



**CHANGHONG MEILING CO., LTD**

**THE THIRD QUARTERLY REPORT FOR 2018**

**October 2018**

## Section I. Important Notes

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

Principal of the Company Mr. Li Wei, Person in Charge of Accounting Works Mr. Pang Haitao and Person in Charge of Accounting Organ (Accounting Officer) Mr. Luo Bo hereby confirm that the Financial Report of the Third Quarterly Report is authentic, accurate and complete.

Prompt of non-standard audit opinion

Applicable     Not applicable

Third quarterly report of 2018 has not been audited.

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

## Section II Basic information of Company

### I. Main accounting data and index

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

Yes No

	End of this period	End of last period	Changes of this period-end over same period-end of last year	
Total assets(RMB)	16,095,284,699.26	15,961,511,966.81	0.84%	
Net assets attributable to shareholders of listed company (RMB)	5,048,400,111.51	5,051,066,095.31	-0.05%	
	Current period	Increase/decrease in comparison with same period of last year	Year-begin to end of the Period	Increase/decrease in comparison with year-begin to Period-end of last year
Operating revenue (RMB)	3,977,110,177.70	-14.68%	13,248,619,747.37	0.53%
Net profit attributable to shareholders of the listed company (RMB)	14,954,274.39	-46.87%	65,638,506.12	-45.40%
Net profit attributable to shareholders of the listed company after deducting non-recurring gains and losses(RMB)	-5,122,046.17	-132.66%	-11,722,148.00	-114.19%
Net cash flow arising from operating activities(RMB)	--	--	241,227,370.55	284.43%
Basic earnings per share (RMB/Share)	0.0143	-46.87%	0.0628	-45.40%
Diluted earnings per share (RMB/Share)	0.0143	-46.87%	0.0628	-45.40%
Weighted average ROE	0.30%	0.25 percentage points down	1.30%	1.04 percentage points down

Items and amount of extraordinary profit (gains)/losses

Applicable Not applicable

In RMB

Item	Amount from year-begin to end of the Period	Note
Gains/losses from the disposal of non-current asset (including the write-off that accrued for impairment of assets)	3,476,687.51	Found in "income from assets disposal"

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)	64,506,672.96	Found in "other income" and "Non-operating 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	14,222,833.08	Found in "Changes in fair value gains" and "Investment income"
Switch-back of provision of impairment of account receivable which are treated with separate depreciation test	2,767,953.96	--
Other non-operating income and expenditure except for the aforementioned ones	5,262,917.72	Found in "Non-operating income and expenditure"
Less: impact on income tax	12,107,015.34	--
Impact on minority shareholders' equity (post-tax)	769,395.77	--
Total	77,360,654.12	--

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

Applicable Not applicable

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

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

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

In shares

Total number of common shareholders at the end of report period	60,704	Total preference shareholders with voting rights recovered at end of reporting period (if applicable)	0			
Top ten shareholders						
Shareholder's name	Nature of shareholder	Proportion of shares held	Amount of shares held	Amount of restricted shares held	Number of share pledged/frozen	
					State of share	Amount
Sichuan Changhong Electric Co., Ltd.	State-owned legal person	22.47%	234,705,968	69,877,638	--	--

Hefei Industrial Investment Holding (Group) Co., Ltd.	State-owned legal person	4.58%	47,823,401	0	--	--
Changhong (Hong Kong) Trade Co., Ltd. (Note 1)	Foreign legal person	2.96%	30,895,442	0	--	--
CAO SHENGCHUN	Foreign natural person	1.36%	14,240,979	0	--	--
Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products	Domestic non-state-owned legal person	1.26%	13,169,395	0	--	--
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	Domestic non-state-owned legal person	1.20%	12,522,361	0	--	--
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	Domestic non-state-owned legal person	1.03%	10,733,452	0	--	--
Shenzhen Morality & Prestige Capital Management Co., Ltd. - Morality & Prestige Capital No.1 PE	Domestic non-state-owned legal person	0.78%	8,167,695	0	--	--
Harvest Fund- Agriculture Bank - ABC- CA Fund Management Co., Ltd.	Domestic non-state-owned legal person	0.77%	8,050,089	0	--	--
Caitong Fund – Everbright Bank – Soochow Securities Co., Ltd.	Domestic non-state-owned legal person	0.71%	7,387,829	0	--	--
Top ten shareholders with unrestricted shares held						
Shareholder's name	Amount of unrestricted shares held	Type of shares				
		Type	Amount			
Sichuan Changhong Electric Co., Ltd.	164,828,330	RMB ordinary shares	164,828,330			
Hefei Industrial Investment Holding (Group) Co., Ltd.	47,823,401	RMB ordinary shares	47,823,401			
Changhong (Hong Kong) Trade Co., Ltd. (Note 1)	30,895,442	Domestically listed foreign shares	30,895,442			
CAO SHENGCHUN	14,240,979	Domestically listed foreign shares	14,240,979			
Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products	13,169,395	RMB ordinary shares	13,169,395			
Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd.	12,522,361	RMB ordinary shares	12,522,361			
Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership)	10,733,452	RMB ordinary shares	10,733,452			
Shenzhen Morality & Prestige Capital Management Co., Ltd. - Morality & Prestige Capital No.1 PE	8,167,695	RMB ordinary shares	8,167,695			

Harvest Fund- Agriculture Bank - ABC- CA Fund Management Co., Ltd.	8,050,089	RMB ordinary shares	8,050,089
Caitong Fund—Everbright Bank—Soochow Securities Co., Ltd.	7,387,829	RMB ordinary shares	7,387,829
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; Ping An Annuity Insurance Company of China, Ltd. – Ping An Pension Ruifu private placement No.1 Assets Management Products refers to the products of Ping An Annuity Insurance Company of China, Ltd subscribe for privately placement of 2016;" Ping An UOB-Ping An Bank-Guohai Securities Co., Ltd. " have subscribed the products managed by Ping An Dahua Fund Management Co., Ltd. in the Company's non-public offering of shares in 2016; Caitong Fund- Ningbo Bank-Haitong Xingtai (Anhui) Emerging Industry Investment Fund (Limited Partnership) and Caitong Fund—Everbright Bank—Soochow Securities Co., Ltd. refers to the products of Caitong Fund Management Co., Ltd. subscribe for privately placement of 2016; “Harvest Fund- Agriculture Bank - ABC- CA Fund Management Co., Ltd.” have subscribed the products managed by Harvest Fund Management Co., Ltd. in the Company's non-public offering of shares in 2016.The company neither knows whether there is any association among other shareholders, nor knows whether other shareholders belong to the persons acting in concert that is stipulated in the “Administrative Measures on Information Disclosure of Changes in Shareholding of Listed Companies”.		
Explanation on top ten common shareholders involving margin business (if applicable)	Not applicable		

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

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

Yes  No

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

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

Applicable  Not applicable

## Section III. Important events

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

√ Applicable    □ Not applicable

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

In RMB

Item	Closing balance	Opening balance	Changes	Reasons
Non current assets due within one year	-	44,497,902.00	-100.00%	The time deposit re-classified to non-current assets due within one year reclaim in the period for subsidiary Zhongshan Changhong
Other current assets	1,837,209,783.15	801,894,930.97	129.11%	The amount of entrusted financial management before maturity from the parent company increased at end of the period
Investment real estate	31,629,942.93	9,569,711.72	230.52%	Investment real estate from subsidiary Zhongke Meiling increased in the period
Construction in process	462,037,342.13	174,857,717.15	164.24%	Investment for construction in process increased from parent company and subsidiary Changhong Air-conditioned in the period
Development expenditure	157,969,470.24	85,624,078.79	84.49%	Investment for development increased from parent company and subsidiary Changhong Air-conditioned in the period
Long-term deferred expenses	1,384,926.83	3,635,861.94	-61.91%	The long-term amortization expenses from subsidiary Changhong Air-conditioned was amortized in the period
Financial liabilities measured by fair value and with its variation reckon into current gains/losses	40,375,510.12	16,034,000.00	151.81%	Change of the fair value of forward foreign exchange contract in the period
Taxes Payable	39,801,144.51	61,292,671.72	-35.06%	Taxes for last year are paid in the period
Non-current liability due within one year	264,351,242.37	46,454,376.68	469.06%	The long-term loans are re-classified in the period
Long-term loans	2,520,000.00	253,160,000.00	-99.00%	Same reasons as “non-current liability due within one year”
Other comprehensive income	-12,472,818.64	-7,262,322.02	-71.75%	Rate in foreign money from oversea subsidiary changed in the period

