,584.61	2014-7-1	2016-12-31	13,319.93	0	25,584.61	7.25%	365.33
Total				25,584.61	--	--	13,319.93	0	25,584.61	7.25%	365.33
Capital resource(if applicable)			Self-owned capital								
Lawsuit involved (if applicable)			Not applicable								
Disclosure date for approval from the Board for investment of derivatives (if applicable)			2014-4-19 and 2015-3-26								
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)			2014-6-6 and 2015-4-18								
Risk analysis and controlling measures for derivatives holdings in the Period (including but not limited to market risk, liquidity risk, credit risks, operation risk and law risks etc.)			<p>Risk analysis:</p> <p>1. Market risk: domestic and international economic situation changes may lead to exchange rate fluctuations, forward foreign exchange transactions are under certain market risk. Forward foreign exchange business is aiming to reducing impact on corporate profits by foreign exchange settlement and sale prices, exchange rate fluctuations. The Company will follow up the exchange fluctuation, on the basis of target rate determined from the business, relying on the research of the foreign currency exchange rates, combined with prediction of consignments, and burdening ability to price variations due to exchange rate fluctuations, then determine the plan of forward foreign exchange contracts, and make dynamic management to the business, to ensure reasonable profit level.</p> <p>2. Liquidity risk: all foreign exchange transactions are based on a reasonable estimate of the future import and export business, to meet the requirements of the trade authenticity. In addition, forward foreign exchange transactions are processed with bank credit, will not affect liquidity of company funds.</p> <p>3. Bank default risk: if cooperative banks collapse within the contract time, the Company will not be able to transact the original foreign exchange contracts with contract price, which leads the risk of income uncertainty. So the Company chose Bank of China, Agricultural Bank of China, Industrial and Commercial Bank of China, China Construction Bank and other Chinese Banks and part of the larger foreign Banks (such as Deutsche Bank, UOB, Overseas Chinese Bank, HSBC, etc.) to conduct the trading of foreign exchange capital. These banks share a solid</p>								

	<p>strength and management whose failure and the risk of loss may bring to the Company is very low.</p> <p>4. Operational risk: improper operation of the person in charge of forward foreign exchange transactions may cause related risk also. The Company has formulated related management system which defines the operation process and responsibility to prevent and control risks.</p> <p>5. The legal risks: unclear terms based in contract signed with banks for related transactions may lead legal risks when forward foreign exchange transactions are processing. The Company will strengthen legal review, and choose good bank to carry out this kind of business as to risk control.</p>
Invested derivative products have changes in market price or fair value in the Period, as for analysis of the fair value of derivatives, disclosed specific applied methods and correlation assumption and parameter setting	The Company determines fair value in accordance with the Chapter VII “Determination of Fair Value” carried in the Accounting Standards for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments. Fair-value is basically obtained according to prices offered by bank and other pricing services. While fair-value of derivatives is mainly obtained according to the balance between prices given by outstanding contracts and forward prices given by contracts signed during the reporting period with bank. The differences are identified as trading financial assets and liabilities. During the reporting period, forward foreign exchange contracts and losses of the Company is RMB 3.6533 million
Specific principle of the accounting policy and calculation for derivatives in the Period compared with last period in aspect of major changes	Not applicable
Special opinion on derivative investment and risk control by independent directors	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 was able to lock revenue and costs against its actual business, thus to avoid and prevent from exchange risks and maintain steady operation. 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.

3. Trust loans

Applicable Not applicable

No trust loans in Period.

(III) Actual usage of raised capitals

1. General usage of raised capital

√ Applicable □ Not applicable

In 10 thousand Yuan

Total raised capitals	117,795.43
Total raised capital invested in reporting period	230.88
Total accumulative raised capital invested	87,941.96
Total raised fund for changes its usage area in report period	0
Total accumulative raised fund for changes its usage area	0
Proportion of total accumulative raised fund for changes its usage area	0.00%
Explanation on general usage of raised capital	
<p>In 2010, the Company implemented private placement of A-share, fund-raising amounting as 1199.99982 million Yuan in total, net amount of fund-raising was 1177.95432 million Yuan after issuance cost 22.0455 million Yuan (underwriting and sponsor fee 20.5 million Yuan included) deducted.</p> <p>In 2013, the three construction projects with fund-raising investment have completed and reaching the design capacity, that is “Athena Luxury refrigerator production base”, “Freezer expansion project” and “Expansion project of environmental and energy-saving refrigerators”, meanwhile, “working capital supplementation” project implemented and recently, the Company has no other projects that suitable for investment by fund-raising. According to the operation requirement of the Company, approved by the board of directors, board of supervisors and general meeting of shareholders, balance of raising funds 284.440959 million Yuan (including interest 34.832977 million Yuan) up to 30 September 2013 and later interest are supplying the working capital of the Company permanently. The Company actually withdrawal 291.354985 million Yuan for working capital supplementation permanently up to 30 June 2015.</p> <p>Up to the 30th of June 2015, the Company actually used 879.419564 million Yuan accumulatively in fund-raising, balance of fund-raising accounting as 50.887720 million Yuan (including 1,856,122 Yuan undrawn used for working capital supplementation, and totally 49,031,598 Yuan ready for contract payment and quality assurance). More details are:</p> <p>Athena Luxury refrigerator production base project: total investment amounting to 528,508,471 Yuan in total after savings deducted. Up to 30th of June 2015, the project accumulatively invested 503,396,607 Yuan, balance of fund-raising was 25,118,127 Yuan, including 25,111,864 Yuan ready for contract payment and quality assurance and 6,263 Yuan undrawn used for working capital supplementation permanently.</p> <p>Capacity expansion project for freezer: the project owns total investment of 251,883,547 Yuan after savings deducted. Up to 30 June 2015, the project have accumulative investment of 227,963,813 Yuan, balance at fund-raising account was 25,769,593 Yuan, including amount ready for payment and quality assurance 23,919,734 Yuan and 1,849,859 Yuan without extract used for supply current capital permanently.</p>	

2. Commitments of raised capital

Applicable Not applicable

3. Changes of raise capital projects

Applicable Not applicable

No change of raise capital projects in Period.

4. Project with fund raised

Applicable Not applicable

(IV) Main subsidiary of the Company and stock jointly company analysis

Applicable Not applicable

1. Subsidiary and stock jointly enterprise of the Company

Name	Type	Industry	Main products or service	Registered capital (10 thousand Yuan)	Total assets (RMB)	Net assets (RMB)	Operation revenue (RMB)	Operation profit (RMB)	Net profit (RMB)
Zhongke Meiling Low-temperature Technology Co., Ltd.	Subsidiary	Manufacturing	Product and sale of deep-freeze refrigerator and icebox	6,000	132,273,754.26	96,544,688.05	42,750,432.40	2,460,549.93	2,433,399.68
Jiangxi Meiling Refrigeration Co., Ltd.	Subsidiary	Manufacturing	Sales and production of refrigerator	5,000	187,345,608.87	86,770,112.43	199,516,676.80	-424,997.02	836,342.08
Mianyang Meiling Refrigeration Co., Ltd.	Subsidiary	Manufacturing	Sales and production of refrigerator	10,000	270,343,064.35	98,458,324.75	130,609,659.99	410,137.29	362,409.58
Sichuan Changchun Air-conditioner Co., Ltd.	Subsidiary	Manufacturing	Sales and production of air-conditioner	20,000	2,132,336,867.64	597,959,950.75	1,882,758,269.22	24,929,242.85	26,114,016.49
Zhongshan Changhong Electric Co., LTD	Subsidiary	Manufacturing	Sales and production of air-conditioner	12,000	875,751,482.10	161,707,969.54	726,792,234.85	8,486,428.75	9,336,506.38

Hefei Meiling Electronic Appliance Marketing Co., Ltd.	Subsidiary	Manufacturing	Sales of refrigeration appliance, air-conditioner, washing machine and general merchandise	5,500	834,600,891.35	-227,157,645.94	1,955,979,288.71	10,567,584.59	9,048,426.24
Hefei Meiling Group Holdings Limited	Subsidiary	Manufacturing	Manufacture of washing machine, plastic products, fine welded pipe, cooling parts, package products and decoration; sales of self-production products and raw materials, machinery equipment, instruments and general merchandise	8,000	521,959,595.29	61,554,818.82	194,157,868.56	6,263,461.63	6,318,834.52

Mianyang Meiling Software Technology Co., Ltd.	Subsidiary	Software R&D sales	Air-conditioner, washing machine, refrigerator, freezer etc. household appliances control, intelligent software R&D sales	500	65,053,225.52	58,916,563.06	36,240,483.22	31,051,376.55	35,085,072.86
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(V) Major project with non raised fund

Applicable Not applicable

The company had no major projects invested by non-raised fund in the reporting period.

VI. Prediction of business performance from January – September 2015

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

VII. Explanation on “Qualified Opinion” from CPA by the Board and Supervisory Committee

Applicable Not applicable

VIII. Explanation from the Board for “Qualified Opinion” of last year’s

Applicable Not applicable

IX. Implementation of profit distribution in reporting period

Implementation or adjustment of profit distribution plan in reporting period, cash dividend plan and shares converted from capital reserve in particular

Applicable Not applicable

On 24 March 2015 and 17 April 2015, the “Profit Distribution Plan for year of 2014” was deliberated and approved by 6th meeting of 8th session of the Board, 4th meeting of 8th session of supervisory committee and annual shareholders’ general meeting of 2014. Independent directors also express independent acceptance opinion for the proposal. The Company agreed to distribute 0.6 Yuan (tax included) in cash for every 10 shares held by all shareholders of the Company based on total share capital 763,739,205 shares dated 31 December 2014, took shareholders equity and long-term development requirement of the Company into consideration overall. Cash dividend of 45,824,352.30 Yuan (tax included, cash dividend representing 23.19% of the distributable profit for that year) was distributed in total. Total share capital of the Company remain unchanged after distribution, the remaining retained profit 721,612,718.56 Yuan accumulated will carry forward for distribution in later years. The Company disclosed the profit distribution plan for year of 2014 on 3 June 2015 and implemented the above said plans.

Found more details in Notice: No.2015-003, No.2015-004, No.2015-015 and No.2015-021 published respectively dated 26 March 2015, 18 April 2015 and 3 June 2015 on appointed website.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Y/N):	Y
Well-defined and clearly dividend standards and proportion (Y/N):	Y
Completed relevant decision-making process and mechanism (Y/N):	Y
Independent directors perform duties completely and play a proper role (Y/N):	Y
Minority shareholders have opportunity to express opinions and demands totally and their legal rights are fully protected (Y/N):	Y
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Y/N):	Y

X. Profit distribution plan and capitalizing of common reserve plan for the Period

Applicable Not applicable

The Company has no plans of cash dividend distributed, no bonus shares and has no share converted from capital reserve either for the semi-annual year.

XI. Registration of research, communication and interview in reporting period

Applicable Not applicable

Date	Place	Way	Type	objects	Main information discussed and material provided
2015-1-20	Conference room of the Company	Field research	Institute	Essences Securities, Zhong Ou Asset Management	Operation of the Company, no materials provided
2015-1-30	Conference room of the Company	Field research	Institute	Founder Securities	Operation of the Company, no materials provided
2015-2-5	Conference room of the Company	Field research	Institute	Great Wall Securities	Operation of the Company, no materials provided
2015-2-11	Conference room of the Company	Field research	Institute	Sinolink Securities	Operation of the Company, no materials provided
2015-4-2	Conference room of the Company	Field research	Institute	Minsheng Securities	Operation of the Company, no materials provided

2015-5-6	Conference room of the Company	Field research	Institute	UBS Securities, Broad Peak Investment Advisers Pte Ltd	Operation of the Company, no materials provided
2015-5-7	Conference room of the Company	Field research	Institute	CITIC Securities, CITIC Securities, Sun Life Everbright Life, Haitong Securities, Hong Fund Management Co., Ltd., Fudun Investment and Consulting Co., Ltd. Bank of China Investment Management	Operation of the Company, no materials provided
2015-5-8	Conference room of the Company	Field research	Institute	Essences Securities, Huaan Securities	Operation of the Company, no materials provided
2015-5-13	Conference room of the Company	Field research	Institute	Huatai Securities, Industrial Asset Management	Operation of the Company, no materials provided
2015-5-14	Conference room of the Company	Field research	Institute	Founder Securities, Huangshang Fund Management, Mirae Asset	Operation of the Company, no materials provided
2015-5-19	Conference room of the Company	Field research	Institute	GF Securities	Operation of the Company, no materials provided
2015-6-5	Conference room of the Company	Field research	Institute	Bohai Securities	Operation of the Company, no materials provided
2015-7-2	Conference room of the Company	Field research	Institute	Kingsmead Asset Management Pte.Ltd.	Operation of the Company, no materials provided

Section V. Important Events

I. Corporate governance

Actual corporate governance of the Company shows no difference with the Company Law and requirement of relevant regulations from CSRC.

II. Lawsuits

(I) Material lawsuits and arbitration

Applicable Not applicable

No material lawsuits and arbitration in the reporting

(II) Other lawsuits

The Company and Meiling Group discharge the Trademark Use Right License Agreement signed with Hefei Meiling Environmental Equipment Technology Co., Ltd., Hefei Meiling Cleaning Equipment Technology Co., Ltd., Hefei Meiling Electrical Appliances Co., Ltd., Hefei Meiling Cabinets and Electrical Co., Ltd., Hefei Meiling Auto Industry Co., Ltd., Hefei Meiling Security and Protection Products Co., Ltd. and Hefei Meiling Information and Communication Technology Co., Ltd. respectively by litigation and arbitration, no the above mentioned enterprise have the right to use a trademark of “Meiling”. At the same time, the Company corresponding the action of “Meiling” usage by the above mentioned enterprise who violating laws and rules, by means of industry and commerce complaints, civil action and report to the police. More details are found in the 1Q report of 2014, semi-annual report of 2014, clarification announcement on failure to pass such quality inspection-“Meiling” Smoke Exhauster, and annual report 2014 published on 19 April 2014, 12 August, and 16 March 2015, 26 March and 18 April respectively.

III. Questions by media

Applicable Not applicable

Questions by media	Date of disclosure	Index of disclosure
As reported on 15 March CCTV Banquet, kitchen ventilator products produced by Zhongshan Branch of Hefei Meiling Small Home Appliances Co., Ltd. didn't pass the national quality random inspection. The Company paid high attention to the aforesaid report and made verification promptly. Later, it published the clarification announcement on failure to pass such quality inspection via the designated information disclosure media, the major contents of which included: Hefei Meiling Small Home Appliances Co., Ltd. and its Zhongshan Branch are	2015-3-16	Juchao Website: http://www.cninfo.com.cn No.: 2015-002

<p>not our subsidiaries without any relation involving assets, equity interests and operation management. The Company has already required Meiling Group to discharge the Trademark Use Right License Agreement signed with Hefei Meiling Small Home Appliances Co., Ltd immediately, required Small Home Appliances Company to seal up all the inventories with quality defects and returned back for rectification, and arranged return, exchange and free maintenance for those products which were sold out with quality defects.</p>		
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IV. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization in Period.

V. Assets transaction

(I) Acquisition of assets

Applicable Not applicable

No acquisition of assets in Period.

(II) Assets sold

Applicable Not applicable

No assets sold in Period.

(III) Enterprise combination

Applicable Not applicable

No enterprise combination in Period.

VI. Implementation and its influence of equity incentive plan

Applicable Not applicable

No implementation of equity incentive plan in Period.

VII. Material related transaction

(I) Related transaction with daily operation concerned

Applicable Not applicable

Serial	Related party	Relationship	Type of related transaction	Content of related transaction	Pricing principle	Related transaction price (in 10 thousand Yuan)	Related transaction amount (in 10 thousand Yuan)	Proportion in similar transactions (%)	Trading limit approved (in 10 thousand Yuan)	Whether over the approved limited or not (Y/N)	Clearing form for related transaction	Available similar market price	Date of disclosure	Index of disclosure
1	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Commodity purchased	Electric melting, resistors, integrated circuit accessory, color masterbatch	Marketing price	7,272.32	7,272.32	0.02	100,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
2	Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Compressor etc.	Marketing price	28,354.30	28,354.30	6.59%	80,000	No	settlement by acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

3	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Plastic products etc.	Marketing price	17,951.28	17,951.28	4.17%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
4	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Door shell, baseboard etc.	Marketing price	10,254.28	10,254.28	2.38%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
5	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Packing case, printed matter etc.	Marketing price	2,634.77	2,634.77	0.61%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

		g shareholder and ultimate controller												
6	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	PCB etc.	Marketing price	346.07	346.07	0.08%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
7	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Battery	Marketing price	37.89	37.89	0.01%	100,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

8	Sichuan Liyuan Electronic Co., Ltd. of 081 Electronic Group	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Transformer and filter	Marketing price	163.70	163.70	0.04%	15,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
9	Mianyang Hongrun Electronic Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Conductor line etc.	Marketing price	471.38	471.38	0.11%	100,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
10	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling	Commodity purchased	Foam pieces etc.	Marketing price	305.37	305.37	0.07%	100,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

		g shareholder and ultimate controller												
11	Zhongs han Guangh ong Mold Techno logy Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Comm odity purcha sed	Plastic parts	Marketin g price	99.22	99.22	0.02%	100,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015
12	Sichuan Hongyu Metal Manufa cture Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Comm odity purcha sed	Radiator	Marketin g price	34.77	34.77	0.01%	100,000	No	Bank accepta nce	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015

13	Guangdong Changhong Digital Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Hand piece	Marketing price	49.27	49.27	0.01%	100,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
14	Guangdong Changhong Electric Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Rice cooker etc.	Marketing price	97.94	97.94	0.02%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
15	Sichuan Changhong Electronic Devices	Other enterprise control under the same controlling	Commodity purchased	Printed board, remote control and transformer	Marketing price	2,111.91	2,111.91	0.49%	100,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Co., Ltd.	g shareholder and ultimate controller												
16	Sichuan Changhong Xinrui Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Air conditioning components	Marketing price	4,355.12	4,355.12	1.01%	15,000	No	Spot exchange, Commercial acceptance settlement	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
17	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Commodity purchased	Air-conditioner components	Marketing price	17.75	17.75	0.00%	100,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

18	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	54,224.47	54,224.47	8.44%	350,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
19	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Color plate	Marketing price	1,697.64	1,697.64	0.26%	350,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
20	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner, color masterbatch	Marketing price	5,206.48	5,206.48	0.81%	350,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

21	Miyanang LJY Commerce-Trading Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner, refrigerator, freezer and washing machine	Marketing price	104.48	104.48	0.02%	350,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
22	Hong Kong (Chang hong) Trading Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, Air-conditioner	Marketing price	27,291.35	27,291.35	4.25%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
23	Sichuan Changhong Xinrui Technology	Other enterprise control under the same controlling	Sales of goods	Commission processing material	Marketing price	2,216.58	2,216.58	0.34%	10,000	No	Commercial acceptance settlement	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Co., Ltd	g shareholder and ultimate controller												
24	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Sales and returns of air-conditioner	Marketing price	-2.56	-2.56	0.00%	10,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
25	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	2.44	2.44	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

26	Lejiayi Chain Management Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, washing machine	Marketing price	178.30	178.30	0.03%	350,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
27	Zhongsan Guanghong Mold Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner, Refrigerator	Marketing price	75.79	75.79	0.01%	350,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
28	Sichuan Changhong Devices Technology	Other enterprise control under the same controlling	Sales of goods	Air-conditioner	Marketing price	14.70	14.70	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Co., Ltd.	g shareholder and ultimate controller												
29	Guangdong Changhong Electric Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator, freezer	Marketing price	478.27	478.27	0.07%	350,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
30	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	21.16	21.16	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

31	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Watt-hour meter	Marketing price	14.92	14.92	0.00%	350,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
32	Sichuan Changhong Minshe Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	0.08	0.08	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
33	Sichuan Liyuan Electronic Co., Ltd. of 081	Other enterprise control under the same controlling	Sales of goods	Air-conditioner bracket	Marketing price	2.45	2.45	0.00%	10,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Electro nic Group	g shareholde r and ultimate controller												
34	081 Electro nic Group Co., Ltd.	Other enterprise control under the same controllin g shareholde r and ultimate controller	Sales of goods	Sales and returns of air-conditio ner	Marketin g price	-8.49	-8.49	0.00%	10,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015
35	Sichuan Service Exp. Applian ce Service Chain Co., Ltd.	Other enterprise control under the same controllin g shareholde r and ultimate controller	Sales of goods	Air-conditio ner	Marketin g price	286.92	286.92	0.04%	350,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015

36	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Waste materials	Marketing price	445.82	445.82	0.07%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
37	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Packing box	Marketing price	209.32	209.32	0.03%	350,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
38	Sichuan Huafeng Group	Other enterprise control under the same controlling	Sales of goods	Air-conditioner	Marketing price	3.13	3.13	0.00%	10,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

		g shareholder and ultimate controller												
39	Changhong Europe Electronics, r.o	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Refrigerator	Marketing price	92.42	92.42	0.01%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
40	Sichuan Changhong Electronic Devices Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	22.76	22.76	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

41	Chengdu Changhong Minshe Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	4.20	4.20	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
42	Guangyuan Hongcheng Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner components	Marketing price	0.03	0.03	0.00%	10,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
43	Guangyuan Changhong Mold Techno	Other enterprise control under the same controlling	Sales of goods	Air-conditioner	Marketing price	2.99	2.99	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	logy Co., Ltd.	g shareholder and ultimate controller												
44	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	27,806.61	27,806.61	4.33%	350,000	No	Commercial acceptance settlement	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
45	Chengdu Changhong Property Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	1.38	1.38	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

46	Anhui Xinghao Plasma Display Panels Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of goods	Air-conditioner	Marketing price	53.85	53.85	0.01%	10,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
47	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Workshop rental, forklift, equipment	Marketing price	35.01	35.01	0.44%	3,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
48	Sichuan Changhong Mold Plastic Tech.	Other enterprise control under the same controlling	Rent to the related party	Workshop rental, warehouse rental	Marketing price	90.61	90.61	1.13%	3,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Co., Ltd.	g shareholder and ultimate controller												
49	Sichuan Changhong Xinrui Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Forklift	Marketing price	0.04	0.04	0.00%	10,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
50	BVCH Optronic (Sichuan) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Freight elevator rental	Marketing price	6.37	6.37	0.08%	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

51	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Part of office building for rent, living quarters II rental	Marketing price	63.61	63.61	0.79%	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
52	Guangdong Changhong Electric Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Meiling trademark rights	Marketing price	0	0	0	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
53	Guangdong Changhong Electric Techno	Other enterprise control under the same controlling	Rent to the related party	Living quarters II rental	Marketing price	1.45	1.45	0.02%	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	logy Co., Ltd.	g shareholder and ultimate controller												
54	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Living quarters II rental	Marketing price	0.34	0.34	0.00%	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
55	Sichuan Changhong Minshe Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent to the related party	Part of office building for rent, living quarters II	Marketing price	2.81	2.81	0.03%	3,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

56	Zhongs han Guangh ong Mold Techno logy Co., Ltd.	Other enterprise control under the same controllin g shareholde r and ultimate controller	Rent to the related party	Living quarters rental	Marketin g price	0.58	0.58	0.01%	3,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015
57	Sichuan Changh ong Packag e Printing Co., Ltd.	Other enterprise control under the same controllin g shareholde r and ultimate controller	Rent to the related party	Warehouse rental	Marketin g price	0.23	0.23	0.00%	3,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015
58	Sichuan Changh ong Electric Co., LTD	Controllin g shareholde r and ultimate controller	Rent from the related party	Building and office rental	Marketin g price	393.26	393.26	4.89%	3,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015 -004,2015-006,2015-015

59	Guangdong Changhong Electric Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Rent from the related party	Warehouse rental	Marketing price	28.00	28	0.35%	3,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
60	Sichuan Changhong Electronics Group Co., Ltd.	Controlling shareholder and ultimate controller	Rent from the related party	Staff dormitory rental	Marketing price	0.28	0.28	0.00%	15,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
61	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Purchase of fixed assets	Line body transformation, project development	Marketing price	246.42	246.42	3.62%	5,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
62	Sichuan Hongxin	Other enterprise control	Purchase of fixed	Software development, system	Marketing price	49.53	49.53	0.73%	5,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015

		ultimate controller												
65	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Sales of fixed assets	Disposal of waste assets	Marketing price	1.50	1.5	0.89%	5,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
66	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Receiving labor services	Information system services, marketing fee, installation fee	Marketing price	442.23	442.23	0.56%	5,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
67	Sichuan Changhong Minshe	Other enterprise control under the same	Receiving labor services	Transportation, storage, loading and unloading	Marketing price	17,417.32	17,417.32	22.20%	50,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Logistic Co., Ltd.	controlling shareholder and ultimate controller									nce			
68	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	After-sales maintenance fee etc.	Marketing price	5,735.41	5,735.41	7.31%	20,000	No	Spot exchange, Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
69	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	Project cooperation development	Marketing price	58.12	58.12	0.07%	5,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

70	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	Other service fees	Marketing price	2.64	2.64	0.00%	5,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
71	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	Processing fee	Marketing price	1.23	1.23	0.00%	5,000	No	Bank acceptance	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
72	Sichuan Changhong Jijia Fine Co.,	Other enterprise control under the same controlling	Receiving labor services	Equipment repair	Marketing price	0.43	0.43	0.00%	5,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Ltd.	g shareholder and ultimate controller												
73	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	Advertising fees	Marketing price	1.44	1.44	0.00%	15,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
74	Changhong (Hong Kong) Trading Company Limited	Other enterprise control under the same controlling shareholder and ultimate controller	Receiving labor services	Other fees	Marketing price	0.88	0.88	0.00%	5,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

75	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing fuel and power	Water and electricity fee	Marketing price	31.52	31.52	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
76	Sichuan Changhong Minshe Logistics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing fuel and power	Water and electricity fee	Marketing price	1.20	1.2	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
77	Sichuan Service Exp. Appliance Service	Other enterprise control under the same controlling	Providing fuel and power	Water and electricity fee	Marketing price	0.01	0.01	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	Chain Co., Ltd.	g shareholder and ultimate controller												
78	Zhongs han Guangh ong Mold Techno logy Co., Ltd.	Other enterprise control under the same controllin g shareholder and ultimate controller	Providi ng fuel and power	Water and electricity fee	Marketin g price	0.08	0.08	0.00%	350,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015-004,2015-006,2015-015
79	Sichuan Changh ong Jijia Fine Co., Ltd.	Other enterprise control under the same controllin g shareholder and ultimate controller	Providi ng fuel and power	Water, electricity and gas fee	Marketin g price	21.18	21.18	0.00%	350,000	No	Spot exchan ge	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.co m.cn)No.:2015-003,2015-004,2015-006,2015-015

80	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing fuel and power	Water, electricity and gas fee	Marketing price	325.59	325.59	0.05%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
81	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Providing fuel and power	Water and electricity fee	Marketing price	0.02	0.02	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
82	Guangdong Changhong Electric Techno	Other enterprise control under the same controlling	Providing fuel and power	Water and electricity fee	Marketing price	0.12	0.12	0.00%	350,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015

	logy Co., Ltd.	g shareholder and ultimate controller												
83	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Accepting fuel and power	Water, electricity and gas fee	Marketing price	532.15	532.15	0.12%	100,000	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
84	Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Accepting fuel and power	Compressed air, electricity fees	Marketing price	19.30	19.3	0.00%	100	No	Spot exchange	-	2015-3-26, 2015-4-18	Juchao Website(www.cninfo.com.cn)No.:2015-003,2015-004,2015-006,2015-015
Total						--	-	220,554.63	-	-	-	--	--	--
Detail of sales return with major amount involved						-								
Report the actual implementation of the daily related transactions which were projected about their total amount by types during the reporting period(if applicable)						Being deliberated and approved by annual shareholders general meeting of 2014, the daily related transaction amount for year of 2015 was estimated as:								
						1. It is estimated that the related transaction amount resulted by purchasing goods (including door shell and plastic products etc.) and accepting fuel and power from Sichuan Changhong and its subsidiary by the Company for year of 2015 was RMB 1000 million at most								

- | | |
|--|---|
| | (tax-excluded), actually RMB 422.1637 million occurred in reporting period (tax-excluded). |
| | 2. It is estimated that the related transaction amount resulted by purchasing goods (including compressor purchased etc.) from Huayi Compressor and its subsidiary by the Company for year of 2015 was RMB 800 million at most (tax-excluded), actually RMB 283.5430 million occurred in reporting period (tax-excluded). |
| | 3. It is estimated that the related transaction amount resulted by purchasing or selling equipment, software, maintenance and spare parts and molds etc. from Sichuan Changhong and its subsidiary by the Company for year of 2015 was RMB 50 million at most (tax-excluded), actually RMB 3.3036 million occurred in reporting period (tax-excluded). |
| | 4. It is estimated that the related transaction amount resulted by purchasing goods from and providing fuel and power to Sichuan Changhong and its subsidiary by the Company for year of 2015 was RMB 3500 million at most (tax-excluded), actually RMB 1185.6222 million occurred in reporting period (tax-excluded). |
| | 5. It is estimated that the related transaction amount resulted by purchasing compressed air, leasing facilities of automatic fire protection system etc. and accepting logistic service from Huayi Compressor and its subsidiary by the Company for year of 2015 was RMB 1 million at most (tax-excluded), actually RMB 193,000 occurred in reporting period (tax-excluded). |
| | 6. It is estimated that the related transaction amount resulted by leasing business from Sichuan Changhong and its subsidiary by the Company for year of 2015 was RMB 30 million at most (tax-excluded), actually RMB 6.2227 million occurred in reporting period (tax-excluded). |
| | 7. It is estimated that the related transaction amount from domestic finished goods logistic business outsourcing to Sichuan Changhong Minsheng Logistic Co., Ltd. by the Company for year of 2015 was RMB 500 million at most (tax-excluded), actually RMB 174.1732 million occurred in reporting period (tax-excluded). |
| | 8. It is estimated that the related transaction amount from after sales service of domestic goods outsourcing to Sichuan Service Exp. Appliance Service Chain Co., Ltd. by the Company for year of 2015 was RMB 200 million at most (tax-excluded), actually RMB 57.3541 million occurred in reporting period (tax-excluded). |
| | 9. It is estimated that the related transaction amount resulted by accepting other service and labor service etc. or providing other service and labor service etc. to Sichuan Changhong and its subsidiary by the Company for year of 2015 was RMB 50 million at most (tax-excluded), actually RMB 5.0553 million occurred in reporting period (tax-excluded). |
| | 10. It is estimated that the related transaction amount resulted by selling goods from Sichuan Changhong Electronics Group and its subsidiary by the Company for year of 2015 was RMB 100 million at most (tax-excluded), actually RMB 22.6503 million occurred in |

	reporting period.
	11. It is estimated that the related transaction amount resulted by purchasing goods and receiving labor services etc. from Sichuan Changhong Electronics Group and its subsidiary by the Company for year of 2015 was RMB 150 million at most (tax-excluded), actually RMB 45.2652 million occurred in reporting period.
Reasons for major differences between trading price and market reference price	Not applicable

(II) Related transactions between the Company and Changhong Finance Company

According to the three-year Financial Services Agreement that the Company signed with Changhong Finance Company, Changhong Finance Company should provide a range of financial services within its business scope in accordance with the requirements of the Company and its subsidiaries, including but not limited to deposit services, settlement services, loan services, bill discounting services, guarantees and other businesses approved by the China Banking Regulatory Commission. Related transactions between the Company and Changhong Finance Company in the half year of 2015 are as follows:

Up to 30th of June 2015, the Company and its subsidiary have opened financial business as savings, note drawing and notes discounted with Changhong Finance Company. The Company and its subordinate company owns 986,230,115.61 Yuan savings in Changhong Finance Company, takes 16.66% of the deposit taking balance in Changhong Finance Company without 30% occupied, notes drawing was 698,739,353.69 Yuan and notes discounted as 687,109,110.90 Yuan. More details are:

Name	Balance at period-begin	Increase in the year	Decrease in the year	Balance at period-end	In RMB
					Interest and commission charge received or paid
I. Savings in Changhong Group Finance Company	1,040,209,426.68	4,753,894,052.61	4,807,873,363.68	986,230,115.61	14,865,885.04
II. Borrowings from Changhong Group Finance Company	-	-	-	-	-
1.Short-term loans	-	-	-	-	-
2.Long-term loans	-	-	-	-	-
III. Other financial business	-	-	-	-	-
1. notes drawing	258,631,647.68	707,767,370.55	267,659,664.54	698,739,353.69	-
2. notes discounted	210,940,218.46	690,307,526.33	214,138,633.89	687,109,110.90	7,476,718.96

3. Other	-	-	-	-	-
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(III) Related transaction arising from assets acquisition and sold

Applicable Not applicable

No Related transaction arising from assets acquisition and sold in reporting period.

(IV) Material related transaction of jointly foreign investment

Applicable Not applicable

The Company has no material related transaction of jointly foreign investment occurred in reporting period.

(V) Connect of related liability and debt

Applicable Not applicable

Whether has non-operational contact of related liability and debts or not

Yes No

No non-operational contact of related liability or debts in Period

1. Claim receivable from related party:

Serial	Related party	Relationship	Causes	Whether has non-business capital occupying or not	Balance at period-begin (10 thousand Yuan)	Current newly added (10 thousand Yuan)	Current recovery (10 thousand Yuan)	Interest rate	Current interest (10 thousand Yuan)	Balance at period-end (10 thousand Yuan)
1	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Operational contact of related credit	No	1,454.50	63,442.63	61,409.05	-	-	3,488.08
2	Sichuan Changhong Electronics Group Co., Ltd.	Controlling shareholder and ultimate controller	Operational contact of related credit	No	227.51	-	-	-	-	227.51
3	Changhong (Hong Kong) Trading Company Limited	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	11,097.59	27,291.35	20,446.52	-	-	17,942.43
4	Chengdu Changhong Electronic Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	530.90	-	347.38	-	-	183.52
5	Sichuan Changhong Minsheng Logistic Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	4.20	9.22	4.21	-	-	9.21
6	Guangdong Changhong Electric Technology Co.,	Other enterprise control under the same controlling shareholder	Operational contact of related credit	No	12.00	561.17	561.17	-	-	12.00

	Ltd.	and ultimate controller								
7	Hefei Changhong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	216.17	244.91	260.38	-	-	200.70
8	Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	106.34	-	79.96	-	-	26.38
9	081 Electronic Group Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	208.60	-9.94	-	-	-	198.66
10	Mianyang Hongfa Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	49.80	-	-8.53	-	-	58.33
11	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	37.76	335.70	253.47	-	-	119.99
12	Sichuan Changhong Devices Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	6.49	43.83	5.18	-	-	45.14
13	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Other enterprise control under the same controlling shareholder	Operational contact of related credit	No	0.19	521.61	521.80	-	-	0.00

		and ultimate controller								
14	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	405.00	-3.00	68.00	-	-	334.00
15	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	29.72	2,047.60	1,432.25	-	-	645.07
16	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	6.10	17.46	-	-	-	23.56
17	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	37.93	6,569.57	6,588.43	-	-	19.07
18	Sichuan Changhong Xinrui Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	0.21	2,594.07	2,351.79	-	-	242.48
19	Yibing Hongxing Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	105.80	-	-	-	-	105.80
20	Mianyang Lejiayi Trading Chain Co., Ltd.	Other enterprise control under the same controlling shareholder	Operational contact of related credit	No	-	122.25	122.25	-	-	-

		and ultimate controller								
21	Lejiayi Chain Management Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	208.61	208.61	-	-	-
22	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	100.49	100.49	-	-	-
23	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	25.00	24.76	-	-	0.24
24	Guangyuan Hongcheng Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	0.03	0.03	-	-	-
25	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	1.53	1.53	-	-	-
26	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	3.24	2.94	-	-	0.30
27	Zhongshan Guanghong Mold Technology Co.,	Other enterprise control under the same controlling shareholder	Operational contact of related credit	No	-	88.68	35.21	-	-	53.47

	Ltd.	and ultimate controller								
28	ChanghongEuropeElectrics.r.o	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	92.42	22.49	-	-	69.93
29	Sichuan Zhiyijia Network Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	32,533.74	26,989.77	-	-	5,543.96
30	Chengdu Changhong Property Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	1.62	1.54	-	-	0.08
31	BVCH Optronics (Sichuan) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	7.46	7.46	-	-	-
32	Sichuan Liyuan Electronic Co., Ltd. of 081 Electronic Group	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	2.87	2.87	-	-	-
33	Anhui Xinghao Plasma Display Panels Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related credit	No	-	63.00	-	-	-	63.00
34	Sichuan Huafeng Corp. Group	Other enterprise control under the same controlling shareholder	Operational contact of related credit	No	-	3.66	3.66	-	-	-

		and ultimate controller								
-	-	-	-	-	14,536.81	136,920.77	121,844.64	-	-	29,612.93
Influence on business performance and financial status of the Company from related liabilities			—							

2. Debts payable to related party:

Serial	Related party	Relationship	Causes	Balance at period-begin (10 thousand Yuan)	Current newly added (10 thousand Yuan)	Current recovery (10 thousand Yuan)	Interest rate	Current interest (10 thousand Yuan)	Balance at period-end (10 thousand Yuan)
1	Sichuan Changhong Electric Co., LTD	Controlling shareholder and ultimate controller	Operational contact of related debt	2,956.40	10,282.66	9,313.19	-	-	3,925.87
2	Sichuan Changhong Electronics Group Co., Ltd.	Controlling shareholder and ultimate controller	Operational contact of related debt	6.06	0.28	-0.13	-	-	6.47
3	Guangdong Changhong Electronics Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	38.17	360.07	93.79	-	-	304.45
4	Guangdong Changhong Electric Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	51.25	142.60	144.62	-	-	49.23

5	Guangyuan Hongcheng Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	0.03	-	0.03	-	-	-
6	Huayi Compressor Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	10,943.32	33,197.11	32,261.89	-	-	11,878.54
7	Lejiayi Chain Management Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	0.08	-	-0.28	-	-	0.36
8	Sichuan Liyuan Electronic Co., Ltd. of 081 Electronic Group	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	16.88	198.52	166.48	-	-	48.93
9	Mianyang Hongfa Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	11.30	57.65	57.65	-	-	11.30
10	Mianyang Hongrun Electronic Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	95.86	551.52	462.96	-	-	184.42
11	Mianyang Lejiayi Trading Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	12.35	-	12.26	-	-	0.09

12	Sichuan CCO Display Device Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	7.46	-	-	-	-	7.46
13	Sichuan Hongwei Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	17.75	82.36	79.35	-	-	20.76
14	Sichuan Hongyu Metal Manufacture Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	13.27	40.68	9.60	-	-	44.35
15	Sichuan Service Exp. Appliance Service Chain Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	1.10	6,712.81	5,355.82	-	-	1,358.09
16	Sichuan Changhong Package Printing Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	1,101.66	3,082.68	2,491.38	-	-	1,692.96
17	Sichuan Changhong Power Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	3.64	-	-0.22	-	-	3.86
18	Sichuan Changhong Devices Technology Co.,	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	892.89	2,470.94	1,445.09	-	-	1,918.73

	Ltd.								
19	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	26.07	-	19.04	-	-	7.03
20	Sichuan Changhong International Hotel Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	0.76	-	-0.20	-	-	0.96
21	Sichuan Changhong International Travel Agency Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	5.68	-	-6.63	-	-	12.31
22	Sichuan Changhong Jijia Fine Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	5,378.32	11,998.01	5,480.46	-	-	11,895.87
23	Sichuan Changhong Precision Electronics Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	142.29	404.91	231.50	-	-	315.70
24	Sichuan Changhong Minsheng Logistic Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	4,401.22	19,075.74	20,090.08	-	-	3,386.88

25	Sichuan Changhong Mold Plastic Tech. Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	6,947.48	21,120.53	15,759.59	-	-	12,308.42
26	Sichuan Changhong Xinrui Technology Co., Ltd	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	1,371.02	5,095.49	6,223.15	-	-	243.36
27	Sichuan Changhong New Energy Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	11.42	44.33	37.83	-	-	17.91
28	Sichuan Changhong Lighting Technology Co.,Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	3.01	-	0.62	-	-	2.39
29	Changhong Electric (Australian) Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	0.55	-	-0.17	-	-	0.72
30	Zhongshan Guanghong Mold Technology Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	0.24	-	0.24	-	-	-

31	Changhong (Hong Kong) Trading Company Limited	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	-	1.04	-7.11	-	-	8.15
32	Sichuan Changhong Electronic System Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	-	38.50	38.50	-	-	-
33	Sichuan Jiahong Industrial Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	-	1.68	1.68	-	-	-
34	Sichuan Hongxin Software Co., Ltd.	Other enterprise control under the same controlling shareholder and ultimate controller	Operational contact of related debt	-	52.50	52.50	-	-	-
-	-	-	-	34,457.53	115,012.60	99,814.57	-	-	49,655.56
Influence on business performance and financial status of the Company from related debts			—						

For the above-mentioned statement, up to the Period-end, debts payable to related party from the Company and subordinate are amounting as 496.5556 million Yuan in total, the claim receivable from related party for the Company and subordinate amounting as 296.1293 million Yuan.

(VI) Other related transactions

Applicable Not applicable

1. The company had no other related transactions in reporting period.

2. Other related transactions from the reporting period to the disclosed date

Disclosure information for related transaction temporary disclosed

Temporary notice	Dated disclosed	Website for disclosure
2015-032: Resolution notice of 9 th meeting of 8 th session of the Board	2015-8-12	Juchao Website: http://www.cninfo.com.cn
2015-033: Resolution notice of 7 th meeting of 8 th session of the Board		
2015-035: Subscribe the Sichuan Hongyun New IT Venture Capital Fund and Related Transaction		

VIII. Non-business capital occupying by controlling shareholders and its related parties

Applicable Not applicable

No non-business capital occupied by controlling shareholders and its related parties in Period.

IX. Significant contract and implementations**(I) Entrust, contract and leasing****1. Entrust**

Applicable Not applicable

(1) Explanation on entrust

No entrust in Period.

(2) Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

2. Contract

Applicable Not applicable

(1) Explanation on contract

No contract in Period.

(2) Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

3. Leasing

(1) Explanation on leasing

Applicable Not applicable

Operational leasing of the Company please found more details in “investment real estate”, “fixed assets”, “Lease of related party” and “Rent of related party” in Note of Financial Statement.

(2) Gains/losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

Applicable Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period.

(II) Guarantee

Applicable Not applicable

In reporting period, the Company has no guarantee for any legal person or nature person except wholly-owned and holding subsidiary, guarantee for wholly-owned and holding subsidiary all exercise for loans or provide other credit supporting operation needs with assurance guarantee offered. As of 30 June 2015, the Company offered credit granting to part of wholly-owned and holding subsidiary. Except for wholly-owned subsidiary Zhongshan Changhong, other subsidiary has no guarantee occurred actually. External guarantee and guarantee for subsidiary are as:

In 10 thousand Yuan

Particulars about the external guarantee of the Company (Barring the guarantee for subsidiaries)								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
N/A	-	-	-	-	-	-	-	-
Total approving external guarantee in report period (A1)			-	Total actual occurred external guarantee in report period (A2)			-	

Total approved external guarantee at the end of report period (A3)		-		Total actual balance of external guarantee at the end of report period (A4)		-		
Guarantee of the Company for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
Zhongke Meiling Cryogenic Technology Co., Ltd.	2015-3-26, 2015-4-18, No.: 2015-003, No.: 2015-007, No.: 2015-015	2,000.00	-	0.00	Joint liability guaranty	-	-	-
Zhongshan Changhong Electric Co., LTD	2013-3-22, 2013-6-7, 2013-10-18, 2013-11-8, No.: 2013-012, No.: 2013-021, No.: 2013-050, No.: 2013-053	35,000.00	2013-12-4	8,000	Joint liability guaranty	1-year	Yes	No
	2014-3-28, 2014-6-6, No.: 2014-015, No.: 2014-019, No.: 2014-034;	55,000.00	2014-12-3	12,000.00	Joint liability guaranty	1-year	No	No
	2015-3-26, 2015-4-18, No.: 2015-003, No.: 2015-007, No.: 2015-015		2014-12-30	10,000.00				
Hefei Meiling Nonferrous Metals Products Co., Ltd.	2015-3-26, 2015-4-18, No.: 2015-003, No.: 2015-007, No.: 2015-015	4,000.00	-	0.00				
Hefei Meiling Package Products Co., Ltd.	2015-3-26, 2015-4-18, No.: 2015-003, No.: 2015-007,	2,000.00	-	0.00	Joint liability guaranty	-	-	-

	No.: 2015-015							
Total amount of approving guarantee for subsidiaries in report period (B1)			63,000.00	Total amount of actual occurred guarantee for subsidiaries in report period (B2)			38,000.00	
Total amount of approved guarantee for subsidiaries at the end of reporting period (B3)			63,000.00	Total balance of actual guarantee for subsidiaries at the end of reporting period (B4)			30,000.00	
Guarantee of the subsidiaries Company for the subsidiaries								
Name of the Company guaranteed	Related Announcement disclosure date	Guarantee limit	Actual date of happening (Date of signing agreement)	Actual guarantee limit	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party (Yes or no)
N/A	-	-	-	-	-	-	-	-
Total amount of approving guarantee for subsidiaries in report period(C1)			-	Total amount of actual occurred guarantee for subsidiaries in report period (C2)			-	
Total amount of approved guarantee for subsidiaries at the end of reporting period (C3)			-	Total balance of actual guarantee for subsidiaries at the end of reporting period (C4)			-	
Total amount of guarantee of the Company(total of three abovementioned guarantee)								
Total amount of approving guarantee in report period (A1+B1+C1)		63,000.00		Total amount of actual occurred guarantee in report period (A2+B2+C2)		38,000.00		
Total amount of approved guarantee at the end of report period (A3+B3+C3)		63,000.00		Total balance of actual guarantee at the end of report period (A4+B4+C4)		30,000.00		
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+ B4+C4)(%)				8.51%				
Including:								
Amount of guarantee for shareholders, actual controller and its related parties(D)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)				30,000.00				
Proportion of total amount of guarantee in net assets of the Company exceed 50%(F)				0				
Total amount of the aforesaid three guarantees(D+E+F)				30,000.00				
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (if applicable)				—				
Explanations on external guarantee against regulated procedures (if applicable)				—				

The above guarantees are all wholly-owned and holding subsidiaries of the Company.

Production and operation of these wholly-owned and holding subsidiaries was normal with no overdue unpaid loans and guarantee risk is controllable. During the reporting period, the highest level of security the Company provided amounted to 630,000,000 Yuan; the actual amount of guarantee is 380,000,000 Yuan. At the end of the reporting period, the practical guarantee amounted to 300,000,000 Yuan, accounting for the Company's latest net assets ratio of 8.51%,

Explanation on guarantee with composite way

Applicable Not applicable

Guarantee outside against the regulation

Applicable Not applicable

No guarantee outside against the regulation in Period.

(III) Other significant contract

Applicable Not applicable

No other significant contract in Period.

(IV) Other significant transaction

Applicable Not applicable

No other significant transaction in Period.

X. Commitments from the Company or shareholder with over 5% share held in reporting period or occurred in prior period but continues to 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.		Valid for long term	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.		Valid for long term	Strictly implemented
Commitment made during the non-public offer	Sichuan Changhong	Commitment regarding to reducing and preventing competition with	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

		Meiling Electrical Appliances	<p>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.</p> <p>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, <i>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.</i></p>			
		Commitment regarding to reducing and standardizing related transaction with Meiling Electrical Appliances	<p>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.</p> <p>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.</p> <p>3. Promise not to hurt legal interests of Meiling Electrical Appliances and other shareholders through related transaction.</p>	2010-6-24	Valid for long term	Strictly implemented

		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 manner, to disclose all the information that have important influences over investors, to accept supervision under the CSRC and Shenzhen Stock Exchange.	2011-1-7	Valid for long term	Strictly implemented
		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.			
		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.			
Commitment made in transfer of air conditioning assets property	Sichuan Changhong	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.	2009-12-10	Valid for long term	Strictly implemented
		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		Valid for long	Strictly implemented

		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.		term	ted
		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.			
Commitments by Annual performance incentive fund, incentive objects while purchasing stock of the Company with performance incentive funds and owned fund	Some of the Directors, supervisors and senior executives of the Company as well as other incentive objects	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.	2013-8-15 2014-7-3	Three years after current shares purchased	Impleme nting
		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	From the date when annual incentive fund plan deliberated and approved by general meeting to 6 moths after director, supervisor and senior executives resigned	Impleme nting
Commitments of not to reducing the shares	Sichuan Changhong Electric Co.,	1. Sichuan Changhong and its concert party Changhong (Hong Kong) Trade Co., Ltd. undertook not to reduce holding shares of "Meiling Appliances" and "Wanmeiling B" during the future six months commencing from the date on which Meiling Appliances	2015-7-9	2016-1-9	Impleme nting

	LTD and persons acting in concert Changhong (Hong Kong) Trading Company Limited	released relevant announcement (9 July 2015-9 January 2016), so as to maintain stable market and protect investors' interest with their actual activities; 2. 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; 3. The Company continued to support operation and development of listed company. It is committed to bringing steady and real return to investors.			
Perform the commitment promptly or not	√ Yes <input type="checkbox"/> No				
Specific reason for non-performance and the next plan	Non-applicable				

XI. Appointment and non-reappointment (dismissal) of CPA

Whether the semi-annual financial report had been audited

Yes No

The semi-annual report was not audited

XII. Penalty and rectification

Applicable Not applicable

No penalty or rectification in Period.

XIII. Risk disclosure of delisting with laws and rules violated

Applicable Not applicable

The Company has no delisting risks with laws and rules violated in Period.

XIV. Other significant issues

Applicable Not applicable

(I) the Company received the Notice from the second largest shareholder Hefei Xingtai Holdings Group Co., Ltd. (hereinafter referred to as “Xingtai Holdings”) on 6 March 2015. According to the overall arrangement for state-owned enterprises reform of Hefei province, adjustments were made to Hefei state-participated operating organs. It is planned to transfer the 49,477,513 state-owned shares of the Company held by Xingtai Holdings to Hefei Industrial Investment Holdings Group CO., Ltd. to be established for free. Till now, the above equity adjustment is in the process of performing relevant approval procedure. Details have been disclosed by the Company by way of announcement (No. 2015-001) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 7 March 2015.

(II) As approved by resolutions at the 6th meeting of the 8th session of the Board held on 24 March 2015, Zhongke Meiling is approved to carry out the relocation and capacity expansion with investment of approximately RMB 156.3219 million, after completion, Zhongke Meiling will have the capacity ability of 26,000 cryogenic refrigerators in one year. Details have been disclosed by the Company by way of announcements (No. 2015-003) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 26 March 2015.

(III) As approved by resolutions at the 6th meeting of the 8th session of the Board held on 24 March 2015, Mr. Wu Dinggang and Mr. Zhang Xiaolong are approved to appoint as the deputy president and deputy president as well as the CFO of the Company respectively. Details have been

disclosed by the Company by way of announcements (No. 2015-003) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 26 March 2015.

(IV) In light of the serial accounting rules that have revised and issued by ministry of finance in 2014, as approved by resolutions at the 6th meeting of the 8th session of the Board held on 24 March 2015 and 17 April, according to relevant regulations and requirement, the Company is approved to carried out the new enterprise accounting rules for corresponding accounting policy changed in line with the relevant regulations and rules. Details have been disclosed by the Company by way of announcements (No. 2015-003, No.2015-008, No.2015-015) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 26 March 2015 and 18 April 2015 respectively.

(V)As approved by resolutions at the 6th meeting of the 8th session of the Board and 2014 annual general meeting held on 24 March and 17 April 2015 respectively, the Company is approved to make foreign exchange forward deals from 1 January 2015 to 30 June 2016, with deal balance not exceeding USD350 million and the maximum settlement period for single deal not exceeding two years. Details have been disclosed by the Company by way of announcements (No. 2015-003, 2015-010, 2015-015) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 26 March 2015 and 18 April 2015.

(VI) As approved by resolutions at the 6th meeting of the 8th session of the Board and 2014 annual general meeting held on 24 March and 17 April 2015 respectively, the Company is authorized to invest in low-risk guaranteed floating income banking financing products featuring with high level of safety, liquidity, matured within one year, guaranteed with agreement and due repayment and payment of principal and interests with its own unoccupied capital not more than RMB1 billion, provided that such investment would not affect capital needs for normal operation and investment risks are under effective control. And the investment period shall be one year. Meanwhile, the Company has established Financing Products Investment Management Policy. Details have been disclosed by the Company by way of announcements (No. 2015-003, 2015-011, 2015-015) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 26 March 2015 and 18 April 2015.

(VII) As democratic elections in the congress of workers and staff held on 8 April 2015, Mr. Zhu Wenjie is approved to increased in the 8th session of the supervisory committee as staff supervisor, and servers as the term as 8th session of the supervisory committee. Details have been disclosed by the Company by way of announcements (No. 2015-014) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 10 April 2015.

(VIII)On 17 April 2015, the 8th session of the Board held its 7th meeting to consider and

approve the proposal on joint venture incorporation by its subsidiary Sichuan Changhong Air Conditioner Company Limited and Hengyouyuan Science and Technology Development Group Company Limited. Taking into account the operation needs of its subsidiary Sichuan Changhong Air Conditioner Company Limited (hereinafter referred to as “Changhong Air Conditioner”), it is agreed for Changhong Air Conditioner to incorporate manufacture joint venture and sales joint venture with Hengyouyuan Science and Technology Development Group Company Limited (hereinafter referred to as “Hengyouyuan Group”, a subsidiary of China Ground Source Energy Industry Group Limited (stock code: 8128.HK)) with its own capital of RMB50 million, aiming to cooperation for the “ground source cold and heat integrity project” and promote industrialization of this project and carry out research, development, production and sales of related products.

The joint venture manufacturing enterprise Hongyuan Dineng Heat Pump Technology Co., Ltd. has the registered capital of RMB 50 million, including RMB 25.5 million contributed by Changhong AC in cash, representing 51% of the register capital; Ever Source Technology Development contribute RMB 24.5 million in cash, representing 49% of the registered capital. The joint venture sales enterprise Hongyuan Dineng Rebao Technology Co., Ltd. has registered capital of RMB 50 million, including RMB 25.5 million invested by Ever Source Technology Development, a 51% in registered capital while RMB 24.5 million contributed by Changhong AC, a 49% in registered capital.

Details have been disclosed by the Company by way of announcement (No. 2015-016) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 18 April 2015.

(IX) On 20 May 2015, the Company entered into a collection financing plan agreement named “Fortune. Stable Profit “with Anhui province branch of Bank of Communications, pursuant to which, the Company subscribed the “Fortune. Stable Profit “financing products featuring with guaranteed floating income launched by Anhui province branch of Bank of Communications with its own unoccupied capital of RMB100 million. Details have been disclosed by the Company by way of announcement (No. 2015-019) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 22 May 2015.

(X) Three shareholders of the Company holding lock-up shares including Hefei Mingzhu branch of China Agriculture Bank, Tan Zuzheng and Xiong Xueqin have respectively entrusted the Board to apply to Shenzhen Stock Exchange and China Securities Depository Clearing Company Shenzhen Branch for advancement of consideration repayment, which has been completed on 29 May 2015. The three shareholders repaid in aggregate 375,295 shares to Meiling Group as consideration shares and their interest allocation, accounting for 0.0491% of the total share capital

of the Company. On 31 July 2015, the lock-up shares held by the three shareholders will be released for sale and total to 2,085,091 shares, accounting for 0.2730% of the total share capital of the Company. Details have been disclosed by the Company by way of announcements (No. 2015-020, 2015-030) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 22 May 2015 and 29 July 2015.

(XI) Considering its operation and production needs and in order to cater to development trend of refrigerator products and satisfy its capacity requirement for large-sized refrigerator products in future years, as approved by resolutions at the 8th meeting of the 8th session of the Board held on 3 July 2015, the Company was approved to make technical reform on refrigerator production line with its own capital of RMB28 million, so as to improve its production capacity and efficiency in terms of large sized refrigerators and satisfy quality requirements. Details have been disclosed by the Company by way of announcement (No. 2015-022) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 4 July 2015.

(XII) The Company held the 8th meeting of 8th session of the Board on 3 July 2015, and deliberated and approved the proposal of securities affairs representative engagement, Mr. Zhu Wenjie is approved to serves as the securities affairs representative of the Company and assist the secretary of the board for performance implementation, the terms are from the date when the deliberation approved to the end of the board session. Details have been disclosed by the Company by way of announcement (No. 2015-022, No.2015-024) on the designated information disclosure media including Securities Times, China Securities, Hong Kong Commercial Daily and Juchao Information Website (www.cninfo.com.cn) on 4 July 2015.

(XIII) 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 (2012-028, 2012-035).

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

Found more in "1. Accrual of the Performance incentive fund for year of 2012 and distribution plan implementation" of "(XII) implementation of the annual performance incentive fund" carried in "XIV.Other Important events" of the Section V. Important Events in the Annual Report of 2014

published on 26 March 2015

During the reporting period, the directors, supervisors and senior management as grantees of the 2012 incentive plan did not reduce holding of their shares bought by them with 2012 performance incentive funds and own capital. Other grantees of the 2012 incentive plan (not being directors, supervisors and senior management) have reduced holding of 1,438,754 in aggregate, accounting for 0.1884% of the total share capital, since September 2014 to the end of the reporting period.

2. Implementation of 2013 annual performance incentive provision and distribution program

For details, please refer to the 2014 annual report disclosed by the Company on 26 March 2015 under section V “Significant Issues” under “XIV Explanation for other significant issues” under “(XII) Implementation of annual performance incentive funds” under 2. “Provision for and allocation plan for 2013 annual performance incentive funds”.

According to the stipulation under Incentive Plan and their commitments, the grantees shall not reduce holding of shares within one year upon acquisition of their shares with 2013 performance incentive funds and own capital, and are allowed to reduce holding of 50% under laws and rules in the second year, and the remaining 50% in the third year. As at the end of the reporting period, the aforesaid holding lasts for less than one year. In addition, as for such grantees under 2013 performance incentive plan serving as directors, supervisors and senior management, their holding and movement thereof shall comply with Company Law, Securities Law and Management Rules on Holding Shares of the Company and Movement thereof by Directors, Supervisors and Senior Management of Listed Issuer. Certain directors, supervisors and senior management acquired our Shares with 2013 performance incentive funds granted to them and their own capital. According to relevant laws and regulations, shares of the Company held by them are not allowed to sell within six months upon acquisition. Any gains arising from illegal sale will be vested to the Company. Therefore, shares bought by the grantees successively during August to November 2014 have been held for less than one year till disclosure date of this report, and all the shares acquired by the grantees are locked up according to their commitments, and acquisition of shares by certain directors, supervisors and senior management has been disclosed on the designated information disclosure media between 19 August to 15 November 2014.

3. Ended as 30 June 2015, shares hold by all incentive objects amounting to 8,416,428 shares, a 1.1020% in total share capital of the Company, including 7,530,436 A-share, a 0.9860% in total share capital and 885,992 B-share, a 0.1160 in total share capital of the Company.

4. Implementation of 2014 annual performance incentive provision and distribution program

According to the "incentive plan" the Company has approved, the operating results (audited in

2014) and the actual operation situation, the annual performance incentive fund has reached the awarded conditions. Being recognized by the Board, benefited directors and supervisors withdraw from voting, the "2014 Annual Performance Incentive Fund Provision" was deliberated and approved in 6th meeting of the 8th session of the board, 4th meeting of 8th session of supervisory committee and general meeting of 2015 dated March 24, 2015 and April 28. And, being recognized by the Board, benefited directors and supervisors withdraw from voting, the "2014 Annual Performance Incentive Fund Allocation Scheme" was deliberated and approved in 8th meeting of the 8th session of the board, 6th meeting of 8th session of supervisory committee and first extraordinary general meeting of 2015 dated July 3, 2015 and July 21. More details are:

(1) Incentive range and number: 44 people compliance with the conditions of the incentive objects (senior management, middle management, and core technology and business personnel).

(2) Capital resources: in line with the RMB 32.1867 million for incentive fund from 10% of net profit attributable to shareholder of listed company that audited for year of 2014; RMB 24.78 million has been distributed to 44 incentive objects (senior managers, middle management, and core technology and business personnel) that satisfied the laws, regulations and "Incentive Plan". All the incentive objects will, purchase stock of the Company in open market with all incentive funds (income tax excluded) obtained plus no less favorable than 30 percent of the total annual remuneration (except for performance fund; total annual remuneration after relevant tax cut and five-insurance payment paid).

(3) Share holding: According to the "incentive plan" the company have approved, and under the premise of the Listing Rules of Shenzhen Stock Exchange and other applicable Chinese laws and regulations, incentive target promised within 60 working days as of receipt of the performance incentive funds (In case of regulatory ruled the trading of shares shall not be specified, the time extended), to purchase the Company's shares through the open market. The incentive plan was in the implementation up to the disclosure date.

(4) As for change of shareholding arising from disposal of shares by the grantees: The incentive plan was in the implementation up to the disclosure date, and with the foregoing.

(5) Commitment for restricted sales:

According to the Implementation Program of the Annual Performance Incentive Capital of Hefei Meiling Co., Ltd and the commitment made by all the grantees, grantees can not reduce shareholding by any market means in respect of the Company's shares purchased by them within one year upon the date of purchase; 50% of the shares can be reduced for holding in the second year

according to applicable laws and rules; and the remaining 50% can be reduced for holding in the third year according to applicable laws and rules. In addition, certain grantees who are also directors, supervisors or senior management of the Company undertook that they would watch out their behaviors in compliance with relevant requirements of the Company Law, Securities Law and Management Rules on Holding Shares of the Company or Change thereof by Director, Supervisor and Senior Management of Listed Issuer, including but not limited to: shares transferred annually by them shall not exceed 25% of the total shares held in the Company during their terms of office; they are not allowed to sell the shares held in the Company within six month upon purchase or to buy back the shares within six month upon disposal; they are not allowed to transfer the shares held in the Company within a half year upon their resignation.

Details were disclosed on information disclosure media appointed by the Company as "Securities Times", "Chinese Securities Daily", "Hong Kong Commercial Daily" and the Juchao website (www.cninfo.com.cn) respectively dated 17 June 2012, 4 July 2014, 12 August 2014, 19 August 2014, 27 August 2014, 28 August 2014, 17 September 2014, 18 October 2014, 24 October 2014, 4 November 2014, 6 November 2014, 8 November 2014, 12 November 2014, 15 November 2014, 26 March 2015, 18 April 2015, 4 July 2015 and 22 July 2015 in the form of announcement (No.: 2014-036, No.: 2014-037, No.: 2014-040, No.: 2014-046, No.: 2014-055, No.: 2014-056, No.: 2014-057, No.: 2014-060, No.: 2014-063, No.: 2014-066, No.: 2014-068, No.: 2014-069, No.: 2014-070, No.: 2014-072 and No.: 2014-073) as well as the Semi-annual report of 2014 and 3Q report of 2014, Annual 2014, No.:2015-003, No.:2015-004, No.:2015-009, No.:2015-015, No.:2015-022, No.:2015-023, No.:2015-025, No.:2015-029.

Section VI. Changes in Shares and Particulars about Shareholders

I. Changes in Share Capital

	Before the Change		Increase/Decrease in the Change (+, -)					After the Change	
	Amount	Proportion (%)	New shares issued	Bonus shares	Capitalization of public reserve	Others	Subtotal	Amount	Proportion (%)
I. Restricted shares	10,658,357	1.40%	-	-	-	-1	-1	10,658,356	1.40%
1. State-owned shares	-	-	-	-	-	-	-	-	-
2. State-owned legal person's shares	540,692	0.07%	-	-	-	+375,295	+375,295	915,987	0.12%
3. Other domestic shares	9,453,171	1.24%	-	-	-	-375,296	-375,296	9,077,875	1.19%
Including: domestic legal person's shares	7,052,279	0.92%	-	-	-	-337,596	-337,596	6,714,683	0.88%
Domestic natural person's shares	2,400,892	0.32%	-	-	-	-37,700	-37,700	2,363,192	0.31%
4. Foreign shares	664,494	0.09%	-	-	-	-	-	664,494	0.09%
Including: Foreign legal person's shares	-	-	-	-	-	-	-	-	-
Foreign natural person's shares	664,494	0.09%	-	-	-	-	-	664,494	0.09%
II. Unrestricted shares	753,080,848	98.60%	-	-	-	+1	+1	753,080,849	98.60%
1. RMB Ordinary shares	590,881,342	77.36%	-	-	-	+1	+1	590,881,343	77.36%
2. Domestically listed foreign shares	162,199,506	21.24%	-	-	-	-	-	162,199,506	21.24%
3. Overseas listed foreign shares	-	-	-	-	-	-	-	-	-
4. Others	-	-	-	-	-	-	-	-	-
III. Total shares	763,739,205	100.00%	-	-	-	-	-	763,739,205	100.00%

Note: data of the ratios have rounded up to two digits after the decimal point, increased/decreased "1 share" refers to the difference, data is provided by the Shenzhen Branch of China Securities Depository and Clearing Co., Ltd.

(I) Reasons for share changed

Applicable Not applicable

On 29 May 2015, the price of shares and distribution equity paid in advance by Meiling Group on behalf of the three restricted shareholders in the stock rights splitting reform have been paid by the three restricted shareholders, shares amounting to 375,295 shares, a 0.0491% in total share capital of the Company

(II) Approval of share changed

Applicable Not applicable

(III) Ownership transfer of share changed

Applicable Not applicable

(IV) Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

Applicable Not applicable

(V) Other information necessary to disclose for the Company or need to disclosed under requirement from security regulators

Applicable Not applicable

(VI) Explanation on changes of total shares, shareholders structure and assets & liability structures

Applicable Not applicable

II. Amount of shareholders of the Company and particulars about shares holding

Unit: share

Total common shareholders in reporting period-end		65,613	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	N/A				
Particulars about shares held above 5% by common shareholders or top 10 common shares holding								
Full name of Shareholders	Nature of shareholder	Proportion of shares held (%)	Total common shareholders at the end of report period	Changes in report period	Amount of restricted common shares held	Amount of un-restricted common 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	0	164,828,330	-	-
Hefei Xingtai Holding Group Co., Ltd.	State-owned legal person	6.26%	47,823,401	0	0	47,823,401	-	-

Changhong (Hong Kong) Trading Company Limited	Foreign legal person	3.30%	25,165,823	0	0	25,165,823	-	-
Zhengde life insurance Co., LTD-universal insurance products	Domestic non state-owned corporate	3.15%	24,021,690	0	0	24,021,690	-	-
CAO SHENGCHUN	Foreign natural person	1.75%	13,349,015	136,459	0	13,349,015	-	-
UBS AG	Foreign legal person	0.98%	7,469,912	7,469,912	0	7,469,912	-	-
DEUTSCHE BANK AKTIENGESELLSCHAFT	Foreign legal person	0.89%	6,765,136	6,765,136	0	6,765,136	-	-
NORGES BANK	Foreign legal person	0.55%	4,216,432	0	0	4,216,432	-	-
Long Qinfang	Foreign natural person	0.42%	3,232,597	32,000	0	3,232,597	-	-
DRAGON BILLION CHINA MASTER FUND	Foreign legal person	0.39%	3,002,517	-2,326,972	0	3,002,517	-	-

Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)	Not applicable
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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; and top ten shareholders with unrestricted subscription; 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.

Particular about top ten common shareholders with un-restrict shares held

Shareholders' name	Amount of unrestricted common shares held at reporting period-end	Type of shares	
		Type	Amount
Sichuan Changhong Electric Co., LTD	164,828,330	RMB ordinary shares	164,828,330
Hefei Xingtai Holding Group Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401
Changhong (Hong Kong) Trading Company Limited	25,165,823	Domestically listed foreign shares	25,165,823
Zhengde life insurance Co., LTD-universal insurance	24,021,690	RMB ordinary shares	24,021,690

products			
CAO SHENGCHUN	13,349,015	RMB ordinary shares	13,349,015
UBS AG	7,469,912	Domestically listed foreign shares	7,469,912
DEUTSCHE BANK AKTIENGESELLSCHAFT	6,765,136	Domestically listed foreign shares	6,765,136
NORGES BANK	4,216,432	RMB ordinary shares	4,216,432
Long Qinfang	3,232,597	Domestically listed foreign shares	3,232,597
DRAGON BILLION CHINA MASTER FUND	3,002,517	Domestically listed foreign shares	3,002,517
Expiation on associated relationship or consistent actors within the top 10 un-restrict common shareholders and between top 10 un-restrict common shareholders and top 10 common 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) and other top 8 shareholders; and top ten shareholders with unrestricted subscription; 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 shareholders involving margin business among the top ten shareholder (if applicable)	-		

Agree to buy-back dealings occurred in Period by top 10 common shareholders and top 10 common shareholders with shares restricted for sale

Yes No

No agree to buy-back dealings occurred in Period by top 10 common shareholders and top 10 common shareholders with shares restricted for sale

III. Shareholder and actual controller

(I)Changes of controlling shareholder in reporting period

Applicable Not applicable

No change of controlling shareholder in reporting period.

(II)Changes of actual controller in reporting period

Applicable Not applicable

No changes of actual controller in reporting period

Pursuant to the document relating to furthering reform and accelerating transformation of Sichuan Changhong Electronics Group Company as principally approved by people's government of Sichuan, Sichuan Changhong Electronics Group Company is in the process of propelling reforms. Pursuant to the document relating to approval of the articles of association of Sichuan Changhong Electronics Holding Group Company issued by SASAC office in Mianyang, on 2 June 2015, as approved by Mianyang Industry and Commercial Administration, Sichuan Changhong Electronics Group Company (the parent company of Sichuan Changhong which is our controlling shareholder) changed its name to "Sichuan Changhong Electronics Holding Group Company Limited" from "Sichuan Changhong Electronics Group Company Limited".

IV. Share holding increasing plan proposed or implemented in reporting period from shareholder of the Company and its concerted action person

Applicable Not applicable

According to the notice relating to increasing holding shares of the Company by the substantial shareholder and directors, supervisors and senior management (ZJF[2015]51) issued by the CSRC, the Company received the letter from its largest shareholder Sichuan Changhong dated 8 July 2015 on commitment on not reducing shareholdings in Meiling Appliances for the future six months, the major contents of which are set below:

Recently, securities market experienced irrational fluctuation, which negatively affected investors' interests and development of the listed company. Listed issuer, controlling shareholders and investors bear not merely interests, but also responsibilities together. Based on its solid confidence on future performance of Meiling Appliances, Sichuan Changhong commits as follows to maintain market expectation and shareholders' interests:

1. Sichuan Changhong and its concert party Changhong (Hong Kong) Trade Co., Ltd. undertook not to reduce holding shares of "Meiling Appliances" and "Wanmeiling B" during the future six months commencing from the date on which Meiling Appliances released relevant announcement (9 July 2015-9 January 2016), so as to maintain stable market and protect investors' interest with their actual activities;

2. 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;

3. The Company continued to support operation and development of listed company. It is committed to bringing steady and real return to investors.

Section VII. Preferred Stock

Applicable Not applicable

The Company had no preferred stock in the reporting.

Section VIII Particular about Directors, Supervisors, Senior

Executives and Employees

I. Changes of shares held by directors, supervisors and senior executive

Applicable Not applicable

Shares held by directors, supervisors and senior executive of the Company had no changes, more details can be seen in Annual Report 2014.

II. Changes of directors, supervisors and senior executive

Applicable Not applicable

Name	Title	Type	Date	Reasons
Wu Dinggang	Deputy president	Engaged	2015-3-24	Agreed to appointed Mr. Wu Dinggang as the deputy president of the Company by approved in 6 th meeting of 8 th session of the Board
Zhang Xiaolong	Deputy president and Finance Manager	Engaged	2015-3-24	Agreed to appointed Mr. Zhang Xiaolong as the deputy president and CFO of the Company by approved in 6 th meeting of 8 th session of the Board
Zhang Ruhe	Supervisor	Office leaving	2015-4-8	Resign the staff supervisor of the 8 th session of supervisory committee due to personal reasons
Zhu Wenjie	Supervisor	Be elected	2015-4-8	Agreed to appointed Mr. Zhu Wenjie as the staff supervisor of 8 th session of supervisory committee by democratic election in congress of workers and staff

Section IX. Financial Report

I. Audit reports

Whether the semi-annual report was audited or not

Yes No

II. Financial statements

Units in Notes of Financial Statements is RMB

1. Consolidated Balance Sheet

Prepared by Hefei Meiling Co., Ltd.

2015-06-30

In RMB

Items	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,797,826,595.72	2,665,219,013.80
Settlement provisions		
Capital lent		
Financial liability measured by fair value and with variation reckoned into current gains/losses	3,572,100.00	
Derivative financial liability		
Notes receivable	1,786,165,001.95	1,223,468,044.05
Accounts receivable	1,993,308,900.76	1,160,192,277.00
Accounts paid in advance	102,516,378.74	92,501,704.06
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Interest receivable	582,870.63	
Dividend receivable		
Other receivables	39,765,529.55	28,729,328.80
Purchase restituted finance asset		
Inventories	1,547,574,776.02	1,765,761,407.86

Divided into assets held for sale		
Non-current asset due within one year		
Other current assets		
Total current assets	8,271,312,153.37	6,935,871,775.57
Non-current assets:		
Loans and payments on behalf		
Finance asset available for sales	5,000,000.00	5,500,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	78,096,234.75	14,211,004.21
Investment property	14,488,504.55	14,892,795.62
Fixed assets	1,250,954,494.88	1,223,763,920.86
Construction in progress	28,235,524.90	62,766,707.57
Engineering material		
Disposal of fixed asset	75,734,875.15	75,808,843.84
Productive biological asset		
Oil and gas asset		
Intangible assets	570,803,265.21	561,864,209.63
Expense on Research and Development	38,620,703.41	25,194,157.09
Goodwill	5,313,913.50	5,313,913.50
Long-term expenses to be apportioned		
Deferred income tax asset	87,099,204.01	83,826,873.81
Other non-current asset	41,633,616.00	
Total non-current asset	2,195,980,336.36	2,073,142,426.13
Total assets	10,467,292,489.73	9,009,014,201.70
Current liabilities:		
Short-term loans	356,634,892.65	407,508,739.07
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation		81,170.00

reckoned into current gains/losses		
Derivative financial liability		
Notes payable	2,638,130,242.78	1,553,110,292.55
Accounts payable	1,921,548,794.47	1,681,116,965.38
Accounts received in advance	250,150,216.76	296,641,377.09
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	105,447,267.73	156,537,212.29
Taxes payable	134,142,270.74	51,153,350.18
Interest payable		
Dividend payable	12,592,208.16	2,237,640.91
Other accounts payable	925,616,443.93	872,725,707.68
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	11,153,513.56	11,153,512.52
Other current liabilities		
Total current liabilities	6,355,415,850.78	5,032,265,967.67
Non-current liabilities:		
Long-term loans	48,400,646.40	18,947,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	40,426,920.51	40,317,465.61
Special accounts payable		
Projected liabilities	342,633,453.84	347,107,686.15
Deferred income	129,472,451.99	131,995,227.77
Deferred income tax liabilities		
Other non-current liabilities		

Total non-current liabilities	560,933,472.74	538,367,379.53
Total liabilities	6,916,349,323.52	5,570,633,347.20
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	1,459,001,004.62	1,466,959,939.03
Less: Inventory shares		
Other comprehensive income	-3,642,823.37	-3,262,898.99
Reasonable reserve		
Surplus public reserve	359,857,106.14	359,857,106.14
Provision of general risk		
Retained profit	947,998,727.87	835,453,313.49
Total owner's equity attributable to parent company	3,526,953,220.26	3,422,746,664.67
Minority interests	23,989,945.95	15,634,189.83
Total owner's equity	3,550,943,166.21	3,438,380,854.50
Total liabilities and owner's equity	10,467,292,489.73	9,009,014,201.70

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	Closing balance	Opening balance
Current assets:		
Monetary funds	2,228,647,696.34	2,392,059,424.25
Financial liability measured by fair value and with variation reckoned into current gains/losses	3,572,100.00	
Derivative financial liability		
Notes receivable	1,164,696,587.55	828,127,854.78
Accounts receivable	1,120,726,579.73	809,847,584.71
Account paid in advance	318,432,248.06	176,658,393.90

Interest receivable		
Dividends receivable		
Other receivables	43,155,289.53	54,910,749.80
Inventories	743,707,793.30	795,329,785.95
Divided into assets held for sale		
Non-current assets maturing within one year		
Other current assets		
Total current assets	5,622,938,294.51	5,056,933,793.39
Non-current assets:		
Available-for-sale financial assets	5,000,000.00	5,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	841,792,186.92	833,369,872.61
Investment property	12,042,848.31	12,279,792.66
Fixed assets	915,003,097.35	885,435,282.76
Construction in progress	12,512,586.05	48,527,533.03
Project materials		
Disposal of fixed assets	43,439,954.71	43,404,954.71
Productive biological assets		
Oil and natural gas assets		
Intangible assets	428,667,291.66	434,092,342.78
Research and development costs	8,153,264.51	509,879.01
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	74,393,893.35	76,189,511.02
Other non-current assets		
Total non-current assets	2,341,005,122.86	2,338,809,168.58
Total assets	7,963,943,417.37	7,395,742,961.97
Current liabilities:		
Short-term borrowings	255,602,650.78	373,242,339.07
Financial liability measured by fair value and with variation reckoned into current gains/losses		81,170.00
Derivative financial liability		

Notes payable	1,432,169,529.16	1,036,334,282.38
Accounts payable	1,043,677,846.55	1,151,471,839.41
Accounts received in advance	455,391,963.14	152,745,865.71
Wage payable	40,262,081.12	77,090,385.79
Taxes payable	56,491,216.59	23,323,462.51
Interest payable		
Dividend payable	12,592,208.16	2,237,640.91
Other accounts payable	785,837,406.46	712,029,942.44
Divided into liability held for sale		
Non-current liabilities due within 1 year	7,487,761.64	7,487,760.60
Other current liabilities		
Total current liabilities	4,089,512,663.60	3,536,044,688.82
Non-current liabilities:		
Long-term loans	7,292,800.00	7,932,800.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	40,426,920.51	40,317,465.61
Special accounts payable		
Projected liabilities	342,633,453.84	347,107,686.15
Deferred income	71,794,163.54	75,538,045.61
Deferred income tax liabilities		
Other non-current liabilities		
Total non-current liabilities	462,147,337.89	470,895,997.37
Total liabilities	4,551,660,001.49	4,006,940,686.19
Owners' equity:		
Share capita	763,739,205.00	763,739,205.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	1,497,987,059.46	1,497,987,059.46
Less: Inventory shares		
Other comprehensive income		

Reasonable reserve		
Surplus reserve	359,638,940.46	359,638,940.46
Retained profit	790,918,210.96	767,437,070.86
Total owner's equity	3,412,283,415.88	3,388,802,275.78
Total liabilities and owner's equity	7,963,943,417.37	7,395,742,961.97

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

3. Consolidated Profit Statement

In RMB

Item	Current Period	Last Period
I. Total operating income	6,426,917,289.25	6,344,389,052.17
Including: Operating income	6,426,917,289.25	6,344,389,052.17
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	6,257,071,584.82	6,163,398,022.60
Including: Operating cost	5,084,245,127.90	4,780,495,721.56
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	45,299,593.62	45,651,000.27
Sales expenses	945,446,083.20	1,156,472,220.52
Administration expenses	192,562,243.42	194,547,455.17
Financial expenses	-45,802,594.42	-43,840,298.90
Losses of devaluation of asset	35,321,131.10	30,071,923.98

Add: Changing income of fair value(Loss is listed with “-”)	3,653,270.00	
Investment income (Loss is listed with “-”)	-5,484,432.72	-784,297.22
Including: Investment income on affiliated company and joint venture	-6,482,572.94	-784,297.22
Exchange income (Loss is listed with “-”)		
III. Operating profit (Loss is listed with “-”)	168,014,541.71	180,206,732.35
Add: Non-operating income	14,805,119.86	20,397,907.16
Including: Disposal gains of non-current asset	14,776.00	1,469,461.36
Less: Non-operating expense	9,264,613.15	2,812,927.92
Including: Disposal loss of non-current asset	5,696,803.31	554,394.53
IV. Total Profit (Loss is listed with “-”)	173,555,048.42	197,791,711.59
Less: Income tax expense	14,512,173.60	36,794,783.31
V. Net profit (Net loss is listed with “-”)	159,042,874.82	160,996,928.28
Net profit attributable to owner’s of parent company	158,369,766.68	159,106,275.83
Minority shareholders’ gains and losses	673,108.14	1,890,652.45
VI. Net after-tax of other comprehensive income	-506,008.36	986,062.81
Net after-tax of other comprehensive income attributable to owners of parent company	-379,924.38	591,637.68
(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	-379,924.38	591,637.68
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	-379,924.38	591,637.68
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-126,083.98	394,425.13
VII. Total comprehensive income	158,536,866.46	161,982,991.09
Total comprehensive income attributable to owners of parent Company	157,989,842.30	159,697,913.51
Total comprehensive income attributable to minority shareholders	547,024.16	2,285,077.58
VIII. Earnings per share:		
(i) Basic earnings per share	0.2074	0.2083
(ii) Diluted earnings per share	0.2074	0.2083