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

In RMB

Item	This Period	Same period of last year	Changes	Reasons
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Changing income of fair value(Loss is listed with “-”)	-25,833,772.85	-15,475,683.18	-66.93%	Change of the fair value of forward foreign exchange contract in the period
Investment income(Loss is listed with “-”)	20,726,039.38	39,675,737.03	-47.76%	The investment income for some of the associated and joint ventures are declined form a year earlier in the period
Investment income on affiliated company and joint venture	-12,056,138.08	2,235,018.46	-639.42%	Same reasons as “investment income”
Assets disposal income(Loss is listed with “-”)	3,476,687.51	-13,972,627.26	124.88%	Income from assets deposal increased on a y-o-y basis
Other benefits	68,046,614.02	39,577,285.34	71.93%	The government subsidy with routine activity concerned of the company increased on a y-o-y basis
Non operating income	5,443,167.59	2,318,979.32	134.72%	The settlement of case received by parent company in the period increased on a y-o-y basis
Non operating expenses	60,249.87	338,665.25	-82.21%	Amercement outlay declined on a y-o-y basis in the period
Net profit attributable to owners of parent company	65,638,506.12	120,222,315.96	-45.40%	Mainly because the re-location of subsidiary Changhong Air-conditioner and more investment in R&D; meanwhile, profit of the company decline from a year earlier due to raw material sustain in a high price.
Minority shareholders’ gains and losses	196,132.62	7,618,443.66	-97.43%	Profit from some of the non-wholly-owned subsidiary declined from a year earlier

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

In RMB

Item	This Period	Same period of last year	Changes	Reasons
Write-back of tax received	455,080,647.00	332,183,490.22	37.00%	The export rebates received in the period increased from a year earlier
Other cash received concerning operating activities	234,806,474.37	41,763,321.49	462.23%	The operating restricted money collected in the period
Cash received from returns of investments	1,900,000,000.00	2,957,000,000.00	-35.75%	The principal of entrusted financial collected in the period declined from a year earlier
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	17,944,967.00	2,531,948.87	608.74%	Income from fixed assets disposal received in the period increased
Cash paid for other investment activities	255,500.00	10,574,661.31	-97.58%	Loss of forward foreign exchange delivery paid last period



Cash paid for debts	2,133,854,035.14	1,096,840,299.04	94.55%	Loans are paid in the period increased from a year earlier
Cash paid for dividend and profit distributing or interest paying	109,269,826.49	67,101,769.40	62.84%	The financing interest paid in the period increased
Other cash paid concerning financing activities	2,050,458.19	151,611.24	1252.44%	Capital contribution are return to minority shareholders in the period
Influence on cash and cash equivalents due to fluctuation in exchange rate	3,791,101.79	-18,706,015.36	120.27%	Changes in foreign currency exchange rate in the period

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

Applicable  Not applicable

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

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

As discussed at the 6<sup>th</sup> meeting of the 9<sup>th</sup> session of the board, the 3<sup>rd</sup> meeting of the 9<sup>th</sup> session of the supervisory committee and the 1<sup>st</sup> extraordinary general meeting for 2018, being agreed by independent directors as well as the no objection verification opinion required from sponsor institution, the Company was approved to invest in such break-even financing products that are highly safe, in good liquidity and with a term of not more than one year for a single product with the available raised proceeds under the maximum limit of RMB1,060,000,000 which could be used on a rolling basis. This authorization shall be effective for a year since being approved at the general meeting of The Company. So far, the Company used the raised fund in line with the decision-making and relevant regulations and standards.

Up to 30<sup>th</sup> September, the raised capital for raised-fund projects have invested 667,922,389.23 Yuan accumulate in total, balance of the specific raised-fund A/C counted as 948,532,019.03 Yuan (including accumulate interest 10,859,624.82 Yuan, maturity yield from bank financial products 64,714,719.67 Yuan and bank financial products 940 million Yuan purchased with idle raise fund)

The raised-fund investment 667,922,389.23 Yuan including the follow projects: intelligent manufacturing construction invested 113,023,349.20 Yuan accumulated; intelligent R & D capacity building and intelligent home appliances technology development project invested 239,017,776.26 Yuan accumulated; intelligent life project invested 45,001,200.00 Yuan in total and 270,880,063.77 Yuan (including interest 147,341.01 Yuan) accumulated for supplementation of the current capital.

Up to 30<sup>th</sup> September 2018, among the intelligent manufacturing construction: "Intelligent manufacturing (Hefei)" completed phase I and phase II construction, the phase III construction work is in progress. As for the "intelligent manufacturing project of 600,000 capacity of environmental protection & energy-saving freezer with medium & large volume annually", the project has been slowed down and still in continuous demonstration for the follows- 1) location of the construction site was occupied temporary and 2) the market environment, exportation in particular,

has major changes since the beginning of the year. During the period, “intelligent R&D construction and new products development for smart home appliances technology” has completed the building of laboratory center and fire inspection work, it is estimated that the project will officially put into use in December as a whole; the second-generation smart products has developed and listed, the R&D for third-generation smart products are in progress and in pilot run; other projects are in process smoothly. Changmei Technology Co., Ltd. (hereinafter referred to as Changmei Technology) is in charge of the “Intelligent life project”, and they still pushing the business forward with market expansion.

## **(II) Implementation for annual performance incentive fund**

On August 9, 2012 and August 28, 2012, the Company considers the adoption of "Hefei Meiling annual performance incentive fund implementation plan" (hereinafter referred to as "" stimulus "") on the 16<sup>th</sup> meeting of the 7<sup>th</sup> board of directors and the 2012-second provisional shareholders meeting. Details were disclosed on information disclosure media appointed by the Company as "Securities Times", "Chinese Securities Daily", "Hong Kong Commercial Daily" and the Juchao network (www.cninfo.com.cn) on August 10, 2012 and August 29th in the form of announcement (No.: 2012-028, No.:2012-035).

### **1. Implementation about 2012, 2013, 2014 and 2016 performance incentive fund provision and distribution plan**

See details in "Implementation of the company's annual incentive fund" in "XV Implementation of the company's stock incentive plan, employee stock ownership plan, or other employee incentive measures" in "Section V Significant Events" of the company's "2017 Annual Report" disclosed on March 30, 2018.

Up to the end of this reporting period, the company's stock purchased by some 2012 annual performance incentive objects (non-directors, supervisors and senior management) and 2013 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2012 annual performance incentive funds and own funds and 2013 annual performance incentive funds and own funds have been fully desterilized, the company's stock purchased by some 2014 annual performance incentive objects (non-directors, supervisors and senior management) with their granted 2014 annual performance incentive funds and own funds has been desterilized by 50% for term of holding for two years, see below for the overall reducing holding-shares of some above-mentioned incentive objects; the shares of the Company purchased by the performance incentive objects for year of 2016 with their incentive funds and owned capital has less than two years period for shares holding, than the shares held by all incentive objects are lock-up for commitments. Among the incentive objects, the current directors, supervisors and senior management have not reduced the Company's shares purchased by implementing 2012, 2013, 2014 and 2016 annual performance incentive plans.

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

As of September 30, 2018, all incentive objects held a total of 12,379,807 shares, accounting for 1.1851% of the company's general capital, of which 10,689,914 shares of A share, accounting for approximately 1.0233% of the company's general capital, 1,689,893 shares of B share, and accounting for about 0.1618% of the company's general capital. Some 2012, 2013 and 2014 annual performance incentive objects (not directors, supervisors or senior management) have totally reduced share of 4,134,008 shares from September 2014 to the end of the this reporting period, accounting for approximately 0.3956% of the company's general capital, and reduced holding of

0 shares in this reporting period.

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

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

					In RMB
Item	Opening balance	Increased during the Year	Decreased during the Year	Ending balance	Interest, handling charge paid or received
<b>I. Savings in Changhong Group Finance Company</b>	2,762,513,703.88	36,147,380,345.23	36,536,467,600.97	2,373,426,448.14	73,350,390.15
<b>II. Borrowings from Changhong Group Finance Company</b>	-	100,100,000.00	-	100,100,000.00	1,404,030.00
<b>1.Short-term loans</b>	-	100,100,000.00	-	100,100,000.00	1,404,030.00
<b>2.Long-term loans</b>	-	-	-	-	-
<b>III. Other financial business</b>				-	
<b>1.notes drawing</b>	721,645,627.87	1,337,445,065.00	1,157,452,000.43	901,638,692.44	554,497.94
<b>2.notes discounted</b>	699,356,853.98	732,273,283.26	732,272,369.90	699,357,767.34	6,163,467.39

### (IV) Other significant events

Overview	Date for disclosure	Information index for temporary report disclosure
The proposal of Financial Products Investment with Owned Idle Fund and Financial Products Investment with Part of the Idle Fund Raising were deliberated and approved by the First Extraordinary General Meeting of 2018 held dated 9 January 2018	2018-1-10	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-001)
On 15 January 2018, The Company received from Caitong Fund Management Co., Ltd ("Caitong Fund", a shareholder of The Company holding shares of over	2018-1-16	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-003)

5%) the Letter Relating to Progress of the Plan of Reducing Shareholding in Hefei Meiling Co., Ltd. Caitong Fund reduced holding of 11,913,134 shares in The Company via collective bidding trading and bulk trading during the period from 6 November 2017 to 15 January 2018, accounting for 1.1405% of the total share capital of The Company.		
On 13 April 2018, The Company received from Caitong Fund the Letter Relating to Progress of the Plan of Reducing Shareholding in Hefei Meiling Co., Ltd. and the Notice Relating to Shareholding Reduction Plan of Hefei Meiling Co., Ltd. Caitong Fund reduced holding of 7,098,450 shares in The Company via collective bidding trading during the period from 16 January 2018 to 13 April 2018, accounting for 0.6795% of the total share capital of The Company. Besides, it planned to reduce holding of not more than 62,675,866 shares of The Company (not more than 6% of the total share capital of The Company) via collective bidding trading, bulk trading or other legal means within six months since this shareholding reduction announcement.	2018-4-14	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-017, No.: 2018-018 )
On 13 July 2018, The Company received from Caitong Fund the Letter Relating to Progress of the Plan of Reducing Shareholding in Changhong Meiling Co., Ltd. Caitong Fund reduced holding of 5,601,671 shares in The Company via collective bidding trading during the period from 11 May 2018 to 13 July 2018, accounting for 0.5363% of the total share capital of The Company.	2018-7-14	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-044)
As deliberated and approved by the Board, the supervisory committee and the shareholders general meeting, the Company was approved to make certain accounting policy changes, implement the new business accounting standards and new requirements under the relevant requirements of the Ministry of Finance.	2018-3-30 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005, No.: 2018-006, No.: 2018-010, No.: 2018-029)
As deliberated and approved by the Board and shareholders general meeting, the Company and its subsidiaries were approved to conduct forward exchange capital transactions during the period from 1 July 2018 to 30 June 2019, provided that the transaction balance shall not be more than US\$700 million and the completion term for a single transaction shall be not more than one year.	2018-3-30 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005, No.: 2018-012, No.: 2018-029)
As deliberated and approved by the Board and shareholders general meeting, the Shareholder Return Plan for the Future Three Years (2018-2020) of the Company was approved	2018-3-30 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005, No.: 2018-029)
As deliberated and approved by the Board and shareholders general meeting, it was agreed that the Company and its subsidiaries apply to the Hefei Branch of Bank of Hangzhou for the bill pool special credit facility under the maximum amount of RMB600 million, apply to the Hefei Branch of Huaxia Bank for the bill pool special credit facility under the maximum amount of RMB500 million, apply to the Anhui Branch of Bank of Communication for the bill pool special credit facility under the maximum amount of RMB1.0 billion and to the Hefei Branch of China Zheshang Bank for the bill pool special credit facility under the maximum amount of RMB500 million.	2018-3-30 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-005, No.: 2018-013, No.: 2018-029)
The 2017 Annual Profit Distribution Plan was deliberated and approved by 7 <sup>th</sup>	2018-3-30	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a>

meeting of the 9 <sup>th</sup> session of the board, the 4 <sup>th</sup> meeting of the 8 <sup>th</sup> session of the supervisory committee and the AGM 2017 held on 28 March 2018 and 10 May; And the Company, it was resolved that a cash dividend of RMB0.6 (tax included) would be paid for every 10 shares held by all the shareholders based on the total share capital of 1,044,597,881 shares as of 31 December 2017 and the plan was competed	2018-5-11 2018-6-27	(No.: 2018-005, No.: 2018-006, No.: 2018-029, No.: 2018-040 )
As deliberated and approved by the board, the Company was agreed to subscribe the “Soochow-China Merchants Bank-Donghui No.135 Targeted Assets Management Plan” issued by Soochow Securities with its own spare funds of RMB200 million, and enter into the “Soochow-China Merchants Bank-Donghui No.135 Targeted Assets Management Plan-Targeted Assets Management Contract” with Soochow Securities.	2018-4-13	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-014, No.: 2018-016)
As deliberated and approved by the Board and shareholders general meeting, it was agreed to amend certain provisions of the Articles of Association of The Company, such as addition of relevant provision on Party construction and separate count of votes for minority shareholders.	2018-4-20 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-022, No.: 2018-023, No.: 2018-024, No.: 2018-029 )
Shares of the Company suspended trading from 9 May 2018 since its participation in an equity acquisition of Gorenje gospodinjski aparati, d.d. (hereinafter referred to as Gorenje Company) may constitute material assets reorganization. At the 11 <sup>th</sup> meeting of the 9 <sup>th</sup> session of the Board held on 7 May 2018, it was resolved by unanimous approving votes that the Company was authorized to submit the binding quotation in relation to this acquisition of equity interest of Gorenje Company under relevant requirements. On the evening of 9 May 2018 (Beijing time), after prudent negotiation with relevant parties, the Company determined to cease this bidding acquisition since the Company and Gorenje Company and its certain shareholders held material different opinions on transaction procedure and price, and stock of the Company resumption of trading since 11 May 2018	2018-5-9 2018-5-11	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-027, No.: 2018-028)
As deliberated and approved by the Board, it was agreed that the Company and its subsidiaries apply to the Hefei Branch of Ping An Bank Ltd. for the bill pool special credit facility under the maximum amount of RMB300 million with one year limited, breeds of credit mainly use for special business of bill pool with bill pledge mode adapted.	2018-6-5	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-032, No.: 2018-035)
Former independent director Mr. Teng Guangsheng apply for leave the position as director of 9 <sup>th</sup> BOD of the Company and member of strategy committee for personal work	2018-6-5	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-031)
On 27 June 2018, the Company received an amount of RMB15,410,000 as enterprise policy fund appropriated from the Financial Treasury Payment Center of Hefei Economic and Technology Development Zone, accounting for 47.45% of the audited net profit attributable to shareholders of the listed company as set out in the latest financial statement	2018-6-27	Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-041)