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

In RMB

Item	Current Period	Last Period
I. Operating income	3,723,644,751.94	3,591,569,260.21
Less: Operating cost	3,185,022,932.49	3,035,452,754.85
Operating tax and extras	21,593,618.43	19,339,352.66
Sales expenses	366,740,764.98	356,762,344.86
Administration expenses	92,172,562.14	93,218,907.10
Financial expenses	-38,448,636.98	-33,830,360.73
Losses of devaluation of asset	9,251,853.73	42,129,575.68
Add: Changing income of fair value (Loss is listed with "-")	3,653,270.00	
Investment income (Loss is listed with "-")	-6,059,877.47	-95,120.70
Including: Investment income on affiliated company and joint venture	-6,577,685.69	-95,120.70
II. Operating profit (Loss is listed with "-")	84,905,049.68	78,401,565.09
Add: Non-operating income	5,794,628.12	16,903,310.48
Including: Disposal gains of non-current asset		680,315.07
Less: Non-operating expense	7,706,718.05	2,583,405.56
Including: Disposal loss of non-current asset	5,679,902.32	428,397.72
III. Total Profit (Loss is listed with "-")	82,992,959.75	92,721,470.01
Less: Income tax expense	13,687,467.35	26,965,441.73
IV. Net profit (Net loss is listed with "-")	69,305,492.40	65,756,028.28
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	69,305,492.40	65,756,028.28
VII. Earnings per share:		
(i) Basic earnings per share	0.0907	0.0861
(ii) Diluted earnings per share	0.0907	0.0861

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

5. Consolidated Cash Flow Statement

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	4,715,209,084.80	3,626,062,256.05
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	108,433,705.43	65,296,987.56
Other cash received concerning operating activities	12,191,213.81	8,804,431.58
Subtotal of cash inflow arising from operating activities	4,835,834,004.04	3,700,163,675.19
Cash paid for purchasing	3,401,696,411.29	2,964,018,786.37

commodities and receiving labor service		
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	560,891,490.11	478,549,438.13
Taxes paid	194,638,169.71	196,573,266.91
Other cash paid concerning operating activities	335,196,945.90	333,430,909.54
Subtotal of cash outflow arising from operating activities	4,492,423,017.01	3,972,572,400.95
Net cash flows arising from operating activities	343,410,987.03	-272,408,725.76
II. Cash flows arising from investing activities:		
Cash received from recovering investment	100,500,000.00	606,076.88
Cash received from investment income	998,140.22	
Net cash received from disposal of fixed, intangible and other long-term assets	4,188,632.00	41,112,847.21
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	53,250,686.61	40,975,072.99
Subtotal of cash inflow from investing activities	158,937,458.83	82,693,997.08
Cash paid for purchasing	53,371,320.52	46,469,287.11

fixed, intangible and other long-term assets		
Cash paid for investment	170,149,995.00	1,097,791.00
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	427,715.77	1,854,670.00
Subtotal of cash outflow from investing activities	223,949,031.29	49,421,748.11
Net cash flows arising from investing activities	-65,011,572.46	33,272,248.97
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Including: Cash received from absorbing minority shareholders' investment by subsidiaries		
Cash received from loans	899,641,581.00	1,059,138,910.42
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	899,641,581.00	1,059,138,910.42
Cash paid for settling debts	1,022,938,903.44	332,556,137.54
Cash paid for dividend and profit distributing or interest paying	41,118,662.30	4,760,549.52
Including: Dividend and profit of minority shareholder paid by subsidiaries		
Other cash paid concerning financing activities	224,020.35	2,973,468.35
Subtotal of cash outflow from	1,064,281,586.09	340,290,155.41

financing activities		
Net cash flows arising from financing activities	-164,640,005.09	718,848,755.01
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	9,712,867.85	-2,694,336.20
V. Net increase of cash and cash equivalents	123,472,277.33	477,017,942.02
Add: Balance of cash and cash equivalents at the period -begin	2,645,879,017.88	2,238,884,137.50
VI. Balance of cash and cash equivalents at the period -end	2,769,351,295.21	2,715,902,079.52

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

6. Cash Flow Statement of Parent Company

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	2,587,323,791.86	2,251,654,436.67
Write-back of tax received	50,835,256.44	34,967,339.65
Other cash received concerning operating activities	5,957,421.13	780,338.96
Subtotal of cash inflow arising from operating activities	2,644,116,469.43	2,287,402,115.28
Cash paid for purchasing commodities and receiving labor service	2,301,440,737.17	2,158,154,167.87
Cash paid to/for staff and workers	196,459,026.37	202,313,338.91
Taxes paid	62,883,474.12	58,947,750.93
Other cash paid concerning operating activities	144,418,281.65	105,638,364.68
Subtotal of cash outflow arising from operating activities	2,705,201,519.31	2,525,053,622.39

Net cash flows arising from operating activities	-61,085,049.88	-237,651,507.11
II. Cash flows arising from investing activities:		
Cash received from recovering investment	100,000,000.00	
Cash received from investment income	517,808.22	
Net cash received from disposal of fixed, intangible and other long-term assets	969,312.00	814,238.81
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	38,798,411.37	38,216,769.95
Subtotal of cash inflow from investing activities	140,285,531.59	39,031,008.76
Cash paid for purchasing fixed, intangible and other long-term assets	23,752,926.57	31,531,065.37
Cash paid for investment	115,000,000.00	40,950,000.00
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	427,715.77	1,854,670.00
Subtotal of cash outflow from investing activities	139,180,642.34	74,335,735.37
Net cash flows arising from investing activities	1,104,889.25	-35,304,726.61
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	811,087,023.59	904,950,576.65
Cash received from issuing bonds		
Other cash received concerning financing activities	186,369,209.14	35,933,925.12

Subtotal of cash inflow from financing activities	997,456,232.73	940,884,501.77
Cash paid for settling debts	970,217,403.44	221,905,837.54
Cash paid for dividend and profit distributing or interest paying	39,915,654.04	3,261,327.22
Other cash paid concerning financing activities	96,136,206.56	3,759,390.71
Subtotal of cash outflow from financing activities	1,106,269,264.04	228,926,555.47
Net cash flows arising from financing activities	-108,813,031.31	711,957,946.30
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	6,994,571.70	-4,144,705.53
V. Net increase of cash and cash equivalents	-161,798,620.24	434,857,007.05
Add: Balance of cash and cash equivalents at the period -begin	2,390,446,316.58	1,996,577,625.49
VI. Balance of cash and cash equivalents at the period -end	2,228,647,696.34	2,431,434,632.54

Legal Representative: Liu Tibin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

7. Statement of Changes in Owners' Equity (Consolidated)

This Period

In RMB

Item	This Period												
	Owners' equity attributable to parent company										Minority interests	Total owners' equity	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk			Retained profit
	Preferred stock	Perpetual capital securities	Other										
I. Balance at the end of the last year	763,739,205.00				1,466,959,939.03		-3,262,898.99		359,857,106.14		835,453,313.49	15,634,189.83	3,438,380,854.50
Add: Changes of accounting policy													
Error correction of the last period													
Enterprise combine under the same control													
Other													
II. Balance at the beginning of this year	763,739,205.00				1,466,959,939.03		-3,262,898.99		359,857,106.14		835,453,313.49	15,634,189.83	3,438,380,854.50
III. Increase/Decrease in this year (Decrease is					-7,958,934.41		-379,924.38				112,545,414.38	8,355,756.12	112,562,311.71

shareholders)													
4. Other													
(IV) Carrying forward internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI)Others													
IV. Balance at the end of the report period	763,739,205.00				1,459,001,004.62		-3,642,823.37		359,857,106.14		947,998,727.87	23,989,945.95	3,550,943,166.21

Last Period

In RMB

Item	Last Period												
	Owners' equity attributable to the parent Company										Minority interests	Total equity owners'	
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Provision of general risk			Retained profit
	Preferred stock	Perpetual capital securities	Other										
I. Balance at the end of the last year	763,739,205.00				1,478,904,455.90		-1,939,397.56		337,902,735.75		608,723,517.81	20,399,491.82	3,207,730,008.72
Add: Changes of accounting policy													
Error correction of the last period													
Enterprise combine under the same control													
Other													
II. Balance at the beginning of this year	763,739,205.00				1,478,904,455.90		-1,939,397.56		337,902,735.75		608,723,517.81	20,399,491.82	3,207,730,008.72
III. Increase/Decrease in this year (Decrease is listed with "-")					-11,944,516.87		-1,323,501.43		21,954,370.39		226,729,795.68	-4,765,301.99	230,650,845.78
(i) Total comprehensive income							-1,323,501.43				294,508,518.37	-13,859,467.55	279,325,549.39

(ii) Owners' devoted and decreased capital					-11,944,516.87							7,308,772.91	-4,635,743.96
1. Common shares invested by shareholders												7,308,772.91	7,308,772.91
2. Capital invested by holders of other equity instruments													
3. Amount reckoned into owners equity with share-based payment													
4 Other					-11,944,516.87								-11,944,516.87
(III) Profit distribution									21,954,370.39		-67,778,722.69	1,785,392.65	-44,038,959.65
1. Withdrawal of surplus reserves									21,954,370.39		-21,954,370.39		
2. Withdrawal of general risk provisions													
3. Distribution for owners (or shareholders)											-45,824,352.30	1,785,392.65	-44,038,959.65
4. Other													
(IV) Carrying forward													

internal owners' equity													
1. Capital reserves converted to capital (share capital)													
2. Surplus reserves converted to capital (share capital)													
3. Remedying loss with surplus reserve													
4. Other													
(V) Reasonable reserve													
1. Withdrawal in the report period													
2. Usage in the report period													
(VI)Others													
IV. Balance at the end of the report period	763,739,205.00				1,466,959,939.03		-3,262,898.99		359,857,106.14		835,453,313.49	15,634,189.83	3,438,380,854.50

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

8. Statement of Changes in Owners' Equity (Parent Company)

This Period

In RMB

Item	This Period										
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred stock	Perpetual capital securities	Other							
I. Balance at the end of the last year	763,739,205.00				1,497,987,059.46				359,638,940.46	767,437,070.86	3,388,802,275.78
Add: Changes of accounting policy											
Error correction of the last period											
Other											
II. Balance at the beginning of this year	763,739,205.00				1,497,987,059.46				359,638,940.46	767,437,070.86	3,388,802,275.78
III. Increase/Decrease in this year (Decrease is listed with "-")										23,481,140.10	23,481,140.10
(i) Total comprehensive income										69,305,492.40	69,305,492.40
(ii) Owners' devoted and decreased capital											
1.Common shares invested											

by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other											
(III) Profit distribution										-45,824,352.30	-45,824,352.30
1. Withdrawal of surplus reserves											
2. Distribution for owners (or shareholders)										-45,824,352.30	-45,824,352.30
3. Other											
(IV) Carrying forward internal owners' equity											
1. Capital reserves conversed to capital (share capital)											
2. Surplus reserves conversed to capital (share capital)											
3. Remediating											

loss with surplus reserve											
4. Other											
(V) Reasonable reserve											
1. Withdrawal in the report period											
2. Usage in the report period											
(VI)Others											
IV. Balance at the end of the report period	763,739,205.00				1,497,987,059.46			359,638,940.46	790,918,210.96	3,412,283,415.88	

Last period

In RMB

Item	Last period										
	Share capital	Other equity instrument			Capital reserve	Less: Inventory shares	Other comprehensive income	Reasonable reserve	Surplus reserve	Retained profit	Total owners' equity
		Preferred stock	Perpetual capital securities	Other							
I. Balance at the end of the last year	763,739,205.00				1,497,898,194.51				337,684,570.07	615,672,089.65	3,214,994,059.23
Add: Changes of accounting policy											
Error correction of the last period											
Other											
II. Balance at the beginning of this year	763,739,205.00				1,497,898,194.51				337,684,570.07	615,672,089.65	3,214,994,059.23

III. Increase/Decrease in this year (Decrease is listed with “-”)					88,864.95				21,954,370.39	151,764,981.21	173,808,216.55
(i) Total comprehensive income										219,543,703.90	219,543,703.90
(ii) Owners’ devoted and decreased capital					88,864.95						88,864.95
1.Common shares invested by shareholders											
2. Capital invested by holders of other equity instruments											
3. Amount reckoned into owners equity with share-based payment											
4. Other					88,864.95						88,864.95
(III) Profit distribution									21,954,370.39	-67,778,722.69	-45,824,352.30
1. Withdrawal of surplus reserves									21,954,370.39	-21,954,370.39	
2. Distribution for owners (or shareholders)										-45,824,352.30	-45,824,352.30
3. Other											
(IV) Carrying forward internal											

owners' equity											
1. Capital reserves converted to capital (share capital)											
2. Surplus reserves converted to capital (share capital)											
3. Remedying loss with surplus reserve											
4. Other											
(V) Reasonable reserve											
1. Withdrawal in the report period											
2. Usage in the report period											
(VI)Others											
IV. Balance at the end of the report period	763,739,205.00				1,497,987,059.46				359,638,940.46	767,437,070.86	3,388,802,275.78

Legal Representative: Liu Tabin

Person in charge of accounting works: Zhang Xiaolong

Person in charge of accounting institute: Luo Bo

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

I. Company profile

(I) Historical Origin

Hefei Meiling Co., Ltd (hereinafter referred to as “the Company”) is an incorporated Company established and reorganized by Hefei Meiling Refrigerator General Factory and approved on June 12th 1992 through [WanTiGaiHanZi (1992) No.039] issued by original Mechanism Reform Committee of Anhui Province. On August 30th 1993, through Anhui Provincial Government [Wanzhenmin (1993) No.166] and re-examination of China Securities Regulatory Commission, the Company made first public issue for 30 million A shares and the Company was listed on Oct. 18th, 1993 in Shenzhen Stock Exchange. On August 13th, 1996, the Company was approved to issue 100 million B shares to investors abroad through [ZhengWeiFa(1996) No.26] issued by China Securities Regulatory Commission. The Company went public in Shenzhen Stock Exchange on 28 August 1996.

State-owned Assets Supervision & Administration Commission of the State Council approved such transfers with Document Guozi Chanquan No.253 in 2007 Reply on Matters of Hefei Meiling Group Holdings Company Limited Transferring Partial State-owned Ownership, Hefei Meiling Group Holdings Company Limited (hereinafter abbreviated as Meiling Group) transferred its holding 37,852,683 shares in 82,852,683 state-owned shares of the Company to Sichuan Changhong Electronic Group Co., Ltd (hereinafter abbreviated as Changhong Group), other 45,000,000 shares to Sichuan Changhong Electric Co. Ltd (hereinafter abbreviated as Sichuan Changhong). On 15 August 2007, the above ownerships were transferred and Cleaning Corporation Limited.

On 27 August 2007, State-owned Assets Supervision & Administration Commission of Anhui Provincial Government replied with Document [WGZCQH(2007) No.309] Reply on “Related Matters of Share Merger Reform of Meiling Co., Ltd.”, agreed the Company’s ownership split reform plan. The Company made consideration that non-tradable share holders deliver 1.5 shares to A share holders per 10 shares, and original Meiling Group made prepayment 3,360,329 shares for some non-tradable share holders as consideration for split reform plan.

On 29 May 2008, concerning 34,359,384 state-owned shares (including 3,360,329 shares paid for other non-tradable shareholders by original Meiling Group in share reform) held by original Meiling Group, the “Notice of Freely Transfer of Meiling Electrics Equity held by Meiling Group”[HGZCQ(2008) No. 59] issued from State-owned Assets Supervision & Administration Commission of Hefei Municipal, agrees to transfer the above said shares to Hefei Xingtai Holding Group Co., Ltd.(“Xingtai Holding Co.,”) for free. On 7 August 2008, the “Reply of Transfer Freely of Part of the Shares of Hefei Meiling Co., Ltd. held by State-owned shareholders”[GZCQ(2007) No. 750] issued by SASAC, agrees the above said transferring.

On 29 October 2008, Changhong Group Company signed Agreement on Equity Transfer of Hefei Meiling Co., Ltd with Sichuan Changhong, in which 32,078,846 tradable A-shares with conditional subscription of the Company (accounting for 7.76% in total shares) held by Changhong Group Company. On 23 December 2008, “Reply of Transfer Freely of Part of the Shares of Hefei Meiling Co., Ltd. held by State-owned shareholders”[GZCQ(2008) No. 1412] issued by SASAC agrees the above said share

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transferring.

On 24 December 2010, being deliberated and approved in 32nd Meeting of 6th Session of the Board and 2nd Extraordinary Shareholders' General Meeting of 2010 as well as approval of document [ZJXP(2010) No. 1715] from CSRC, totally 116,731,500 RMB ordinary shares (A stock) were offering privately to target investors with issue price of RMB 10.28/share. Capital collecting amounting to RMB 1,199,999,820 after issuing expenses RMB 22,045,500 deducted, net capital collected amounting to RMB 1,177,954,320, and paid-in capital(share capital) increased RMB 116,731,500 with capital reserve(share premium) RMB 1,061,106,088.5 increased. The increasing capital has been verified by Capital Verification Report No.: [XYZH2010CDA6021] issued from Shinwing CPA Co., Ltd.

On 20 June 2011, the general meeting of the Company considered and approved the 2010 profit distribution plan, namely to distribute cash dividends of RMB0.5 (tax included) plus two shares for every ten shares held by shareholders to all shareholders, based on the total share capital of 530,374,449 shares as of 31 December 2010. The total share capital of the Company upon profit distribution increased to 636,449,338 shares. The capital increase was verified by Anhui Huashen Zhengda Accounting Firm with the verification report WHSZDKYZ(2011)No.141.

On 26 June 2012, the general meeting of the Company considered and approved the 2011 profit distribution and capitalization of capital reserve plan, namely to distribute cash dividends of RMB0.5 (tax included) plus two shares for every ten shares to all shareholders capitalized from capital reserve, based on the total share capital of 636,449,338 shares as of 31 December 2011. The total share capital of the Company upon implementation of capitalization of capital reserve increased to 763,739,205 shares from 636,449,338 shares, and was verified by Anhui Anlian Xinda Accounting Firm with the verification report WALXDYZ(2012)No.093.

Ended as 30 June 2015, total share capital of the Company amounting to 763,739,205 shares with ordinary shares in full. Among which, 600,875,205 shares of A-share accounting 78.68% in total shares while B-share with 162,864,000 shares accounting 21.32% in total shares. Detail share capital as:

Type of stock	Quantity	Proportion
(I)Restricted shares	10,658,356.00	1.40%
1. State-owned shares	-	-
2. State-owned legal person's shares	915,987.00	0.12%
3. Other domestic shares	9,077,875.00	1.19%
Including: Domestic legal person's shares	6,714,683.00	0.88%
Domestic natural person's shares	2,363,192.00	0.31%
4. Foreign shares	664,494.00	0.09%
(II)Unrestricted shares	753,080,849.00	98.60%
1. RMB Ordinary shares	590,881,343.00	77.36%
2. Domestically listed foreign shares	162,199,506.00	21.24%

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From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

3. Overseas listed foreign shares	-	-
4. Others	-	-
Total shares	763,739,205.00	100.00%

(2) Business nature and its business activities

The Company belongs to the manufacture of light industry, and engaged in the production and sale of refrigerator, freezer and air-conditioner. Registration No. of the Business License of Corporation Legal Person: 340000400001278; Address: No.2163, Lianhua Road, Economy and Technology Development Zone, Hefei City; Legal Representative: Liu Tabin; register capital(paid-in capital): RMB 763,739,205; type of company: limited liability company(joint venture and listed of Taiwan, Hong Kong and Macau) Business Scope: Manufacture of cooling apparatus, air-conditioner, washing machine, injection plastic machine of computer controlling, computer heater, plastic products, packaging products and decorations. Business of self-produced products, technology export and import&export of the raw&auxiliary materials, machinery equipment, instrument and technology; department sales and transportation

(3) Name of the parent Company and final actual controller of the Group

Ended as 30 June 2015, Sichuan Changhong and its accord actionist totally held 24.88% shares of the Company and is the first largest shareholder; Changhong Group held 23.20% shares of Sichuan Changhong accounting and is the first largest shareholder of Sichuan Changhong; State-owned Assets Supervision & Administration Commission of Mianyang Municipality held 100% equities of Changhong Group and is the final actual controller of the Company.

II. Scope of consolidated financial statement

The Company's consolidated financial statement have 47 subsidiaries and sub-subsidiaries including Sichuan Changhong Air Conditioner CO., Ltd, Zhongshan Changhong Appliances Company Limited and Zhongke Meiling Cryogenic Technology Co., Ltd. etc. During the period, Neijiang Meiling Appliance Marketing Co., Ltd excluded in the consolidated statement due to liquidation.

More detail can be seen in "VII. Changes of consolidated scope" and "VIII. Rights and interest in other subjects" in the Note

III. Basis for preparation of financial statement

1. Basis for preparation

The financial statements of the Company were prepared in accordance with the actual transactions and proceedings, and relevant regulation of Accounting Standards for Enterprise released by the Ministry of Finance, and was on the basis of sustainable operation, and the accounting policy and estimation stated in the "IV. Significant Accounting Policy and Accounting Estimation".

2. Continuous operation

The Company recently has a history of profitability operation and has financial resources supporting, and prepared the financial statement on basis of going concern

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless otherwise specified, RMB for record in the Statement)

IV. Significant Accounting Policy, Accounting Estimation

1. Statement on observation of accounting standards for enterprise

The financial statement prepared by the Company applies with the requirements of Accounting Standard for Enterprise, and reflects the financial condition, operational achievements and cash flow of the Company effectively and completely.

2. Accounting period

The accounting period of the Company is the calendar date from 1 January to 31 December.

3. Standard currency for accounting

The Company takes RMB as the standard currency for accounting.

4. Accountant arrangement method of business combination under common control and not under common control

As acquirer, the Company measures the assets and liabilities acquired through business combination under common control at their carrying values as reflected in the consolidated financial statement of the ultimate controller as of the combination date. Capital reserve shall be adjusted in respect of any difference between carrying value of the net assets acquired and carrying value of the combination consideration paid. In case that capital reserve is insufficient to offset, the Company would adjust retained earnings.

The acquiree's net identifiable assets, liabilities or contingent liabilities acquired through business combination not under common control shall be measured at fair value as of the acquisition date. The cost of combination represents the fair value of the cash or non-cash assets paid, liabilities issued or committed and equity securities issued by the Company as at the date of combination in consideration for acquiring the controlling power in the acquiree, together with the sum of any directly related expenses occurred during business combination (in case of such business combination as gradually realized through various transactions, the combination cost refers to the sum of each cost of respective separate transaction). Where the cost of the combination exceeds the acquirer's interest in the fair value of the acquirer's identifiable net assets acquired, the difference is recognized as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the Company shall firstly make further review on the fair values of the net identifiable assets, liabilities or contingent liabilities acquired as well as the fair value of the non-cash assets portion of combination consideration or the equity securities issued by the Company. In case that the Company finds the cost of combination is still lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets after such further review, the difference is recognized in non-operating income for the current period when combination occurs.

5. Measures on Preparation of Consolidated Financial Statements

The Company shall put all the subsidiaries controlled and main body structured into consolidated financial statements.

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

Any difference arising from the inconformity of accounting year or accounting policies between the subsidiaries and the Company shall be adjusted in the consolidated financial statements.

All the material inter-company transactions, non-extraordinary items and unrealized profit within the combination scope are written-off when preparing consolidated financial statement. Owners' equity of subsidiary not attributable to parent company and current net gains and losses, other comprehensive income and total comprehensive income attributable to minority shareholders are recognized as non-controlling interests, minority interests, other comprehensive income attributable to minority shareholders and total comprehensive income attributable to minority shareholders in consolidated financial statement respectively.

As for subsidiary acquired through business combination under common control, its operating results and cash flow will be included in consolidated financial statement since the beginning of the period when combination occurs. When preparing comparative consolidated financial statement, the relevant items in previous year's financial statement shall be adjusted as if the reporting entity formed upon combination has been existing since the ultimate controller commenced relevant control.

As for equity interests of the investee under common control acquired through various transactions which eventually formed business combination, the Company shall supplement disclosure of the accounting treatment in consolidated financial statement in the reporting period when controlling power is obtained. For example, as for equity interests of the investee under common control acquired through various transactions which eventually formed business combination, adjustments shall be made as if the current status had been existing when the ultimate controller commenced control in connection of preparing consolidated financial statement; in connection with preparing comparative statement, the Company shall consolidate the relevant assets and liabilities of the acquiree into the Company's comparative consolidated financial statement to the extent not earlier than the timing when the Company and the acquiree are all under control of the ultimate controller, and the net assets increased due to combination shall be used to adjust relevant items under owners' equity in comparative statement. In order to prevent double computation of the value of the acquiree's net assets, the relevant profits and losses, other comprehensive income and change of other net assets recognized during the period from the date when the Company acquires original equity interests and the date when the Company and the acquiree are all under ultimate control of the same party (whichever is later) to the date of combination in respect of the long-term equity investment held by the Company before satisfaction of combination shall be utilized to offset the beginning retained earnings and current gains and losses in the period as the comparative financial statement involves, respectively.

As for subsidiary acquired through business combination not under common control, its operating results and cash flow will be included in consolidated financial statement since the Company obtains controlling power. When preparing consolidated financial statement, the Company shall adjust the subsidiary's financial statement based on the fair value of the various identifiable assets, liabilities or contingent liabilities recognized as of the acquisition date.

As for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, the Company shall supplement disclosure of the accounting treatment in consolidated financial statement in the reporting period when controlling power is obtained. For

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example, as for equity interests of the investee not under common control acquired through various transactions which eventually formed business combination, when preparing consolidated financial statement, the Company would re-measure the equity interests held in the acquiree before acquisition date at their fair value as of the acquisition date, and any difference between the fair value and carrying value is included in current investment income. In case that the equity interests in acquiree held by the Company before the relevant acquisition date involves other comprehensive income at equity method and change of other owners' equity (other than net gains and losses, other comprehensive income and profit distribution), then the equity interests would transfer to investment gains and losses for the period which the acquisition date falls upon. The other comprehensive income arising from change of the net liabilities or net assets under established benefit scheme as acquiree's re-measured such scheme is excluded.

The transaction with non-controlling interest to dispose long-term equity investment in a subsidiary without losing control rights over the subsidiary, the difference between the proceeds from disposal of interests and the decrease of the shared net assets of the subsidiary is adjusted to capital premium (share premium). In case capital reserve is not sufficient to offset the difference, retained earnings will be adjusted.

As for disposal of part equity investment which leads to losing control over the investee, the Company would re-measure the remaining equity interests at their fair value as of the date when the Company loses control over the investee when preparing consolidated financial statement. The sum of consideration received from disposal of equity interest and fair value of the remaining equity interest, less the net assets of the original subsidiary attributable to the Company calculated based on the original shareholding proportion since the acquisition date or the date then consolidation commences, is included in investment gains and losses for the period when control is lost, meanwhile to offset goodwill. Other comprehensive income related to equity interest investment in original subsidiaries is transferred into current investment gains and losses upon lost of control.

If the disposal of the equity investment of a subsidiary is realized through multiple transactions until loss of control and is a package deal, the accounting treatment of these transactions should be dealt with as one transaction of disposal of the subsidiary until loss of control. However, before the Company loses total control of the subsidiary, the differences between the actual disposal price and the share of the net assets of the subsidiary disposed of in every transaction should be recognized as other comprehensive income in the consolidated financial statements, and transferred to profit or loss when losing control.

6. Accounting treatment for joint venture arrangement and joint controlled entity

The joint venture arrangement of the Company consists of joint controlled entity and joint venture. As for jointly controlled entity, the Company determines the assets held and liabilities assumed separately as a party to the jointly controlled entity, recognizes such assets and liabilities according to its proportion, and recognizes relevant income and expense separately under relevant agreement or according to its proportion. As for asset transaction relating to purchase and sales with the jointly controlled entity which does not constitute business activity, part of the gains and losses arising from such transaction attributable to other participators of the jointly controlled entity is only recognized.

7. Cash and cash equivalents

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Cash in the cash flow statement comprises the Group's cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are short-term, highly liquid investments held by the Group, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, including but not limited to the followings which meet the aforesaid conditions: debt investment matured within three months upon the acquisition date, bank time deposit which can be early withdrew by serving a notice and transferrable deposit receipt, etc. for time deposit which can not be used for payment at any time, it would be note recognized as cash; while if can be used for such purpose, it would be recognized as cash. Guarantee deposit over three months in other monetary capital shall not be recognized as cash equivalents, and those less than three months are recognized as cash equivalents.

8. Foreign currency business and foreign currency financial statement conversion

(1) Foreign currency business

As for the foreign currency business, the Company converts the foreign currency amount into RMB amount pursuant to the spot exchange rate as of the business day. As at the balance sheet date, monetary items expressed by foreign currency are converted into RMB pursuant to the spot exchange rate as of the balance sheet date. The conversion difference occurred is recorded into prevailing gains and losses, other than the disclosure which is made according to capitalization rules for the exchange difference occurred from the special foreign currency borrowings borrowed for constructing and producing the assets satisfying condition of capitalization. As for the foreign currency non-monetary items measured by fair value, the amount is then converted into RMB according to the spot exchange rate as of the confirmation day for fair value. And the conversion difference occurred during the procedure is recorded into prevailing gains and losses directly as change of fair value. As for the foreign currency non-monetary items measured by historical cost, conversion is made with the spot exchange rate as of the business day, with no change in RMB amount.

(2) Conversion of foreign currency financial statement

Spot exchange rate as of the balance sheet date is adopted for conversion of assets and liabilities in foreign currency balance sheet; as for the items in statement of owners' equity except for "Undistributed profit", conversion is made pursuant to the spot exchange rate of business day; income and expense items in income statement then are also converted pursuant to the spot exchange rate of transaction day. Difference arising from the aforementioned conversions shall be listed separately in items of owners' equity. Spot exchange rate as of the occurrence date of cash flow is adopted for conversion of foreign currency cash flow. The amount of cash affected by exchange rate movement shall be listed separately in cash flow statement.

9. Financial assets and financial liabilities

(1) Financial assets

1) Classification of financial assets

In consideration of investment targets and economic essence, the Company groups the financial assets owned by it as four categories, namely financial assets measured by fair value and whose movement is

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recorded into prevailing gains and losses, held-to-maturity investment, loans and accounts receivables, as well as financial assets available-for-sale.

Financial assets measured by fair value and whose movement is recorded into prevailing gains and losses represent the financial assets which are held mainly for disposal in a short time and listed as tradable financial assets in the balance sheet.

Held-to-maturity investment represents the non-derivative financial assets which has fixed maturity day, fixed or available-for-confirmation recovered amount and for which the management has definite intention and ability to hold till maturity.

Loans and accounts receivables represent the non-derivative financial assets which have no quotation in an active market and fixed or available-for-confirmation recovered amount.

Financial assets available-for-sale including the non-derivative financial assets available-for-sale and the financial assets which have not been grouped as others at the initial confirmation

2) Recognition and measurement for financial assets

Financial assets, while become party of the contract of financial instrument in the Company, recognized in balance sheet by fair value. For the financial assets which are measured by fair value and whose fair value change is recorded into prevailing gains and losses, the relevant transaction expense arising from acquisition is recorded into prevailing gains and losses directly, while the relevant transaction expense of other financial assets is recorded into initial recognition amount.

Financial assets which are measured by fair value and whose fair value change is recorded into prevailing gains and losses, together with financial assets available-for-sale, would have follow-up measurement according to fair value; effective interest method is adopted for loans and accounts receivables and held-to-maturity investment which are shown in amortized cost.

Fair value change of financial assets which are measured by fair value and whose fair value change is recorded into prevailing gains and losses is recorded into gains and losses of fair value change; interests or cash dividend acquired from holding assets are recognized as investment income; when disposing such assets, the difference between their fair value and initial accounting amount is recognized as investment gains and losses. Meanwhile, gains and losses of fair value shall be adjusted.

Except impairment losses and exchange gains/loss from financial assets with foreign currency, variation of the fair value for financial assets available for sale should reckon into shareholders' equity. The variation of fair value accumulative reckon into equity previously should transfer into current gains/losses while recognition of this financial asset terminated. For the interest during period of holding for instrument investment of liability available for sale based on real interest rate, and cash dividend related with instrument investment of equity available for sale that announced by invested enterprises should reckon into current gains/losses as investment incomes.

3) Impairment of financial assets

Except for the financial assets which are measured by fair value and whose fair value change is recorded

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into prevailing gains and losses, the Company will make check in the carrying value of other financial assets as at the balance sheet date. If there is objective evidence proving impairment of certain financial assets, the Company then makes provision for impairment.

When the financial assets calculated by amortized cost decrease in value, count and draw the provision for impairment according to the balance between present value and book value of predicted future cash flows (Excluding future credit losses that haven't occurred yet.). If there is any objective evidence to indicate that the financial assets has recovered and is objectively connected with matters occurred after confirming the losses, the formerly confirmed impairment losses will be reversed and reckoned in current profits and losses.

When the fair value of financial assets available for sale goes down substantially or non- transiently, the accumulating losses previously and directly reckoned in shareholder's equity and formed due to shrinkage of fair value will be transferred and reckoned in impairment losses. As for the debt instrument investment available for sale with confirmed impairment losses, if its fair value rises after and it is objectively connected with matters occurred after confirming the primary impairment losses, the formerly confirmed impairment losses will be reversed and reckoned in current profits and losses. And the debt instrument investment available for sale with confirmed impairment losses shall be directly reckoned in stockholder's equity if its fair value rises after.

4) Transfer of financial assets

The financial assets meet one of following requirements will be terminated recognition: ① The contract rights of collecting cash flow of the financial assets is terminated; ②The financial assets has already been transferred, and the Company has transferred almost all risks and remunerations of financial assets ownership to the transferee; ③The financial assets has been transferred, even though the Company has neither transferred nor kept almost all risks and remunerations of financial assets ownership, the Company has given up controlling the financial assets.

If the enterprise has neither transferred or kept almost all risks and remunerations of financial assets ownership, nor given up controlling the financial assets, then confirm the relevant financial assets according to how it continues to involve into the transferred financial assets and confirm the relevant liabilities accordingly. The degree of keeping involving into the transferred financial assets refers to the risk level with which the fluctuation of this financial asset value makes the enterprise face.

If the entire transfer of financial assets satisfies the demand for derecognition, reckon the balance between the book value of the transferred financial assets and the sum of consideration received from transfer and fluctuation accumulated amount of fair value formerly reckoned in other consolidated income in the current profits and losses.

If part transfer of financial assets satisfies the demand for derecognition, apportion the integral book value of the transferred financial assets between the derecognized parts and the parts not yet derecognized according to each relative fair value, and reckon the balance between the sum of consideration received from transfer and fluctuation accumulated amount of fair value formerly reckoned in other consolidated income

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that should be apportioned to the derecognized parts and the apportioned aforementioned carrying amounts in the current profits and losses.

(2) Financial liabilities

When making the initial recognition for financial liabilities, the Company classifies the financial liabilities into ones which are measured by fair value and whose change is recorded into prevailing gains and losses, and other financial liabilities.

Financial liabilities which are measured by fair value and whose change is recorded into prevailing gains and losses include tradable financial liabilities and financial liabilities which are measured by fair value and whose change is recorded into prevailing gains and losses at the initial recognition day. Follow-up measurements are made by fair value. Recorded into prevailing gains and losses are the gains or losses formed through fair value change and dividend and interest expenditure regarding to the financial liabilities.

As for other financial liabilities, effective interest rate method is adopted and follow-up measurement is made according to amortized cost.

1- Method for recognition of fair value of financial assets and liabilities

For those financial instruments existing in active markets, market quotation in the active market is used to confirm their fair values. In active market, the Company takes the present bid price of already-held financial assets or plan-to-undertake financial liabilities as the fair values of relevant assets and liabilities; the Company takes the present offer price of plan-to-buy financial assets and –already-undertaken liabilities as the fair values of relevant assets and liabilities. In the situation that there are no present bid and offer price for financial assets and liabilities, while there is no material change in economic environment after the latest business day, then fair value of the financial assets and liabilities is to confirm pursuant to the latest business market quotation.

Fair value of the financial instruments which have no active market is confirmed by adoption of estimation technology. Estimation technology includes reference to the price applied by parties which know well situation and are willing to make deals in the latest market business, reference to the current fair value of other financial assets which are the same in principle, reference to discounted cash flow method and option pricing model.

10. Bad debt provision for accounts receivable

Allowance method is adopted for the bad debt losses which are likely to happen. And conducting impairment test independently or by combination at period-end, withdrawn bad debt provision and then recorded into current gains and losses. As for the accounts receivable which are not able to call back through definite evidence, they shall be treated as bad debt losses after approval of the Group according to regulated procedures to offset withdrawn bad debt provision.

The following situation as standards for confirmation of bad debt losses of accounts receivable: revoke, bankruptcy, insolvency, serious insufficiency of cash flow of its debit units, or the debit units have to stop production due to serious natural disaster and are not able to settle the debts or in predicted time, or other

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definite evidence showing that the debt is not available to call back or the possibility of calling back is tiny.

Account receivables were divided as follow categories at period-end, which was performed impairment test in way of individual or group, and withdrawal bad debt provision:

(1) Account receivable with single significant amount:

Determine basis or amount standards for single significant amount	If totally amount takes over 80% of the total for over 5% occupied, than 5% of single amount in total amounts recognized as single significant amount; if totally amount takes less than 80% of the total for over 5% occupied, than lower recognition standards till qualified 80% in total
Method of bad debt provision accrual for account receivable with single major amount	Withdrawal bad debt provision according to difference between the current value of future cash flow and book values; if there has no impairment been found in individual test, withdrawal bad debt provision while testing by group

(2) Account receivable withdrawal bad debt provision based on combination:

Basis for combination recognized	
Combination 1	Account receivable except combination 2
Combination 2	Employee reserve fund, foreign investment amount, contact with related party in consolidated statement of Changhong Group, export tax refund receivable, account receivable with L/C or insurance, government subsidy etc.
Methods on withdrawal of bad debt provision based on combination	
Combination 1	Withdrawal bad debt provision by proportion in different age group
Combination 2	Risks are under control without bad debt provision accrual

In combination 1, withdrawal proportion of bad debt provision for account receivable based on age analysis:

Age	Withdrawal proportion of account receivable (%)	Withdrawal proportion of other account receivable (%)
Within 1 year (1year included)	5	5
1—2 years	15	15
2—3 years	35	35
3—4 years	55	55
4—5 years	85	85
Over 5 years	100	100

(3) Account receivable with single minor amount but withdrawal single item bad debt provision:

Reasons for withdrawal single item bad debt provision	Account with minor amount but have significant inflow risk on predicted future cash flow
Withdrawal method for bad debt provision	Impairment test on the current value of predicted future cash flow, bad debt provision withdrawal.

11. Inventories

Inventories of the Company principally include raw materials, stock goods; work in process, self-made semi-finished product, materials consigned to precede, low-value consumption goods, goods in transit, goods in process and mould etc.

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Perpetual inventory system is applicable to inventories. For daily calculation, standard price is adopted for raw materials, low-value consumption goods and stock goods. Switch-back cost of the current month is adjusted by distribution price difference at the end of the month, the dispatched goods will share the cost differences of inventory while in settlement the business income; and low-value consumption goods is carried forward at once when being applied for use; the mould expenses will evenly deferred share based on balance at period-begin plus increase amount in this period divided by 12 months.

Inventory at period-end valued by the Lower-of-value between the cost and net realizable value. For those individual stock, suffering damage, totally or partly out of fashion or has lower sales price than cost, predicted recoverable parts in cost, and withdrawal provision of inventory depreciation single. For those raw materials, stock commodities and goods in transit, withdrawal provision of inventory depreciation by follow methods:

(1) Determined the net realizable value of raw materials on the higher amount between the final prices of estimated sale-price deducted cost (about to happen till products finished), estimated sales expense and relevant taxes, and the fair value of external disposal.