<p>As deliberated and approved by the Board and shareholders general meeting, it was agreed that the full name of the Company changed from “合肥美菱股份有限公司” to “长虹美菱股份有限公司” (for Chinese name) and from “HEFEI MEILINGCO.,LTD.” to “CHANGHONG MEILING CO.,LTD.” (for English name). meanwhile, the abbreviated name of the A shares changed from “Meilingdianqi” to “Changhong Meiling” , and for B shares, from “Wanmeiling B” to “Hongmeiling B”. the above said changes have completed the registration procedures in industrial &amp; commerce bureau and approved by the Shenzhen Stock Exchange. The Company use new stock abbreviation since 3 July 2018, code of the Company remain the same</p>	<p>2018-6-5 2018-6-22 2018-7-3</p>	<p>Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-032, No.: 2018-033, No.: 2018-034, No.: 2018-036, No.: 2018-038, No.: 2018-043 )</p>
<p>Being deliberated and approved by the Board and shareholders general meeting, relevant clauses of the Article of Association agreed for amendment for full name of the Company changed.</p>	<p>2018-6-5 2018-6-22</p>	<p>Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-032, No.: 2018-034, No.: 2018-036, No.: 2018-038 )</p>
<p>As deliberated and approved by shareholders general meeting, Mr. Hu Zhaogui was agreed to serves as the independent director candidate for 9<sup>th</sup> BOD of the Company by election, service term same as the term of 9<sup>th</sup> BOD. At the same time, being deliberated and approved by the Bord, Mr. Hu Zhaogui was appointed as deputy president of the Company with office term as long as the 9<sup>th</sup> BOD</p>	<p>2018-6-5 2018-6-22</p>	<p>Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-032, No.: 2018-036, No.: 2018-038, No.: 2018-039 )</p>
<p>Early in the year, we were notified by controlling shareholder- Sichuan Changhong Electric Co., Ltd (hereinafter referred to as Sichuan Changhong), that is, Sichuan Changhong plans to offering exchangeable bonds in private way with part of the A-shares of the Company and their fruits (including the share capital converted from public reserves, bonus shares, dividend etc. ), the placement term will not last over three years and with 500 million Yuan at most for raising. On 6 August 2018, we received a written correspondence from Sichuan Changhong, being negotiation with Shenzhen Stock Exchange, the above mentioned placement of exchangeable bonds in private way was determined to terminated for change of the market environment</p>	<p>2017-2-28 2018-8-7</p>	<p>Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2017-004, No.: 2018-045)</p>
<p>As deliberated and approved by the Board, the estimation for routine related transaction for year of 2018 was agreed to increased between the Company &amp; its controlling subsidiary and Hunan Grand-pro Intelligent Technology Co., Ltd. -of the subordinate company of Changing Huayi Compressor Co., Ltd., the related transaction including 6.5 million Yuan at most (tax excluded) trading for robot cleaner purchasement</p>	<p>2018-8-15</p>	<p>Juchao Website: <a href="http://www.cninfo.com.cn">http://www.cninfo.com.cn</a> (No.: 2018-047, No.: 2018-052)</p>

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

Applicable  Not applicable

There are no commitments that the company, shareholders, actual controller, offeror, directors, supervisors, senior management or other related parties have fulfilled during the reporting period and have not yet fulfilled by the end of reporting period.

### IV. Forecast of operation performance of 2018

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

Applicable  Not applicable

### V. Securities Investment

Applicable  Not applicable

No security investment in Period.

### VI. Trust financing

Applicable  Not applicable

In 10 thousand Yuan

Type	Capital resources	Amount for entrust	Balance un-expired	Overdue amount
Bank financing product	Idle raised funds	106,000	94,000	0
Trust financing products	Own funds	60,000	60,000	0
Financial products of the broker	Own funds	20,000	20,000	0
Total		186,000	174,000	0

Details of the single major amount, or high-risk trust investment with low security, poor fluidity and non-guaranteed:

Applicable  Not applicable

In 10 thousand Yuan

Trustee institution name	Trustee type	Type	Amount	Source of funds	Start date	End date	Capital investment purpose	Criteria for fixing reward	Reference annual rate of return	Anticipated income (if applicable)	Actual gains/losses in period	Actual collected gains/losses in period	Amount of reserve for devaluation of withdrawing (if applicable)	Whether approved by legal procedure (Y/N)	Whether has entrust plan in the future	Summary of the items and related query index (if applicable)
Sichuan Trust Co., Ltd.	Trust	Fund trust plan with use of purpose designated	60,000	Self-owned funds	2017-11-30	2018-11-30	The bank deposits, government bonds, financial bonds, central bank bills, enterprise bonds with AA+ rating, enterprise short-term financing bonds with short-term credit ratings of A-1 and above, bond reverse repurchases, bank financial products, money market funds, and other money market products; the asset management plans issued by securities companies; the asset management plans issued by special fund subsidiaries; the trust products issued by trust companies or transferring trust beneficiary right; the transferring usufruct of receivables; the insurance funds of trust industries, etc.	6.10% annual yield	6.10%	3,660.00	2,692.56 (Note 1)	2,692.56	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2017-095)
SOOCHOW Securities Co., Ltd.	Broker	Assets management plan	20,000	Self-owned funds	2018-4-12	2021-4-12	Investment for the second phase debt financing plan for year of 2018 that issued on CFAE under the name of Jinshiqi International Holding Co., Ltd.	Expiry liquidation	8.28%	4,968.00	-	-	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-014, No.: 2018-015)
Hefei Branch of China	Bank	Floating income	50,000	Idle raise	2018-1-12	2018-3-28	Takes the money collect by structured deposit sales as notional principal, and conducted	4.80% annual	4.80%	493.15	493.15	493.15	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn)



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Minsheng Bank		type		funds			investment income and financial derivatives with USD3M-LIBOR linked with the counter party by using the cost of above mentioned principal	yield							le	(No.: 2018-002)
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Guarantee income type	56,000	Idle raise funds	2018-1-16	2018-6-27	Principal of the products included in the unified operation & management of the bank capital, investment mainly including money market instrument and fixed-income tool; the money market instrument takes 30%-100% and 0-30% for the fixed-income tool	4.90% annual yield	4.90%	1,217.88	1,217.88	1,217.88	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-002)
Chengdu Branch of China Citic Bank	Bank	Floating income type	50,000	Idle raise funds	2018-4-26	2018-7-26	Takes the money collect by structured deposit sales as notional principal, and conducted investment income and financial derivatives with USD3M-LIBOR linked with the counter party by using the cost of above mentioned principal	4.70% annual yield	4.70%	585.89	585.89	585.89	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-025)
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Floating income type	30,000	Idle raise funds	2018-6-29	2018-9-26	Takes the money collect by structured deposit sales as notional principal, and conducted investment income and financial derivatives with the benchmark comparison value of 3Mshibor linked with the counter party by using the cost of above mentioned principal	5.05% annual yield	5.05%	369.41	369.41	369.41	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-042)
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Floating income type	10,000	Idle raise funds	2018-6-29	2018-12-26	Takes the money collect by structured deposit sales as notional principal, and conducted investment income and financial derivatives with the benchmark comparison value of 3Mshibor linked with the counter party by using the cost of above mentioned principal	5.05% annual yield	5.05%	249.04	-	-	N/A	Y	Not applicable	Juchao Website (www.cninfo.com.cn) (No.: 2018-042)
Hefei Branch	Bank	Floating	10,000	Idle	2018-6-	2018-12-	Foreign currency structured financial products	5.00%	5.00%	238.36	-	-	N/A	Y	Not	Juchao Website

of BEA		income type		raise funds	28	-19	(In the premise of voluntary assumption of the market risks, the bank providing structured financial products to the clients, that is the capital link up with specified type of investment or some kinds of the foreign currency rate), peg index: Australian dollar against US dollar	annual yield							applicab le	(www.cninfo.com.cn) (No.: 2018-042)
Chengdu Branch of China Bohai Bank	Bank	Floating income type	48,000	Idle raise funds	2018-8-9	2018-12-19	Structured deposit products, the structured derivatives link up with 3M Libor	4.35% annual yield	4.35%	755.11	-	-	N/A	Y	Not applicab le	Juchao Website (www.cninfo.com.cn) (No.: 2018-046)
Anhui Branch of Bank of Communication Co., Ltd.	Bank	Floating income type	26,000	Idle raise funds	2018-9-28	2018-12-26	Takes the money collect by structured deposit sales as notional principal, and conducted investment income and financial derivatives with the benchmark comparison value of 3Mshibor linked with the counter party by using the cost of above mentioned principal	4.40% annual yield	4.40%	278.95	-	-	N/A	Y	Not applicab le	Juchao Website (www.cninfo.com.cn) (No.: 2018-053)
Total			360,000	--	--	--	--	--	--	12,815.79	5,358.89	--	--	--	--	--

Note 1: According to the Trust Contract of Sichuan Trust- Yuanxiang No.15 Capital Trust (Contract No.: SCXT2017(DXD)No.253-1), the period distribution of trust interest refers to the 20<sup>th</sup> of every natural quarter end (that is 20 March, 20 June, 20 September and 20 December) and termination date of the each trust (or early termination date). Ended as the reporting period, the trust contract still in process and actual gain/loss in the period amounted as 26,925,600 Yuan.

Entrust financial expected to be unable to recover the principal or impairment might be occurred

Applicable     Not applicable

## VII. Particulars about derivatives investment

Applicable     Not applicable

In 10 thousand Yuan

Operator	Related relationship	Whether related trade or not	Type	Initial investment	Start date	End date	Investment amount at period-begin	Amount purchased during the reporting period	Amount sold during the reporting period	Amount of reserve for devaluation of withdrawing (if applicable)	Investment amount at period-end	Ratio of investment amount at period-end in net assets of the Company at period-end	Actual gains/losses in period
Financial institutions	N/A	No	Forward foreign exchange contract	367,218.32	2017-6-14	2019-5-27	210,705.91	364,483.67	455,013.56	N/A	122,020.51	23.58%	-1,844.48
Total				367,218.32	--	--	210,705.91	364,483.67	455,013.56	N/A	122,020.51	23.58%	-1,844.48
Capital resource	Self-owned capital												
Lawsuits (if applicable)	Not applicable												
Disclosure date for approval from the Board for investment of derivatives (if applicable)	2018-3-30												
Disclosure date for approval from board of shareholders for investment of derivatives (if applicable)	2018-5-11												
Venture analysis and explanation on control measures for derivatives holding in Period (including but not limited to market risk, liquidity risk, credit risks, operational risk and legal risk etc.)	<p>1. Market risk: the changes in domestic and foreign economic situation may create a major volatility in exchange rate, future exchange business under certain market risks. Forward exchange transaction business of the Company aims at lock-up the price in sale and purchase of foreign exchange, and lowers the impact on profit from exchange fluctuations. The Company will closely following the changes in exchange rate, based on the target rate fix by business, with the research and judgment in aspect of the trend in foreign exchange rate, determine the signature planning of agreement for forward exchange transaction combine with prediction on receipt and payment as well as the tolerance capacity of changing price arising from rate fluctuation; implement dynamic management on the business to guarantee a reasonable profit standards for the Company.</p> <p>2. Liquidity risk: all of the foreign exchange funds trading are depend on reasonably estimated of the import-export business in future, satisfy the requirement of trading truth. In addition, forward exchange transaction operates in way of bank credit; there is no impact on the fund liquidity of the Company.</p>												

	<p>3. Bank default risk: if 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 the five major state-owned banks, joint-stock Chinese funded banks as Everbright and Industrial Bank, as well as the foreign funded banks as UOB, Overseas Chinese Bank and Bank of East Asia to conduct the trading of foreign exchange capital. These banks share a solid strength and management whose failure and the risk of loss may bring to the Company is very low.</p> <p>4. Operational risk: the money trading in forward exchange might causes relevant risks due to the incorrect operations by handling personnel, relevant management mechanism has formulated by the Company, well-defined the operation procedure and duty officer in favor of preventing risk and risk control.</p> <p>5. Legal risk: legal disputes may arise from the un-clear trading agreement signed between the Company and banks in aspect of money trading in forward exchange. The Company strengthens the review on relevant contracts in way of law, and chooses banks for cooperation with good credit status in order to control the risk.</p>
<p>Particular about the changes of market price or product's fair value of invested derivatives in Period; as for analysis of the fair value of derivatives, disclosed specific treatment methods and relevant hypothesis and parameter setting</p>	<p>In accordance with the Article 7 "Recognition of Fair Value" of "The Accounting Standards for Enterprises No. 22—Recognition and Measurement of Financial Instruments", the Company determined and measure the fair value basically in line with the price provided or obtained from pricing services such as banks. As for the calculation of fair value for derivatives, it mainly refers to the un-matured contract of forward exchange facilities that signed with the banks in reporting period, and recognized as transactional financial assets or liabilities based on the difference of forward exchange facilities' contract quotation at period-end and forward rate. In the reporting period, the gains/losses of forward foreign exchange contract amounting to -18,444,800 Yuan.</p>
<p>Explanation on major changes on specific principle of accounting policy and accounting calculation for derivatives in Period, by comparing with last period</p>	<p>Not applicable</p>
<p>Specific opinions from independent directors on derivative investment and risk controlling</p>	<p>Upon inspection, the independent directors of the Company believes that: during the reporting period, the Company carried out its foreign exchange forward deals in strict compliance with the standardized operation guidelines for listed issuer on main board (2015 amended) issued by Shenzhen Stock Exchange, the Articles of Association, Authorization Management of the Company, Management System in relating to Foreign Exchange Forward Deals of Hefei Meiling Co., Ltd., and these deals were conducted within the authorization scope under general meeting and board meeting. The Company conducts no foreign exchange transactions on the purpose of getting profit only, all of the forward foreign exchange transactions are operates based on normal operating and production, which is relying on specific business operations with purpose of avoiding the preventing the risks in exchange rate. The forward foreign exchange transactions of the Company are beneficial to prevent the exchange risks exposed by import and export business and thus met its requirement for operation development. There was no speculative operation, no break of relevant rules and regulations and relevant business was conducted under corresponding decision-making procedures. Interests of the Company and entire shareholders, especially minority shareholders, were not prejudiced.</p>

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

Time	Way	Type	Basic situation index of investigation
2018-7-12	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>
2018-8-24	Field research	Institute	<a href="http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521">http://irm.cninfo.com.cn/ircs/ssgs/companyIrmForSzse.do?stockcode=000521</a>

**IX. Guarantee outside against the regulation** Applicable  Not applicable

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

**IX. Non-operational fund occupation from controlling shareholders and its related party** Applicable  Not applicable

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

## Section IV. Financial Statement

### I. Financial statement

#### 1. Consolidate balance sheet

Prepared by Changhong Meiling Co., Ltd.