(2) Withdrawal obsolete provision for commodity stocks and goods in transit by the follow proportion:

(1) Refrigerator, freezer and washing machine

Grade	Stock duration	Withdrawal proportion for obsolete provision
Grade-A	Within 3 months	0%
	4-6 months	5%
	7-12 months	15%
	1-2 years	25%
	2-3 years	40%
	Over 3 years	100%
Qualified		40%
Grade-B		50%
Grade-C		60%
Unqualified		60%
Disposal		65%
Sample machine		30%
Special user type that exceed the order quantity		50%

(2) Air-conditioner

Location level	Withdrawal proportion for obsolete
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	provision
Repair	50%
Awaiting repair	70%
Store return	70%
De-stocking	70%
Overstock	100%

The Company re-checks the above mentioned proportion at every end of the year. Calculated the net realizable value by difference between the estimated sale price less the estimated sales expense and relevant taxation; after comparison with the book value of commodity stocks and goods in transit, determined whether adjusted the proportion or not. Mould expense will amortize in installment in usual times. Once the use-life of mould being terminated, than transfer its remaining cost into gains/losses, and no withdrawal of obsolete provision at period-end.

12. Long-term equity investment

Long-term equity investment of the Company is mainly about investment in subsidiary, investment in associates and investment in joint-ventures.

For long-term equity investments acquired through business combination under common control, the initial investment cost shall be the acquirer's share of the carrying amount of net assets of the acquiree as of the combination date as reflected in the consolidated financial statement of the ultimate controller. If the carrying amount of net assets of the acquiree as of the combination date is negative, the investment cost of long-term equity investment shall be zero. For long-term equity investment acquired through business combination not under common control, the initial investment cost shall be the combination cost.

Excluding the long-term equity investment acquired through business combination, there is also a kind of long-term equity investment acquired through cash payment, for which the actual payment for the purchase shall be investment cost; If Long-term equity investments are acquired by issuing equity securities, fair value of issuing equity investment shall be investment cost; for Long-term equity investments which are invested by investors, the agreed price in investment contract or agreement shall be investment cost; and for long-term equity investment which is acquired through debt reorganization and non-monetary assets exchange, regulations of relevant accounting standards shall be referred to for confirming investment cost.

The Company adopts cost method for investment in subsidiaries, makes calculation for investments in joint-ventures and associates by equity method.

When calculated by cost method, long-term equity investment is priced according to its

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investment cost, and cost of the investment is adjusted when making additional investment or writing off investment; When calculated by equity method, current investment gains and losses represent the proportion of the net gains and losses realized by the invested unit in current year attributable to or undertaken by the investor. When the Company is believed to enjoy proportion of net gains and losses of invested unit, gains and losses attributable to the Company according to its shareholding ratio is to computer out according to the accounting policy and accounting period of the Company, on the basis of the fair value of various recognizable assets of the invested unit as at the date of obtaining of the investment, after offset of gains and losses arising from internal transactions with associates and joint-ventures, and finally to make confirmation after adjustment of net profit of the invested unit. Confirmation on gains and losses from the long-term equity investment in associates and joint-ventures held by the Company prior to the first execution day, could only stand up with the precedent condition that debit balance of equity investment straightly amortized according to its original remaining term has already been deducted, if the aforementioned balance relating to the investment do exist.

In case that investor loses joint control or significant influence over investee due to disposal of part equity interest investment, the remaining equity interest shall be calculated according to Enterprise Accounting Principles No.22-Recognition and Measurement of Financial Instrument. Difference between the fair value of the remaining equity interest as of the date when lose of joint control or significant influence and the carrying value is included in current gains and losses. Other comprehensive income recognized in respect of the original equity interest investment under equity method should be treated according to the same basis which the investee adopts to directly dispose the relevant assets or liabilities when ceasing adoption of equity method calculation; and also switches to cost method for calculating the long-term equity investments which entitles the Company to have conduct control over the invested units due to its additional investments; and switches to equity method for calculating the long-term equity investments which entitles the Company to conduct common control or significant influence, while no control over the invested units due to its additional investments, or the long-term equity investments which entitles the Company with no control over the invested units any longer while with common control or significant influence.

When disposing long-term equity investment, the balance between its carrying value and effective price for obtaining shall be recorded into current investment income. When disposing long-term equity investments which are calculated by equity method, the proportion originally recorded in owners' equity shall be transferred to current investment income according to relevant ratio, except for that other movements of owners' equity excluding net gains and

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losses of the invested units shall be recorded into owners' equity.

13. Investment real estate

The investment real estate of the Company includes leased houses and buildings, and is accounted value by its cost. Cost of purchased-in investment real estate consists of payment for purchase, relevant taxes and other expenditure which is attributable to the assets directly; while cost of self-built investment real estate is formed with all necessary expenditures occurred before construction completion of the assets arriving at the estimated utilization state.

Consequent measurement of investment estate shall be measured by cost method. Depreciation is provided with average service life method pursuant to the predicted service life and net rate of salvage value. The predicted service life and net rate of salvage value and annual depreciation are listed as follows:

Type	Depreciation term	Predicted rate of salvage value	Depreciation rate per annum
Houses and buildings	30-40 years	4%-5%	2.375%-3.20%

When investment real estate turns to be used by holders, it shall switch to fixed assets or intangible assets commencing from the date of such turning. And when self-used real estate turns to be leased out for rental or additional capital, the fixed assets or intangible assets shall switch to investment real estate commencing from the date of such turning. In situation of switch, the carrying value before the switch shall be deemed as the credit value after the switch.

When investment is disposed, or out of utilization forever and no economic benefit would be predicted to obtain through the disposal, the Company shall terminate recognition of such investment real estate. The amount of income from disposal, transfer, discarding as scrap or damage of investment real estate after deducting the asset' s carrying value and relevant taxation shall be written into current gains and losses.

14. Fixed assets

Fixed assets of the Company represent the tangible assets and assets package: held by the Company for purpose of producing commodities, providing labor service, leasing or operational management, service life exceeds one year, and unit price exceeds RMB 2,000. Including four categories of houses and buildings, machinery equipments, transportation equipments and other equipments

Their credit value is determined on the basis of the cost taken for obtaining them. Of which, cost of purchased-in fixed assets include bidding price and import duty and relevant taxes, and other expenditure which occurs before the fixed assets arrive at the state of predicted utilization and which could be directly attributable to the assets; while cost of self-built fixed

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asset is formed with all necessary expenditures occurred before construction completion of the assets arriving at the estimated utilization state; credit value of the fixed assets injected by investors is determined based on the agreed value of investment contracts or agreements, while as for the agreed value of investment contracts or agreements which is not fair, it shall take its fair value as credit value; and for fixed assets which are leased in through finance leasing, credit value is the lower of fair value of leased assets and present value of minimized leasing payment as at the commencing date of leasing.

Consequent expenditure related to fixed assets consists of expenditures for repair and update reform. For those meeting requirements for recognition of fixed assets, they would be accounted as fixed asset cost; and for the part which is replaced, recognition of its carrying value shall cease; for those not meeting requirements for recognition of fixed assets, they shall be accounted in current gains and losses as long as they occur. When fixed asset is disposed, or no economic benefit would be predicted to obtain through utilization or disposal of the asset, the Company shall terminate recognition of such fixed asset. The amount of income from disposal, transfer, discarding as scrap or damage of fixed asset after deducting the asset's carrying value and relevant taxation shall be written into current gains and losses.

The Company withdraws depreciation for all fixed assets except for those which have been fully depreciated while continuing to use. It adopts average service life method for withdrawing depreciation which is treated respectively as cost or current expense of relevant assets according to purpose of use. The depreciation term, predicted rate of salvage value and depreciation rate applied to fixed assets of the Company are as follows:

No.	Type	Depreciation term	Predicted rate of salvage value	Depreciation rate per annum
1	Houses and buildings	30-40 years	4%-5%	2.375%-3.20%
2	Machinery equipments	10-14 years	4%-5%	6.786%-9.60%
3	Transport equipment	5-12 years	4%-5%	7.92%-19.20%
4	Other equipments	8-12 years	4%-5%	7.92%-12.00%

The Company makes re-examination on predicted service life, predicted rate of salvage value and depreciation method at each year-end. Any change will be treated as accounting estimation change.

15. Construction in process

Construction in process is measured with effective cost. Self-operated constructions projects are measured with direct materials, direct salaries and direct construction expense; construction projects undertaken by external are measured with the engineering payment payable; and engineering cost (income abatement) of equipment-installation projects is

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confirmed with consideration of value of the equipments, installation fee, and expenditure arising from trial operation of the projects. Borrowing expense and exchange gains and losses which should be capitalized are also included in cost of construction in process.

16. Borrowing expense

Borrowing expenses include interest expense, amortization of discount or premium, auxiliary expenses and exchange difference due to borrowing in foreign currency. The borrowing expense which could be directly attributable to purchase or production of assets satisfying capitalization condition, starts capitalization when capital expenditure and borrowing expense occur and when necessary purchase or production conducted for promoting assets to reach the predicted available-for-use or available-for-sale state; and capitalization shall cease when purchased or produced assets satisfying capitalization condition have reached the predicted available-for-use or available-for-sale state. Other borrowing expense is recognized as expense during the occurrence period.

Capitalization shall be exercised for interest expense actually occurred from special borrowings in current period after deduction of the interest income arising from unutilized borrowing capital which is saved in banks or deduction of investment income obtained from temporary investment; For recognition of capitalized amount of common borrowing, it equals to the weighted average of the assets whose accumulated expense or capital disburse is more than common borrowing times capitalization rate of occupied common borrowing. Capitalization rate is determined according to weighted average interest rate of common borrowing.

Assets satisfying capitalization principle generally refer to fixed assets, investment real estate and inventories which can only arrive at predicted available-for-use and available-for-sale state after quite a long time (generally over one year) in purchase or production activities.

If abnormal interruption happens during purchase or production of assets satisfying capitalization principle and the interruption lasts over 3 months, the capitalization for the borrowing expense shall pause until the purchase or production restarts.

17. Intangible assets

The Company holds intangible assets including land use right, trademark, patent technology and non-patent technology. Intangible assets are measured according to the effective costs paid for obtaining the assets. For those intangible assets purchased in by the Company, their effective cost consist of actual payment and relevant other expenditure; for the intangible assets input by investors, effective cost is determined according to the value agreed

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in investment contracts and agreements, while if the agreed value is not fair, then effective value is confirmed according to fair value.

Land use right is averagely amortized according to its transfer term commencing from the date of transfer; trademark use-rights averagely amortized by 10 years; patent technology, non-patent technology and other intangible assets is averagely amortized according to the shortest of their predicted service life, beneficial term concluded by contract and effective term regulated by laws. Amortization amount is recorded in assets cost and current gains and losses relevant to beneficial objectives.

Re-examination on predicted service life and amortization method of the intangible assets which have limited service life shall be conducted at the end of each year. If changed, it would be treated as change of accounting estimation. Re-examination on predicted service life of intangible assets which have uncertain service life shall be conducted. For any evidence proving that service life of intangible assets is limited, then the service life shall be estimated and the Company shall make amortization within the predicted service life period.

18. Research and development

As for expenditure for research and development, the Company classifies it into expenditure on research phase and development phase, based on nature of the expenditure and that whether the final intangible assets formed by research & development is of great uncertainty. Expenditure arising during research should be recorded in current gains and losses upon occurrence; expenditure arising during development is confirmed as intangible assets when satisfying the following conditions:

(1) Completions of the intangible assets make it available for application or sell in technology;

(2) Equipped with plan to complete the intangible asset and apply or sell it;

(3) There is market for products produced with this intangible assets or the intangible asset itself;

(4) Have sufficient technology, financial resource and other resources to support development of the intangible assets, and have ability to apply or sell the assets;

(5) Expenditure attributable to development of the intangible assets could be reliable measured.

Expenditure arising during development not satisfying the above conditions shall be recorded in current gains and losses upon occurrence. Development expenditure which had been recorded in gains and losses in previous period would not be recognized as assets in later period. Expenditure arising during development phase which has been starting capitalization is

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listed in balance sheet as development expenditure, and transferred to intangible assets since the project reaches at predicted utilization state.

19. Impairment of non-financial long-term assets

As at each balance sheet date, the Company has inspection on long-term equity investment, fixed assets, construction in process and intangible assets with limited service life. When the following indications appear, assets may be impaired, and the Company would have impairment test. As for goodwill and intangible assets which have uncertain service life, no matter there is impairment or not, impairment test shall be conducted at the end of every year. If it is hard to make test on recoverable amount of single asset, test is expected to make on the basis of the assets group or assets group portfolio where such asset belongs to.

After impairment test, if the carrying value exceeds the recoverable amount of the asset, the balance is recognized as impairment loss. As long as impairment loss of the aforementioned assets is recognized, it couldn't be switched back in later accounting periods. Recoverable amount of assets refers to the higher of fair value of assets net disposal expense and present value of predicted cash flow of the asset.

Indications for impairment are as follows:

(1) Market value of asset drops a lot in current period, the drop scope is obviously greater than the predicted drop due to move-on of times or normal utilization;

(2) Economy, technology or law environment where enterprise operates or market where asset is located will have significant change in current or recent periods, which brings negative influence to enterprise;

(3) Market interest rate or returning rate of other market investments have risen in current period, which brings influence in calculating discount rate of present value of predicted future cash flow of assets, which leads to a great drop in recoverable amount of such assets;

(4) Evidence proving that asset is obsolete and out of time or its entity has been damaged;

(5) Asset has been or will be keep aside, terminating utilization or disposed advance;

(6) Internal report of enterprise shows that economic performance of asset has been or will be lower than prediction, such as that net cash flow created by asset or operation profit (or loss) realized by asset is greatly lower (or higher) than the predicted amount;

(7) Other indications showing possible impairment of assets

20. Goodwill

Goodwill represents balance between equity investment cost or business combination cost under no common control exceeding the attributable part or fair value of recognizable net assets of party invested or purchased (obtained through business combination) as of acquisition day or purchase day.

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Goodwill relating to subsidiaries is separately listed in consolidated financial statement. And goodwill relating to associates and joint-ventures is included in carrying value of long-term equity investment.

21. Long-term deferred expenses

Long-term deferred expenses of the Company refer to the expense which has been paid out while should be amortized from the current period and periods thereafter, with amortization term over 1 year (excluding 1 year). Such expense is averagely amortized during the beneficial period. If such long-term deferred expense could not bring benefit to following accounting periods, the unamortized value of the item shall be fully transferred to current gains and losses.

22. Staff remuneration

Employee benefits mainly include all kinds of remuneration incurred in exchange for services rendered by employees or compensation to the termination of employment relationship such as short-term wages, post-employment benefits, compensation for the termination of employment relationship and other long-term employee welfare.

Short-term remuneration includes: staff salary, bonus, allowances and subsidies, staff benefits, social insurances like medical insurance, work-related injury insurance and maternity insurance, housing fund, labor union funds and staff education funds, short-term paid absence of duty, short-term profit sharing scheme, non-monetary benefits as well as other short-term remuneration. During the accounting period when staff provides services, the short-term remuneration actually occurred is recognized as liabilities and shall be included in current gains and losses or related asset costs according to the beneficial items.

Retirement benefits mainly consist of basic pension insurance, unemployment insurance and early-retirement benefits, etc. retirement benefit scheme represents the agreement reached by the Company and its employees in respect of retirement benefits, or the rules or regulations established by the Company for providing retirement benefits to employees. In particular, defined contribution plan means a retirement benefit plan, pursuant to which, the Company makes fixed contribution to independent fund, upon which, it is not obliged to make further payment. Defined benefit plan refers to retirement benefit scheme other than defined contribution plan.

The early retirement policy for staff and workers of the Company is the compensation for encouraging staff and workers to accept the reduction voluntarily. The employees make applications voluntarily, the two parties sign the compensation agreement after approved by the Company and calculate the compensation amount according to the compensation standard passed by the staff representative conference, and the Company confirms it as dismiss welfare and reckons it in current profits and losses. As the Company promises to adjust the treatment

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for early retiring staff and workers with the increase of social basic cost of living allowances, the discount elements will not be considered for calculating the dismiss welfare.

23. Estimated liabilities

If the business in connection with such contingencies as a security involving a foreign party, commercial acceptance bill discount, pending litigation or arbitration, product quality assurance, etc. meets all of the following conditions, the Company will confirm the aforesaid as liabilities: the obligation is an existing obligation of the Company; performance of the obligation is likely to cause economic benefits to flow out of the enterprise; the amount of the obligation is reliably measurable.

24. Principle of recognition of revenue and measurement method

The Company's sales revenue is mainly comprised of revenue from sale of goods, labor providing income and revenue from assignment of asset use rights. The principle of recognition of such revenue is as follows:

(1) Revenue from the sale of goods shall be recognized when the Company has transferred to the buyer the significant risks and rewards of ownership of the goods; the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow into the Company; and the associated costs incurred or to be incurred can be measured reliably. Air-conditioner OEM/ODM will recognize revenue while notes issued after commodity transfer to the shipping space that appointed by the client.

(2) The Company confirms the realization of service income when the gross income and total cost of labor service can be unfailingly calculated, the economic benefits related to labor service are likely to flow into the Group, and the progress of labor service can be confirmed reliably. On balance sheet date, with regard to those with results provided for labor service transactions can be estimated reliably, confirm the relevant service income according to percentage of completion method and determine the percentage-of-completion method by the proportion of the occurred cost in the estimated total cost; as for those with results provided for labor service transactions can't be estimated reliably and with occurred labor cost predicted to be able to get compensation, confirm to provide service income according to labor cost amount occurred and capable of getting compensation, and carry over the occurred labor costs; for those with results provided for labor service transactions can't be estimated reliably and with occurred labor cost predicted to be not able to get compensation, reckon the occurred labor cost in the current profits and losses, but not confirm to provide service income.

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(3) The economy benefit of use-right of transfer assets probably wills inflow to the Company, if the income can be measure accountability, than use-right income of transfer assets recognized.

25. Government subsidies

Government subsidy at the Company be able to meet its attached conditions, and can be confirmed when received. Government grants for monetary assets, in accordance with the measurement of the amount actually received, according to a fixed quota for the allocation of the grant criteria, in accordance with the amount of accounts receivable measurement; government subsidies for non-monetary assets, in accordance with the fair value, fair value should not reliably achieved, in accordance with the notional amount (RMB 1.00) measurement.

Asset-related government grants recognized as deferred income, and average life of related assets included in the current profit and loss distribution. With the proceeds of the relevant government subsidies to compensate for the period after the relevant costs or losses recognized as deferred income and, while recognizing the associated costs included in current period profit and loss; for compensation related costs that have occurred or loss, directly gains and losses included in the current period.

26. Deferred Income Tax Assets and Deferred Income Tax Liabilities

A deferred tax asset and deferred tax liability shall be determined by a difference (temporary difference) between the carrying amount of an asset or liability and its tax base. The deferred tax asset shall be recognized for the carry forward of unused deductible losses that it is probable that future taxable profits will be available against which the deductible losses can be utilized. For temporary difference arising from initial recognition of goodwill, no corresponding deferred income tax liabilities will be recognized. For temporary difference arising from initial recognition of assets and liabilities occurred in the transaction related to non business combination which neither affect accounting profit nor assessable income (or deductible losses), no corresponding deferred income tax assets and deferred income tax liabilities will be recognized. As of the balance sheet date, deferred income tax assets and deferred income tax liabilities are measured at the effective tax rate applicable to the period when recovery of assets or settlement of liabilities occur.

The Company recognizes deferred income tax assets to the extent of future assessable income tax which is likely to be obtained to offset deductible temporary difference, deductible losses and tax credits.

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27. Lease

The Company categorizes the lease into the financial lease and the operating lease.

The financial lease is the lease in which all risks and returns related to the ownership of assets are transferred in substance. The Company as a lease holder, on the date of lease, the financial lease is recognized as the fixed asset at lower cost of fair value of the rental asset and the NPV of minimum payment of leasing. The minimum payment of leasing is recognized as long-term payable and the difference is accounted into unrecognized financing expense.

The operating lease is the lease apart from the financial lease. The Company, as a lease holder, accounts the rents into current period by straight line method during the term of the lease. The Company, as a leaser, accounts the rental income into current period by straight line method during the term of the lease.

28. Income tax accounting

The Company accounted the income tax in a method of debit in balance sheet. The income tax expenses include income tax in the current year and deferred income tax. The income tax associated with the events and transactions directly included in the owners' equity shall be included in the owners' equity; and the deferred income tax derived from business combination shall be included in the carrying amount of goodwill, except for that above, the income tax expense shall be included in the profit or loss in the current period.

The income tax expense in the current year refers to the tax payable, which is calculated according to the tax laws on the events and transactions incurred in the current period. The deferred income tax refers to the difference between the carrying amount and the deferred tax assets and deferred tax liabilities at the year-end recognized in the method of debit in the balance sheet.

29. Segment information

Business segment was the major reporting form of the Company, which divided into 4 parts: air-conditioner, refrigerator and freezer, marketing and others. The transfer price among the segments will recognize based on the market price, common costs will allocated by income proportion between segments except for the parts that without reasonable allocation.

30. Explanation on significant accounting estimation

The management of the Company needs to apply estimation and assumption when preparing financial statement which will affect the application of accounting policy and amounts of assets, liabilities, income and expense. The actual condition may differ from the estimation. Constant evaluation is conducted by the management in respect of the key assumption involved in the estimation and judgment of uncertainties. Effect resulting from

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change of accounting estimation is recognized in the period the change occurs and future periods.

The following accounting estimation and key assumption may result in material adjustment to the book value of assets and liabilities in future period.

(1) Inventory impairment provision

The Company provides impairment provision according to the type of finished products and goods delivered under fixed proportion, and estimates the realizable net value of inventories by reference to the projected selling price of similar inventories less sales expenses and related taxes on a regular basis, so as to evaluate the rationality of the provision proportion. If the actual selling price or expense differs from the previous estimation, the management will make corresponding adjustment to the proportion. The estimation results based on existing experiences may differ from the latter actual results, which may result in adjustment to the book value of inventories in the balance sheet and affect over the gains and losses of the period when the estimation changes.

(2) Accounting estimation on long-term assets impairment provision

The Company makes impairment test on fixed assets such as buildings, machine and equipments which have impairment indication and long-term assets such as goodwill as at the balance sheet date. The recoverable amount of relevant assets and assets group shall be the present value of the projected future cash flow which shall be calculated with accounting estimation.

If the management amends the gross profit margin and discount rate adopted in calculation of future cash flow of assets and assets group and the amended gross profit margin is lower than the currently adopted one or the amended discount rate is higher than the currently adopted one, the Company needs to increase provision of impairment provision. If the actual gross profit margin is higher (or the discount rate is lower) than the estimation of management, the Company can not transfer back the long term assets impairment provision provided already.

(3) Accounting estimation on realization of deferred income tax assets

Estimation on deferred income tax assets needs estimation on the taxable income and applicable tax rate for each future year. Realization of deferred income tax assets depends on whether a company is able to obtain sufficient taxable income in future. Change of future tax rate and switch back of temporary difference could affect the balance of income tax expense (gains) and deferred income tax. Change of the aforesaid estimation may result in material adjustment to deferred income tax.

(4) Usable term and residual value rate of fixed assets and intangible assets

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The Company, at least at the end of each accounting year, reviews the projected usable life and residual value rate of fixed assets and intangible assets. The projected usable life and residual value rate are determined by the management based on the historical experiences of similar assets by reference to the estimation generally used by the same industry with consideration on projected technical upgrade. If material change occurs to previous estimation, the Company shall accordingly adjust the depreciation expenses and amortization expenses for future period.

(5) Projected liabilities arising from product quality guarantee

The Company commits to repair the major spare parts of refrigerators sold through go-to-countryside promotion activity for free for ten years. As to the maintenance expenses that may be increased arising from such commitment, the Company has provided projected liabilities.

Taking into account the various uncertainties during the ten years, the Company considers no discount factor of such projected liabilities. In stead, the Company reviews the parameters (probability, proportion, maintenance expense per single set) based on the actual occurrence of maintenance expenses as of each balance sheet date. If obvious change is found, the Company will adjust the projected liabilities according to the latest parameters so as to reflect the best estimation.

31. Other comprehensive income

Other comprehensive income represents various gains and losses not recognized in current gains and losses according to other accounting rules.

Other comprehensive income items shall be reported in the following two classes under other relevant accounting rules:

(1) Other comprehensive income items that can not be reclassified into gains and losses in future accounting periods, mainly including changes arising from re-measurement of net liabilities or net assets under defined benefit plan and interest in investee's other comprehensive income which are measured under equity method and which can not be reclassified into gains and losses in future accounting periods;

(2) Other comprehensive income items that will be reclassified into gains and losses in future accounting periods upon satisfaction of required conditions, mainly including interest in investee's other comprehensive income which are measured under equity method and which will be reclassified into gains and losses in future accounting periods upon satisfaction of required conditions, gains or losses arising from change of fair value of available-for-sale financial assets, gains or losses arising from reclassification of held-to-maturity investment into

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available-for-sale financial assets, gains or losses occurred by cash flow hedging instruments attributable to effective hedge, foreign currency financial statement translation difference, etc.

V. Taxation

(I) Major taxes (expenses) and tax rates

Tax(expenses)	Tax base	Tax rate
VAT	Income from sales of goods and from processing	17%
Business tax	Rental income and off-price expense	5%
Urban maintenance and construction tax	Turnover tax	5% or 7%
Education surcharge	Turnover tax	3%
Local education surcharge	Turnover tax	2%
Corporate income tax	Taxable income	15% or 25%
House Property Tax	Original Book value of house property × (1-30%) or annual rent income	1.2% or 12%
Land use tax	Actual land area used	RMB 2.5/M ² to RMB 7 /M ²

(II) Preferential tax and approval documents

The Company and its subsidiary Zhongke Meiling Cryogenics Technology Limited Company were recognized as second Hi-Tech Enterprise for year of 2014 in Anhui Province with term of three years. Therefore, the Company and its subsidiary Zhongke Meiling Cryogenics Technology Co., Ltd. enjoys 15% rate for the income tax for State Hi-Tech Enterprise. On 22 January 2015, being recognized by “Name Lists of First Hi-Tech Enterprise for year of 2014 in Anhui Province” [WGQR(2014) No. 37] from Anhui Science & Technology Department, the Company and Zhongke Meiling Cryogenics Technology Co., Ltd. continuous to enjoy 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

Subsidiary Zhongshan Changhong Electric Co., LTD. was recognized as First Hi-Tech Enterprise for year of 2008 in Guangdong Province with 15% rate for the income tax for State Hi-Tech Enterprise enjoys for term of three years. On 10 October 2014, being recognized by Guangdong Science & Technology Department (identified No.: GR201444000246) , Zhongshan Changhong Appliance Co., Ltd. continuous to enjoy 15% rate for the income tax for State Hi-Tech Enterprise for three years term.

Subsidiary Sichuan Changhong Air Conditioner Co., Ltd. approved the re-examination of high-tech enterprise dated 25 December 2013, and was granted the “Certificate of High-tech Enterprise” (certificate No.: GR201051000154) with a maturity of three years. Being approved and file by First Branch of Local Tax Bureau of Mianyang City, Sichuan Changhong

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Air Conditioner Co., Ltd. was subject to enterprise income tax at a rate of 15%.

Subsidiary Mianyang Meiling Software Technology Co., Ltd. pass the software enterprise certificate on 27 June 2014, and obtained the Software Enterprise Certification [Chuan No.:R-2014-0072]. Calculating the promotion period since the year of profit-making, the 1st year to 2nd year, the income tax shall be exempted, levy income tax based on half of the statutory rates from the 3rd year to 5th year, and enjoy the preferential till expired

Subsidiary Mianyang Meiling Refrigeration Co., Ltd. passes the review approval from Economic and Information Commission of Sichuan dated 9 May 2014, [Chuan Jing Xin Industry Han (2014) No. 408], and recognized as industries to encourage regulated in “Catalogue for Guiding Industry Restructuring” (2011 version) Amendment (National Development and Reform Commission No. 21); Mianyang Meiling Refrigeration enjoys the preferential tax policies of corporate income tax for West Development, being approved and file by taxation bureau, Mianyang Meiling Refrigeration was subject to corporate income tax at a rate of 15% in 7 years since 2014.

VI. Notes to the major items in the consolidated financial statements

With respect to the financial statements figures disclosed below, unless otherwise specified, “period-beginning” refers to Jan. 1, 2015; “period-end” refers to 30 June 2015; “the Period” refers to Jan. 1 to June 30, 2015; “the last Period” refers to refers to Jan. 1 to June 30, 2014; the currency is RMB.

1. Monetary fund

Item	Ending balance	Opening balance
Cash	12,917.09	34,327.48
Bank deposit	2,729,498,557.95	2,602,664,703.52
Other Monetary fund	68,315,120.68	62,519,982.80
Total	2,797,826,595.72	2,665,219,013.80
Including: total amount deposited in overseas	7,572,563.96	7,023,527.63

Other monetary fund:

Item	Ending amount
Bank acceptance deposits	41,315,336.85
Foreign currency for verification	18,650,880.83
Bank of deposit—pledge ticket for booking	13,244.51
Union Pay online	2,621,553.00
Taobao account	5,714,105.49
Total	68,315,120.68

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Among other monetary funds, those not consider as the cash and cash equivalent refers to the RMB 28,475,300.51 bank acceptance margin over 3-month

2. Financial assets measured by fair value and reckoned into current gains/losses with their changes

Item	Ending amount	Opening amount
Tradable financial assets	3,572,100.00	-
Including: Derivative financial assets *	3,572,100.00	-
Other	-	-
Specify as the financial assets measured by fair value and reckoned into current gains/losses with their changes	-	-
Other	-	-
Total	3,572,100.00	-

Derivative financial assets:

Item	Fair value at period-end	Note
Deliverable forward(NDF)	3,572,100.00	The NDF for \$ 40 million

3. Notes receivable

(1) Category of notes receivable

Item	Ending balance	Opening balance
Bank acceptance bill	1,516,111,268.51	1,222,204,923.98
Trade acceptance	270,053,733.44	1,263,120.07
Total	1,786,165,001.95	1,223,468,044.05

(2) Notes receivable mortgaged by end of the period

Item	Amount mortgaged by end of the period
Bank acceptance	234,375,733.20

(3) Note receivables endorsement or discount at year-end and are not expired on balance sheet date

Item	Termination confirmation amount at year-end	No termination confirmation amount at year-end
Bank acceptance	2,976,011,490.55	-

(4) Notes transfer to account receivable due to the failure implementation from drawer at period-end: Nil

4. Account receivable

(1) Account receivable by category

Category	Ending amount
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	Book balance		Bad debt provision		Book value
	Amount	Percentage (%)	Amount	Percentage (%)	
Account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	
Account receivable withdrawal bad debt provision by combination	-	-	-	-	
Combination 1	1,698,673,047.09	81.47	91,365,726.45	5.38	1,607,307,320.64
Combination 2	386,001,580.12	18.51	-	-	386,001,580.12
Combination Subtotal	2,084,674,627.21	99.98	91,365,726.45	5.38	1,993,308,900.76
Account receivable with single minor amount but withdrawal single item bad debt provision	370,951.71	0.02	370,951.71	100.00	-
Total	2,085,045,578.92	100.00	91,736,678.16	4.40	1,993,308,900.76

(Continued)

Category	Opening amount				Book value
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	
Account receivable withdrawal bad debt provision by combination	-	-	-	-	
Combination 1	1,001,798,140.69	82.31	56,282,407.74	5.62	945,515,732.95
Combination 2	211,449,366.71	17.37	-	-	211,449,366.71
Combination Subtotal	1,213,247,507.40	99.68	56,282,407.74	4.64	1,156,965,099.66
Account receivable with single minor amount but withdrawal single item bad debt provision	3,878,543.12	0.32	651,365.78	16.79	3,227,177.34
Total	1,217,126,050.52	100.00	56,933,773.52	4.68	1,160,192,277.00

(2) No account receivable with single significant amount and withdrawal single item bad debt provision at period-end

(3) Account receivable with withdrawal bad debt provision for combination 1 by aging account

Item	Ending amount			Opening amount		
	Amount	Provision proportion	Bad debt provision	Amount	Provision proportion	Bad debt provision
Within 1 year	1,680,460,984.19	5%	84,023,049.21	987,327,112.39	5%	49,366,355.62

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Item	Ending amount			Opening amount		
	Amount	Provision proportion	Bad debt provision	Amount	Provision proportion	Bad debt provision
1-2 years	10,461,750.27	15%	1,569,262.54	8,222,166.64	15%	1,233,325.00
2-3 years	2,824,557.60	35%	988,595.16	251,693.39	35%	88,092.69
3-4 years	284,233.63	55%	156,328.50	479,555.01	55%	263,755.26
4-5 years	86,869.05	85%	73,838.69	1,244,893.93	85%	1,058,159.84
Over 5 years	4,554,652.35	100%	4,554,652.35	4,272,719.33	100%	4,272,719.33
Total	1,698,673,047.09		91,365,726.45	1,001,798,140.69		56,282,407.74

(4) Account receivable with no withdrawal bad debt provision for combination 2

Combination	Book balance
Account connect with related parties	327,583,048.73
Letter of Credit	58,418,531.39
Total	386,001,580.12

(5) Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk characteristic of the receivables, three clients involved:

(6) No reversal of reserve for bad debts in the Period.

(7) No account receivable actually written-off in the Period.

(8) In the Year, top five receivables collected by arrears party amounting to RMB 1,039,269,871.68 in total, accounted for 49.84% of the receivables at balance of the year-end, the bad debt provision accrual correspondingly amounting to RMB 40,228,098.14 at period-end balance

(9) Details of account receivable from related parties found in XI(3)

5. Accounts paid in advance

(1) Age of account paid in advance

Item	Ending amount		Opening amount	
	Amount	Percentage (%)	Amount	Percentage (%)
Within 1 year	95,315,648.00	92.98	90,498,929.82	97.83
1-2 years	6,218,014.43	6.07	1,080,459.71	1.17
2-3 years	179,349.17	0.17	367,366.72	0.40
Over 3 years	803,367.14	0.78	554,947.81	0.60
Total	102,516,378.74	100.00	92,501,704.06	100.00

Top 5 accounts paid in advance in balance at year-end amounting to RMB 49,899,330.04, accounted for 48.67% of the account

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(2) Account paid in advance for related party found in XI (III)

6. Interest payable

Item	Ending balance	Opening balance
Time deposit	582,870.63	-
Entrust loans	-	-
Bond investment	-	-
Total	582,870.63	-

7. Other account receivable

(1) Category of other account receivable

Category	Ending amount				Book value
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Other account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	
Other account receivable withdrawal bad debt provision by combination	-	-	-	-	
Combination 1	8,743,186.20	20.49	2,848,213.59	32.58	5,894,972.61
Combination 2	33,870,556.94	79.38	-	-	33,870,556.94
Combination Subtotal	42,613,743.14	99.87	2,848,213.59	6.68	39,765,529.55
Other account receivable with single minor amount but withdrawal single item bad debt provision	56,178.00	0.13	56,178.00	100.00	-
Total	42,669,921.14	100.00	2,904,391.59	6.81	39,765,529.55

(Continued)

Category	Opening amount				Book value
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Other account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	-
Other account receivable withdrawal bad debt provision by combination	-	-	-	-	-
Combination 1	9,411,515.36	29.25	3,211,084.50	34.12	6,200,430.86
Combination 2	22,528,897.94	70.02	-	-	22,528,897.94
Combination Subtotal	31,940,413.30	99.27	3,211,084.50	10.05	28,729,328.80
Other account receivable with single minor amount but withdrawal single item bad debt provision	234,079.31	0.73	234,079.31	100	-

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Category	Opening amount				Book value
	Book balance		Bad debt provision		
	Amount	Percentage (%)	Amount	Percentage (%)	
Total	32,174,492.61	100	3,445,163.81	10.71	28,729,328.80

(2) No significant other account receivable and no withdrawal bad debt provision single at period-end.

(3) Other account receivable with withdrawal bad debt provision for combination 1 by aging account

Item	Ending amount			Opening amount		
	Amount	Provision proportion	Bad debt provision	Amount	Provision proportion	Bad debt provision
Within 1 year	2,017,744.85	5%	100,887.24	2,351,526.09	5%	117,576.30
1-2 years	1,237,874.17	15%	185,681.13	847,086.25	15%	127,062.94
2-3 years	4,018,962.50	35%	1,406,636.88	4,107,832.50	35%	1,437,741.38
3-4 years	656,980.00	55%	361,339.00	1,224,148.09	55%	673,281.45
4-5 years	119,702.25	85%	101,746.91	170,000.00	85%	144,500.00
Over 5 years	691,922.43	100%	691,922.43	710,922.43	100%	710,922.43
Total	8,743,186.20		2,848,213.59	9,411,515.36		3,211,084.50

(4) Other account receivable with no withdrawal bad debt provision for combination 2

Combination	Book balance
Contact with related party	156,000.00
Employee's reserve loans	13,712,878.53
Export tax rebate receivable	20,001,678.41
Total	33,870,556.94

(5) Account receivable with single minor amount but withdrawal bad debt provision singly, refers to the minor single receivables, and withdrawal bad debt provision by combination shows no risk characteristic of the receivables, three clients involved:

(6) No reversal (or withdraw) of reserve for bad debts in the Year.

(7) Classification of other accounts receivable according to the nature of account

Nature	Book balance at year-end	Book balance at year-begin
Non-consolidated related party	156,000.00	13,500.00
Employee's reserve loans	13,712,878.53	15,396,501.21
Deposit	7,481,406.21	6,479,826.61
Other	699,768.91	1,332,919.97
Advance money temporary	221,209.08	868,700.00
Export rebates	20,001,678.41	7,118,896.73

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Deposit of migrant works wages	396,980.00	964,148.09
Total	42,669,921.14	32,174,492.61

(8) Top 5 other receivables collected by arrears party at balance of year-end

Name	Nature of account	Ending balance	Bookage	Proportion in total other receivables at year-end	Bad Balance at year-end of debt provision
Zhongsan Revenue Service	Internal Revenue Service	12,932,140.17	Within 1 year	30.31%	-
Hefei Revenue Service	Internal Revenue Service	7,069,538.24	Within 1 year	16.57%	-
Pu Lingqiao	Reserve fund	998,842.97	Within 1 year	2.34%	-
Li Xianping	Reserve fund	830,000.00	Within 1 year	1.95%	-
Zhou Bin	Reserve fund	830,000.00	Within 1 year	1.95%	-
Total		22,660,521.38		53.11%	

(9) Other account receivable involved government subsidies: Nil

(10) Other receivables terminated recognition due to the transfer of financial assets: nil

(11) Assets and liability transfer other receivables and continues to involve: nil

8. Inventories

(1) Classification of inventories

Item	Ending amount		
	Book balance	Impairment provision	Book value
Raw materials	91,676,762.72	196,251.67	91,480,511.05
Stock commodities	1,352,477,521.37	70,469,651.70	1,282,007,869.67
Low value consumable articles	9,370,400.02	-	9,370,400.02
Goods in transit	106,402,837.38	809,714.18	105,593,123.20
Goods-in-process	27,423,907.80	-	27,423,907.80
Deferred expense for moulds	31,698,964.28	-	31,698,964.28
Total	1,619,050,393.57	71,475,617.55	1,547,574,776.02

(Cont.)