2018-9-30

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	3,837,940,747.78	5,283,081,788.04
Settlement provisions		
Capital lent		
Financial assets measured by fair value and with variation reckoned into current gains/losses	14,154,468.75	15,646,731.48
Derivative financial assets		
Notes receivable and accounts receivable	4,152,388,487.39	3,855,064,993.38
Including: Notes receivable	2,384,095,761.68	2,074,648,484.36
Accounts receivable	1,768,292,725.71	1,780,416,509.02
Accounts paid in advance	163,443,933.39	200,106,216.59
Insurance receivable		
Reinsurance receivables		
Contract reserve of reinsurance receivable		
Other receivables	64,913,502.64	69,051,262.91
Purchase restituted finance asset		
Inventories	2,836,763,160.77	2,918,100,650.27
Assets held for sale		
Non-current asset due within one year		44,497,902.00
Other current assets	1,837,209,783.15	801,894,930.97
Total current assets	12,906,814,083.87	13,187,444,475.64
Non-current assets:		
Loans and payments on behalf		

Finance asset available for sales	31,000,000.00	31,000,000.00
Held-to-maturity investment		
Long-term account receivable		
Long-term equity investment	76,769,367.03	90,534,671.92
Investment property	31,629,942.93	9,569,711.72
Fixed assets	1,576,566,870.71	1,515,302,743.61
Construction in progress	462,037,342.13	174,857,717.15
Productive biological asset		
Oil and gas asset		
Intangible assets	762,387,357.40	772,853,622.41
Expense on Research and Development	157,969,470.24	85,624,078.79
Goodwill		
Long-term expenses to be apportioned	1,384,926.83	3,635,861.94
Deferred income tax asset	88,725,338.12	90,689,083.63
Other non-current asset		
Total non-current asset	3,188,470,615.39	2,774,067,491.17
Total assets	16,095,284,699.26	15,961,511,966.81
Current liabilities:		
Short-term loans	1,785,173,383.68	1,631,206,000.00
Loan from central bank		
Absorbing deposit and interbank deposit		
Capital borrowed		
Financial liability measured by fair value and with variation reckoned into current gains/losses	40,375,510.12	16,034,000.00
Derivative financial liability		
Notes payable and accounts payable	7,001,127,457.82	6,876,651,907.18
Accounts received in advance	433,526,644.44	438,386,810.72
Selling financial asset of repurchase		
Commission charge and commission payable		
Wage payable	137,590,294.80	184,819,166.86
Taxes payable	39,801,144.51	61,292,671.72
Other accounts payable	760,952,525.54	843,617,509.48
Reinsurance payables		

Insurance contract reserve		
Security trading of agency		
Security sales of agency		
Liability held for sale		
Non-current liabilities due within 1 year	264,351,242.37	46,454,376.68
Other current liabilities		
Total current liabilities	10,462,898,203.28	10,098,462,442.64
Non-current liabilities:		
Long-term loans	2,520,000.00	253,160,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable	11,978,008.79	12,483,687.53
Long-term wages payable	20,856,762.22	24,645,421.94
Projected liabilities	310,110,556.19	313,013,878.20
Deferred income	110,845,027.47	102,569,955.39
Deferred income tax liabilities	709,021.19	
Other non-current liabilities		
Total non-current liabilities	457,019,375.86	705,872,943.06
Total liabilities	10,919,917,579.14	10,804,335,385.70
Owner's equity:		
Share capital	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,684,388,223.63	2,684,806,344.07
Less: Inventory shares		
Other comprehensive income	-12,472,818.64	-7,262,322.02
Reasonable reserve		
Surplus public reserve	391,029,420.33	391,029,420.33
Provision of general risk		
Retained profit	940,857,405.19	937,894,771.93
Total owner's equity attributable to parent company	5,048,400,111.51	5,051,066,095.31
Minority interests	126,967,008.61	106,110,485.80



Total owner's equity	5,175,367,120.12	5,157,176,581.11
Total liabilities and owner's equity	16,095,284,699.26	15,961,511,966.81

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

## 2. Balance Sheet of Parent Company

In RMB

Item	Balance at period-end	Balance at period-begin
Current assets:		
Monetary funds	2,142,607,494.52	3,411,454,144.54
Financial assets measured by fair value and with variation reckoned into current gains/losses	14,154,468.75	14,077,531.48
Derivative financial assets		
Notes receivable and accounts receivable	3,093,613,247.17	3,121,486,894.18
Including: Notes receivable	1,822,260,518.48	1,748,615,925.92
Accounts receivable	1,271,352,728.69	1,372,870,968.26
Account paid in advance	92,626,681.98	162,232,742.46
Other receivables	31,879,087.11	39,849,732.36
Inventories	1,132,901,950.37	1,028,423,929.21
Assets held for sale		
Non-current assets maturing within one year		
Other current assets	1,747,907,655.55	615,877,268.44
Total current assets	8,255,690,585.45	8,393,402,242.67
Non-current assets:		
Available-for-sale financial assets	31,000,000.00	31,000,000.00
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	1,739,487,817.92	1,705,007,815.84
Investment property	7,704,109.89	7,960,789.08
Fixed assets	1,009,743,689.92	976,732,228.85
Construction in progress	143,232,492.99	67,205,463.02
Productive biological assets		

Oil and natural gas assets		
Intangible assets	458,809,821.09	457,534,626.06
Research and development costs	54,063,557.20	23,782,085.92
Goodwill		
Long-term deferred expenses		
Deferred income tax assets	68,362,663.77	76,015,591.58
Other non-current assets		
Total non-current assets	3,512,404,152.78	3,345,238,600.35
Total assets	11,768,094,738.23	11,738,640,843.02
Current liabilities:		
Short-term borrowings	1,296,011,880.00	1,186,026,000.00
Financial liability measured by fair value and with variation reckoned into current gains/losses	30,798,850.00	16,034,000.00
Derivative financial liability		
Notes payable and accounts payable	3,873,402,583.59	3,675,862,014.96
Accounts received in advance	152,030,279.34	53,558,493.11
Wage payable	12,708,793.79	33,060,896.41
Taxes payable	13,619,140.12	16,641,410.98
Other accounts payable	606,396,291.51	1,020,147,696.15
Liability held for sale		
Non-current liabilities due within 1 year	257,715,254.56	7,715,255.20
Other current liabilities		
Total current liabilities	6,242,683,072.91	6,009,045,766.81
Non-current liabilities:		
Long-term loans	2,520,000.00	253,160,000.00
Bonds payable		
Including: preferred stock		
Perpetual capital securities		
Long-term account payable		
Long-term wages payable	20,856,762.22	24,645,421.94
Projected liabilities	310,110,556.19	313,013,878.20
Deferred income	51,120,544.21	56,906,985.04
Deferred income tax liabilities		

Other non-current liabilities		
Total non-current liabilities	384,607,862.62	647,726,285.18
Total liabilities	6,627,290,935.53	6,656,772,051.99
Owners' equity:		
Share capita	1,044,597,881.00	1,044,597,881.00
Other equity instrument		
Including: preferred stock		
Perpetual capital securities		
Capital public reserve	2,753,017,007.10	2,753,017,007.10
Less: Inventory shares		
Other comprehensive income		
Reasonable reserve		
Surplus reserve	390,811,254.65	390,811,254.65
Retained profit	952,377,659.95	893,442,648.28
Total owner's equity	5,140,803,802.70	5,081,868,791.03
Total liabilities and owner's equity	11,768,094,738.23	11,738,640,843.02