Item	Opening amount		
	Book balance	Impairment provision	Book value
Raw materials	107,161,337.95	271,868.17	106,889,469.78
Stock commodities	1,540,132,511.00	73,008,115.56	1,467,124,395.44
Low value consumable articles	18,346,189.76	-	18,346,189.76
Goods in transit	107,492,452.70	1,934,302.89	105,558,149.81

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Item	Opening amount		
	Book balance	Impairment provision	Book value
Goods-in-process	33,074,721.00	-	33,074,721.00
Deferred expense for moulds	34,768,482.07	-	34,768,482.07
Total	1,840,975,694.48	75,214,286.62	1,765,761,407.86

(2) Inventory falling price reserves

Item	Opening amount	Increased	Decreased		Ending amount
			Switch-back	Other switch-out	
Raw materials	271,868.17	2,771.00	-	78,387.50	196,251.67
Stock commodities	73,008,115.56	974,759.76	-	3,513,223.62	70,469,651.70
Goods in transit	1,934,302.89	49,184.31	-	1,173,773.02	809,714.18
Total	75,214,286.62	1,026,715.07	-	4,765,384.14	71,475,617.55

9. Finance asset available for sales

(1) Finance asset available for sales

Item	Ending balance			Opening balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Equity instrument available for sales	5,000,000.00		5,000,000.00	5,500,000.00	-	5,500,000.00
Including: measured by fair value	-		-	-	-	-
Measured by cost	5,000,000.00		5,000,000.00	5,500,000.00	-	5,500,000.00
Total	5,000,000.00		5,000,000.00	5,500,000.00	-	5,500,000.00

(2) Finance asset available for sales measured by cost at year-end

Invested unit	Period-begin	Increase in the year	Decrease in the year	Period -end	Holding proportion in invested unit	Cash dividend for the year
Huishang Bank Co., Ltd.	5,000,000.00	-	-	5,000,000.00	0.097%	
Fuyang Weiao Meiling Appliance Marketing Co., Ltd.※	500,000.00	-	500,000.00	-	-	
Total	5,500,000.00	-	500,000.00	5,000,000.00		

In reporting period, Fuyang Weiao Meiling Appliance Marketing Co., Ltd. changed its name to Fuyang Weiao Meiling Appliance Marketing Co., Ltd. and completed the registration change of Industry & Commerce

(3) Impairment reserve of finance asset available for sales: Nil

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10. Long-term equity investment

Invested unit	Opening balance	Change in the period								Ending balance	Ending balance of impairment loss
		Additional investment	Disinvestment	Investment profit and loss confirmed by equity method	Other comprehensive income adjustment	Other changes of equity	Declaration of cash dividends or profits	Provision for impairment	Other		
Associated companies											
1.ChanghongRubaElectricCompany (Private)Ltd.	1,139,219.28	30,129,956.00	-	915,477.85	-190,798.40	-	-	-	-	31,993,854.73	-
2.Hefei Xingmei Assets Management Co., Ltd.	13,071,784.93	-	-	-161,530.37	-	-	-	-	-	12,910,254.56	-
3.Sichuan Ejar Network Technology Co., Ltd.	-	15,000,000.00	-	-6,416,155.32	-	-	-	-	-	8,583,844.68	-
4.Sichuan Tianyou Guigu Technology Co., Ltd.	-	25,000,000.00	-	-391,719.22	-	-	-	-	-	24,608,280.78	-
Total	14,211,004.21	70,129,956.00	-	-6,053,927.06	-190,798.40	-	-	-	-	78,096,234.75	-

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11. Investment properties

(1) Investment properties measured at costs

Item	Houses and buildings	Land use rights	Total
I. Original book value			
1. Opening balance	23,142,172.83	916,691.38	24,058,864.21
2. Increased in the year	-	-	-
(1) outsourcing	-	-	-
(2) stock\fixed assets\Construction in progress transfer-in	-	-	-
(3) increase of enterprise merger	-	-	-
3. Decreased in the year	-	-	-
(1) dispose	-	-	-
(2) other transfer-out	-	-	-
4. Ending balance	23,142,172.83	916,691.38	24,058,864.21
II. Accumulated depreciation and accumulated amortization			
1. Opening balance	8,788,007.66	378,060.93	9,166,068.59
2. Increased in the year	385,106.79	19,184.28	404,291.07
(1) provision or amortization	385,106.79	19,184.28	404,291.07
3. Decreased in the year			
(1) dispose			
(2) other transfer-out			
4. Balance at year-end	9,173,114.45	397,245.21	9,570,359.66
III. Impairment loss			
1. Opening balance	-	-	-
2. Increased in the year	-	-	-
(1) provision	-	-	-
3. Decreased in the year	-	-	-
(1) dispose	-	-	-
(2) other transfer-out	-	-	-
4. Balance at year-end	-	-	-
IV. Book value			
1. Book value at year-end	13,969,058.38	519,446.17	14,488,504.55
2. Book value at year-begin	14,354,165.17	538,630.45	14,892,795.62

(2) Investment real estate measured by fair value: Nil

(3) Particular about mortgage of investment property: Nil

(4) Investment real estate has not completed the property right certificate: Nil

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12. Fixed assets

(1)Details of fixed assets

Item	Houses and buildings	Mechanical equipment	Transport equipment	Others equipment	Total
I. Original book value					
1. Opening balance	836,740,766.13	958,392,783.27	25,263,127.02	146,276,936.85	1,966,673,613.27
2. Increased in the year	36,939,101.68	57,364,194.63	1,161,675.19	7,622,553.73	103,087,525.23
(1)purchase	645,666.05	1,823,382.42	873,982.90	758,091.11	4,101,122.48
(2)Construction in progress transfer-in	36,293,435.63	55,540,812.21	287,692.29	6,559,138.52	98,681,078.65
(3)increase of enterprise merger	-	-	-	-	-
(4)inventory transfer-in	-	-	-	305,324.10	305,324.10
(5)increase of exchange rate	-	-	-	-	-
3. Decreased in the year	-	74,620,183.72	814,569.04	1,271,985.53	76,706,738.29
(1)dispose or retirement	-	74,097,696.32	814,569.04	1,271,985.53	76,184,250.89
(2)transfer Construction in progress	-	522,487.40	-	-	522,487.40
(3)decrease of enterprise merger	-	-	-	-	-
(4)other decrease	-	-	-	-	-
4. Ending balance	873,679,867.81	941,136,794.18	25,610,233.17	152,627,505.05	1,993,054,400.21
II. Accumulated depreciation	-	-	-	-	-
1. Opening balance	123,227,113.01	542,609,362.47	16,447,345.32	56,052,690.94	738,336,511.74
2. Increased in the year	15,022,679.82	45,196,565.20	950,859.74	8,077,911.37	69,248,016.13
(1)provision	15,022,679.82	45,196,565.20	950,859.74	8,077,911.37	69,248,016.13
(2)increase of assets reclassification	-	-	-	-	-
(3)increase of enterprise merger	-	-	-	-	-
3. Decreased in the year	-	67,150,737.39	588,599.80	1,151,148.17	68,890,485.36
(1)dispose or retirement	-	67,147,276.54	588,599.80	1,151,148.17	68,887,024.51
(2)transfer Construction in progress	-	3,460.85	-	-	3,460.85
(3)decrease of enterprise merger	-	-	-	-	-
4. Ending balance	138,249,792.83	520,655,190.28	16,809,605.26	62,979,454.14	738,694,042.51
III. Impairment loss	-	-	-	-	-
1. Opening balance	1,240,639.77	3,114,942.24	15,166.17	202,432.49	4,573,180.67
2. Increased in the year	-	-	-	-	-
(1)provision	-	-	-	-	-
3. Decreased in the year	-	1,164,573.06	-	2,744.79	1,167,317.85

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Item	Houses and buildings	Mechanical equipment	Transport equipment	Others equipment	Total
(1)dispose or retirement	-	1,164,573.06	-	2,744.79	1,167,317.85
4.Ending balance	1,240,639.77	1,950,369.18	15,166.17	199,687.70	3,405,862.82
IV.Book value					
1.Book value at year-end	734,189,435.21	418,531,234.72	8,785,461.74	89,448,363.21	1,250,954,494.88
2.Book value at year-begin	712,273,013.35	412,668,478.56	8,800,615.53	90,021,813.42	1,223,763,920.86

(2) Fixed assts temporary idle: Nil

(3) Fixed assets for collateral: Nil.

(4) Fixed assets leased through operating lease: Nil

(5) Fixed assets leased through operating lease

Item	Original book value	Accumulated depreciation	Impairment loss	Net book value
Mechanical equipment	37,905.00	28,810.87	-	9,094.13
Transport equipment	197,640.00	187,758.00	-	9,882.00
Other equipment	37,424,967.04	5,374,815.25	-	32,050,151.79
Total	37,660,512.04	5,591,384.12	-	32,069,127.92

(6)Fixed assts without property certificate (House and buildings)

Assets	Original value
7#Freezer Plant	34,752,958.49
8#Freezer Plant	31,939,378.09
9#Freezer Plant	36,896,570.19
3#Big refrigerator Plant	91,724,056.07
3#Big refrigerator finished-goods Plant	49,997,543.01
Canteen	2,415,806.73
3# makeshift shelter	5,689,907.18
4# makeshift shelter	6,651,069.97
5# makeshift shelter	5,140,247.60
6# building for cadresmen	8,936,534.60
7# building for cadresmen	8,221,302.20
8# makeshift shelter	5,178,824.74
Phase II canteen in living quarters	25,928,794.67
Total	313,472,993.54

For individual acceptance procedure not done for the above house and buildings, no property certificate has been done temporary.

(7)Fixed assets ready for sale at year-end: Nil

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13. Construction in progress

(1) Details of construction in progress

Item	Ending amount			Opening amount		
	Book balance	Impairment provision	Book value	Book balance	Impairment provision	Book value
Construction project of Phase II for matching life district of Industrial Park	1,325,050.00		1,325,050.00	18,466,267.38	-	18,466,267.38
Efficiency improvement project for manufacture 2 nd plant DE line	-	-	-	1,092,770.90	-	1,092,770.90
Project of mid-large volume environment icebox production annual output for 0.6 million	2,838,270.04	-	2,838,270.04	15,222,608.26	-	15,222,608.26
Relocation and capacity expansion project of Zhongke Meiling	1,238,654.41		1,238,654.41	24,578.48		24,578.48
Capacity expansion of energy-saving and environmental refrigerator with annual output of 2 millions sets	390,874.60	-	390,874.60	564,428.79	-	564,428.79
Equipments pending for installation	12,065,564.79	-	12,065,564.79	11,249,312.19	-	11,249,312.19
Technical innovation project of Zhongshan Changhong	292,802.31	-	292,802.31	2,400,855.08	-	2,400,855.08
Other miscellaneous items	10,084,308.75	-	10,084,308.75	13,745,886.49	-	13,745,886.49
Total	28,235,524.90	-	28,235,524.90	62,766,707.57	-	62,766,707.57

(2) Depreciation reserves for construction in process: Nil

14. Disposal of fixed assets

Item	Ending amount	Opening amount	Reasons for disposal transferred
Relevant assets disposal for reserved lands	75,734,875.15	75,808,843.84	Relocation for land reserve

Pursuant to the urban planning requirements of the People's Government of Hefei city, Hefei Land Reserve Center plans to purchase and store the land use right of an integrated economic development zone of the Company located at Longgang of Hefei with an area of 103,978.9 sq.m. (Approximately 155.9684 mu, Land Use Right Certificate No.: Dong Guo Yong (2004) Zi No. 0200, the stated use of the land is for industrial purpose). The estimated consideration for purchasing and storage is RMB74.48 million. The land is mainly used for the Company's warehouse, product finishing workshop and the factory of Zhongke Meiling. Pursuant to the purchasing and storage requirements of land use right, the land will be purchased and stored with vacant possession. In April 2013, the Company completed the relocation of occupants of the premises, and the net fixed assets in relation to the land will transfer as disposal, accounting treatment will be conduct in line with relevant rules upon

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receiving of the relocation compensation.

Pursuant to the urban planning requirements of Hefei Municipal Government and the Government of Feidong county, the land reserve center of Feidong county will purchase and store the land use right of an economic development zone located at Feidong county, Hefei city, which is owned by the Company's subordinate companies, Equator Electric and Equator Home Appliance, respectively, with an area of 19,245.09 sq.m. (Approximately 28.87 mu, Land Use Right Certificate No.: Dong Guo Yong (2008) No. 0366, the stated use of the land is for industrial purpose) and an area of 46,161.9 sq.m. (Approximately 69.24 mu, Land Use Right Certificate No.: Dong Guo Yong (2008) No. 0367, the stated use of the land is for industrial purpose). The total consideration for purchasing and storage is approximately RMB36 million, of which the consideration for the land use right owned by Equator Electric and Equator Home Appliance is approximately RMB10.59 million and RMB25.41 million, respectively. The Company has completed the relocation of occupants of the premises, and the net fixed assets in relation to the land will transfer as disposal, accounting treatment will be conduct in line with relevant rules upon receiving of the relocation compensation.

15. Intangible assets

(1) According to intangible assets item

Item	Land use right	Trademark special right	Non-patent technology	Total
I. Original book value				
1. Opening balance	593,245,146.16	283,292,439.34	87,563,002.33	964,100,587.83
2. Increased in the year	13,056,121.02	-	12,197,907.57	25,254,028.59
(1) purchase	13,056,121.02	-	-	13,056,121.02
(2) internal R&D	-	-	12,197,907.57	12,197,907.57
3. Decreased in the year	-	-	-	-
(1) dispose	-	-	-	-
4. Ending balance	606,301,267.18	283,292,439.34	99,760,909.90	989,354,616.42
II. Accumulated amortization				
1. Opening balance	90,563,381.46	263,193,530.64	48,479,466.10	402,236,378.20
2. Increased in the year	6,318,793.46	2,435,320.14	7,560,859.41	16,314,973.01
(1) Accrual	6,318,793.46	2,435,320.14	7,560,859.41	16,314,973.01
3. Decreased in the year	-	-	-	-
(1) dispose	-	-	-	-
4. Ending balance	96,882,174.92	265,628,850.78	56,040,325.51	418,551,351.21
III. Impairment loss				
1. Opening balance	-	-	-	-
2. Increased in the year	-	-	-	-
(1) Accrual	-	-	-	-

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Item	Land use right	Trademark special right	Non-patent technology	Total
3. Decreased in the year	-	-	-	-
(1) dispose	-	-	-	-
4. Ending balance	-	-	-	-
IV. Book value				
1. Ending book value	509,419,092.26	17,663,588.56	43,720,584.39	570,803,265.21
2. Opening book value	502,681,764.70	20,098,908.70	39,083,536.23	561,864,209.63

(2) As of the end of 2015, mortgage of intangible assets is as follows:

Name	Property certificate serials	Area(M ²)	Net book value	Note
Land use right	HGYJCZi No.: 0121	27,120.22	21,052,438.69	See Note VI.30

16. Development expense

Item	Opening balance	Increase during the year		Decrease during the year			Ending balance
		Internal development expenditure	other	Included in current profits and losses	Confirmed as intangible assets	Other	
Technology development for Air-conditioner	24,684,278.08	17,981,068.39	-	-	12,197,907.57	-	30,467,438.90
Technology development for refrigerator	509,879.01	7,643,385.50	-	-	-	-	8,153,264.51
Total	25,194,157.09	25,624,453.89	-	-	12,197,907.57	-	38,620,703.41

17. Goodwill

(1) Original value of goodwill

Assets group/Unit	Goodwill	Impairment loss	Net value
Hefei Meiling Group Holding Co., Ltd. not under the same control merger	10,922,803.73	10,922,803.73	-
Guangxi Huidian Household Electrics Co., Ltd not under the same control merger	5,313,913.50	-	5,313,913.50
Total	16,236,717.23	10,922,803.73	5,313,913.50

(2) Impairment provision of goodwill

Assets group/Unit	Opening balance	Increase during the period	Decrease during the period	Ending balance
Hefei Meiling Group Holding Co., Ltd. not under the same control merger	10,922,803.73	-	-	10,922,803.73

18. Deferred income tax assets and deferred income tax liabilities

(1) Deferred income tax assets

Item	Ending balance	Opening balance
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	Deductible temporary difference	Deferred income tax assets	Deductible temporary difference	Deferred income tax assets
Deferred income tax assets recognized from property depreciation preparation	129,192,898.46	19,666,140.58	107,473,949.07	16,242,800.33
Deferred income tax assets recognized from accrual liability	342,633,453.84	51,395,018.08	347,107,686.15	52,066,152.92
Deferred income tax assets recognized from Dismission welfare	47,518,488.66	7,127,773.30	47,406,511.04	7,110,976.66
Deferred income tax assets recognized from deferred income	38,193,913.68	5,729,087.05	23,778,399.30	3,566,759.90
Deferred income tax assets recognized from provision performance incentive	24,780,000.00	3,717,000.00	32,186,723.32	4,828,008.50
Deferred income tax assets recognized from changes in the fair value	-3,572,100.00	-535,815.00	81,170.00	12,175.50
Total	578,746,654.64	87,099,204.01	558,034,438.88	83,826,873.81

(2) Set-off details

Item	Ending balance		Opening balance	
	Deductible temporary differences	Deferred income tax assets	Deductible temporary differences	Deferred income tax assets
Changes of fair value	-3,572,100.00	-535,815.00	81,170.00	12,175.50

(3) Details of unrecognized deferred income tax assets

Item	Ending balance	Opening balance
Deductible temporary difference	37,958,555.66	31,224,787.59
Deductible loss	251,488,670.25	270,797,755.64
Total	289,447,225.91	302,022,543.23

19. Other non-current assets

Item	Ending balance	Opening balance
Time deposit	41,633,616.00	-

20. Short-term loans

(1) Types of short-term loans

Type of loans	Ending balance	Opening balance
Loan in pledge	40,032,241.87	34,266,400.00
Loan in credit	316,602,650.78	373,242,339.07
Total	356,634,892.65	407,508,739.07

(2) New loans in the Year:

1) The Company entered into the Import Trade Financing Contract with international department of Anhui Branch of BOCOM, loans period from April 2015 to July 2015; balance at period-end amounting to \$ 198,860.70

2) The Company entered into the Import Trade Financing Contract with international

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department of Anhui Branch of BOCOM, loans period from 24 April 2015 to 21 August 2015; balance at period-end amounting to \$ 6,000,000.00

3) The Company entered into the TF Comprehensive Credit Agreement with Hefei Branch of CEB, loans period from January 2015 to July 2015, from March 2015 to July 2015, from April 2015 to July 2015 and from April 2015 to August 2015, the total balance at period-end accounting to \$ 19,110,000.00.

4) The Company entered into the “O/A Cooperation Agreement” with Hefei Luyang Branch of China Construction Bank, loans period from April 2015 to July 2015, the total balance at period-end accounting to \$ 12,000,000.00.

5) The Company entered into the “O/A Cooperation Agreement” with Hefei Luyang Branch of China Construction Bank, loans period from April 2015 to August 2015, the total balance at period-end accounting to \$ 4,500,000.00.

6) subsidiary of the Company Zhongshan Changhong entered into the Account Receivables Secured Borrowings Contract with Zhongshan Nantou Branch of ICBC, loans period from 13 January 2015 to 2 July 2015 with 6 months terms; borrowing amounting to \$ 2.9 million, equivalence RMB 17,729,440.000; secured receivables have book value of \$2,966,639.20, equivalence RMB 18,136,845.4; the borrowings have paid due on 2 July 2015.

7) subsidiary of the Company Zhongshan Changhong entered into the Account Receivables Secured Borrowings Contract with Zhongshan Nantou Branch of ICBC, loans period from 12 June 2015 to 12 December 2015 with 6 months terms; borrowing amounting to \$ 3,648,063.64, equivalence RMB 22,302,801.87; secured receivables have book value of \$ 3,802,422.40, equivalence RMB 23,246,489.58

8) Subsidiary Hefei Meiling Group Holding Co., Ltd. open a domestic letter of credit in Anhui Branch of Bank of Communications dated 25 March 2015, the RMB amount was 61 million Yuan with 6-month period, and expired on 21 September 2015.

21. Financial liabilities at fair value through gains and losses

Item	Ending balance	Opening balance
Transaction financial liabilities	-	81,170.00
Including: issuance of transaction nomds	-	-
Derivative financial liabilities	-	81,170.00
Other	-	-
Specified as financial liabilities at fair value through gains and losses	-	-
Total	-	81,170.00

22. Notes payable

Type	Ending balance	Opening balance
Bank acceptance bill	2,334,117,842.78	1,524,218,423.10

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Type	Ending balance	Opening balance
Trade acceptance	304,012,400.00	28,891,869.45
Total	2,638,130,242.78	1,553,110,292.55

There are no notes expired without paid in above mentioned ending balance

23. Account payable**(1) Age of account payable**

Item	Ending balance	Opening balance
Total	1,921,548,794.47	1,681,116,965.38
Including: over 1 year	36,417,335.93	23,178,949.48

(2) Account payable with over one year book age

Name of unit	Ending balance	Reasons of un-paid or carry-over
Taizhou Wendefu Plastic Mode Co., Ltd.	1,720,500.00	Quality guarantee deposit
Anhui Jianhai Construction Engineering Co., Ltd.	1,178,871.58	Quality guarantee deposit
Total	2,899,371.58	-

(3) Account payable for related parties found in XI(III)**24. Account received in advance****(1) Age of account received in advance**

Item	Ending amount	Opening amount
Total	250,150,216.76	296,641,377.09
Including: over 1 year	41,722,525.58	57,986,602.90

(2) Account received in advance with over one year book age

Name of unit	Balance at year-end	Reasons of un-paid or carry-over
Client 1	2,180,000.00	Has not been settled
Client 2	1,057,783.00	Has not been settled
Total	3,237,783.00	

(3) Account receivable from related parties found in XI(III)**25. Wages payable****(1) Types of wages payable**

Item	Opening balance	Increase in this period	Decrease in this period	Ending balance
Short-term compensation	133,622,710.39	429,569,633.35	470,132,636.58	93,059,707.16
After-service welfare- defined contribution plans	15,825,456.47	36,891,638.49	47,421,102.54	5,295,992.42
Dismiss welfare	7,089,045.43	4,059,202.49	4,056,679.77	7,091,568.15
Other	-	-	-	-

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Item	Opening balance	Increase in this period	Decrease in this period	Ending balance
Total	156,537,212.29	470,520,474.33	521,610,418.89	105,447,267.73

(2) Short-term compensation

Item	Opening balance	Increase in this period	Decrease in this period	Ending balance
Wages, bonuses, allowances and subsidies	91,313,294.35	375,395,782.44	411,220,005.18	55,489,071.61
Welfare for workers and staff	98,695.00	18,674,473.32	18,424,530.32	348,638.00
Social insurance	3,015,479.67	15,532,746.51	14,834,409.72	3,713,816.46
Including: Medical insurance	2,756,406.75	13,447,236.32	12,694,434.36	3,509,208.71
Work injury insurance	113,865.97	1,213,896.25	1,219,518.17	108,244.05
Maternity insurance	145,206.95	871,613.94	920,457.19	96,363.70
Housing accumulation fund	5,856,388.08	20,047,867.43	17,320,736.42	8,583,519.09
Labor union expenditure and personnel education expense	1,152,129.97	-81,236.35	926,231.62	144,662.00
Short-term absence with pay	-	-	-	-
Short-term profit sharing plan	32,186,723.32	-	7,406,723.32	24,780,000.00
Other	-	-	-	-
Total	133,622,710.39	429,569,633.35	470,132,636.58	93,059,707.16

In the Period, the incentive amount has been adjusted correspondingly in line with the “Distribution plan of the Performance incentive fund for year of 2014” that deliberated and approved in first extraordinary general meeting of 2015

The Company withdrew the outstanding salary, bonus and subsidy from the closing balance of staff salary payables which were granted in the Period

(3) Defined contribution plans

Item	Opening balance	Increase in this period	Decrease in this period	Ending balance
Basic endowment insurance	14,922,593.36	34,292,620.68	44,848,854.60	4,366,359.44
Unemployment insurance	902,863.11	2,599,017.81	2,572,247.94	929,632.98
Total	15,825,456.47	36,891,638.49	47,421,102.54	5,295,992.42

26. Tax payable

Item	Ending balance	Opening balance
Value-added tax	87,477,896.12	5,453,680.54
Business tax	103,067.15	241,751.51
Enterprise income tax	9,934,621.57	18,942,889.47
Individual income tax	4,375,557.94	1,479,738.78
Urban maintenance and construction tax	2,594,208.97	2,594,882.87
House property tax	4,675,933.15	4,475,549.98
Land-use right tax	4,436,568.34	4,256,449.87

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Item	Ending balance	Opening balance
Educational surtax	1,871,187.49	1,854,826.07
Stamp tax	692,402.21	1,789,821.03
Construction fund of Water Conservancy Projects	441,137.89	491,300.68
Treatment fund for abandon electric & electronics products	15,599,335.00	8,097,219.00
Other	1,940,354.91	1,475,240.38
Total	134,142,270.74	51,153,350.18

Tax payable at period-end has major growth over beginning of the year mainly because during the peak season, payable VAT increased over that of year-begin

27 Dividends payable

Item	Ending balance	Opening balance
Sichuan Changhong Electric Co., Ltd.a)	9,889,699.80	-
Hefei Minzhu Branch of Agricultural Bank of China b)	462,138.81	412,524.09
City Insurance company	302,954.85	229,180.05
Bank of Communications, Hefei Branch	153,697.50	153,697.50
Huishang Bank Co., Ltd.	103,333.85	103,333.85
Hefei Technology Bank	92,088.75	92,088.75
Other piecemeal units	1,588,294.60	1,246,816.67
Total	12,592,208.16	2,237,640.91

Payable dividend at year-end refers to the common dividends that not receiving by shareholders

a) refers to the dividend not withdrawal by Sichuan Changhong Appliance at period-end, and the Company has paid the dividend on 3 July 2015

b) The court ruled that the stock rights held by original Entrust Hefei Office of Provincial ABC are share by Hefei Minzhu Branch of Agricultural Bank of China, and the ownership has completed on 14 January 2015

28. Other account payable

(1) Classification of other payable according to nature of account

Nature	Ending balance	Opening balance
1. Accrued expenses(expenses occurred without reimbursed)	803,924,138.90	775,705,911.82
2. receivables received temporary and deducted temporary	41,952,127.00	46,001,012.19
3.deposit, margin	47,450,567.61	35,889,023.53
4.not the come-and-go with related parties in statement scope	23,005,053.48	5,743,253.29
5.other	9,284,556.94	9,386,506.85
Total	925,616,443.93	872,725,707.68

(2) Large other payable with over one year age

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Name	Ending balance	Reasons of un-paid or carry-over
Hefei Tongchuang Construction Engineering Co., Ltd.	1,110,000.00	Performance bond
Mianyang Highly Electric Co., Ltd.	527,934.86	Procurement margin
Total	1,637,934.86	

29. Non-current liability due within one year

(1) Classification of non-current liability due within one year

Item	Ending balance	Opening balance
Long-term loans due within one year	-	-
Deferred income transfer to gains and losses within one year	11,153,513.56	11,153,512.52
Total	11,153,513.56	11,153,512.52

(2) Deferred income transfer into profit and loss within 1 year

Item of government subsidies	Opening amount	Subsidy increase during this period	Amount reckoned into non-operation revenue in the Period	Other changes	Ending amount	Assets related/Benefit related
Demolition compensation of Jiangxi Meiling	1,797,880.32	-	898,940.16	898,940.16	1,797,880.32	Assets related
Demolition compensation of Hefei Meiling	2,467,448.08	-	1,233,724.77	1,233,725.81	2,467,449.12	Assets related
technical reform for Athena Project	4,286,250.00	-	2,143,125.00	2,143,125.00	4,286,250.00	Assets related
Freezer project of Hefei Meiling	734,062.52	-	367,031.26	367,031.26	734,062.52	Assets related
New generation of intelligent energy-saving AC and industrialization for key apponents	1,700,000.00	-	-	-	1,700,000.00	Assets related
Adaptability improvement R290D52/13-R290 project for production of FTXS	167,871.60	-	83,935.80	83,935.80	167,871.60	Assets related
Relocation of the production base of Mianyang	-	-	146,017.75	146,017.75	-	Assets related
Total	11,153,512.52	-	4,872,774.74	4,872,775.78	11,153,513.56	

The deferred income transfer to gains/losses in the Year refers to the deferred income transfer to the non-current liability due within one year, which will expected to amortized next year

30. Long-term loans

(1) Classification of long-term loans

Type	Ending amount	Opening amount
Loan in pledge	41,107,846.40	11,014,200.00
Loan in mortgage	3,840,000.00	4,480,000.00
Loan in assurance	-	-
Loan in credit	3,452,800.00	3,452,800.00

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Type	Ending amount	Opening amount
Total	48,400,646.40	18,947,000.00

(2) Details of long-term loans at period –end

Loan unit	Borrowing day	Returning day	Foreign currency	Interest rate	Ending amount (RMB)	Opening amount (RMB)
Zhongshan Branch of Guangdong Development Bank ^{Note1}	2014-12-24	2017-12-24	USD	3.20%	11,004,480.00	11,014,200.00
Zhongshan Branch of Guangdong Development Bank ^{Note2}	2015-01-06	2018-01-06	USD	3.20%	30,103,366.40	-
Ministry of Finance of Hefei ^{Note3}	2002-11-21	2017-11-20	RMB	3.05%	1,952,800.00	1,952,800.00
Ministry of Finance of Hefei ^{Note4}	2004-12-10	2019-12-10	RMB	3.05%	1,500,000.00	1,500,000.00
Ministry of Finance of Hefei ^{Note5}	2006-11-9	2021-11-8	RMB	3.30%	3,840,000.00	4,480,000.00
Total					48,400,646.40	18,947,000.00

Note1: On 24 December 2014, the Company entered into Foreign Currency Mid-Long-term Loan Contract with Zhongshan Branch of Guangdong Development Bank, agreed that issuing foreign currency USD1, 800,000.00 to the Company with loans term of 3 years, and annual interest rate of 3.2%. The pledge refers to the USD 1.82 million deposit for a long time; interest of the loans calculated from 24 December 2014, the 20th of end of the quarterly is the expiry date for interest, 21st is the payment date. The loans are contribute for the joint venture project in Pakistan, that is Zhongshan Changhong Electrics and RUBA GENERAL TRADING FZE

Note 2: On 6 January 2015, subsidiary Zhongshan Changhong entered into the “Mid-long term loans agree with foreign currency” with Zhongshan Branch of Guangdong Development Bank, and agreed that the Zhongshan Branch of Guangdong Development Bank issued foreign currency loans USD 4,924,000.00 to Zhongshan Changhong, with loan period of 3 years and 3.2% annual interest rate, the pledge refers to the USD 4.99 million deposit for a long time; interest of the loans calculated from 6 January 2015, the 20th of end of the quarterly is the expiry date for interest, 21st is the payment date. The loans are use for the joint-venture project by Zhongshan Changhong Appliance Co., Ltd and United Arab Emirates RUBA GENERAL TRADING FZE in Pakistan.

Note 3: on 1 November 2002, the Company entered into the Agreement Relating to Implementing Construction Projects through Lending Treasury Bond Funds with the finance office of Hefei, pursuant to which, the finance office of Hefei lent the treasure bonds or RMB7.16 million related to our “Technology Reform Project in relation to Nanometer Materials for Retaining Freshness” to our Company, with a terms of 15 years. The lent funds have begun to carry interest commencing from the date of appropriation of funds by the finance

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office of Hefei (namely 21 November 2002), and the Company shall pay the interests to the finance office of Hefei annually on an average basis during the lending period. The first four years of the loan is grace period. The interest rate per annum applicable to the lent funds is floating interest rate since 1999 (for interest rate per annum in respect of each batch of Treasury bond lending capital, it is determined by reference to one-year time deposit rate per annum on value date of the prevailing year as published by the PBOC, plus 0.3 percentage points).

Note 4: It was the special Treasury bond capital appropriated by Ministry of Finance of Hefei for enterprises' information reform, received on Dec. 10th, 2004.

Note 5: In August of 2006, the Company signed Asset Mortgage Agreement with Ministry of Finance of Hefei. It takes five industry crusher chambers which cover an area of 2,322.98 square meters as mortgage for the Company to get the lending of treasury bond fund which has 15-year term and worthy of RMB 7,040,000 from the Ministry of Finance of Hefei. The capital on-lending began to bear interest from the appropriate date (November 9, 2006), which would be paid by stages in the loan period to Ministry of Finance of Hefei by the Company. The first four years were grace period, during which the annual interest rate was subject to floating interest rate (the annual interest rate was the annual interest rate of one year fixed deposit plus 0.3%). On 1 March 2013, according to the Letter Relating to Ceasing Process of Other Securities in respect of the Properties in Feidong Longgang Industrial Park of Hefei Meiling Co., Ltd. (HCJ(2006)No.85) issued by the finance office of Hefei, Meiling commenced the national purchase of its land parcels in Longgang in compliance with the land planning of Hefei municipal government, which required its properties in Longgang land parcel to be unrestricted. Four property ownership certificates (No.: 028277, 028282, 028283, 028284) obtained by Meiling in 2006 were exchanged for the property with registration No. HGYJCZ No.0121 which was used as the security for treasury bonds lending capital (details were set out in Note VI.15). The Company repaid principal of RMB640, 000.00 and interest of RMB147, 800.00 in this year.

(3) Renewal long-term loans at year-end: nil

31. long-term wage payable

Item	Ending balance	Opening balance
After-service welfare- net liability of the defined benefit plans	-	-
Dismissal welfare	40,426,920.51	40,317,465.61
Other long-term welfare	-	-
Total	40,426,920.51	40,317,465.61

32. Projected liability

Item	Ending balance	Opening balance	Reason
Product quality guarantee	11,030,437.10	11,030,437.10	Guarantee of product
Guarantee fund for quality service	331,603,016.74	336,077,249.05	Guarantee of product

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Item	Ending balance	Opening balance	Reason
Total	342,633,453.84	347,107,686.15	

Product quality deposit is the maintenance expense provided by the Company under the national policy, while quality service special guarantee capital is the warranty costs provided for product quality in addition to such policy.

33. Deferred income

(1) Classification of deferred income

Item	Ending amount	Opening amount
Government subsidies---subsidies of development project	46,975,300.50	47,219,392.56
Government subsidies---subsidies of Relocation	82,497,151.49	84,775,835.21
Total	129,472,451.99	131,995,227.77

(2) Government subsidy

Item	Opening amount	New subsidy in the Year	Amount reckoned into non-operating income	Other changes	Ending amount	Assets related/Benefit related
Demolition compensation of Hefei Meiling	49,844,920.65	-	-	1,233,725.81	48,611,194.84	Assets related
technical reform for Athena Project	22,022,812.50	-	-	2,143,125.00	19,879,687.50	Assets related
Freezer project of Hefei Meiling	3,670,312.46	-	-	367,031.26	3,303,281.20	Assets related
Relocation of Mianyang Meiling production base	23,778,399.30	-	-	146,017.75	23,632,381.55	Assets related
VISA research and application	10,100,000.00	-	-	-	10,100,000.00	Assets related
Adaptability improvement R290D52/13-R290 project for production of FTXS	7,426,267.60	-	-	83,935.80	7,342,331.80	Assets related
Intelligent white-goods software platform and research and industrialization of typical applications	4,000,000.00	-	-	-	4,000,000.00	Assets related
Demolition compensation of Jiangxi Meiling	11,152,515.26	-	-	898,940.16	10,253,575.10	Assets related
Development and productization of the CHIQ AC	-	2,350,000.00	-	-	2,350,000.00	Assets related
Total	131,995,227.77	2,350,000.00	-	4,872,775.78	129,472,451.99	

34. Share capital

Item	Opening balance	Change during the year(+,-)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Shares with conditional subscription	10,658,357.00	-	-	-	-1	-1	10,658,356

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Item	Opening balance	Change during the year(+,-)					Ending balance
		New shares issued	Bonus share	Shares transferred from capital reserve	Other	Subtotal	
Including: State-owned legal person shares	540,692.00	-	-	-	375,295	375,295	915,987
Domestic legal person shares	7,052,279.00	-	-	-	-337,596	-337,596	6,714,683
Shares with no restricted condition	753,080,848.00	-	-	-	1	1	753,080,849
Total shares	763,739,205.00	-	-	-	-	-	763,739,205.00

35. Capital reserve

Item	Opening amount	Increase during the year	Decrease during the year	Ending amount
Share premium	1,418,790,515.26	-	7,958,934.41	1,410,831,580.85
Other capital reserve	48,169,423.77	-	-	48,169,423.77
Total	1,466,959,939.03	-	7,958,934.41	1,459,001,004.62

Share premium refers to the difference by purchasing minority equity from subsidiaries.

36. Other comprehensive income

Item	Opening balance	Account in the period					Ending balance
		Account before income tax in the year	Less: written in other comprehensive income in previous period and carried forward to gains and losses in current period	Less : income tax expense	Belong to parent company after tax	Belong to minority shareholders after tax	
Other comprehensive income re-divided into gains/losses							
Including: conversion difference arising from foreign currency financial statement	-3,262,898.99	-506,008.36	-	-	-379,924.38	-126,083.98	-3,642,823.37

37. Surplus reserves

Item	Opening amount	Increase during the year	Decrease during the year	Ending amount
Statutory surplus reserve	244,249,403.98	-	-	244,249,403.98
Discretionary surplus reserve	115,607,702.16	-	-	115,607,702.16
Total	359,857,106.14	-	-	359,857,106.14

38. Retained profit

Item	Current Period	Last year
Amount at the end of last year	835,453,313.49	608,723,517.81

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Item	Current Period	Last year
Add: adjustment from undistributed profit at year-begin	-	-
Including: retroactive adjustment by Accounting Standards for Business Enterprise	-	-
change of accounting policy	-	-
Correction of former material error	-	-
Change of combination scope under common control	-	-
Other adjustment factors	-	-
Amount at the beginning of this year	835,453,313.49	608,723,517.81
Add: net profit attributable to shareholders of parent company for this year	158,369,766.68	294,508,518.37
Less: withdraw of statutory surplus reserve	-	21,954,370.39
withdraw of discretionary surplus reserve	-	-
Withdraw of general risk provision	-	-
Dividend payable for ordinary shares	45,824,352.30	45,824,352.30
Dividend of ordinary shares transferred to share capital	-	-
Ending balance	947,998,727.87	835,453,313.49

39. Operating income and operating cost

(1) Operating income and operating cost

Item	Current Period	A year earlier
Main business income	6,160,055,353.93	6,065,191,520.33
Other business income	266,861,935.32	279,197,531.84
Total	6,426,917,289.25	6,344,389,052.17
Main business cost	4,849,322,744.97	4,519,065,778.97
Other business cost	234,922,382.93	261,429,942.59
Total	5,084,245,127.90	4,780,495,721.56

(2) Main business classified according to product

Product	Current Period		A year earlier	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator, freezer	3,510,601,243.62	2,707,916,216.04	3,549,885,533.16	2,643,939,925.00
Air-condition	2,441,545,800.41	1,973,497,153.25	2,342,096,863.45	1,740,943,218.35
Washing machine	117,350,072.10	94,819,325.89	87,465,352.71	69,854,910.33
Other	90,558,237.80	73,090,049.79	85,743,771.01	64,327,725.29
Total	6,160,055,353.93	4,849,322,744.97	6,065,191,520.33	4,519,065,778.97

(3) Main business classified according to sales region

Region	Current Period		A year earlier	
	Operation income	Operation cost	Operation income	Operation cost
Domestic	4,848,200,937.56	3,657,366,355.08	5,079,538,600.53	3,625,288,052.20

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Region	Current Period		A year earlier	
	Operation income	Operation cost	Operation income	Operation cost
Overseas	1,311,854,416.37	1,191,956,389.89	985,652,919.80	893,777,726.77
Total	6,160,055,353.93	4,849,322,744.97	6,065,191,520.33	4,519,065,778.97

Top five clients have income in sales of RMB 2,369,221,163.93 yuan in total, a 36.86% in total operation income.

40. Business tax and extra charges

Item	Current Period	A year earlier
Business tax	381,847.10	547,099.61
City construction tax	10,533,067.88	9,944,209.23
Extra charge for education and local education surcharge	7,683,109.90	7,301,221.17
Treatment fund for abandon electrics & electronics	26,557,501.00	27,508,903.96
Other	144,067.74	349,566.30
Total	45,299,593.62	45,651,000.27

41. Sales expense

Item	Current Period	A year earlier
Transport expenses	223,819,971.74	213,228,988.60
Market support	210,021,178.41	414,879,458.96
Salary , extra charges and social security	172,759,290.28	138,375,811.88
Air conditioner installation fee	108,043,860.00	131,817,263.42
National three guarantees expense	87,206,103.13	89,619,222.69
Storage lease expenses	56,060,213.85	43,239,838.74
Advertisement expenses	22,028,522.55	50,050,073.13
Travelling expenses	14,994,407.32	15,234,243.46
Operation activities expenses	8,302,343.46	8,574,484.29
Meeting organization	4,856,614.75	6,261,675.06
Housing rental	4,164,534.55	4,240,792.59
Vehicle consumption	3,102,783.32	3,429,131.72
Communication expenses	2,595,286.52	2,929,119.71
Depreciation expenses	2,553,186.50	2,543,698.03
Exhibition expenses	1,384,286.00	9,873,469.28
Accrued expenses of the product quality assurance	-4,474,232.31	-3,704,194.57
Other expenses	28,027,733.13	25,879,143.53
Total	945,446,083.20	1,156,472,220.52

42. Administration expense

Item	Current Period	A year earlier
Salary and social insurance etc.	77,059,652.05	73,655,115.83
Amortized intangible assets	16,369,184.00	15,653,734.94

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Item	Current Period	A year earlier
Tax	17,059,309.54	24,187,321.13
Trial fee of R&D	19,099,473.69	20,673,670.36
Depreciation	8,825,154.54	6,126,568.01
Utilities	5,871,943.87	5,101,095.44
Inspection and authentication fee	4,009,588.95	2,459,079.53
Domestic travelling fee	4,213,270.81	4,523,944.80
Business activities	2,607,185.47	2,719,419.37
Property insurance	1,639,216.72	836,322.18
Office charge	3,025,392.72	2,717,199.48
Other	32,782,871.06	35,893,984.10
Total	192,562,243.42	194,547,455.17

43. Financial expense

Item	Current Period	A year earlier
Interest expenditure	10,417,535.47	4,772,758.61
Less: Interest income	51,219,711.99	38,510,107.81
Add: exchange loss	-5,825,811.85	4,773,881.90
procedure charge expenditure	1,963,953.58	14,605,612.13
discount expenditure	-1,149,949.37	-27,034,165.54
other expenditure	11,389.74	-2,448,278.19
Total	-45,802,594.42	-43,840,298.90

44. Loss from Assets depreciation

Item	Current Period	A year earlier
Bad debt losses	34,294,416.03	28,505,564.37
Provision for falling price of inventory	1,026,715.07	1,566,359.61
Total	35,321,131.10	30,071,923.98

45. Changes in fair value gains/losses

Item	Current Period	A year earlier
Transaction finance asset	3,572,100.00	-
Including :Income of fair value changes from derivative financial instruments	3,572,100.00	-
Income of fair value changes from stock investment		-
Transaction financial liabilities	81,170.00	-
Including :Income of fair value changes from derivative financial instruments	81,170.00	-
Investment real estate measured by fair value		-
Total	3,653,270.00	-

46. Investment income

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(1) Sources of investment income

Item	Current Period	A year earlier
Long-term equity investment income by equity method	-6,482,572.94	-784,297.22
Investment income obtained from held of finance asset available for sales	-	-
Investment income obtained from disposal of transaction finance asset	-	-
Investment income obtained from disposal of finance asset available for sales	480,332.00	-
Other	517,808.22	-
Total	-5,484,432.72	-784,297.22

(2) Long-term equity investment income by equity method

Item	Current Period	A year earlier	Reason of y-o-y change
Hefei Meiling Solar Energy Technology Co.,	-	-1,084,195.80	Changes of net profit of the invested unit
Hefei Xingmei Assets Management Co., Ltd.	-161,530.37	-95,120.70	Changes of net profit of the invested unit
ChanghongRuba Electric Company(Private)Limited	486,831.97	395,019.28	Changes of net profit of the invested unit and transactions offset
Sichuan Ejar Network Technology Co., Ltd.	-6,416,155.32	-	New investment
Sichuan Tianyou Guigu Technology Co., Ltd.	-391,719.22	-	New investment
Total	-6,482,572.94	-784,297.22	

(3) Investment income obtained from financial assets available for sales: nil

(4) Investment income obtained from disposal of transaction finance asset is the income from NDF trade: nil

(5) Investment income obtained from disposal of finance asset available for sales:

Item	Current Period	A year earlier
Fuyang Weiao Meiling Appliance Marketing Co., Ltd.	480,332.00	-
Total	480,332.00	-

(6) Other investment income

Item	Current Period	A year earlier
Trust management	517,808.22	-
Total	517,808.22	-

47. Non-operation revenue

(1) Non-operation revenue

Item	Current Period	A year earlier	Amount reckoned into non-recurring gains/losses in the Year
Gains from disposal of non-current	14,776.00	1,469,461.36	14,776.00

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Item	Current Period	A year earlier	Amount reckoned into non-recurring gains/losses in the Year
assets			
Including: Gains from disposal of fixed assets	14,776.00	1,469,461.36	14,776.00
Government subsidy	12,344,884.49	9,753,687.37	12,344,884.49
Income of penalty	175,210.49	547,560.89	175,210.49
Other	2,270,248.88	8,627,197.54	2,270,248.88
Total	14,805,119.86	20,397,907.16	

(2) Government subsidy

Item	Current Period	A year earlier	Resource and basis	Assets/benefit related
Cash the independent innovation policy	-	759,029.00	He Zheng 【2013】 No.: 68	Benefit related
Special fund for enterprise development	-	200,000.00	Cai Qi 【2013】 No.:1162	Benefit related
Skill grant for position	87,500.00	272,000.00	He Ren She Mi (2013)No.:139	Benefit related
Fund for foreign trade policy	-	1,720,100.00	He Zheng Mi 【2013】 No.:115	Benefit related
Patent subsidy policy	-	100,000.00	He Zheng (2013)No.:68	Benefit related
Implementation and promotion fund for the parent combination of intelligent frequency conversion AC	-	200,000.00	Mian Cai Jian 【2014】 No.:28	Benefit related
VAT refunds	4,028,798.75	196,847.82	Drawback policy of VAT for software product	Benefit related
Subsidy for brand propagate extension aboard	2,000,000.00	-	Yue Shangwu Cai Han [2014] No.:143	Benefit related
Other government subsidy etc.	1,355,811.00	1,126,525.05	-	Benefit related
the deferred income transfer-in	4,872,774.74	5,179,185.50	Deferred income transfer-in	Assets related
Total	12,344,884.49	9,753,687.37		

48. Non-operating expenditure

Item	Current Year	A year earlier	Amount reckoned into non-recurring gains/losses in the Year
Loss from disposal of non-current assets	5,696,803.31	554,394.53	5,696,803.31
Including: loss from disposal of fixed assets	5,696,803.31	554,394.53	5,696,803.31
External donation	-	14,142.00	-
Penalty and overdue fine	2,207,106.34	2,204,391.39	2,207,106.34
Other	1,360,703.50	40,000.00	1,360,703.50
Total	9,264,613.15	2,812,927.92	

49. Income tax expenses

Item	Current Period	A year earlier
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Item	Current Period	A year earlier
Current income tax	17,784,503.80	42,879,242.22
Deferred Income Tax	-3,272,330.20	-6,084,458.91
Total	14,512,173.60	36,794,783.31

50. Other comprehensive income

Found more in “6- 36. Other comprehensive income” in the Note

51. Items to cash flow statement

(1) Cash received (paid) from (for) other activities relating to operation/investment/financing

1) Cash received from other activities relating to operation

Item	Current Period	Last Period
Government subsidy and rewards	3,355,811.00	4,377,654.05
Margin, deposit	2,144,303.05	66,072.00
Rent and trademark income	2,533,392.99	119,835.09
Compensations	633,835.83	-
Other Income	3,523,870.94	4,240,870.44
Total	12,191,213.81	8,804,431.58

2) Cash paid for other activities relating to operation

Item	Current Period	Last Period
Marketing supporting fee	79,572,503.61	126,708,530.84
AD charge	27,446,706.38	28,142,447.32
Business travel	21,369,206.46	19,422,744.48
Rental expense	11,814,200.36	11,029,584.85
Business activities expenses	11,835,472.37	10,990,433.17
Pretty cash for employees	7,214,366.15	11,990,968.00
Meeting organization charge	5,334,604.14	5,546,412.95
Coach expenses	4,991,269.00	3,974,532.60
Certification and Inspection costs	3,684,382.29	2,503,392.41
vehicle costs	3,012,365.60	2,602,330.12
handling Charges	2,582,838.57	4,746,583.20
Office expenses	2,753,780.41	3,434,384.36
Exhibition expenses	1,497,432.71	3,320,732.91
Penalty and overdue fine	2,207,106.34	2,204,391.39
Utilities	1,916,567.81	1,147,989.00
Changes of the limited monetary fund	50,768,920.59	769,544.05
Others	97,195,223.11	94,895,907.89
Total	335,196,945.90	333,430,909.54

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3) Cash received from other activities relating to investment

Item	Current Period	Last Period
Interest income arising from bank savings	50,612,750.61	38,510,107.81
Government investment granted	2,350,000.00	-
Margin	287,936.00	2,464,965.18
Total	53,250,686.61	40,975,072.99

4) Cash paid for other activities relating to investment

Item	Current Period	Last Period
Tender bond of projects returned	427,715.77	1,854,670.00

5) Cash received from other activities relating to financing: Nil

6) Cash paid for other activities relating to financing

Item	Current Period	Last Period
Amount refund to minority shareholders due to the cancellation of subsidiary	130,164.45	2,973,468.35
Handling charge of dividend	93,855.90	-
Total	224,020.35	2,973,468.35

(2)Supplementary information about consolidated cash flow statement

1 . Net profit is adjusted to cash flow of operation activities:	Current Period	A year earlier
Net profit	159,042,874.82	160,996,928.28
Add: provision for depreciation of assets	35,321,131.10	30,071,923.98
Depreciation of fixed assets, consumption of oil gas assets and depreciation of productive biological assets	69,652,307.20	63,028,130.09
Amortization of intangible assets	16,314,973.01	15,594,981.89
Amortization of long-term retained expense	-	-
Loss from disposal of fixed assets, intangible assets and other long term assets(gain is listed with "-")	5,682,027.31	-915,066.83
Loss from discarding fixed assets as useless (gain is listed with "-")	-	-
Loss from change of fair value(gain is listed with "-")	-3,653,270.00	-
Financial expense (gain is listed with "-")	-40,802,176.52	-33,737,349.20
Investment loss (gain is listed with "-")	5,484,432.72	784,297.22
Decrease of deferred income tax assets (increase is listed with "-")	-3,272,330.20	-6,084,458.91
Increase of deferred income tax liabilities (decrease is listed with "-")	-	-
Decrease of inventories (increase is listed with "-")	221,925,300.91	-31,517,872.67
Decrease of operational accounts receivable (increase is listed with "-")	-1,496,498,636.71	-1,127,376,537.67
Increase of operational accounts payable (decrease is listed with "-")	1,374,214,353.39	656,746,298.06
Other	-	-
Net cash flow arising from operation activities	343,410,987.03	-272,408,725.76

(3) Net cash paid for subsidiary obtained in the Year: Nil

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(4) Cash received by disposal of subsidiary in the Year: Nil

(5) Cash and cash equivalent

Item	Current Period	Opening amount
Monetary fund in balance sheet	2,797,826,595.72	2,665,219,013.80
Including: stock cash	12,917.09	34,327.48
Bank deposit	2,729,498,557.95	2,602,664,703.52
Other monetary fund	68,315,120.68	62,519,982.80
Less: margin for over 3 months (amount not consider as cash)	28,475,300.51	19,339,995.92
Including: margin of the bank acceptance over 3 months	28,475,300.51	19,339,995.92
Cash in cash flow statement	2,769,351,295.21	2,645,879,017.88

52. Assets with ownership or the right to use restricted

Item	Ending Book value	Reasons
Monetary fund	28,475,300.51	Margin for over 3 months
Notes receivable	234,375,733.20	Issued bank acceptance
Account receivable	41,383,334.99	Secured borrowings
Intangible assets	21,052,438.69	Mortgage loan
Other non-current assets	41,633,616.00	Time deposit for a long-time
Total	366,920,423.39	

53. Foreign currency

Foreign currency

Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
Monetary fund			178,110,121.60
Including:USD	26,683,375.66	6.1136	163,131,485.42
Euro	1,078,046.58	6.8699	7,406,072.22
Rupi	126,149,478.28	0.0600	7,572,563.96
Account receivable			546,764,597.20
Including:USD	72,266,455.86	6.1136	441,808,204.52
Euro	2,562,716.93	6.8699	17,605,609.02
AUD	2,363,405.02	4.6993	11,106,349.21
Rupi	1,270,137,259.04	0.0600	76,244,434.45
Other account receivable			2,036,514.33
Including:USD	41,234.41	6.1136	252,090.67
Rupi	29,726,274.35	0.0600	1,784,423.66
Account payable			59,106,551.28
Including:USD	571,111.03	6.1136	3,491,544.42
Rupi	926,476,704.51	0.0600	55,615,006.86
Other account payable			12,226,831.52

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Item	Ending foreign currency balance	Exchange rate	Ending RMB converted balance
Including:USD	480,443.27	6.1136	2,937,237.98
Rupi	154,753,051.22	0.0600	9,289,593.54
Short-term loans			295,634,892.65
Including:USD	48,356,924.34	6.1136	295,634,892.65
Long-term loans			41,107,846.40
Including:USD	6,724,000.00	6.1136	41,107,846.40

(2) Foreign operational entity

The foreign operational entity of the Company was Changhong Ruba Trading Company (Private) Limited, mainly operates in Lahore, Pakistan; recording currency is Rupi.

54. Hedging: Nil

55. Other: Nil

7. Changes of consolidation rage

1. Enterprise combined under the different control: Nil

2. Enterprise combined under the same control: Nil

3. Reversed takeover: Nil

4. Disposal of subsidiary: Nil

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5. Subsidiary liquidated

Subsidiary	Price of the equity disposed	Ratio of the equity disposed	Way of the equity disposed	Time point of control right lose	Determination basis for the time point of control right lose	Difference between the disposal price and proportion of the subsidiary's net assets enjoy in aspect of the consolidated financial statement, which is respond to the disposal investment	Proportion of the residual equity on date when control rights lose	Book value of the residual equity on date when control rights lose	Fair value of the residual equity on date when control rights lose	Gains or losses of the residual equity re-measured by fair value	Determination method and main hypothesis for the residual equity's fair value on the date when control right lose	Other comprehensive income transferred into investment income, which related with the equity investment of original subsidiary
Nejiang Meiling Appliance Marketing Co., Ltd.	-	95%	Liquidation cancelled	2015-5	Liquidation completed	-	-	-	-	-	Not applicable	-

6. Subsidiary established: Nil

8. Equity in other entity

1. Equity in subsidiary

(1) Composition of the enterprise group

Subsidiary	Business area	Registration place	Business nature	Share-holding ratio(%)		Acquire way
				Directly	Indirectly	
Zhongke Meiling Cryogenic Technology Co., Ltd.1)	Hefei	Hefei	Manufactures, sales	70.00	-	Investment
Mianyang Meiling Software Technology Co., Ltd.2)	Mianyang	Mianyang	Software development	99.00	1.00	Investment
Mianyang Meiling Refrigeration Co., Ltd.3)	Mianyang	Mianyang	Manufactures, sales	95.00	5.00	Investment
Jiangxi Meiling Appliance Co., Ltd.4)	JDZ	JDZ	Manufactures, sales	98.75	1.25	Investment
Hefei Meiling Appliance Marketing Co., Ltd.5)	Hefei	Hefei	Sales	99.82	0.18	Investment
Guangxi Huidian Home Appliance Co., Ltd.6)	Nanning	Nanning	Sales	-	100.00	Enterprise combined under the different control
Luohe Meiling Appliance Marketing Co., Ltd.7)	Luohe	Luohe	Sales	-	100.00	Investment
Wuhu Meiling Appliance Marketing Co., Ltd.8)	Wuhu	Wuhu	Sales	-	98.00	Investment
Changchun Meiling Appliance Marketing Co., Ltd.9)	Changchun	Changchun	Sales	-	97.00	Investment
Bengbu Meiling Appliance Marketing Co., Ltd.10)	Bengbu	Bengbu	Sales	-	93.50	Investment
Hengyang Meiling Appliance Marketing Co., Ltd.11)	Hengyang	Hengyang	Sales	-	85.00	Investment
Nanchang Meiling Appliance Marketing Co., Ltd.12)	Nanchang	Nanchang	Sales	-	85.00	Investment
Jingzhou Meiling Appliance Marketing Co., Ltd.13)	Jingzhou	Jingzhou	Sales	-	81.00	Investment
Shenyang Meiling Appliance Marketing Co., Ltd.14)	Shenyang	Shenyang	Sales	-	94.80	Investment
Wuhan Meiling Appliance Marketing Co., Ltd.15)	Wuhan	Wuhan	Sales	-	91.00	Investment
Zhengzhou Meiling Appliance Marketing Co., Ltd.16)	Zhengzhou	Zhengzhou	Sales	-	85.00	Investment
Shijiazhuang Meiling Appliance Marketing Co., Ltd.17)	Shijiazhuang	Shijiazhuang	Sales	-	63.33	Investment

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Subsidiary	Business area	Registration place	Business nature	Share-holding ratio (%)		Acquire way
				Directly	Indirectly	
Mianyang Meiling Appliance Marketing Co., Ltd.18)	Mianyang	Mianyang	Sales	-	85.00	Investment
Chengdu Meiling Appliance Marketing Co., Ltd.19)	Chengdu	Chengdu	Sales	-	85.00	Investment
Guiyang Meiling Appliance Marketing Co., Ltd.20)	Guiyang	Guiyang	Sales	-	86.00	Investment
Fuzhou Meiling Appliance Marketing Co., Ltd.21)	Fuzhou	Fuzhou	Sales	-	99.00	Investment
Nanjing Meiling Appliance Marketing Co., Ltd.22)	Nanjing	Nanjing	Sales	-	99.00	Investment
Hefei Meiling White Appliance Marketing Co., Ltd.23)	Hefei	Hefei	Sales	-	95.00	Investment
Taiyuan Meiling Appliance Marketing Co., Ltd.24)	Taiyuan	Taiyuan	Sales	-	85.25	Investment
Changsha Meiling Appliance Marketing Co., Ltd.25)	Changsha	Changsha	Sales	-	86.00	Investment
Hohhot Meiling Appliance Marketing Co., Ltd.26)	Hohhot	Hohhot	Sales	-	83.00	Investment
Hohhot Meiling Appliance Marketing Co., Ltd.27)	Hohhot	Hohhot	Sales	-	95.00	Investment
Chongqing Meiling Appliance Marketing Co., Ltd.28)	Chongqing	Chongqing	Sales	-	85.00	Investment
Kunming Meiling Appliance Marketing Co., Ltd.29)	Kunming	Kunming	Sales	-	86.50	Investment
Shanghai Meiling Appliance Marketing Co., Ltd.30)	Shanghai	Shanghai	Sales	-	99.00	Investment
Nantong Meiling Appliance Marketing Co., Ltd.31)	Nantong	Nantong	Sales	-	92.00	Investment
Tianjin Meiling Appliance Marketing Co., Ltd.32)	Tianjin	Tianjin	Sales	-	85.50	Investment
Urumchi Meiling Appliance Marketing Co., Ltd.33)	Urumchi	Urumchi	Sales	-	90.00	Investment
Harbin Meiling Appliance Marketing Co., Ltd.34)	Harbin	Harbin	Sales	-	77.50	Investment
Beijing Meiling Appliance Marketing Co., Ltd.35)	Beijing	Beijing	Sales	-	99.00	Investment
Lanzhou Meiling Appliance Marketing Co., Ltd.36)	Lanzhou	Lanzhou	Sales	-	51.50	Investment
Xi'an Meiling Appliance Marketing Co., Ltd.37)	Xi'an	Xi'an	Sales	-	85.00	Investment
Guangzhou Meiling Appliance Marketing Co., Ltd.38)	Guangzhou	Guangzhou	Sales	-	98.00	Investment
Jinan Meiling Appliance Marketing Co., Ltd.39)	Jinan	Jinan	Sales	-	36.00	Investment
Changhong Ruba Trading Company40)	Pakistan	Pakistan	Sales	-	60.00	Investment
Sichuan Changhong Air Conditioner Co., Ltd.41)	Mianyang	Mianyang	Manufactures, sales	100.00	-	Enterprise combined under the same control
Zhongshan Changhong Appliance Co., Ltd.42)	Zhongshan	Zhongshan	Manufactures, sales	90.00	10.00	Enterprise combined under the same control
Hefei Meiling Group Holding Co., Ltd.43)	Hefei	Hefei	Manufactures, sales	100.00	-	Enterprise combined under the different control
Meiling Equator Appliance (Hefei) Co., Ltd.44)	Hefei	Hefei	Manufactures, sales	-	100.00	Enterprise combined under the different control
Hefei Equator Appliance Co., Ltd.45)	Hefei	Hefei	Manufactures, sales	-	100.00	Enterprise combined under the different control
Hefei Meiling Nonferrous Metal Products Co., Ltd.46)	Hefei	Hefei	Manufactures, sales	-	100.00	Enterprise combined under the different control
Hefei Meiling Packing Products Co., Ltd.47)	Hefei	Hefei	Manufactures, sales	48.28	51.72	Enterprise combined under the different control

1) Zhongke Meiling Cryogenics Technology Limited Company (hereinafter referred to as Zhongke Meiling Company) was established on Oct. 29, 2002 by Hefei Meiling Co., Ltd. and CAS's Technical Institute of Physical & Chemistry, whose registered capital including RMB 60 million material contribution of RMB 35,573,719.70 which accounted for 70% of registered

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capital and cash contribution of RMB 6,426,280.30. CAS's Physical & Chemical technology Research made contributions by New mixed throttle refrigeration technology and technical License of Application research in super low temperature storage box that was appraised RMB 18,000,000 accounting for 30% of registered capital. The actual received of the register capital have been verified by verification report of [Huazheng Yanzi No.(2002) B157] issued by Huazheng CPAs Co., Ltd. In 2014, the 30% equity held by the CAS's Technical Institute of Physical & Chemistry were transferred to its wholly-owned subsidiary Zhongke Xianxing (Beijing) Assets Management Co., Ltd., and completed the registration change of Industry & Commerce in December 2014.

Registration No. of the Business License of Corporation Legal Person: 3401001006416; organization code: 74309835-2; Legal Representative: Li Wei; Address: No. 2163, Lianhua Road, Economy and Technology Development Zone, Hefei City. Business Scope: R & D, exploitation, manufacture, sales and service of cryogenic cooling equipment and products; self-operating and agency for the import&export business of various commerce and technology. (Excluding the commodity and technology that restricted for operation or import and export prohibit by the State)

2) Mianyang Meiling Software Technology Co., Ltd. (hereinafter referred to as Meiling Software Company) was established on Jan. 24, 2014. It is a limited company jointly invested by Hefei Meiling Co., Ltd. (Meingling Company) and Mianyang Meiling Refrigeration Co., Ltd., being approved by the Industrial and Commerce Bureau of Peicheng District, Mianyang City. The company owes registered capital of RMB 5 million, including RMB 4.95 million contributed by Meiling Company in cash, accounted for 99% of the registered capital; Mianyang Meiling Refrigeration Co., Ltd. contributed RMB 50000 in cash with 1% of the register capital occupied. The above mentioned register capital have been verified by verification report of Chuanjinlai Yanzi No.[2014] B039 issued by Sichuan Jinlai Accounting Firm Co., Ltd..

Registration No. of the Business License of Corporation Legal Person: 510703000059200; Registered capital: RMB 5 million; Address: No. 303, Jiuzhou Revenue, Peicheng District, Mianyang City. Legal Representative: Zhang Xiaolong; Business Scope: Research and sales of the controlling and intelligent software for AC, Washing machine, Refrigerator and freeze and appliance etc.

3) Mianyang Meiling Refrigeration Co., Ltd. (hereinafter referred to as Mianyang Meiling Company), a limited liability company jointly set up by Hefei Meiling Co., Ltd. and Zhongke Meiling Company, was founded on Mar. 6, 2009. Its registered capital and paid-in capital was RMB 50 million upon establishment, of which, Hefei Meiling invested RMB 45 million, accounting for 90% of the registered capital; Zhongke Meiling Company invested RMB 5 million, accounting for 10% of the registered capital. The capital receipt was verified by the verification report [CXKY (2009) No. 008] of Sichuan Xingrui Certified Public Accountants.

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On 19 January 2011, Hefei Meiling increase RMB 50 million in capital of Mianyang Meiling, of which RMB 95 million invested by the Company, a 95% of total register capital while RMB 5 million invested by Zhongke Meiling, a 5% of total capital occupied. The paid-in capital has been verified by Capital Verification Report [XYZH/2010CDA6040] from Chengdu Branch of Shinewing CPA CO., Ltd. In 2011, Zhongke Meiling entered into “Equity Transfer Agreement” with Jiangxi Meiling Refrigeration Co., Ltd. 5 percent equity of Mianyang Meiling held by Zhongke Meiling was transferred to Jiangxi Meiling Refrigerator. In September 2013, Jiangxi Meiling Refrigeration was combined by Jiangxi Meiling Appliance Co., Ltd, than 5 percent equity was transfer to Jiangxi Meiling Appliance.

Registration No. of the Business License of Corporation Legal Person: 510706000014939; organization code: 68610561-5; Address: No.35 Mianxing East Road, Gaoxin District, Mianyang City, Sichuan Province; Legal Representative: Liao Tao; Business Scope: R & D, manufacture and sales of cooling apparatus, electronic products and other fittings; import and export of the goods and technology (excluding the items prohibit by the laws and regulations, license required for restriction items)

4) Jiangxi Meiling Appliance Co., Ltd.(Jiangxi Meiling Appliance Co.) was a limited liability company jointly established by the Hefei Meiling Co., Ltd. and Mianyang Meiling on 23 May 2011. Register capital of the company totally as RMB 50 million, RMB 49.375 million invested by Hefei Meiling Co., Ltd, 98.75% in total register capital while RMB 0.625 million invested by Mianyang Meiling , a 1.25% in total register capital occupied. The initial investment RMB 10.50 million was received dated 13 May 2011 with RMB 10 million from the Company and RMB 0.5 million from Mianyang Meiling. Rest of the capital shall be invested fully within 2 years after the joint ventures established according to capital requirement. The initial investment capital were verified by the Capital Verification Report [JXKYZi(2011) No. 090] issued from Jingdezhen Xingci CPA Co., Ltd. Second capital RMB 39.5 million was fully funded on 28 July 2011, Hefei Meiling Co., Ltd contributed RMB 39.375 million while Mianyang Meiling Company invested RMB 125,000, the contributions have been verified by the capital verification report [Jing Xing Kuai Yan Zi (2011) No.: 134] issued from JDZ Xingci CPA Co., Ltd.

Registration No. of the Business License of Corporation Legal Person: 360200110004455; organization code: 57364516-4; Address: South part of Wutong Revenue, High-Tech Industrial Development District, Jingdezhen; Legal Representative: Liao Tao; Business Scope: R&D, manufacturing and sales of refrigerator and its accessories.

5) Hefei Meiling Appliance Marketing Co., Ltd. (Meiling Marketing Company for short) is the limited company jointly invested by the Meiling Co., Ltd. and Mianyang Meiling Company on 21 Oct. 2009. Registered capital and paid-up capital was RMB 10 million, including RMB 9.9 million invested by Meiling Co., Ltd., a 99% of the registered capital; Mianyang Meiling Company contributed RMB 0.1 million, a 1% of the registered capital. The

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above mentioned paid-up register capital have been verified by verification report of [Wan An Lian Xin Da Yan Zi (2009) No. 074] issued by Anhui An Lian Xin Da Accounting Firm Co., Ltd. On 25 Nov. 2010, the Company increased capital RMB 45 million, registered capital amounting to RMB 55 million, including RMB 54.9 million contributed by the Company, a 99.82% of the registered capital, while Mianyang Meiling invested RMB 0.1 million, a 0.18% of the registered capital. The increased capital have been verified by verification report of [Wan Hua Shen Zheng Da Kuai Yan Zi (2010) No. 1514] issued by Anhui Hua Shen Zhengda CPA Co., Ltd.

Registration No. of the Business License of Corporation Legal Person: 340107000030092; Address: Woyun Road North, Lianhua Road East, Economy and Technology Development Zone, Hefei City; Legal Representative: Deng Xiaohui; Business Scope: refrigeration appliance, air-conditioner, washing machine, computer numerical control injection molding machine, computer water heater, plastic products, packaging and decorations, electronic products and accessories, department store sales.

6) Guangxi Huidian Home Appliance Co., Ltd. (Guangxi Huidian for short) established in March 2010 with registered capital of RMB 5 million. the Company invested RMB 1 million, accounted for 20% of the registered capital; In 2014, the Company purchased minority equity of 44%; and subsidiary of the Company Hefei Meiling Appliance Marketing Co., Ltd. and Jiangxi Meiling Appliance Co., Ld. entered into equity transferred agreement with minority shareholders respectively in 2015, transferred 35.6% and 0.4% equity of Guangxi Huidian held by the minority, after equity transferred completed in April 2015, the Company totally holds 100% equity of Guangxi Huidian; enterprise type: limited company; address: Room 402, 403, 404 and 407, 4/F, Plant, Central District, No. 9 Huoju Road, Nanning City. Legal Representative: Zhou Wenhui; Business Scope: sales, installment and maintenance of Refrigerator and freezer, Washing machine and AC.

7) Luohe Meiling Appliance Marketing Co., Ltd. (Luohe Meiling for short) was established dated 10 December 2010 with registered capital of RMB 5 million. The Company invested RMB 1.85 million, accounted for 37% of the registered capital. In 2013, the Company purchased minority equity of 27%; acquired 35.6% equity from minorities in 2014; and subsidiary of the Company Jiangxi Meiling Appliance Co., Ld. entered into equity transferred agreement with minority shareholders in 2015, transferred 0.4% equity of Luohe Meiling held by the minority, after equity transferred completed in January 2015, the Company totally holds 100% equity of the Luohe Meiling; enterprise type: limited company; address and business place: Middle section of the Huanghe Road, Yancheng District, Luohe City. Legal Representative: Liu Xiangyang Business Scope: sales and maintenance of home appliance.

8) Wuhu Meiling Appliance Marketing Co., Ltd. (Wuhu Meiling for short) was established dated 24 December 2010 with registered capital of RMB 6 million; the Company invested

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RMB 2.16 million, accounted for 36% of the registered capital; after the Company acquired 62% equity from the minorities in 2014; the Company totally holds 98% equity of the Wuhu Meiling; enterprise type: limited company; address and business place: No.1002, Qiaohong International Mall, Jinghu District, Wuhu City. Legal Representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

9) Changchun Meiling Appliance Marketing Co., Ltd. (Changchun Meiling for short) was established dated 22 December 2010 with registered capital of RMB 3million; the Company invested RMB 2.91 million, accounted for 97% of the registered capital; enterprise type: limited company; address and business place: South Section 301, No. 21, Xi Minzhu Revenue, Chaoyang District, Changchun City; Legal Representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

10) Bengbu Meiling Appliance Marketing Co., Ltd. (Bengbu Meiling for short) was established dated 27 December 2010 with registered capital of RMB 3 million; the Company invested RMB 2.55 million, accounted for 85% of the registered capital. In 2013, the Company purchased 2.4% equity from the minority; and after the Company acquired 6.1% equity from the minorities in 2014; the Company totally holds 93.5% equity of the Bengbu Meiling; enterprise type: other limited company; address and business place: East house, 6/F, Office Building, East 9-18 Floor, New Shiji Sqaure, No. 1028, Huaihe Road, Bengbu City. Legal Representative: Cui Lianbin; Business Scope: sales and maintenance of home appliance.

11) Hengyang Meiling Appliance Marketing Co., Ltd. (Hengyang Meiling for short) was established dated 24 December 2010 with registered capital of RMB 3 million; the Company invested RMB 1.23 million, accounted for 41% of the registered capital; after the Company acquired 44% equity from the minorities in 2014; the Company totally holds 85% equity of the Hengyang Meiling; enterprise type: limited company; address and business place: No.302, Yujia Community,Yujia Team, Jiangdong Village, Zhuhuai District, Hengyang City. Legal Representative: Liu Xiangyang; Business Scope: sales and maintenance of home appliance.

12) Nanchang Meiling Appliance Marketing Co., Ltd. (Nanchang Meiling for short) was established dated 5 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital; after the Company acquired 49% equity from the minorities in 2014; the Company totally holds 85% equity of the Nanchang Meiling; enterprise type: limited company; address and business place: No. 192, Gaoxin 7# Rd., Gaoxin District, Nanchang City; Legal representative: Liu Xiangyang; Business Scope: wholesales, sales and maintenance of home appliance.

13) Jingzhou Meiling Appliance Marketing Co., Ltd. (Jingzhou Meiling for short) was established dated 10 January 2011 with registered capital of RMB 4 million; Meiling Marketing invested RMB 2.4 million, accounted for 60% of the registered capital. In 2013, acquired 20% equity from the minorities; after the Company acquired 1% equity from the minorities in 2014;

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the Company totally holds 81% equity of the Jingzhou Meiling; enterprise type: limited company; address and business place: Room 1104, B Tower, (Jun Lin Tian Xia) Yuanlin Road, Shashi District, Jingzhou City; Legal representative: Liu Xiangyang; Business Scope: sales and maintenance of home appliance.

14) Shengyang Meiling Appliance Marketing Co., Ltd. (Shengyang Meiling for short) was established dated 26 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.844 million, accounted for 94.8% of the registered capital. Enterprise type: limited company; address and business place: No.30, Renao Rd., Shenhe District, Shenyang City; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

15) Wuhan Meiling Appliance Marketing Co., Ltd. (Wuhan Meiling for short) was established dated 10 January 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 4.55 million, accounted for 91% of the registered capital. Enterprise type: limited company; Room 4, Room 5, 4/F, Building C, No.50 Jiefang Gongyuan Rd., Jiang'an District, Wuhan City; Legal representative: Liu Xiangyang; Business Scope: refrigerator machine, air-conditioner, washing machine, electronic products and accessories and sales of general merchandise.

16) Zhengzhou Meiling Appliance Marketing Co., Ltd. (Zhengzhou Meiling for short) was established dated 17 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital. In 2013, acquired 10% equity from the minorities; and entered into equity transferred agreement with minority shareholders in 2015, transferred 39% equity of Zhengzhou Meiling held by the minority, after equity transferred completed in April 2015, the Company totally holds 85% equity of the Zhengzhou Meiling; enterprise type: limited company; address and business place: No.11, 4/F, No.18 Chengdong Rd. East, Guancheng District, Zhengzhou City; Legal representative: Liu Xiangyang; Business Scope: sales and maintenance of home appliance.

17) Shijiazhuang Meiling Appliance Marketing Co., Ltd. (Shijiazhuang Meiling for short) was established dated 14 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital; after the Company acquired 27.33% equity from the minorities in 2014; the Company totally holds 63.33% equity of the Shijiazhuang Meiling; enterprise type: limited company; address and business place: No.669, Chengjiao Street South, Qiaoxi District, Shijiazhuang City; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

18) Mianyang Meiling Appliance Marketing Co., Ltd. (Mianyang Meiling for short) was established dated 27 January 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 2.6 million, accounted for 52% of the registered capital. In 2013, after the Company purchased 33% equity from minority, the Company totally holds 85% equity of the

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Mianyang Meiling; enterprise type: limited company; address and business place: Commercial & Trade Plaza, Gaoxin District, Mianyang; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

19) Chengdu Meiling Appliance Marketing Co., Ltd. (Chengdu Meiling for short) was established dated 26 January 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 4.17 million, accounted for 83.4% of the registered capital; after the Company acquired 1.6% equity from the minorities in 2014; the Company totally holds 85% equity of the Chengdu Meiling; enterprise type: limited company; address and business place: No.22, Shuangfeng West Rd., Wuhou District, Chengdu City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

20) Guiyang Meiling Appliance Marketing Co., Ltd. (Guiyang Meiling for short) was established dated 24 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 0.78 million, accounted for 26% of the registered capital; in 2013 the Company acquired 18% equity from the minorities; and entered into equity transferred agreement with minority shareholders in 2015, transferred 42% equity of Guiyang Meiling held by the minority, after equity transferred completed in June 2015, the Company totally holds 86% equity of the Guiyang Meiling; enterprise type: limited company; address and business place: No.16-3, Pubu Business Building, No. 19 Yan'an West Rd., Yunyan District, Guiyang City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

21) Fuzhou Meiling Appliance Marketing Co., Ltd. (Fuzhou Meiling for short) was established dated 25 January 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.97 million, accounted for 99% of the registered capital; enterprise type: limited company; address and business place: 05, 22/F, Jin'an Building, Jinyuan Garden, No. 328 Liuyi North Rd., Ji'an District, Fuzhou City; Legal representative: Zhou Wenhui; Business Scope: sales and maintenance of home appliance.

22) Nanjing Meiling Appliance Marketing Co., Ltd. (Nanjing Meiling for short) was established dated 14 Feb. 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.97 million, accounted for 99% of the registered capital; enterprise type: limited company; address and business place: 14/F, Dongheng International Business Building, No. 288 Zhongshan South Rd., Baixia District, Nanjing City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

23) Hefei Meiling White Appliance Marketing Co., Ltd. (White Appliance for short) was established dated 21 January 2011 with registered capital of RMB 6 million; Meiling Marketing invested RMB 5.1 million, accounted for 85% of the registered capital; the Company entered into equity transferred agreement with minority shareholders in 2015, transferred 10% equity of White Appliance held by the minority, after equity transferred completed in February 2015, the Company totally holds 95% equity of the White Appliance; enterprise type: limited company;

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address and business place: A-201, Huayi Science & Technology Park, Gaoxin District, Hefei City; Legal representative: Zhou Wenhui; Business Scope: sales and maintenance of home appliance.

24) Taiyuan Meiling Appliance Marketing Co., Ltd. (Taiyuan Meiling for short) was established dated 18 January 2011 with registered capital of RMB 4 million; Meiling Marketing invested RMB 1.59 million, accounted for 39.75% of the registered capital; In 2013, after the Company purchased 45.5% equity from minority, the Company totally holds 85.25% equity of the TaiyuanMeiling; enterprise type: limited company; address and business place: 6/F, Hanyuan Building, Qinxian North Street, Xiaodian District, Taiyuan City; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

25) Changsha Meiling Appliance Marketing Co., Ltd. (Changsha Meiling for short) was established dated 26 January 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 1.8 million, accounted for 36% of the registered capital; after acquired 50% equity from the minority in 2014, the Company totally holds 86% equity of the Changsha Meiling; enterprise type: limited company; address and business place: Room 301, Oriental Ginza, No. 348 Yuanda No.1 Rd., Furong District, Changsha City; Legal representative: Liu Xiangyang; Business Scope: sales and maintenance of home appliance.

26) Hohhot Meiling Appliance Marketing Co., Ltd. (Hohhot Meiling for short) was established dated 21 Feb. 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.65 million, accounted for 55% of the registered capital; In 2013, after the Company purchased 28% equity from minority, the Company totally holds 83% equity of the Hohhot Meiling; enterprise type: limited company; address and business place: No. 516, 4/F, Comprehensive Building, Jiangjun Garden, No. 139 Dongku Street, Xincheng District, Hohhot City; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

27) Hangzhou Meiling Appliance Marketing Co., Ltd. was established dated 17 Feb. 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.655 million, accounted for 88.5% of the registered capital; entered into the equity transfer agreement with minority shareholders in 2015, transferred 6.5% equity of the Hangzhou Meiling Appliance Marketing Co., Ltd. held by minorities, after equity transfer complete in February 2015, the company holds 95% equity of Hangzhou Meiling; enterprise type: limited company; address and business place: Room 609, 1# building, Nanbei Shangwugang, Gongshu District, Hangzhou City; Legal representative: Zhou Wenhui; Business Scope: sales and maintenance of home appliance.

28) Chongqing Meiling Appliance Marketing Co., Ltd. (Chongqing Meiling for short) was established dated 1 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.55 million, accounted for 85% of the registered capital; enterprise type:

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limited company; address and business place: No. 105, No. 106 and No.111, Dayang Gongqiao, Shapingba District, Chongqing City; Legal representative:Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

29) Kunming Meiling Appliance Marketing Co., Ltd. (Kunming Meiling for short) was established dated 28 Feb. 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.395 million, accounted for 46.5% of the registered capital; In 2013, after the Company purchased 40% equity from minority, the Company totally holds 86.5% equity of the Kunming Meiling; enterprise type: limited company; address and business place: 6/F, No. 13 Longquan Rd., Kunming City; Legal representative: Hu Zhaogui; Business Scope: sales of home appliance and general merchandise.

30) Shanghai Meiling Appliance Marketing Co., Ltd. (Shanghai Meiling for short) was established dated 9 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.97 million, accounted for 99% of the registered capital; enterprise type: limited company; address and business place: Room 201-9, No. 15, 152 Lane, Yanchang Rd., Shanghai City; Legal representative: Zhou Wenhui; Business Scope: sales and maintenance of home appliance.