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

### 3. Consolidated Profit Statement (the period)

In RMB

Item	Current Period	Last Period
I. Total operating income	3,977,110,177.70	4,661,344,340.71
Including: Operating income	3,977,110,177.70	4,661,344,340.71
Interest income		
Insurance gained		
Commission charge and commission income		
II. Total operating cost	3,969,373,096.33	4,641,920,759.94
Including: Operating cost	3,205,017,999.93	3,852,369,112.25
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	37,835,191.90	48,770,715.24
Sales expenses	597,903,240.88	632,230,730.76
Administration expenses	79,313,240.36	73,064,358.31
R&D expenses	59,501,838.51	56,726,996.66
Financial expenses	-19,747,203.12	-6,349,963.54
Including: Interest expenses	18,102,768.23	23,505,702.81
Interest income	24,754,881.52	29,047,137.71
Losses of devaluation of asset	9,548,787.87	-14,891,189.74
Add: other income	19,485,556.40	15,762,320.30
Investment income (Loss is listed with “-”)	5,976,620.29	16,082,387.37
Including: Investment income on affiliated company and joint venture	3,618,239.73	5,461,346.63
Changing income of fair value(Loss is listed with “-”)	-7,042,861.74	-5,116,597.88
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	192,920.94	-2,874,528.59
III. Operating profit (Loss is listed with “-”)	26,349,317.26	43,277,161.97
Add: Non-operating income	1,361,065.01	1,628,635.38
Less: Non-operating expense	19,458.62	243,239.78
IV. Total Profit (Loss is listed with “-”)	27,690,923.65	44,662,557.57
Less: Income tax expense	14,864,849.63	14,916,499.34
V. Net profit (Net loss is listed with “-”)	12,826,074.02	29,746,058.23
(i) net profit from continuous operation (Net loss is listed with “-”)	12,826,074.02	29,746,058.23
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	14,954,274.39	28,147,276.19
Minority shareholders’ gains and losses	-2,128,200.37	1,598,782.04
VI. Net after-tax of other comprehensive income	2,472,400.15	-3,141,017.15
Net after-tax of other comprehensive income attributable to owners of parent company	1,782,853.09	-2,412,157.86
(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	1,782,853.09	-2,412,157.86
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	1,782,853.09	-2,412,157.86
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	689,547.06	-728,859.29
VII. Total comprehensive income	15,298,474.17	26,605,041.08
Total comprehensive income attributable to owners of parent Company	16,737,127.48	25,735,118.33
Total comprehensive income attributable to minority shareholders	-1,438,653.31	869,922.75
VIII. Earnings per share:		
(i) Basic earnings per share	0.0143	0.0269
(ii) Diluted earnings per share	0.0143	0.0269

As for the enterprise combined under the same control, net profit of 0 Yuan achieved by the merged party before combination while 0 Yuan achieved last period

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

**4. Profit Statement of Parent Company (the period)**

In RMB

Item	Current Period	Last Period
I. Operating income	2,490,700,722.60	2,048,257,729.20
Less: Operating cost	2,148,535,254.62	1,803,309,297.32
Operating tax and extras	14,469,596.73	19,826,226.92
Sales expenses	201,139,184.30	162,337,651.60
Administration expenses	36,055,056.31	17,994,900.29
R&D expenses	23,407,166.72	21,296,419.51
Financial expenses	-3,565,651.74	760,172.92
Including: Interest expenses	13,724,471.67	15,235,361.95
Interest income	16,389,944.68	13,468,870.08
Losses of devaluation of asset	10,616,799.13	-4,641,531.19
Add: other income	13,689,025.64	6,824,261.13
Investment income (Loss is listed with “-”)	19,003,123.97	10,591,073.95
Including: Investment income on affiliated company and joint venture	1,686,779.58	435,788.04
Changing income of fair value(Loss is listed with “-”)	-11,287,554.36	-5,116,597.88
Income from assets disposal (Loss is listed with “-”)	-3,617.48	-4,823.30
II. Operating profit (Loss is listed with “-”)	81,444,294.30	39,668,505.73
Add: Non-operating income	128,162.00	107,240.00
Less: Non-operating expense		
III. Total Profit (Loss is listed with “-”)	81,572,456.30	39,775,745.73
Less: Income tax expense	10,250,540.26	5,951,952.15
IV. Net profit (Net loss is listed with “-”)	71,321,916.04	33,823,793.58
(i) net profit from continuous operation (Net loss is listed with “-”)	71,321,916.04	33,823,793.58
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
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	71,321,916.04	33,823,793.58
VII. Earnings per share:		
(i) Basic earnings per share	0.0683	0.0324
(ii) Diluted earnings per share	0.0683	0.0324

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

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

In RMB

Item	Current Period	Last Period
I. Total operating income	13,248,619,747.37	13,179,138,533.81
Including: Operating income	13,248,619,747.37	13,179,138,533.81
Interest income		

Insurance gained		
Commission charge and commission income		
II. Total operating cost	13,229,567,796.49	13,078,726,742.99
Including: Operating cost	10,963,171,561.02	10,848,595,161.10
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	102,882,052.60	114,606,735.55
Sales expenses	1,787,644,342.20	1,772,402,762.84
Administration expenses	228,370,924.33	219,481,614.49
R&D expenses	152,219,238.87	132,842,832.22
Financial expenses	-33,207,231.05	-39,804,446.21
Including: Interest expenses	70,110,789.68	36,279,701.71
Interest income	88,992,292.78	103,136,388.21
Losses of devaluation of asset	28,486,908.52	30,602,083.00
Add: other income	68,046,614.02	39,577,285.34
Investment income (Loss is listed with “-”)	20,726,039.38	39,675,737.03
Including: Investment income on affiliated company and joint venture	-12,056,138.08	2,235,018.46
Changing income of fair value(Loss is listed with “-”)	-25,833,772.85	-15,475,683.18
Exchange income (Loss is listed with “-”)		
Income from assets disposal (Loss is listed with “-”)	3,476,687.51	-13,972,627.26
III. Operating profit (Loss is listed with “-”)	85,467,518.94	150,216,502.75
Add: Non-operating income	5,443,167.59	2,318,979.32
Less: Non-operating expense	60,249.87	338,665.25
IV. Total Profit (Loss is listed with “-”)	90,850,436.66	152,196,816.82
Less: Income tax expense	25,015,797.92	24,356,057.20
V. Net profit (Net loss is listed with “-”)	65,834,638.74	127,840,759.62



(i) net profit from continuous operation (Net loss is listed with “-”)	65,834,638.74	127,840,759.62
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
Net profit attributable to owner’s of parent company	65,638,506.12	120,222,315.96
Minority shareholders’ gains and losses	196,132.62	7,618,443.66
VI. Net after-tax of other comprehensive income	-6,466,960.36	-6,493,532.56
Net after-tax of other comprehensive income attributable to owners of parent company	-5,210,496.62	-4,948,237.48
(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	-5,210,496.62	-4,948,237.48
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	-5,210,496.62	-4,948,237.48
6. Other		
Net after-tax of other comprehensive income attributable to minority shareholders	-1,256,463.74	-1,545,295.08
VII. Total comprehensive income	59,367,678.38	121,347,227.06
Total comprehensive income attributable to owners of parent Company	60,428,009.50	115,274,078.48
Total comprehensive income attributable to	-1,060,331.12	6,073,148.58

minority shareholders		
VIII. Earnings per share:		
(i) Basic earnings per share	0.0628	0.1151
(ii) Diluted earnings per share	0.0628	0.1151