31) Nantong Meiling Appliance Marketing Co., Ltd. (Nantong Meiling for short) was established dated 8 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.74 million, accounted for 58% of the registered capital; In 2013, after the Company purchased 34% equity from minority, the Company totally holds 92% equity of the Nantong Meiling; enterprise type: limited company; address and business place: Room 201, Funan Building, zhongbei Mansion, No. 351, Gongnong Road, Nantong City; Legal representative: Zhou Wenhui; Business Scope: sales and maintenance of home appliance.

32) Tianjin Meiling Appliance Marketing Co., Ltd. (Tianjin Meiling for short) was established dated 2 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.565 million, accounted for 85.5% of the registered capital; enterprise type: limited company; address and business place: middle layer, No. 3001-96, economy and development centre, No. 9 Junling Rd., Electronic Industrial Park, North Gate, Jinnan District; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

33) Urumchi Meiling Appliance Marketing Co., Ltd. (Urumchi Meiling for short) was established dated 4 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.7 million, accounted for 90% of the registered capital; enterprise type: limited company; address and business place: Room 505, Yinzu Centre, No. 196 Tianjin South Rd., Urumchi City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

34) Harbin Meiling Appliance Marketing Co., Ltd. (Harbin Meiling for short) was

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established dated 6 April 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital; the Company entered into equity transferred agreement with minority shareholders in September 2014, after acquired 41.5% equity of the minority, the Company totally holds 77.5% equity of the Harbin Meiling; enterprise type: limited company; address and business place: No.4, Hengshan Rd., Nangang Centre District, Jinkai Zone, Harbin City; Legal representative: Tang Yiliang; Business Scope: sales and maintenance of home appliance.

35) Beijing Meiling Appliance Marketing Co., Ltd. (Beijing Meiling for short) was established dated 28 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 2.97 million, accounted for 99% of the registered capital; enterprise type: limited company; address and business place: No.23, Xinhua West Street, Majuqiao Town, Tongzhou District, Beijing; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

36) Lanzhou Meiling Appliance Marketing Co., Ltd. (Lanzhou Meiling for short) was established dated 25 March 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.215 million, accounted for 40.50% of the registered capital; In 2013, after the Company purchased 11% equity from minority, the Company totally holds 51.5% equity of the Lanzhou Meiling; enterprise type: limited company; address and business place: No. 134, Jiayuguan West Rd., Chengguan District, Lanzhou City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

37) Xi'an Meiling Appliance Marketing Co., Ltd. (Xi'an Meiling for short) was established dated 13 April 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.83 million, accounted for 61% of the registered capital; after the Company acquired 24% equity from the minority shareholders, the Company totally holds 85% equity of the Xi'an Meiling Appliance Marketing Co., Ltd.; enterprise type: limited company; address and business place: No.10715, 7/F, 1 Unit, #12 Building, Xinxing Junjin Garden, No. 369 Jinhua Rd., Xincheng District, Xi'an City; Legal representative: Hu Zhaogui; Business Scope: sales and maintenance of home appliance.

38) Guangzhou Meiling Appliance Marketing Co., Ltd. (Guangzhou Meiling for short) was established dated 13 May 2011 with registered capital of RMB 5 million; Meiling Marketing invested RMB 4.3 million, accounted for 86% of the registered capital; the Company entered into equity transferred agreement with minority shareholders in 2014, transferred 12% equity of Guangzhou Meiling held by the minority, after equity transferred completed in December 2014, the Company totally holds 98% equity of the Guangzhou Meiling; enterprise type: limited company; address and business place: 2/F, No. 98 Tanxin Street, Dongheng Rd., Baiyun District, Guangzhou City; Legal representative: Zhou Wenhui; Business Scope: wholesales and maintenance of home appliance.

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39) Jinan Meiling Appliance Marketing Co., Ltd. (Jinan Meiling for short) was established dated 3 June 2011 with registered capital of RMB 3 million; Meiling Marketing invested RMB 1.08 million, accounted for 36% of the registered capital; enterprise type: limited company; address and business place: No.249, Huangqiao Industry Park, Donglihe West Rd., Tianqiao District, Jinan City; Legal representative: Liu Xiangyang; Business Scope: sales and maintenance of home appliance.

40) ChanghongRubaTradingCompany(Private)Limited (ChanghongRuba for short) was approved by “Reply on Review of Jointly Established a Manufacture and Sales Platform Project in Pakistan by Zhongshan Changhong Appliance Co., Ltd” [Yue Fa Gai Wai Zi (2011) No. 958] issued by Development and Reform Commission of Guangdong Province dated 5 August 2011, and jointly invested by Zhongshan Changhong Appliance Co., Ltd and UAE RUBAGENERALTRADINGFZE (UAE RUBA for short). Register capital amounting to \$ 6 million, Zhongshan Changhong Appliance Co., Ltd invested \$ 3.6 million in cash, accounted for 60% of the shareholding, while UAE RUBA contributes \$ 2.4 million in cash with 40% of the shares held. Register place located in Lahore, Pakistan; legal representative: Teng Guangsheng; business scope: sales of AC products and other home appliance.

41) Sichuan Changhong Air-conditioners Co., Ltd.(Changhong Air-conditioner for short), a limited liability company jointly set up by Sichuan Changhong and Changhong Chuangtou, was founded on November 28, 2008. Its registered capital was RMB 200 million upon establishment, of which, Sichuan Changhong invested RMB 298 million (RMB 210,088,900 invested by monetary capital while RMB 87,911,100 invested by real material), equivalent to RMB 198 million shares, accounting for 99% of the registered capital; and Changhong Chuangtou invested RMB 3 million, accounting for 1% of the registered capital with equivalent of RMB 2 million shares. The registered capital receipt was verified by the verification report [CGYYZ (2008) No. 177] of Sichuan Guangyuan Certified Public Accountants Co., Ltd. and [HLTHYZ(2008) No. 12-006] of Sichuan Henglitai Certified Public Accountants Co., Ltd. In December 2009, the Company obtained 100% equity of Changhong Air-conditioner by consolidated under the same control.

Registration No. of the Business License of Corporation Legal Person: 510706000013788; organization code of No. 68236997-1; Address: No.35, Mianxing East Road, Gaoxin District, Mianyang City; Legal Representative: Li Wei; Business Scope: R&D, manufacturing, sales and after-sales services of air conditioners, ASHPWH and parts, equipment rental, external processing services of spare parts, and sales of metal materials (excluding gold and silver), sales, installment and services of mechanical and electrical equipment.

42) Zhongshan Changhong Appliance Co., Ltd.(Zhongshan Changhong), was the original Guangdong Changhong Electric Co., Ltd., and is a limited liability company jointly set up by Sichuan Changhong and China Minmetals on May 22, 2001. Its registered capital was RMB 80 million upon establishment, of which, Sichuan Changhong invested RMB 72 million, including

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RMB 69.3 million bidding for the estate/ non-estate from original Zhongshan Sanrong Air-conditioner Co., Ltd. And its patent use-right of RMB2.7 million, accounting for 90% of the registered capital; Chine Minmetals invested RMB 8 million in monetary capital accounting 10% of the registered capital. The Company changed its name originally from Guangdong Changhong Electric Co., Ltd in July 2003. In December 2009, the Company obtained 90% equity of Zhongshan Changhong by consolidated under same control. 10% equity held by China Minmetals has been transferred by Changhong Air-conditioner on April 11, 2010. On 25 May 2014, the Company increased RMB 36 million to Zhongshan Changhong, Changhong AC increased RMB 4 million. After capital increased, registered capital of Zhongshan Changhong turns to RMB 120 million, including RMB 108 million contributed by the Company, accounted for 90% of the registered capital, Changhong AC invested RMB 12 million, accounted for 10% of the registered capital.

Ended as 31 December 2014, registration No. of the Business License of Corporation Legal Person: 442000000290879; Legal Representative: Du Zhixiao; Address: Central Nantou Avenue, Nantou Town, Zhongshan City; Business Scope: air-conditioner, refrigerator and freezer, heat pump, water heater, air cooler, electric fan, humidifier, electric heater and spare parts of the above mentioned products, sales of products in and out of China. Engaged in import and export business of the self-produced products and raw materials, equipment and technology (excluding the items restricted by the State; no manage products of the state trading involved; pursuit to the procedures of the State for products with quota, license and trade management involved)

43) Hefei Meiling Group Holding Co., Ltd (Meiling Group), was the state-owned company originally approved by People's Government of Hefei Province and established authorized by SASAC of Hefei City. On July 14, 2008, 100% state-owned equity of Meiling Group has freely transferred to Xingtai Holding by Hefei SASAC. Agreement by the approval of < State-owned property agreement transfer from Meiling Group> [HGZCQ(2010) No.34] of Hefei SASAC on April 9, 2010, 100% state-owned property of Meiling Group after partial assets and liabilities separated transferred to the Company from Xingtai Holding as amount of RMB 113.2 million. The re-registration of industrial and commercial procedure for Meiling Group after separated partial assets liability has finished on July 28, 2010. The new Meiling Group has register capital of RMB 80 million, and have been verified by the [AD(2010)YZD No. 016] from Anhui Anding CPAs Co., Ltd.

Registration No. of the Business License of Corporation Legal Person: 340100000010841; address: Main plant of 2# South, Tangkou Road, Lianhua Road East, Economy&Technology Development Zone, Hefei; Legal Representative: Li Wei; Business Scope: Manufacture of washing machine, plastic products, fine welded pipe, cooling fittings, package products and decoration products; Self-produced products and raw&auxiliary materials, machinery equipment, instrument and sales of department store, refrigerator, ice box, air conditioner, small appliances and household

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appliances.

44) Meiling Equator Appliance (Hefei) Co., Ltd.(Equator Appliance for short) was the Sino-foreign joint venture jointly set up by original Meiling Group and EQUATOR INVESTMENTS (USA) INC.(EQUATOR for short), which have been approved by the [SWZWFZZ(2004) No.0103] of Approval Certificate of Foreign Enterprise from People's Government of Anhui Province. Its registered capital was US\$ 3 million upon establishment, of which, Sino company invested US\$ 2.25 million in machinery equipment, accounting 75% of the registered capital while foreign company invested US\$ 0.5 million in monetary capital and US\$ 0.25 million in intangible assets, amounting to US\$0.75 million, accounting 25% of the registered capital. The above mentioned investment verified by the verification report of [WYAYZ (2004) No. 135] from Anhui Yongan CPAs Co., Ltd. In July 2007, approved by [HWJ(2007) No.136] from Foreign Trade Economic Cooperation Bureau of Hefei City, 25% equity held by EQUATOR transferred to Anhui Meiling Electric Co., Ltd. Totally. The Company's register capital came into RMB 24,793,200 after transference, and was not the joint-venture any more. 25% equity owned by Anhui Meiling Electric Co., Ltd has been transferred totally to original Meiling Group in July 2009.

Registration No. of the Business License of Corporation Legal Person: 340100000004040; address: Meiling Industry Zone, Development Zone, Feidong Xinchang, Hefei City; Legal Representative: Huang Danian; Business Scope: Research, manufacture and sales of Roller washing machine, wave automatically washing machine, wave double-tube washing machine and other appliance; Manufactures and sales of the controller and matching line of refrigerator, washing machine, air-conditioner and other household appliance

45) Hefei Equator Appliance Co., Ltd.(Equator Appliance) was jointly set up by original Meiling Group and Yingkaite Appliance on September 26, 2007. Its register capital was RMB 12 million, among which, original Meiling Group invested RMB 8,670,600 in monetary capital, accounting 72.255% in registered capital; Equator Appliance invested RMB 3,329,400 in the assessment value of intangible assets (land-use right), accounting 27.745% of total registered capital. The investment being verified by [WYAZ(2004) No. 135] from Anhui Yongan CPAs Co., Ltd.

Registration No. of the Business License of Corporation Legal Person: 340122000001532; address: (No.15 Jinyang Road) Meiling Industrial Zone, Development Zone, Feidong Xinchang, Hefei City; Legal Representative: Huang Danian; Business Scope: Manufacture and operation on cooling appliance, washing machine and plastic products; operational of the self-produced products on raw&auxiliary materials as well as import&export business (projects limited by the national excluded)

46) Hefei Meiling Nonferrous Metal Products Co., Ltd. (Nonferrous Metal) was the Sino-foreign joint venture jointly set up by original Meiling Group, Hefei Meiling Copper Co., Ltd. And Singapore Kim Shin Development Co., Ltd., which have been originally approved by the

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[WJMWFFZZ(1996) No.349] of Foreign Trade and Economic Committee of Anhui Province. Its registered capital was US\$ 2.92 million upon establishment, of which, original Meiling Group invested US\$ 1.46 million (monetary capital), accounting 50% of the registered capital, Hefei Meiling Copper Co., Ltd invested US\$ 0.584 million (monetary capital of RMB 0.18 million and real assets of US\$ 0.404 million), accounting 20% of registered capital while Singapore Kim Shin Development Co., Ltd invested US\$ 0.876 million (monetary capital), accounting 30% of the registered capital. The above mentioned investment verified by the verification report of [HSWZ(1995) No. 0737], [HSWZ(1996) No. 328] and [HSWZ(1998) No. 088] from Anhui CPAs Co., Ltd. In July 2008, approved by [HWS(2008) No.53] from Foreign Trade Economic Cooperation Bureau of Hefei City, 30% equity and 20% equity held by Singapore Kim Shin Development Co., Ltd and Hefei Meiling Copper Co., Ltd respectively transferred to original Meiling Group Totally. The Company's register capital came into RMB 24,286,808.00 after transference, and was not the joint-venture any more.

Registration No. of the Business License of Corporation Legal Person: 340100000111925; address: Liaoyuan Road West, Xincheng Development Zone, Feidong County; Legal Representative: Huang Danian; Business Scope: Manufacture and sales various copper tube, line materials and other metal products

47) Hefei Meiling Packing Products Co., Ltd. (Packing Products) was the Sino-foreign joint venture jointly set up by Hefei Paper Box Plant, original Meiling Group and Singapore Anda Development Co., Ltd in December 1993, which approved by [HWJZ(1993) No. 0444] of Foreign Trade and Economic Committee of Hefei City with its register capital of US\$ 3.067 million. The register capital while established have been verified by [HKHY(1995) No. 5] from original Hefei CPAs Co., Ltd. On December 30, 2002, being approved by [HWJ(2002) No. 259] of foreign trade Economic Cooperation Bureau of Hefei City, 48.28% equity owned by Hefei Paper Box Plant transferred to the Company. On June 17, 2005, 25% equity owned by Singapore Anda Development Co., Ltd transferred to original Meiling Group freely by one-time. The Company turned into domestic-capital enterprise from foreign-capital enterprise with changed registered capital of RMB 18.4 million. The re-register of register capital being verified by [WCQYZ(2005) No. 256] from Anhui CHengqin CPAs Co., Ltd. After equity transferred, the Company invested RMB 8.88 million accounting 48.28% in register capital while Meiling Group invested RMB9.52 million with 51.72% in register capital. Resolution from the 46th meeting of 6th session of the Board, while purchasing Meiling Group, the assets and liabilities of Meiling Packaging Products Co., Ltd., which are not included in transfer-in assets, will derivate into the Hefei Xingmei Assets Management Co., Ltd., the former Meiling Packaging Products Co. reduced its capital as RMB 17.4 million, and registered changed for industrial and commerce have completed on 27 June 2011.

Registration No. of the Business License of Corporation Legal Person: 3401001007135; Address: Meiling Industry Zone,Dong twenty bu, Hefei City; Legal Representative: Huang

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Danian; Business Scope: Manufacture and sales of corrugated board, paper boxes, paper element, EPS, foam package materials and aluminium foil sealing tape and housing rental.

(2) Major non-wholly-owned subsidiary

Subsidiary	Shareholding of minority	Gains/losses attributable to minority in the Year	Dividend distributed to minority announced in the Year	Balance of minority's interest at year-end
Zhongke Meiling Cryogenic Technology Co., Ltd.	30%	730,019.90	-	28,963,406.41

(3) Financial information for major non-wholly-owned subsidiary

Subsidiary	Ending balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Zhongke Meiling	112,718,923.57	19,554,830.69	132,273,754.26	35,729,066.21	-	35,729,066.21

(Continued)

Subsidiary	Opening balance					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liability	Total liabilities
Zhongke Meiling	128,850,510.99	4,947,756.41	133,798,267.40	39,686,979.03	-	39,686,979.03

(Continued)

Subsidiary	Current Period			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	42,750,432.40	2,433,399.68	2,433,399.68	-1,782,467.56

(Continued)

Subsidiary	A year earlier			
	Operation income	Net profit	Total comprehensive income	Cash flow from operation activity
Zhongke Meiling	31,239,460.06	3,578,214.86	3,578,214.86	1,073,977.33

(4) Major limitation on using enterprise group's assets and liquidate debts of enterprise group: Nil

(5) Offering financial supporting or other supports for structured entity that included in consolidation statement scope: Nil

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2. Changes of owner' equity shares in subsidiary and its impacts

Item	Hefei White Household Appliances	Hangzhou Meiling	Zhengzhou Meiling	Guangxi Huidian	Guiyang Meiling	LuohuMeiling	Total
Original ratio of shares held	85.00%	88.50%	46.00%	64.00%	44.00%	99.60%	
Equity purchased from minority	10.00%	6.50%	39.00%	36.00%	42%	0.40%	
Ratio of shares held at period-end	95.00%	95.00%	85%	100.00%	86.00%	100.00%	
Cash	10.00	7.00	5.00	2.00	14.00	20,000.00	20,038.00
Acquisition cost/total disposal consideration	10.00	7.00	5.00	2.00	14.00	20,000.00	20,038.00
Less: net assets of subsidiary measured by equity shares obtained by disposed	-305,138.77	-859,991.18	-2,964,276.36	-2,935,006.60	-895,946.91	21,463.41	-7,938,896.41
Balance	305,148.77	859,998.18	2,964,281.36	2,935,008.60	895,960.91	-1,463.41	7,958,934.41
Including:							
Capital public reserve adjusted	-305,148.77	-859,998.18	-2,964,281.36	-2,935,008.60	-895,960.91	1,463.41	-7,958,934.41
Surplus public reserve adjusted	-	-	-	-	-	-	-
Retained profit adjusted	-	-	-	-	-	-	-

Purchased minority's equity of marketing subsidiary in the Period, balance between the long-term equity investment newly obtained and the net assets shares enjoy according to the new share-holding proportion since purchasing date amounting to -7,958,934.41 Yuan in total, and reckoned into capital public reserve

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3. Equity in joint venture or affiliated enterprise

(1) Major joint venture or affiliated enterprise

Joint venture or affiliated enterprise	Main office place	Register place	Business nature	Share holding (%)		Accounting treatment for investment of joint venture or affiliated enterprise
				Directly	Indirectly	
1.ChanghongRubaElectricCompany (Private)Ltd.	Lahore, Pakistan	Lahore	Manufactures, sales	-	40.00	Equity
2.Hefei Xingmei Assets Management Co., Ltd.	Hefei	Hefei	Rental, agency	48.28	-	Equity
3.Sichuan Ejar Network Technology Co., Ltd.	Mianyang	Mianyang	Sales	30.00	-	Equity

(2) Financial information for major Joint venture: Nil

(3) Financial information for affiliated enterprise

Item	Ending balance /CurrentPeriod			Opening balance /LastPeriod	
	ChanghongRubaElectricCompany (Private)Ltd.	Hefei Xingmei Assets Management Co., Ltd.	Sichuan Ejar Network Technology Co., Ltd.	ChanghongRubaElectricCompany (Private)Ltd	Hefei Xingmei Assets Management Co., Ltd.
Current assets:	80,909,600.18	4,047,926.00	932,327,169.16	61,531,111.48	3,967,411.07
Including: cash and cash equivalent	10,140,355.75	941,721.50	128,984,498.65	1,695,264.18	911,126.07
Non-current assets	46,680,248.17	24,515,216.88	3,162.84	16,469,584.73	25,009,461.78
Total assets	127,589,848.35	28,563,142.88	932,330,332.00	78,000,696.21	28,976,872.85
Current liability	32,471,532.63	1,822,764.74	903,717,516.40	58,747,740.71	1,901,924.77
Non-current liability	-	-	-	-	-
Total liabilities	32,471,532.63	1,822,764.74	903,717,516.40	58,747,740.71	1,901,924.77
Minority's interest					
Equity attributable to shareholder of parent company	95,118,315.72	26,740,378.14	28,612,815.60	19,252,955.50	27,074,948.08
Share of net assets measured by shareholding	38,047,326.29	12,910,254.56	8,583,844.68	7,701,182.20	13,071,784.93
Adjustment item				-	-
-Goodwill				-	-
Unrealized profit of the internal downstream transactions	6,209,378.89			6,561,962.92	-
Unrealized profit of the internal upstream transactions	155,907.33			235,752.83	-
Other					-
Book value of the equity	31,993,854.73	12,910,254.56	8,583,844.68	1,139,219.28	13,071,784.93

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investment for affiliate					
Fair value of equity investment for the affiliates with consideration publicly				-	-
Operation income	53,465,851.90	718,954.00	779,965,255.17	43,186,053.61	859,871.00
Financial expenses	41,481.34	-2,629.60	-31,655.82	20,480.19	-1,193.69
Income tax expenses	-	4,755.05	-	-	-
Net profit	1,017,466.19	-334,569.94	-21,387,184.40	987,548.20	-197,018.85
Net profit of discontinuing operation	-	-	-	-	-
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	-	-
Dividend received from affiliates in the Year	-	-	-	-	-

(4) Financial summary for non-important Joint venture and affiliate enterprise

Item	Ending balance / Current Year	Opening balance / Last Year
Affiliate:		
Total book value of investment	24,608,280.78	-
Total amount measured by shareholding ratio		
--net profit	-2,999,088.58	-3,484,591.50
--Other comprehensive income		
-- Total comprehensive income	-	-

(5) major limitation on capital transfer ability to the Company from joint venture or affiliates: Nil

(6) excess loss occurred in joint venture or affiliates: Nil

(7) Unconfirmed commitment with joint venture investment concerned: Nil

(8) Intangible liability with joint venture or affiliates investment concerned: Nil

4. Major conduct joint operation: Nil

5. Structured body excluding in consolidate financial statement: Nil

9. Relevant risks related with financial instrument

The major financial instruments of the Company include borrowings, account receivables, account payables, transactional financial assets, transactional financial liabilities, the details of which are set out in Note 6. Risks related to these financial instruments include exchange risks and interest rate risks. The management of the Company controls and monitors the risk exposures to ensure the above risks are under control.

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In connection with exchange risks, in order to prevent from exchange risks arising from foreign currency transaction amount, foreign currency dominated loans and interest expenditure, the Company entered into several forward exchange contracts with banks. Fair value of the forward exchange contract which has been recognized as derivative financial instrument as of 31 December 2014 has been included in profits and losses. As export business is increasing, if risks that are out of control of the Company occur such as appreciation of RMB, the Company will mitigate the relevant risks by adjusting its sales policy.

The Company's interest rate risk arises from bank borrowings and interest-bearing debt. Financial liabilities at floating rate expose the Company to cash flow interest rate risk, and financial liabilities at fixed rate expose the Company to fair value interest rate risk. The Company will determine the respective proportion of contracts at fixed and floating rates based on the prevailing market conditions. As of 30 June 2015, the interest-bearing debts mainly referred to borrowing contracts at floating rate denominated in RMB with total amount of 7,292,800.00 and borrowing contracts at fixed rate denominated in USD with total amount of 336,742,739.05. Risks relating to change of fair value of financial instruments arising from movement of interest rate mainly related to bank borrowings at fixed rate. As for borrowings at fixed rate, the Company aims to keep its floating rate. Risks relating to change of cash flow of financial instruments arising from movement of interest rate mainly related to bank borrowings at floating rate. The Company establishes its policy to keep floating rate for these borrowings so as to eliminate fair value risk arising from movement of interest rate.

10. Fair value

1. Assets and liabilities measured by fair value at year-end and level of fair value measurement

Item	Fair value at period-end			
	1 st level	2 nd level	3 rd level	Total
I. Continuous measure of fair value				
(I) Financial assets measured by fair value and with variation reckoned into current gains/losses		3,572,100.00		3,572,100.00
1. transactional financial assets		3,572,100.00		3,572,100.00
(1) debt instrument investment				
(2) equity instrument investment				
(3) Derivative financial assets(3) derivative finance assets		3,572,100.00		3,572,100.00
(4) Other				
2. Assign financial assets measured by fair value and with variation reckoned into current gains/losses		-		-

1. Valuation technology adopted in continuous and non-continuous level II fair value measurement, together with qualitative and quantitative information of major parameters

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Fair value represents the price a market participator can receive or needs to pay for disposing an asset or transferring a liability in an orderly transaction occurred on the measurement date. Our derivative contract is measured based on level II fair value, namely the contract's immediate quotation in a foreign exchange market on balance sheet date.

2. Assets and liabilities not measured by fair value but disclosed by fair value: Nil

11. Related parties and related transaction

(I) Relationship of related parties

1. Controlling shareholder and ultimate controller

(1) Controlling shareholder and ultimate controller

Controlling shareholder and ultimate controller	Type of entity	Place of registration	Nature of business	Legal representative	Organization code
Sichuan Changhong Electric Co., Ltd.	Stock company	Mianyang	Manufacture and sales	Zhao Yong	20541230-8
Sichuan Changhong Electronics Holding Group Co., Ltd.	Limited company	Mianyang	Manufacture and sales	Zhao Yong	72081866-0

(2) Register capital and change thereof of controlling shareholder

Controlling shareholder	Opening balance	Increase during the year	Decrease during the year	Ending balance
Sichuan Changhong Electric Co., Ltd.	4,616,244,222	-	-	4,616,244,222

(3) Shares held by the controlling shareholder and its changes on equity

Controlling shareholder	Amount of shares held		Shareholding ratio	
	Ending balance	Opening balance	Ratio at year-end	Ratio at year-begin
Sichuan Changhong Electric Co., Ltd.	189,994,153	189,994,153	24.88%	24.88%

2. Subsidiary

Found more in Note "VIII. 1 (1) Enterprise group composition"

3. Joint venture and Affiliated enterprise

Major Joint venture and affiliated enterprise of the Company found more in Note "VIII. 3 (1) major Joint venture and Affiliated enterprise". Other Joint venture and affiliated enterprise that have related transactions occurred with the Company in the Year or occurred in last period, and with balance results:

Joint venture and Affiliated enterprise	Relationship
Hefei Meiling Solar Energy Technology Co.,	Joint venture and Affiliated enterprise of Meiling Group
Changhong Ruba Electric Company (Private)Ltd.	Joint venture and Affiliated enterprise of subsidiary Zhongshan Changhong
Sichuan Tianyou Guigu Technology Co., Ltd.	Joint venture and Affiliated enterprise of subsidiary

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Joint venture and Affiliated enterprise	Relationship
	Sichuan Air-Conditioner
Sichuan Ejar Network Technology Co., Ltd.	Joint venture and Affiliated enterprise of the company
Hefei Xingmei Assets Management Co., Ltd.	Joint venture and Affiliated enterprise of the company

4. Other related parties

Other related parties	Relationship
PT.ChangHongElectriCinDonesia	Control by same controlling shareholder and ultimate controller
Chengdu Lejiayi Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
Fuzhou Lejiayi Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangdong Changhong Electrics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangdong Changhong Ridian Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Hefei Changhong Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Huayi Compressor Co., Ltd.	Control by same controlling shareholder and ultimate controller
Jinan Lejiayi Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
Jiangxi Changhong Electronic Technology Development Co., Ltd.	Control by same controlling shareholder and ultimate controller
Kunming Yijiahong Trade Co., Ltd.	Control by same controlling shareholder and ultimate controller
Lejiayi Chain Management Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Hongfa Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Lejiayi Trading Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongrui Electrics Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan CCO Display Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongxin Software Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Packing & Printing Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Power Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Electronic System Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong International Hotel Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Jijia Jinggong Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Precision Electronic Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Minsheng Logistic Co., Ltd.	Control by same controlling shareholder and ultimate controller

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Other related parties	Relationship
Sichuan Changhong Mold Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Devices Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Xinrui Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong New Energy Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Taiyuan Lejiayi Trading Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Tianjin Lejiayi Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
CHANGHONG ELECTRIC (AUSTRALIA)	Control by same controlling shareholder and ultimate controller
Zhongshan Guanghong Mold Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Chongqing Hongshenghuo Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
081 Electronic Group Co., Ltd.	Control by same controlling shareholder and ultimate controller
081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Hongrun Electronic Co., Ltd.	Control by same controlling shareholder and ultimate controller
Changhong (H.K.) Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Huafeng Corp. Group	Control by same controlling shareholder and ultimate controller
Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongyu Metal Manufacture Co., Ltd.	Control by same controlling shareholder and ultimate controller
Wandao Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
ChangHong Electric Middleeast FZE	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Control by same controlling shareholder and ultimate controller
Xi'an Lejiayi Trading Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Jiahong Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Power Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Lighting Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Hongwei Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Chengdu Changhong Electric Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Guangyuan Hongcheng Industrial Co., Ltd.	Control by same controlling shareholder and ultimate controller

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Other related parties	Relationship
	controller
Guangyuan Changhong Molding Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
Sichuan Changhong International Travel Agency Ltd,	Control by same controlling shareholder and ultimate controller
Sichuan Ejar Network Technology Co., Ltd.	Control by same controlling shareholder and ultimate controller
BVCH Optronics (Sichuan) Co., Ltd.	Control by same controlling shareholder and ultimate controller
Mianyang Highly Electric Co., Ltd.	Affiliate enterprise of controlling shareholder and actual controller
Sichuan Changhe Technology Co., Ltd.	Affiliate enterprise of controlling shareholder and actual controller
Sichuan Changxin Refrigeration Parts Co., Ltd.	Affiliate enterprise of controlling shareholder and actual controller
Fuyang Weiao Meiling Appliance Marketing Co., Ltd.	A stock-jointly enterprise of the subsidiary before June 2015

(II) related transactions

1. Purchasing commodity

Related parties	Content	Current Year (10 thousand Yuan)	Last Year (10 thousand Yuan)
Sichuan Changhong Electric Co., Ltd.	Purchasing commodity	7,272.32	6,370.99
Huayi Compressor Co., Ltd.	Purchasing commodity	28,354.30	34,111.22
Sichuan Changhong Mold Technology Co., Ltd.	Purchasing commodity	17,951.28	20,224.04
Sichuan Changhong Jijia Jinggong Co., Ltd.	Purchasing commodity	10,254.28	9,936.91
Sichuan Changhong Packing & Printing Co., Ltd.	Purchasing commodity	2,634.77	2,520.67
Sichuan Changhong Precision Electronic Technology Co., Ltd.	Purchasing commodity	346.07	376.21
Sichuan Jiahong Industrial Co., Ltd.	Purchasing commodity	-	0.52
Sichuan Changhong New Energy Technology Co., Ltd.	Purchasing commodity	37.89	49.21
081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	Purchasing commodity	163.70	610.14
Mianyang Hongrun Electronic Co., Ltd.	Purchasing commodity	471.38	865.15
Guangdong Changhong Electrics Co., Ltd.	Purchasing commodity	305.37	45.63
Zhongshan Guanghong Mold Technology Co., Ltd.	Purchasing commodity	99.22	2.47
Sichuan Hongyu Metal Manufacture Co., Ltd.	Purchasing commodity	34.77	38.95
Sichuan Changhong Electronic Devices Co., Ltd.	Purchasing commodity	2,111.91	2,742.98
Mianyang Hongfa Technology Co., Ltd.	Purchasing commodity	49.27	133.63
Guangdong Changhong Ridian Technology Co., Ltd.	Purchasing commodity	97.94	-
Sichuan Changhong Xinrui Technology Co., Ltd.	Purchasing commodity	4,355.12	6,273.78
Sichuan Changhong Power Co., Ltd.	Purchasing commodity	-	2.29
Sichuan Hongwei Technology Co., Ltd.	Purchasing commodity	17.75	-
Sichuan Changhe Technology Co., Ltd.	Purchasing commodity	181.61	188.95
Sichuan Changxin Refrigeration Parts Co., Ltd.	Purchasing commodity	9,365.67	12,168.66
Mianyang Highly Electric Co., Ltd.	Purchasing commodity	10,254.53	9,982.37
Sichuan Jinghong Packaging Products Co., Ltd.	Purchasing commodity	-	1,095.17

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Related parties	Content	Current Year (10 thousand Yuan)	Last Year (10 thousand Yuan)
Total		94,359.15	107,739.94

2.labor service receive

Related parties	Content	Current Year	Last Year
Sichuan Changhong Minsheng Logistic Co., Ltd.	labor service receive	174,173,170.24	165,899,805.70
Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	labor service receive	57,354,122.67	61,099,395.11
Sichuan Changhong Electric Co., Ltd.	labor service receive	4,422,250.09	9,832,307.86
Sichuan Hongwei Technology Co., Ltd.	labor service receive	581,150.94	711,735.85
Guangdong Changhong Electrics Co., Ltd.	labor service receive	26,378.96	66,923.93
Zhongshan Guanghong Mold Technology Co., Ltd.	labor service receive	-	47,417.29
Sichuan Changhong Mold Technology Co., Ltd.	labor service receive	12,279.45	-
Sichuan Changhong Jijia Jinggong Co., Ltd.	labor service receive	4,304.00	-
Sichuan Jiahong Industrial Co., Ltd.	labor service receive	14,390.60	23,915.70
Changhong (H.K.) Trading Co., Ltd.	labor service receive	8,846.15	-
Total		236,596,893.10	237,681,501.44

3. receive fuels and energy

Related parties	Content	Current Year	Last Year
Huayi Compressor Co., Ltd.	receive fuels and energy	192,958.98	610,620.07
Sichuan Changhong Electric Co., Ltd.	receive fuels and energy	5,321,532.77	8,123,152.39
Total		5,514,491.75	8,733,772.46

4. Sales of goods/ labor service providing

Related parties	Content	Current Year (10 thousand Yuan)	Last Year (10 thousand Yuan)
Sichuan Changhong Electric Co., Ltd.	Sales of goods	54,224.47	88,691.22
Sichuan Changhong Electronics Holding Group Co., Ltd.	Sales of goods	-	-4.87
Sichuan Changhong Jijia Jinggong Co., Ltd.	Sales of goods	1,697.64	1,628.42
Sichuan Changhong Mold Technology Co., Ltd.	Sales of goods	5,206.48	6,371.52
Sichuan CCO Display Technology Co., Ltd.	Sales of goods	-	79.35
Mianyang Lejiayi Trading Chain Co., Ltd.	Sales of goods	104.48	612.82
Lejiayi Chain Management Co., Ltd.	Sales of goods	178.30	-
081 Electronic Group Co., Ltd.	Sales of goods	-8.49	-
ChanghongEuropeElectrics.r.o	Sales of goods	92.42	-
Changhong (H.K.) Trading Co., Ltd.	Sales of goods	27,291.35	7,132.24
Chengdu Changhong Property Co., Ltd.	Sales of goods	1.38	-
Anhui Xinhao PDP Co., Ltd.	Sales of goods	53.85	-

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Related parties	Content	Current Year (10 thousand Yuan)	Last Year (10 thousand Yuan)
Sichuan Changhong Xinrui Technology Co., Ltd.	Sales of goods	2,216.58	4,817.86
Sichuan Changhong International Hotel Co., Ltd.	Sales of goods	-2.56	-
Sichuan Hongwei Technology Co., Ltd.	Sales of goods	2.44	0.81
Sichuan Hongxin Software Co., Ltd.	Sales of goods	-	36.78
Chongqing Hongshenghuo Trading Co., Ltd.	Sales of goods	75.79	46.61
Sichuan Changhong Devices Technology Co., Ltd.	Sales of goods	14.70	-
Sichuan Changhong New Energy Technology Co., Ltd.	Sales of goods	-	1.02
CHANGHONG ELECTRIC (AUSTRALIA)	Sales of goods	-	640.89
Guangdong Changhong Ridian Technology Co., Ltd.	Sales of goods	478.27	-
Sichuan Changhong Packing & Printing Co., Ltd.	Sales of goods	21.16	58.41
Sichuan Changhong Precision Electronic Technology Co., Ltd.	Sales of goods	14.92	-
Sichuan Changhong Minsheng Logistic Co., Ltd.	Sales of goods	0.08	43.36
081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	Sales of goods	2.45	-
Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	Sales of goods	286.92	528.23
Sichuan Changhong Power Co., Ltd.	Sales of goods	-	4.10
Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Sales of goods	445.82	378.71
Hefei Changhong Industrial Co., Ltd.	Sales of goods	209.32	93.12
Zhongshan Guanghong Mold Technology Co., Ltd.	Sales of goods	-	0.14
Sichuan Changhong Electronic Devices Co., Ltd.	Sales of goods	22.76	0.85
Chengdu Changhong Minsheng Logistic Co., Ltd.	Sales of goods	4.20	-
Sichuan Huafeng Corp. Group	Sales of goods	3.13	-
Guangdong Changhong Electrics Co., Ltd.	Sales of goods	-	1.36
Huayi Compressor Co., Ltd.	Sales of goods	-	1.55
Sichuan Changhong Network Technology Co., Ltd.	Sales of goods	-	3.28
Chengdu Changhong Electric Technology Co., Ltd.	Sales of goods	-	575.60
Guangyuan Hongcheng Industrial Co., Ltd.	Sales of goods	0.03	-
Guangyuan Changhong Molding Technology Co., Ltd.	Sales of goods	2.99	-
Sichuan Ejar Network Technology Co., Ltd.	Sales of goods	27,806.61	-
Mianyang Highly Electric Co., Ltd.	Sales of goods	0.46	-
Sichuan Changxin Refrigeration Parts Co., Ltd.	Sales of goods	2,630.30	3,955.99
Hefei Meiling Solar Energy Technology Co.,	Sales of goods	55.73	-
CHANGHONGRUBAELECTRICCO.,LTD	Sales of goods	1,335.98	-
Guangxi Huidian Home Appliance Co., Ltd.	Sales of goods	-	4,021.03
Fuyang Weiao Meiling Appliance Marketing Co., Ltd.	Sales of goods	333.75	7,761.69

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Related parties	Content	Current Year (10 thousand Yuan)	Last Year (10 thousand Yuan)
Total		124,803.71	127,482.09

Businesses between the Company and its connected persons are generally conducted under market operation rules as if they were the same as other business counterparties. For price of sale or purchase and provision of other labor service between the Company and its related parties, the state pricing is applicable if the pricing do exists; in case of absence of such state pricing, price is determined under market price; in case of absence of such market price, price is determined by both parties at actual cost plus reasonable expenses; for some special services, the price of which cannot be determined under the rule of cost plus expense, the price shall be determined by both parties by negotiation.

5 Fuel and energy providing

Related parties	Content	Current Year	Last Year
Guangdong Changhong Electrics Co., Ltd.	Fuel and energy providing	315,249.10	243,586.93
Sichuan Changhong Minsheng Logistic Co., Ltd.	Fuel and energy providing	11,959.67	11,698.34
Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	Fuel and energy providing	68.38	-
Zhongshan Guanghong Mold Technology Co., Ltd.	Fuel and energy providing	751.56	741.90
Sichuan Hongwei Technology Co., Ltd.	Fuel and energy providing	218.23	-
Sichuan Changhong Jijia Jinggong Co., Ltd.	Fuel and energy providing	211,756.53	73,535.57
Sichuan Changhong Mold Technology Co., Ltd.	Fuel and energy providing	3,255,867.17	3,487,083.69
Guangdong Changhong Ridian Technology Co., Ltd.	Fuel and energy providing	1,173.07	1,468.91
Sichuan Kuaiyidian Appliance Service Chain Corporation	Fuel and energy providing	-	1,089.83
Total		3,797,043.71	3,819,205.17

6 related rental

(1) Renting

Lessor	Lessee	Type of assets leasing	Leasing income recognized in this year	Leasing income last year
Hefei Meiling Co., Ltd.	Sichuan Changhong Jijia Jinggong Co., Ltd.	Plant	233,280.00	233,280.00
Hefei Meiling Co., Ltd.	Sichuan Changhong Jijia Jinggong Co., Ltd.	Forklift truck	23.12	-
Hefei Meiling Co., Ltd.	Sichuan Changhong Mold Technology Co., Ltd.	Plant	647,190.00	647,190.00
Hefei Meiling Co., Ltd.	Sichuan Changhong Xinrui Technology Co., Ltd.	Forklift truck	389.15	-
Changhong Air-Conditioner	BVCH Optronics (Sichuan) Co., Ltd.	Goods lift	63,720.00	63,720.00
Zhongshan Changhong	Guangdong Changhong Electrics Co., Ltd.	Plant	143,924.24	34,871.24
Zhongshan	Guangdong Changhong Electrics Co., Ltd.	Trade center	492,170.06	390,093.20

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Lessor	Lessee	Type of assets leasing	Leasing income recognized in this year	Leasing income last year
Changhong				
Zhongshan Changhong	Guangdong Changhong Ridian Technology Co., Ltd.	2#living area	14,472.57	18,241.14
Zhongshan Changhong	Sichuan Hongwei Technology Co., Ltd.	2#living area	3,393.06	-
Zhongshan Changhong	Sichuan Changhong Minsheng Logistic Co., Ltd.	2#living area	24,690.82	3,135.45
Zhongshan Changhong	Sichuan Changhong Minsheng Logistic Co., Ltd.	Trade center	3,388.28	18,642.96
Zhongshan Changhong	Zhongshan Guanghong Mold Technology Co., Ltd.	2#living area	5,829.64	4,784.71
Mianyang Refrigeration	Sichuan Changhong Packing & Printing Co., Ltd.	Rental of warehouse	2,264.15	5,203.02
Mianyang Refrigeration	Sichuan Changhong Mold Technology Co., Ltd.	Rental of warehouse	32,943.40	38,433.96
Mianyang Refrigeration	Sichuan Changhe Technology Co., Ltd.	Rental of warehouse	135.85	273.21
Mianyang Refrigeration	Sichuan Changxin Refrigeration Parts Co., Ltd.	Rental of warehouse	452.83	2,092.08
Mianyang Refrigeration	Sichuan Jinghong Packaging Products Co., Ltd.	Rental of warehouse	-	679.25
Jiangxi Electric	Sichuan Changhong Mold Technology Co., Ltd.	Rental of Plant	225,960.00	225,960.00
Jiangxi Electric	Sichuan Changhong Jijia Jinggong Co., Ltd.	Rental of Plant	67,032.00	-
Jiangxi Electric	Sichuan Changhong Jijia Jinggong Co., Ltd.	Machinery equipment	49,743.59	-
Total			2,011,002.76	1,686,600.22

(2) Lessee of related parties

Lessor	Lessee	Type of assets leasing	Leasing income recognized in this year	Leasing income last year
Sichuan Changhong Electric Co., Ltd.	Changhong Air-Conditioner	Plant	3,711,585.62	-
Guangdong Changhong Ridian Technology Co., Ltd.	Zhongshan Changhong	Warehouse	280,000.00	-
Sichuan Changhong Electronics Holding Group Co., Ltd.	Mianyang Refrigeration	Staff dormitory	2,800.00	-
Sichuan Changhong Electric Co., Ltd.	Mianyang software	Office room	13,596.00	11,330.00
Sichuan Changhong Electric Co., Ltd.	Appliance marketing	Office room	49,743.59	323,153.02
Total			4,215,422.33	334,483.02

7. Related guarantee

Secured party	Sponsored party	Maximum guarantee amount	Start	End	Completed (Y/N)
Hefei Meiling	Zhongshan Changhong	100,000,000.00	2014.11.01	2015.11.01	N
Hefei Meiling	Zhongshan	80,000,000.00	2015.03.30	2016.03.29	N

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(Unless other wise specified, RMB for record in the Statement)

Secured party	Sponsored party	Maximum guarantee amount	Start	End	Completed (Y/N)
	Changhong				
Hefei Meiling	Zhongshan Changhong	120,000,000.00	2014.12.03	2015.12.03	N
Counter guarantee:					
Zhongshan Changhong	Hefei Meiling	100,000,000.00	2014.11.01	2015.11.01	N
Zhongshan Changhong	Hefei Meiling	80,000,000.00	2015.03.30	2016.03.29	N
Zhongshan Changhong	Hefei Meiling	120,000,000.00	2014.12.03	2015.12.03	N

8. Assets transfer, debt restructuring of related parties

Related parties	Type	Current Year	Last Year
Sichuan Changhong Electric Co., Ltd.	Purchasing fixed assets	2,464,230.77	1,517,721.34
Sichuan Hongxin Software Co., Ltd.	Purchasing fixed assets	495,283.02	501,886.80
Sichuan Changhong Electronic System Co., Ltd.	Purchasing fixed assets	329,059.83	-
081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	Purchasing fixed assets	59,829.06	-
Mianyang Hongfa Technology Co., Ltd.	Purchasing fixed assets	-	354,700.85
Sichuan Changhong Mold Technology Co., Ltd.	Purchasing fixed assets	-	1,257,928.21
Sichuan Changhong New Energy Technology Co., Ltd.	Fixed assets sold	15,035.60	-
Sichuan Changhong Gerun Renewable Resources Co., Ltd.	Fixed assets sold	-	447,081.71

9. Related transaction with Changhong Finance Company

(1) saving balance

Related transaction	Opening balance	Ending balance	Interest income
Bank savings	1,040,209,426.68	986,230,115.61	14,865,885.04

(2) notes discounted

Related transaction	Bank acceptance	Bank acceptance	Expenses of discounted
	book discounted amount	discounted amount	Cash paid
Note receivable	690,307,526.33	682,830,807.37	7,476,718.96

(3) notes issued

Related transaction	Issuing unit	Note amount	Type
Note payable	Sichuan Changhong Group Finance Co., Ltd.	707,767,370.55	Bank acceptance

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(Unless other wise specified, RMB for record in the Statement)

(III) Come and go balance with related parties

1. Receivables

Item	Related parties	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Sichuan Changhong Electric Co., Ltd.	28,089,032.01	-	6,775,359.64	-
Account receivable	Sichuan Changhong Electronics Holding Group Co., Ltd.	2,275,111.97	-	2,275,111.97	-
Account receivable	Sichuan Changhong Mold Technology Co., Ltd.	190,728.60	-	207,551.84	-
Account receivable	Sichuan Changhong Xinrui Technology Co., Ltd.	2,424,835.04	-	2,078.83	-
Account receivable	ChanghongEuropeElectrics.r.o	699,340.82	-	-	-
Account receivable	Chongqing Hongshenghuo Trading Co., Ltd.	534,632.00	-	-	-
Account receivable	Hefei Changhong Industrial Co., Ltd.	2,006,971.17	-	2,161,717.28	-
Account receivable	Huayi Compressor Co., Ltd.	263,800.00	-	1,063,400.00	-
Account receivable	Sichuan Changhong International Hotel Co., Ltd.	3,340,000.00	-	4,050,000.00	-
Account receivable	Sichuan Changhong Jijia Jinggong Co., Ltd.	6,450,682.20	-	297,217.00	-
Account receivable	Sichuan Changhong Minsheng Logistic Co., Ltd.	92,104.72	-	-	-
Account receivable	Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	1,199,935.75	-	200,895.77	-
Account receivable	Sichuan Changhong Precision Electronic Technology Co., Ltd.	235,643.84	-	61,041.23	-
Account receivable	Changhong (H.K.) Trading Co., Ltd.	179,424,265.83	-	110,975,853.15	-
Account receivable	Guangdong Changhong Ridian Technology Co., Ltd.	120,000.00	-	120,000.00	-
Account receivable	Chengdu Changhong Minsheng Logistic Co., Ltd.	-	-	42,000.00	-
Account receivable	081 Electronic Group Co., Ltd.	1,986,640.00	-	2,086,000.00	-
Account receivable	Sichuan Changhong Electronic Devices Co., Ltd.	-	-	64,949.99	-
Account receivable	Chengdu Changhong Electric Technology Co., Ltd.	1,835,245.20	-	5,309,045.20	-
Account receivable	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	0.60	-	1,855.46	-
Account receivable	Chengdu Changhong Property Co., Ltd.	783.90	-	-	-
Account receivable	Sichuan Hongwei Technology Co., Ltd.	3,016.00	-	-	-
Account receivable	Sichuan Changhong Devices Technology Co., Ltd.	451,369.02	-	-	-

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From 1 January 2015 to 30 June 2015

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Item	Related parties	Ending balance		Opening balance	
		Book balance	Bad debt provision	Book balance	Bad debt provision
Account receivable	Yibing Hongxing Electronics Co., Ltd.	1,058,049.10	-	1,058,049.10	-
Account receivable	Sichuan Changhong Packing & Printing Co., Ltd.	2,400.00	-	-	-
Account receivable	Sichuan Ejar Network Technology Co., Ltd.	55,283,643.00	-	-	-
Account receivable	Hefei Meiling Solar Energy Technology Co.,	-	-	50,010.80	-
Account receivable	Fuyang Weiao Meiling Appliance Marketing Co., Ltd.	-	-	10,628,035.60	-
Account receivable	CHANGHONGRUBAELECTRICCO.,LTD	32,290,396.00	-	24,626,053.78	-
Account receivable	Anhui Xinhao PDP Co., Ltd.	630,000.00	-	-	-
Account receivable	Mianyang Highly Electric Co., Ltd.	172,800.00	-	172,800.00	-
Account receivable	Sichuan Changxin Refrigeration Parts Co., Ltd.	6,521,621.96	-	-	-
Account paid in advance	Sichuan Changhong Electric Co., Ltd.	6,791,777.04	-	7,756,082.59	-
Account paid in advance	Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	-	-	176,653.43	-
Account paid in advance	Sichuan Changhong Mold Technology Co., Ltd.	-	-	171,714.91	-
Account paid in advance	Mianyang Hongfa Technology Co., Ltd.	583,346.50	-	497,968.81	-
Other account receivable	Sichuan Changhong Electric Co., Ltd.	-	-	13,500.00	-
Other account receivable	Sichuan Ejar Network Technology Co., Ltd.	156,000.00	-	-	-
Total		335,114,172.27		180,844,946.38	

2. payables

Item	Related parties	Ending balance	Opening balance
Account payable	Sichuan Changhong Electronics Holding Group Co., Ltd.	60,553.56	60,553.56
Account payable	Sichuan Changhong Electric Co., Ltd.	33,591,932.78	27,737,562.90
Account payable	Sichuan Changhong Mold Technology Co., Ltd.	121,597,507.38	67,897,349.69
Account payable	Huayi Compressor Co., Ltd.	117,594,656.62	108,783,172.50
Account payable	Sichuan Changhong Jijia Jinggong Co., Ltd.	118,597,275.01	53,421,683.82
Account payable	Sichuan Changhong Minsheng Logistic Co., Ltd.	33,267,989.86	38,816,514.90
Account payable	Sichuan Changhong Packing & Printing Co., Ltd.	16,873,485.63	10,966,607.44

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Item	Related parties	Ending balance	Opening balance
Account payable	Sichuan Changhong Devices Technology Co., Ltd.	19,187,345.59	20.08
Account payable	Mianyang Hongrun Electronic Co., Ltd.	1,844,104.93	958,576.70
Account payable	Sichuan Changhong Precision Electronic Technology Co., Ltd.	3,134,554.35	1,422,908.29
Account payable	081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	485,405.85	140,059.51
Account payable	Sichuan Changhong New Energy Technology Co., Ltd.	179,142.81	114,219.50
Account payable	Sichuan Changhong Lighting Technology Co., Ltd.	23,858.00	30,062.00
Account payable	Sichuan Changhong Power Co., Ltd.	38,594.78	36,423.46
Account payable	Sichuan Hongyu Metal Manufacture Co., Ltd.	443,491.64	132,682.43
Account payable	Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	699,618.82	11,017.79
Account payable	Sichuan Changhong Electronic Devices Co., Ltd.	-	8,928,899.08
Account payable	Sichuan Hongwei Technology Co., Ltd.	207,616.50	177,450.00
Account payable	Sichuan Changhong International Hotel Co., Ltd.	9,648.00	7,576.00
Account payable	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	10,503.63	10,503.63
Account payable	Chengdu Changhong Minsheng Logistic Co., Ltd.	-	4,609,168.32
Account payable	Sichuan Changhong Xinrui Technology Co., Ltd.	2,433,568.92	13,510,239.53
Account payable	Sichuan Changhong International Travel Agency Ltd,	11,543.00	56,786.66
Account payable	Mianyang Hongfa Technology Co., Ltd.	113,000.00	113,000.00
Account payable	Guangdong Changhong Electrics Co., Ltd.	3,044,517.95	381,686.49
Account payable	Guangdong Changhong Ridian Technology Co., Ltd.	492,287.22	512,483.48
Account payable	Zhongshan Guanghong Mold Technology Co., Ltd.	-	111,259.76
Account payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	16,355,543.02	10,478,359.11
Account payable	Mianyang Highly Electric Co., Ltd.	12,584,630.43	15,136,189.07
Account payable	Sichuan Changhe Technology Co., Ltd.	426,429.27	965,891.13
Account received in advance	Sichuan Changhong Electric Co., Ltd.	234.16	234.16
Account received in advance	Mianyang Lejiayi Trading Chain Co., Ltd.	-	123,540.79
Account received in	Lejiayi Chain Management Co., Ltd.	3,594.67	761.29

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Item	Related parties	Ending balance	Opening balance
advance			
Account received in advance	Sichuan Changhong Mold Technology Co., Ltd.	1.99	-
Account received in advance	Chongqing Hongshenghuo Trading Co., Ltd.	-	2,408.00
Account received in advance	Mianyang Lejiayi Trading Chain Co., Ltd.	882.41	
Account received in advance	Sichuan CCO Display Technology Co., Ltd.	74,587.00	74,587.00
Account received in advance	081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	25.55	28,677.70
Account received in advance	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	49,845.58	240,205.07
Account received in advance	Guangyuan Changhong Molding Technology Co., Ltd.	-	35,000.00
Account received in advance	Guangyuan Hongcheng Industrial Co., Ltd.	-	320.00
Account received in advance	CHANGHONG ELECTRIC (AUSTRALIA)	7,153.58	5,542.58
Account received in advance	Sichuan Changhong New Energy Technology Co., Ltd.	0.01	0.01
Account received in advance	Hefei Meiling Solar Energy Technology Co.,	130,400.00	
Account received in advance	Fuyang Weiao Meiling Appliance Marketing Co., Ltd.	-	331.99
Other account payable	Sichuan Changhong Electronics Holding Group Co., Ltd.	4,124.00	-
Other account payable	Sichuan Changhong Electric Co., Ltd.	5,666,571.58	1,826,155.03
Other account payable	081 Electronic Group Sichuan Liyuan Electronic Co., Ltd.	3,819.59	-
Other account payable	Sichuan Changhong Minsheng Logistic Co., Ltd.	600,801.87	586,504.95
Other account payable	Changhong (H.K.) Trading Co., Ltd.	81,450.02	-
Other account payable	Sichuan Changhong Mold Technology Co., Ltd.	1,486,672.97	1,431,191.81
Other account payable	Sichuan Changhong Jijia Jinggong Co., Ltd.	361,466.64	361,466.64
Other account payable	Sichuan Changhong Gerun Renewable Resources Co., Ltd.	10,000.00	10,000.00
Other account payable	Sichuan Changhong Precision Electronic Technology Co., Ltd.	22,430.00	

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From 1 January 2015 to 30 June 2015

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Item	Related parties	Ending balance	Opening balance
Other account payable	Sichuan Kuaiyidian Appliance Service Chain Co., Ltd.	12,881,261.25	-
Other account payable	Sichuan Changhong Xinrui Technology Co., Ltd.	-	200,000.00
Other account payable	Huayi Compressor Co., Ltd.	1,190,779.00	650,000.00
Other account payable	Sichuan Changhong Packing & Printing Co., Ltd.	56,068.00	50,000.00
Other account payable	Sichuan Changhong International Travel Agency Ltd,	111,546.50	-
Other account payable	Mianyang Hongrun Electronic Co., Ltd.	78.00	-
Other account payable	Sichuan Changhe Technology Co., Ltd.	-	50,000.00
Other account payable	Mianyang Highly Electric Co., Ltd.	527,934.86	527,934.86
Other account payable	Sichuan Changxin Refrigeration Parts Co., Ltd.	49.20	50,000.00
Dividend payable	Sichuan Changhong Electric Co., Ltd.	9,889,699.80	-
Total		536,470,283.78	371,783,768.71

(IV) Commitments from related parties: Nil

12. share-based payment: nil

13. contingency

1. Pending action or possible liabilities formed from arbitration: Nil

2. Contingency from external guarantee: Nil

3. other contingency:

On 4 June 2013, the Notice of Stop the Promotion Policy of Energy-Saving Appliances Subsidy [CJ (2013) No. 210] was issued jointly by Ministry of Finance, NDRC and MIT. The consumers, no longer be favor in the central financial subsidies while purchasing five types energy efficient appliances as AC, FPTV, refrigerator, washing machine and water heater since 1 June 2013. Enterprise with efficient appliances promoted should collected and sorting data of the product manufacture and sales as soon as possible, entered relevant information to the “People-benefit project system of energy-saving products” on time; at the same time, prepared annual liquidation report of the subsidies, reported to local (place of registration) finance authority, development & reform commission and MIT for approval, reported level by level after approval to Ministry of Finance, NDRC and MIT before 30 June 2013. Ministry of Finance, NDRC and MIT will carry out subsidy liquidation according to the reported data and relevant approval results.

Relevant data has been submit to Ministry of Finance, NDRC and MIT. The ultimate liquidation results for relevant energy-saving subsidy of AC and refrigerator are not received by the Company up to 30 June 2015. and the results may impact the energy-saving subsidy of the Company, which are required or not yet

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

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required.

14. Commitments

15. Events occurring after the balance sheet date

1. important non-adjustment items: nil
2. profit distribution

In line with the Notice of Profit Distribution Implementation for Year of 2014, the Company carried out 0.6 Yuan (tax included) in cash for every 10 shares held by all shareholders, based on the total share capital 763,739,205 shares in the reporting period, and cash 45,824,352.30 Yuan (tax included) are distributed in total.

3. major sales return: nil
4. Other than the above mentioned events, the Company have no other events occurred after balance sheet date.

16. Other significant matters

1. correction of previous periods and influence: nil
2. debt restructuring: nil
3. assets replacement: nil
4. pension plan: nil
5. discontinuing operation: nil
6. branch information

In 10 thousand Yuan

Item	Icecuber	AC	Marketing	Other	Sales in branch	Total
Operation income	418,011.35	263,735.41	195,597.93	12,202.99	246,855.95	642,691.73
Including: Income from trading outside	182,869.15	258,588.07	195,597.93	5,636.57	-	642,691.73
Income from trading in branch	235,142.20	5,147.33	-	6,566.42	246,855.95	-
Operation expenses	410,779.98	258,224.78	194,714.60	11,822.75	246,876.99	628,665.12
Operation profit	7,231.37	5,510.63	883.33	380.24	-	14,026.61
Total assets	831,602.66	298,330.27	83,424.08	18,588.89	193,926.56	1,038,019.33
Total liability	461,743.09	223,226.07	106,175.85	8,760.91	108,270.99	691,634.93
Supplementary information						-
Depreciation and amortization expenses	6,642.52	1,733.45	8.69	215.74	3.67	8,596.73

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Item	Icecuber	AC	Marketing	Other	Sales in branch	Total
Capital expenditure	6,018.10	4,043.39	7.93	269.95	30.57	10,308.80
Non-cash expenses except for depreciation and amortization	32,395.69	27,798.33	18,489.24	1,394.44	884.86	79,192.83

7. other major transactions and events shows impact on investor's decision-making: nil

17. Notes to main items of financial statement of parent company

1. Account receivable

(1) Risk structure of account receivable

Category	Ending amount				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	-
Account receivable withdrawal bad debt provision by combination	-	-	-	-	-
Combination 1	423,394,985.78	36.94	25,337,881.94	5.98	398,057,103.84
Combination 2	722,669,475.89	63.06	-	-	722,669,475.89
Combination Subtotal	1,146,064,461.67	100.00	25,337,881.94	2.21	1,120,726,579.73
Account receivable with single minor amount but withdrawal single item bad debt provision	-	-	-	-	-
Total	1,146,064,461.67	100.00	25,337,881.94	2.21	1,120,726,579.73

(Continued)

Category	Opening amount				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	-
Account receivable withdrawal bad debt provision by combination	-	-	-	-	-
Combination 1	258,239,547.96	31.25	16,578,700.15	6.42	241,660,847.81
Combination 2	568,186,736.90	68.75	-	-	568,186,736.90
Combination Subtotal	826,426,284.86	100.00	16,578,700.15	2.01	809,847,584.71
Account receivable with single minor amount but withdrawal single item bad debt provision	-	-	-	-	-

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Category	Opening amount				Book value
	Book balance		Bad debt provision		
	Amount	Ratio (%)	Amount	Ratio (%)	
Total	826,426,284.86	100.00	16,578,700.15	2.01	809,847,584.71

1) Account receivable with single significant amount and withdrawal bad debt provision single:

2) Account receivable with Withdrawal of bad debt provision by aging account in combination 1

Book Age	Ending amount			Opening amount		
	Book balance		Bad debt provision	Book balance		Bad debt provision
	Amount	Ratio		Amount	Ratio	
Within 1 year	413,605,509.07	5%	20,680,275.45	248,400,750.99	5%	12,420,037.55
1-2 years	3,936,413.61	15%	590,462.04	6,522,478.61	15%	978,371.79
2-3 years	2,586,755.54	35%	905,364.44	-	35%	-
3-4 years	232,283.45	55%	127,755.90	232,283.45	55%	127,755.90
4-5 years	-	85%	-	210,000.00	85%	178,500.00
Over 5 years	3,034,024.11	100%	3,034,024.11	2,874,034.91	100%	2,874,034.91
Total	423,394,985.78		25,337,881.94	258,239,547.96		16,578,700.15

3) Account receivable without bad debt provision withdrawal in combination 2

Combination	Book balance
Connected amount between related parties	664,250,944.50
Account receivable with L/C	58,418,531.39
Total	722,669,475.89

4) No account receivable with single minor amount but withdrawal single item bad debt provision

(2) Reversal of bad debt provision in the Year: Nil

(3) Account receivable actually written-off in the Year: Nil

(4) Arrears of the shareholders holding more than 5% (including 5%) shares with voting rights of the Company: Nil

(5) The top five account receivable at year-end has RMB 367,381,649.46 in total, a 32.06% in total account receivable.

(6) Account receivable from related parties

Unit	Related relationship	Amount	Proportion in total account receivable
CHANGHONG(HK)TRADINGLIMITED	Under the	17,861,957.69	1.56%

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Unit	Related relationship	Amount	Proportion in total account receivable
	same control		
Chonghong Ruba Trading Company(Private) Limited	Subsidiary	6,216,345.13	0.54%
Changhong Europe Electric s.r.o	Under the same control	699,340.82	0.06%
Beijing Meiling Appliance Marketing Co., Ltd.	Subsidiary	60,838,541.23	5.31%
Nanjing Meiling Appliance Marketing Co., Ltd.	Subsidiary	53,091,201.23	4.63%
Shenyang Meiling Appliance Marketing Co., Ltd.	Subsidiary	43,469,809.41	3.79%
Taiyuan Meiling Appliance Marketing Co., Ltd.	Subsidiary	39,320,707.36	3.43%
Guangzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	36,688,426.71	3.20%
Shanghai Meiling Appliance Marketing Co., Ltd.	Subsidiary	35,682,023.97	3.11%
Tianjin Meiling Appliance Marketing Co., Ltd.	Subsidiary	30,132,738.31	2.63%
Chongqing Meiling Appliance Marketing Co., Ltd.	Subsidiary	28,439,049.99	2.48%
Hangzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	28,113,948.91	2.45%
Nanchang Meiling Appliance Marketing Co., Ltd.	Subsidiary	27,736,393.90	2.42%
Zhengzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	23,604,756.26	2.06%
Wuhan Meiling Appliance Marketing Co., Ltd.	Subsidiary	21,588,571.29	1.88%
Xi'an Meiling Appliance Marketing Co., Ltd.	Subsidiary	19,675,222.12	1.72%
Changchun Meiling Appliance Marketing Co., Ltd.	Subsidiary	18,859,578.69	1.65%
Chengdu Meiling Appliance Marketing Co., Ltd.	Subsidiary	18,403,878.42	1.61%
Fuzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	16,865,714.04	1.47%
Guangxi Meiling Home Appliance Co., Ltd.	Subsidiary	16,218,910.02	1.42%
Guiyang Meiling Appliance Marketing Co., Ltd.	Subsidiary	15,591,837.76	1.36%
Nantong Meiling Appliance Marketing Co., Ltd.	Subsidiary	14,283,750.04	1.25%
Jinan Meiling Appliance Marketing Co., Ltd.	Subsidiary	14,150,290.97	1.23%
Harbin Meiling Appliance Marketing Co., Ltd.	Subsidiary	13,451,788.87	1.17%
Jingzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	11,930,284.32	1.04%
Kunming Meiling Appliance Marketing Co., Ltd.	Subsidiary	10,019,018.55	0.87%
Bengbu Meiling Appliance Marketing Co., Ltd.	Subsidiary	9,800,419.73	0.86%
Zhongke Meiling Cryogenic Technology Co., Ltd.	Subsidiary	9,335,659.74	0.81%
Hohhot Meiling Appliance Marketing Co., Ltd.	Subsidiary	8,649,541.15	0.75%
Urumchi Meiling Appliance Marketing Co., Ltd.	Subsidiary	7,176,665.43	0.63%
Lanzhou Meiling Appliance Marketing Co., Ltd.	Subsidiary	6,352,938.71	0.55%
Hengyang Meiling Appliance Marketing Co., Ltd.	Subsidiary	1,633.73	0.00%
Total		664,250,944.50	57.96%

(7) Account receivable de-recognized: Nil

2. Other account receivable

(1) Risk structure of other account receivable

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless otherwise specified, RMB for record in the Statement)

Category	Ending amount				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Other account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	-
Other account receivable withdrawal bad debt provision by combination	-	-	-	-	-
Combination 1	3,970,331.08	8.94	1,248,160.31	31.44	2,722,170.77
Combination 2	40,433,118.76	91.06	-	-	40,433,118.76
Combination Subtotal	44,403,449.84	100.00	1,248,160.31	2.81	43,155,289.53
Other account receivable with single minor amount but withdrawal single item bad debt provision	-	-	-	-	-
Total	44,403,449.84	100.00	1,248,160.31	2.81	43,155,289.53

(Continued)

Category	Opening amount				
	Book balance		Bad debt provision		Book value
	Amount	Ratio (%)	Amount	Ratio (%)	
Other account receivable with single significant amount and withdrawal single item bad debt provision	-	-	-	-	-
Other account receivable withdrawal bad debt provision by combination	-	-	-	-	-
Combination 1	4,821,810.59	8.52	1,702,368.33	35.30	3,119,442.26
Combination 2	51,791,307.54	91.48	-	-	51,791,307.54
Combination Subtotal	56,613,118.13	100.00	1,702,368.33	3.01	54,910,749.80
Other account receivable with single minor amount but withdrawal single item bad debt provision	2,000.00	-	2,000.00	100.00	-
Total	56,615,118.13	100.00	1,704,368.33	3.01	54,910,749.80

1) Other account receivable with single significant amount and no withdrawal bad debt provision single

2) Other account receivable with withdrawal bad debt provision by aging account for combination 1

Item	Ending amount			Opening amount		
	Amount	Accrual proportion	Bad debt provision	Amount	Accrual proportion	Bad debt provision
Within 1 year	579,688.58	5%	28,984.43	625,000.00	5%	31,250.00

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

Item	Ending amount			Opening amount		
	Amount	Accrual proportion	Bad debt provision	Amount	Accrual proportion	Bad debt provision
1-2 years	30,000.00	15%	4,500.00	30,000.00	15%	4,500.00
2-3 years	3,178,962.50	35%	1,112,636.88	3,178,962.50	35%	1,112,636.88
3-4 years	176,980.00	55%	97,339.00	964,148.09	55%	530,281.45
4-5 years	-	85%	-	-	85%	-
Over 5 years	4,700.00	100%	4,700.00	23,700.00	100%	23,700.00
Total	3,970,331.08		1,248,160.31	4,821,810.59		1,702,368.33

3) Other receivable without bad debt provision withdrawal in combination 2

Combination	Book balance
Connected amount between related parties	31,666,839.60
Loans of employee's pretty cash	1,696,740.92
Export rebates	7,069,538.24
Total	40,433,118.76

4) Other account receivable with single minor amount but withdrawal single item bad debt provision at period-end: Nil

(2) Other account receivable of previous years that have been verified recovered in this year: Nil

(3) Switch-back of bad debt provision for other receivable in this year: Nil

(4) Other account receivable charge off in this year: Nil

(5) Areas from shareholders' unit with over 5 percent (5 percent included) voting rights held at year-end of the other receivable: Nil

(6) Top 5 other account receivable has RMB 39,781,396.95 in total, a 89.59% in total account receivable at year-end

(7) Other receivables classify by nature

Nature	Ending book balance	Opening book balance
Related parties	31,666,839.60	47,316,187.56
Loans of employee's pretty cash	1,696,740.92	4,475,119.98
Margin	3,237,252.77	3,208,962.50
Advance money paid temporary	4,700.00	648,700.00
Export rebates	7,069,538.24	-
Salary margin for migrant worker	176,980.00	964,148.09
Other	551,398.31	2,000.00
Total	44,403,449.84	56,615,118.13

(8) Other account receivable from related parties

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From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

Item	Ending amount	Opening amount
Hefei Meiling Appliance Marketing Co., Ltd.	31,385,488.28	32,453,011.35
Guangxi Huidian Home Appliance Co., Ltd.	-	1,182,810.00
Zhengzhou Meiling Appliance Marketing Co., Ltd.	-	80,656.25
Jingzhou Meiling Appliance Marketing Co., Ltd.	-	359,614.70
Hefei Meiling White Appliance Marketing Co., Ltd.	-	4,071,235.67
Bengbu Meiling Appliance Marketing Co., Ltd.	-	1,650,648.30
Mianyang Meiling Appliance Marketing Co., Ltd.	-	16,223.76
Changchun Meiling Appliance Marketing Co., Ltd.	-	432,708.65
Chongqing Meiling Appliance Marketing Co., Ltd.	-	1,930,385.80
Changsha Meiling Appliance Marketing Co., Ltd.	-	276,765.56
Taiyuan Meiling Appliance Marketing Co., Ltd.	-	954,713.20
Shijiazhuang Meiling Appliance Marketing Co., Ltd.	-	2,221,178.31
Lanzhou Meiling Appliance Marketing Co., Ltd.	-	334,510.04
Neijiang Meiling Appliance Marketing Co., Ltd.	-	771,875.02
Mianyang Meiling Refrigeration Co., Ltd.	-	513,001.72
Hefei Meiling Group Holding Co., Ltd.	125,351.32	66,849.23
Sichuan Ejar Network Technology Co., Ltd.	156,000.00	-
Total	31,666,839.60	47,316,187.56

(9) Account receivable denominated in foreign currency: Nil

(10) Other receivable de-recognized: Nil

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

3. Long-term equity investments

(1) Classification of long-term equity investments

Item	Ending balance			Opening balance		
	Book balance	Impairment loss	Book value	Book balance	Impairment loss	Book value
Investment in subsidiaries						
Hefei Meiling Packing Products Co., Ltd.	12,961,230.52	-	12,961,230.52	12,961,230.52	-	12,961,230.52
Zhongke Meiling Cryogenic Technology Co., Ltd.	42,000,000.00	-	42,000,000.00	42,000,000.00	-	42,000,000.00
Mianyang Meiling Refrigeration Co., Ltd.	95,000,000.00	-	95,000,000.00	95,000,000.00	-	95,000,000.00
Hefei Meiling Appliance Marketing Co., Ltd.	54,900,000.00	-	54,900,000.00	54,900,000.00	-	54,900,000.00
Zhongshan Changhong Appliance Co., Ltd	112,256,419.37	-	112,256,419.37	112,256,419.37	-	112,256,419.37
Sichuan Changhong Air Conditioner Co., Ltd.	305,600,437.79	-	305,600,437.79	305,600,437.79	-	305,600,437.79
Hefei Meiling Group Holding Co., Ltd.	113,630,000.00	-	113,630,000.00	113,630,000.00	-	113,630,000.00
Jiangxi Meiling Appliance Co., Ltd.	79,000,000.00	-	79,000,000.00	79,000,000.00	-	79,000,000.00
Mianyang Meiling Software Technology Co., Ltd.	4,950,000.00	-	4,950,000.00	4,950,000.00	-	4,950,000.00
Investment in associates						
Hefei Xingmei Assets Management Co., Ltd.	12,910,254.56	-	12,910,254.56	13,071,784.93	-	13,071,784.93
Sichuan Ejar Network Technology Co., Ltd.	8,583,844.68	-	8,583,844.68	-	-	-
Total	841,792,186.92	-	841,792,186.92	833,369,872.61	-	833,369,872.61

(2) Investment in subsidiaries

Invested unit	Opening balance	Increase during the period	Decrease during the period	Ending balance	Provision for impairment losses	Ending balance of impairment loss
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Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

Invested unit	Opening balance	Increase during the period	Decrease during the period	Ending balance	Provision for impairment losses	Ending balance of impairment loss
Hefei Meiling Packing Products Co., Ltd.	12,961,230.52	-	-	12,961,230.52	-	-
Zhongke Meiling Cryogenic Technology Co., Ltd.	42,000,000.00	-	-	42,000,000.00	-	-
Mianyang Meiling Refrigeration Co., Ltd.	95,000,000.00	-	-	95,000,000.00	-	-
Hefei Meiling Appliance Marketing Co., Ltd.	54,900,000.00	-	-	54,900,000.00	-	-
Zhongshan Changhong Appliance Co., Ltd	112,256,419.37	-	-	112,256,419.37	-	-
Sichuan Changhong Air Conditioner Co., Ltd.	305,600,437.79	-	-	305,600,437.79	-	-
Hefei Meiling Group Holding Co., Ltd.	113,630,000.00	-	-	113,630,000.00	-	-
Jiangxi Meiling Appliance Co., Ltd.	79,000,000.00	-	-	79,000,000.00	-	-
Mianyang Meiling Software Technology Co., Ltd.	4,950,000.00	-	-	4,950,000.00	-	-
Total	820,298,087.68		-	820,298,087.68	-	-

(3) Investment in associates

Invested unit	Opening balance	Changes in the Period								Ending balance	Ending balance of impairment
		Additional Investment	Negative Investment	Investment income recognized under equity	Adjustment for other comprehensive income	Other equity change	Cash dividend or profit announced to issued	Provision for impairment loss	Other		
Hefei Xingmei Assets Management Co., Ltd.	13,071,784.93			-161,530.37						12,910,254.56	-
Sichuan Ejar Network Technology Co., Ltd.	-	15,000,000.00		-6,416,155.32						8,583,844.68	

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless otherwise specified, RMB for record in the Statement)

3. Operation income and operation cost

Item	Current Period		A year earlier	
	Income	Cost	Income	Cost
Main business	3,273,590,576.99	2,749,342,602.87	3,059,634,817.32	2,513,663,820.31
Other business	450,054,174.95	435,680,329.62	531,934,442.89	521,788,934.54
Total	3,723,644,751.94	3,185,022,932.49	3,591,569,260.21	3,035,452,754.85

(1) Classified according to product-main operation

Product	Current Period		A year earlier	
	Operation income	Operation cost	Operation income	Operation cost
Refrigerator and freezer	3,162,550,759.77	2,654,440,336.36	2,987,030,170.25	2,454,217,576.77
Washing machine	111,033,625.17	94,896,268.57	72,604,647.07	59,446,243.54
Other	6,192.05	5,997.94	-	-
Total	3,273,590,576.99	2,749,342,602.87	3,059,634,817.32	2,513,663,820.31

(2) Classified according to region-main operation

Regions	Current Period		A year earlier	
	Operation income	Operation cost	Operation income	Operation cost
Domestic income	2,501,342,037.25	2,056,276,249.58	2,407,004,655.36	1,923,094,296.29
Export income	772,248,539.74	693,066,353.29	652,630,161.96	590,569,524.02
Total	3,273,590,576.99	2,749,342,602.87	3,059,634,817.32	2,513,663,820.31

Top five clients of the Company owe income in sales of RMB 888,434,100.66 yuan, a 23.86% in total investment income.

4. Investment income

Item	Current Period	A year earlier
Long-term equity investment income by equity method	-6,577,685.69	-95,120.70
Investment income during holding the financial assets available for sale		
Investment income from disposal of long-term equity investment		
Investment income from disposal of financial assets, which is measured by fair value and with its variation reckoned into current gains/losses		-
Other	517,808.22	
Total	-6,059,877.47	-95,120.70

(1) Long-term equity investment income by equity method

Item	Current Period	A year earlier
Hefei Xingmei Assets Management Co., Ltd.	-161,530.37	-95,120.70
Sichuan Ejar Network Technology Co., Ltd.	-6416,155.32	-

18. Approval of financial statement

The financial statement has already been approved from the board of directors of the Company for reporting dated 11 August 2015.

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

Supplementary information for financial statement

1. Non-operational gains and losses for this year

(1) Non-recurring gains and losses regulated by Explanation Announcement of Information Disclosure on Stock Issuance Enterprise No.1—Non-recurring gains/losses (2008) from CSRC:

Item	Current Period	Note
Gains and losses from disposal of non-current assets	-5,682,027.31	
Tax refund or mitigate due to examination-and-approval beyond power or without official approval document or accident		
Government subsidy recorded in current gains and losses	12,344,884.49	
Capital occupancy expense, collected from non-financial enterprises and recorded in current gains and losses		
Income from the exceeding part between investment cost of the Company paid for obtaining subsidiaries, associates and joint-ventures and recognizable net assets fair value attributable to the Company when acquiring the investment		
Gains and losses from exchange of non-monetary assets		
Gains and losses from assets under trusted investment or management	517,808.22	
Various provision for impairment of assets withdrew due to act of God, such as natural disaster	-	
Gains and losses from debt restructuring	-	
Enterprise reorganization expense	-	
Gains and losses of the part arising from transaction in which price is not fair and exceeding fair value	-	
Current net gains and losses occurred from period-begin to combination day by subsidiaries resulting from business combination under common control	-	
Gains and losses arising from contingent proceedings irrelevant to normal operation of the Company	-	
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	4,133,602.00	
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test		
Gains and losses obtained from external trusted loans		
Gains and losses arising from change of fair value of investment real estate whose follow-up measurement are conducted according to fair value pattern		
Affect on current gains and losses after an one-time adjustment according to requirements of laws and regulations regarding to taxation and accounting		
Trust fee obtained from trust operation		
Other non-operating income and expenditure except for the aforementioned ones	-1,122,350.47	
Other gains and losses items complying with definition for non-current gains and losses	-	
Subtotal	10,191,916.93	
Affect on income tax	503,618.35	
Affect on minority equity(after taxation)	-111,894.00	
Total	9,800,192.58	

Annotations of Financial Statements of Hefei Meiling Co., Ltd.

From 1 January 2015 to 30 June 2015

(Unless other wise specified, RMB for record in the Statement)

2. Return on equity and earnings per share

In accordance with requirement of the No. 9 Rule of Information Disclosure Compiling of Public Listed Companies: Calculation and Disclosure of Return on Equity and Earnings per Share (revised in 2010), the weighted average return on equity, basic earnings per share and diluted earnings per share of the Company in first half of 2015 are as follow:

Profit during the report period	Weighted average return on equity	Earnings per share/EPS	
		Basic EPS	Diluted EPS
Net profit attributable to shareholders of parent company	4.52%	0.2074	0.2074
Net profit attributable to shareholders of parent company after deduction of non-recurring gains and losses	4.24%	0.1945	0.1945

3. Accounting difference under the accounting rules in and out of China : Nil

Section X. Documents Available for Reference

- I. Text of semi-annual report with the signature of the Chairman;
- II. Accounting statement carrying the signatures and seals of the Chairman, vice president and financial administrator as well as the person in charge of accounting organ(chief accountants);
- III. Originals documents of the Company and manuscripts of public notices that disclosed in the newspapers designated by CSRC in the report period;

The aforesaid documents are all available at headquarter of the Company. The Company would provide them timely when CSRC and Shenzhen Stock Exchange require or the shareholders need consultation according to the regulations and Articles of Association.

Chairman: Liu Tabin
Hefei Meiling Co., Ltd.
12 August 2015