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

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

In RMB

Item	Current Period	Last Period
I. Operating income	6,883,945,824.65	6,177,866,081.70
Less: Operating cost	6,102,437,941.57	5,578,678,753.58
Operating tax and extras	44,193,309.99	47,548,756.62
Sales expenses	501,143,891.03	393,775,870.67
Administration expenses	94,252,573.07	87,148,223.77
R&D expenses	69,052,600.75	61,208,312.26
Financial expenses	9,606,238.12	-36,446,166.41
Including: Interest expenses	55,250,636.77	26,228,601.37
Interest income	57,329,240.66	73,461,576.16
Losses of devaluation of asset	14,834,202.44	215,030.18
Add: other income	49,742,843.47	13,980,955.30
Investment income (Loss is listed with "-")	42,953,713.52	40,321,157.90
Including: Investment income on affiliated company and joint venture	3,776,002.08	3,541,251.70
Changing income of fair value(Loss is listed with "-")	-14,687,912.73	-16,043,732.76
Income from assets disposal (Loss is listed with "-")	-880,921.32	-1,448,384.55
II. Operating profit (Loss is listed with "-")	125,552,790.62	82,547,296.92
Add: Non-operating income	3,874,754.46	369,264.81
Less: Non-operating expense		4,340.60
III. Total Profit (Loss is listed with "-")	129,427,545.08	82,912,221.13

Less: Income tax expense	7,816,660.55	9,949,458.52
IV. Net profit (Net loss is listed with “-”)	121,610,884.53	72,962,762.61
(i) net profit from continuous operation (Net loss is listed with “-”)	121,610,884.53	72,962,762.61
(ii) net profit from discontinued operation (Net loss is listed with “-”)		
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	121,610,884.53	72,962,762.61
VII. Earnings per share:		
(i) Basic earnings per share	0.1164	0.0698
(ii) Diluted earnings per share	0.1164	0.0698

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	12,294,447,275.35	10,688,634,329.82
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	455,080,647.00	332,183,490.22
Other cash received concerning operating activities	234,806,474.37	41,763,321.49
Subtotal of cash inflow arising from operating activities	12,984,334,396.72	11,062,581,141.53
Cash paid for purchasing commodities and receiving labor service	10,544,503,046.16	9,088,798,341.30
Net increase of customer loans and advances		
Net increase of deposits in central bank and interbank		
Cash paid for original insurance contract compensation		
Cash paid for interest, commission charge and commission		
Cash paid for bonus of guarantee slip		
Cash paid to/for staff and workers	1,233,337,030.56	1,060,957,793.60

Taxes paid	297,025,746.90	417,607,656.54
Other cash paid concerning operating activities	668,241,202.55	626,015,434.18
Subtotal of cash outflow arising from operating activities	12,743,107,026.17	11,193,379,225.62
Net cash flows arising from operating activities	241,227,370.55	-130,798,084.09
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,900,000,000.00	2,957,000,000.00
Cash received from investment income	39,313,892.16	47,477,575.32
Net cash received from disposal of fixed, intangible and other long-term assets	17,944,967.00	2,531,948.87
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	95,944,328.41	73,811,624.63
Subtotal of cash inflow from investing activities	2,053,203,187.57	3,080,821,148.82
Cash paid for purchasing fixed, intangible and other long-term assets	436,847,276.96	343,043,647.04
Cash paid for investment	3,020,000,001.00	3,581,652,412.20
Net increase of mortgaged loans		
Net cash received from subsidiaries and other units obtained		
Other cash paid concerning investing activities	255,500.00	10,574,661.31
Subtotal of cash outflow from investing activities	3,457,102,777.96	3,935,270,720.55
Net cash flows arising from investing activities	-1,403,899,590.39	-854,449,571.73
III. Cash flows arising from financing activities		
Cash received from absorbing investment	24,865,000.00	23,068,316.00
Including: Cash received from absorbing minority shareholders' investment by subsidiaries	24,865,000.00	23,068,316.00
Cash received from loans	2,021,566,261.86	2,371,636,546.03
Cash received from issuing bonds		
Other cash received concerning financing activities		
Subtotal of cash inflow from financing activities	2,046,431,261.86	2,394,704,862.03
Cash paid for settling debts	2,133,854,035.14	1,096,840,299.04
Cash paid for dividend and profit distributing or interest paying	109,269,826.49	67,101,769.40
Including: Dividend and profit of minority shareholder paid by subsidiaries		

Other cash paid concerning financing activities	2,050,458.19	151,611.24
Subtotal of cash outflow from financing activities	2,245,174,319.82	1,164,093,679.68
Net cash flows arising from financing activities	-198,743,057.96	1,230,611,182.35
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	3,791,101.79	-18,706,015.36
V. Net increase of cash and cash equivalents	-1,357,624,176.01	226,657,511.17
Add: Balance of cash and cash equivalents at the period -begin	5,089,765,770.39	3,986,098,419.76
VI. Balance of cash and cash equivalents at the period -end	3,732,141,594.38	4,212,755,930.93

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

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

In RMB

Item	Current Period	Last Period
I. Cash flows arising from operating activities:		
Cash received from selling commodities and providing labor services	5,886,537,353.55	4,210,014,747.91
Write-back of tax received	214,262,771.43	167,344,442.26
Other cash received concerning operating activities	51,985,080.37	18,738,823.22
Subtotal of cash inflow arising from operating activities	6,152,785,205.35	4,396,098,013.39
Cash paid for purchasing commodities and receiving labor service	5,200,208,904.42	5,205,491,001.62
Cash paid to/for staff and workers	382,116,598.39	416,120,059.29
Taxes paid	59,998,461.89	68,213,970.16
Other cash paid concerning operating activities	280,528,778.03	174,378,876.86
Subtotal of cash outflow arising from operating activities	5,922,852,742.73	5,864,203,907.93
Net cash flows arising from operating activities	229,932,462.62	-1,468,105,894.54
II. Cash flows arising from investing activities:		
Cash received from recovering investment	1,860,000,000.00	2,880,000,000.00
Cash received from investment income	41,935,522.31	46,802,594.32
Net cash received from disposal of fixed,	220,903.00	567,847.40

intangible and other long-term assets		
Net cash received from disposal of subsidiaries and other units		
Other cash received concerning investing activities	89,093,823.56	58,985,857.24
Subtotal of cash inflow from investing activities	1,991,250,248.87	2,986,356,298.96
Cash paid for purchasing fixed, intangible and other long-term assets	144,003,295.22	241,876,285.81
Cash paid for investment	3,030,704,000.00	2,995,180,391.20
Net cash received from subsidiaries and other units		
Other cash paid concerning investing activities	30,000,000.00	10,574,661.31
Subtotal of cash outflow from investing activities	3,204,707,295.22	3,247,631,338.32
Net cash flows arising from investing activities	-1,213,457,046.35	-261,275,039.36
III. Cash flows arising from financing activities		
Cash received from absorbing investment		
Cash received from loans	1,549,720,995.00	2,022,551,446.03
Cash received from issuing bonds		
Other cash received concerning financing activities	7,594,599.50	305,264,361.17
Subtotal of cash inflow from financing activities	1,557,315,594.50	2,327,815,807.20
Cash paid for settling debts	1,468,595,600.00	1,023,790,749.04
Cash paid for dividend and profit distributing or interest paying	99,520,906.42	65,697,535.58
Other cash paid concerning financing activities	279,276,931.43	27,237,860.58
Subtotal of cash outflow from financing activities	1,847,393,437.85	1,116,726,145.20
Net cash flows arising from financing activities	-290,077,843.35	1,211,089,662.00
IV. Influence on cash and cash equivalents due to fluctuation in exchange rate	6,180,497.06	-11,923,958.43
V. Net increase of cash and cash equivalents	-1,267,421,930.02	-530,215,230.33
Add: Balance of cash and cash equivalents at the period -begin	3,410,029,424.54	3,067,671,385.08
VI. Balance of cash and cash equivalents at the period -end	2,142,607,494.52	2,537,456,154.75

Legal Representative: Li Wei

Person in charge of accounting works: Pang Haitao

Person in charge of accounting institute: Luo Bo

## II. Audit report

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

Yes  No

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

Changhong Meiling Co., Ltd.

Chairman: Li Wei

18 October 2018